



Honolulu Board of Water Supply

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

DATE: January 20, 2026

FROM: MEGAN MURAMATSU
EXECUTIVE SUPPORT OFFICE

SUBJECT: Approval of the Revision of the Fiscal Year 2025-2026 Capital Improvement – Program Budget – Amendment No. 4

We request your approval to reprogram funding in Fiscal Year 2026 (FY2026) Capital Improvement Program (CIP) Budget to increase funding and adjust the funding source allocation of the FY2026 Contract Adjustment Account (CAA).

1. Increase \$15,700,000 in Operating funding in the Contract Adjustment Account:

<u>Appropriation</u>	<u>Present</u>	<u>Proposed</u>
OPERATING FUND	\$10,950,000	\$26,650,000

Reason: The recommended reprogramming of the funds will enable the Department to perform necessary additional work to complete ongoing projects.

2. Decrease \$13,000,000 in Improvement funding in the Contract Adjustment Account:

<u>Appropriation</u>	<u>Present</u>	<u>Proposed</u>
IMPROVEMENT FUND	\$17,540,000	\$4,540,000

Reason: The recommended reprogramming of the funds will enable the Department to perform necessary additional work to complete ongoing projects.

3. Decrease \$2,700,000 in project funding for:

Item No. 12 Temporary Pumping Connections

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

<u>Appropriation</u>		<u>Present</u>	<u>Proposed</u>
OPERATING FUND	CONST	\$2,700,000	\$0

Reason: This project will be awarded in FY2027.

The following is a summarization of the FY2026 Budget Amendment No. 4:

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
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
FY2026 – Amendment No. 4	
Projects - Reduced	(\$ 2,700,000)
Contract Adjustment Account – Added	<u>+\$ 2,700,000</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