

 **Honolulu Board of Water Supply**

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

DATE: June 17, 2024

FROM: RAELYNN NAKABAYASHI
EXECUTIVE SUPPORT OFFICE

SUBJECT: Approval of the Revision of the Fiscal Year 2023-2024 Capital Improvement –
Program Budget – Amendment No. 4

We request your approval to reduce funding in the following Fiscal Year 2024 (FY 2024) Capital Improvement Program (CIP) 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. Decrease appropriations for the following CIP project:

Item No. 27 MAKAHA SHAFT TUNNEL REHABILITATION

Description: Replacement of all MCC, SCADA system, and all electrical components and appurtenances; replacement of pump units and associated piping, valves and appurtenances; replacement of ventilation system, plumbing system, and inclined elevator; replacement of 8-inch waterline and appurtenances; rehabilitation and expansion of the portal building; and replacement of the perimeter fencing.

<u>Appropriation</u>		<u>Present</u>	<u>Proposed</u>
IMPROVEMENT FUND	CONST	\$7,500,000	0

Reason: The project is being deferred to Fiscal Year 2025.

2. Decrease appropriations for the following CIP project:

Item No. 39 HONOLULU DISTRICT 42-INCH MAINS – LILIHA TO MOILIILI AIS

Description: Prepare and submit an archaeological inventory survey (AIS) plan, and conduct and complete an AIS for the Honolulu District 42-Inch Mains - Liliha to Moiliili.

<u>Appropriation</u>		<u>Present</u>	<u>Proposed</u>
IMPROVEMENT FUND	CONST	\$300,000	0

Reason: The project is being deferred to Fiscal Year 2025.

3. Decrease appropriations for the following CIP project:

Item No. 2 3. 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	CONST	\$2,000,000	0

Reason: The project is being deferred to Fiscal Year 2025.

4. Increase the CIP Contract Adjustment Account:

<u>Appropriation</u>		<u>Present</u>	<u>Proposed</u>
IMPROVEMENT FUND		\$4,250,000	\$12,050,000
OPERATING FUND		\$12,500,000	\$14,500,000

Reason: The recommended reprogramming of the funds will enable the Department to execute projects that require additional funding. 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 2024 Budget Amendment No. 4:

Resolution 966, 2023

FY 2024 CIP Budget (as Adopted)	\$212,646,000
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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	<u>+\$ 365,976</u>
FY 2024 CIP Budget (as Amended)	\$223,911,976
 FY 2023 – Amendment No. 2	
(No Change to Funding)	
FY 2024 CIP Budget (as Amended)	\$223,911,976

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FY 2024 – Amendment No. 3	
Projects – Deferred	(\$ 9,200,000)
Contract Adjustment Account	<u>+\$ 9,200,000</u>
FY 2024 CIP Budget (as Amended)	\$223,911,976
 FY 2024 – Amendment No. 4	
Projects – Funding Decreased	(\$ 9,800,000)
Contract Adjustment Account – Improvement	<u>+\$ 7,800,000</u>
Contract Adjustment Account – Operating	<u>+\$ 2,000,000</u>
FY 2024 CIP Budget (as Amended)	\$223,911,976

Upon approval, the appropriate changes will be effected.

APPROVED / DISAPPROVED :

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

CC: Finance
Capital Projects
ESO-MBO - Original