## Honolulu Board of Water Supply

TO:

ERNEST Y.W. LAU, P.E.

MANAGER & CHIEF ENGINEER

FROM:

RAELYNN NAKABAYASHI

**EXECUTIVE SUPPORT OFFICE** 

SUBJECT: Approval of the Revision of the Fiscal Year 2025-2026 Capital Improvement -

**DATE:** August 29, 2025

Program Budget - Amendment No. 3

We request your approval to reprogram funding in Fiscal Year 2026 (FY2026) Capital Improvement Program (CIP) Budget to meet financial contribution obligations to the Department of Design and Construction (DDC) for the project known as Rehabilitation of Kuahea Street, Helo Place to Wai'ōma'o Road, Honolulu, Oahu, Hawaii, Job 06-25, for the Kalaeloa Sea Water Desalination Facility, and to increase funding for the FY2026 Contract Adjustment Account (CAA).

1. Increase \$900,000 in project for:

Item No. 25 Water Main Installation and Replacement

Description: Install and replace water mains at various locations.

Proposed Present Appropriation \$900,000 \$100,000 **OPERATING FUND** CONST

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 project known as Rehabilitation of Kuahea Street, Helo Place to Wai'ōma'o Road, Honolulu, Oahu, Hawaii, Job 06-25. This agreement adds the installation of new 12-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 \$900,000 from the Board of Water Supply (BWS) CIP funds for construction and contingency for the installation of the BWS' water main.

Item No. 45 Kalaeloa Sea Water Desalination Facility

Description: Design-Build-Operate-Maintain (DBOM) contract for a 1.7 MGD desalination facility with limited oversizing for future expansion. Install 16-inch transmission main along the project boundary from desalination facility to Ōlai Street; along Ōlai Street, from end to Kalaeloa Boulevard, along Kalaeloa Boulevard, from Ōlai Street to the existing 16-inch main near the Northern end of TMK 9-1-031:022 - approx. 4,800 lin. ft

Present **Proposed** Appropriation \$6,310,000 \$6,210,000 SPECIAL EXPENDIBLE FUND LAND

Reason: The recommended reprogramming of the funds will enable the Department to fund the acquisition of the Kalaeloa Sea Water Desalination Facility property.

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2. Increase \$2,690,000 in Special Expendable funding in the Contract Adjustment Account:

Appropriation
SPECIAL EXPENDIBLE FUND

<u>Present</u> \$1.190.000

Proposed \$3,880,000

Reason: The recommended reprogramming of the funds will enable the Department to execute projects that require additional funding. Due to continued economic uncertainty and volatility, the BWS is seeing increased project costs, and more funding is required to award and complete projects.

3. Decrease \$3,590,000 in project funding for:

Item No. 12 Temporary Pumping Connections

Description: Install connections for temporary pumps at critical pump stations to improve reliability.

Appropriation OPERATING FUND

CONST

Present \$3,500,000 Proposed \$2,700,000

Reason: Only partial funding for project 12 is needed.

Item No. 43 Wai'awa 228 Reservoirs

Description: Install 4.0 MG, 2.5 MG, and 2.0 MG reservoirs and appurtenances (TMK: 9-6-004:024). Install 30-inch influent and effluent mains and appurtenances along the paved access road, from the reservoir to Cane Haul Road - approx. 3,700 lin. ft. Install 12-foot wide paved access road, from the reservoir to Cane Haul Road, approx. 3,500 lin. ft.

Appropriation
SPECIAL EXPENDIBLE FUND

P&E

Present \$2,790,000 Proposed \$0

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

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The following is a summarization of the FY2026 Budget Amendment No. 3:

## Resolution 999, 2025

| FY2026 CIP Budget (as Adopted)      | \$283,327,500        |
|-------------------------------------|----------------------|
| FY2026 – Amendment No. 1            |                      |
| Projects – Deferred                 | (\$ 27,710,000)      |
| Construction Cost Index - Deferred  | (\$ 4,000,000)       |
| Contract Adjustment Account - Added | \$ 19,000,000        |
| Projects – Added                    | +\$ 12,710,000       |
| FY2026 CIP Budget (as Amended)      | \$283,327,500        |
| FY2026 – Amendment No. 2            |                      |
| Construction Cost Index - Deferred  | (\$ 2,000,000)       |
| Projects - Added                    | +\$ 2,000,000        |
| FY2026 CIP Budget (as Amended)      | \$283,327,500        |
| FY2026 – Amendment No. 3            |                      |
| Projects - Reduced                  | (\$ 3,590,000)       |
| Projects - Increased                | \$ 900,000           |
| Contract Adjustment Account – Added | <u>+\$ 2,690,000</u> |
| FY2026 CIP Budget (as Amended)      | \$283,327,500        |

Upon approval, the appropriate changes will be affected.

APPROVED / DISAPPROVED

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

CC: Finance

Capital Projects ESO-MBO - Original