

 **Honolulu Board of Water Supply**

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

DATE: May 20, 2022

FROM: RAELYNN NAKABAYASHI
EXECUTIVE SUPPORT OFFICE

SUBJECT: Approval of the Revision of the Fiscal Year 2021-2022 Capital Improvement - Program Budget – Amendment No. 4

We request your approval to reduce funding for project Item No. 3A listed in the FY 2022 Capital Improvement Program (CIP) Budget to provide additional funding to project Item No. 44 in the FY 2022 (CIP). We also request your approval to delete funding for project Item No. 18 listed in the FY 2022 (CIP) Budget to provide additional funding to the Contract Adjustment Account.

The recommended reprogramming of this project's funds will enable the department to fund the Waialae Nui Well condition assessment. This assessment is a high priority within the larger effort to establish additional water sources for Honolulu.

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.

1. Modify appropriations for the following CIP projects:

Item No. 44 FACILITY REPAIR AND RENOVATION
Repair, renovation, reroofing, fencing, and repainting of selected BWS facilities.

| <u>Appropriation</u> | | <u>Present</u> | <u>Proposed</u> |
|----------------------|-----|----------------|-----------------|
| OPERATING FUND | P&E | 1,500,000 | 1,850,000 |

Reason: The funding will be used for additional costs associated with the Waialae Nui Well condition assessment; this effort evaluates an existing well for the viability of the well as a production source. This project will be executed in an effort to establish a potential additional water source to supply Honolulu. Because of the Red Hill contamination crisis, compounded by a dry winter, spring and a forecasted dry summer, establishing additional water source capacity is imperative to maintaining water distribution stability for Honolulu.

Item No. 3A 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 | 2,000,000 | 1,650,000 |

Reason: Only one monitoring well, Site H, can be awarded for construction in Fiscal Year 2023; as such the funding in this line item is being reduced commensurate with the funding required for the single well.

2. Reduce the appropriation for the following CIP project:

Item No. 18

North School Street Water System Improvements

Install 16-inch mains and appurtenances along North School Street, from Kamehameha IV Road to Houghtailing Street - approx. 4,510 lin. ft. Install 8-inch mains and appurtenances along Ahonui Street, from North School Street to Linapuni Street; along Hulali Place, from Ahonui Street to end; along North School Street, from Amelia Street to Leilani Street; along North School Street, from Likelike Highway to Houghtailing Street; along Amelia Street, from North School Street to Waikoa Road; along Waikoa Road, from Amelia Street to Martin Street; along Martin Street, from North School Street to Waikoa Road; along Kapalama Avenue, from North School Street to Peter Buck Street; and along Brigham Street, from Kapalama Avenue to Kapalama Avenue - approx. 8,330 lin. ft. Install 4-inch mains and appurtenances along Palapala Place, from Kapalama Avenue to end - approx. 205 lin. ft..

| <u>Appropriation</u> | | <u>Present</u> | <u>Proposed</u> |
|----------------------|-------|----------------|-----------------|
| IMPROVEMENT FUND | CONST | 11,500,000 | 0 |

Reason: This project is being deferred to a future fiscal year.

3. Increase the CIP Contract Adjustment Account:

| <u>Appropriation</u> | <u>Present</u> | <u>Proposed</u> |
|----------------------|----------------|-----------------|
| IMPROVEMENT FUND | 0 | 11,500,000 |

The following is a summarization of the FY 2022 CIP Budget Amendment No. 4:

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|--|----------------------|
| 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 (Resolution 932, 2022) | |
| 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 – Amendment No. 4 | |
| Projects – Modified Appropriations | + \$350,000 |
| Projects – Modified Appropriations | (\$350,000) |
| Projects – Modified Appropriations | (\$11,500,000) |
| Contract Adjustment Account | + \$11,500,000 |
| SUB-TOTAL | <u>\$179,976,000</u> |
| | |
| 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
Capital Projects
ESO-MBO - Original