TO: ERNEST Y.W. LAU, P.E. DATE: April 16, 2024

MANAGER & CHIEF ENGINEER

FROM: RAELYNN NAKABAYASHI

EXECUTIVE SUPPORT OFFICE

SUBJECT: Approval of the Revision of the Fiscal Year 2023-2024 Capital Improvement –

Program Budget - Amendment No. 3

We request your approval to reduce funding in the following Fiscal Year 2024 (FY 2024) 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 to provide funding for contract change orders to previously awarded contracts.

1. Reduce appropriations for the following CIP project:

Item No. 2 MONITORING WELLS FOR RED HILL CONTAMINATION RESPONSE

Description: Drill and case up to ten (10) monitoring wells for use as "sentinel" wells to warn of the presence of an underground fuel plume from the Red Hill fuel contamination.

Appropriation Present Proposed IMPROVEMENT FUND CONST \$2,500,000 \$0

Reason: The funding will not be required in FY 2024. Funding in Fiscal Year 2025 is budgeted to drill three (3) additional monitoring wells for Red Hill contamination response.

Item No. 15 WATER MAIN INSTALLATION AND REPLACEMENT

Description: Install and replace water mains at various locations.

Appropriation Present Proposed
OPERATING FUND CONST \$100,000 \$0

Reason: The funding will not be required in Fiscal Year 2024.

Item No. 19 WATER MAIN INSTALLATION AND REPLACEMENT Description: Install and replace water mains at various locations.

Appropriation Present Proposed OPERATING FUND P&E \$100.000 \$0

Reason: The funding will not be required in Fiscal Year 2024.

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<u>Item No. 21</u> MILILANI WELLS I – GAC REPLACEMENT

Description: Replace piping and valves, replace backwash filter tanks with stainless steel filters, provide new platform at backwash filters.

Appropriation Present Proposed OPERATING FUND CONST \$2,000,000 \$0

Reason: The funding will not be required in Fiscal Year 2024. The project is being redesigned to meet standards required to utilize State Revolving Fund monies in Fiscal Year 2025.

Item No. 33 MAAKUA WELL UNIT NO. 2

Description: Install new pump no. 2 in existing well including piping, valves, instrumentation, MCC, mute building, and retaining wall. (TMK: 5-4-005:001).

Appropriation Present Proposed IMPROVEMENT FUND CONST \$4,500,000 \$0

Reason: The funding will not be required in Fiscal Year 2024. The project is budgeted in Fiscal Year 2025 to reflect a higher cost of construction.

2. Increase the CIP Contract Adjustment Account:

<u>Appropriation</u>	<u>Present</u>	<u>Proposed</u>
OPERATING FUND	\$12,500,000	\$14,700,000
IMPROVEMENT FUND	\$4,250,000	\$11,250,000

Reason: The recommended reprogramming of the funds under Project Item Numbers: 2, 15,19, 21, and 33 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.

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The following is a summarization of the FY 2024 Budget Amendment No. 3:

Resolution 966, 2023

FY 2024 CIP Budget (as Adopted) \$212,646,000

Resolution 970, 2023

FY 2024 – Amendment No. 1		
Projects – Added	+\$10,630,000	
Projects – Deleted	(\$	580,000)
Construction Cost Index Account – Improvement	+\$	850,000
Construction Cost Index Account – Extramural	+\$	365,976
FY 2024 CIP Budget (as Amended)	\$22	23,911,976
FY 2023 – Amendment No. 2		
(No Change to Funding)		
FY 2024 CIP Budget (as Amended)	\$22	23,911,976
FY 2024 – Amendment No. 3		
Projects – Deferred	(\$	9,200,000)

+\$ 9,200,000

\$223,911,976

Upon approval, the appropriate changes will be effected.

Contract Adjustment Account

FY 2024 CIP Budget (as Amended)

APPROVED DISAPPROVED:

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

CC: Finance
Capital Projects
Water System Operations
Water Resources
ESO-MBO - Original