Honolulu Board of Water Supply

TO:

ERNEST Y.W. LAU, P.E.

MANAGER & CHIEF ENGINEER

FROM:

RAELYNN NAKABAYASHI

EXECUTIVE SUPPORT OFFICE

SUBJECT:

Approval of the Revision of the Fiscal Year 2024-2025 Capital Improvement –

Program Budget - Amendment No. 2

We request your approval to reprogram funding in Fiscal Year 2025 (FY 2025) Capital Improvement Program (CIP) Budget to increase funding for the FY 2025 Contract Adjustment Account (CAA).

1. Decrease \$8,275,000 in project funding for:

Item No. 19 Wai'alae 180 3.0 MG Reservoir Replacement

Description: Prepare environmental assessment and Public Infrastructure Map (PIM) Amendment.

Appropriation

STATE REVOLVING FUND

P&E

Present

Proposed

DATE: March 17, 2025

\$400,000

Item No. 34 Mākaha 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.

Appropriation

IMPROVEMENT FUND

Present

Proposed

CONST

\$7,500,000

\$0

Item No. 46 Mānoa Well II Unit No. 2

Description: Prepare environmental assessment and Public Infrastructure Map (PIM)

Amendment for a second production well at existing Manoa Well II Station

(TMK: 2-9-054:033).

Appropriation

OPERATING FUND

P&E

Present \$275,000

Proposed

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Item No. 51 Mililani Wells II GAC Installation

Description: Land acquisition for the installation two (2) new GAC vessels, backwash tank system, including pump and filter setup, chlorinator infrastructure, and piping.

<u>Appropriation</u>		<u>Present</u>	Proposed
STATE REVOLVING FUND	LAND	\$100,000	\$0

Reason: Projects 19, 34, and 46 are being deferred to Fiscal Year 2026. More time is needed to prepare the three projects. Funding for project 51 is not needed.

2. Increase \$8,275,000 for the Contract Adjustment Account:

Appropriation .	<u>Present</u>	<u>Proposed</u>
OPERATING FUND	\$11,350,000	\$11,575,000
STATE REVOLVING FUND	\$ 800,000	\$1,300,000
IMPROVEMENT FUND	\$ 5,100,000	\$12,600,000

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.

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The following is a summarization of the FY 2025 Budget Amendment No. 2:

Resolution 985, 2024

FY 2025 Operating Budget (as Adopted)	\$272,619,998
FY 2025 CIP Budget (as Adopted)	\$310,291,000

Resolution 990, 2024

FY 2025 – Amendment No. 1 Addition to Operating Budget OPERATING BUDGET SUB-TOTAL	+\$ 1,000,000 \$273,619,998
Projects – Added (Operating Fund) Projects – Deleted (SRF) CIP BUDGET SUB-TOTAL	+\$ 11,000,000 (\$ 4,900,000) \$316,391,000
FY 2025 Operating Budget (as Amended) FY 2025 CIP Budget (as Amended) TOTAL APPROPRIATION	\$273,619,998 <u>\$316,391,000</u> \$590,010,998
FY 2025 – Amendment No. 2 Projects – Deferred Contract Cost Adjustment Account FY 2025 CIP Budget (as Amended)	(\$ 8,275,000) +\$ 8,275,000 \$316,391,000

Upon approval, the appropriate changes will be affected.

APPROVED / DISAPPROVED:

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

CC: Finance

Capital Projects Water Resources ESO-MBO - Original