

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

September 13, 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 August 20, 2024, makes reference to the following:

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

Bill 122’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 the appropriation for Category B - Operations & Equipment 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 Authority; and 3) adjusting the totals accordingly.

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

Your Committee notes the Council included \$250,000 for the Department’s study and plan in the FY 2024 Budget.

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By correspondence dated August 5, 2024, the Budget Director said the Department attempted to procure the study and business plan. Through the procurement process, two proposals were received, but the selected consultant's legal counsel requested additional time to review the contract. The funds were not encumbered by the end of FY 2024; thus, the Department is requesting to reappropriate the funds for the study and plan in FY 2025.

A representative from the Department of Water Supply clarified the Department does not require a new Request for Proposals because the Department has selected a contractor for the study. The contract is ready to be executed once the requested funding is appropriated.

By correspondence dated August 20, 2024, the Budget Director provided the draft contract and the bid documents for the study and plan. The scope of the study includes an analysis of the following as it relates to due diligence services and a legal and business analysis for the potential acquisition of East Maui Irrigation: finances, business structure and operations, contracts, human resources, and other relevant information.

Your Committee voted 7-0 to recommend passage of Bill 122 (2024) on first reading. Committee Chair Sugimura, Vice-Chair Kama, and members Cook, Lee, Rawlins-Fernandez, Sinenci and U'u Hodgins voted "aye." Committee members Johnson and Paltin were excused.

Your Committee is in receipt of 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," approved as to form and legality by the Department of the Corporation Counsel, incorporating nonsubstantive revisions.

Your Budget, Finance, and Economic Development Committee RECOMMENDS that Bill 122, CD1 (2024), as revised herein and attached here to, entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL

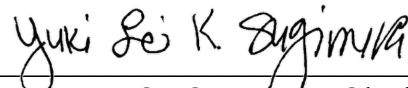
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YEAR 2025 BUDGET FOR THE COUNTY OF MAUI, ESTIMATED REVENUES AND DEPARTMENT OF WATER SUPPLY, ADMINISTRATION PROGRAM, EAST MAUI WATER AUTHORITY STUDY," be passed on FIRST READING and be ORDERED TO PRINT.

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



YUKI LEI K. SUGIMURA, Chair

bfed:cr:24099aa:epa

ORDINANCE NO. _____

BILL NO. 122, CD1 (2024)

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

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

SECTION 1. Ordinance No. 5657, Bill No. 60, CD1, FD2 (2024), as amended "Fiscal Year 2025 Budget", Section 2, Estimated Revenues, is amended to increase Carryover/Savings, Water Fund in the amount of \$250,000, and increase the total accordingly, to read as follows:

"ESTIMATED REVENUES

FROM TAXES, FEES AND ASSESSMENTS:

Real Property Taxes	586,905,349
Circuit Breaker Adjustment	(293,838)
Transient Accommodations Tax	60,000,000
General Excise Tax	60,000,000
Charges for Current Services	167,395,404
Public Service Company Tax	7,000,000
Licenses/Permits/Others	46,353,332
Fuel and Franchise Taxes	24,500,000
Special Assessments	9,866,000
Other Intergovernmental	10,750,000

FROM OTHER SOURCES:

Interfund Transfers	78,707,485
Bond/Lapsed Bond	107,785,000
Carryover/Savings:	
General Fund	50,785,000
Sewer Fund	10,229,492
Highway Fund	17,365,696
Solid Waste Management Fund	3,313,077
Environmental Protection and Sustainability Fund	920,551
Liquor Fund	854,521
Bikeway Fund	199,760
Water Fund	[24,016,394] <u>24,266,394</u>

TOTAL ESTIMATED REVENUES [1,266,401,162] 1,266,651,162"

SECTION 2. Fiscal Year 2025 Budget Section 3.B.21.a.(1), Department of Water Supply, Administration Program – Water Fund, General, is amended to increase the appropriation for Category B – Operations & Equipment in the amount of \$250,000, adjust the total appropriation accordingly, and add conditional language for professional services for a contract to prepare a feasibility study and management or business plan for the East Maui Water Authority, to read as follows:

<u>“FUNCTION AND PROGRAMS</u>	<u>A - Salaries</u>	<u>B – Operations & Equipment</u>	<u>Total</u>
21. Department of Water Supply			
a. Administration Program – Water Fund			
(1) General	5,886,685	[6,042,987]	[11,929,672]
(i) Disbursement for salaries and premium pay is limited to 77.0 equivalent personnel		<u>6,292,987</u>	<u>12,179,672”</u>
(ii) <u>Up to \$250,000 must be for professional services for a contract to prepare a feasibility study and management or business plan for the new East Maui Water Authority.</u>			

SECTION 3. Fiscal Year 2025 Budget, Total Operating Appropriations, is amended to reflect an increase of \$250,000 in Category B – Operations & Equipment and to adjust the total accordingly, to read as follows:

<u>“FUNCTION AND PROGRAMS</u>	<u>A - Salaries</u>	<u>B – Operations & Equipment</u>	<u>Total</u>
TOTAL OPERATING APPROPRIATIONS	256,460,001	[799,895,161] <u>800,145,161</u>	[1,056,355,162] <u>1,056,605,162”</u>

SECTION 4. Fiscal Year 2025 Budget, Total Appropriations (Operating and Capital Improvement Projects), is amended to reflect an increase of \$250,000, to read as follows:

“TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)	[1,266,401,162]	<u>1,266,651,162”</u>
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SECTION 5. Material to be repealed is bracketed. New material is underscored.

SECTION 6. This Ordinance takes effect on approval.

APPROVED AS TO FORM AND LEGALITY:



KRISTINA C. TOSHIKIYO
Deputy Corporation Counsel

INTRODUCED BY:

A handwritten signature in cursive script, appearing to read "Greg A. Lee". The signature is written in black ink and is positioned above a horizontal line.

Upon the request of the Mayor.