

RICHARD T. BISSEN, JR.
Mayor

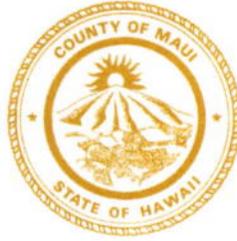
SHAYNE R. AGAWA, P.E.
Director

MICHAEL D. PETERSEN
Deputy Director

MICHAEL KEHANO, P.E.
Solid Waste Division

ERIC A. NAKAGAWA, P.E.
Wastewater Reclamation Division

CECILE POWELL
Environmental Protection &
Sustainability Division



**COUNTY OF MAUI
DEPARTMENT OF
ENVIRONMENTAL MANAGEMENT**

2145 KAOHU STREET, SUITE 102
WAILUKU, MAUI, HAWAII 96793

March 2, 2026

Ms. Lesley Milner
Budget Director, County of Maui
200 South High Street
Wailuku, HI 96793

APPROVED FOR TRANSMITTAL

Mayor 3-3-26 Date

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

For Transmittal to:

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

Dear Chair Sugimura:

SUBJECT: BILL 30 (2026), AMENDING THE FISCAL YEAR 2026 BUDGET: INCREASE ESTIMATED REVENUES, CARRYOVER/SAVINGS, GENERAL FUND; TRANSFER TO THE GENERAL EXCISE TAX FUND; DEPARTMENT OF ENVIRONMENTAL MANAGEMENT (CENTRAL MAUI REGIONAL WASTEWATER RECLAMATION FACILITY) (BFED-47)

In response to your February 26, 2026 request regarding Bill 30 (2026), your request and the corresponding answer(s) are provided below by the Department of Environmental Management (DEM):

1. **Why and when did State funds lapse? What specific deadline or condition caused the lapse?**

The internal grant in aid process for State funds was not well established at the time this allocation was made, and there was a miscommunication that led to the lapse. The State funds of \$3.5M lapsed on 6/30/2024.

2. What internal control changes are now in place to prevent a similar lapse? Please identify the owner, the tracking method, the escalation point, and how often the deadline review occurs.

Finance, the receiving Department, and the CIP Coordinator from Management work together to monitor appropriations from the State. Appropriations are tracked by the Department and the CIP Coordinator from Management. The release of funds is facilitated by Finance. Departments will use internal tracking and deadline review, combined with coordination and communication with Finance, to prevent the lapse of current and future State funding.

3. Provide a timeline from the award to the lapse of State funds. Please include the following:

a. Award date and amount.

The State issued the appropriation of \$3,500,000 for the Central Maui Waste Water Facility on July 1, 2021. The Department requested a budget amendment on July 26, 2021. Ordinance 5283 was approved Nov 12, 2021.

b. The date each grant agreement and contract were executed.

Contract C7767 (Brown and Caldwell) for the design of the WWRF was executed on December 30, 2022.

c. Dates and amounts of expenditures charged to the funds.

The following is the status of funds paid to date:

Index	Desc	Encumbrance	Paid to Date	Balance
101103	CBS-3206 Central Maui WWRF	\$ 9,900,871.00	\$ 965,362.08	\$ 8,935,508.92
	BG3 CW Regional			
320080	WWRF/Waikapu	\$ 3,500,000.00	\$2,299,033.98	\$ 1,200,966.02
	BG3 CW Sewer CM Regional			
101256B	WWRF	\$ 3,342,400.00	\$3,342,400.00	\$ -
Grand Total		\$16,743,271.00	\$6,606,796.06	\$10,136,474.94

d. Dates reimbursement requests were submitted and paid.

There were no reimbursement requests made to the State so no reimbursements were made.

e. Lapse date, lapsed amount, and stated reason for lapse.

See Response to Question 1.

4. Did the Department request the State to reappropriate, or otherwise restore, the lapsed funds? If so, what was the response. If no, why not?

Yes. The State verified that the lapsed \$3.5 million could not be re-appropriated.

5. Mayor Bissen's request to the joint committees of Ways and Means and Finance is \$10.5 million for the project. Please provide your response to the following:

a. Does this request include the \$3.5 million that lapsed? Please explain.

Yes, this request includes a reappropriation of the \$3.5 million that lapsed.

The \$10.5 million being requested from the State is a separate FY27 funding request that includes the shortfall caused by the \$3.5M that lapsed.

b. What project phase, or scope, will the requested \$10.5 million fund? Please specify deliverables and the planned schedule.

The \$10.5 million will fund the remaining balance for the design and permitting phase of the project. We anticipate having 90% complete design by August 2026. The District Boundary Amendment, change in zoning, and construction permits and applications are anticipated to be completed in early 2027. The Department anticipates advertising for construction bids in July 2027.

c. Is the \$10.5 million request sufficient to complete the construction phase as currently scoped?

1. If not, please identify the remaining funding gap and the County's plan to fund the remainder needed for the project.

No. The \$10.5M being requested from the State is to cover the remaining costs for design and permitting. The current estimate for construction costs is \$240 million, which will be funded through County GET funding and the Sewer Fund. The Department has also applied for funding through CDBG-DR and is currently in the process of applying for an Economic Development Agency's (EDA) FY25 Disaster Supplemental Implementation Path funding grant. Lastly, the Department may make future requests to the State for construction funding once bids are complete.

Thank you for the opportunity to provide you with information on this matter. Should you have any questions or concerns, please feel free to forward them to the Department of Environmental Management via transmittal through the Office of the Mayor.

Sincerely,



Digitally signed by Shayne
R. Agawa, P.E., Director
Date: 2026.03.02 17:21:22
-10'00'

SHAYNE R. AGAWA, P.E.
Director of Environmental Management

BFED Committee

From: Janina E. Agapay <Janina.E.Agapay@co.maui.hi.us>
Sent: Tuesday, March 3, 2026 8:36 AM
To: BFED Committee
Cc: Shayne R. Agawa; Michael Petersen; Nadine C. Orikasa
Subject: BFED-47 Correspondence
Attachments: BFED-47.pdf

Aloha,

Please see attached from the Department of Environmental Management.

Thank you,

Janina Agapay

County of Maui | Budget Office

Phone: (808) 270-7836

Email: Janina.E.Agapay@co.maui.hi.us