

BOARD OF WATER SUPPLY

CITY AND COUNTY OF HONOLULU
630 SOUTH BERETANIA STREET
HONOLULU, HI 96843
www.boardofwatersupply.com



January 6, 2022

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

ELLEN E. KITAMURA, P.E.
Deputy Manager and Chief Engineer

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

Chair and Members

Subject: Adoption of Resolution No. 932, 2022, Amending the 2021-2022 Capital Improvement Program Budget and Appropriating Funds Therefor and Revision of the 2021-2022 Capital Improvement Program Budget – Amendment No. 2

We recommend adoption of the attached Resolution No. 932, 2022, which maintains the total appropriation for the 2021-2022 Capital Improvement Program Budget of \$179,976,000, however, increases the appropriation for Research and Development within the 2021-2022 Capital Improvement Budget by \$2,000,000 from \$6,900,000 to \$8,900,000 and decreases the appropriation for Renewal and Replacement within the Capital Improvement Budget by \$2,000,000 from \$121,475,000 to \$119,475,000.

This resolution will provide additional funding as follows:

1. \$2,000,000 for additional costs associated with the installation of (2) groundwater monitoring wells in Halawa Valley near the Red Hill Underground Bulk Fuel Storage Facility
 - a. This project is being requested as an Emergency under HRS 103D-307
 - i. Whereas the State of Hawaii Department of Health (DOH) confirmed on December 10, 2021, that water samples taken from The United States Navy's Red Hill Shaft were contaminated with high levels of gasoline and diesel range hydrocarbons far exceeding the State of Hawaii Department of Health's Environmental Action Level.
 - ii. Whereas the contaminants in the Navy's Red Hill Shaft water pose a serious threat to public health.
 - iii. Whereas The United States Navy's Red Hill Bulk Fuel Storage Facility which is anticipated to be the source of the contamination is located within one (1) mile of the BWS Halawa Shaft.

- iv. Whereas the contaminants and contaminated groundwater from the Navy's Red Hill Shaft have the potential to migrate across Halawa Valley via underground aquifers and breach the BWS Halawa Shaft
- b. This project would allow BWS to detect contaminants in the groundwater of Halawa Valley and alert BWS if the contaminants are moving across the valley toward the BWS Halawa Shaft.

Further, this resolution will remove funding as follows:

- 1. <\$2,000,000> reduction of funds for New Service Lateral Installations at Various Location.
 - a. This project will be deferred to a future fiscal year.

We recommend adoption of the amended Capital Improvement Program Budget for the fiscal year beginning July 1, 2021, and ending June 30, 2022, as submitted to the Board on January 6, 2022. A public hearing to consider the proposed amended budget, as required by the City Charter, was held on January 6, 2022. 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. 3A CP/WQ HALAWA VALLEY GROUNDWATER MONITORING WELLS, PHASE II
 Installation of two (2) monitoring wells in Halawa Valley near the Navy Red Hill Underground Bulk Fuel Storage Facility.

| <u>Appropriation</u> | | <u>Present</u> | <u>Proposed</u> |
|----------------------|-------|----------------|-----------------|
| OPERATING FUND | CONST | 0 | 2,000,000 |

- 2. Delete the appropriation for the following CIP project:

Item No. 25 FO NEW SERVICE LATERAL INSTALLATIONS AT VARIOUS LOCATION
 The funding for this project will be deferred to a future fiscal year.


| <u>Appropriation</u> | | <u>Present</u> | <u>Proposed</u> |
|----------------------|-------|----------------|-----------------|
| OPERATING FUND | CONST | 1,750,000 | 0 |
| OPERATING FUND | P&E | 250,000 | 0 |

The following is a summarization of the FY 2020-2021 CIP Budget Amendment No. 2:

| | |
|------------------------------------|----------------------|
| FY 2022 CIP Budget (as Adopted) | \$179,976,000 |
| FY 2022 – Amendment No. 1 | |
| Projects – Modified Appropriations | (\$1,000,000) |
| Contract Adjustment Account | <u>+\$1,000,000</u> |
| SUB-TOTAL | \$179,976,000 |
| | |
| FY 2022 – Amendment No. 2 | |
| Projects – Added | +\$2,000,000 |
| Projects – Deleted | <u>(\$2,000,000)</u> |
| SUB-TOTAL | \$179,976,000 |
| | |
| FY 2022 CIP Budget (as Amended) | <u>\$179,976,000</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

BOARD OF WATER SUPPLY
CITY AND COUNTY OF HONOLULU

RESOLUTION NO. 932, 2022

**RESOLUTION ADOPTING THE AMENDED CAPITAL IMPROVEMENT
PROGRAM BUDGET FOR FISCAL YEAR 2022 AND APPROPRIATING FUNDS
THEREFOR**

BE IT RESOLVED by the Board of Water Supply, City and County of Honolulu, State of Hawaii, that in accordance with the provisions of Article VII of the Revised Charter of the City and County of Honolulu, that the sum of SIXTY-SIX MILLION TWENTY-SIX THOUSAND DOLLARS (\$66,026,000) be and the same is hereby appropriated out of all monies placed to the credit of the Operating Fund, the sum of TWENTY MILLION SIX HUNDRED THOUSAND DOLLARS (\$20,600,000) be and the same is hereby appropriated out of all monies placed to the credit of the Special Expendable Fund, and the sum of NINETY-THREE MILLION THREE HUNDRED FIFTY THOUSAND DOLLARS (\$93,350,000) be and the same is hereby appropriated out of all monies placed to the credit of the Improvement Fund for expenditures of the Board of Water Supply Capital Improvement Program Budget for the fiscal year beginning July 1, 2021, and ending June 30, 2022, as follows:

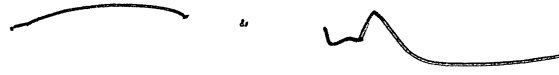
CAPITAL IMPROVEMENT PROGRAM BUDGET

| | |
|---------------------------------------|-------------------|
| OPERATING FUND..... | \$66,026,500 |
| SPECIAL EXPENDABLE FUND..... | \$20,600,000 |
| IMPROVEMENT FUND..... | \$93,350,000 |
| TOTAL CAPITAL PROGRAM BUDGET..... | \$179,976,000 |

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, State Revolving Fund in the Capital Improvement Program Budget, provided that the total consolidated appropriation of the Capital Improvement Program Budget remains the same; 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:



BRIAN P. ANDAYA, Chair

Honolulu, Hawaii
January 6, 2022

| ADOPTION OF RESOLUTION 932, 2022, AMENDING THE 2021-2022 CAPITAL IMPROVEMENT PROGRAM BUDGET AND APPROPRIATING FUNDS THEREFOR AND REVISION OF THE 2021-2022 CAPITAL IMPROVEMENT PROGRAM BUDGET – AMENDMENT NO. 2 WAS ADOPTED ON JANUARY 6, 2022 | | | |
|--|-----|----|---------|
| | AYE | NO | COMMENT |
| BRYAN P. ANDAYA | X | | |
| KAPUA SPROAT | X | | |
| RAY C. SOON | X | | |
| MAX J. SWORD | X | | |
| NA'ALEHU ANTHONY | X | | |
| JADE T. BUTAY | | | ABSENT |
| DAWN B. SZEWCZYK | X | | |