

 Honolulu Board of Water Supply

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

DATE: July 22, 2026

FROM: MEGAN MARUMATSU
EXECUTIVE SUPPORT OFFICE

SUBJECT: Approval of the Revision of the Fiscal Year 2026-2027 Capital Improvement –
Program Budget – Amendment No. 1

We request your approval to reprogram funding in Fiscal Year 2027 (FY2027) Capital Improvement Program (CIP) Budget to meet financial contribution obligations to the Department of Design and Construction (DDC) for the Rehabilitation of Kuahea Street, Helo Place to Wai'oma'o Road, Honolulu, O'ahu, Hawaii, Job No. 06-25, and the Salt Lake Boulevard Widening, Phase 3B, Honolulu, O'ahu, Hawai'i, Job No. 11-26 projects, and to increase funding for the FY2027 Contract Adjustment Account (CAA).

1. Decrease \$5,000,000 in project funding for:

Item No. 12 Ka'ōnohi Booster No. 2 MCC Replacement and Facility Repairs

Description: Replace booster pumps; replace MCC, SCADA system, and all electrical components and appurtenances; and limited control building upgrades.

Appropriation			
OPERATING FUND	CONST	<u>Present</u>	<u>Proposed</u>
		\$5,000,000	\$0

Reason: This project will be budgeted in FY28 to allow additional design time to resolve design issues.

2. Increase \$2,900,000 in projects for:

Item No. 32 Water Main Installation and Replacement

Description: Install and replace water mains at various locations.

Appropriation			
OPERATING FUND	CONST	<u>Present</u>	<u>Proposed</u>
		\$100,000	\$3,000,000

Reason: The BWS and DDC shall enter into a Memorandum of Agreement for water main work to be performed by the Department of Design and Construction as a part of the following projects:

Rehabilitation of Kuahea Street, Helo Place to Wai'oma'o Road, Honolulu, O'ahu, Hawai'i, Job 06-25. This agreement adds the installation of new 8-inch water main and appurtenances to the DDC's project for the purpose of minimizing future trenching and to minimize disruption to the public. Pursuant to the Agreement, DDC has been given authority to expend up to \$960,000 from the Board of Water Supply (BWS) CIP funds for construction and contingency for the installation of the BWS' water main.

Salt Lake Boulevard Widening, Phase 3B, Honolulu, O'ahu, Hawai'i, Job No. 11-26. This agreement adds the installation of new 36-inch, 24-inch, and 8-inch water mains and appurtenances to the DDC's Project for the purpose of minimizing future trenching and to minimize disruption to the public. Pursuant to the Agreement, DDC has been given authority to expend up to \$2,006,935 from the Board of Water Supply (BWS) CIP funds for construction and contingency for the installation of the BWS' water main.

3. Increase \$2,100,000 in Operating funding in the Contract Adjustment Account:

Appropriation		
OPERATING FUND	<u>Present</u>	<u>Proposed</u>
	\$16,840,000	\$18,940,000

Reason: The recommended reprogramming of the funds under Project Item Number 12 will enable the department to fund the Contract Adjustment Account. Due to continued economic uncertainty and volatility, the BWS is seeing increased project costs and more funding is required to complete projects.

The following is a summarization of the FY2027 Budget Amendment No. 1:

Resolution 1013, 2026

FY2027 CIP Budget (as Adopted)	\$266,810,000
FY2027 – Amendment No. 1	
Projects – Deferred	(\$ 5,000,000)
Contract Adjustment Account – Added	\$ 2,100,000
Projects – Added	<u>+\$ 2,900,000</u>
FY2027 CIP Budget (as Amended)	\$266,810,000

Upon approval, the appropriate changes will be affected.

APPROVED / DISAPPROVED :

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

CC: Finance
Capital Projects
Water Resources
Land
ESO-MBO - Original