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

April 14, 2023

Mr. John Stufflebean, P.E., Director
Department of Water Supply
County of Maui
Wailuku, Hawaii 96793

Dear Mr. Stufflebean:

SUBJECT: **FISCAL YEAR ("FY") 2024 BUDGET** (BFED-1) (WS-3)

Thank you for participating in the Committee's discussions on April 12, 2023.

May I please request your written response to the following:

1. Please provide the anticipated increase in revenue due to the rate changes for each category of water rates. (TP)
2. Regarding Goal #3, item 1: (TK)
 - a. The success measurement is the number of Upcountry list requests processed (reoffers). Is the survey limited to Upcountry residents?
 - b. How do you follow up on customer satisfaction surveys?
 - c. Why has the estimate decreased from 80 in FY 2023 to 20 in FY 2024?
3. Can contractual services be used for the maintenance of 1888 Wili Pa Loop, identified by tax map key (2) 3-4-020:049? (YLS)
4. Does the County own the property where the Hamoa well is located? (SS)

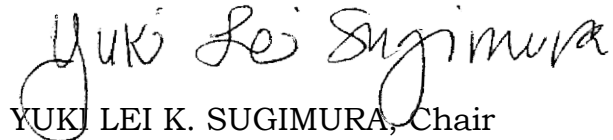
Mr. John Stufflebean, P.E.
April 14, 2023
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5. Relating to CBS-7254, Upper Kula Transmission Improvements:
(YLS)
 - a. What work has been completed, to date?
 - b. How has the \$5,000,000 allocated in FY 2023 been used so far?

May I further request that, after approval by the Office of the Mayor, you transmit a written response to bfed.committee@mauicounty.us by **April 20, 2023**. To ensure efficient processing, please include the relevant Committee item number in the subject line of your response.

Should you have any questions, please contact me or the Committee staff (Lesley Milner at ext. 7886, Kasie Apo Takayama at ext. 7665, or Yvette Bouthillier at ext. 7758).

Sincerely,



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

bfed:2024bgt:230413aws03:alkl

cc: Mayor Richard T. Bissen, Jr.
Budget Director

BFED Committee

From: BFED Committee
Sent: Friday, April 14, 2023 3:15 PM
To: John Stufflebean
Cc: James Landgraf; Linda Kimura; Michelle Santos; Zeke Kalua; Maria Zielinski; Desiree Echalas; Janina Agapay; BFED Committee
Subject: PLEASE READ attached letter re: FISCAL YEAR ("FY") 2024 BUDGET (BFED 1) (WS-3)
Attachments: (WS-3) Correspondence to Water 04-14-2023.pdf

Mr. Stufflebean: Please refer to the attached letter from the Budget, Finance, and Economic Development (BFED) Committee Chair, dated 4/14/2023.

Mayor's Office (Attention: Michelle Santos and Zeke Kalua): Please forward the attached letter to Mayor Bissen for his information.

Ms. Zielinski: FYI

Mahalo, Clarita Balala

RICHARD T. BISSEN, JR.

Mayor

KEKUHAUPIO R. AKANA

Managing Director

JOHN STUFFLEBEAN, P.E.

Director

JAMES A. LANDGRAF

Deputy Director



DEPARTMENT OF WATER SUPPLY

COUNTY OF MAUI

200 SOUTH HIGH STREET

WAILUKU, MAUI, HAWAII 96793


<http://www.mauicounty.gov/water>

April 20, 2023

Ms. Maria Zielinski
Budget Director, County of Maui
200 South High Street
Wailuku, Hawaii 96793


APPROVED FOR TRANSMITTAL

Honorable Richard T. Bissen, Jr.
Mayor, County of Maui
200 South High Street
Wailuku, Hawaii 96793


Mayor **4-20-23**
Date

For Transmittal to:

Honorable Yuki Lei K. Sugimura, Chair
Budget, Finance, and Economic Development Committee
Maui County Council
200 South High Street
Wailuku, Hawaii 96793

Dear Chair Sugimura:

SUBJECT: FISCAL YEAR ("FY") 2024 BUDGET (BFED-1) (WS-3)

In response to your request dated April 14, 2023, below please find Department of Water's response:

1. Please provide the anticipated increase in revenue due to the rate changes for each category of water rates. (TP)

Response:

See Attachment 1.

"By Water All Things Find Life"

2. Regarding Goal #3, item 1: (TK)

- a. The success measurement is the number of Upcountry list requests processed (reoffers). Is the survey limited to Upcountry residents?

Response:

Any survey that was administered was not limited to Upcountry residents, it was for the entire County.

- b. How do you follow up on customer satisfaction surveys?

Response:

There was a customer survey done in 2017. There was no other follow up.

- c. Why has the estimate decreased from 80 in FY 2023 to 20 in FY 2024?

Response:

The estimate decreased due to the current and projected continual shortage of qualified Engineering staff necessary to analyze and process requests from the Upcountry Priority List and the loss of the engineering consultant to assist.

3. Can contractual services be used for the maintenance of 1888 Wili Pa Loop, identified by tax map key (2) 3-4-020:049? (YLS)

Response:

DWS has been advised that Public Works staff should be providing custodial and grounds maintenance services for 1888 Wili Pa Loop as this is a County of Maui property. Public Works has cautioned that they continue to suffer from staffing shortages and may not be able to provide adequate and necessary services for this property. If Public Works is unable to maintain the property, it may be necessary to obtain contractual services. Prior to doing so, DWS will consult with Corporation Counsel.

4. Does the County own the property where the Hamoa well is located? (SS)

Response:

Department of Water does not own the property where the Hamoa well is located.

5. Relating to CBS-7254, Upper Kula Transmission Improvements: (YLS)

- a. What work has been completed, to date?

Response:

Currently, all repairs have been made to the exposed waterlines (in 5 gulch crossings) that were damaged from the Dec 2021 storm. That noted, these repairs are considered temporary until new more resilient, robust, and permanent waterline improvements can be designed and constructed.

- b. How has the \$5,000,000 allocated in FY 2023 been used so far?

Response:

Of the \$5,000,000 allocated in FY 2023, a design contract has been executed (3/14/2023) for the amount of \$725,305.00 which has been encumbered. The remaining portion will be used for construction costs (includes 5 gulch crossing) which may or may not be encumbered by the end of the CIP Fiscal year (Dec 2023).

Further, Department of Water responds to Budget Committee meeting questions of April 20, 2023 as follows:

1. Why does a meter cost \$12K and what is the source and use of restricted fund?

Response:

The cost of the physical meter is about \$150. The water meter remains the property of the County. The property owner owns everything downstream from the meter.

What a new water customer is paying is the Water System Development Fee (a.k.a., the meter fee). This is the one-time fee paid to be able to have a connection to the County water system. The rationale related to this fee is that the customer should pay their share of the cost related to the fact that the County is providing and will continue to provide the water source, transmission, and storage needed to serve its customers. The current fee for a 5/8-inch meter is \$12,060. Studies performed by


Honorable Yuki Lei K. Sugimura, Chair
Budget, Finance, and Economic Development Committee
Maui County Council
April 20, 2023
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consultants for Maui County in past years have indicated that this fee should be significantly higher to fully cover the costs related to source development, transmission, and storage. Therefore, in effect, monthly user fees are being used to fund these costs not covered by the Development fees.

The monies collected from the Water System Development Fee comprise the "restricted" funds. Therefore, the fees derived from the Water System Development Fees can only be use for costs related to water source development, transmission, and storage (i.e., not for costs related to the distribution system, which is pipelines used to supply water from the transmission system or storage tanks to individuals or fire hydrants.)

To complete the picture, the monthly water user fees are comprised of two components. The fixed component of the monthly service charge is also based on the size of the meter. The variable component is based on the amount of water used. The 2021 Rate Study concluded that the fixed component should be a larger portion of the total fee since a high portion of the water costs are indeed fixed. Hence, the Department recommends an increase to the fixed fee of 15% (raising the fixed cost for a 5/8-inch meter from \$19.80 to \$22.77).

Sincerely,



JOHN STUFFLEBEAN, P.E.
Director

JS:JAL:lk
Attachment

(BFED-1) (WS-3) #1 - Please provide the anticipated increase in revenue due to the rate changes for each category of water rates.

ATTACHMENT -1

	<u>FY2023</u>	<u>FY2024</u>	<u>Increase (\$)</u>	<u>Increase (%)</u>
<u>Monthly Service Charge:</u>				
Agriculture	253,569.50	291,604.93	38,035.43	15%
Non Potable	57,569.80	66,205.27	8,635.47	15%
General Temporary	35,368.00	40,673.20	5,305.20	15%
General Consumers	2,960,581.70	3,404,668.96	444,087.26	15%
General Residential	8,413,070.00	9,675,030.50	1,261,960.50	15%
Totals	11,720,159.00	13,478,182.85	1,758,023.85	
<u>BY Tier- Consumption/Usage</u>				
Agriculture				
Tier 1	60,477.05	62,896.13	2,419.08	4%
Tier 2	211,461.90	228,378.85	16,916.95	8%
Tier 3	909,016.90	981,738.25	72,721.35	8%
Total Agriculture	1,180,955.85	1,273,013.24	92,057.39	
Non Potable				
Tier 1	164,287.00	170,858.48	6,571.48	4%
Total Non Potable	164,287.00	170,858.48	6,571.48	
General Temporary				
Tier 1	1,010.65			
Tier 2	2,655.90			
Tier 3	53,328.60			
Total General Temporary	56,995.15	65,012.22	8,017.07	
General Consumers				
Tier 1	331,197.59			
Tier 2	1,014,806.13			
Tier 3	29,864,995.88			
Total General Consumers	31,210,999.60	34,918,935.25	3,707,935.65	
General Residential				
Tier 1	3,543,446.12	3,685,185.24	141,739.12	4%
Tier 2	8,028,579.78	8,670,865.74	642,285.96	8%
Tier 3	9,934,391.03	10,729,148.63	794,757.60	8%
Tier 4	2,954,239.95	3,663,261.60	709,021.65	24%
Total Residential	24,460,656.87	26,748,461.20	2,287,804.33	
Total Consumption Revenue	57,073,894.47	63,176,280.39	6,102,385.92	
TOTAL REVENUE	68,794,053.47	76,654,463.24	7,860,409.77	11.43%

From 3
tiers to 1
tier

From 3
tiers to 1
tier