

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

September 26, 2025

**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 5, 2025, makes reference to Bill 99 (2025), entitled “A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2026 BUDGET, APPENDIX B, DEPARTMENT OF WATER SUPPLY, WATER FUND, PRESERVATION/RESTORATION RATE.”

Bill 99’s purpose is to amend the Fiscal Year 2026 Budget, Appendix B, Revenues – Fees, Rates, Assessments and Taxes, Department of Water Supply, Water Fund, by establishing a new rate, entitled “Preservation/Restoration Rate,” for water used primarily for native Hawaiian species habitat preservation or restoration.

Your Committee notes that while Ordinance 5841 (2025) established the rate in the Maui County Code, a budget ordinance to amend Appendix B is necessary to effectuate the rate.

Your Committee is in receipt of a proposed CD1 version of Bill 99 (2025), entitled “A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2026 BUDGET, APPENDIX B, DEPARTMENT OF WATER SUPPLY, WATER FUND, PRESERVATION RATE,” from the Budget Director.

The proposed CD1 version corrects the title of the rate to align with Ordinance 5841 and clarify Bill 99’s effective date is retroactive to July 1, 2025.

Your Committee noted Bill 99, CD1, provides, for every 1,000 gallons, an all-usage rate of \$4.98, and water shortage rates of \$4.98, \$5.23, and \$5.49 for Stages 1 through 3, respectively.

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Your Committee discussed that water used for habitat preservation and restoration should not be charged at a higher rate than water used for agriculture because preservation and restoration serve important community and environmental purposes.

Your Committee agreed to further amend Bill 99 to incorporate a rate schedule that mirrors the existing agricultural rate. Under the amendment, for every 1,000 gallons, the preservation rate is set as follows:

Rate per 1,000 Gallons

0-5,000 gallons	... \$2.24
5,000-15,000 gallons	... \$4.42
≥ 15,001 gallons	... \$1.25

Water Shortage Rates

		Stage 1	Stage 2	Stage 3
0-5,000 gallons	...	\$2.24	\$2.35	\$2.47
5,001-15,000 gallons	...	\$4.42	\$4.64	\$4.87
> 15,001 gallons	...	\$1.25	\$1.31	\$1.38

Your Committee questioned the potential revenue impact of the new rate and discussed whether the number of qualifying customers would materially affect the County's revenues. The Director of Water Supply said the Department expects a limited number of customers to qualify, so the fiscal impact is anticipated to be minimal.

Your Committee also discussed whether the County has authority to establish a new water rate and whether Public Utilities Commission rules apply. The Director explained that government entities are not subject to regulation by the Public Utilities Commission.

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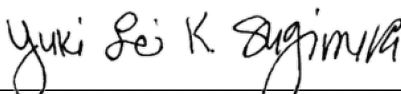
**Committee
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Your Committee voted 8-0 to recommend passage of Bill 99, CD1 (2025), on first reading. Committee Chair Sugimura, Vice-Chair Kama, and members Cook, Johnson, Paltin, Rawlins-Fernandez, Sinenci, and U'u-Hodgins voted "aye." Committee member Lee was excused.

Your Committee is in receipt of Bill 99, CD1 (2025), approved as to form and legality by the Department of the Corporation Counsel, incorporating your Committee's recommended revisions and nonsubstantive revisions.

Your Budget, Finance, and Economic Development Committee RECOMMENDS that Bill 99, CD1 (2025), attached, entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2026 BUDGET, APPENDIX B, DEPARTMENT OF WATER SUPPLY, WATER FUND, PRESERVATION RATE," be PASSED ON FIRST READING and be ORDERED TO PRINT.

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



YUKI LEI K. SUGIMURA, Chair

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ORDINANCE NO. _____

BILL NO. 99, CD1 (2025)

A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2026 BUDGET, APPENDIX B,
DEPARTMENT OF WATER SUPPLY, WATER FUND, PRESERVATION RATE

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

SECTION 1. Ordinance 5816, as amended, "Fiscal Year 2026 Budget," Appendix B, Revenues – Fees, Rates, Assessments and Taxes, Department of Water Supply, Water Fund, is amended to add a new category, "Preservation Rate," following Non-dwelling Agricultural Rate, to read as follows:

"COUNTY OF MAUI
REVENUES - FEES, RATES, ASSESSMENTS AND TAXES

DEPARTMENT OF WATER SUPPLY
WATER FUND (Cont.)

ACCOUNT	REVENUE SOURCE	FEE, RATE, ASSESSMENT OR TAX	HRS	COUNTY CODE	ORDINANCE																
3477	Water Service Rates – Agricultural Consumers	Agriculture, <u>preservation</u> , and non-potable water service charges (monthly):		Charter 8-11.4(2)																	
	Agricultural Rates	Per 1,000 Gallons 0-5,000 gallons\$2.24 5,001-15,000 gallons.....\$4.42 ≥ 15,001 gallons.....\$1.25																			
		Water Shortage Rates <table><tr><th></th><th>Stage 1</th><th>Stage 2</th><th>Stage 3</th></tr><tr><td>0-5,000 gallons</td><td>\$2.24</td><td>2.35</td><td>2.47</td></tr><tr><td>5,001-15,000 gallons.....</td><td>\$4.42</td><td>4.64</td><td>4.87</td></tr><tr><td>≥ 15,001 gallons.....</td><td>\$1.25</td><td>1.31</td><td>1.38</td></tr></table>		Stage 1	Stage 2	Stage 3	0-5,000 gallons	\$2.24	2.35	2.47	5,001-15,000 gallons.....	\$4.42	4.64	4.87	≥ 15,001 gallons.....	\$1.25	1.31	1.38			
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≥ 15,001 gallons.....	\$1.25	1.31	1.38																		
	Non-dwelling Agricultural Rate	Per 1,000 Gallons All usage.....\$1.25		14.10.010	5546																
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Non-Potable Rates

Per 1,000 Gallons
All usage.....\$1.31

14.10.010

5546"

Water Shortage Rates
Stage 1 Stage 2 Stage 3
Per 1,000 Gallons.....\$1.31 1.38 1.45

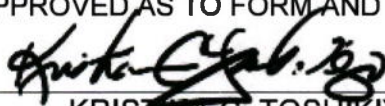
In addition to the above water service charges, there is a monthly service charge by meter size:

Size of Meter	Per Meter/Month
5/8 inch (02)	\$28.81
3/4 inch (03)	\$46.55
1 inch (04)	\$69.10
1 -1/2 inch (06)	\$132.39
2 inch (07)	\$205.12
3 inch (09)	\$362.23
4 inch (12)	\$628.43
6 inch (15)	\$1,153.61
8 inch (18)	\$1,819.90

SECTION 2. New material is underscored.

SECTION 3. This Ordinance takes effect retroactive to July 1, 2025.

APPROVED AS TO FORM AND LEGALITY:



KRISTINA C. TOSHIKIYO
Deputy Corporation Counsel

INTRODUCED BY:

A handwritten signature in cursive script, appearing to read "Alice L. Lee".

ALICE L. LEE

Upon the request of the Mayor.