

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

DATE: August 7, 2025

FROM: RAELYNN NAKABAYASHI
EXECUTIVE SUPPORT OFFICE

SUBJECT: Approval of the Revision of the Fiscal Year 2025-2026 Capital Improvement –
Program Budget – Amendment No. 2

We request your approval to reprogram funding in Fiscal Year 2026 (FY2026) Capital Improvement Program (CIP) Budget to use \$2,000,000 in funding awarded from the State of Hawai'i's FY26 budget to pay for up to 20% of the costs related to CIP Item No. 1 Monitoring Wells for Red Hill Contamination Response – Group III.

1. Increase \$2,000,000 in Extramural project funding from CONST for:

Item No. 1 Monitoring Wells for Red Hill Contamination Response – Group III

Description: Drill and case up to five (5) monitoring wells for use as "sentinel" wells to warn of the presence of an underground fuel plume from the Red Hill fuel contamination

<u>Appropriation</u>		<u>Present</u>	<u>Proposed</u>
EXTRAMURAL FUND	CONST	\$0	\$2,000,000

Reason: Two million dollars in funding from the State of Hawai'i's FY26 budget was appropriated to the Board of Water Supply (BWS) for monitoring wells at various locations on Oahu to cover the planning, design, construction, equipment and appurtenances for groundwater monitoring wells to measure and monitor the level, quality, quantity or movement of subsurface water, for contaminants with total petroleum hydrocarbons or aqueous film forming foam, and allow the monitoring of other contaminants related to the Red Hill Fuel Crisis. The funds were conditioned upon the City and County of Honolulu [BWS] providing 80% of the total project cost.

2. Decrease \$2,000,000 in Extramural project funding in the Contract Adjustment Account:

<u>Appropriation</u>	<u>Present</u>	<u>Proposed</u>
EXTRAMURAL FUND	\$19,000,000	\$17,000,000

Reason: The remaining funds in the Contract Adjustment Account are sufficient to execute programmed projects.

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The following is a summarization of the FY2026 Budget Amendment No. 2:

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	<u>+\$ 12,710,000</u>
FY2026 CIP Budget (as Amended)	\$283,327,500
FY2026 – Amendment No. 2	
Construction Cost Index - Deferred	(\$ 2,000,000)
Projects – Added	<u>+\$ 2,000,000</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