

**BOARD OF WATER SUPPLY
KA 'OIHANA WAI
CITY AND COUNTY OF HONOLULU**

630 SOUTH BERETANIA STREET • HONOLULU, HAWAII 96843
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RICK BLANGIARDI
MAYOR
MEIA

ERNEST Y. W. LAU, P.E.
MANAGER AND CHIEF ENGINEER
MANAKIA A ME KAHU WILIKI

ERWIN M. KAWATA
DEPUTY MANAGER
HOPE MANAKIA



August 28, 2023

NA'ALEHU ANTHONY, Chair
KAPUA SPROAT, Vice Chair
BRYAN P. ANDAYA
MAX J. SWORD
JONATHAN KANESHIRO
EDWIN H. SNIFFEN, Ex-Officio
GENE C. ALBANO, P.E., Ex-Officio

Chair and Members
Board of Water Supply
City and County of Honolulu
Honolulu, Hawaii 96843

Chair and Members:

Subject: Adoption of Resolution No. 970, 2023 Amending the 2023-2024 Capital Improvement Program Budget and Appropriating Funds Therefor and Revision of the 2023-2024 Capital Improvement Program Budget – Amendment No. 1

We recommend adoption of the attached Resolution No. 970, 2023, which increases the total appropriation for the 2023-2024 Capital Improvement Program Budget by \$11,265,976, from \$212,646,000 to \$223,911,976.

We recommend adoption of the amended Capital Improvement Program Budget for the fiscal year beginning July 1, 2023, and ending June 30, 2024, as submitted to the Board on August 28, 2023.

A public hearing to consider the proposed amended budget, as required by the City Charter, was held on August 28, 2023. 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 \$10,630,000 in appropriations for the following CIP projects:

Item No. 5. PUMP RENEWAL AND REPLACEMENT

Renewal and replacement of various BWS pumps and plant facilities

<u>Appropriation</u>		<u>Present</u>	<u>Proposed</u>
OPERATING FUND	CONST	3,500,000	4,080,000

Reason: Additional funds are needed for to address supplemental projects required to support our water system.

Item No. 41. WILHELMINA RISE 811 RESERVOIR REPLACEMENT

Replace the existing 0.43 MGD reservoir and appurtenances.

<u>Appropriation</u>		<u>Present</u>	<u>Proposed</u>
IMPROVEMENT FUND	CONST	0	8,500,000

Reason: This project was originally budgeted in FY 2022-2023, however, a contract award was not made, no funds were encumbered, and funding lapsed.

Item No. 42. DLNR WINDWARD EXPLORATORY WELL STATE WELL NUMBER (3-2429-002)

Survey, video log, clean and clear, test pump and sample well. Provide technical report of findings and recommendations regarding feasibility of bringing well into service.

<u>Appropriation</u>		<u>Present</u>	<u>Proposed</u>
SPECIAL EXPENDABLE FUND	P&E	0	550,000

Reason: This project was originally budgeted in FY 2022-2023, however, a contract award was not made, no funds were encumbered, and funding lapsed. Please note that the title of this project was formerly listed as "Item No. 44 Hawaii State Hospital Well Test" in the FY 2022-2023 budget. The title is now revised to reflect the State Well Number and avoid confusion with another well named State Hospital Well.

Item No. 43. BWS WATER MASTER PLAN UPDATE

Update the BWS water master plan for the capacity expansion and repair and replacement of BWS water system and facilities, pumping optimization, resource protection, conservation, and development of a long-range capital improvement program and financial plan with public outreach.

<u>Appropriation</u>		<u>Present</u>	<u>Proposed</u>
OPERATING FUND	P&E	0	1,000,000

Reason: This project is a new project to update the BWS Water Master Plan.

2. Delete \$580,000 in appropriations for the following CIP project:

Item No. 8. HAWAII LOA BOOSTER NO. 1 PUMP AND MCC

Install pump and MCC replacement

<u>Appropriation</u>		<u>Present</u>	<u>Proposed</u>
IMPROVEMENT FUND	P&E	580,000	0

Reason: This project is deferred to a future fiscal year. More time is needed to complete the Hawaii Loa Booster No. 2 project and ensure water service to the community.

3. Add \$1,215,976 to the Construction Cost Index Account:

<u>Appropriation</u>		<u>Present</u>	<u>Proposed</u>
IMPROVEMENT FUND		3,520,000	4,370,000
EXTRAMURAL FUND		4,010,000	4,375,976

Reason: Additional ARPA (Extramural) funding being added to the contingency account for the Monsarrat Avenue Water System Improvements project awarded in FY2023 and contingency for Project Item No. 41 Wilhelmina Rise 811 Reservoir Replacement is being added (Improvement Fund).

The following is a summarization of the FY 2023-2024 CIP Budget Amendment No. 1:

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	+\$ 365,976
FY 2024 CIP Budget (as Amended)	\$223,911,976

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

BOARD OF WATER SUPPLY
CITY AND COUNTY OF HONOLULU

RESOLUTION NO. 970, 2023

**RESOLUTION ADOPTING THE AMENDED CAPITAL IMPROVEMENT PROGRAM
BUDGET FOR FISCAL YEAR 2024 AND APPROPRIATING FUNDS THEREFOR**

BE IT RESOLVED that the sum of THIRTY-SIX MILLION TWO HUNDRED SEVENTY-SIX THOUSAND DOLLARS (\$36,276,000) be and the same is hereby appropriated out of all monies placed to the credit of the Operating Fund, the sum of THIRTY-NINE MILLION THREE HUNDRED EIGHTY THOUSAND DOLLARS (\$39,380,000) be and the same is hereby appropriated out of all monies placed to the credit of the State Revolving Fund, the sum of FORTY-ONE MILLION THREE HUNDRED THOUSAND DOLLARS (\$41,300,000) be and the same is hereby appropriated out of all monies placed to the credit of the Special Expendable Fund, the sum of FIFTY-NINE MILLION ONE HUNDRED EIGHTY THOUSAND DOLLARS (\$59,180,000) be and the same is hereby appropriated out of all monies placed to the credit of the Improvement Fund, and the sum of FORTY-SEVEN MILLION SEVEN HUNDRED SEVENTY-FIVE THOUSAND NINE HUNDRED SEVENTY-SIX DOLLARS (\$47,775,976) be and the same is hereby appropriated out of all monies placed to the credit of the Extramural Fund for a total of TWO HUNDRED TWENTY-THREE MILLION NINE HUNDRED ELEVEN THOUSAND NINE HUNDRED SEVENTY-SIX DOLLARS (\$223,911,976) for expenditures of the Board of Water Supply Capital Improvement Program Budget for the fiscal year beginning July 1, 2023 and ending June 30, 2024, as follows:

CAPITAL IMPROVEMENT PROGRAM BUDGET

OPERATING FUND.....	\$ 36,276,000
STATE REVOLVING FUND.....	\$ 39,380,000
SPECIAL EXPENDABLE FUND.....	\$ 41,300,000
IMPROVEMENT FUND.....	\$ 59,180,000
EXTRAMURAL FUND.....	\$ 47,775,976
TOTAL.....	\$ 223,911,976

BE IT FURTHER RESOLVED, that the Manager and Chief Engineer, at his discretion, shall have the authority to adjust the method of funding the Capital Improvement Program Budget and that the Manager and Chief Engineer may increase or decrease the amount appropriated out of the Operating Fund, Improvement Fund, Special Expendable Fund, and Extramural Fund in the Capital Improvement Program Budget provided that the total consolidated appropriation of the Operating Budget and Capital Improvement Program Budget remains the same; and

BE IT FURTHER RESOLVED, that the Board of Water Supply may receive monies which use is specified or otherwise limited by the monies' source from any government or quasi-governmental agency. These monies include Coronavirus State and Local Fiscal Recovery Fund funds from the American Rescue Plan Act of 2021 (Pub. L. 117-2). When such funds are received, in amounts that may be necessary to finance projects listed in the Board of Water Supply Capital Improvement Program Budget and designated to be financed from the Extramural Fund, the Board of Water

Supply shall maintain accounts showing the monies so received and specifying the purposes for which they have been received and held; and

BE IT FURTHER RESOLVED, that expenditure of all monies described in the preceding paragraph, and for the purposes set forth, shall be deemed approved, and the Manager and Chief Engineer deemed authorized to receive and expend the funds provided as provided by law; and

BE IT FINALLY RESOLVED that revenue bonds of the Board of Water Supply, City and County of Honolulu, general obligation bonds of the City and County of Honolulu, commercial paper, or other alternative forms of financing deemed appropriate by the Board of Water Supply, are authorized for issuance to yield the amount that may be necessary to finance projects listed in the Board of Water Supply Capital Improvement Program Budget and designated to be financed from the Improvement Fund and such additional amounts as may be deemed necessary to pay the expenses of issuance of such bonds or other financing; provided that the Board of Water Supply shall by resolution, and the City Council of the City and County of Honolulu for general obligation bonds shall by ordinance, determine the form, date, amount, denomination, and maturity of the bonds herein authorized.

ADOPTED:


NĀ'ĀLEHU ANTHONY
 Chair

Honolulu, Hawaii
 August 28, 2023

ADOPTION OF RESOLUTION NO. 970, 2023, AMENDING THE 2023-2024 CAPITAL IMPROVEMENT PROGRAM BUDGET AND APPROPRIATING FUNDS THEREFOR AND REVISION OF THE 2023-2024 CAPITAL IMPROVEMENT PROGRAM BUDGET – AMENDMENT NO. 1 WAS ADOPTED ON AUGUST 28, 2023			
	AYE	NO	COMMENT
NĀ'ĀLEHU ANTHONY	X		
KAPUA SPROAT			ABSENT
BRYAN P. ANDAYA	X		
MAX J. SWORD	X		
JONATHAN KANESHIRO			ABSENT
EDWIN H. SNIFFEN			ABSENT
GENE C. ALBANO	X		