

 **Honolulu Board of Water Supply**

TO: ERNEST Y.W. LAU, P.E.
MANAGER & CHIEF ENGINEER

DATE: June 13, 2023

FROM: RAELYNN NAKABAYASHI
EXECUTIVE SUPPORT OFFICE



SUBJECT: Approval of the Revision of the Fiscal Year 2022-2023 Capital Improvement – Program Budget– Amendment No. 4

We request your approval to reduce funding in the following Fiscal Year 2023 (FY 2023) Capital Improvement Program (CIP) Budget projects to increase funding in the CIP Contract Adjustment Account.

The Contract Adjustment Account will be used to provide additional funding for other CIP projects where the lowest bids are anticipated to come in higher than budgeted and also to provide funding for contract change orders to previously awarded contracts.

1. Reduce appropriations for the following CIP projects:

Item No. 5 CONSTRUCTION MANAGEMENT FOR VARIOUS BWS CONSTRUCTION PROJECTS

Description: Provide construction management and training services for selected BWS construction projects.

<u>Appropriation</u>		<u>Present</u>	<u>Proposed</u>
OPERATING FUND	P&E	1,270,998	0

Reason: Construction Management Services are aligned with the timing of construction projects. This funding will not be required in Fiscal Year 2023.

Item No. 25 WATER MAIN INSTALLATION & REPLACEMENT
Description: Install and replace water mains at various locations.

<u>Appropriation</u>		<u>Present</u>	<u>Proposed</u>
OPERATING FUND	P&E	50,000	0

Reason: This funding will not be required in Fiscal Year 2023.

Item No. 28 SERVICE LATERALS OF UNKNOWN MATERIALS REPLACEMENT
Description: Replace service laterals of unknown materials at various locations.

<u>Appropriation</u>		<u>Present</u>	<u>Proposed</u>
OPERATING FUND	P&E	100,000	0

Reason: This funding will not be required in Fiscal Year 2023.

Item No. 29 **WATER MAIN INSTALLATION & REPLACEMENT**
Description: Install and replace water mains at various locations.

<u>Appropriation</u>		<u>Present</u>	<u>Proposed</u>
OPERATING FUND	CONST	50,000	0

Reason: This funding will not be required in Fiscal Year 2023.

Item No. 41 **PROFESSIONAL SERVICES FOR BWS PROJECTS**
Description: Obtain services of archaeologists, botanists, environmental engineers, water quality labs, planners, government agencies and others.

<u>Appropriation</u>		<u>Present</u>	<u>Proposed</u>
OPERATING FUND	P&E	200,000	0

Reason: This funding will not be required in Fiscal Year 2023.

2. Increase the CIP Contract Adjustment Account:

<u>Appropriation</u>	<u>Present</u>	<u>Proposed</u>
OPERATING FUND	18,178,250	19,849,248
SPECIAL EXPENDABLE FUND	6,500,000	6,500,000
IMPROVEMENT FUND	8,500,000	8,500,000

Reason: The recommended reprogramming of the funds under Project Item Numbers: 5, 25, 28, 29 and 41 will enable the department to fund the Contract Adjustment Account. Due to continued economic uncertainty and volatility, the BWS is seeing increased project costs and more funding is required to award and complete projects.

The following is a summarization of the FY 2023 Budget Amendment No. 4:

Resolution 941, 2022

FY 2023 CIP Budget (as Adopted)	\$181,109,325
FY 2023 Operating Budget (as Adopted)	<u>\$237,240,444</u>
TOTAL APPROPRIATION:	\$418,349,769

Resolution 950, 2022

FY 2023 – Amendment No. 1	
Projects – Added	+\$33,500,000
Projects – Deferred	(\$30,920,000)
Construction Cost Index Account	+\$387,000
Contract Adjustment Account – Operating	(\$6,500,000)
Contract Adjustment Account – Special Ex	<u>+\$6,500,000</u>
CIP APPROPRIATION (As Amended)	\$184,076,325

FY 2023 Operating Budget (as Adopted)	<u>\$237,240,444</u>
TOTAL APPROPRIATION:	<u>\$421,316,769</u>

ERNEST Y.W. LAU, P.E.

June 13, 2023

Page 3

FY 2023 – Amendment No. 2	
Projects – Modified Appropriations	<u>(\$5,000,000)</u>
CIP SUB-TOTAL	\$179,076,325
Reprogram to Operating Budget	<u>+\$5,000,000</u>
OPERATING BUDGET SUB-TOTAL	\$242,240,444
FY 2023 – Amendment No. 3	
Projects – Deferred	(\$11,728,250)
Contract Adjustment Account	\$11,728,250
Projects – Modified Appropriations	(\$ 500,000)
Projects – Modified Appropriations	<u>+\$ 500,000</u>
CIP SUB-TOTAL	\$179,076,325
FY 2023 – Amendment No. 4	
Projects – Deferred	(\$1,670,998)
Contract Adjustment Account	<u>\$1,670,998</u>
CIP SUB-TOTAL	\$179,076,325
FY 2023 CIP Budget (as Amended)	\$179,076,325
FY 2023 Operating Budget (as Amended)	<u>\$242,240,444</u>
TOTAL APPROPRIATION	\$421,316,769

Upon approval, the appropriate changes will be effected.

APPROVED/ DISAPPROVED:


ERNEST Y.W. LAU, P.E. Date

CC: Finance
Capital Projects
Land
ESO-MBO - Original