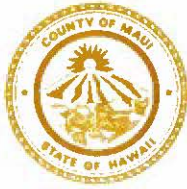


RICHARD T. BISSEN, JR.
Mayor

JOSIAH NISHITA
Managing Director

CYNTHIA LALLO
Chief of Staff



OFFICE OF THE MAYOR
COUNTY OF MAUI
200 SOUTH HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.mauicounty.gov

August 18, 2025

Honorable Richard T. Bissen, Jr.
Mayor, County of Maui
200 South High Street
Wailuku, Hawaii 96793

APPROVED FOR TRANSMITTAL

Richard T. Bissen, Jr. 8-18-25

Mayor Date

For Transmittal to:

Honorable Yuki Lei K. Sugimura, Chair
and Members of the Budget, Finance, and Economic Development Committee
200 South High Street
Wailuku, Hawaii 96793

Dear Chair Sugimura:

SUBJECT: JOHNSON CONTROLS, INC. ENERGY PERFORMANCE CONTRACT (BFED-20(16))

Pursuant to your correspondence dated August 1, 2025, the following are responses to your questions:

1. What is the current status of the contract and who is responsible for monitoring and tracking its implementation?

The Johnson Controls Inc. contract is active and ongoing. Phase I has been completed, and Phase II—the PV project—is currently underway. Eleven sites have been mobilized, with another four sites ready to be scheduled. Of these, three sites have been completed, energized, and are now producing power. We are currently seven months into the 23-month construction period.

2. Which departments are involved in implementing or supporting projects under this contract? Has interdepartmental coordination posed any challenges? If so, please explain.

All County departments with physical facilities or above-ground infrastructure (e.g., Department of Water Supply), as well as departments responsible for permitting, budgeting, and legal review through Corporation Counsel, are engaged in supporting

the Phase II work with Johnson Controls Inc. Overall, interdepartmental coordination has been effective. Departments have demonstrated cooperation and support throughout the project. While the scale of coordination requires ongoing communication and scheduling across multiple teams, no significant challenges have hindered progress to date.

3. How is the County monitoring Johnson Controls' performance under the contract? What benchmarks or reporting tools are being used to evaluate energy savings, cost reductions, and other deliverables? Please provide the most recent monitoring or performance report.

The County monitors Johnson Controls Inc.'s performance under the contract through multiple channels. The JCI project team meets at least monthly with the Chief of Staff to provide progress reports, raise requests for collaboration, and address any special circumstances or departmental needs.

Contractually, the first formal Johnson Controls performance report—measuring energy savings, cost reductions, and other deliverables—is due in September 2025. At this time, monitoring is focused on construction progress, with early indications showing that energized sites are producing power consistent with expectations.

4. How much has the County realized in energy savings or other efficiencies to date under the agreement?

The County has not yet realized measurable energy savings or efficiencies under the Johnson Controls agreement. Contractually, the first formal performance report—documenting verified energy savings, cost reductions, and related efficiencies—is due in September 2025. Until that time, savings cannot be formally quantified or reported.

a. Have those savings been applied to offset the lease payment; and if so, how are the savings recognized, and under what Fiscal Year 2026 Budget item are those funds recorded?

Because the verified savings report has not yet been issued, no savings have been applied to offset the lease payment. Accordingly, savings have not been integrated into the County's budget at this time.

b. Please provide a copy of the current repayment schedule, including the annual payment amount, total amount due, payments made, and payment terms? How are these payments reflected in the Fiscal Year 2026 Budget?

Please see attached Guaranteed Savings and Cash Flow. This document includes annual lease payments to Bank of Hawaii, JCI Measurement and Verification Costs, and Total Savings for the entirety of the agreement.

5. What environmental or community benefits have resulted from the work performed under this contract and have those outcomes been reported publicly?

Yes, please find a website Sustainable-Maui and dashboard available at <https://www.sustainable-maui.com/progress-tracker>

Mahalo,

A handwritten signature in black ink, appearing to read 'Cynthia Lallo', written over the printed name.

Cynthia Lallo
Chief of Staff

Attachment-JCI Guaranteed Savings and Cash Flow

TOTAL FINANCED AMOUNT / CONTRACT VALUE: \$ 25,084,268 A
 Years 1-4 Pool Service PSA Value: \$ - B
 Appx. BOH Accrued Interest: \$ 789,510 C
 Total TELP: \$ 25,873,778 A+B+C

	Measured Savings				Non-Measured (Agreed Upon) Savings				Total Savings	Annual, In-Advance Lease Payment from BOH	Measurement and Verification	JCI Ongoing Services	Total Costs	Total Annual Benefit	Start Date	End Date	Lease Balance					Fixed Rate
	Utility Savings	Utility Savings	Operational Savings	Rebates (Not Guaranteed)	Utility Savings	Utility Savings	Operational Savings	Rebates (Not Guaranteed)									Beginning Lease Balance	Principal Payment	Interest Payment	Total Principal and Interest Payment	Ending Lease Balance	
Year 1	\$ 1,132,246	\$ 188,164	\$ 250,516	\$ 191,353	\$ 1,762,279	\$ 1,708,372	\$ 53,906	\$ -	\$ 1,762,278	\$ 1,762,278	\$ -	\$ -	\$ 1,762,278	\$ -	30-Sep-2024	30-Sep-2025	\$ 25,873,778	\$ 1,708,372	\$ -	\$ 1,708,372	\$ 24,165,406	3.83%
Year 2	\$ 1,178,977	\$ 195,398	\$ 297,046	\$ -	\$ 1,671,421	\$ 1,614,818	\$ 56,602	\$ -	\$ 1,671,420	\$ 1,671,420	\$ -	\$ -	\$ 1,671,420	\$ -	30-Sep-2025	30-Sep-2026	\$ 24,165,406	\$ 689,283	\$ 925,535	\$ 1,614,818	\$ 23,476,123	
Year 3	\$ 1,227,945	\$ 202,972	\$ 329,751	\$ -	\$ 1,760,668	\$ 1,701,235	\$ 59,432	\$ -	\$ 1,760,667	\$ 1,760,667	\$ -	\$ -	\$ 1,760,667	\$ -	30-Sep-2026	30-Sep-2027	\$ 23,476,123	\$ 802,100	\$ 899,136	\$ 1,701,235	\$ 22,674,023	
Year 4	\$ 1,279,262	\$ 210,903	\$ 355,611	\$ -	\$ 1,845,775	\$ 1,783,371	\$ 62,403	\$ -	\$ 1,845,774	\$ 1,845,774	\$ -	\$ -	\$ 1,845,774	\$ -	30-Sep-2027	30-Sep-2028	\$ 22,674,023	\$ 912,577	\$ 870,794	\$ 1,783,371	\$ 21,761,446	
Year 5	\$ 1,333,043	\$ 219,208	\$ 378,312	\$ -	\$ 1,930,564	\$ 1,865,039	\$ 65,523	\$ -	\$ 1,930,563	\$ 1,930,563	\$ -	\$ -	\$ 1,930,563	\$ -	30-Sep-2028	30-Sep-2029	\$ 21,761,446	\$ 1,031,576	\$ 833,463	\$ 1,845,039	\$ 20,729,871	
Year 6	\$ 1,389,412	\$ 227,906	\$ 397,228	\$ -	\$ 2,014,546	\$ 1,945,746	\$ 68,800	\$ -	\$ 2,014,545	\$ 2,014,545	\$ -	\$ -	\$ 2,014,545	\$ -	30-Sep-2029	30-Sep-2030	\$ 20,729,871	\$ 1,151,792	\$ 793,954	\$ 1,945,746	\$ 19,578,079	
Year 7	\$ 1,448,497	\$ 237,016	\$ 417,089	\$ -	\$ 2,102,603	\$ 2,030,362	\$ 72,240	\$ -	\$ 2,102,602	\$ 2,102,602	\$ -	\$ -	\$ 2,102,602	\$ -	30-Sep-2030	30-Sep-2031	\$ 19,578,079	\$ 1,280,522	\$ 749,840	\$ 2,030,362	\$ 18,297,558	
Year 8	\$ 1,510,432	\$ 246,559	\$ 437,944	\$ -	\$ 2,194,935	\$ 2,119,082	\$ 75,852	\$ -	\$ 2,194,934	\$ 2,194,934	\$ -	\$ -	\$ 2,194,934	\$ -	30-Sep-2031	30-Sep-2032	\$ 18,297,558	\$ 1,416,366	\$ 702,716	\$ 2,119,082	\$ 16,881,192	
Year 9	\$ 1,575,359	\$ 256,556	\$ 459,841	\$ -	\$ 2,291,756	\$ 2,212,111	\$ 79,644	\$ -	\$ 2,291,755	\$ 2,291,755	\$ -	\$ -	\$ 2,291,755	\$ -	30-Sep-2032	30-Sep-2033	\$ 16,881,192	\$ 1,565,561	\$ 646,550	\$ 2,212,111	\$ 15,315,630	
Year 10	\$ 1,643,426	\$ 267,030	\$ 482,833	\$ -	\$ 2,393,289	\$ 2,309,662	\$ 83,626	\$ -	\$ 2,393,288	\$ 2,393,288	\$ -	\$ -	\$ 2,393,288	\$ -	30-Sep-2033	30-Sep-2034	\$ 15,315,630	\$ 1,723,073	\$ 586,589	\$ 2,309,662	\$ 13,592,557	
Year 11	\$ 1,714,789	\$ 278,004	\$ 506,975	\$ -	\$ 2,499,768	\$ 2,411,959	\$ 87,808	\$ -	\$ 2,499,767	\$ 2,499,767	\$ -	\$ -	\$ 2,499,767	\$ -	30-Sep-2034	30-Sep-2035	\$ 13,592,557	\$ 1,891,364	\$ 520,595	\$ 2,411,959	\$ 11,701,193	
Year 12	\$ 1,789,613	\$ 289,502	\$ 532,323	\$ -	\$ 2,611,439	\$ 2,519,240	\$ 92,198	\$ -	\$ 2,611,438	\$ 2,611,438	\$ -	\$ -	\$ 2,611,438	\$ -	30-Sep-2035	30-Sep-2036	\$ 11,701,193	\$ 2,069,856	\$ 449,384	\$ 2,519,240	\$ 9,631,337	
Year 13	\$ 1,868,069	\$ 301,552	\$ 558,940	\$ -	\$ 2,728,560	\$ 2,631,751	\$ 96,808	\$ -	\$ 2,728,559	\$ 2,728,559	\$ -	\$ -	\$ 2,728,559	\$ -	30-Sep-2036	30-Sep-2037	\$ 9,631,337	\$ 2,262,871	\$ 368,880	\$ 2,631,751	\$ 7,368,466	
Year 14	\$ 1,950,337	\$ 314,180	\$ 586,887	\$ -	\$ 2,851,403	\$ 2,749,754	\$ 101,648	\$ -	\$ 2,851,402	\$ 2,851,402	\$ -	\$ -	\$ 2,851,402	\$ -	30-Sep-2037	30-Sep-2038	\$ 7,368,466	\$ 2,467,542	\$ 282,212	\$ 2,749,754	\$ 4,900,924	
Year 15	\$ 2,036,607	\$ 327,414	\$ 616,231	\$ -	\$ 2,980,253	\$ 2,873,521	\$ 106,731	\$ -	\$ 2,980,252	\$ 2,980,252	\$ -	\$ -	\$ 2,980,252	\$ -	30-Sep-2038	30-Sep-2039	\$ 4,900,924	\$ 2,685,816	\$ 187,705	\$ 2,873,521	\$ 2,215,108	
Year 16	\$ 2,127,079	\$ 341,286	\$ 647,042	\$ -	\$ 3,115,407	\$ 2,300,179	\$ 112,067	\$ -	\$ 2,412,246	\$ 2,412,246	\$ -	\$ 703,161	\$ 2,412,246	\$ 703,161	30-Sep-2039	30-Sep-2040	\$ 2,215,108	\$ 2,215,108	\$ 85,071	\$ 2,300,179	\$ 0	
Year 17	\$ 2,221,960	\$ 355,826	\$ 679,395	\$ -	\$ 3,257,181	\$ -	\$ 117,671	\$ -	\$ 117,671	\$ 117,671	\$ -	\$ -	\$ 117,671	\$ 3,139,510	30-Sep-2040	30-Sep-2041						
Year 18	\$ 2,321,471	\$ 371,068	\$ 713,364	\$ -	\$ 3,405,903	\$ -	\$ 123,554	\$ -	\$ 123,554	\$ 123,554	\$ -	\$ -	\$ 123,554	\$ 3,282,349	30-Sep-2041	30-Sep-2042						
Year 19	\$ 2,425,841	\$ 387,047	\$ 749,033	\$ -	\$ 3,561,920	\$ -	\$ 129,732	\$ -	\$ 129,732	\$ 129,732	\$ -	\$ -	\$ 129,732	\$ 3,432,189	30-Sep-2042	30-Sep-2043						
Year 20	\$ 2,535,313	\$ 403,799	\$ 786,484	\$ -	\$ 3,725,596	\$ -	\$ 136,218	\$ -	\$ 136,218	\$ 136,218	\$ -	\$ -	\$ 136,218	\$ 3,589,377	30-Sep-2043	30-Sep-2044						
TOTAL	\$ 34,267,409	\$ 2,063,658	\$ 10,182,845	\$ 191,353	\$ 50,705,265	\$ 34,776,202	\$ 1,782,462	\$ -	\$ 34,558,664	\$ 34,558,664	\$ -	\$ -	\$ 34,558,664	\$ 14,146,601								

BFED Committee

From: Michelle L. Santos <Michelle.Santos@co.maui.hi.us>
Sent: Monday, August 18, 2025 4:14 PM
To: BFED Committee
Cc: Cynthia D. Lallo; Emily E. Bartow; Cynthia E. Sasada; Erin A. Wade; Josiah K. Nishita; Keli P. Nahooikaika
Subject: MT#11185 Johnson Controls, Inc. Energy Performance Contract
Attachments: MT#11185-BFED Committee.pdf