

COUNCIL OF THE COUNTY OF MAUI

BUDGET, FINANCE, AND ECONOMIC DEVELOPMENT COMMITTEE

January 7, 2026

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 December 16, 2025, makes reference to the following:

1. Bill 177 (2025), entitled "A BILL FOR AN ORDINANCE AMENDING ORDINANCE 5820 (2025) RELATING TO AN INTERGOVERNMENTAL AGREEMENT FOR A LOAN FROM THE STATE OF HAWAII'S WATER POLLUTION CONTROL REVOLVING FUND FOR VARIOUS WASTEWATER PROJECTS, FISCAL YEAR 2026 BUDGET ORDINANCE."

Bill 177's purpose is to amend Ordinance 5820 (2025), which authorizes the Mayor to enter into intergovernmental agreements for loans from the State of Hawai'i's Water Pollution Control Revolving Fund to finance various projects, to add a \$22,409,000 project entitled, "Lahaina Wastewater Reclamation Facility Returned Activated Sludge (RAS)/Dewatering Upgrades."

2. Bill 178 (2025), entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2026 BUDGET, INCREASING ESTIMATED REVENUES, OTHER INTERGOVERNMENTAL BY \$22,409,000, CAPITAL IMPROVEMENT PROJECTS, DEPARTMENT OF ENVIRONMENTAL MANAGEMENT, WEST MAUI COMMUNITY PLAN AREA, AND APPENDIX C, DEPARTMENT OF ENVIRONMENTAL MANAGEMENT, WEST MAUI COMMUNITY PLAN AREA, NEW AND INCREASED APPROPRIATION FOR \$22,409,000 FOR LAHAINA WASTEWATER RECLAMATION FACILITY RETURNED ACTIVATED SLUDGE (RAS)/DEWATERING UPGRADES."

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Bill 178's purpose is to amend the Fiscal Year 2026 Budget by: 1) amending Section 2, Estimated Revenues, by increasing Other Intergovernmental by \$22,409,000; 2) amending Section 4.A.6.a., Department of Environmental Management, West Maui Community Plan Area, by adding a State Revolving Loan Fund appropriation entitled "Lahaina Wastewater Reclamation Facility Returned Activated Sludge (RAS)/Dewatering Upgrades" in the amount of \$22,409,000; 3) adjusting the totals accordingly; and 4) amending Appendix C - Capital Improvement Projects, Department of Environmental Management, West Maui Community Plan Area, by increasing the appropriation for "Lahaina Wastewater Reclamation Facility Returned Activated Sludge (RAS)/Dewatering Upgrades" by \$22,409,000, from \$10,000,000 to \$32,409,000.

Your Committee notes the Fiscal Year 2026 Budget includes a \$6,593,103 Bond Fund appropriation and a \$3,406,897 Lapsed Bond Fund appropriation for the Lahaina Wastewater Reclamation Facility Returned Activated Sludge and Dewatering Upgrades project.

The Director of Environmental Management said the facility's sludge-related systems and solids dewatering equipment show significant deterioration and no longer meet operational needs. Concrete structures, aging centrifuges, and other aging equipment require replacement to maintain reliable wastewater service in the West Maui Community Plan Area.

He explained that the Department has gone through procurement for the project and the bids were higher than expected, so additional funding is needed to complete the work.

He further reported that the State Department of Health and the United States Environmental Protection Agency identified this project as eligible for \$22,409,000 in State Water Pollution Control Revolving Fund financing with full principal forgiveness.

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Given the need for the upgrades at the Lahaina Wastewater Reclamation Facility and the loan's eligibility for full principal forgiveness, your Committee supported Bills 177 and 178.

Your Committee voted 7-0 to recommend passage of Bills 177 (2025) and 178 (2025), on first reading. Committee Chair Sugimura and members Cook, Johnson, Lee, Paltin, Rawlins-Fernandez, and Sinenci voted "aye." Committee member U'u-Hodgins was excused.

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

1. That Bill 177 (2025), attached, entitled "A BILL FOR AN ORDINANCE AMENDING ORDINANCE 5820 (2025) RELATING TO AN INTERGOVERNMENTAL AGREEMENT FOR A LOAN FROM THE STATE OF HAWAII'S WATER POLLUTION CONTROL REVOLVING FUND FOR VARIOUS WASTEWATER PROJECTS, FISCAL YEAR 2026 BUDGET ORDINANCE," be PASSED ON FIRST READING and be ORDERED TO PRINT; and
2. That Bill 178 (2025), attached, entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2026 BUDGET, INCREASING ESTIMATED REVENUES, OTHER INTERGOVERNMENTAL BY \$22,409,000, CAPITAL IMPROVEMENT PROJECTS, DEPARTMENT OF ENVIRONMENTAL MANAGEMENT, WEST MAUI COMMUNITY PLAN AREA, AND APPENDIX C, DEPARTMENT OF ENVIRONMENTAL MANAGEMENT, WEST MAUI COMMUNITY PLAN AREA, NEW AND INCREASED APPROPRIATION FOR \$22,409,000 FOR LAHAINA WASTEWATER RECLAMATION FACILITY RETURNED ACTIVATED SLUDGE (RAS)/DEWATERING UPGRADES," be PASSED ON FIRST READING and be ORDERED TO PRINT.

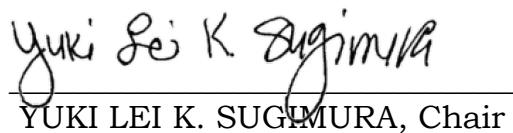
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This report is submitted in accordance with Rule 3 of the Rules of the Council.



Yuki Lei K. Sugimura

YUKI LEI K. SUGIMURA, Chair

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ORDINANCE NO. _____

BILL NO. 177 (2025)

A BILL FOR AN ORDINANCE AMENDING ORDINANCE 5820 (2025) RELATING TO AN INTERGOVERNMENTAL AGREEMENT FOR A LOAN FROM THE STATE OF HAWAII'S WATER POLLUTION CONTROL REVOLVING FUND FOR VARIOUS WASTEWATER PROJECTS, FISCAL YEAR 2026 BUDGET ORDINANCE

BE IT ORDAINED BY THE PEOPLE OF THE COUNTY OF MAUI:

SECTION 1. Ordinance 5820 (2025) is amended by amending Section 1 to read as follows:

“SECTION 1. Request for Loan. The County of Maui, under Section 342D-83 through Section 342D-87, Hawaii Revised Statutes, may submit applications for State Water Pollution Control Revolving Fund Loans (“SRF loans”) to the Director of the Department of Health, State of Hawaii, to finance the following projects:

a.	Waiko Road Subdivision Sewer System	\$ 2,500,000
b.	Kīhei Wastewater Pump Station No. 7 Relocation	\$ 9,400,000
c.	<u>Lāhainā Wastewater Reclamation Facility Returned Activated Sludge (RAS)/Dewatering Upgrades</u>	<u>\$ 22,409,000</u>

Total \$[11,900,000]
34,309,000

(collectively, “Projects”).

Under the terms and conditions anticipated for each SRF loan, the County must repay, over a term of twenty years, the principal amount, which must not exceed the amount of each loan stated above, at a fixed rate of interest that must not exceed the Bond Buyer’s 20-year general obligation bond issue.”

SECTION 2. Material to be repealed is bracketed. New material is underscored.

SECTION 3. This ordinance takes effect on approval.

APPROVED AS TO FORM
AND LEGALITY:

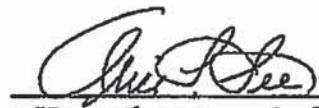


KRISTIE M. WRIGGLESWORTH
Deputy Corporation Counsel
County of Maui

LF 2025-0167

2025-11-26 Amd to Ord 5820 Wastewater IGA SFA Loans FY26

INTRODUCED BY:

A handwritten signature in black ink, appearing to read "Andrew J. Lee".

Upon the request of the Mayor.

ORDINANCE NO. _____

BILL NO. 178 (2025)

A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2026 BUDGET, INCREASING ESTIMATED REVENUES, OTHER INTERGOVERNMENTAL BY \$22,409,000, CAPITAL IMPROVEMENT PROJECTS, DEPARTMENT OF ENVIRONMENTAL MANAGEMENT, WEST MAUI COMMUNITY PLAN AREA, AND APPENDIX C, DEPARTMENT OF ENVIRONMENTAL MANAGEMENT, WEST MAUI COMMUNITY PLAN AREA, NEW AND INCREASED APPROPRIATION FOR \$22,409,000 FOR LAHAINA WASTEWATER RECLAMATION FACILITY RETURNED ACTIVATED SLUDGE (RAS)/DEWATERING UPGRADES

BE IT ORDAINED BY THE PEOPLE OF THE COUNTY OF MAUI:

SECTION 1. Ordinance 5816, as amended, "Fiscal Year 2026 Budget," Section 2, Estimated Revenues, is amended to increase Other Intergovernmental in the amount of \$22,409,000, and increase the total accordingly, to read as follows:

ESTIMATED REVENUES

FROM TAXES, FEES AND ASSESSMENTS:

Real Property Taxes	660,572,668
Circuit Breaker Adjustment	(385,718)
Transient Accommodations Tax	65,000,000
General Excise Tax	70,000,000
Charges for Current Services	187,942,380
Public Service Company Tax	8,000,000
Licenses/Permits/Others	75,388,402
Fuel and Franchise Taxes	25,500,000
Special Assessments	17,300,000
Other Intergovernmental	[80,169,830]
	<u>102,578,830</u>

FROM OTHER SOURCES:

Interfund Transfers	110,107,913
Bond/Lapsed Bond	179,226,268
Carryover/Savings:	
General Fund	137,640,156
Sewer Fund	10,239,592
Highway Fund	11,217,761
Solid Waste Management Fund	3,867,796
Environmental Protection and Sustainability Fund	984,524
Liquor Fund	816,172
Water Fund	17,480,318

TOTAL ESTIMATED REVENUES **[1,661,068,062]** **1,683,477,062"**

SECTION 2. Fiscal Year 2026 Budget, Section 4.A.6.a., Department of Environmental Management, West Maui Community Plan Area, is amended to add an appropriation for State Revolving Loan Fund entitled "Lahaina Wastewater Reclamation Facility Returned Activated Sludge (RAS)/Dewatering Upgrades", in the amount of \$22,409,000, to read as follows:

<u>PROJECT TITLE</u>	<u>APPROPRIATION</u>
A. Department of Environmental Management	
6. West Maui Community Plan Area	
a. Sewer	
(1) Bond Fund	
(i) Lahaina Wastewater Reclamation Facility Returned Activated Sludge (RAS)/Dewatering Upgrades	6,593,103
(ii) Nāpili No. 1 Force Main Replacement	4,500,000
(iii) Nāpili No. 2 Force Main Replacement	1,500,000
(2) Lapsed Bond Fund	
(i) Lahaina Wastewater Reclamation Facility Returned Activated Sludge (RAS)/Dewatering Upgrades	3,406,897
(3) Sewer Fund	
(i) Lahaina Siphon and Ditch Distribution	500,000
(ii) West Maui Environmental Protection Agency (EPA) Compliance Sewer Rehabilitation	4,000,000
(4) State Revolving Loan Fund	
(i) <u>Lahaina Wastewater Reclamation Facility Returned Activated Sludge (RAS)/Dewatering Upgrades</u>	<u>22,409,000"</u>

SECTION 3. Fiscal Year 2026 Budget, Total Capital Improvement Project Appropriations, is amended to reflect an increase of \$22,409,000, to read as follows:

"TOTAL CAPITAL IMPROVEMENT PROJECT APPROPRIATIONS" [399,231,067] 421,640,067"

SECTION 4. Fiscal Year 2026 Budget, Total Appropriations (Operating and Capital Improvement Projects), is amended to reflect an increase of \$22,409,00 to read as follows:

"TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)" [1,661,068,062] 1,683,477,062"

SECTION 5. Fiscal Year 2026 Budget, Appendix C – Capital Improvement Projects, Department of Environmental Management, West Maui Community Plan Area, is amended to increase the appropriation for Lahaina Wastewater Reclamation Facility Returned Activated Sludge (RAS)/Dewatering Upgrades, in the amount of \$22,409,000, to read as follows:

“APPENDIX C - Capital Improvement Projects		
CBS NO.	PROJECT TITLE/DESCRIPTION	APPROPRIATION
	<i>6. West Maui Community Plan Area</i>	
CBS-3575	g. Lahaina Wastewater Reclamation Facility Returned Activated Sludge (RAS)/Dewatering Upgrades	<u>[10,000,000]</u> <u>32,409,000”</u>
	Assessment, design, permitting, construction, and renovation of the RAS room and system, Waste Activated Sludge pumps and facility and the solids de-watering system at the Lahaina WWRF. The concrete is showing signs of deterioration and the equipment and piping requires replacement. The de-watering system centrifuges and pivoting conveyor have outlived their useful life and require upgrade and replacement.	

SECTION 6. Material to be repealed is bracketed. New material is underscored.

SECTION 7. This Ordinance takes effect on approval.

APPROVED AS TO FORM AND LEGALITY:



KRISTIE M. WRIGGLESWORTH

Deputy Corporation Counsel

INTRODUCED BY:



Andrew J. Lee
Upon the request of the Mayor.