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Director of Council Services
David M. Raatz, Jr., Esq.

Deputy Director of Council Services
Richelle K. Kawasaki, Esq.

COUNTY COUNCIL
COUNTY OF MAUI
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.MauiCounty.us

June 24, 2025

Mr. Shayne Agawa, Director
Department of Environmental Management
County of Maui
Wailuku, Hawaii 96793

Dear Mr. Agawa:

**SUBJECT: FISCAL YEAR 2025 ESTIMATED REVENUE
SHORTFALL FOR THE SEWER FUND (BFED-20(10))**

The Council's Budget, Finance, and Economic Development Committee will be discussing the Fiscal Year 2025 estimated revenue shortfall for the Sewer Fund at its meeting of July 1, 2025.

May I please request your response to the following:

1. Attached County Communication 101-25 states that reduced wastewater revenue is due to water usage (flows). What is the cause of the reduced flows and are they tied to specific geographic areas, customer classes, seasonal changes, or other reasons? Please explain.
2. Have service levels, staffing plans, or project schedules been adjusted in response to the revenue shortfalls in FY 2025 or FY 2026? Please explain.
3. How is the Department achieving the planned expenditure savings in salaries, fringe benefits, administrative overhead, and operational costs to offset the FY 2025 Sewer Fund revenue shortfall?
4. The revenue shortfall was \$4.2 million last year and is projected to be \$2.8 million this year. Does the Department anticipate a similar revenue shortfall in FY 2026, and what is the long-term plan for addressing these recurring losses and maintaining the Sewer Fund's financial stability?

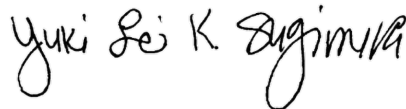
Mr. Shayne Agawa
June 24, 2025
Page 2

5. Please identify any mid-year Budget amendments, proposed fee changes, or policy proposals the Council should anticipate receiving to address any shortfall for FY 2026.
6. Will the trend in reduced wastewater flows influence how future sewer rates are set? Why or why not?

May I further request you transmit your response to bfed.committee@mauicounty.us by **June 30, 2025**. To ensure efficient processing, please include the Committee item number in the subject line.

Should you have any questions, please contact me or the Committee staff (Kirsten Szabo at ext. 7662, or Pauline Martins at ext. 8039).

Sincerely,



YUKI LEI K. SUGIMURA, Chair
Budget, Finance, and Economic
Development Committee

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Attachment

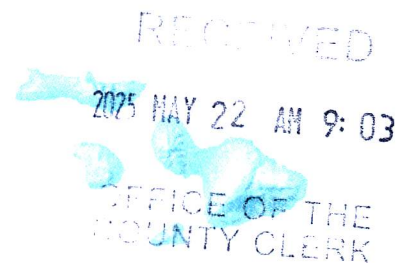
cc: Mayor Richard T. Bissen, Jr.

RICHARD T. BISSEN, JR.
Mayor

JOSIAH NISHITA
Managing Director



OFFICE OF THE MAYOR
COUNTY OF MAUI
200 SOUTH HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.mauicounty.gov



May 22, 2025

Honorable Alice L. Lee, Chair
and Members of the Maui County Council
200 South High Street
Wailuku, Hawaii 96793

Dear Chair Lee and Members:

**SUBJECT: FISCAL YEAR ("FY") 2025 ESTIMATED REVENUE
SHORTFALL FOR THE SEWER FUND**

In accordance with Section 9-10.1 of the Revised Charter of the County of Maui (1983), as amended, I am writing to inform you of an estimated revenue shortfall for the Sewer Fund

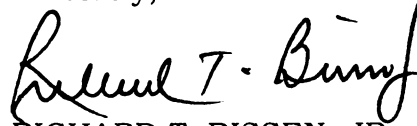
The Department of Environmental Management, Wastewater Division, anticipates a shortfall of \$2.8 million for FY 2025. The shortfall is a result of the reduction in revenue for charges for current services due to water usage (flows) being lower than anticipated.

The Department has been in communication with the Budget Director, and the estimated revenue shortfall from the Sewer Fund is anticipated to be absorbed by a combination of savings from salaries, fringe benefits, administrative overhead, and operations.

Alice L. Lee, Chair
May 22, 2025
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Thank you for your attention to this matter. Should you have any questions, please contact me at ext. 7855 or Budget Director Lesley Milner at ext. 8239.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard T. Bissen, Jr.", written in a cursive style.

RICHARD T. BISSEN, JR.
Mayor, County of Maui

cc: Josiah Nishita, Managing Director
Shayne Agawa, Director of Environmental Management
Lesley Milner, Budget Director
Marcy Martin, Director of Finance