

COUNCIL OF THE COUNTY OF MAUI
**BUDGET, FINANCE, AND ECONOMIC
DEVELOPMENT COMMITTEE**

October 11, 2024

**Committee
Report No.** _____

Honorable Chair and Members
of the County Council
County of Maui
Wailuku, Maui, Hawaii

Chair and Members:

Your Budget, Finance, and Economic Development Committee, having met on September 24, 2024, makes reference to the following:

1. Bill 122, CD1 (2024), entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2025 BUDGET FOR THE COUNTY OF MAUI, ESTIMATED REVENUES AND DEPARTMENT OF WATER SUPPLY, ADMINISTRATION PROGRAM, EAST MAUI WATER AUTHORITY STUDY."

Bill 122, CD1's purpose is to amend the Fiscal Year ("FY") 2025 Budget, by: 1) amending Section 2, Estimated Revenues, by increasing Carryover/Savings from the Water Fund by \$250,000; 2) amending Section 3.B.21.a.(1), Department of Water Supply, Administration Program - Water Fund, General, by increasing Category B - Operations & Equipment and Total appropriations by \$250,000 and adding a new condition for up to \$250,000 to be used for professional services for a contract to prepare a feasibility study and management or business plan for the new East Maui Water ("EMW") Authority; and 3) adjusting the totals accordingly.

2. A Certification of Additional Revenues for FY 2025, dated August 6, 2024, for \$250,000 in Carryover/Savings from the Water Fund.

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3. Bill 134 (2024), entitled “A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2025 BUDGET FOR THE COUNTY OF MAUI, ESTIMATED REVENUES AND DEPARTMENT OF WATER SUPPLY, ADMINISTRATION PROGRAM, EAST MAUI WATER AUTHORITY STUDY.”

Bill 134’s purpose is to amend the FY 2025 Budget, by: 1) amending Section 2, Estimated Revenues, by increasing Carryover/Savings from the Water Fund by \$250,000; 2) amending Section 3.B.21.a.(1), Department of Water Supply, Administration Program - Water Fund, General, by increasing Category B - Operations & Equipment and Total appropriations by \$250,000, and adding a new condition for up to \$250,000 to be used for professional services for a contract to prepare a feasibility study and management or business plan for the new EMW Authority; and 3) adjusting the totals accordingly. Bill 134 incorporates corrections to Estimated Revenues consistent with the FY 2025 Budget, as amended.

4. A Certification of Additional Revenues for FY 2025, dated September 18, 2024, for \$250,000 in Carryover/Savings from the Water Fund.

Your Committee previously recommended the passage of Bill 122, CD1, on first reading through Committee Report 24-81. At its meeting of September 13, 2024, the Council voted to file Committee Report 24-81 and recommit Bill 122, CD1, to your Committee to allow discussion on the Department of Water Supply’s proposed use of the requested \$250,000.

By correspondence dated August 20, 2024, the Budget Director transmitted draft Contract WC1326 and bid documents for “buy-side due

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diligence services and [a] legal and business analysis for the potential acquisition of East Maui Irrigation [Company, LLC] (EMI).”

By correspondence dated September 18, 2024, the Budget Director transmitted Bill 134, which is substantially similar to Bill 122, CD1, but incorporates necessary corrections to Estimated Revenues for consistency with the FY 2025 Budget, as amended.

Your Committee received testimony from a former County Director of Water Supply in opposition to using the Department’s Water Fund revenue for an EMW Authority-related study. He recommended the County conduct an engineering study of EMI’s water system to better understand the cost of modernizing and maintaining the system before the purchase is considered.

The Deputy Director of Water Supply concurred that the EMW Authority should consider an engineering study of the water system. He further said that his Department could assist with developing the Request for Proposals for an engineering study.

Your Committee noted the EMW Authority may be able to access a variety of grant funds available to community and municipal water providers. The Budget Director said while the EMW Authority is still in its formative stage, its primary funding source will remain the General Fund.

Your Committee supported the filing of Bills 122, CD1, and 134, to allow the Administration time to develop a new bill for the EMW Authority to contract for a study that would best suit its needs.

Your Committee voted 8-0 to recommend filing Bill 122, CD1 (2024) and Bill 134 (2024). Committee Chair Sugimura and members Cook, Johnson, Lee, Paltin, Rawlins-Fernandez, Sinenci, and U‘u-Hodgins voted “aye.” Committee Vice-Chair Kama was excused.

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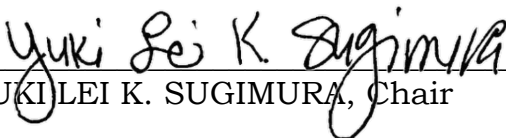
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Your Budget, Finance, and Economic Development Committee
RECOMMENDS the following:

1. That Bill 122, CD1 (2024) be FILED; and
2. That Bill 134 (2024) be FILED.

This report is submitted in accordance with Rule 8 of the Rules of
the Council.



YUKILEI K. SUGIMURA, Chair

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