



Honolulu Board of Water Supply

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

DATE: February 11, 2022

FROM: RAELYNN NAKABAYASHI
EXECUTIVE SUPPORT OFFICE



SUBJECT: Approval of the Revision of the Fiscal Year 2021-2022 Capital Improvement - Program Budget – Amendment No. 3

We request your approval to reduce funding for the following projects listed in the FY 2022 Capital Improvement Program (CIP) Budget to provide additional funding to the Contract Adjustment Account.

The Contract Adjustment Account is used to provide additional funding for other CIP projects where the lowest bids are anticipated to come in higher than budgeted and to provide funding for contract change orders to previously awarded contracts.

The recommended deferral and reprogramming of the below project will enable the department to provide additional funding for an unanticipated amendment to the Energy Savings Performance Contract (ESPC) project.

1. Delete the appropriation for the following CIP project:

Item No. 3 NEWTOWN RIDGE AND ROYAL SUMMIT RELIABILITY IMPROVEMENTS

		<u>Appropriation</u>	
		<u>Present</u>	<u>Proposed</u>
OPERATING FUND	P&E	400,000	0

Description: Prepare Environmental Assessment (EA) and obtain Conservation District Use Permit and Public Infrastructure Map amendment.

Reason: The EA is the first step in a chain of four projects spanning the course of six budget years. The overall project is intended to provide redundancy for customers in the upper Newtown & Royal Summit ridges; however, at this point in time it has been determined we may defer the EA project for one year without significant impact to service in these areas. Dependent on the timing and speed of the EA and design processes, there is a possibility that this deferral will not impact the final construction dates.

2. Increase the CIP Contract Adjustment Account:


		<u>Appropriation</u>	
		<u>Present</u>	<u>Proposed</u>
OPERATING FUND		16,600,000	17,000,000

The following is a summarization of the FY 2022 CIP Budget Amendment No. 3:

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 – Amendment No. 3	
Projects – Deleted	(\$400,000)
Contract Adjustment Account	<u>+\$400,000</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 Capital Improvement Program budget will be revised.

APPROVED/ DISAPPROVED:



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

cc: Finance
Water Resources
ESO-MBO (Original)