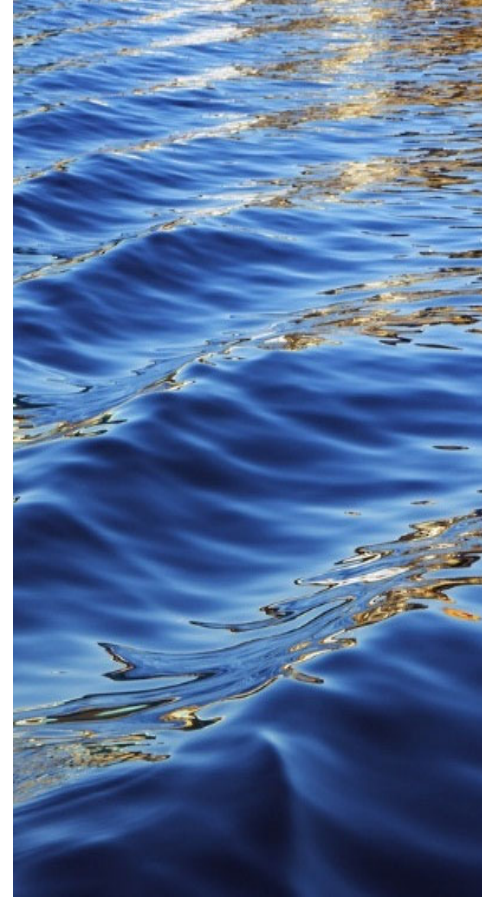




Launiupoko Water System and Olowalu Water System Acquisitions

WAI Council Meeting 7/27/2026



**RESOLUTION
AUTHORIZING THE ACQUISITION
OF WATER SYSTEM ASSETS FROM
LAUNIUPOKO WATER CO., INC. AND
LOWALU WATER COMPANY, INC.
FOR UP TO \$6,000,000,
EXCLUSIVE OF CLOSING COSTS AND EXPENSES,
UNDER SUBSECTION 3.44.015(C),
MAUI COUNTY CODE**

LAUNIUPOKO WATER CO., INC.

WATER SYSTEM ASSETS

LAUNIUpoko WATER SYSTEM ACQUISITION

Description of the Potable System

The Potable System consists of three wells, 2 tanks, 2 booster pumps, approximately 14.45 miles of water main, and appurtenances, located in Launiupoko

Number of Customers

The System has 402 total water system active connections

Water Production (2025)

The System produced 275,861,550 gallons in 2025

Purchase Price

The System purchase price is \$3,500,000

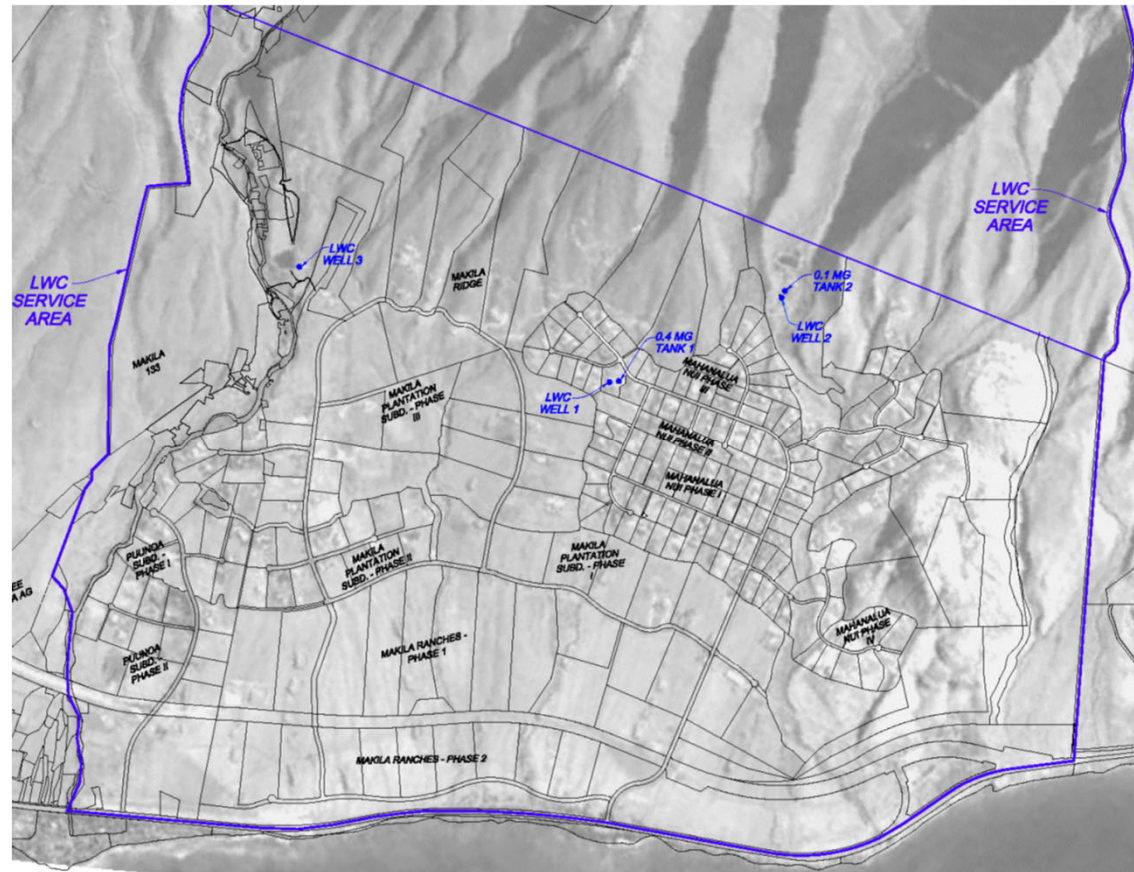
Appraised Value

The appraiser determined the investment value of the System as of April 2, 2026 is \$8,056,000

Water System Map

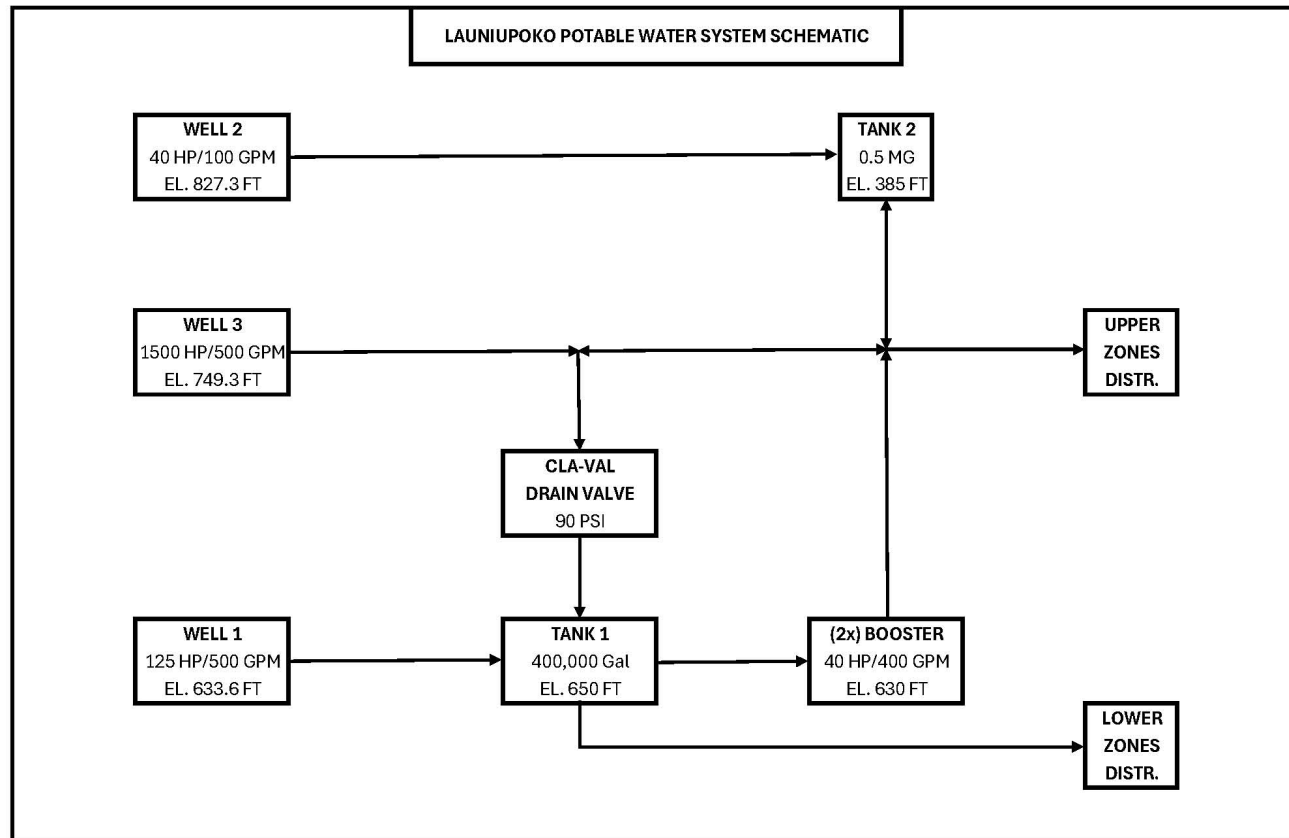


Water Service Area



LAUNIUPOKO WATER SYSTEM ACQUISITION

Schematic of System



LAUNIUPOKO WATER SYSTEM

List of Water System Assets

Quantity	Asset Class
Service Connections	
1	Service Connections (metered) 1 1/2 inch
56	Service Connections (metered) 1 inch
1	Service Connections (metered) 2 inch
52	Service Connections (metered) 3/4 inch
292	Service Connections (metered) 5/8 inch
Meters (system)	
1	Meter (system) 2 inch
7	Meter (system) 5/8 inch
3	Meter (system) 6 inch
692	Well shaft: LWC Well 1
850	Well shaft: LWC Well 2
749	Well shaft: LWC Well 3
1	Well pumps: LWC Well 1, 500 GPM, 125 HP
1	Well pumps: LWC Well 2, 100 GPM, 40 HP
1	Well pumps: LWC Well 3, 500 GPM, 150 HP
1	Storage tank site, 400,000 gallons
1	Storage tank site, 50,000 gallons
3	Liquid Chlorine pump and injection station
Distribution Piping:	
22,000	Piping, 12-inch water main
50,000	Piping, 8-inch water main
3,100	Piping, 6-inch water main
9	PRV station, multi-stage
146	Hydrants and Standpipes

LAUNIUPOKO WATER SYSTEM

Potable Groundwater Wells



LWC Well 1
State Well no. 6-5138-01
Capacity: 500 GPM / 125
HP



LWC Well 2
State no. 6-5137-01
Capacity: 100 GPM / 40 HP



LWC Well 3
State Well no. 6-5238-01
Capacity: 500 GPM / 150 HP

Average Daily Pumping (3 wells): 675,000 GPD (CWRM GWUPA)

LAUNIUPOKO WATER SYSTEM

Potable Water Tanks and Booster Pumps



LWC Tank 1
400,000 gallons
with 2 Booster Pumps



LWC Tank 2
50,000 gallons

LOWALU WATER COMPANY, INC.

WATER SYSTEM ASSETS

LOWALU WATER SYSTEM ACQUISITION

Potable System

Description of the System

The Potable System consists of a well, booster pumps, approximately 2.39 miles of water main, and appurtenances, located in Olowalu

Number of Customers

The Potable System has 79 total water system active connections

Water Production (2025)

The System produced 52,766,430 gallons in 2025

Non-potable System

Description of the System

The Non-Potable System consists of two shaft wells, a stream diversion, booster pumps, ditches, reservoirs, approximately 3.30 miles of water main, and appurtenances, located in Olowalu

Number of Customers

The Potable System has 72 total water system active connections

Water Production (2025)

The System produced 108,385,715 gallons in 2025

Purchase Price of Potable and Non-Potable System

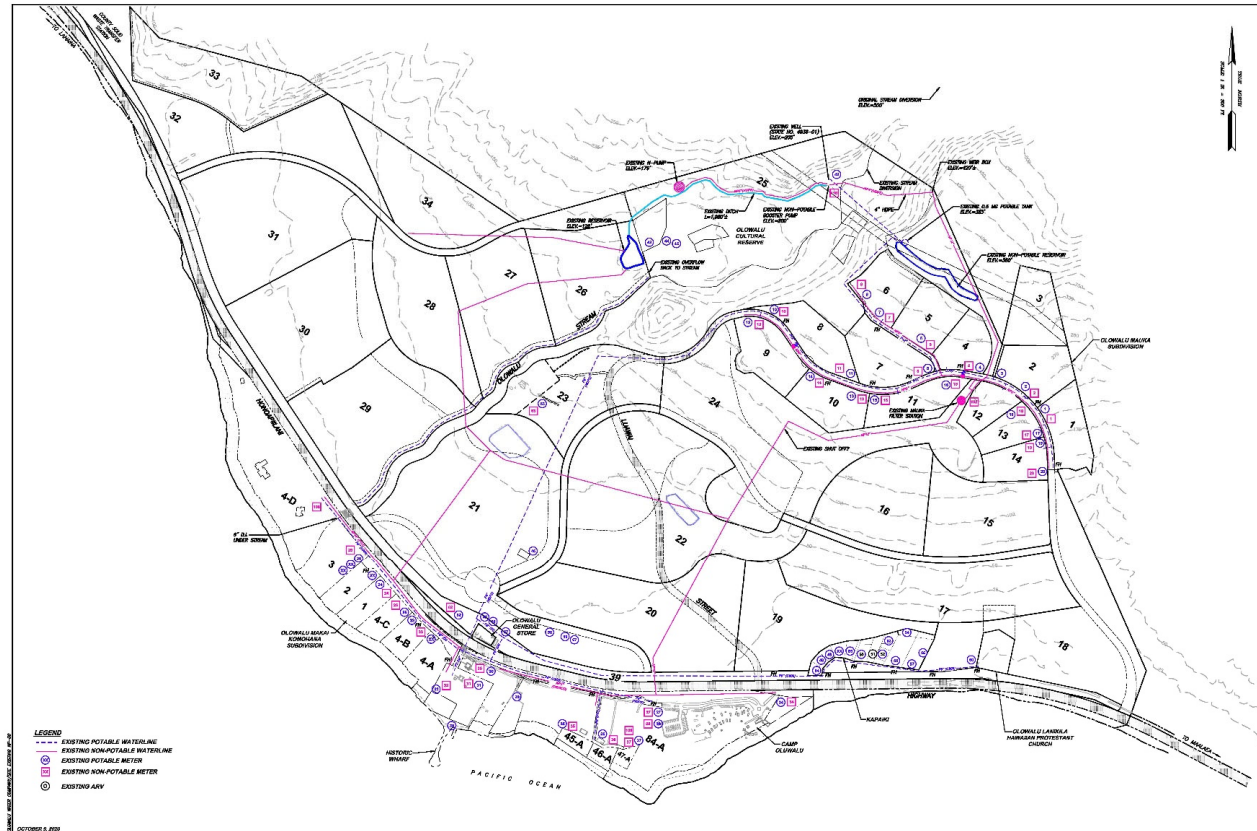
The System purchase price is \$2,500,000

Appraised Value of Potable and Non-Potable System

The appraiser determined the investment value of the System as of April 2, 2026 is \$1,978,000

OLOWALU WATER SYSTEM ACQUISITION

Water System Map



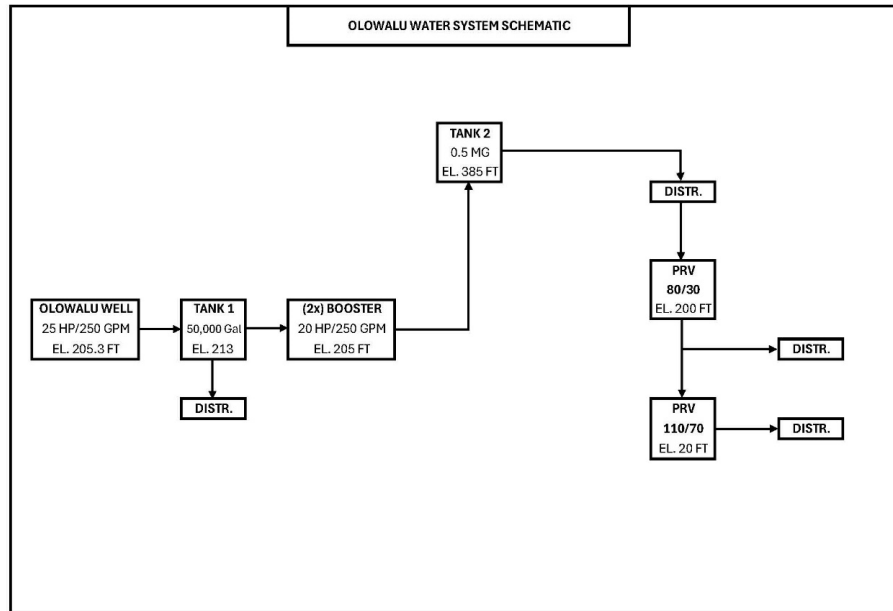
Water Service Area



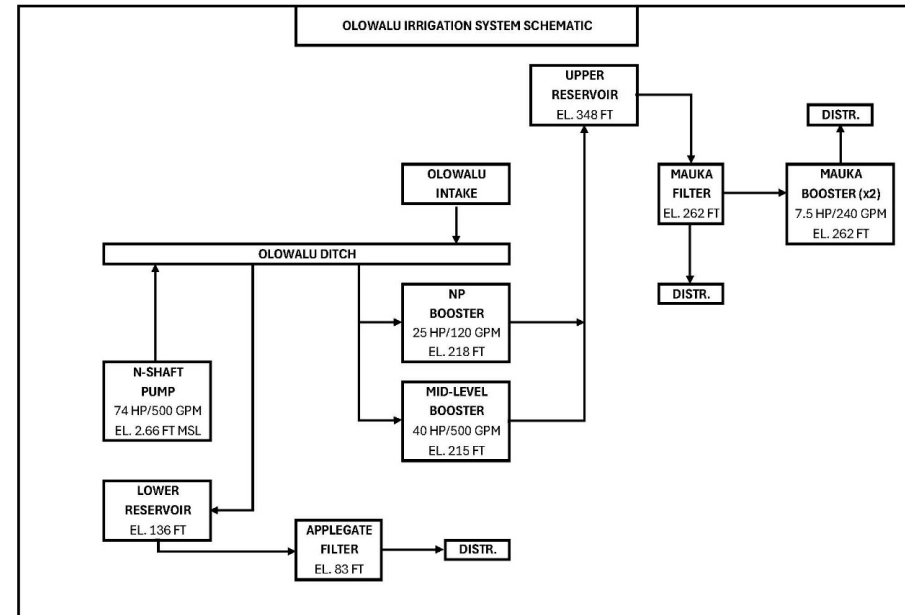
LOWALU WATER SYSTEM ACQUISITION

Schematic of Systems

Potable System



Non-Potable System



OLOWALU WATER SYSTEM

List of Water System Assets

Quantity	Asset Class
	OWC (Non-Potable System)
	Distribution Piping (Non-Potable)
3700	Piping, 12-inch PVC C900
688	Piping, 2.5-inch PVC sch40 Pipe
5300	Piping, 6-inch HDPE
7500	Piping, 8-inch PVC C900 or Ductile
1	Filter Station (Applegate/Netafim Sandstorm)
2	Filter Station (Makai)
1	Filter Station (Mauka/Amiad)
	Meters, system (Non-Potable)
1	Meter (system) 1 inch
2	Meter (system) 3 inch
1	Meter (system) 3/4 inch
2	Meter (system) 4 inch
2	Meter (system) 6 inch
1	Pump Station, Booster: Makila Midlevel
1	Pump Station, Booster: Mauka
1	Reservoir: Olowalu Lower "Pig" Reservoir
1	Reservoir: Olowalu Mauka Upper "Snake" Reservoir
1	Reservoir lining: Olowalu Lower "Pig" Reservoir (relined 2024)
1	Reservoir lining: Olowalu Mauka Upper "Snake" Reservoir (relined 2023)
	Service Connections (Non-potable)
20	Service Connections (metered) 1 1/2 inch
39	Service Connections (metered) 1 inch
3	Service Connections (metered) 2 inch
2	Service Connections (metered) 3 inch
1	Service Connections (metered) 3/4 inch
1	Service Connections (metered) 4 inch
6	Service Connections (metered) 5/8 inch
1	Stream Diversion: Olowalu Stream Flow Diversion
1	Well N-Pump: 720,000 GPD max (500 gpm, 75 HP)
240	Well N-Shaft

Quantity	Asset Class
	OWC (Potable System)
	Distribution Piping (Potable)
2800	Piping, 12-inch PVC C900
3900	Piping, 6-inch HDPE
5700	Piping, 8-inch PVC C900 or Ductile
32	Hydrants and Standpipes
	Meters, system (Potable)
3	Meter (system) 1 1/2 inch
4	Meter (system) 2 inch
1	Meter (system) 3 inch
3	Meter (system) 5/8 inch
2	PRV station, multi-stage
	Service Connections (Potable)
1	Service Connections (metered) 1 1/2 inch
6	Service Connections (metered) 1 inch
2	Service Connections (metered) 2 inch
1	Service Connections (metered) 3 inch
6	Service Connections (metered) 3/4 inch
63	Service Connections (metered) 5/8 inch
1	Storage tank site, 50,000 gallons
1	Storage tank site, 500,000 gallons
1	Well pumps: OWC Well 1, 360,000 GPD max, 90,000 GPD daily average (250 GPM, 25 HP)
230	Well shaft: OWC Well 1

OLOWALU WATER SYSTEM

Potable System – Well, Water Tank, and Booster Pumps



OWC Well 1
State Well no. 6-4936-001
Capacity: 250 GPM / 25 HP
Average Daily Pumping: 78,217
GPD (CWRM GWUPA)



OWC Tank 1
50,000 gallons

Booster Pumps
Two - 250 GPM / 20 HP



OWC Tank 2
500,000 gallons

OLOWALU WATER SYSTEM

Non-Potable System – Booster Pumps



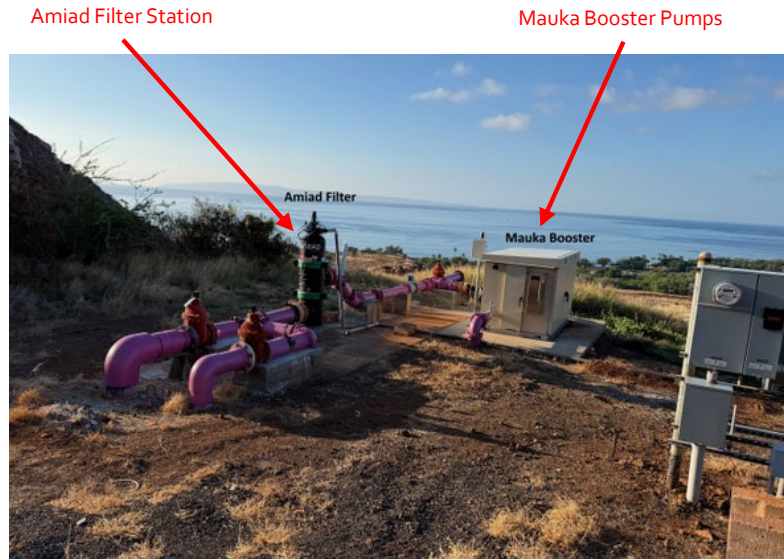
Mid-Level Booster Pump
500 GPM / 40 HP



NP Booster Pump
120 GPM / 25 HP

LOWALU WATER SYSTEM

Non-Potable System – Filter Stations and Booster Pumps



Mauka Amiad Filter Station

Mauka Booster Pumps
Two - 240 GPM / 7.5 HP



Applegate Filter Station

OLOWALU WATER SYSTEM

Non-Potable System – Intake and Ditch



Olowalu Overflow and Intake (Stream Diversion)
0 to 750,000 GPD

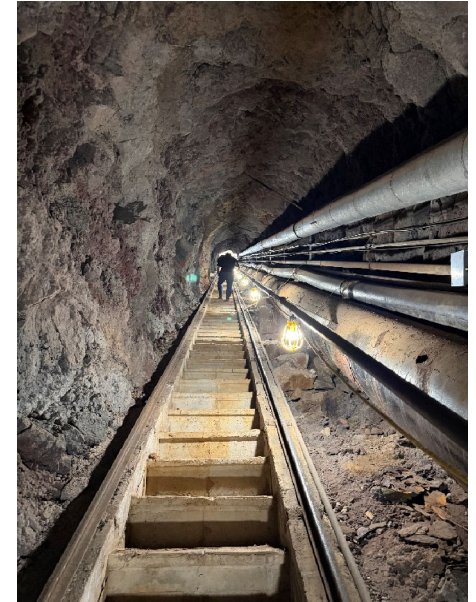


Olowalu Ditch

CWRM IIFS of 2.5 CFS/1.62 MGD is met before water is diverted to the Olowalu Ditch.

OLOWALU WATER SYSTEM

Non-Potable System – Shafts



N Shaft

State Well No. 6-4937-001

Capacity: 500 GPM / 75 HP

Average Daily Pumping: 270,382 GPD

OLOWALU WATER SYSTEM

Non-Potable System – Reservoirs



Upper Reservoir "Snake"



Lower Reservoir "Pig"

Reservoirs included in acquisition not in currently in service: O Pump Reservoir and Greenway Reservoir

Launiupoko Water System

DWS is not proposing to further develop LWC Well 1, LWC Well 2, LWC Well 3

Olowalu Water System

Potable System

Approximately 240,000 GPD of additional water available for future use from OWC Well 1

Non-Potable System

Ground water (N Shaft): Approximately 425,000 GPD of additional water available for future use

Surface water (Olowalu Intake): IIFS 2.5 CFS / 1.62 MGD met first (varies with rainfall)

DWS WATER RATE CHARGE

DWS FY2027 Potable Rates

Water Service Rates		Water service charges to single-family dwellings with their own meter, single-family and accessory dwellings with their own meter (monthly):		
General Water Consumers				
		Per 1,000 Gallons		
		0 – 5,000 gallons.....	\$2.13	
		5,001-15,000 gallons	\$4.98	
		15,001-35,000 gallons	\$9.59	
		35,001-50,000 gallons.....	\$16.50	
		>50,000 gallons.....	\$19.80	
		Water Shortage Rates		
		Stage 1	Stage 2	Stage 3
		Per 1,000 Gallons		
		0 – 5,000 gallons.....	\$2.13	2.13 2.13
		5,001-15,000 gallons...	\$4.98	5.35 5.75
		15,001-35,000 gallons.	\$9.59	10.55 11.61
		35,001-50,000 gallons..	\$16.50	20.63 25.78
		>50,000 gallons.....	\$19.80	29.70 44.55

DWS FY2027 Non-Potable Rates

Non-Potable Rates				
		Per 1,000 Gallons		
		All usage.....	\$1.31	
		Water Shortage Rates		
		Stage 1	Stage 2	Stage 3
		Per 1,000 Gallons.....		
		\$1.31	1.38	1.44

**The above DWS rates assumes the acquisition will close within FY2027*

ANNUAL OPERATING COST AND REVENUE

Launiupoko Water System

Annual Operating Cost

O&M	\$ 207,282
Electricity	\$ 423,365
Admin	\$ 249,017
TOTAL Annual Operating Cost (estimated)	\$ 879,664

Estimated costs shown above are based on May 2025-June 2026 actual costs

Olowalu Water System

Annual Operating Cost

O&M	\$ 381,175
Electricity	\$ 126,126
Admin	\$ 164,254
TOTAL Annual Operating Cost (estimated)	\$ 671,554

Annual Revenue

Potable System	\$ 2,561,044
TOTAL Annual Revenue (estimated)	\$ 2,561,044

Annual Revenue

Potable System	\$ 625,708
Non-Potable System	\$ 108,655
TOTAL Annual Revenue (estimated)	\$ 734,363

Estimated revenue is based on FY2027 DWS Water Rate Charge and annual projected consumption based on actual consumption May 2026-June 2026

Post Closing Obligations of Seller

Transitional Services

FY2027

- Period: Jan 1, 2027-June 30, 2027 (estimate)
- Current Operator to be contracted for 6 months to operate the system as DWS transitions to be the operator
- \$46,500 + GET per month, excludes electricity to be paid to HECO directly by DWS

FY2028

- Period: July 1, 2027 to June 30, 2028 (estimate)
- DWS Staffed 100% (Transitional Services Agreement terminated)
- Funding Source: FY2028 Operations Budget

Water System Improvements

HECO: 2 new meters. Request, rough in, and install separate meters for the two homes and well (total 3 meters). Currently there is one meter for LWC	\$150,000
Well-2 with submeters for the two homes	
TOTAL (estimated)	\$150,000

Post Closing Obligations of Seller

Transitional Services

FY2027

- Period: Jan 1, 2027-June 30, 2027 (estimate)
- Current Operator to be contracted for 6 months to operate the system as DWS transitions to be the operator
- \$53,600 + GET per month, excludes electricity to be paid to HECO directly by DWS

FY2028

- Period: July 1, 2027 to June 30, 2028 (estimate)
- DWS Staffed 100% (Transitional Services Agreement terminated)
- Funding Source: FY2028 Operations Budget

Water System Improvements

Fence Upper Reservoirs w 6' chain-link w 3 stand barbed wire, 2000 LF	\$ 204,734
Fence Lower Reservoir w 6' chain-link w 3 stand barbed wire, 1200 LF	\$ 122,840
Upper Reservoir: Line remainder of Upper Reservoir	\$ 418,210
SCADA Integration to Automate Non-Potable Pumps	\$ 73,700
Clean-up O Shaft Well	\$ 85,000
TOTAL (estimated)	\$ 904,484

SUMMARY OF FUNDING

Acquisition Funding

Launiupoko Water System	\$ 3,500,000
Olowalu Water System	\$ 2,500,000
TOTAL	\$ 6,000,000

Seller's Post Closing Obligations

<u>Transitional Services Agreement (monthly cost)</u>	
Launiupoko Water System	\$ 46,500
Olowalu Water System	\$ 53,600
TOTAL	\$ 100,100
<u>Water System Improvements</u>	
Launiupoko Water System	\$ 150,000
Olowalu Water System	\$ 904,484
TOTAL	\$ 1,054,484

Personnel (Expansion Positions)

- 10 expansion positions approved in Fy2027 to address the potential acquisition of private water systems by the County.
- If the Launiupoko and Olowalu water systems are acquired, the Department of Water Supply will move forward with the hiring of 5 approved positions
- Estimated funding for 5 positions is \$327,192 for 12 months, based on FY2027 funding for 6 months for 10 positions.

PROPOSED CLOSING SCHEDULE

	<u>Completion Date</u>
Appraiser's Site Visit	April 2, 2026
Appraisal	June 24, 2026
Council Approval (estimated)	End August 2026
PUC (estimated - 6 months)	March 2027
Escrow Closing (20 business days from PUC Approval)	April 2027

BFED Committee

From: Linda K. Kimura <Linda.Kimura@co.maui.hi.us>
Sent: Tuesday, July 28, 2026 12:06 PM
To: BFED Committee
Cc: BFED Committee; James A. Landgraf; John Stufflebean
Subject: RE: Request for July 27, 2026, WAI Committee presentation
Attachments: 2026-07-27 WAI-1(10) Resolution 26-116 Acquisition of Water System Assets.pdf

Attached is a copy of the Water Department's presentation to WAI Committee of 7/27/2026.

Thank you,
Linda

From: BFED Committee <BFED.Committee@mauicounty.us>
Sent: Tuesday, July 28, 2026 11:45 AM
To: James A. Landgraf <james.landgraf@co.maui.hi.us>; John Stufflebean <John.Stufflebean@co.maui.hi.us>; Linda K. Kimura <Linda.Kimura@co.maui.hi.us>
Cc: BFED.Committee <BFED.Committee@mauicounty.us>
Subject: Request for July 27, 2026, WAI Committee presentation

Aloha, Director and Deputy Director,

May we please request a copy of the Department of Water Supply's presentation to the Water and Infrastructure Committee at its July 27, 2026, meeting on the proposed acquisition of the Launiupoko and Olowalu water systems?

The presentation will assist the Budget, Finance, and Economic Development Committee with its review of Resolution 26-116.

Mahalo for your assistance.

BFED Staff

Mahalo and warm regards,



BFED Committee Staff

County of Maui | Office of Council Services
Email: BFED.Committee@mauicounty.us