

BOARD OF WATER SUPPLY

CITY AND COUNTY OF HONOLULU
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HONOLULU, HI 96843
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September 28, 2020

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City and County of Honolulu
Honolulu, Hawaii 96843

Chair and Members

Subject: Adoption of Resolution No. 915, 2020 Amending the Capital Improvement Program Budget for Fiscal Year 2020-2021 and Appropriating Funds Therefor and Revision of the Fiscal Year 2020-2021 Capital Program Budget-Amendment No. 1

We recommend adoption of the attached Resolution No. 915, 2020, which increases the total appropriation for the 2020-2021 Capital Improvement Program Budget by \$31,460,000 from \$170,127,500 to \$201,587,500.

This resolution will provide additional funding as follows:

1. \$1,320,000 for additional costs associated with the construction of the Kalawahine 180 2.0 MG Reservoir.
 - a. This project was originally budgeted in FY 2019-2020, though bid prices exceeded available funds and an award was not made. The FY2019-2020 funding lapsed back to the Special Expendable Fund. While this amendment increases funding based on the bids received in FY2019-2020, the BWS is considering splitting the project into two parts in an effort to receive better pricing.
2. \$2,300,000 for anticipated change orders associated with the following projects:
 - a. \$1,500,000 Makakilo Water System Improvements, Part III
 - b. \$500,000 Kalaeloa Desalination
 - c. \$150,000 Energy Savings Performance Contract
 - d. \$150,000 Ewa Shaft
3. \$27,940,000 of additional funding for three new projects:
 - a. \$3,300,000 for the Manana Base Yard Lab and Control Center Expansion.
 - i. \$3,000,000 for the project line item and \$300,000 to the Construction Cost Index Account.

- ii. The pandemic has forced the department to modify its operations. Secondary/backup sites are needed to maintain operations and the health and safety of our staff and to ensure the protection of our drinking water. A design contract was executed in June 2020, is being expedited and is scheduled for completion by December 2020. BWS has applied for reimbursement of federal funds under the CARES Act for the design portion of this project.
- b. \$4,620,000 for the Lanikai Water System Improvements, Part II.
 - i. \$4,200,000 to the project line item, and \$420,000 to the Construction Cost Index Account.
 - ii. This project is being requested by the department's Field Operations Division based on their assessment of the condition of the existing pipelines in this area. During the design phase of this project, 40 water main failures were recorded within this project area. Additionally, some of the mains being replaced are non-standard size and some mains are asbestos-concrete pipe, making continued breaks in this system difficult to repair.
 - c. \$20,020,000 for the Kalawahine 180 2.0 MG Reservoir Connecting Pipelines.
 - i. \$18,200,000 for the project line item and \$1,820,000 to the Construction Cost Index Account.
 - ii. This project was originally budgeted in FY 2019-2020, though bid prices exceeded available funds and an award was not made. The FY2019-2020 funding lapsed back to the Special Expendable Fund. While this amendment increases funding based on the bids received in FY2019-2020, the BWS is considering splitting the project into two parts in an effort to receive better pricing.

Further, this resolution will remove funding as follows:

- 1. <\$100,000> reduction of funds for the Haiku Stairs Removal project.
 - a. Haiku Stairs and the land around it were transferred to the City and County of Honolulu effective July 1, 2020. As such the funding programmed to begin the removal project is no longer necessary.

We recommend adoption of the amended Capital Improvement Program Budget for the fiscal year beginning July 1, 2020, and ending June 30, 2021, as submitted to the Board on September 28, 2020. A public hearing to consider the proposed amended budget, as required by the City Charter, was held on September 28, 2020. The affidavit attesting to the publication of the public hearing notice is attached.

The current Capital Improvement Program (CIP) Budget shall be amended as described below:

1. Add appropriations for the following CIP projects:

Item No. 23A LANIKAI WATER SYSTEM IMPROVEMENTS, PART II
 Install 16-inch mains and appurtenances along Kalaheo Avenue from Kailua Road to Lihiwai Road; along Lihiwai Road from Kalaheo Avenue to Kawailoa Road; and along Kawailoa Road from Lihiwai Road to Popola Road – approximately 1,450 lin. ft. Install 8-inch mains and appurtenances along Kawailoa Road from Alala Road to end; along Alala Road from Kawailoa Road to FH W02578; and along Mokolea Drive from Aalapapa Drive to TMK 4-3-004:018 – approximately 1,850 lin. ft. Install 4-inch mains and appurtenances along Kooahoo Place from TMK 4-3-005:040 to end – approximately 100 lin. ft.

<u>Appropriation</u>		<u>Present</u>	<u>Proposed</u>
IMPROVEMENT FUND	CONST	0	4,200,000

Item No. 53A KALAWAHINE 180 2.0 MG RESERVOIR
 Construct a 2.0 MG Type I prestressed concrete reservoir (Spillway elevation = 180'), deep foundations, retaining walls, reservoir piping, and all appurtenances.

<u>Appropriation</u>		<u>Present</u>	<u>Proposed</u>
SPECIAL EXPENDABLE FUND	CONST	17,000,000	18,200,000

Item No. 53B KALAWAHINE 180 2.0 MG RESERVOIR – PIPELINES
 Install 24-inch water main, including appurtenances and pipe corrosion protection from Anianiku Street to Kinau Street. approx. 4,913 lin. ft.

<u>Appropriation</u>		<u>Present</u>	<u>Proposed</u>
SPECIAL EXPENDABLE FUND	CONST	0	18,200,000

Item No. 59A MANANA CORPORATION YARD – LABORATORY AND CONTROL CENTER EXPANSION

This project to provide a secondary lab testing facility is necessary to enable BWS to prepare, respond, mitigate and manage its water resources and operations by expanding its laboratory testing capabilities to ensure the drinking water meets all federal and state regulations and the water is safe to drink. In addition, the provision of a back-up operations control center will enable BWS to safely control and operate its facilities in the event that the main control center is inoperable.

<u>Appropriation</u>		<u>Present</u>	<u>Proposed</u>
OPERATING FUND	CONST	0	3,000,000

2. Delete the appropriation for the following CIP project:

Item No. 51 HAIKU STAIRS REMOVAL

The ownership of Haiku Stairs facility has been transferred to the City and County of Honolulu. The funding for this project is no longer needed and will be deleted from the budget.

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

3. Increase the appropriations for the:

CONSTRUCTION COST INDEX (CCI) ADJUSTMENT ACCOUNT

With the additional funding for construction projects, a commensurate increase will be added to this account

<u>Appropriation</u>	<u>Present</u>	<u>Proposed</u>
OPERATING FUND	2,652,500	2,952,500
SPECIAL EXPENDABLE	1,700,000	3,640,000
IMPROVEMENT FUND	5,880,000	6,300,000

CONTRACT ADJUSTMENT ACCOUNT (CAA)

The CAA in the FY 2020-2021 CIP Budget did not account for the following estimated contract change orders:

Makakilo Water System Improvements Part III	\$1,500,000
Kalaeloa Desalination	500,000
Energy Savings Performance Contract	150,000
<u>Ewa Shaft</u>	<u>150,000</u>
Increase to the CAA	\$2,300,000

<u>Appropriation</u>	<u>Present</u>	<u>Proposed</u>
OPERATING FUND	15,000,000	17,300,000

The following is a summarization of the FY 2020-2021 CIP Budget Amendment No. 1:

FY 2020-2021 CIP Budget (as Adopted)	\$170,127,500
Projects – Added	25,400,000
Projects – Modified Appropriation	1,200,000
Projects – Deleted	<u>(100,000)</u>
SUB-TOTAL	\$196,627,500
Construction Cost Index Account	2,660,000
Contract Adjustment Account	<u>2,300,000</u>
FY 2020-2021 CIP Budget (as Amended)	<u>\$201,587,500</u>

Upon approval, the appropriate pages of the current CIP budget will be revised for distribution.

Respectively submitted,


ERNEST Y.W. LAU, P.E.
Manager and Chief Engineer

APPROVED

Attachments