

COUNCIL OF THE COUNTY OF MAUI
BUDGET AND FINANCE COMMITTEE

October 19, 2018

Committee
Report No. _____

Honorable Chair and Members
of the County Council
County of Maui
Wailuku, Maui, Hawaii

Chair and Members:

Your Budget and Finance Committee, having met on October 2, 2018, makes reference to County Communication 18-327, from the Budget Director, transmitting the following:

1. A proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2019 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO ESTIMATED REVENUES; DEPARTMENT OF WATER SUPPLY, HANA COMMUNITY PLAN AREA, WATER SUPPLY, KAUPU WATER TANK IMPROVEMENTS; TOTAL CAPITAL IMPROVEMENT PROJECT APPROPRIATIONS; AND TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)" ("Budget bill").

The purpose of the proposed bill is to amend the Fiscal Year ("FY") 2019 Budget by 1) increasing Carryover/Savings from the Water Fund in the amount of \$450,000; 2) amending Section 4.J., Department of Water Supply ("Department"), by adding Hana Community Plan Area, Water Supply, Water Fund - Unrestricted, Kaupo Water Tank Improvements ("Project"), for \$450,000; and 3) adjusting the totals accordingly.

2. A proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2019 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO APPENDIX C - CAPITAL IMPROVEMENT PROJECTS, DEPARTMENT OF WATER SUPPLY, HANA COMMUNITY PLAN AREA, KAUPU WATER TANK IMPROVEMENTS."

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The purpose of the proposed bill is to amend the FY 2019 Budget, Appendix C, Capital Improvement Projects, for the Department, by adding Hana Community Plan Area and the Project for \$450,000 and a project description.

3. A Certification of Additional Revenues for Fiscal Year 2019 dated September 11, 2018, for \$450,000 in Carryover/Savings from the Water Fund.

The Budget Director said the recognition of \$450,000 in Carryover/Savings from the Water Fund is in excess of the amount already recognized in the FY 2019 Budget.

The Director of Water Supply said the Project includes the construction of a 100,000-gallon water tank and removal of the existing 50,000-gallon tank. She said the replacement of the existing tank is necessary because of its deteriorated condition. The Director said the increase in storage capacity will greatly assist the residents of Kaupo as well as Kaupo Ranch, Ltd. ("Ranch").

The Director said the Project will allow non-potable water to be provided to the 21 customers currently on the system. She noted because non-potable water is provided through the system, each customer was required to sign a legal agreement with the Department acknowledging the water meter they are receiving is providing non-potable water. She said if the water is not used for non-potable purposes, the water meter will be removed. The Director said the long-range goal is to convert from non-potable water to potable water.

A representative from the Ranch said in 2010 they installed a deep water well at a cost in excess of \$700,000. He said there are currently 18 tanks connected to the well that are being maintained by the Ranch. The cost to the Ranch to maintain the water system is \$82,000 annually.

The Director said an agreement was executed in 1941 between the County and the Ranch relating to the water system and water availability

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to Kaupo residents. She said the Department is currently updating the agreement to re-establish the responsibilities of both parties.

Your Committee voted 7-0 to recommend passage of the proposed bills on first reading and filing of the communication. Committee Chair Hokama, Vice-Chair White, and members Atay, Crivello, Guzman, King, and Sugimura voted "aye." Committee members Carroll and Cochran were excused.

Your Committee is in receipt of a revised proposed Budget bill, approved as to form and legality by the Department of the Corporation Counsel, incorporating nonsubstantive revisions that take into account prior amendments to the FY 2019 Budget.

Your Budget and Finance Committee RECOMMENDS the following:

1. That Bill _____ (2018), as revised herein and attached hereto, entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2019 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO ESTIMATED REVENUES; DEPARTMENT OF WATER SUPPLY, HANA COMMUNITY PLAN AREA, WATER SUPPLY, KAUPU WATER TANK IMPROVEMENTS; TOTAL CAPITAL IMPROVEMENT PROJECT APPROPRIATIONS; AND TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)," be PASSED ON FIRST READING and be ORDERED TO PRINT;
2. That Bill _____ (2018), attached hereto, entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2019 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO APPENDIX C - CAPITAL IMPROVEMENT PROJECTS, DEPARTMENT OF WATER SUPPLY, HANA COMMUNITY PLAN AREA, KAUPU WATER TANK IMPROVEMENTS," be PASSED ON FIRST READING and be ORDERED TO PRINT; and
3. That County Communication 18-327 be FILED.

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



RIKI HOKAMA, Chair

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ORDINANCE NO. _____

BILL NO. _____ (2018)

A BILL FOR AN ORDINANCE AMENDING
THE FISCAL YEAR 2019 BUDGET FOR THE COUNTY OF MAUI
AS IT PERTAINS TO ESTIMATED REVENUES;
DEPARTMENT OF WATER SUPPLY,
HANA COMMUNITY PLAN AREA, WATER SUPPLY,
KAUPO WATER TANK IMPROVEMENTS;
TOTAL CAPITAL IMPROVEMENT PROJECT APPROPRIATIONS; AND
TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)

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

SECTION 1. Ordinance No. 4861, Bill No. 57 (2018), as amended, "Fiscal Year 2019 Budget", is hereby amended as it pertains to Section 2, Estimated Revenues, by increasing Carryover/Savings from the Water Fund in the amount of \$450,000; and by increasing Total Estimated Revenues in the amount of \$450,000, to read as follows:

"ESTIMATED REVENUES"

FROM TAXES, FEES AND ASSESSMENTS:

| | |
|------------------------------|-------------|
| Real Property Taxes | 321,907,576 |
| Circuit Breaker Adjustment | (421,854) |
| Charges for Current Services | 149,631,691 |
| Transient Accommodations Tax | 23,484,000 |
| Public Service Company Tax | 7,500,000 |
| Licenses/Permits/Others | 39,500,999 |
| Fuel and Franchise Taxes | 24,311,000 |
| Special Assessments | 7,602,000 |
| Other Intergovernmental | 19,698,000 |

FROM OTHER SOURCES:

| | |
|-----------------------------|-------------------------|
| Interfund Transfers | 38,485,216 |
| Bond/Lapsed Bond | 71,610,000 |
| Carryover/Savings: | |
| General Fund | 20,254,424 |
| Sewer Fund | 4,494,008 |
| Highway Fund | 10,318,711 |
| Solid Waste Management Fund | 3,135,751 |
| Golf Fund | 419,510 |
| Liquor Fund | 945,163 |
| Bikeway Fund | 11,733 |
| Water Fund | [17,385,400] 17,835,400 |

| | |
|--------------------------|----------------------------|
| TOTAL ESTIMATED REVENUES | [760,273,328] 760,723,328" |
|--------------------------|----------------------------|

SECTION 2. Fiscal Year 2019 Budget is hereby amended as it pertains to Section 4.J., Department of Water Supply, by adding an appropriation for a capital project under Hana Community Plan Area, Water Supply, Water Fund – Unrestricted entitled, “Kaupo Water Tank Improvements”, in the amount of \$450,000, to read as follows:

| <u>PROJECT TITLE</u> | <u>APPROPRIATION</u> |
|--|----------------------|
| “J. Department of Water Supply | |
| 1. Countywide | |
| a. Water Supply | |
| (1) Water Fund – Restricted | |
| (i) Countywide Facility Improvements | 200,000 |
| (ii) Countywide Upgrades and Replacements | 200,000 |
| (2) Water Fund – Unrestricted | |
| (i) Countywide Facility Improvements | 4,150,000 |
| (ii) Countywide Upgrades and Replacements | 900,000 |
| 2. Makawao-Pukalani-Kula Community Plan Area | |
| a. Water Supply | |
| (1) Water Fund – Restricted | |
| (i) Kamole Water Treatment Plant | 1,500,000 |
| (ii) Phase 10 Booster Pump Improvements | 2,800,000 |
| (2) Water Fund – Unrestricted | |
| (i) Phase 10 Booster Pump Improvements | 4,200,000 |
| (3) State Revolving Loan Fund | |
| (i) Pookela Well B | 4,000,000 |
| 3. Kihei-Makena Community Plan Area | |
| a. Water Supply | |
| (1) Water Fund – Restricted | |
| (i) North Kihei Water Tank | 100,000 |
| 4. Wailuku-Kahului Community Plan Area | |
| (1) Water Fund - Unrestricted | |
| (i) Waiehu Heights Well 1 | 2,500,000 |
| 5. West Maui Community Plan Area | |
| a. Water Supply | |
| (1) State Revolving Loan Fund | |
| (i) West Maui Reliable Capacity | |
| (a) West Maui Source Development | 4,250,000 |
| (2) Water Fund - Unrestricted | |
| (i) West Maui Reliable Capacity | 6,100,000 |
| (a) West Maui Source Development | |
| (ii) West Maui Waterline Improvements | 1,100,000 |

6. Hana Community Plan Area

a. Water Supply

(1) Water Fund - Unrestricted

(i) Kaupo Water Tank Improvements

450,000"

SECTION 3. Fiscal Year 2019 Budget is hereby amended as it pertains to the Total Capital Improvement Project Appropriations to reflect an increase of \$450,000, to read as follows:

| | | |
|---|---------------|---------------------|
| "TOTAL CAPITAL IMPROVEMENT PROJECT APPROPRIATIONS | [161,203,792] | <u>161,653,792"</u> |
|---|---------------|---------------------|

SECTION 4. Fiscal Year 2019 Budget is hereby amended as it pertains to the Total Appropriations (Operating and Capital Improvement Projects) to reflect an increase of \$450,000, to read as follows:

| | | |
|--|---------------|---------------------|
| "TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS) | [760,273,328] | <u>760,723,328"</u> |
|--|---------------|---------------------|

SECTION 5. Material to be repealed is bracketed. New material is underscored.

SECTION 6. This Ordinance shall take effect upon its approval.

APPROVED AS TO FORM AND LEGALITY:



JEFFREY UEOKA
Deputy Corporation Counsel

ORDINANCE NO. _____

BILL NO. _____ (2018)

A BILL FOR AN ORDINANCE AMENDING
THE FISCAL YEAR 2019 BUDGET FOR THE COUNTY OF MAUI
AS IT PERTAINS TO APPENDIX C - CAPITAL IMPROVEMENT PROJECTS,
DEPARTMENT OF WATER SUPPLY,
HANA COMMUNITY PLAN AREA,
KAUPO WATER TANK IMPROVEMENTS

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

SECTION 1. Ordinance No. 4861, Bill No. 57 (2018), as amended, "Fiscal Year 2019 Budget", Appendix C – Capital Improvement Projects, is hereby amended as it pertains to the Department of Water Supply, by adding a capital improvement project under the Hana Community Plan Area entitled, "Kaupo Water Tank Improvements", in the amount of \$450,000, to read as follows:

| "APPENDIX C - Capital Improvement Projects" | | |
|---|--|---------------|
| Capital improvement project funding may not be used for any purpose other than as described in this appendix. | | |
| CBS NO. | PROJECT TITLE/DESCRIPTION | APPROPRIATION |
| | <u>Department of Water Supply</u> | |
| | 1. Countywide | |
| CBS-2299 | a. Countywide Upgrades and Replacements | |
| | The Countywide Upgrades and Replacements project supports improvements that will sustain the reliable operation of existing water infrastructure or mitigate inadequacies of the water system. Projects include: 1) Water treatment facility, water tank, and waterline improvements. Anticipated jobs include planning, design, and replacement of the existing 30,000 gallon Honokohau Tank; and 2) Well and booster pump improvements. Anticipated jobs include planning, design, and replacement of pump and motor assemblies, electrical control systems, and installation of emergency generators at Kalae Booster Pump and the Waipuka Wells. | 1,100,000 |
| CBS-1075 | b. Countywide Facility Improvements | |
| | The Countywide Facilities Improvements project supports emergency or critical repairs to existing water supply facilities. Projects include: 1) Well and booster pump station improvements. Anticipated jobs include conversion of the disinfection systems at the Kanoa II, Waihee, and Mokuahau Wells from chlorine gas to on-site hypochlorite generation; 2) Water treatment facility and water tank improvements. Anticipated jobs include refurbishing water tanks at Napili Well C; demolition of the existing Iao WTP; conversion of the disinfection systems at the Olinda, Piihola, Kamole, Lahainaluna, and Mahinahina WTPs from chlorine to on-site hypochlorite generation; 3) Tree clearing along the raw water line serving the Piihola WTP to establish access for maintenance work; 4) Re-roofing of the clearwell at the Olinda WTP; and 5) Conducting facility assessments of all West Maui WTPs. | 4,350,000 |

| | | |
|----------|---|------------|
| | 2. Makawao-Pukalani-Kula Community Plan Area | |
| CBS-XXXX | a. Development of Pookela Well B | 4,000,000 |
| | Planning, design, and construction of Pookela Well B. | |
| CBS-XXXX | b. Kamole Water Treatment Plant (WTP) Raw Water Reservoirs | 1,500,000 |
| | Planning and design of new raw water reservoirs at the Kamole Water Treatment Plant. | |
| CBS-XXXX | c. Phase 10 Booster Pump Improvements | 7,000,000 |
| | Design and construction of booster pump improvements at Pookela Tank, Maluhia Tank, and West Olinda Tank sites. | |
| | | |
| | 3. Kihei-Makena Community Plan Area | |
| CBS-XXXX | a. North Kihei Water Tank Acquisition | 100,000 |
| | Planning and design of a new water tank for North Kihei. | |
| | | |
| | 4. Wailuku-Kahului Community Plan Area | |
| CBS-XXXX | a. Waiehu Heights Well Replacement | 2,500,000 |
| | Construction of a replacement well for Waiehu Heights Well I. | |
| | | |
| CBS-1092 | 5. West Maui Community Plan Area | |
| | a. West Maui Source Development | 10,350,000 |
| | Design and construction for West Maui Well II. | |
| CBS-XXXX | b. West Maui Waterline Improvements | 1,100,000 |
| | Design and construction for waterline upgrades to improve water service in the Lower Honoapiilani area. | |
| | | |
| | 6. Hana Community Plan Area | |
| | a. Kaupo Water Tank Improvements | 450,000* |
| | Planning, design and construction of a 100,000 gallon water tank and demolition and removal of the existing 40,000 gallon water tank located in Kaupo, Maui for the County's non-potable customers. | |

SECTION 2. New material is underscored.

SECTION 3. This Ordinance shall take effect upon its approval.

APPROVED AS TO FORM AND LEGALITY:



 JEFFREY UEOKA
 Deputy Corporation Counsel