

## EDB Committee

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**From:** EDB Committee  
**Sent:** Tuesday, March 31, 2020 5:07 PM  
**Cc:** EA; EDB Committee; Shelly K. Espeleta; Chester D. Carson; Lesley J. Milner; Kasie M. Takayama; Richard E. Mitchell  
**Subject:** Transmittal of summary reports on operational and budgetary review of County departments (EDB-1). . .  
**Attachments:** summary reports (final) GET HFC PSLU WIT.pdf

Members: Regarding the above subject matter, transmitted are the following summary reports relating to Item EDB-1 on the Committee's agenda:

1. GET-47, Department of Liquor Controls FY 2020 Budget
2. HFC-46, Department of Parks and Recreation's FY 2020 Budget
3. HFC-47, Department of Housing and Human Concern's FY 2020 Budget'
4. PSLU-53, Department of Planning's FY 2020 Budget
5. WIT-69, Department of Public Works FY 2020 Budget
6. WIT-70, Department of Water Supply's FY 2020 Budget
7. WIT-71, Department of Transportation's FY 2020 Budget
8. WIT-72, Department of Environmental Management's FY 2020 Budget

Mahalo, Keani Rawlins-Fernandez, Chair  
Economic Development and Budget Committee




RECEIVED

March 31, 2020

2020 MAR 31 PM 4:08

OFFICE OF THE  
COUNTY COUNCIL

MEMO TO: EDB-1 File

F R O M: Michael J. Molina,  Chair  
Governance, Ethics, and Transparency Committee

SUBJECT: **OPERATIONAL AND BUDGETARY REVIEW OF THE  
DEPARTMENT OF LIQUOR CONTROL** (GET-47)

At its meeting of March 10, 2020, the Governance, Ethics, and Transparency Committee conducted an operational and budgetary review of the Department of Liquor Control's Fiscal Year ("FY") 2020 Budget. Attached is a copy of the follow-up letter sent to the Department requesting additional documentation and information. The Department's response will be forwarded as soon as it is received.

Following is a summary of questions by Committee members and answers by the Deputy Director at the Committee meeting:

1. Based on the current budget, where salaries are limited to 25 equivalent personnel, do you have your 25 employees currently?
  - No, there are currently 4 vacancies. Three positions were not funded by the Council so recruitment is on hold for those. The fourth position is being reallocated through the reorganization process for an Account Clerk III so there is someone who can handle cash transactions.
2. What is the status of the \$25,000 allocated for professional services to update the rules governing the manufacture and sale of intoxicating liquor in the County of Maui pursuant to audit recommendations?
  - The understanding is that the intent was to hire someone to review the rules due to the audit. The question in all of this has been who would be hired to review the rules as this is currently done by the small business committee, licensees, the public, or others who want to give input. Corporation Counsel is well versed in the Federal three-tier system and we get input from liquor administrators from other counties. All of these people together are how the rules to be presented are determined.



- There are currently rules with Corporation Counsel for review and action. Once these are decided upon, they would go before the Liquor Commission in order to determine what goes to the public.
  - None of these funds were used and there has been no RFP issued, but there are several rules with Corporation Counsel right now for review.
3. Please discuss the administrative overhead charge of \$1.1 million.
- That amount is based on 70 percent of salaries and is what goes into the General Fund from the Department's budget.
4. Did the recent audit have any impacts on your budget for this fiscal year?
- We are continuing to do rule changes, but this started prior to the audit. As far as this budget goes, it would be continuing proposed rule amendments to meet State law and requests from the public.
5. Do the positions not funded by the Council in FY 2020 still exist?
- Yes, but this reduced our estimated expenditures which minimally reduced the percentage collected from the licensees.
6. Will COVID-19 change your fiscal practices going forward, for example reduced travel costs?
- If the Mayor stops travel, we will stop travel and that will have an impact on the FY 2020 expenditures. Any money not used will be part of the carryover savings to licensees.
7. Do you think there will be an impact on your cash revenue if the State bans cruise ship travel into Hawaii?
- They only pay \$25 a day so it's not something that will really impact the budget. The percentage fee is only for permanent liquor licenses, everything else is just the revenue that comes in during the year so not much.



- If we collect nothing, in reality, it would just raise the percentage fee for the permanent licensees.
8. Have you seen a trend in the licensees that we should be aware of like a decline in licensees?
- The amount collected actually goes up every year, but in FY 2019, the amount went up by less than usual. This is consistent with the other counties. Off-premises consumption has gone up and on-premises consumption has gone down.
  - The number of licensees is pretty consistent.
9. When was the last time license fees were adjusted?
- The wholesalers were adjusted up within the last five years. As far as the basic fee, the idea behind it is to make it all equal. So, the base fee can stay lower as they are all paying a percentage fee on what they make so we will make it up.
  - If we increase the basic fees, it might be an undue hardship on smaller stores.

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Attachment

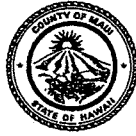


Council Chair  
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Vice-Chair  
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Shane M. Sinenci  
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Director of Council Services  
Traci N. T. Fujita, Esq.

**COUNTY COUNCIL**  
COUNTY OF MAUI  
200 S. HIGH STREET  
WAILUKU, MAUI, HAWAII 96793  
[www.MauiCounty.us](http://www.MauiCounty.us)

March 23, 2020

Ms. Georgette Tyau, Acting Director  
Department of Liquor Control  
County of Maui  
Wailuku, HI 96793

Dear Ms. Tyau:

**SUBJECT: OPERATIONAL AND BUDGETARY REVIEW OF  
DEPARTMENT OF LIQUOR CONTROL (GET-47)**

At its meeting of March 10, 2020, the Governance, Ethics, and Transparency Committee conducted an operational and budgetary review of the Department of Liquor Control for Fiscal Year ("FY") 2020. During this review, the Committee requested additional information.

May I request your response to the following:

1. How many vacancies are in the Department, and how long have they been vacant?
2. Does the Department have any issues with employee retention or recruitment?
3. Does the Department have any legal issues – whether Federal, State, or with licensees – that are currently pending or present potential litigation issues for the County?
4. Please submit a PowerPoint or other type of documentation that shows the Department's expenditures and vacancies for FY 2020.
5. Please provide information on the impact, if any, in the reduction in positions for FY 2020. Please include:



Ms. Georgette Tyau  
March 23, 2020  
Page 2

- a. A comparison in the number of inspections conducted in FY 2019 and FY 2020.
  - b. A comparison in fines in FY 2019 and FY 2020.
  - c. Whether there has been an increase in underage drinking incidents or accidents from FY 2019 to FY 2020.
6. Please provide information on the ratio of licensees to officers and a comparison to other counties in Hawaii.

May I further request you provide this information **no later than April 6, 2020**. 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 Pauline Martins at ext. 8039).

Sincerely,



MICHAEL J. MOLINA, Chair  
Governance, Ethics, and Transparency  
Committee

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cc: Mayor Michael P. Victorino

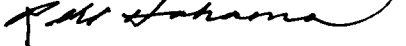


March 31, 2020

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OFFICE OF THE  
COUNTY COUNCIL

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MEMO TO: EDB-1 File

F R O M: Riki Hokama, Chair   
Healthy Families and Communities Committee

SUBJECT: **OPERATIONAL AND BUDGETARY REVIEW OF THE  
DEPARTMENT OF PARKS AND RECREATION** (HFC-46)

At its meeting of March 24, 2020, the Healthy Families and Communities Committee conducted an operational and budgetary review of the Department of Parks and Recreation's Fiscal Year 2020 Budget. Attached is a copy of their presentation as well as the follow-up letter sent to the Department requesting additional information. The Department's response will be forwarded as soon as it is received.

Following is a summary of questions by Committee members and answers by the Deputy Director:

1. Looking at your current vacancies, you are saying that they are all in process to be filled so you have no vacant Equivalent Personnel positions?
  - That's correct, they are in process and have been posted, and we are recruiting. For some of them, we are waiting for a list to come from the Department of Personnel Services, and for others we have started interviewing. We are continuing to conduct remote interviews for these positions as well.
2. With the pending COVID-19 emergency, are you feeling like you are fully staffed or that you have greater needs?
  - It will depend on how the operation changes. For example, we recently had five Park security officers working at the same time to manage the different uses and locations, and that was a big help. We think we are close to bringing on three more officers by April 15, which will help.



3. Do we currently have an arborist under the Parks Department?
  - No, several years ago the arborist was moved under the Department of Public Works. We work very closely with the arborist, so when there are Park trees that need trimmed we can reach out to them.
4. Does the Public Works arborist do regular inspections of the Parks properties to look for diseased trees and falling branches or is it complaint driven?
  - When identifying trees for the annual tree trimming contract, the arborist works with Parks staff to identify trees that need to be trimmed, but staff acts as the eyes and ears for the arborist. If there is something that does not look right, the staff will get in contact with the arborist.
5. Is the online reservation system operational for the Waiehu Golf Course?
  - It is scheduled to go online on July 1, 2020.
6. Does this go-live date include online processing for permitting as well?
  - No, it does not. It will be for the golf course only, and we do not have a go-live date for online permitting yet. We are working on a request for proposals for the software system. We expect that it will go out soon, and the funds will be encumbered before the end of the fiscal year.
7. How is the equipment maintenance tracking software working for the Department?
  - The maintenance connection software is in place and is being used to track work orders and the costs of those work orders and projects. There are a lot of other functionalities that will make the Department more efficient that will need someone full-time dedicated to do that as well as work with some other software applications.



- The Department is in the process of recruiting this position and should be hiring someone soon. It was a new position, so it took longer to get the position approved and moved forward. The Department should have an answer for this question by next year.
8. What is happening if a month or two down the road we are still sheltering at home, how are you dealing with permit cancellations? Do they move to the front of the line or are you completely cancelling them and they have to start the process from the beginning?
    - What we have been doing is to try and be as accommodating as possible during this difficult time. When we hear there is a period of closure, we give the permit holder the choice of rescheduling or cancelling with no penalty. We are highly discouraging people from booking permits too close to the closure time period, but we are encouraging people to look to the summer time period.
  9. With the FY 2020 Budget and the port-a-potties that the Mayor has requested at the beaches, will these be donated or are we paying for them? If we are paying them, will this come out of the Department's budget?
    - The Department did a revision to the contract for the port-a-potties for the additional units and service. Right now, the budget looks like it will cover this cost. It is possible if the closure continues the Department will need to ask for a budget amendment to cover these costs, but we hope that it is not necessary.
  10. How many bathrooms are being closed and what impact does that have on the contracts for care and upkeep of those facilities?
    - The Department has reassigned Ka Lima O Maui as many of the buildings they were assigned to have closed. We have repurposed them, and some of our staff to perform maintenance on other facilities. We will not be changing their contract; they will continue to work.
  11. For the items listed on the maintenance division operational update, are all operational updates completed or are you still working on them?



- A lot of them are in the process of being completed or have been completed.
12. Could you provide information on the status of the Velma Santos Community Center interior upgrades?
- These upgrades have been completed. These include lighting upgrades, repairs, and repainting. In the upcoming fiscal year, we will be requesting funds to upgrade the air conditioning. We plan to have it operational by the end of next year if we get these funds.
13. Is it correct that no Parks employee is currently certified to write out citations?
- We are authorized to issue citations as they are currently laid out in Section 13.04.
14. Is there an update on the situation with the pools and if things have been worked out to everyone's satisfaction? The water polo, diving teams, and other groups that use the pools were raising concerns about the permits for pool use.
- There were a number of users being processed under one umbrella organization. This generally wouldn't be a problem, but in this case, the way the fines and fees are set up, it is to specifically allow youth leagues, senior organizations, and ADA organizations to pay no fees other than deposits. The Department found that some of the uses under these umbrella organizations included adult use.
  - The Department has worked very hard to split that up. It is not intended to be a penalty; they just were not aware it was occurring. This has been an adjustment for both the Department and the community, as there are fees associated with the use of the pools.
  - If the Council would like to amend the budget ordinance to allow mixtures of use under one fee structure, the Department would comply with that, but right now they have worked diligently to ensure they are in line with the current budget ordinance.



15. What do Park Rangers do, and in what parks are they located?
  - They cover all of the parks within each district with the current exception of Hana and Lanai. The Department is looking at including Hana in the rotation at least once a week. The officers are assigned to a district. Prior to the modified response schedule, there were one to two officers during the day and four officers at night to help with securing the facilities.
  - During the current situation, the officers are primarily patrolling the beach park areas to ensure that people are complying with the CDC recommendations related to safety and health.
16. How is the Department handling the mandate to shelter in place in relation to Capital Improvement Projects?
  - The Department is still in operations with the Capital Improvement and Development Division. There is no person-to-person contact; they are communicating via email or teleconferencing. There are protocols established in situations where a site visit might be needed—they do not share a car; they do maintain a six-foot distance and wash hands on return to the office. There are also drop boxes for situations in which documents cannot be emailed.
17. Is the dog park in Lahaina the only CIP in that area?
  - There are other projects in West Maui; the presentation just provided some of the highlights. For example, the Department is doing work at the Napili Park tennis courts.
18. Was there an intent to make a dog park in Napili?
  - The Department is working on the one at the Lahaina Recreation Center currently. If there is funding left, they can do another, but the Department won't know what funding is left until the first project has been out to bid and the contract is finalized.
  - The intent is to get one dog park in each district to start, but the location in Napili has been identified as a possible second location.



19. When doing master planning, are the aha moku groups contacted as part of the Department's protocol?
  - This is something that the Department is starting to do more of and is becoming part of the protocol going forward.
20. Now that we are in this Covid-19 situation, and not to overcapitalize on a bad situation, but do you feel that the bids the Department will get from construction companies will be more in line with Departmental projections, cutting down on cost overruns?
  - The Department would hope so.
21. The Chair would like to propose the development of a Division of Land Management within the Department of Finance. This Division would provide the County with direction, support, and management of County land assets that the Charter currently makes the Director of Finance responsible for. Do you have any comments on this proposal?
  - The Department firmly believes that a Division of Open Land Management is the way to go. Open land and parks are two different things and have different concerns. We would be supportive of the creation of this Division under the Department of Finance.
22. One of the projects is called the Lihikai School Park improvements – are we doing improvements to Lihikai School, which is a State facility?
  - This project is for a park adjacent to Lihikai School, but it is the County portion of the property, not the school itself where the work is being done.
23. How far away are we from using the vulnerability shoreline assessment to determine the viability of future Capital Improvement Projects?
  - The Department is working on finalizing and going out to procure this service, so this is still in the works. The consultants have all



proposed a 10-12-month process, so that gives you an idea of the timeline.

- There will be a public presentation of the findings.
24. Is the D.T. Fleming parking lot still a CIP?
- Yes, it is still a project, it is just in the permitting phase.
25. For the County-wide light ordinance compliance, is there an update?
- We have several projects related to this that are currently in the design phase. We are moving forward on all of the islands to ensure that we are compliant with the light ordinance.
26. Is there an update on the ADA compliance improvements?
- The final report on the ADA transition plan is due in April.
27. Is the park adjacent to Lihikai School ADA compliant?
- Not at this time. Part of this project is to bring it more into compliance.
28. Is the Lihikai School Park used during school hours?
- Yes, the school uses it for some of their outdoor activities.
29. Is part of the plan to bring the other Maui County parks into compliance?
- That will be a part of the ADA transition plan. It will include a report of which parks are in compliance and what elements and parks are not in compliance.





# Department of Parks & Recreation

Healthy Families and Communities Committee  
Presentation

*To provide safe, satisfying and cost effective recreational  
opportunities for the residents of and visitors to Maui County.*



# Department of Parks & Recreation Overview

- ▶ 2,547 Acres of Developed Park Land
- ▶ 130 Playing Fields
- ▶ 22 Community Centers
- ▶ 10 Gymnasiums
- ▶ 16 Playgrounds
- ▶ 3 Campsites
- ▶ 24 Beach Parks
- ▶ 31 Outdoor Courts
- ▶ 53 Tennis Courts
- ▶ 5 Skate Parks



# Department of Parks & Recreation

## FY 2020 Budget Summary

### Council Adopted Budget

#### General Fund:

Administration Program	\$ 2,745,129
Parks Program*	\$ 7,076,049
Recreation & Support Services Program	\$24,043,203
Total	\$33,864,381

\*Waiehu Golf Course Program moved to Parks Program in FY20 Budget.



# Department of Parks & Recreation

## FY 2020 Current Vacancies

Department Total E/P 427

### 56 Vacant Positions:

44 - In Recruitment Process (Posted/Pending a List/Interviews in Process)

12 - In Pre-employment Process (Required tests & documentation)



# Department of Parks & Recreation

## FY 2020 Administration Program

- ▶ Includes Director's Office, Administrative Staff, Safety and Training Section, and Parks Permit Enforcement Section.
- ▶ FY 2020 Expansion Positions:
  1. Parks Permit Clerk for the South District Permit Office  
*Position filled November 1, 2019.*
  2. Parks Security Officer for Kalama Park  
*In Recruitment Process.*
- ▶ FY 2020 Equipment:
  1. Security System at Kalama Park  
*Department worked with South District staff and MPD on revised design which has been completed. Procurement process has begun.*



# Permits & Enforcement

## FY 2020 Operational Update

### Permits

- ▶ Processed approximately 110 tri-annual permits in October and again in January for county-wide recreational use resulting in thousands of lines of date/time entries.
- ▶ In the process of conducting training 3-4 times per year on permit policies and software use.
- ▶ Request for Proposals drafted to begin the acquisition of a new permit software.
- ▶ Facilitated meetings with various partnership groups and mega users to identify streamline processes.
- ▶ Procured new date/time stamps to assist with processing of applications and incoming documents.
- ▶ Worked to process tri-annual and event permits while keeping offices open for community center permits, camping permits, and first-come-first serve recreational use permits.



# Permits & Enforcement

## FY 2020 Operational Update

### Enforcement

- ▶ Issuance of citations, after warnings, as part of further enforcement efforts.
- ▶ Worked on recruitment efforts for five (5) PSO positions.
- ▶ Ongoing training of all Park Security Officers (PSO).
- ▶ Procured towing contract to ensure vehicles are not actively blocking access within parks/facilities.
- ▶ Worked with MPD, Corp Counsel, & Prosecutor's Office on Trespass process for the department.
- ▶ Truck decal replacement project to align with official organizational labeling.



# Safety & Training Section

## FY 2020 Operational Update

### ► Implementation of Department Safety Committee

1. Discuss items from Countywide Risk Management steering committee.
2. Review of incidents and discuss preventative measures.
3. Goal is to change from reactive to proactive in regards to addressing safety conditions at facilities and work sites.

### ► Training Provided

1. Evacuation Drills
2. First Aid and AED Training
3. Driver Safety (Carts and Utility Equipment) Training
4. Fire Extinguisher Training
5. Power Tool Safety Training
6. Forklift/Scissors Lift Training
7. Ladder - Fall Protection Training
8. Mower Safety Training
9. Personal Protective Equipment (PPE) Training
10. General Office Safety Training

### ► Ongoing monitoring of PPEs, base yards, and safety needs of all Department staff.





# Department of Parks & Recreation

## FY 2020 Parks Program

- ▶ Includes Maintenance Division (Construction Maintenance Section, Beautification Section and Waiehu Golf Course) and Parks Planning and Development Division.
- ▶ FY 2020 Expansion Positions:
  1. Computer Applications Support Technician II  
*Position is in the recruitment process.*
- ▶ FY 2020 Equipment:
  1. *All budgeted equipment has been procured and awaiting delivery by contracted vendors.*



# Maintenance Division

## FY 2020 Operational Update

- ▶ Installation of scoreboards at the Central Maui Regional Sports Complex.
- ▶ Lahaina Recreational Complex dugouts repair.
- ▶ Mayor Hannibal Tavares Community Center parking lot light upgrades.
- ▶ Lanai Community Center fumigation.
- ▶ Velma McWayne Santos Community Center interior upgrades.
- ▶ War Memorial Football Stadium turf improvements.
- ▶ Lihikai Park automatic irrigation installation.
- ▶ Kalama Park field improvements.
- ▶ Completion of the Request for Proposals for the Kapueokahi Bay statue, plaque and sign.



# Maintenance Division FY 2020 Operational Update



Scoreboard Installation at CMRSC



Lihikai Park Irrigation Upgrade



Ichiro "Iron" Maehara Baseball Stadium  
Installation of New Irrigation



Velma McWayne Santos Community Center  
Lighting and Interior Upgrades



# Maintenance Division Waiehu Golf Course FY 2020 Operational Update

- ▶ Greens renovation completed.
- ▶ New reservations software system to go live in July 2020.
- ▶ Installation of new grease interceptor pending final permit approvals.
- ▶ In house repair of the interior of restaurant to begin in April.
- ▶ Master Plan for the new clubhouse in progress with consultant team working on 2 design options.





# Maintenance Division Waiehu Golf Course FY 2020 Operational Update

► FY 2020 Rounds and Revenue as of March 5, 2020:

Type	Fee	Rounds	Revenue
Weekday - Resident	\$15	6,277	\$ 72,248
Weekday - Retiree	\$10	15,496	\$ 140,995
Weekday - Non-Residents	\$63	2,558	\$ 134,222
Weekday - Hawaii State	\$35	636	\$ 18,323
Weekend/Holiday - Resident	\$22	5,084	\$ 94,776
Weekend/Holiday - Retiree	\$14	6,344	\$ 83,433
Weekend/Holiday - Non-Residents	\$75	495	\$ 30,301
Weekend/Holiday - Hawaii State	\$40	217	\$ 7,440
Student	\$2	1,382	\$ 3,399
Tournament	\$18	42	\$ 1,080
Military Weekday	\$23	16	\$ 311
Military Weekend	\$28	4	\$ 84
Total		38,551	\$ 586,612



# Department of Parks & Recreation FY 2020 CIP Budget Summary

Council Adopted Budget

## Capital Improvement Project Appropriation:

General Fund	\$10,450,000
Park Assessment	\$ 1,068,650
GO Bond	\$ 9,425,000
Total	\$20,943,650



# Capital Improvement Projects FY 2020

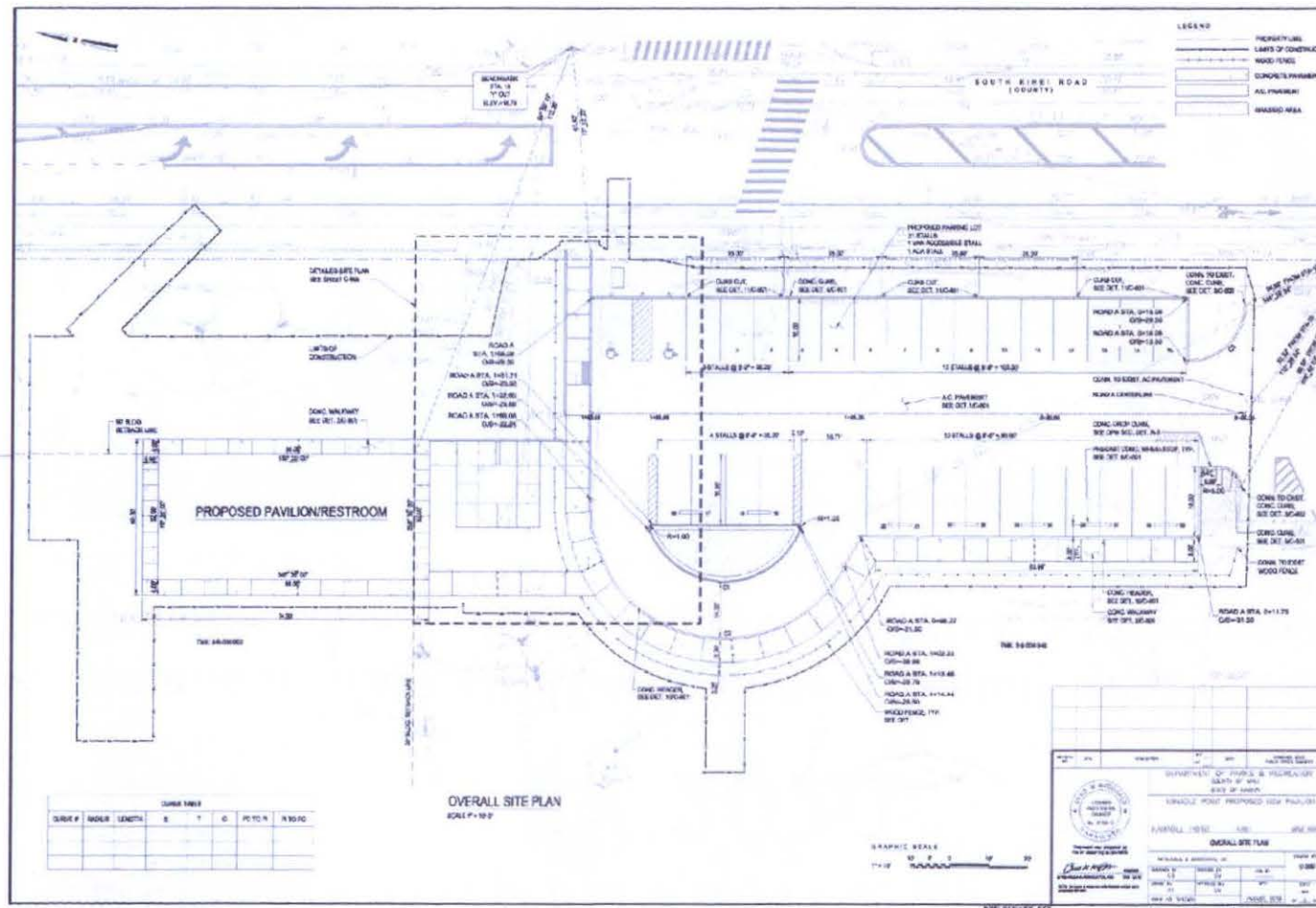
**Mayor Hannibal Tavares Community Center Improvements—**Construction started on the extensive rehabilitation and improvements to the center October 2019 and is scheduled for completion in October 2020.





# Capital Improvement Projects FY 2020

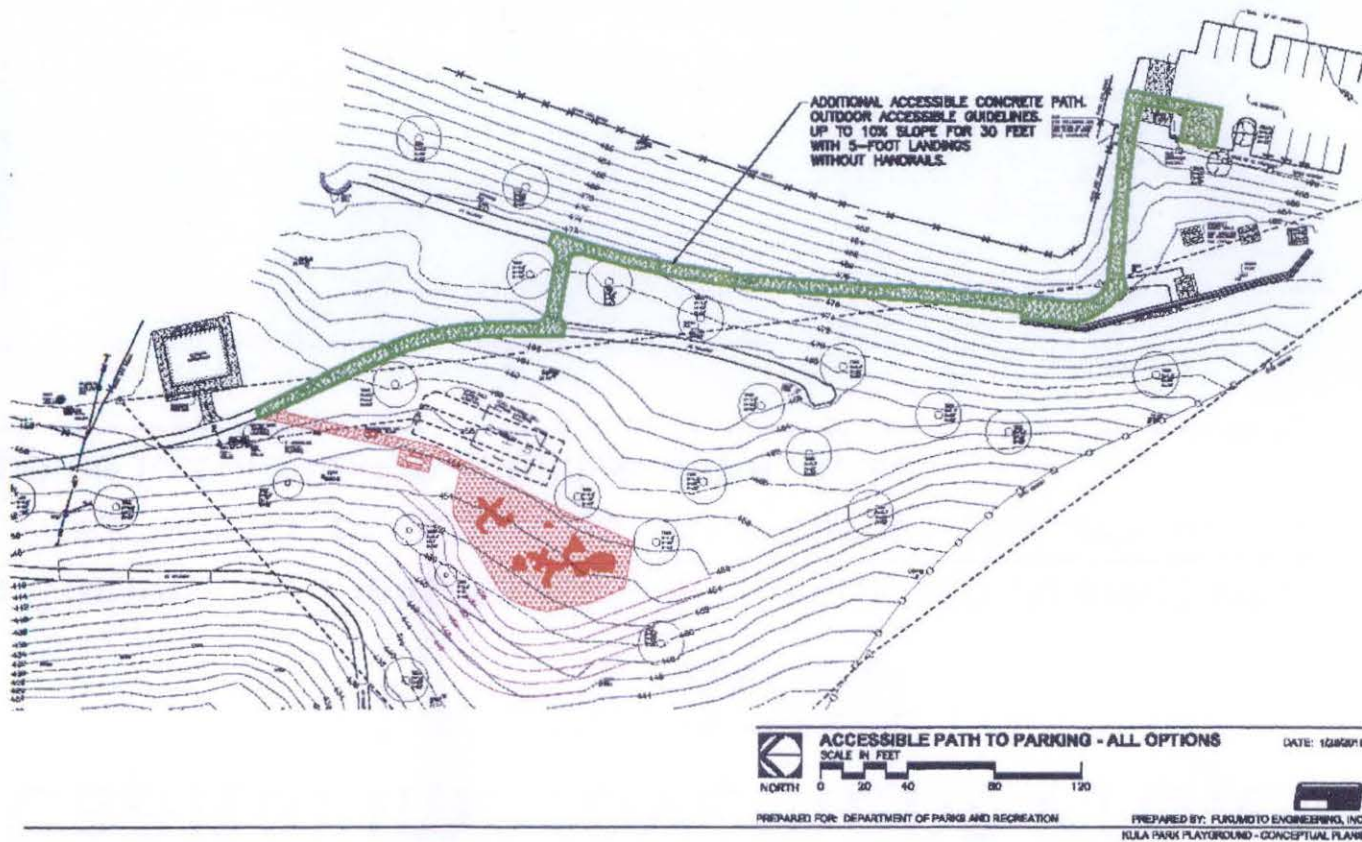
**Kamaole Point Pavilion** – A new pavilion/restroom building is being planned for Kamaole Point. The SMA Major Permit Application and EA are scheduled to be submitted in April of this year.





# Capital Improvement Projects FY 2020

**Kula Park Playground** – Ground Breaking for construction of the new playground and accessible paths at Kula Ballpark was held January 29, 2020. Construction is underway and anticipated to be completed in early summer of this year.

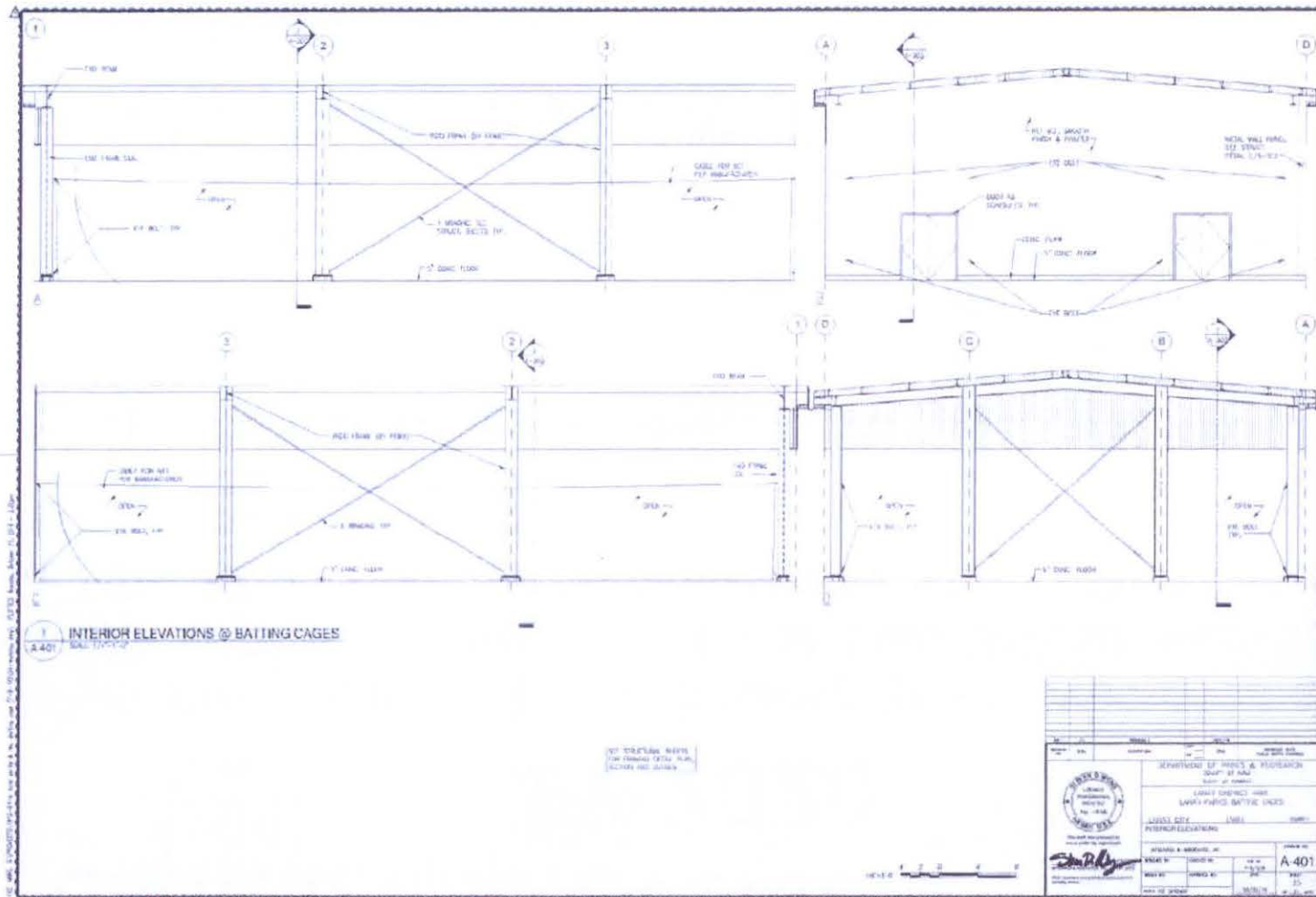




# Capital Improvement Projects

## FY 2020

**Lanai Community Field House** – A construction contract for a multi-sport field house on Lanai is in process and on-site work is anticipated to commence in mid-summer 2020.





# Capital Improvement Projects FY 2020

**Lanai Youth Center and Skate Park** – The youth center is currently in the design and permitting phase. Construction will commence after all permits are in place and a construction contract has been executed.

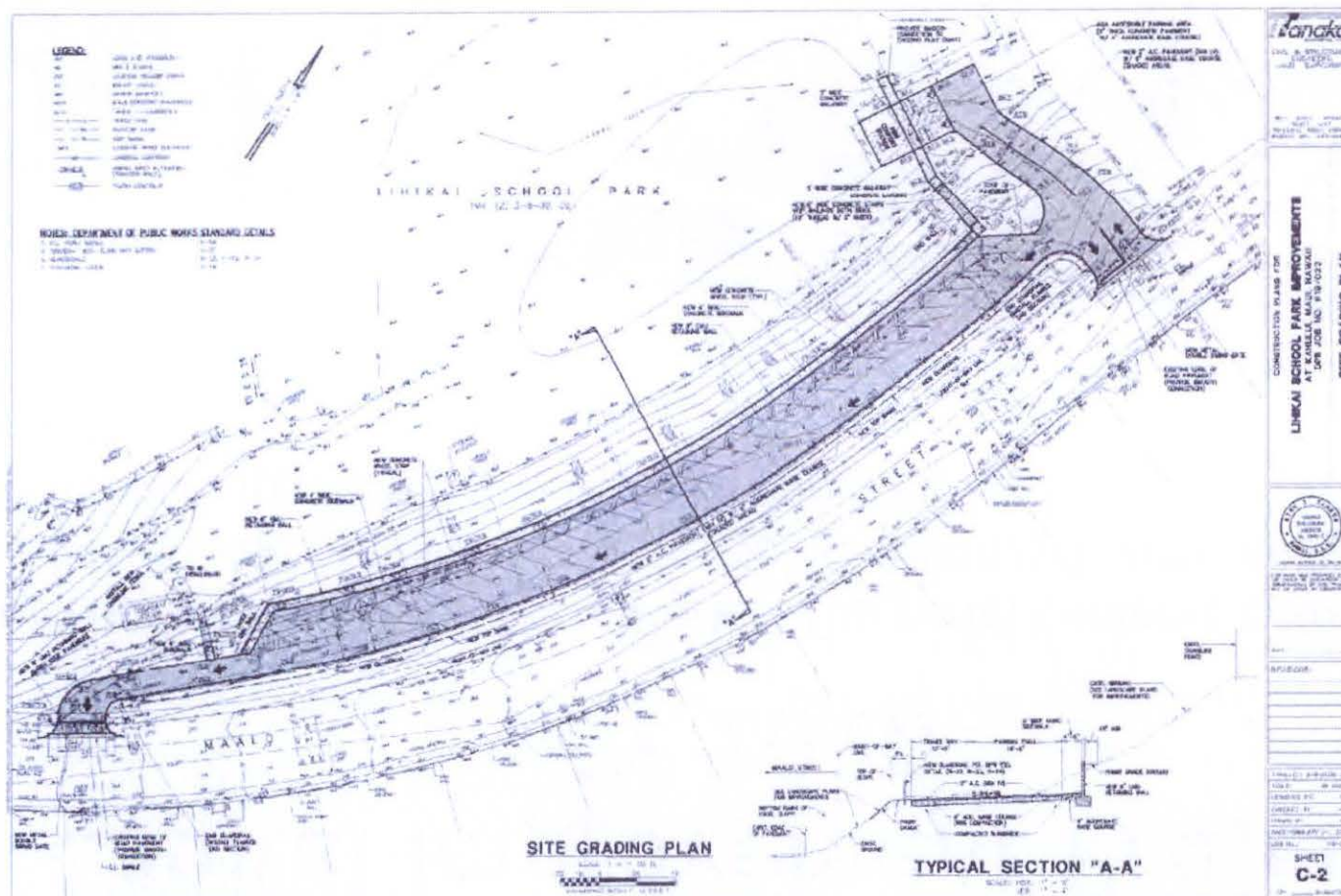


② 3D View 2  
SCALE



# Capital Improvement Projects FY 2020

**Lihikai School Park Improvements** – Preliminary design has been completed for parking and accessibility improvements at the park. Grading permit will be applied for after final documents are developed.





# Capital Improvement Projects FY 2020

**Kepaniwai Heritage Gardens Improvements** – Construction has been completed for the second phase of accessibility improvements at the park.





# Capital Improvement Projects FY 2020

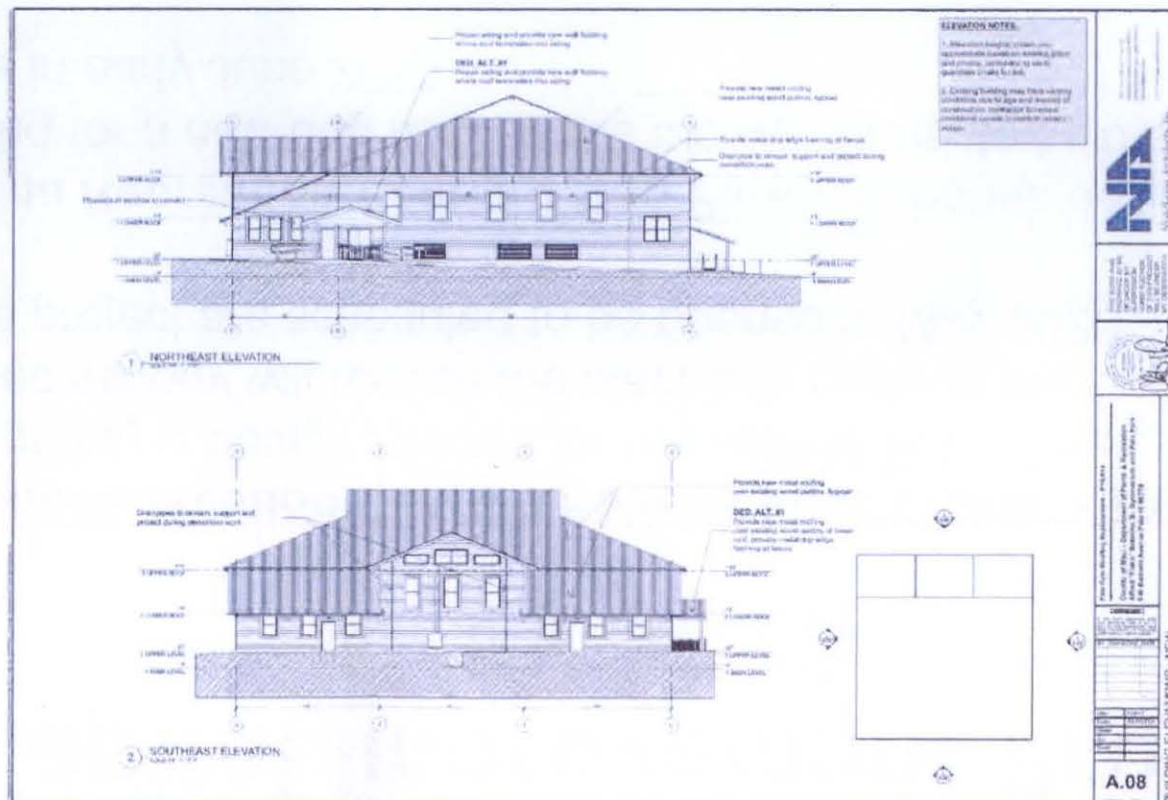
**War Memorial Complex Paving Improvements** – Complete reconstruction of the stadiums parking lot commenced in March 2020 and is scheduled to be completed in August 2020.





# Capital Improvement Project FY 2020

**Alfred “Flako” Boteilho, Sr. Gymnasium (Paia Gym) Roofing Replacement** – Building permit has been approved for the replacement of the existing roof and other related improvements of the Alfred “Flako” Boteilho, Sr. Gymnasium. It is anticipated that a construction contract will be fully executed in June 2020 with construction to commence thereafter.





# Capital Improvement Project FY 2020

**Lahaina Recreation Center I Softball Field Lights** – The sports field lighting is being replaced for the softball field. The use of LED technology will reduce the electricity costs at the facility. Bids for the project are scheduled to be opened in May 2020.

**Lahaina Recreation Center II Dog Park** – In-house design is ongoing for a new dog park at this facility. Projected bid opening will be in early June 2020.

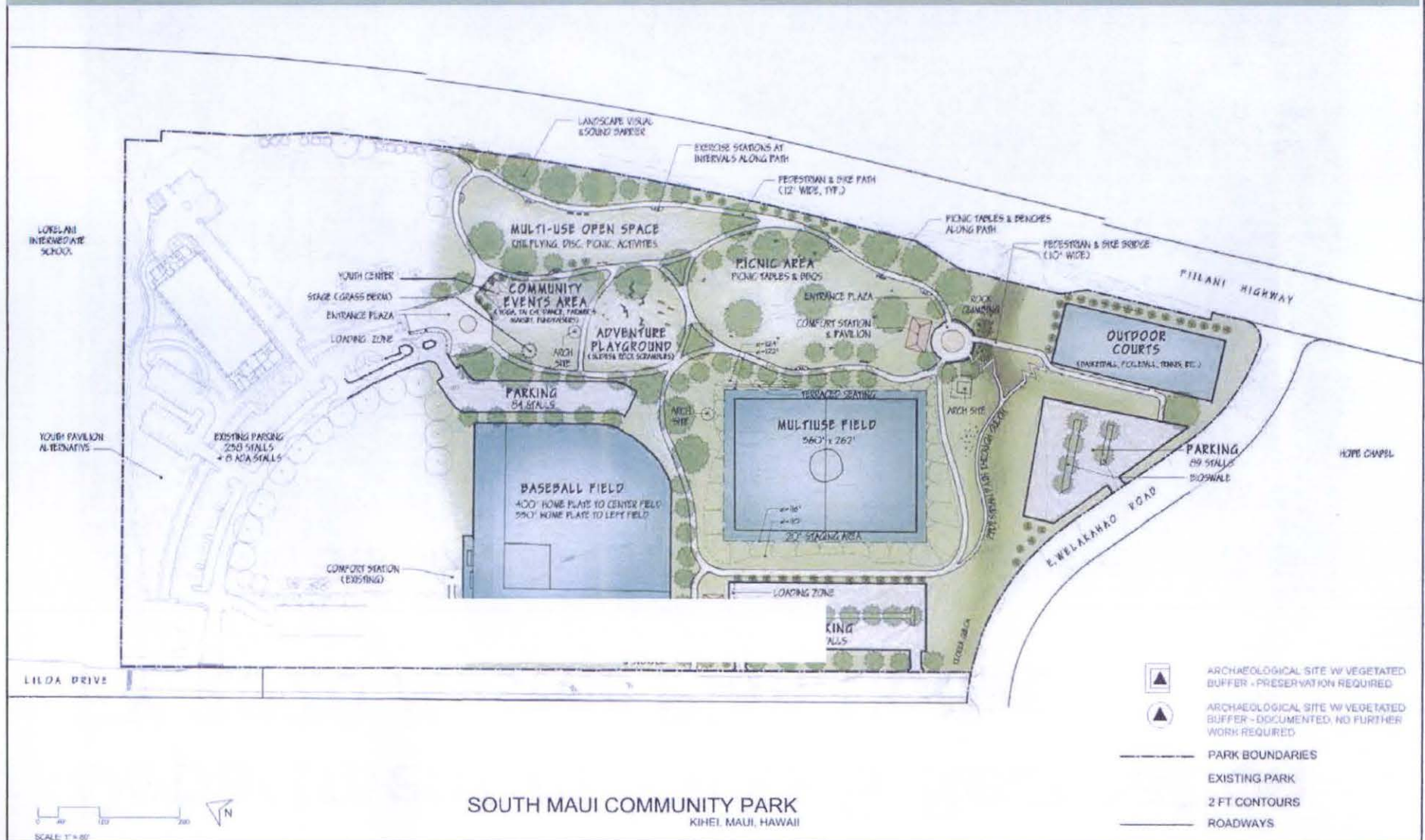
**Napili Park Playground Shade Structure** – The shade structure for the playground was recently completed. Also the fall surfacing was replaced and tested.





# Department of Parks & Recreation FY 2020 Master Plan Update

## South Maui Community Park Master Plan Update





# Baldwin Beach Park Master Plan

**West Pavilion (60'x100')**  
Sand Berm Restoration w/ Native Vegetation (Typical)  
Alternate West Pavilion & Drop-off Location  
Potential Lawn Definition Area  
Maintenance Road  
North Shore Greenway (Under Construction)  
Kailua Gulch

**West Entrance**  
West Parking Lot Expansion (±80 Stalls)  
West Parking Lot (±175 Stalls)  
Parking Bay 1 (±16 Stalls)

**Existing Restroom**  
Vehicular Drop-off & Reserved Parking Stalls (ADA & Cultural Practitioner)  
Lifeguard Storage  
Campground Vehicular Drop-off  
Permitted Campground  
Camper Overnight Parking  
Graveyard Preservation Site  
Existing Rural Zen Mission

**Reserved Parking Stalls (ADA & Cultural Practitioner)**  
Vehicular Drop-off

**Parking Bay 2 (±17 Stalls)**  
Shade Canopy Trees (Typical)  
Multi-purpose Open Space (Typical)  
Sports  
Picnic Areas  
Community Events  
Pedestrian Crossing (Typical)

**Parking Bay 3 (±25 Stalls)**  
East Entrance  
East Pavilion (60'x100') w/ Portable Restroom  
East Parking Lot (±90 Stalls)  
East Parking Lot Expansion (±55 Stalls)

**East Entrance**  
East Pavilion (60'x100') w/ Portable Restroom  
East Parking Lot (±90 Stalls)  
East Parking Lot Expansion (±55 Stalls)

**Lower Pā'ia Park Entrance & Vehicular Drop-off**  
Lower Pā'ia Park Parking Lot (±35 Stalls)  
Pā'ia Youth & Cultural Center (PYCC) Future Site

**PYCC Canoe House**  
PYCC Skate Park  
PYCC Site Entrance  
Pā'ia Waste-water Pump Station

**Resurfaced Basketball Court**  
Lower Pā'ia ParkExisting Restroom

**LEGEND**

- UNPAVED TRAIL (4-6 FT WIDE)
- EXISTING PAVED BIKE PATH (5 FT WIDE)
- NEW PAVED PATH
- PLAYGROUND & EXERCISE STATION LOCATION
- SMALL PAVILION PICNIC AREA LOCATION (10' x 10' w/ 10' x 10' TABLES, 11' x 8' x 10' TABLES)
- LIFEGUARD STAND LOCATION
- SECURITY GATE
- VEGETATION LINE
- SHORELINE SETBACK (UNOFFICIAL)\*
- PROJECTED EROSION WITH SEA LEVEL RISE (3.2-FT SCENARIO)\*

\*Sea level rise projections are based on the 3.2-foot scenario from the U.S. Army Corps of Engineers' 2012 report, "Coastal Erosion and Flooding Hazards: Assessing High Water Risk to People and Property." The map shows the projected erosion line for the 3.2-foot scenario, which is the most conservative estimate of sea level rise.





# Department of Parks & Recreation FY 2020 Master Plan Update

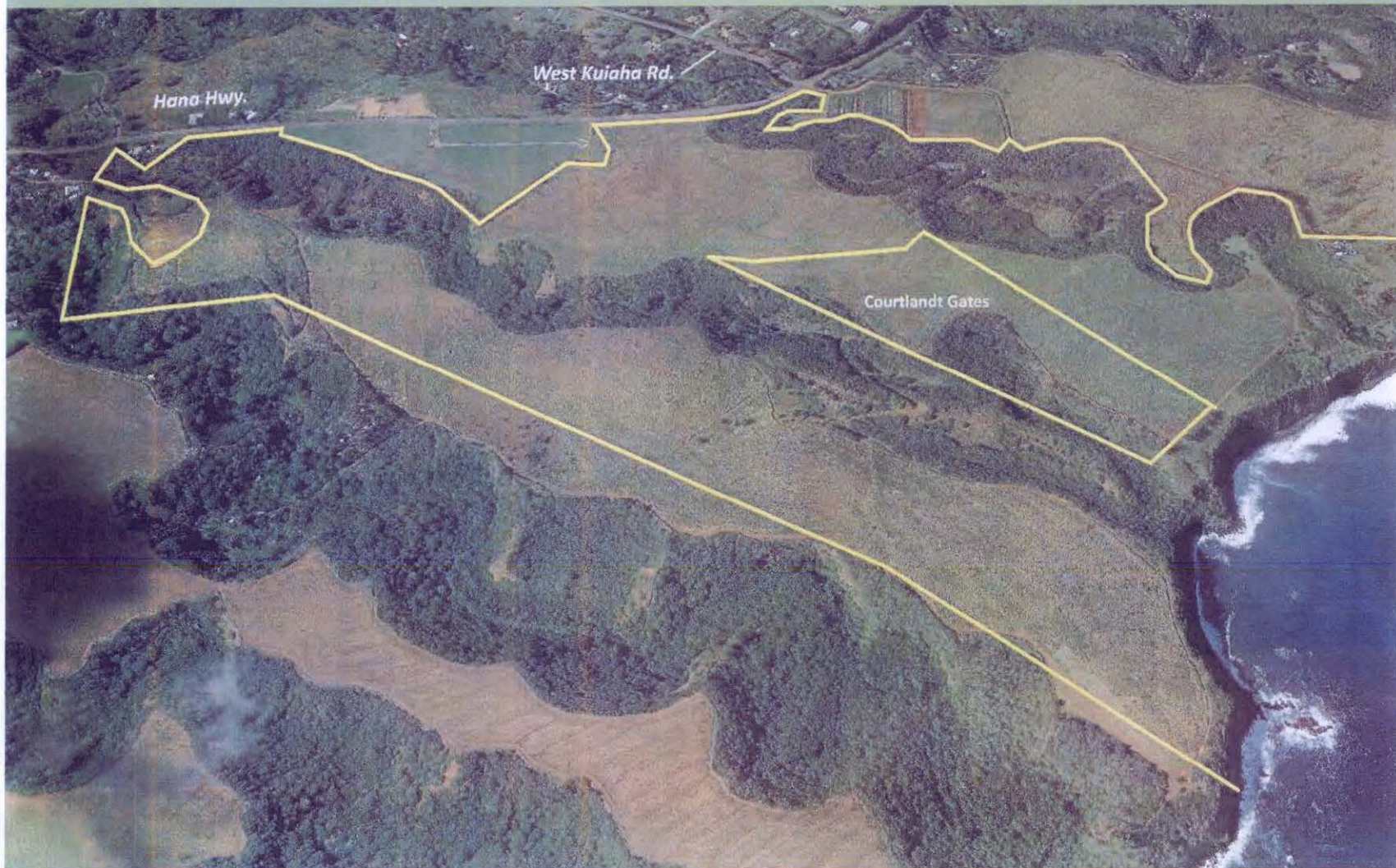
## Beach Parks Vulnerability Analysis





# Department of Parks & Recreation FY 2020 Master Plan Update

## Hamakualoa Open Space Cultural Assessment





# Recreation and Support Services Program

## FY 2020 Operational Update

- ▶ Includes Administrative Staff, 7 Districts, Pools and PALS Sections.
- ▶ FY 2020 Expansion Positions:
  1. Six (6) Park Caretaker I Positions  
*5 Positions have been filled. 1 Position is in the recruitment process.*
  2. One (1) Recreation Aide Position  
*Position is in the recruitment process.*
- ▶ FY 2020 Equipment:
  1. *All budgeted equipment has been procured and awaiting delivery by contracted vendors.*



# Recreation and Support Services Program

## FY 2020 Operational Update

- ▶ Daily Operations in each District ensures that facilities are clean and maintained daily.
- ▶ Recreational Programming is facilitated by each District's recreational staff and offers youth, adult, senior and inclusive cultural and recreational programs.
- ▶ Inclusive Recreational Programming is coordinated by the Division's Recreational Specialist.
- ▶ Partnering with Community Volunteers helps the Divisions with a variety of projects.
- ▶ Pools Section provides lifeguard services and aquatics-oriented recreational programs at the 8 Maui County pools.
- ▶ PALS (Play and Learn Session) provide summer and winter session programming for approximately 1,800 Maui County keiki.
- ▶ Community Class Programs provide instructors the use of Parks facilities to promote recreational activities within the community.



# Recreation and Support Services Program FY 2020 Operational Update



Parks District Maintenance Crew



Youth Basketball Program



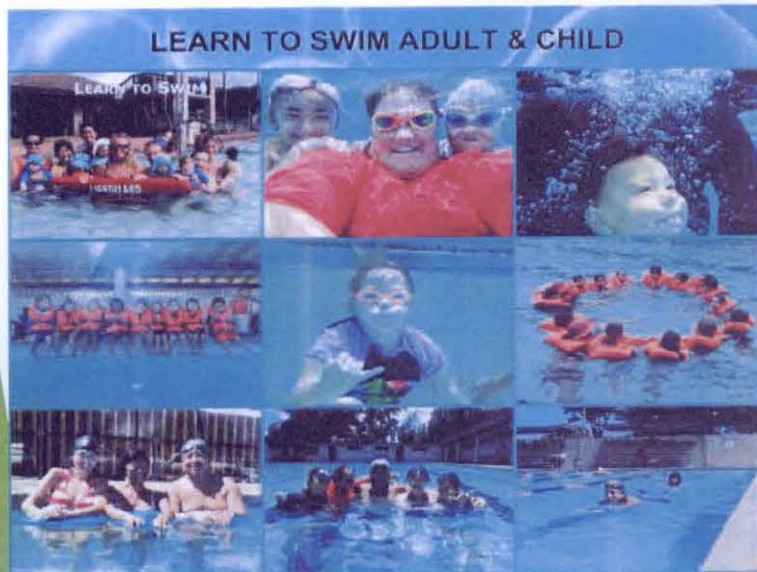
Inclusive Kayak Program



# Recreation and Support Services Program FY 2020 Operational Update



Partnerships with Outstanding Volunteers



Pools Section



PALS Program



# Mahalo for your support!



*Movies in the Park celebrating Park and Recreation Month*



Council Chair  
Alice L. Lee

Vice-Chair  
Keani N.W. Rawlins-Fernandez

Presiding Officer Pro Tempore  
Tasha Kama

Councilmembers  
Riki Hokama  
Kelly Takaya King  
Michael J. Molina  
Tamara Paltin  
Shane M. Sinenci  
Yuki Lei K. Sugimura



Director of Council Services  
Traci N. T. Fujita, Esq.

**COUNTY COUNCIL**  
COUNTY OF MAUI  
200 S. HIGH STREET  
WAILUKU, MAUI, HAWAII 96793  
[www.MauiCounty.us](http://www.MauiCounty.us)

March 31, 2020

Ms. Karla Peters, Director  
Department of Parks and Recreation  
County of Maui  
Wailuku, Hawaii 96793

Dear Ms. Peters:

**SUBJECT: OPERATIONAL AND BUDGETARY REVIEW OF THE  
DEPARTMENT OF PARKS AND RECREATION**  
(HFC-46)

At its meeting of March 24, 2020, the Healthy Families and Communities Committee conducted an operational and budgetary review of the Department of Parks and Recreation. During this review, the members of the Committee had some requests for additional information.

May I request your response to the following:

1. Please provide information on the financial impact, if any, of the FY 2020 fee increase for non-residents at the Waiehu Municipal Golf Course.
2. Please provide information on the cost of repairs and upgrades to the Waiehu golf course restaurant. Also, will any of these upgrades (for example the grease trap) be incorporated into the new facility that is planned for the golf course?
3. Please provide information on the impacts of operational maintenance on the Department's CIP budget.
4. Please provide details on the balance of carryover savings from vacant positions, such as positions that were funded for this FY but that were not procured. Please also provide a report on where these carryover savings are expended. For example, will these carryover



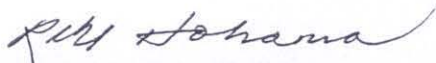
savings be used to fund some of the additional expenses that have been generated during the park closures due to COVID-19?

5. Please provide details on the current status of the repairs to the South Maui Skate Park. Is the fact that the park is now completely closed going to change the approach to these repairs because the work does not need to happen section by section?
6. Please provide information on if the Department is planning to include lot six, which was just approved for acquisition, as part of the Hamakualoa cultural assessment.
7. Please provide an update on the status of the Kanaha Park Master Plan.
8. Please provide information on plans for public input into master plans during the COVID-19 stay at home orders.
9. Please provide an update on the cost sharing proposal with the State for painting of the Haiku Community Center as well as a timetable for the painting and when it will be done.
10. Please provide an update on the status of the ADA compliance report. Please provide the Committee with a copy as soon as it is complete.

May I further request you provide a written response by **April 6, 2020**. 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, Shelly Espeleta at ext. 7134, or Rayna Yap at ext. 8007).

Sincerely,



RIKI HOKAMA, Chair  
Healthy Families and Communities  
Committee

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cc: Mayor Michael P. Victorino




RECEIVED

2020 MAR 31 AM 11:36

OFFICE OF THE  
COUNTY COUNCIL

March 31, 2020

MEMO TO: EDB-1 File

F R O M: Riki Hokama, Chair   
Healthy Families and Communities Committee

SUBJECT: **OPERATIONAL AND BUDGETARY REVIEW OF THE  
DEPARTMENT OF HOUSING AND HUMAN CONCERNS  
(EXCLUDING HOUSING DIVISION)** (HFC-47)

At its meetings of February 20, 2020, and March 10, 2020, the Healthy Families and Communities Committee conducted an operational and budgetary review of the Department of Housing and Human Concerns' Fiscal Year 2020 Budget. Attached is a copy of both of their presentations as well as the follow-up letter sent to the Department requesting additional information. The Department's response will be forwarded as soon as it is received.

Following is a summary of questions by Committee members and answers by the Deputy Director and Director:

1. Have the additional Equivalent Personnel positions from the Fiscal Year 2020 budget been filled?
  - Those positions have been filled. Information on the open positions in the Department was provided in the March 10, 2020, presentation.
2. Has the Maui Humane Society been able to purchase the two trucks that were included in the Fiscal Year 2020 budget.
  - These were through the revolving fund. They have purchased one and are planning to purchase the second when the revolving fund gets to a point that it can cover this purchase.
3. Have there been any issues with recruitment?
  - It's not necessarily an issue of getting it through DPS, but being able to find qualified people for the positions. We have had to re-open recruitments multiple times because we're not finding enough people or the right people for these positions.



4. Can you please update the Committee on the status of the acculturation program?
  - A Request for Proposals was posted, but there were not any responses. The Department is now reaching out to other possible partners and is hoping to get the program completed this Fiscal Year.
5. How do you explain the difference between outcomes and outputs to your staff?
  - In the past, the performance measurements counted things like attendance at meetings rather than determining if you're actually making a difference. So, for the performance measures for Fiscal Year 2021, the idea is to try and not count these things, but show what we got out of those meetings or what the outcomes were.
6. Regarding vacant positions – there are two positions that say they are not being filled due to inadequate funds. Could you please provide an explanation?
  - Those positions are both grant funded, and the federal funding may be reduced or other expenses may go up so there is not enough funding to cover those positions. It is an inadequacy of grant funds, not County funds, that is the reason these positions are unfilled.
7. For positions that were marked temporary that are expiring – are those positions that were funded with money that was only provided for a temporary time or was that funding for new positions that you have decided you no longer need?
  - The position in the Office on Aging was created in an effort to have cross-training between an individual who was resigning and the person who would be replacing them. Once the original employee left, the temporary employee moved into the full-time position, and the temporary position was no longer necessary.
  - One position in Kaunoha Senior Services was replaced by a full-time County position. The temporary position was a grant position, but



these job responsibilities, along with others, are now being handled by the County employee. This position is filled.

- The other position in Kaunoha Senior Services appears to be an abolished position, but it is actually just reflecting a change in the way in which the position was funded.
8. What is the feedback process with grantees related to the rankings used on the grant spreadsheet provided to the Committee?
- Before the rankings were issued, we made the grantees aware of what was being evaluated and what would be provided to the Council and the Mayor, so they had the opportunity to engage on that early. Those that score well don't need to do much, and those that have deficiencies have been made aware of their deficiencies well in advance of the report coming out. The Department also tries to help deficient grantees improve throughout the year.
9. On vacancies for the Aging and Disability Service Specialists, it looks like it's been almost a year since that process started for both of them. Is there a problem with personnel or has the process for these positions moved forward from what is shown on the spreadsheet?
- There was a slight reorganization last year, and they are trying to determine how they may need to realign their organization to meet the needs of the community. These positions are still needed, but part of the delay was determining which functions they needed people in the most. They have had people serving in temporarily assigned positions to cover the functions of the level four positions, as they wanted to fill the level-five position first. The Department wants to ensure that they have placed the people that they have in the appropriate positions before they finalize the new hires.
10. Were unencumbered grant appropriations created because the Council put money into the budget that you did not ask for?
- Sometimes the legislature gives the Department funds in order to address issues that they've heard about directly from constituents. Other times, for example with the Central Maui Mobile Hygiene Unit, the Department is not always able to find a nonprofit with the capacity to address the issue, or is not able to get agreement on what



is the right course of action to address the issue. So it varies, and the Department would welcome the discussion prior to the funds being allocated to the Department.

11. The Maui Youth and Family Services administrative building construction listed in the Capital Improvement Projects – is that the same location or is there another building being constructed?

- No, it's at the Maunaolu Campus site.

12. There is also a project listed for construction for Ka Lima O Maui. Is this an expansion on the same site or are they doing construction elsewhere?

- Currently, they operate out of the Cameron Center, but they have a site adjacent to the Center and they are going to expand on that property and try and move as many programs as possible out of the Cameron Center.

13. In the new Federal Budget issued by the President, several funds have been cut from the budget. The Hawaiian delegation will work on getting these funds restored in the Congressional appropriations, but even if the funds are there, the President could choose not to release them. Are there any comments from the Department on how to move forward if these funds are not released?

- The House has passed the Older Americans Act, which includes increases in funding every year. This generally enjoys bipartisan support, so we do not anticipate any issues with Federal funding for our programs.

14. Is there anything you can tell the Committee regarding coronavirus preparations and how the County agencies are preparing and what their plans are?

- The Department is working closely with the Mayor. We are relying on CDC and Department of Health information, so that we can provide the necessary information without spreading unnecessary panic. The grantees are aware of a clause in their contracts that related to the availability of funds. We are not there yet, but they are aware of it.



- The Department is also making serious efforts to ensure that employees stay home if they are sick and that everyone on site practices good hygiene. All surfaces are being sanitized thoroughly, including Meals on Wheels and assisted-transportation vehicles.
- In the event any of the meal programs close, they are working on ordering a month of meals in order to ensure food security for the vulnerable populations.
- Kaunoha is doing everything they can to ensure the seniors are safe. They have distributed and posted fliers on the virus and are working with the senior population to make sure that they have the facts and are taking the proper precautions. We also monitor during cold and flu season, so we have just tightened the protocols that we normally follow for the coronavirus.

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Attachment



HFC-47

# Maui County Department of Housing and Human Concerns

*"To support and enhance the social well-being  
of the citizens of Maui County"*

## DHHC PROGRAMS

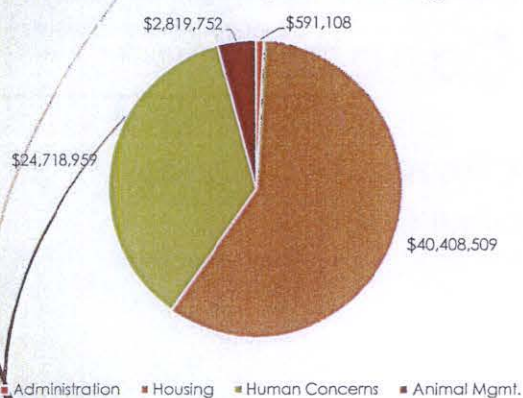
- Administration Program
- Housing Program
- Human Concerns Programs
  - Early Childhood Resource Center
  - Grants Management Division
  - Homeless Program Division
  - Immigrant Services Division
  - Maui County Office on Aging / Aging and Disability Resource Center (MCOA / ADRC)
  - Senior Services Division - Kaunoa
  - Volunteer Center
- Animal Management Program – Maui Humane Society

RECEIVED AT HFC MEETING ON 2/20/2020  
Linda Mansell, DHHC

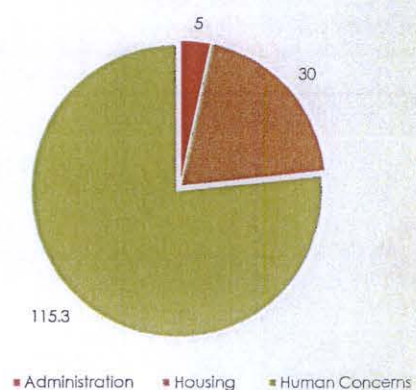


## Departmental Budget and Personnel for FY20 by Program

Fiscal Year 2020 Department Budget



Fiscal Year 2020 Personnel



## ADMINISTRATION PROGRAM - Budget / Personnel

- 5 total staff members
- Total budget for FY2020 = \$591,108



## ADMINISTRATION PROGRAM

- Provides direction and oversight to eight divisions, as well as the Animal Management Program
- Ensures efficient operations and high performance by providing training and leadership opportunities within the department
- Ensures the most relevant and highest quality services are provided to the citizens of Maui County in areas of housing and human concerns

## Capacity Building Trainings

**In August, 2019, our Division Heads and Program Specialists received training from the Hawaii Alliance of Non Profit Organizations (HANO)**

- Focused on developing performance measures and outcomes for the Department and our grantees
- Moving the Department from output measures to outcome measures

**January 31, 2020, we held an all-department customer service training event for the staff**



## Human Concerns Program

There are 7 divisions which are funded through the Human Concerns Program. Funding allocated to this program equates to approximately 41% of the Department's budget.

The divisions are as follows:

- Early Childhood
- Grants Management
- Immigrant Services
- Senior Services -Kaunoa
- Office on Aging
- Volunteer Center
- Homeless Program (\*\* will be reviewed at AH Committee)

Animal Management (Not a Division)

## Maui County Early Childhood Resource Center



**Good Beginnings**



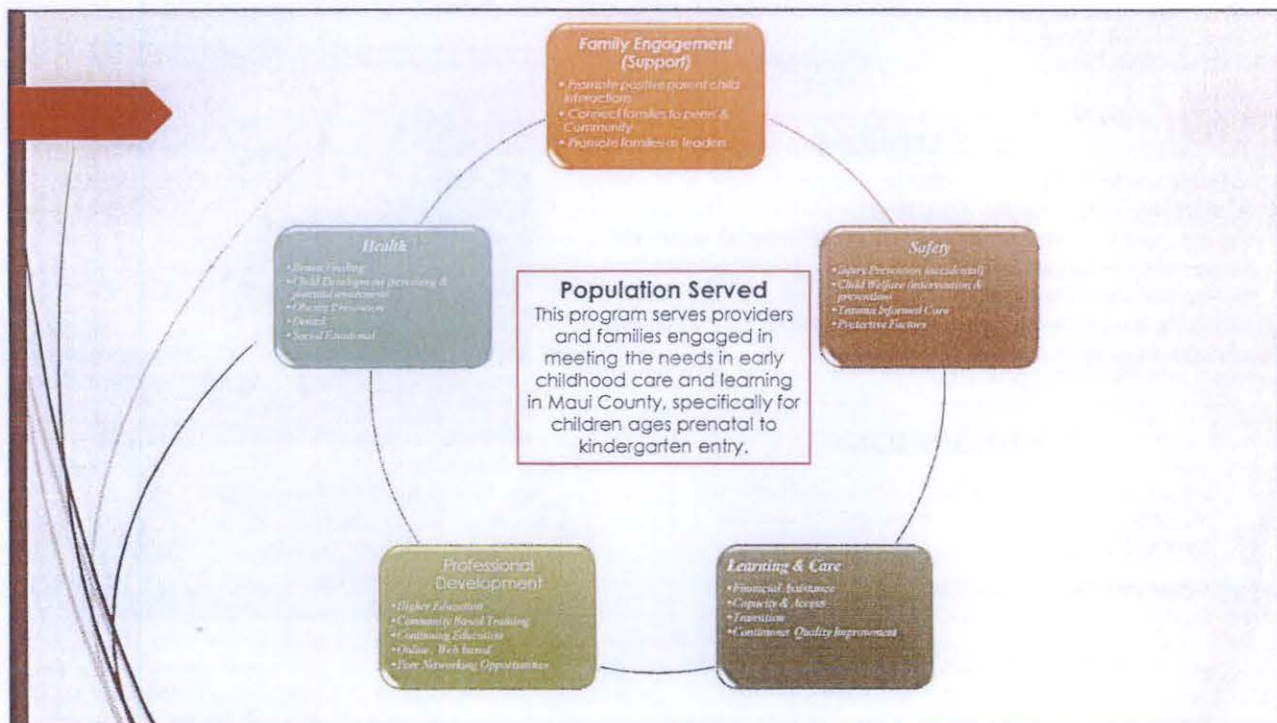


## Vision

- The Early Childhood Resource Program's mission is to coordinate, support, mobilize and leverage partnerships and funding, including early childhood grants as appropriate; and identify, provide and share resources for families and professionals, moving toward implementing a coordinated system of early childhood services for young children from prenatal to kindergarten entry in Maui County.

- The vision of the Early Childhood Resource Program is to improve and enhance the availability, affordability, and quality of early care and education services through the promotion of shared goals partnerships, and resources.

**Quickly Stated:** Anything that will impact Maui County Families (prenatal to kindergarten entry) is with in the scope of the Early Child Resource Center. It's not just about preschool. Being a division of 1>>>>>>> Partnerships at all levels and in all areas are ESSENTIAL.





## SERVICES

### For Programs & Agency Service Providers

Professional Development Information & Support  
Travel & Registration Scholarships  
Early Childhood Education & Care Networking & Learning Opportunities

### For the Community

Public Policy Advocacy  
Community Events

### For Professionals

Technical Assistance & Guidance  
State/ Community advisory, linking and feedback loops  
Grant Management  
Maui County Early Childhood Community Profile

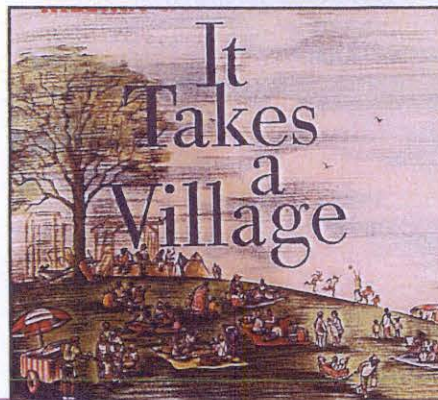
## SERVICES

### For Families

Maui County Childcare Subsidy  
Coordination of Parent Workshops  
Resource & Referral walk in & phone (parental supports; programs; state benefits)  
Resource Lending Library  
Child Development Information & Screening Promotion

### COMING SOON

Expand Literacy Initiatives (LENA; Dolly Parton Imagination Library & Campaign for Grade Level Reading  
Maui County Specific Resource Website



"You can never get enough books into the hands of enough children."  
-Dolly Parton





## Early Childhood Grant Highlights

### Grants Supporting Families with Young Children so Parents can Work:

- ❖ County Early Childhood Subsidy Program
- ❖ MEO Kahikamali'i Infant Toddler Center
- ❖ MEO Headstart After School and Summer
- ❖ MFSS Early Head Start
- ❖ E Malama I Na Keiki O Lanai Maui
- ❖ Imua Family Services Inclusion Preschool

### Grants Supporting Parent Engagement & On Track Child Development:

- ❖ PID Tutu & Me Program
- ❖ Imua Family Services ECDP
- ❖ Imua Family Services Teddy Bear Comer
- ❖ PATCH Family Literacy Program
- ❖ Kane Connections Fatherhood program

### Grants Supporting Quality & Early Childhood Workforce Sustainability

- ❖ PATCH Early Childhood Workforce Sustainability

Investing in children  
is good for everyone!





## Grants Management Division Mission

- To develop and implement plans to meet the Human Concerns program objectives with the assistance of the community and direct service providers.
- To monitor and evaluate County funded programs and services provided by private non-profit organizations.
- To distribute funds for programs and services that support and enhance the human and social service needs of Maui County.

## Grants Management Division (GMD)

**Funds 101 Grants for a total of approximately  
\$16.6M in Community Assistance**

- Affordable Rental Housing
- Food, Shelter, and Safety
- Early Childhood
- Health, Human Services, and Education
- Homeless Programs
- Self Sufficiency
- Services for the Frail and Elderly
- Substance Abuse Prevention and Treatment
- Youth Alcohol Education Awareness
- Youth Centers and Programs
- Capital Improvements





## Programs & Services

- GMD provides administrative and fiscal oversight throughout the life of County Council's approved line item grants with focus on health, human services and education.
- GMD also performs significant role in the administration of DHHC programs addressing the community needs in areas of emergency rental assistance, homelessness, substance abuse prevention and treatment and self-sufficiency.
- GMD provides input into the DHHC grants selection process, initiates the execution of grant agreements, reviews quarterly reports, approves and processes grant payments, and monitors grants to ensure compliance with the mandate of Chapter 3.36 of the Maui County Code.

## Successes – Impact to Community

- Provided assistance to grantees to improve the narrative description of their programs and identify outcomes that facilitate monitoring and evaluation of activities.
- Staff attended workshops/seminars to increase knowledge in grants administration
- Provided fiscal oversight for capital improvement projects
- Completed comprehensive grantee evaluation





## Immigrant Services Division Mission

To assist new residents of Maui County to become fully integrated productive members of our community



We endeavor to connect immigrants, non-immigrants, and citizens alike to the people, places, and resources that enable them to build successful lives and enrich our community.



## Activities – FY20

1. Currently 2 additional staff members are participating in the Comprehensive Overview of Immigration Law (COIL), a 6 week e-course.
2. In December 2019, Immigrant Services Division submitted its application for Recognition & Accreditation to the DOJ/EOIR.





## Activities (cont.)

3. Increased outreach into the community regarding immigration policy changes. In October, 2019 REAL Outreach event was coordinated for the community.
4. Develop an Acculturation Program to support and educate our community on the many diverse cultures. RFP was issued in 2019, but no responses were received. ISD is currently trying to identify other potential providers.



## Programs and Services

- Provide assistance with Department of Homeland Security and Department of State immigration, citizenship and employment forms
- Referrals to other services and service providers
- Acculturation to provide programs to assist immigrant/migrant communities to become more actively involved in community in Maui County.
  - English as second language
  - Micronesian Coalition
- Naturalization classes
- Support of Consulate Services on Maui





CE1

## Impact on the Community

So far, in FY20 ISD has provided 4,729 immigration process services to 1,776 individuals at our four locations. In addition to:

- Immigrant/migrant groups organization, advocacy and better community participation
- Providing support and assistance to consulate general offices for passport renewals, dual citizenship, and other consular services:

Philippines

Federated States of Micronesia

Republic of the Marshall Islands

Mexico

- Support USCIS outreach on Maui
- Outreach for educational purposes



The Department of Housing and Human Concerns - Senior Services Division produces a wide spectrum of programs and services for adults ages 55 and better. Kaunoa provides a critical foundation for ensuring that the aging population of Maui County remains healthy, has opportunities to contribute to communities, and live independently with dignity, preventing the costly need for institutionalization, for as long as possible.





- Leisure/Wellness Program
- Retired and Senior Volunteer Program
- Congregate Nutrition Program
- Meals on Wheels Program
- Assisted Transportation Program

## Leisure/Wellness

- Develop Physical Strength, Mobility, Mental Sharpness, Emotional Health, Independence
- Develop Healthy Lifestyles
- Become Socially Connected to Peer Groups
- Ages 55 and Better
- Over 4500 Unduplicated Participants
- 97% Satisfaction rating from participants
- 95% of participants agree that the program reduces loneliness and isolation.



Classes,  
Concerts,  
Sports,  
Cooking,  
Special  
Events,  
Travel,  
Excursions,  
and much  
more!



## Congregate Nutrition Program

- Provide Fresh, Nutritionally Balanced Meal
- Nutrition Education
- Socialization Experiences
- Adults Ages 60+
- Over a Dozen Nutrition Sites in Maui County
- Over 65,000 Meals Served/Year
- 95% of participants agree that the program is important to maintaining their overall health and independence



## Congregate Sites in Maui County

Hale Mahaolu Akahi  
Hale Mahaolu Elua  
Hana/Keanae  
Kahului  
Kihei  
Kula  
Upcountry  
Waikapu  
Wailuku  
West Maui  
Lanai  
Molokai



## Retired and Senior Volunteer Program (RSVP)

- Ages 55+
- Corporation for National and Community Service Grant
- Service Categories (Focus Areas)
  - Education
  - Human Needs Services
  - Economic Opportunity/Capacity Building
  - Environmental Stewardship
  - Public Safety/Disaster Preparedness
- Over 50 Volunteer Work Stations in Maui County
- Over \$1.1 million in volunteer hours
- 99% Participant Satisfaction Rate



## Annual Recognition Events

Honoring RSVP Volunteers on Maui, Lanai, and Molokai



## Assisted Transportation

- Ages 60+
- Eligibility determined by MCOA
- Frail, Homebound
- Kupuna Care Transportation
- Assisted Transportation
- Over 10,000 One-Way Rides
- 100% On-Time Pickup
- 99% Participant Satisfaction Rating



### Transportation To...

- Medical Appointments  
(doctor, hospital, dentist, pharmacy, therapy, etc)
- Business Appointments  
(bank, post office, Social Security office, bill paying, Veteran's Administration, etc.)
- Grocery Shopping
- Adult Day Care
- Other Requests



### More Than Just a Ride

#### Feed the Spirit Events

One-on-One Holo  
Holo Birthdays  
Holidays  
Kaunoa Events  
(Kumiai Day, Blossoms for the Brave, Cooking with Firemen, Karaoke...)  
Community Events  
Maui Special Fair Day, \$5 shopping days





## Home Delivered Meals

(Meals on Wheels)

- Ages 60+
- Frail, Homebound
- Eligibility Determined by MCOA
- Delivered Five Days/Week
- Safety Check
- Reduce Isolation
- Peace of Mind for Families
- Over 130,000 Meals
- 99% Satisfactory Rate



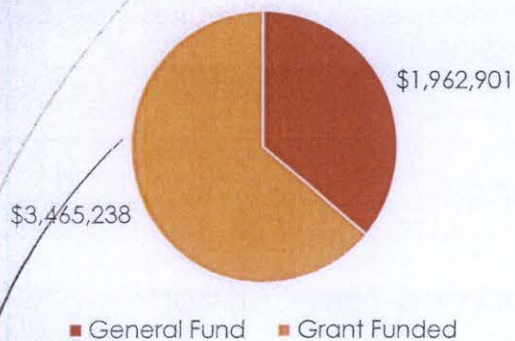
## **Maui County Office on Aging and Aging and Disability Resource Center (ADRC)**

**Mission: To Promote and Protect the  
Well-Being of the Older Person in Maui County**

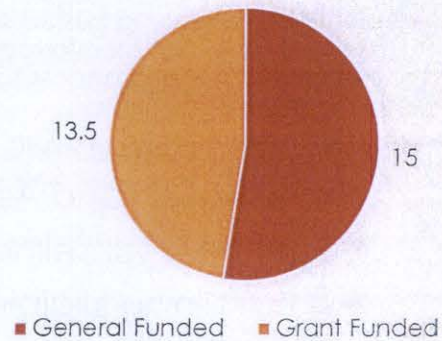


## Budget Overview--Personnel

Fiscal Year 2020 Departmental Budget



Personnel FY20



## What Does MCOA Do?

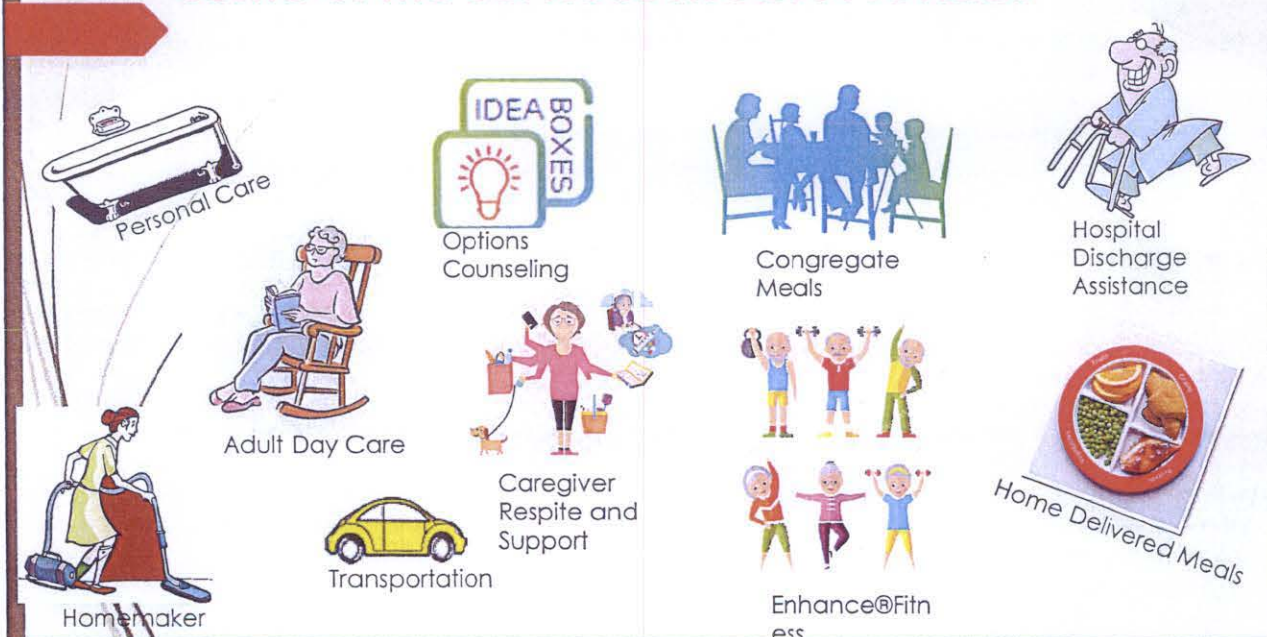
- Serves as the lead advocate, facilitator, planner, policy developer, and evaluator relative to all aging, disability, and family caregiving issues in the County of Maui.
- Informs the public regarding programs, resources, and services available.
- Allocates federal, state, and county funding to service providers so that home and community needs of Maui County seniors, individuals with disabilities are met.
- Serves as the designated operating entity of the Aging and Disability Resource Center (ADRC) for Maui County.



## What IS the ADRC?

- The highly visible and trusted source where people of all incomes and ages can turn for information on the full range of long-term support options and access to publicly funded long-term support programs and benefits.
- Primary Functions of an ADRC
  - Information and Assistance
  - Options Counseling
  - Streamlining Eligibility for Long-Term Supports and Services
  - Quality Assurance and Continuous Improvement

## Some of the Services MCOA Provides





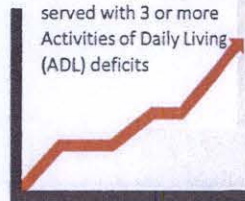
## A snapshot of MCOA consumers...

66% of participants receiving home and community-based services\* were female



Approximately 35% of participants reside alone.

4.7% increase in the number of participants served with 3 or more Activities of Daily Living (ADL) deficits



**105 Years**  
Age of the Eldest Recipient of services

**81 Years**

Average Age of program participant



## Impact on the Community

- Allows seniors and individuals with disabilities to function at their highest level and avoid institutionalization
- Alleviates Caregiver Stress
- Furthers Health Promotion
- Prevents re-hospitalizations, injuries, decline
- Provides hope, information, connection, and education
- Assists in a holistic manner
- Saves the system money
- Contributes to county-wide employment by providing contracts to community agencies through the RFP process





HandsOn  
MAUI

## County of Maui Volunteer Center

### Mission

- The County of Maui Volunteer Center is the one resource and catalyst on Maui that leads, connects and mobilizes volunteers and volunteer agencies to contribute to a better life on Maui.

### NATIONAL AFFILIATION

- The Volunteer Center also known as "HandsOn Maui" is an affiliate of the HandsOn Network & the Points of Light Foundation.
- Points of Light is the world's largest organization dedicated to volunteer service.
- As a member of the HandsOn Network, we join 250 other HandsOn Network Affiliates across the globe to foster social change through service.




## Goals

- Promote public awareness on volunteerism
- Identify and maintain effective, current and innovative ongoing strategies that focus on volunteer leadership and management education.
- Participate in mobilizing volunteer engagement in the community
- Increase recognition of community Volunteer Programs and Individual Volunteers
- Digital Marketing including Instagram, Facebook and Twitter are utilized as our main marketing strategies.

## PROGRAMS & SERVICES

- [www.handsonmaui.com](http://www.handsonmaui.com)
- Get Connected is a one-stop volunteer management solution. Increases volunteer engagement, develop long-term relationships, and tracks involvement.
- One hundred and fourteen Partner Agencies (114) & 2500 Volunteers registered on Get Connected.
- Hosted 6 Volunteer Leadership Trainings
- Volunteer Recognition – Annual Volunteer Hero Program. In 2019 ten volunteers & their nominators were recognized at a formal event.
- Social Media - Thriving Facebook & Instagram platforms
- Monthly Volunteer Opportunity newsletter sent to over 2,800 "Get Connected" users highlighting 10 agency volunteer opportunity needs.





**HandsOn Maui - County of Maui Volunteer Center**  
Published by Mike Van Damme on January 10 at 12:12 PM

Animal lovers needed! You're invited to become part of the cutters and caregivers program. There's over 400 animals to care for.

The Boo Box Zoo is a sanctuary for injured or orphaned animals. They rescue, protect and care for cats, goats, deer, birds and pigs. They are a volunteer-run organization. Here's the scoop.

Their volunteers are animal lovers with big hearts who want to make a difference for the animals and for their community. The full volunteer opportunity... See more

**HandsOn Maui - County of Maui Volunteer Center**  
Government Organization

11,049 People Reached 1,258 Engagements


Boosted on Jan 21, 2020 By Danielle Miller

People Reached 5.1K Post Engagement \$30

View Results

Kamela Cheng, Renu Arora and 250 others 9 Comments 64 Shares

Like Comment Share



**HandsOn Maui - County of Maui Volunteer Center**  
Published by Mike Van Damme on January 9

Revive Resale Boutique is dedicated to the mission to end domestic violence through advocacy, education and prevention, and to offer safety, support and empowerment to women and children, victims of domestic violence.

Revive Resale Boutique and Women Helping Women Maui is truly blessed with tremendous support from the community of Maui. They are one of the many amazing resource programs of Women Helping Women. Here's the scoop.

Revive Resale Boutique is a safe and then... See more

**HandsOn Maui - County of Maui Volunteer Center**  
Government Organization

2,711 People Reached 803 Engagements

Boosted on Jan 14, 2020 By Danielle Miller

People Reached 2.2K Post Engagement 221

View Results

1 Comment 10 Shares

Like Comment Share



**HandsOn Maui - County of Maui Volunteer Center**  
Page Liked December 28, 2019

Ocean Conservation is a topic that is close to the hearts of many. Especially here in Maui.

Hawaiian Islands Humpback Whale National Marine Sanctuary is offering free training to become a Sanctuary Shore Naturalist. In this role you provide information about Humpback Whales, sea turtles, Hawaiian monk seals, reef fish, dolphins, and other marine life with visitors and locals alike.

The whales have returned, so this is time to brush up your skills and get trained for this fun season! The full volunteer opportunity details are on our website. <https://handsonmaui.galaxydigital.com/>

PC: Hawaii Ocean Rafting

Tag Photo Add Location Edit

201 1 Comment 33 Shares

Like Comment Share

Comment as HandsOn M



# ANIMAL MANAGEMENT PROGRAM

Steve MacKinnon, CEO  
Maui Humane Society

## Mission & Goals

**Our Mission Statement:** "The Maui Humane Society's mission is: To protect and save the lives of Maui's animals; accepting all in need, educating the community, and inspiring respect and compassion towards all animals."





## Maui Humane Society & Maui County: In Partnership Since 1987

For over 30 years we've been partnered with MHS, and they have provided animal sheltering and animal enforcement services as mandated by state statutes and county code.

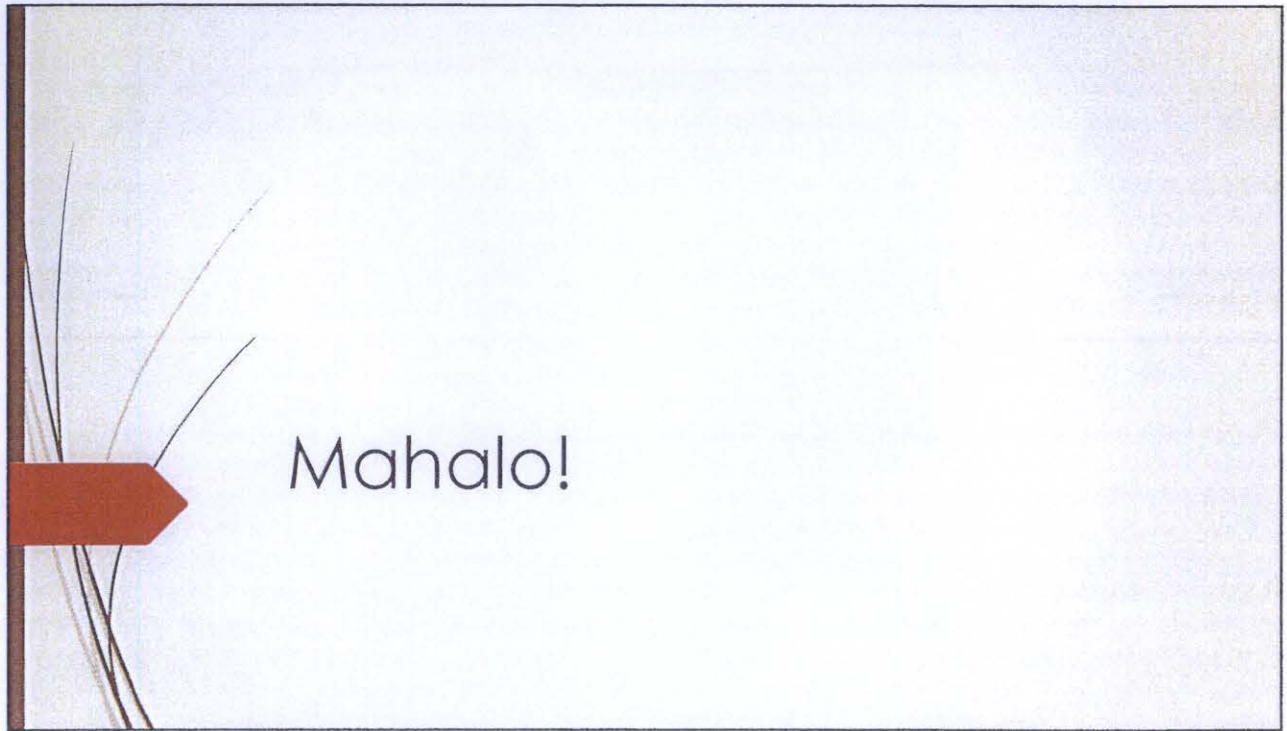


## Programs & Services Provided

- **Maui's ONLY Open-Admission Animal Shelter**
- Humane Enforcement
- Spay-Neuter Assistance
- Pet Adoption, Reclaim & Transfer
- Humane Education & Outreach
- Pet Disaster Preparedness
- Dog Licensing
- End of Life Services
- Pet Cremation
- Airport Direct Release
- Agility Classes









HFC-47

# Maui County Department of Housing and Human Concerns

*"To support and enhance the social well-being  
of the citizens of Maui County"*

## DHHC PROGRAMS

- ▶ Administration Program
- ▶ Housing Program
- ▶ Human Concerns Programs
  - ▶ Early Childhood Resource Center
  - ▶ Grants Management Division
  - ▶ Homeless Program Division
  - ▶ Immigrant Services Division
  - ▶ Maui County Office on Aging / Aging and Disability Resource Center (MCOA / ADRC)
  - ▶ Senior Services Division - Kaunoa
  - ▶ Volunteer Center
- ▶ Animal Management Program - Maui Humane Society

HFC

3/10/20

Lori Tsubako



## Council Adopted Budget

### DHHC's Human Concerns General fund Program:

- ▶ Limited to **70.5 EP**
- ▶ Salaries: \$3,642,855
- ▶ Operations: \$15,586,933
- ▶ Equipment: \$155,770
- ▶ TOTAL: **\$19,385,558**

### Human Concerns Program - Grant Revenue Funded for FY20

- ▶ 32.25 EP
- ▶ Salaries: \$1,461,073
- ▶ Operations: \$3,522,328
- ▶ Equipment: \$0
- ▶ Total: **\$4,983,401**
  
- ▶ \* 11.0 FTE paid via revolving funds



### FTE by Human Concerns Program

Division	General funds	Grant Revenue
Maui County Office on Aging	15	13.5
Senior Services	40	18.75
Immigrant Services	7.5	0
Early Childhood Resource Center	1	0
Volunteer Center	1	0
Grants Management Division	4.0	0

### Human Concerns - Vacancies

Position	Comp Grade Profile	Job Requisition	Earliest Hire	Target Hire	Status
P-26027 Grants Management Program Specialist IV	BU13-SR22		2/1/2020		Pending recruitment
P-26113 Secretary I	BU03-SR14	R-05320 Secretary I (Open)	1/7/2020	1/16/2020	Pending interviews
P-26015 Aging And Disability Services Specialist II	BU13-SR18		4/1/2019		To be reallocated
P-25568 Aging And Disability Services Specialist III	BU13-SR20		2/29/2020		To be reallocated
P-26094 Aging And Disability Services Specialist IV	BU13-SR22		4/1/2019		PD to be updated
P-30933 Aging and Disability Services Specialist V	BU13-SR24		9/16/2019		temp position - to be abolished



Position	Comp Grade Profile	Job Requisition	Earliest Hire	Target Hire	Status
P-26057 Senior Services Transit Aid I	BU03-SR07	R-04583 Senior Services Transit Aid I (Open)	6/27/2019	6/27/2019	Pending receipt of elig list
P-26052 Senior Services Transit Aid II	BU03-SR09		1/1/1900		Position to be abolished
P-26076 Senior Services Aid II	BU03-SR09	R-05324 Senior Services Aid II (Open)	1/8/2020	2/1/2020	Pending receipt of elig list
P-26076L Nutrition Program Aid	BU03-SR09	R-05323 Nutrition Program Aid (Open)	1/8/2020	1/16/2020	Temp position - to be abolished
P-26119 Senior Services Aid II - Congregate	BU03-SR09		10/16/2019		Pending recruitment
P-26801 Nutrition Program Aid - Lanai	BU03-SR09	R-5541 Nutrition Program Aid (Open)	2/21/2020	3/1/2020	Pending recruitment
P-26061 Senior Services Program Assistant I - Congregate	BU03-SR11		1/1/1900		Not filling due to inadequate funding
P-26072 Senior Services Program Assistant II - MOW	BU03-SR13	R-04783 Senior Services Program Assistant II (Open)	8/22/2019	8/22/2019	To be filled after P-26050 is filled
P-26049 Senior Services Program Assistant III - Congregate	BU03-SR15		3/20/2019		Not filling due to inadequate funding
P-29969 Senior Services Program Assistant III - Leisure	BU03-SR15		3/1/2019		Pending PD update review by DPS
P-26050 Senior Services Program Specialist III - MOW	BU13-SR20		2/1/2020		Pending recruitment

## DHHC Grant Appropriations - Unencumbered

Amount	Index Code	Description	Comments
\$50,000	914906B	Via proviso Homeless Programs on Moloka'i	No applications received. RFP will be re-released 3/11
\$200,000	914908B	Via Proviso \$200,00 for acquisition of a mobile hygiene unit for Central Maui	No applications received. RFP will be re-released 3/11
\$250,000	914901B	Via proviso \$250,000 shall be for homeless programs	No qualified applications received
\$75,000	914801B	Via proviso \$75,000 shall be for substance abuse education programs for students and adults	No qualified applications received



## Grant appropriations - unencumbered (cont)

Amount	Index Code	Description	Comments
\$125,000	914341B	Substance Abuse Programs	No additional qualified applications received. Original planned programs requested less funding from the County because they received funding from other sources.
\$83,377	914302B	Youth Alcohol Education Awareness Programs	Grantee required less funding due to securing State grants

## DHHC Grants Management CIP and Special Projects

Fiscal Year	Funding	Organization	Project	Status
FY2020	\$ 25,000	Lokahi Pacific	Suicide crisis study for Maui County	Dept. of Health as part of the Suicide Task Force will take the lead. The details of the study have been worked out. Contracting is underway.
	\$ 200,000	Hale Makua	Master Planning for Kahului Facility and surrounding area	Hale Makua is contracted. Health assessment completion expected in May, 2020. Planning based on assessment.
	\$ 169,000	J Walter Cameron Center	AC Maintenance, repairs and renovations	Ready for contracting. GMD is processing.
	\$ 200,000	Maui Youth and Family Services	Administrative Building construction	Contracted. Building underway nearing completion. Invoices to be received by GMD. Should complete this fiscal year.
	\$ 500,000	Boys and Girls Club of Maui	Paukukalo Clubhouse	Contracted. Proviso requires funds are received from Depart of Hawaiian Home Lands, Office of Hawaiian affairs, or the State of Hawaii Grant in Aid. Planning and design underway, agency has secured funding from the State. Spending down State funds first.



## DHHC Grants Management CIP and Special Projects (cont)

Fiscal Year	Funding	Organization	Project	Status
	\$ 500,000	Ka Lima O Maui	New facility construction	Contracted. Project to move forward this month. Planning to proceed as planned.
FY2019	\$ 500,000	Maui County Council of the Boy Scouts of America	Camp Maluhia renovations	Contracted. Planning and design needs to be redone. Proviso requires grant funds are released from the State. State funding yet to be released.
	\$ 130,000	Family Life Center	Facility Renovations	Project near completion. Awaiting final invoices for payment.
FY2018	\$ 100,000	Lanai Youth Center	Planning and Design - New Facility	Planning and design underway. Site location and control was major holdup. Site identified and control in the process of being sorted out.
FY2017	\$ 150,000	Lanai Youth Center	Planning and Design - New Facility	Planning and design underway. Site location and control was major holdup. Site identified and control in the process of being sorted out.



March 23, 2020

MEMO TO: EDB-1 File

F R O M: Tamara Paltin, Chair  
Planning and Sustainable Land Use Committee



SUBJECT: **OPERATIONAL AND BUDGETARY REVIEW OF THE  
DEPARTMENT OF PLANNING (PSLU-53)**

At its meeting of February 19, 2020, the Planning and Sustainable Land Use Committee conducted an operational and budgetary review of the Department of Planning's Fiscal Year 2020 Budget. Attached is a copy of the Department's PowerPoint presentation.

Following is a summary of questions by Committee members and answers by the Planning Director:

1. What positions are vacant within the Zoning Administration and Enforcement Division?

Office Operations Assistant (front desk, Bargaining Unit 3) and Planner (level for recruitment undetermined, Bargaining Unit 13).

2. Does the Department of Planning have enough Zoning Inspectors?

We were given two new Zoning Inspector positions last fiscal year. We now have a total of eight Zoning Inspectors. Although the enforcement landscape is ever-changing, especially in short-term rental advertising, our efforts have been successful with the additional resources so far.

3. Do you need additional input from the short-term rental enforcement vendor?

We have the funds to put out the request for proposals again this year since we have exhausted the contract extensions with the current vendor.

4. Has the increased fine amount of \$10,000 for operation of an illegal short-term rental been collected this year?



No. However, notices of violation have been issued with the \$10,000 initial and daily fine amounts, and we are working toward compliance and collection for those pending cases.

5. Will the Department be issuing a press release when the report on collected short-term rental fine amounts for last fiscal year is published?

Yes.

6. What is the status of the Kaanapali Beach Restoration Project?

I will transmit an update to the Committee. (Note: The Planning Director's update is attached.)

7. How much more personnel would be needed to update two community plans at once?

If our Department is expected to do all the work in-house, we would have to almost double the size of the Long Range Division. If we had a vendor to help us on an update, we would need some additional staff to monitor the contract and work with the vendor and community.

8. Have you filled the new position allocated to the Long Range Division? What level did you recruit at?

We posted recruitment for a Planner III. The recruitment closed recently, so we are expecting the list from the Department of Personnel Services soon.

9. How is the \$125,000 for Important Agricultural Lands (IAL) expended?

We are drafting the request for proposals for a consultant to propose potential additional lands for IAL designation and to recommend incentives the County might offer to landowners. The IAL designation process has an important community component to it. It is more than just a mapping or research exercise. We received \$125,000 from the Council and \$125,000 from the State



Legislature. We have sent a request to Governor Ige for the State to release the \$125,000.

10. It appears the proviso for permit cost recovery came in below the allocated cost. Will you need a budget amendment?

No. We plan on using the remaining \$55,000 on permit development impact fees by potentially adding remaining non-proviso funds to the \$55,000 if more money is needed.

11. Will the cost of the Transient Oriented Development Master Plan cost \$600,000?

Our plan is to have the contract executed this year so the funds can be encumbered. We have not awarded the contract yet.

12. How many vehicles does the Department have?

Total of 11 cars. I believe we need to replace one car on Molokai and potentially one more on Maui.

13. Will the public-private partnership with the Kanaha Condominium Association be transmitted to Council soon?

Yes. We may partner with our own municipal advisor for assistance with the funding and bond. We don't expect to need additional funds to hire a consultant.

14. How much will it cost to create advisory committees to the Maui Planning Commission?

It depends on the scope of work assigned to the advisory committees and how often they meet. For now, a rough estimate would be \$200,000 for the new staff, which would include a supervising planner, staff planner, and board secretary.





# DEPARTMENT OF PLANNING

FY20 Budget Overview  
February 19, 2020



# Departmental Overview

- Four divisions, plus Administration (74 personnel)
  - Zoning Administration & Enforcement (ZAED), Current, Long Range (LRD), Plan Implementation (PID)
- Seven standing boards/commissions, plus CPACs and MRA:
  - Maui, Molokai and Lanai Planning Commissions
  - Hana Advisory Committee
  - Urban Design Review Board
  - Cultural Resources Commission
  - Board of Variances and Appeals
  - West Maui CPAC
  - Maui Redevelopment Agency



# ZAED (27 personnel)

- Division chief, APO, 6 planners, 5 plans reviewers, 2 permit clerks, 8 inspectors and 4 secretaries/clerical (2 vacancies/1 expansion)
- Reviews for building permits, subdivisions and COs for zoning compliance
- Processes zoning confirmations and responds to zoning inquiries (“can I do this on my property?”)
- Issues flood development permits, sign and banner permits, farm plans, landscaping plans, parking plans
- Staffs BVA (processes variances and appeals)
- Responds to complaints, conducts investigations, issues NOWs and NOVs
- More than 10,000 permits, reviews and responses each year



# Current (24 personnel)

- Division chief, 15 planners, 5 secretaries/clerical, 3 board/commission secretaries
- Processes administrative and discretionary permits:
  - Special Management Area exemptions and minor, major and emergency permits; B&Bs/STRHs; state and county special use permits; conditional permits; changes in zoning; community plan amendments; state district boundary amendments; EAs/EISs; shoreline setback variances and approvals; historic district reviews
- Staffs the three planning commissions, HAC, UDRB and MRA.
- Approximately 1,500 permits, reviews and responses each year
- Approximately 65 board/commission meetings each year



# Long Range (13 personnel)

- Division chief, 6 planners, 4 GIS, public information specialist, secretary (1 vacancy/expansion)
- Manages community plan updates and other long-range planning projects; staffs the Cultural Resources Commission and the West Maui CPAC; maintains the GIS land use database
- Approximately 10 CRC meetings and 25 CPAC and commission meetings held each year



## Plan Implementation (4 personnel)

- Division chief, 2 planners, 1 GIS (1 vacancy/expansion)
- Prepares community plan and MIP implementation reports; manages Title 19 Audit; heads the DSSRT project; processes changes to SMA boundaries

## Administration (6 personnel)

- Director, Deputy, Private Secretary, Administrative Officer, Account Clerk, Office Operations Assistant
- Oversees all personnel and programs, manages budget



# Budget Overview

<b><u>General Fund</u></b>	FY18 adopted	FY19 adopted	FY20 adopted
Salaries	\$4,049,409	\$4,478,782	\$4,574,766
Operations	\$1,675,324	\$1,981,824	\$2,426,824
Equipment	\$32,000	\$78,000	\$96,000
<b>TOTAL</b>	<b>\$5,756,733</b>	<b>\$6,538,606</b>	<b>\$7,097,590</b>

<b><u>Grant Revenue</u></b>	FY18 adopted	FY19 adopted	FY20 adopted
Salaries	\$229,104	\$248,238	\$263,491
Operations	\$180,590	\$188,767	\$243,138
Equipment	\$2,000	\$2,000	\$2,000
<b>TOTAL</b>	<b>\$411,694</b>	<b>\$439,005</b>	<b>\$508,629</b>



# Budget Overview for FY20

- \$7,097,590 in General Funds approved for FY20
- Salaries and Wages: \$4,574,766 (64% of total budget)
- Operations: \$2,426,824 (34% of total budget)
  - Professional Services: \$910,000 (38% of operations budget)
  - Rent: \$621,000 (26% of operations budget)
  - Important Agricultural Lands: \$125,000
  - Transit Oriented Development: \$100,000
  - Permit Cost Recovery: \$75,000
  - Shoreline Management: \$100,000
  - UH Sea Grant: \$104,000
- Equipment: \$96,000 (1% of total budget)
  - Two new vehicles for additional zoning inspectors



# Budget Status

- Professional Services (\$910,000)
  - South Maui Community Plan Update (\$400,000)
  - Maui Island Plan Baseline Monitoring Report (\$125,000)
  - Coastal Viewplane Study (\$100,000)
  - Shoreline Permitting (\$100,000)
  - Historic Preservation Plan (\$60,000)
- IAL (\$125,000) and TOD (\$100,000)
- Permit Cost Recovery (\$75,000)
  - Permit Cost Recovery, Traffic Impact Fees, Development Impact Fees
- Shoreline Management (\$100,000)



# Fees and Fines

- Application fees and fines collected in FY19: \$865,599
- Fines collected in FY19: \$509,500
- Application fees and fines collected in FY20 to date: \$413,069
- Fines collected in FY20 to date: \$253,500 (SMA only: \$67,000)
- SMA Special Fund Balance as of today: \$87,812.51

# Advisory Committees and Permits

- Advisory Committees: supervising planner, staff planner and board/commission secretary: approximately \$200,000 in salaries
- Permit or Registration Numbers for lawful TVRs in Apartment Districts: estimate \$10,000 for contractor to create unit-by-unit numbers



# Performance Measures

- Improve customer service and streamline permit application procedures
  - Number of permits reviewed / timeframes, inspections conducted / compliance achieved; inquiries answered
- Increase public participation and access to information by conducting public meetings of boards, commissions and community plan advisory committees, and by making more documents available through the County's website
  - Number of meetings, website updates
- Improve the administration of our land use ordinances and long-range plans by revising and updating ordinances and departmental rules and by implementing long-range plans
  - Number of annual amendments and implementing actions



The background is a repeating pattern of blue and white. It features stylized leaves and circular motifs with fleur-de-lis-like designs. A large white rectangle is centered on the page, and a blue tab is attached to its top edge.

# MAHALO!

Questions?



MICHAEL P. VICTORINO  
Mayor

MICHELE CHOUTEAU MCLEAN, AICP  
Director

JORDAN E. HART  
Deputy Director



**DEPARTMENT OF PLANNING**  
COUNTY OF MAUI  
ONE MAIN PLAZA  
2200 MAIN STREET, SUITE 315  
WAILUKU, MAUI, HAWAII 96793

February 24, 2020

RECEIVED  
2020 FEB 24 PM 2:55  
OFFICE OF THE MAYOR

OFFICE OF THE  
COUNTY COUNCIL

2020 FEB 25 AM 9:39

RECEIVED

Honorable Michael P. Victorino, Mayor  
County of Maui  
200 South High Street  
Wailuku, Hawaii 96793

**APPROVED FOR TRANSMITTAL**

*Michael P. Victorino* 2/25/20  
Mayor Date

For Transmittal to:

Honorable Tamara Paltin, Chair  
Planning and Sustainable Land Use Committee  
Maui County Council  
200 South High Street  
Wailuku, Hawaii 96793

Dear Councilmember Paltin:

**SUBJECT: OPERATIONAL AND BUDGETARY REVIEW OF THE  
DEPARTMENT OF PLANNING (PSLU-53)**

At your February 19, 2020 meeting where the annual budget for the Department of Planning (Department) was discussed, members of the Committee had questions about the status of the beach restoration project at Kaanapali Beach. This letter provides the requested information.

The State Legislature originally approved funding for the project in 2016; the funding has been renewed. The original authorization was for approximately \$4.7 million. The most recent request is for approximately \$6.5 million. This funding is expected to cover half of the cost of the project.

The project's Environmental Impact Statement Preparation Notice is finished, and the Draft Environmental Impact Statement is being reviewed by the applicant and its preparers, and will soon be published. The project is anticipated to begin in the fall of 2021. The sand is being sourced from



Honorable Michael P. Victorino, Mayor  
For Transmittal to:  
Honorable Tamara Paltin  
February 24, 2020  
Page 2

offshore, where there is approximately an 8.5-acre sand field that may be excavated to a depth of approximately six feet.

Please feel free to contact me should you require additional information or have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'MICHELE MCLEAN', with a stylized, wavy line for a surname.

MICHELE MCLEAN, AICP  
Planning Director

xc: Chris Conger, Coastal Geologist, Sea Engineering (pdf)  
Tara Owens, UH-Sea Grant Extension Agent (pdf)  
James Buika, Shoreline Planner (pdf)

MCM:atw

S:\ALL\Michele\Council\Paltin PSLU-53 Kaanapali BEach restoration status.docx



MICHAEL P. VICTORINO  
Mayor  
MICHELE CHOUTEAU MCLEAN, AICP  
Director  
JORDAN E. HART  
Deputy Director



RECEIVED

2020 MAR 17 PM 2:54

DEPARTMENT OF PLANNING  
COUNTY OF MAUI  
ONE MAIN PLAZA  
2200 MAIN STREET, SUITE 315  
WAILUKU, MAUI, HAWAII 96793

OFFICE OF THE MAYOR

March 16, 2020

OFFICE OF THE  
COUNTY COUNCIL

2020 MAR 19 AM 10:20

RECEIVED

Honorable Michael P. Victorino  
Mayor, County of Maui  
200 South High Street  
Wailuku, Hawaii 96793

APPROVED FOR TRANSMITTAL

for  3/18/20  
Mayor Date

For Transmittal to:

Tamara Paltin, Chair  
Planning and Sustainable Land Use Committee  
200 South High Street  
Wailuku, Hawaii 96793

Dear Chair Paltin and Committee Members:

**SUBJECT: OPERATIONAL AND BUDGETARY REVIEW OF THE  
DEPARTMENT OF PLANNING (PSLU-53)**

Thank you for your February 24, 2020 letter asking for information about the costs for the Department of Planning (Department) to staff the proposed new Paia-Haiku and South Maui advisory committees to the Maui Planning Commission (MPC).

It is difficult to respond to your questions because the details and roles of the advisory committees has not been made clear. The most recent version of the proposed bill should not be adopted as drafted because it conflicts with the Charter of the County of Maui by stating that certain subsections of Section 13-2 of the Charter would not apply to the proposed advisory committees. Additionally, it broadens the authority of the proposed advisory committees beyond those now delegated to the Hana Advisory Committee (HAC), such as the review of all amendments to Title 19 and all bed and breakfast and short-term rental home permits (even those that do not trigger MPC review). Lastly, the requirement that the proposed advisory committees provide their recommendations within a prescribed time could be problematic and create dissatisfaction among the communities that the proposed advisory committees are intended to represent.

As you know, the Department provided your Committee with a detailed letter, dated January 31, 2020, that raises several issues that we hope will be discussed by the Paia-Haiku and South Maui communities and your Committee before final action is taken on any proposed bill. These issues



include many of those that were raised in public testimony, such as whether the proposed advisory committees should have approval authority over certain permits.

Further, we strongly believe that the MPC should be given the opportunity to comment on a proposed bill before your Committee makes its recommendation to the full Council. Until the proposed advisory committees' roles and responsibilities are clearly defined, it is difficult to determine what the Department's staffing needs will be.

However, the Department can provide these general responses to the questions posed in your February 24 letter; please note that these costs do not include those that may be incurred by other departments, such as the Department of the Corporation Counsel, whose time and resources may also be needed to support the proposed advisory committees:

- **Needed Additional Office Space and Equipment:** We previously estimated that staffing the proposed advisory committees would require three additional personnel who would, ideally, be located in One Main Plaza. The estimated cost for office space to accommodate three personnel is \$1,850 per month or \$22,200 annually. The estimated cost for equipment for these personnel is \$4,000 each or \$12,000 total, and the estimated cost for office furnishings is \$5,500 each or \$16,500 total.
  - Annual Rent: \$22,200
  - Equipment: \$12,000
  - Office Furnishings: \$16,500
- **Cost Difference:** The annual cost difference between our current operations and staffing the two new proposed advisory committees would include the addition of the annual rent as noted above, plus the salaries for the three additional personnel, plus general overhead (office supplies, postage) administrative overhead (senior management), plus training (pursuant to sec. 2.28.080, Maui County Code), for a total of \$261,200.
  - Annual Rent: \$22,200
  - Annual Salaries: \$195,000
  - Annual General Overhead: \$15,000
  - Annual Administrative Overhead: \$22,000
  - Annual training: \$7,000
- **Per-Meeting Cost for the HAC and MPC:** The estimated cost for a HAC meeting is \$1,150 in staff time only; the estimated cost for a MPC meeting is \$1,210 for staff time only. However, the preparation needed for these meetings (e.g., drafting staff reports, publishing public hearing notices, posting agendas) increases the cost substantially.
- **Commission vs. Advisory Committee:** Without having more information on the details of proposed new commissions or advisory committees, the costs of each would be comparable in terms of office space and staffing. The difference would be a cost savings realized if a new



commission would have approval authority over projects because then additional staff time would not be needed to then take the projects to the MPC.

- **Other Concerns:** in addition to the issues raised in our January 31, 2020 letter and the costs noted above, the only other concern that we wish to note is the challenge of maintaining an advisory committee that does not meet regularly, like the HAC. We have had to cancel many HAC meetings due to lack of quorum because they do not have a regular meeting schedule. (Because of the low volume of matters for them to discuss, a regular meeting schedule is not needed.) Additionally, because the HAC meets infrequently, the members are not regularly exposed to the numerous laws and rules that apply to their deliberations, despite annual training, which can make the proceedings challenging for members, staff and applicants.

Depending on the authority given to the proposed advisory committees, this may or may not be an issue for them.

- **MPC Testimony:** at a recent meeting, the MPC was asked if they would allow testimony on any agenda item at the beginning of the meeting for those members of the public who might not be able to stay for the entire meeting. When each agenda item is discussed in turn, the Department planner makes a presentation, then the applicant makes a presentation, then public testimony is taken. The MPC believes that this allows for informed testimony, as testifiers have the benefit of the two presentations before giving their comments; the public also has the opportunity to submit written testimony. The MPC believes that this results in higher quality testimony than if testimony were allowed at the beginning of the meeting, and so decided to continue this practice and not allow testimony at the beginning of the meeting.

Thank you for your consideration of this response and for your careful deliberations on this important matter. If you have any questions or require additional information, please do not hesitate to contact me.

Sincerely,



MICHELE MCLEAN, AICP  
Planning Director

xc: Clayton I. Yoshida, Planning Program Administrator


MCM:atw

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March 27, 2020

MEMO TO: EDB-1 File

F R O M: Yuki Lei K. Sugimura, Chair   
Water, Infrastructure, and Transportation Committee

SUBJECT: **OPERATIONAL AND BUDGETARY REVIEW OF THE  
DEPARTMENT OF PUBLIC WORKS** (WIT-69)

At its meeting on February 3, 2020, the Water, Infrastructure, and Transportation Committee conducted an operational and budgetary review of the Department's Fiscal Year 2020 Budget. The Committee continued its discussion with the Department about its Fiscal Year 2020 budget at its meeting on February 24, 2020. Attached is a copy of the Department's PowerPoint presentation, and any written correspondence from the Department responding to questions from the Committee transmitted via letter will be attached when received.

Following is a summary of questions by Committee members and answers from the Department during the meetings:

1. What was the problem with the design of the Kahana Nui Desilting Basin?

The relief valve never worked – it was always stuck open. Additionally, from a management standpoint, a high volume of material comes out of these basins, which requires a great deal of trucking. For the first cleanup, the Department was able to stage nearby, but part of this assessment will be determining how best to deal with that material going forward.

2. What is the status of the Department's effort to change out streetlights for more efficient bulbs?

All equipment has been purchased. However, a lawsuit filed against the project citing concerns about impacts to seabirds has put the entire process on hold. The challenge remains in the courts. For time being, the Department is paying for storage of the more efficient streetlights until matter is resolved.



3. What does “Highways Program” refer to exactly?

Any County roadway. Highway 30, for example, turns into a County road in Kula. Also, all drainage ways that are not privately owned are considered a part of the Highways Program.

4. What is the Department’s approach for addressing homeless-population-related cleanups?

The Department responds to specific locations that are flagged via complaint, or visually obvious. The Department of Housing and Human Concerns, the Department of Environmental Management, and other agencies will also collaborate to provide service and execute cleanups related to the homeless population. The Department of Housing and Human Concerns has generally taken the lead in coordination.

5. Why has there been an overall decrease in building, electrical, and plumbing permits recently?

That volume is primarily driven by market forces, by private individuals seeking building or development permits. The Department experienced a growing trend that peaked in Fiscal Year 2018, and now is experiencing a bit of a downturn.

6. Is there an effort ongoing to streamline the permitting process between the Department of Planning and the Department of Public Works?

Yes, in various forms. That effort is always being discussed. One benchmark is turnaround times, which vary. For the most part, the Department’s Development Services Administration has been hitting their review times, while the Department of Planning and the Department of Fire and Public Safety have been less consistent.

7. What is the timeline for updating the South Maui Transportation Plan?

The Department anticipates the update being completed by the beginning of the summer.



8. Regarding the paving schedule for East Maui, is it just a rule of thumb to do two miles at a time?

No. Once the Department has an allocation for funding, it determines how much paving it can do in each area. Heavily travelled and need-based areas are prioritized.

9. Did West Maui receive the bulldozer it was allocated?

It is in the process of being procured – “on order.”

10. Does the Department, specifically for Makawao’s base yard, intend to add more resources for road repairs and maintenance?

Yes.

wit:ltr:069a01:cdc

Attachments





# Operational and Budgetary Review of the Department of Public Works

Water, Infrastructure, and Transportation  
Committee (WIT-69)

Jordan Molina  
Deputy Director of Public Works  
February 3, 2020

RECEIVED AT WIT MEETING ON 2/3/2020 *Jordan Molina*



# TODAY'S AGENDA

- RECAP FY2020 APPROVED BUDGET AND ORGANIZATIONAL STRUCTURE
- DPW ACCOMPLISHMENTS & CHALLENGES



# DPW FY2020 RECAP

GF - \$628K 7 EP

## Administration

**TOTALS**  
**\$49.44M**  
**291 EP**

## Development Services Administration

GF - \$2.55M 37 EP  
RF - \$1.74M 16 EP

## Engineering Division

GF - \$3.88M 35 EP

## Highways Division

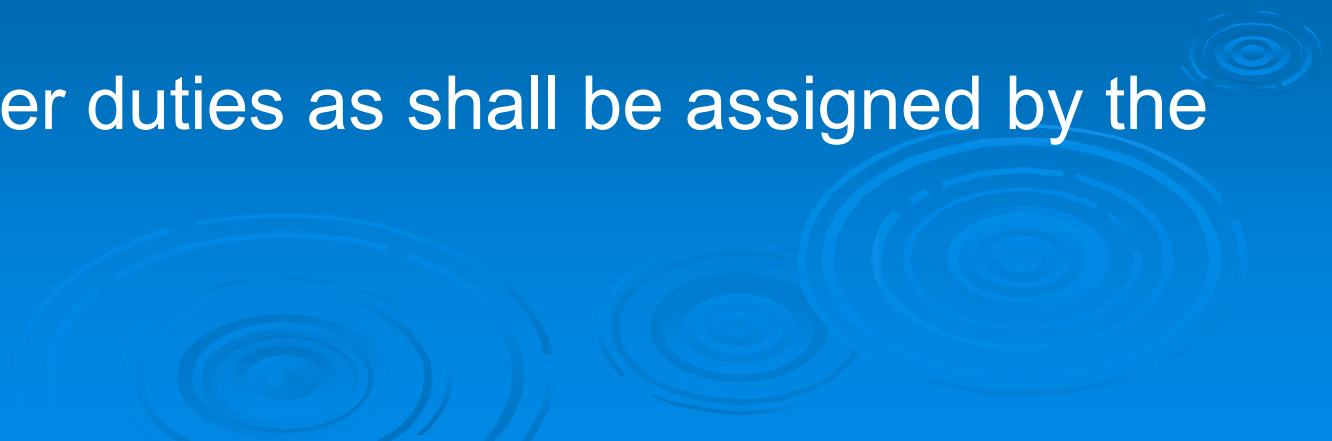
GF - \$5.66M 40 EP  
HY - \$34.98M 156 EP



# DPW FY2020 RECAP

## ADMINISTRATION PROGRAM

### County Charter Mandates:

- Administer the building housing, and subdivision codes.
  - Approve proposed subdivision plans in conformity with subdivision ordinance.
  - Plan, design, build, and maintain the county's highways, and drainage and flood control systems.
  - Perform other duties as shall be assigned by the Mayor.
- 



# DPW FY2020 RECAP

## ADMINISTRATION PROGRAM

### FY2020 Approved Budget

STAFFING	GENERAL FUND
EP	7
Change from FY19	Unchanged

BUDGET	GENERAL FUND
Funding	\$628K
Change from FY19	1.2% Increase

Funding increase attributed to salary increases due to collective bargaining and salary commission



# DPW FY2020 RECAP

## ADMINISTRATION PROGRAM

Duties: Oversee department's budget and personnel matters

- Budget Implementation
- Procurement and contract administration
- Department organizational structure
- Employee hiring and performance reviews



# DPW FY2020 RECAP

## ADMINISTRATION PROGRAM

Duties: Respond to Public Inquiries – RFS, emails, phone calls, written correspondence

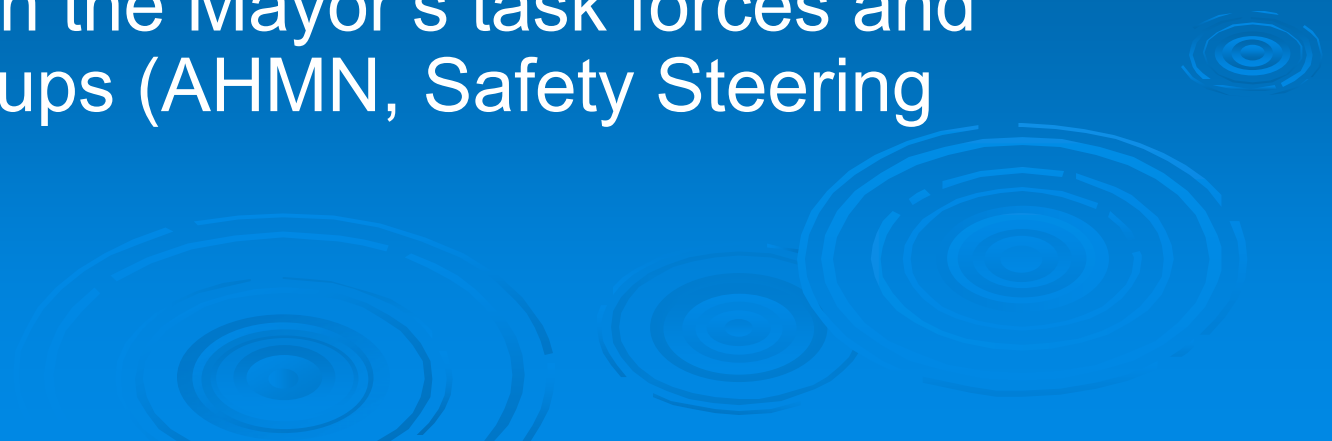
- Multiple inquiries daily received in various forms
  - General Public and Businesses
  - Mayor and County Departments
  - Council
  - State Agencies



# DPW FY2020 RECAP

## ADMINISTRATION PROGRAM

Duties: Department Representative for intergovernmental and interdepartmental matters

- Coordinate with other County departments and State and Federal Agencies relating to the Department's operations
  - Participate in the Mayor's task forces and working groups (AHMN, Safety Steering Committee)
- 



# DPW FY2020 RECAP

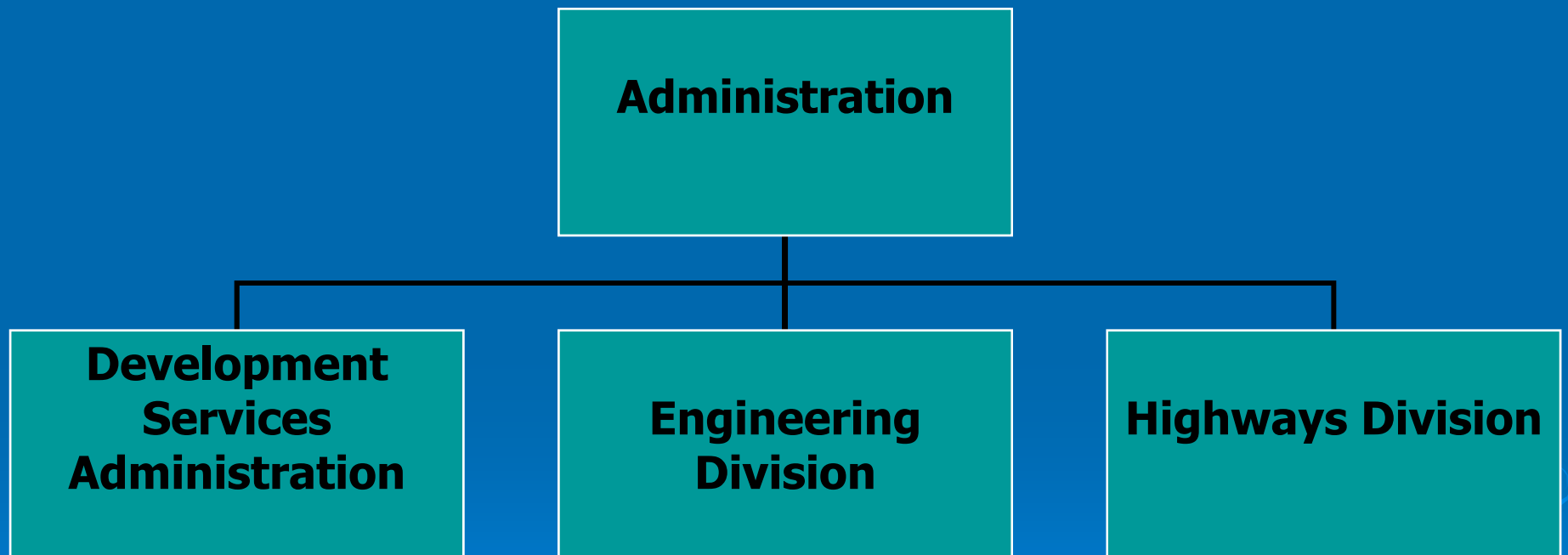
## ADMINISTRATION PROGRAM

Duties: Resource to County Council, Boards and Commissions

- Public Works Commission ex-officio member and provide staff and resources
- Planning Commission ex-officio member
- Maui MPO Policy Board member
- Department resource for Maui County Council standing committees



# DPW FY2020 RECAP





# DPW FY2020 RECAP

## DSA PROGRAM

Charter Mandate: Administer the building, housing, and subdivision codes.

### Building and Housing Permits:

- Residential Code 16.08A MCC
- Energy Code Ch. 16.16B MCC
- Electrical Code Ch. 16.18B MCC
- Plumbing Code Ch. 16.20B MCC
- Building Code Ch. 16.26B MCC



# DPW FY2020 RECAP

## DSA PROGRAM

Charter Mandate: Administer the building, housing, and subdivision codes.

### Subdivision and Construction Permits:

- Subdivision Code Title 18 MCC
- Grading Ordinance Ch. 20.08 MCC
- Driveway Ordinance Ch. 12.08 MCC
- Work on County Highway CH. 12.04 MCC



# DPW FY2020 RECAP

## DSA PROGRAM

### Other Enforcement Responsibilities:

- Community Beautification Ch. 9.32 MCC
- Special Moving Permit Ch. 10.68 MCC
- Numbering of Buildings Ch. 12.32 MCC
- Encroachments on Public ROW Ch. 12.52 MCC
- Litter Control Ch. 20.20 MCC
- Accessory Dwelling Street Access Ch. 19.35 MCC



# DPW FY2020 RECAP

## DSA PROGRAM

### FY2020 Approved Budget

STAFFING	GENERAL FUND	REVOLVING FUND
EP	37	16
Change from FY19	Unchanged	Unchanged

BUDGET	GENERAL FUND	REVOLVING FUND
Funding	\$2.55M	\$1.74M
Change from FY19	1.7% Increase	3.2% Increase

General Fund increase due to Council added proviso for fee study.  
Revolving Fund increase for premium pay for MAPPS.



# DPW FY2020 RECAP DSA PROGRAM

FY2020 Approved Budget

General Fund Proviso:

*Provided, that \$50,000 shall be for a user fee study to determine building, electrical, plumbing, grading, and grubbing permit costs.*



# DPW FY2020 RECAP

## DSA PROGRAM

Duties: Building and Housing Permits

PERMIT TYPE	PERMITS ISSUED	PERMIT REVENUE	REVENUE CHANGE FROM PREVIOUS YEAR
Building	1,490	\$2.35M	34% decrease
Electrical	2,858	\$780K	18% decrease
Plumbing	1,502	\$429K	14% decrease



# DPW FY2020 RECAP

## DSA PROGRAM

Duties: Subdivision and Construction Permits

PERMIT TYPE	PERMITS ISSUED	PERMIT REVENUE	REVENUE CHANGE FROM PREVIOUS YEAR
Grading	201	\$139K	11% decrease
Driveway	188	\$14K	3% increase
Work on County Highway	91	\$429K	81% increase
Subdivision	45	\$32K	49% decrease



# DPW FY2020 RECAP

## DSA PROGRAM

Duties: Planning Department Applications

77 Reviews and comment letters provided

- DSA routes application to all DPW Divisions for review and comment
- Most common reviews:
  - BVA 9 ea.
  - Change-In-Zoning 7 ea.
  - Draft EA 8 ea.
  - General Request for Comment 8 ea.
  - SMA Permit 12 ea.



# DPW FY2020 RECAP

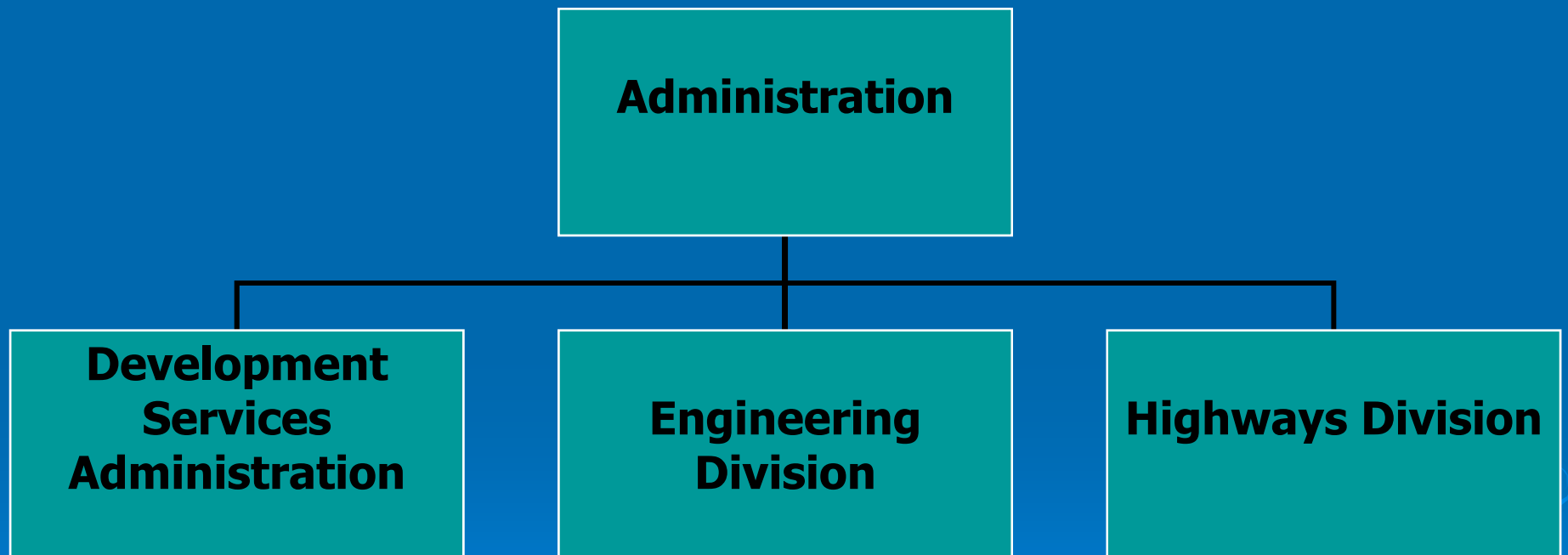
## DSA PROGRAM

### Revenues

Fund	FY 2019 Actuals
General	\$3.97
Revolving	\$1.40M
<b>Total</b>	<b>\$5.37M</b>



# DPW FY2020 RECAP






# DPW FY2020 RECAP

## ENGINEERING PROGRAM

Charter Mandate: Approve proposed subdivision plans in conformity with subdivision ordinance.

- Conduct reviews of proposed subdivisions and specify the requirements for improving the County's roads and drainage, and traffic safety.
  - Verify survey maps for accuracy and completeness.
- 



# DPW FY2020 RECAP

## ENGINEERING PROGRAM

Charter Mandate: Plan, design, build, and maintain the county's highways, and drainage and flood control systems.

- Implement the Capital Improvement Program.
  - Perform emergency repairs and maintenance.
  - Respond to public requests to improve traffic operations.
- 



# DPW FY2020 RECAP

## ENGINEERING PROGRAM

Charter Mandate: Perform other duties as shall be assigned by the Mayor.

- Facilities Maintenance:

- Provide janitorial services to the Kalana O Maui Campus and for the upcoming County Service Center.
- Perform repairs, maintenance, renovations, and improvement to the Kalana O Maui Campus buildings and offices.
- Improve the Highways Base Yard facilities.



# DPW FY2020 RECAP

## ENGINEERING PROGRAM

### FY2020 Approved Budget

STAFFING	GENERAL FUND
EP	35
Change from FY19	Decrease by 2 EP

BUDGET	GENERAL FUND
Funding	\$3.88M
Change from FY19	16% decrease

Decrease in EP and Funding attributed to the transfer of the MS4 Program from Engineering Division to the Highways Division



# DPW FY2020 RECAP

## ENGINEERING PROGRAM

FY2020 Approved Budget

Capital Improvement Program \$41.6M

REPAIR & MAINTENANCE OF EXISTING INFRASTRUCTURE		
<u>Asset</u>	<u>Funding Amount</u>	<u>Funding Source</u>
Road Pavements and Slope Stabilization	\$17.8M	GF, GB, HF, FD
Bridge and Drain	\$14.0M	GF, GB, HF, FD
<b>Total</b>	<b>\$31.8M</b>	



# DPW FY2020 RECAP

## ENGINEERING PROGRAM

FY2020 Approved Budget

Capital Improvement Program \$41.6M

TRAFFIC OPERATIONS		
<u>Asset</u>	<u>Funding Amount</u>	<u>Funding Source</u>
Bikeways and Sidewalks	\$4.56M	BW, GF, GB, HF, ST, FD
Safety	\$1.56M	HF, FD
Intersections	\$982K	HF, FD, GB
Road Extensions	\$1.10M	GF, GB, HF, FD
<b>Total</b>	<b>\$8.19M</b>	



# DPW FY2020 RECAP

## ENGINEERING PROGRAM

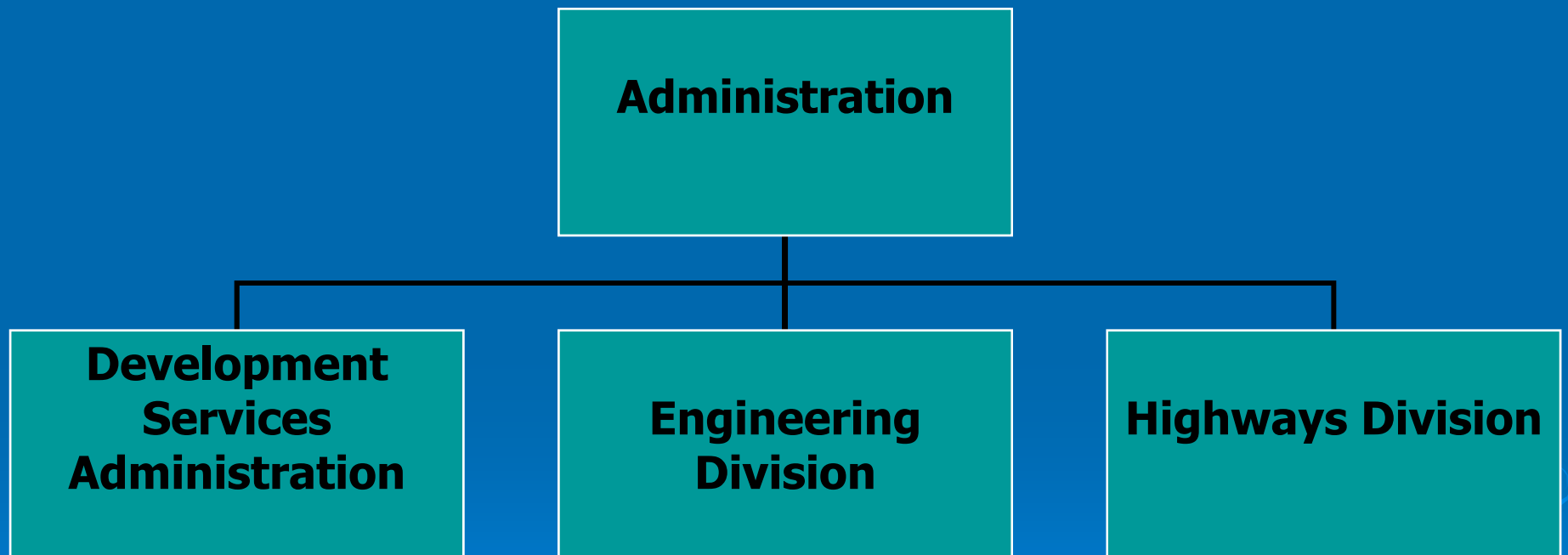
FY2020 Approved Budget

Capital Improvement Program \$41.6M

FACILITY MAINTENANCE		
<u>Asset</u>	<u>Funding Amount</u>	<u>Funding Source</u>
Kalana O Maui Campus	\$1.55M	GF, GB
Highways Base Yards	\$150K	GF
<b>Total</b>	<b>\$1.70M</b>	



# DPW FY2020 RECAP





# DPW FY2020 RECAP

## HIGHWAYS PROGRAM

Charter Mandate: Plan, design, build, and maintain the county's highways, and drainage and flood control systems.

- 6 District Operations – vegetation control, pavement maintenance, drainage maintenance, illegal dumping clean up, homeless cleanups, emergency response (brush fires, flooding, land slides, fallen trees, sign replacements, pothole patching), and service requests.
- Each district has unique geographical and societal needs.



# DPW FY2020 RECAP

## HIGHWAYS PROGRAM

Charter Mandate: Plan, design, build, and maintain the county's highways, and drainage and flood control systems.

- Traffic Operations – repair and maintenance of traffic signs, markings, and signals.
- Street Lighting – operated by Highways. Maintenance provided by MECO.
- MS4 Program – implement requirements of County's NPDES permit for its properties and drainage system in the Urbanized Area



# DPW FY2020 RECAP

## HIGHWAYS PROGRAM

Charter Mandate: Perform other duties as shall be assigned by the Mayor.

### Enforcement Responsibilities:

- Cleaning and Maintenance of Sidewalks Ch. 12.02 MCC
- Landscape Planting and Beautification Ch. 12.24A MCC
- Drainageway Maintenance Sec. 46-11.5 HRS
- Litter Control Ch. 20.20 MCC



# DPW FY2020 RECAP

## HIGHWAYS PROGRAM

Charter Mandate: Perform other duties as shall be assigned by the Mayor.

### Other Responsibilities:

- Vehicles Repair Services to County Departments
- Vehicles Replacement for County Departments
- Service Request to public, County Departments, and State Agencies



# DPW FY2020 RECAP

## HIGHWAYS PROGRAM

### FY2020 Approved Budget Special Maintenance Program

STAFFING	GENERAL FUND	REVOLVING FUND
EP	40	0
Change from FY19	3 EP decrease	Unchanged

BUDGET	GENERAL FUND	REVOLVING FUND
EP	\$5.34M	\$316K
Change from FY19	24% increase	2% increase

General Fund: Transferred out the Pavement Preservation Program back to Highway Fund. Transferred in MS4 Program from Engineering Division

Revolving Fund: B account adjusted to match actuals.



# DPW FY2020 RECAP

## HIGHWAYS PROGRAM

FY2020 Approved Budget  
Special Maintenance Program

Proviso: Olinda Tree Removal & Survey

- Trees have been mapped out and prioritized for removal.
- Reviewing environmental and permitting consideration before bidding out project.
- First time DPW undertaking a tree removal project of this scale. Previous tree removal work was done under an emergency action.



# DPW FY2020 RECAP

## HIGHWAYS PROGRAM

### FY2020 Approved Budget Special Maintenance Program

#### Proviso: Kahana Nui Desilting Basin

- Initial phase of sediment removal completed. Project supported with NRCS funding.
- Budget amendment approved to expand use of funds.
- Highways to begin planning and permitting evaluation for maintenance of all West Maui basins.



# DPW FY2020 RECAP

## HIGHWAYS PROGRAM

### FY2020 Approved Budget Highways Administration

STAFFING	HIGHWAY FUND	GRANT FUNDS
EP	7	N/A
Change from FY19	Unchanged	

BUDGET	HIGHWAY FUND	GRANT FUNDS
Funding	\$18.74M	\$150K
Change from FY19	8.7% Increase	New funds

\$1.2M increase in debt service cost. Increased fringe benefit costs associated with expansion positions and rate adjustments.  
Grant funds from FEMA for emergency generator installation at Wailuku Base Yard.



# DPW FY2020 RECAP

## HIGHWAYS PROGRAM

### FY2020 Approved Budget

### Highways Road, Bridge, and Drainage Maintenance

STAFFING	HIGHWAY FUND
EP	134
Change from FY19	11 EP increase

BUDGET	HIGHWAY FUND
Funding	\$14.53M
Change from FY19	3.8% decrease

Pavement Preservation Program transferred EP and Budget back from Special Maintenance Program and expanded by 5 EP.

\$1.9M decrease for completion of Street Light Conversion project.



# DPW FY2020 RECAP

## HIGHWAYS PROGRAM

### FY2020 Approved Budget Highways Traffic Management Program

STAFFING	HIGHWAY FUND
EP	15
Change from FY19	Unchanged

BUDGET	HIGHWAY FUND
Funding	\$1.56M
Change from FY19	15.9% decrease

\$295K decrease for one-time equipment purchases.



# DPW ACCOMPLISHMENTS AND CHALLENGES

## ADMINISTRATION PROGRAM

- Leadership Turnover
  - Adjust to new Mayor and Council
  - Director confirmation process
    - Created uncertainty during first half of 2019 while process was underway.
- Administrative Workload
  - Nearly 300 employees in Department but only one Administrative Officer
  - Implement New Payroll System



# DPW ACCOMPLISHMENTS AND CHALLENGES

## DSA PROGRAM

- Staffing vacancies
  - Attrition – several long-time employees retired in 2019.
  - Transfers – employees transferring to difference sections, divisions, and departments
  - Engineers – candidate pool is limited. Licensed engineer positions hard to fill. Vacancies most commonly filled by transfers from other County departments.



# DPW ACCOMPLISHMENTS AND CHALLENGES

## DSA PROGRAM

- MAPPS

- Very large, comprehensive, and long program.
- Existing staff being tasked with finding time for the additional work without to take on this additional work.

- Service Center Relocation

- Anticipated Very large, comprehensive, and long program.
- Existing staff being tasked with finding time for the additional work without to take on this additional work.



# DPW ACCOMPLISHMENTS AND CHALLENGES

## DSA PROGRAM

### Code Updates

- Energy Code update adopted in 2019.
- Electrical Code update next in 2020.



# DPW ACCOMPLISHMENTS AND CHALLENGES

## ENGINEERING PROGRAM

- Staffing vacancies
  - Surveyor – difficult to find applicants. Use of contracted surveyor services has helped the Division catch up on subdivision reviews.
  - Engineers – candidate pool is limited. Licensed engineer positions hard to fill. Vacancies most commonly filled by transfers from other County departments.



# DPW ACCOMPLISHMENTS AND CHALLENGES

## ENGINEERING PROGRAM

- CIP
  - Continued focus on maintenance of existing assets.
  - Continue pursuit of federally-funded projects.
  - Developing new assets is more complicated than repair and replacement.





# DPW ACCOMPLISHMENTS AND CHALLENGES

## HIGHWAYS PROGRAM

- Base Yard Space
  - Pavement Preservation Program growing and needs more room for staff and equipment.
- Drainage Maintenance
  - Permitting requirements to do maintenance become more stringent and burdensome
  - Staffing and Equipment Fleet needs to expand to keep up with maintenance



# DPW ACCOMPLISHMENTS AND CHALLENGES

## HIGHWAYS PROGRAM

- Pavement Preservation
  - Program is improving and crews excited to participate.
- Illegal Dumping and Homeless Cleanups
  - Occurrences are increasing. Beginning to impact operational budget and staff resource to perform maintenance work.



# DPW ACCOMPLISHMENTS AND CHALLENGES

## HIGHWAYS PROGRAM

- Equipment
  - All equipment purchases are completed or close to completion.
  - Vehicle bids being won by the same on-island vendor, who is also being unresponsive in meeting contract deadlines.
  - Off-island vendors starting to win bids.



# Mahalo

County of Maui, Department of Public Works

Ph. 808-270-7845

Email: [public.works@co.maui.hi.us](mailto:public.works@co.maui.hi.us)

[www.mauicounty.gov](http://www.mauicounty.gov)





March 25, 2020

MEMO TO: EDB-1 File

F R O M: Yuki Lei K. Sugimura, Chair  
Water, Infrastructure, and Transportation Committee



SUBJECT: **OPERATIONAL AND BUDGETARY REVIEW OF THE  
DEPARTMENT OF WATER SUPPLY (WIT-70)**

At its meeting on February 24, 2020, the Water, Infrastructure, and Transportation Committee conducted an operational and budgetary review of the Department's Fiscal Year 2020 Budget. Attached are copies of materials provided as a part of the Department's presentation, and a copy of the Department's letter to the Committee responding to questions from members transmitted via a letter from Committee Chair Sugimura on March 5, 2020.

Following is a summary of questions by Committee members and answers from the Department during the meeting:

1. Has the Department been able to stay on schedule as far as expenditures are concerned?

The Department has remained on schedule for the most part. Some equipment expenditures are delayed by vendor compliance with State procurement. Consequently, the Department has chosen to delay some of those expenditures since waiting for vendors to become compliant can cost the Department unnecessarily.

2. Why is the Department's electric bill so high when there are seemingly technologies available such as solar and wind?

The bulk of the Department's electrical costs are related to pumping, which needs to be available 24-hours per day. The difficulty with solar, for example, is space. A field of panels would be required to provide enough electricity for one pump. Battery storage has also been a barrier to entry, although strides have been made. When the pumps switch from electrical to an alternate source, the switch causes wear and tear that's detrimental as well. Lifespan of the equipment is a concern, but the biggest issue is reliability and space required for solar.



3. Is the Department pleased with the status of its Watershed Protection Grants Program?

In general, yes.

4. What is the status of the Department's Countywide Facility Improvements projects, including upgrades to the Piiholo WTP Sludge Lagoon Booster Pump, structural repairs to the Kamole WTP Clearwell Tank, and tree clearing along the raw water line serving the Piiholo WTP?

Not much movement yet on those five projects (\$3,320,000 in FY 2020 funds). While there is a lot of work left to do, none of these projects are "large" projects. They will all get done.

wit:ltr:070a01:cdc

Attachments



MICHAEL P. VICTORINO  
Mayor

JEFFREY T. PEARSON, P.E.  
Director

HELENE KAU  
Deputy Director



DEPARTMENT OF WATER SUPPLY  
COUNTY OF MAUI  
200 SOUTH HIGH STREET  
WAILUKU, MAUI, HAWAII 96793

February 21, 2020

RECEIVED

2020 FEB 21 AM 9:01

OFFICE OF THE MAYOR

RECEIVED

2020 FEB 21 AM 11:26

OFFICE OF THE  
COUNTY COUNCIL

Honorable Michael P. Victorino  
Mayor, County of Maui  
200 South High Street  
Wailuku, Hawaii 96793

APPROVED FOR TRANSMITTAL

Michael P. Victorino 2/21/20  
Mayor Date

For Transmittal to:

Honorable Yuki Lei K. Sugimura  
Committee Chair  
Water, Infrastructure, and  
Transportation Committee  
200 South High Street  
Wailuku, Hawaii 96793

Dear Committee Chair:

SUBJECT: OPERATIONAL AND BUDGETARY REVIEW OF THE DEPARTMENT OF  
WATER SUPPLY (WIT-70)

At the request of committee staff, enclosed please find the Department of Water Supply's handout for Monday, February 24, 2020, 9:00 a.m. committee meeting.

In advance, thank you for your attention to this matter. If you have any questions, please contact me.

Sincerely,

Helene Kau  
HELENE KAU  
Deputy Director

HK:lk  
Attachment

*"By Water All Things Find Life"*



# Maui Department of Water Supply Fiscal Year 2020 Status

County of Maui

Water, Infrastructure, and  
Transportation Committee

February 24, 2020

***By Water All Things Find Life***



# Department's Divisions

<u>Administration</u>	<u>Operations</u>
Office of the Director - EOC/Safety - MAPPS	Field Operations
Water Resources & Planning	Plant Operations
Fiscal/Customer Service	Water Treatment Plant Operations
Engineering	



# **FY20 Estimated Operating Revenue:**

## **Total Revenue = \$66.7 million**

### **From:**

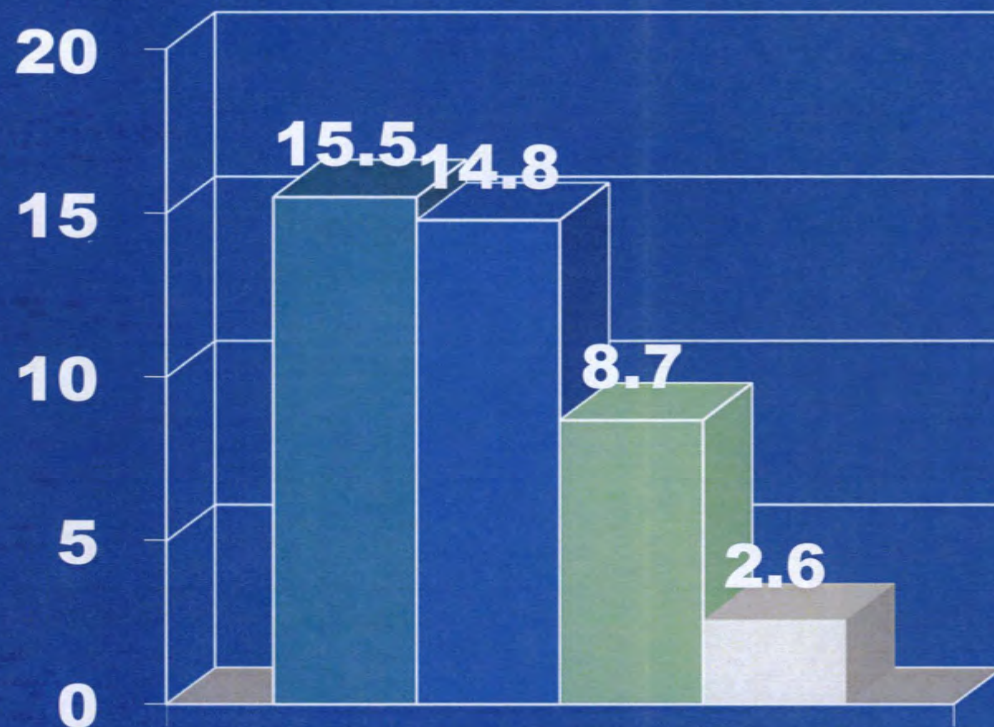
- **Water Delivery**
- **Monthly Charges**
- **Fire Flow**
- **Installation & Jobbing**
- **Interest Income**
- **Other Income**

### **For:**

- **Operations**
- **Repairs & Maintenance**
- **Equipment**
- **Debt Service**



# Major Expenditures



 <b>Electricity</b>	 <b>Payroll</b>
 <b>Debt Service</b>	 <b>Grants</b>

- **Electricity**
  - \$15.5 million
- **Payroll**
  - \$14.8 million
- **Debt Service**
  - \$8.7 million
- **Grants**
  - \$2.6 million
- These total 59% of \$70.2 million Operating Budget



DEPARTMENT OF WATER SUPPLY  
ADMINISTRATION PROGRAM SUMMARY  
DECEMBER 31, 2019

	FISCAL YEAR-TO-DATE			FISCAL YEAR
	2020	BUDGET	B (W) Budget	BUDGET
<b><u>SALARIES AND WAGES</u></b>				
WAGES AND SALAIRES	2,139,459	2,588,771	449,313	5,177,543
OTHER PREMIUM PAY	65,747	32,500	(33,247)	65,000
TOTAL SALARIES AND WAGES	2,205,206	2,621,271	416,065	5,242,543
<b><u>OPERATIONS</u></b>				
MATERIALS & SUPPLIES	123,219	190,633	67,414	381,266
SERVICES	978,360	4,975,410	3,997,049	9,950,819
UTILITIES	50,971	60,136	9,166	120,273
TRAVEL	10,142	25,115	14,974	50,230
OTHER COSTS	324,703	668,034	343,332	1,336,068
TOTAL OPERATIONS	1,487,394	5,919,328	4,431,934	11,838,656
MACHINERY & EQUIPMENT				
MACHINERY & EQUIPMENT	56,888	101,347	44,460	202,695
Total Equipment	56,888	101,347	44,460	202,695
EXPENSES RECLASS	223,091	465,708	242,617	931,417
TOTAL ADMINISTRATION	3,972,578	9,107,656	5,135,077	18,215,311



DEPARTMENT OF WATER SUPPLY  
OPERATIONS PROGRAM SUMMARY

DECEMBER 31, 2019

	FISCAL YEAR-TO-DATE			FISCAL YEAR
	2020	BUDGET	B (W) Budget	BUDGET
<b><u>SALARIES AND WAGES</u></b>				
WAGES AND SALAIRES	3,762,468	4,428,840	666,372	8,857,679
OTHER PREMIUM PAY	664,035	463,497	(200,538)	926,994
TOTAL SALARIES AND WAGES	4,426,503	4,892,337	465,833	9,784,673
<b><u>OPERATIONS</u></b>				
MATERIALS & SUPPLIES	1,715,489	3,303,854	1,588,365	6,607,708
SERVICES	298,192	895,791	597,599	1,791,582
UTILITIES	6,646,680	8,104,924	1,458,244	16,209,848
TRAVEL	16,580	43,350	26,770	86,700
OTHER COSTS	82,950	104,376	21,426	208,752
TOTAL OPERATIONS	8,759,890	12,452,295	3,692,405	24,904,590
MACHINERY & EQUIPMENT				
MACHINERY & EQUIPMENT	543,501	1,215,385	671,884	2,430,770
Total Equipment	543,501	1,215,385	671,884	2,430,770
EXPENSES RECLASS	132,386	193,750	61,364	387,500
TOTAL OPERATIONS	13,862,281	18,753,766	4,891,486	37,507,533



COUNCIL ADOPTED 2019 - 2020 CIP AND PLANNING PROFESSIONAL SERVICES BUDGET								Totals		
Fiscal 2019 Ordinance	Account String	Job #	Activity Code	Community Plan Area	Job Name	Budget Amount			EXPENDED/ENC	AVAILABLE
<b>Water Resources and Planning:</b>										
p.30 17.a.(2)	953091B-6132/1026-605	N/A			Grant for Auwahi Forest Restoration	\$120,000.00				
p.30 17.a.(3)	953862B-6132/1026-605	N/A			Grant for Countywide Watershed Protection	\$305,000.00				
p.30 17.a.(4)	953169B-6132/1026-605	N/A			Grant for East Maui Watershed Protection	\$550,000.00				
p.30 17.a.(5)	953164B-6132/1026-605	N/A			Grant for East Molokai Watershed Protection	\$250,000.00				
p.30 17.a.(6)	953092B-6132/1026-605	N/A			Grant for Hawaii Agriculture Research Center	\$56,500.00				
p.30 17.a.(7)	953080B-6132/1026-605	N/A			Grant for Honokowai/Wahikuli Watershed	\$75,000.00				
p.30 17.a.(8)	953159B-6132/1026-605	N/A			Grant for Leeward Haleakala Forest Restoration	\$200,000.00				
p.30 17.a.(9)	953165B-6132/1026-605	N/A			Grant for Eradication of Miconia and other invasive plants	\$260,000.00				
p.30 17.a.(10)	953170B-6132/1026-605	N/A			Grant for Puu Kukui Watershed Preserve	\$320,000.00				
p.30 17.a.(11)	953162B-6132/1026-605	N/A			Grant for West Maui Watershed Protection	\$480,000.00				
<b>Total Water Resources and Planning:</b>								<b>\$2,616,500.00</b>		
<b>CAPITAL REVOLVING FUND</b>										
Sec. 4 J.1.a.(1)(i)	520900-6432/2090-509	20-01		Countywide	Countywide Facility Improvements	\$3,320,000.00	—		\$93,078.00	\$3,226,922.00
Sec. 4 J.1.a.(1)(ii)	520910-6432/2091-509	20-02		Countywide	Countywide Upgrades and Replacements	\$7,180,000.00	—		\$633,872.00	\$6,546,128.00
Sec. 4 J.1.a.(1)(iii)	520920-6432/2092-509	20-03		Countywide	Countywide System Modifications	\$150,000.00	—		\$67,970.00	\$82,030.00
Sec. 4 J.2.a.(1)(i)	520930-6432/2093-509	15-01		Makawao-Pukalani-Kula	Pookela Well B(Development)	\$500,000.00				\$500,000.00
Sec. 4 J.3.a.(1)(i)	520940-6432/2094-509	18-09B		Wailuku-Kahului	Replacement Well for Waiehu Heights Well 1 (Development)	\$3,000,000.00				\$3,000,000.00
Sec. 4 J.4.a.(1)(i)	520950-6432/2095-509	20-04		West Maui	West Maui Reliable Capacity	\$5,650,000.00				\$5,650,000.00
								<b>\$19,800,000.00</b>		
<b>TOTAL CAPITAL REVOLVING FUND</b>								<b>\$19,800,000.00</b>	<b>\$794,920.00</b>	<b>\$19,005,080.00</b>
<b>2020 GO BOND FUND</b>										
Sec. 4 J.3.b.(2)(ii)	500100-6454/0010-509	20-05		Wailuku-Kahului	ACQUISITION OF REAL PROPERTY FROM WAILUKU WATER COMPANY, LLC	\$9,500,000.00				\$9,500,000.00
<b>TOTAL GO BOND FUND</b>								<b>\$9,500,000.00</b>		
<b>TOTAL CIP FUNDS:</b>								<b>\$29,300,000.00</b>	<b>\$794,920.00</b>	<b>\$28,505,080.00</b>
S:\FISCAL\CIP PLANNING & PROF SERVICES\2020 INDEX CODES FOR CIP & PLANNING GRANTS.xlsx]To publish										
								Countywide	\$10,650,000.00	
								Kihei	\$0.00	
								Molokai	\$0.00	
								Wailuku-Kahului	\$12,500,000.00	
								Makawao-Pukalani-Kula	\$500,000.00	
								West Maui	\$5,650,000.00	
									\$29,300,000.00	

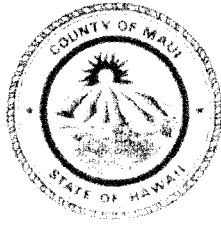
RECEIVED AT WIT MEETING ON 2/24/20  
Jeff Pearson



**MICHAEL P. VICTORINO**  
Mayor

**JEFFREY T. PEARSON, P.E.**  
Director

**HELENE KAU**  
Deputy Director



**DEPARTMENT OF WATER SUPPLY**  
COUNTY OF MAUI  
200 SOUTH HIGH STREET  
WAILUKU, MAUI, HAWAII 96793

March 20, 2020

RECEIVED

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OFFICE OF THE MAYOR

OFFICE OF THE  
COUNTY COUNCIL

2020 MAR 25 PM 1:59

RECEIVED

Honorable Michael P. Victorino  
Mayor, County of Maui  
200 South High Street  
Wailuku, Hawaii 96793

APPROVED FOR TRANSMITTAL

*Michael P Victorino* 3/24/20  
Mayor Date

For Transmittal to:

Honorable Yuki Lei K. Sugimura, Chair  
Water, Infrastructure, and Transportation Committee  
Maui County Council  
200 South High Street  
Wailuku, Hawaii 96793

**SUBJECT: OPERATIONAL AND BUDGETARY REVIEW OF THE  
DEPARTMENT OF WATER SUPPLY (WIT-70)**

Dear Chair Sugimura:

In response to your memo dated March 5, 2020, Department of Water Supply responds as follows:

1. Please provide a complete pro forma financial analysis of the Department, including a comprehensive list of assets and liabilities, and any additional or potential liens.

Response:

Attached for your information is a copy of the Department of Water Supply Financial Statement and Supplementary Report dated June 30, 2019. Attachment "1".



2. What is the current designation of the Commission on Water Resource Management as it relates to any associated boundaries in Maui County, including any financial implications of those boundaries?

Response:

The Commission on Water Resource Management ("CWRM") has designated as Groundwater Management Areas the Iao Aquifer on Maui and all aquifer sectors on Molokai: West Sector, Central Sector, Northeast Sector and Southeast Sector. The boundaries are shown in Attachment 2, Appendix A. CWRM has designated Na Wai Eha as Surface Water Management Area. The boundaries are shown in Attachment 2, Appendix B. Although there is no direct financial implication associated with designation, water users must obtain water use permits to withdraw water. CWRM has to date not issued water use permits for Na Wai Eha, which has delayed and potentially risk the Department's ability to fully utilize the Iao Water Treatment Plant capacity to serve Central Maui demand. Attachment "2".

3. Please describe the condition of the Department's vehicle fleet.

Response:

The Water Department's fleet includes 151 vehicles. The fleet includes a wide variety of vehicles from sport utility vehicles, pick-up trucks and dump trucks to truck tractors. Our oldest is a 1964 Peterbuilt truck tractor and our newest is a 2020 Ford F350.

Approximately 65% of our fleet is in excellent working condition, 25% is fair to good, and 10% needs replacement. If approved, our vehicle requests for FY 2021 will cover approximately 5% of the 10% that needs replacement.

4. Please provide a detailed description and status of the Department's equivalent personnel vacancies.

Response:

See Attachment "3".

5. Describe the Department's current policy on hiring requirements, including any medical exams.

Response:

All selected outside candidates being hired into the County system first need to pass a urine drug test (which the Department pays for) before continuing with the hiring process. Candidates for positions that require a pre-employment physical must take and pass a physical (which the candidate pays for) before allowed to begin work. The County's third-party pre-employment medical examiner is Occu-Med; they work with physicians to make sure the exam includes tests for functions needed for the job profile they are being hired. Occu-Med contacts our DPO and lets them know if the candidates are medically qualified (MQ, no restrictions to doing the job), conditionally qualified (CQ, may need to wear corrective lenses when working, etc.), or that they did not pass the physical.



6. How is the Department preparing for County shoreline projects that have been or will be affected by climate change?

Response:

The Department has inventoried our systems and infrastructure that is located within the sea level rise 3.2 feet exposure zone. We have identified potential impacts to Department infrastructure, and will consider alternative strategies to address such impacts and synergies with other state agencies and county departments for collaborative planning and mitigation.

7. Please list any additional outstanding equipment needs for the Department.

Response:

Water Treatment Plants

In response to item No. 7, addressed to all divisions, with regards to the Water Treatment Plants Division, please see enclosed document no. 19-46, "FY 2020 Council Adopted Budget Equipment Detail" and "Proposed Fiscal Year 2021, Water Treatment Plant Operations". Attachment "4".

In these documents and supported by accompanying documents, you will see that we would like to request four (4) pieces of additional equipment to be added to the proposed Fiscal Year 2021 budget request. In January of 2020, Vehicle No. COM 2228 was in a serious accident rendering this critically needed truck unusable. In order to purchase a new truck on short notice, funds needed to be utilized that had been approved in the FY 2020 budget for Water Treatment Plant equipment. Therefore, the following equipment purchases were deferred:

One (1) Filter surface wash water pump @ \$10,000;  
One (1) Filter backwash water pump @ \$10,000; and  
Two (2) Finished water pumps @ 20,000 (\$10,000 each).

We would like to request that this \$40,000 worth of equipment approved for purchase in the FY 2020 budget be reinstated for expenditure in the proposed FY 2020-2021 budget.

8. Regarding the confusion from the Department's presentation to the Committee relating to its operating budget and associated percentage (pages 3 and 4 of the Department's presentation), please provide clarifying, correct data.

Response:

Attached please find a corrected copy of page 4 of the 6-page presentation given to the Committee at its meeting of February 24, 2020. Attachment "5".



9. Relating to the Watershed Protection Grants Programs:

- What percentage of its funding does the Department set aside for the program?

Response:

Of the FY 2020 \$70M operations budget, about 3.7% is allocated to watershed protection.

- Does the program provide for any data or analysis on if or how toxoplasmosis or other related effects stemming from invasive plants and invasive or feral animals are affecting the County's watersheds?

Response:

The Department funds watershed protection projects that provide benefits to fresh water supply. We are not aware of an impact to hydrologic functions from toxoplasmosis. Water rate funded projects do not address feral cat control to mitigate impact on native birds and potential spread of toxoplasmosis to marine mammals.

- Which watershed protection grant, if any, covers the South Maui region?

Response:

The Leeward Haleakala Watershed Restoration Partnership covers the south leeward area of Haleakala above 3,400 feet. The Department grant addresses reforestation to improve watershed functions. The project overlaps the Hapapa Watershed addressed in the Southwest Maui Watershed Plan.

10. Please provide an update on the following appropriations. Page references are to Ordinance 4988.

Response:

- \$500,000 for the development phase of the Pookela Well B expansion project (page 40).

Response:

The development phase of the Pookela Well B contract is for \$3,004,637.28 and was awarded to Alpha, Inc. The notice to proceed was issued on March 2, 2020 with 365 calendar days to complete the work. The FY 2020 funding of \$500,000 will be used to address unforeseen circumstances that may be encountered during construction to insure timely completion of project.



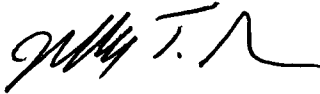
Honorable Yuki Lei K. Sugimura, Chair  
Water, Infrastructure, and Transportation Committee  
March 20, 2020  
Page 5

- \$3,000,000 for the development phase of the replacement well for Waiehu Heights Well 1 (page 40).

The drilling and development phases of the Waiehu Heights Well 1 is pending the completion of USGS's Groundwater Availability in the Waikapu, Iao, and Waihee Aquifer System, Maui, Hawaii, study estimated to be completed by the end of 2020. The FY 2020 funding of \$3,000,000 is anticipated to lapse based on this estimated completion date.

In advance, thank you for your attention to this matter. If you have any questions, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeffrey T. Pearson".

JEFFREY T. PEARSON, P.E.  
Director

JP:HK:ikk  
Attachments



# ATTACHMENT “1”



**DEPARTMENT OF WATER SUPPLY  
COUNTY OF MAUI  
(A Proprietary Fund of the County of Maui)**

**FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION  
WITH INDEPENDENT AUDITOR'S REPORT**

**Fiscal Years Ended June 30, 2019 and 2018**



**N&K CPAs, Inc.**

ACCOUNTANTS|CONSULTANTS



**DEPARTMENT OF WATER SUPPLY  
COUNTY OF MAUI**

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**PART I**  
**FINANCIAL SECTION**



## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the Department of Water Supply of the County of Maui (the Department), a proprietary fund of the County of Maui, as of and for the fiscal years ended June 30, 2019 and 2018, and the related notes to the financial statements, as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express



no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Department, as of June 30, 2019 and 2018, and the changes in its financial position and its cash flows for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis of Matter**

As discussed in Note 1, the financial statements of the Department, are intended to present the financial position, the changes in financial position, and cash flows of only that portion of the business-type activities of the County of Maui that is attributable to the transactions of the Department. They do not purport to, and do not, present fairly the financial position of the County of Maui as of June 30, 2019 and 2018, the changes in its financial position, or its cash flows for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

### **Other Matters**

#### *Required Supplementary Information*

Management has omitted management's discussion and analysis, the schedules of proportionate share of the net pension liability, pension contributions, changes in the net OPEB liability and related ratios and OPEB contributions information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.



*Other Information*

Our audit was conducted for the purpose of forming an opinion on the Department's financial statements. The supplemental schedules of capital assets for the fiscal year ended June 30, 2019 and of long-term debt - general obligation bonds as of June 30, 2019 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedules of capital assets and of long-term debt - general obligation bonds are the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of capital assets and of long-term debt - general obligation bonds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2019 on our consideration of the Department's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Department's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Department's internal control over financial reporting and compliance.

N&K CPAs, Inc.

Honolulu, Hawaii  
December 20, 2019



**Department of Water Supply  
County of Maui  
STATEMENTS OF NET POSITION  
June 30, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
<b>CURRENT ASSETS</b>		
Equity in pooled cash and investments held in County Treasury	\$ 70,510,717	\$ 62,131,066
Customer receivables		
Billed	4,416,275	4,401,711
Less: allowance for doubtful accounts	<u>(61,346)</u>	<u>(72,649)</u>
	4,354,929	4,329,062
Unbilled	<u>3,063,164</u>	<u>2,908,443</u>
Total customer receivables	<u>7,418,093</u>	<u>7,237,505</u>
Materials and supplies	1,673,652	1,698,198
Other current assets	<u>213,583</u>	<u>202,425</u>
Total current unrestricted assets	<u>79,816,045</u>	<u>71,269,194</u>
<b>RESTRICTED ASSETS</b>		
Equity in pooled cash and investments held in County Treasury	<u>35,245,317</u>	<u>23,125,025</u>
Total current assets	<u>115,061,362</u>	<u>94,394,219</u>
<b>CAPITAL ASSETS</b>		
Utility plant in service	634,482,747	602,043,460
Less accumulated depreciation	<u>(318,692,910)</u>	<u>(302,840,984)</u>
	315,789,837	299,202,476
Land	7,905,059	7,905,059
Construction work in progress	<u>34,418,791</u>	<u>48,842,240</u>
Total capital assets	<u>358,113,687</u>	<u>355,949,775</u>
<b>TOTAL ASSETS</b>	<u>473,175,049</u>	<u>450,343,994</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows of resources related to pensions	9,305,359	10,226,083
Deferred outflows of resources related to OPEB	3,451,852	2,528,321
Unamortized loss on advanced refunding	<u>116,702</u>	<u>132,986</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>12,873,913</u>	<u>12,887,390</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	\$ <u>486,048,962</u>	\$ <u>463,231,384</u>

See accompanying notes to financial statements.



**Department of Water Supply  
County of Maui  
STATEMENTS OF NET POSITION (Continued)  
June 30, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
<b>CURRENT LIABILITIES</b>		
Payable from unrestricted current assets		
Bonds payable, current portion	\$ 2,950,708	\$ 2,578,899
Notes payable, current portion	2,349,064	1,602,385
Accounts payable	2,746,346	2,734,547
Accrued vacation, current portion	865,175	804,619
Accrued compensatory time off	114,265	125,292
Construction contracts payable, including retainages	2,528,146	302,701
Claims and judgments	512,940	844,093
Accrued interest payable	382,214	373,350
Customer advances for utility construction	<u>305,091</u>	<u>179,886</u>
	12,753,949	9,545,772
Payable from restricted assets		
Construction contracts payable, including retainages	788,574	2,283,651
Customer deposits	758,279	677,427
Refundable advances	<u>1,000,000</u>	<u>1,000,000</u>
	<u>2,546,853</u>	<u>3,961,078</u>
Total current liabilities	<u>15,300,802</u>	<u>13,506,850</u>
<b>NON-CURRENT LIABILITIES</b>		
Bonds payable, non-current portion	20,468,354	19,140,428
Notes payable, non-current portion	43,048,918	44,520,699
Net pension liability	41,040,357	39,254,115
Net OPEB liability	23,903,694	24,037,169
Accrued vacation, non-current portion	<u>888,390</u>	<u>1,061,193</u>
Total non-current liabilities	<u>129,349,713</u>	<u>128,013,604</u>
<b>TOTAL LIABILITIES</b>	<u>144,650,515</u>	<u>141,520,454</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows of resources related to pensions	671,167	986,678
Deferred inflows of resources related to OPEB	<u>720,112</u>	<u>285,812</u>
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>1,391,279</u>	<u>1,272,490</u>
<b>NET POSITION</b>		
Net investment in capital assets	291,816,714	290,547,253
Restricted	32,155,789	20,211,812
Unrestricted	<u>16,034,665</u>	<u>9,679,375</u>
<b>TOTAL NET POSITION</b>	<u>340,007,168</u>	<u>320,438,440</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<u>\$ 486,048,962</u>	<u>\$ 463,231,384</u>

See accompanying notes to financial statements.



Department of Water Supply  
County of Maui  
**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
Fiscal Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<b>OPERATING REVENUES</b>		
Water sales	\$ 63,672,230	\$ 63,352,395
Other revenues	<u>788,221</u>	<u>944,997</u>
Total operating revenues	<u>64,460,451</u>	<u>64,297,392</u>
<b>OPERATING EXPENSES</b>		
Administrative and general	17,203,664	19,763,706
Depreciation and amortization	15,867,467	15,043,935
Power and pumping	12,640,326	11,455,472
Transmission and distribution	7,635,342	7,063,206
Purification	6,724,199	6,540,239
Customers' accounting and collection	1,619,674	2,183,997
Source of supply	<u>621,098</u>	<u>484,003</u>
Total operating expenses	<u>62,311,770</u>	<u>62,534,558</u>
Operating income	<u>2,148,681</u>	<u>1,762,834</u>
<b>NONOPERATING INCOME (EXPENSES)</b>		
Interest expense, net of interest capitalized of \$-0- for 2019 and \$122,234 for 2018	(1,239,270)	(902,414)
Interest and investment income (losses)	3,908,681	(220,030)
Other income	<u>474,554</u>	<u>--</u>
Total nonoperating income (expenses)	<u>3,143,965</u>	<u>(1,122,444)</u>
Income before capital contributions	5,292,646	640,390
Capital contributions	<u>14,276,082</u>	<u>11,865,652</u>
Change in net position	19,568,728	12,506,042
<b>NET POSITION</b>		
Beginning of year	<u>320,438,440</u>	<u>307,932,398</u>
End of year	\$ <u>340,007,168</u>	\$ <u>320,438,440</u>

See accompanying notes to financial statements.



**Department of Water Supply  
County of Maui  
STATEMENTS OF CASH FLOWS  
Fiscal Years Ended June 30, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from customers and others	\$ 64,254,052	\$ 63,863,909
Payments to suppliers for goods and services	(25,310,594)	(26,655,016)
Payments to employees for services	(19,038,021)	(18,411,425)
Utility construction advances (refunds)	<u>206,057</u>	<u>(13,966)</u>
Net cash provided by operating activities	<u>20,111,494</u>	<u>18,783,502</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest and investment income (losses) received from investments	<u>3,908,681</u>	<u>(220,030)</u>
Net cash provided by (used in) investing activities	<u>3,908,681</u>	<u>(220,030)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Cash paid for acquisition of construction of capital assets, including capitalized interest	(13,379,474)	(23,235,635)
Principal paid on bonds and notes payable	(8,512,692)	(3,845,158)
Proceeds from bonds and notes payable	9,830,336	18,352,460
Cash received from capital contributions and other	10,098,731	4,384,687
Interest paid on bonds and notes payable	<u>(1,557,133)</u>	<u>(1,472,906)</u>
Net cash used in capital and related financing activities	<u>(3,520,232)</u>	<u>(5,816,552)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	20,499,943	12,746,920
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FISCAL YEAR</b>	<u>85,256,091</u>	<u>72,509,171</u>
<b>CASH AND CASH EQUIVALENTS AT END OF FISCAL YEAR</b>	\$ <u><u>105,756,034</u></u>	\$ <u><u>85,256,091</u></u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION</b>		
Unrestricted	\$ 70,510,717	\$ 62,131,066
Restricted	<u>35,245,317</u>	<u>23,125,025</u>
	\$ <u><u>105,756,034</u></u>	\$ <u><u>85,256,091</u></u>

See accompanying notes to financial statements.



**Department of Water Supply  
County of Maui  
STATEMENTS OF CASH FLOWS (Continued)  
Fiscal Years Ended June 30, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating income	\$ 2,148,681	\$ 1,762,834
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	15,867,467	15,043,935
Provision for doubtful accounts	26,162	92,497
Loss on disposal	--	2,392
Changes in assets, deferred outflows, liabilities and deferred inflows:		
Customer receivables	(206,750)	(564,113)
Materials and supplies	24,546	(163,722)
Other current assets	(11,158)	1,353,581
Deferred outflows of resources related to pensions	920,724	2,744,247
Deferred outflows of resources related to OPEB	(923,531)	(114,543)
Accounts and construction contracts payable	802,767	(100,412)
Claims and judgments	(331,153)	(832,625)
Other liabilities and deposits	22,183	(312,936)
Net pension liability	1,786,242	119,756
Net OPEB liability	(133,475)	(230,009)
Deferred inflows of resources related to pensions	(315,511)	(303,192)
Deferred inflows of resources related to OPEB	<u>434,300</u>	<u>285,812</u>
Net cash provided by operating activities	\$ <u>20,111,494</u>	\$ <u>18,783,502</u>
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Capital contributions	\$ 4,651,905	\$ 7,480,965
Amortization of deferred loss on refunding	\$ 16,284	\$ 25,309
Amortization of deferred gain on refunding	\$ --	\$ 180,272
Amortization of bond premium	\$ 343,011	\$ 364,292

See accompanying notes to financial statements.



**Department of Water Supply**  
**County of Maui**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2019 and 2018**

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- (1) **Organization** - The Department of Water Supply (the Department) operates as a proprietary fund in the County of Maui, State of Hawaii (the County), to develop adequate water sources, storage, and transmission for both urban and agricultural uses for the County. The County Charter amendment (effective January 2, 2003) provides the following:
- The Department is a regular County of Maui agency subject to the Mayor's executive management and Council's legislative oversight.
  - The current Board of Directors of the Department is an advisory body (with power to recommend budget proposals and rate adjustments).
  - The Mayor has the power to appoint the Director (with approval of Council).
  - The Department has the responsibility to survey public and private water sources.
  - The Department must prepare and annually update a long-range capital improvement plan (subject to Council approval) and implement such approved plans. The Council has the power to issue general obligation bonds and provide appropriations for capital improvements of the water system.
- (2) **Financial Statement Presentation** - The Department is a proprietary type fund of the County (the primary government). The accompanying financial statements present only the financial position and activities of the Department, and do not purport to, and do not, present the financial position of the County, the changes in financial position, or its cash flows in conformity with accounting principles generally accepted in the United States of America (GAAP).
- (3) **Measurement Focus and Basis of Accounting** - The accompanying financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.
- (4) **Use of Estimates** - The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant items subject to such estimates and assumptions include the carrying amount of capital assets, valuation allowances of receivables, accrued workers' compensation, and pension and post-retirement benefits. Actual results could differ from those estimates.
- (5) **Cash Equivalents** - For purposes of the statements of cash flows, the Department considers all equity in pooled cash and investments held in the County's Treasury (including restricted assets) to be cash equivalents.



Department of Water Supply  
County of Maui  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2019 and 2018

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(Continued)**

- (6) **Cash and Investments** - The Department's cash and investments are maintained in an investment pool with the County's Treasury. The Department's share of the pooled cash and investments and income and losses arising from the investment activity of the pool are allocated to the Department based on the percentage of the Department's total cash and investment balance to the total cash and investments maintained by the County's Treasury.

Investments in negotiable time certificates of deposits and repurchase agreements are carried at cost, which approximates fair value. Investments in U.S. Treasury, U.S. government agencies obligations, municipal securities, and commercial paper are reported at fair value.

- (7) **Customer Receivables and Allowance for Doubtful Accounts** - Customer receivables are net of an allowance for doubtful accounts. The Department considers accounts delinquent once they have reached 31 days past due. Management charges off uncollectible customer receivables to expense and turns over delinquent accounts for collection when it is determined the amounts will not be realized. The allowance for doubtful accounts is based on the Department's prior experience of collections.
- (8) **Materials and Supplies** - Materials and supplies are stated at weighted average cost (which approximates the first-in, first-out method). The cost of materials and supplies are recorded as expenses when consumed rather than when purchased.
- (9) **Restricted Assets** - Funds received by the Department, which are refundable or restricted as to use, are recorded as restricted assets.
- (10) **Capital Assets** - Utility plant in service is stated at cost and include contributions by governmental agencies, private developers, and customers at their cost or estimated cost. Capital assets include individual assets or group of similar assets with an initial cost of more than \$5,000 and an estimated useful life in excess of one year.

Major replacements, renewals and betterments are capitalized. Maintenance, repairs, and replacements that do not improve or extend lives of the assets are charged to expense. Gains or losses resulting from the sale, retirement, or disposal of utility plant are charged or credited to operations.

Depreciation is computed over the estimated useful lives of the individual assets using the straight-line method. The estimated useful lives of the utility plant's capital assets are as follows:

Buildings and systems	10 - 50 years
Machinery and equipment	5 - 50 years
Other	5 - 50 years

- (11) **Debt Premium and Discounts** - Debt premium and discounts arising from the issuance of debt securities are amortized over the terms of the related issues on the bonds outstanding method. Amortization of debt premiums is recorded as a reduction of interest expense.



Department of Water Supply  
County of Maui  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2019 and 2018

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(Continued)**

- (12) ***Deferred Amounts on Advance Refunding*** - For advance refunding resulting in defeasance of debt, the difference between the reacquisition price and the carrying amount of the old debt is deferred. This amount is amortized as a component of interest expense using the bonds outstanding method over the remaining life of the old debt or the life of the new, whichever is shorter. The amount deferred is reported as a deferred inflow or outflow of resources.
- (13) ***Compensated Absences*** - Employees earn vacation benefits at one and three-quarters working days for each month of service. Each employee is allowed to accumulate a maximum of 90 days of vacation as of the end of the calendar year. Unused vacation benefits are converted to pay upon termination of employment. Employees earn compensatory time off at the rate of one and a half hours for each hour of overtime worked. Unused compensatory time off is converted to pay upon termination of employment.
- (14) ***Deferred Outflows of Resources and Deferred Inflows of Resources*** - Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense or expenditure) until that time. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time.
- (15) ***Net Position*** - Net position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The three components of net position are defined as follows:
- *Net investment in capital assets* - This component of net position consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are any significant unspent related debt proceeds at fiscal year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of debt is included in the same net position component as the unspent proceeds.
  - *Restricted* - This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. The Department's policy is generally to use restricted net position first, as appropriate opportunities arise.
  - *Unrestricted* - This component of net position consists of net position that does not meet the definition of "restricted" or "net investment in capital assets."
- (16) ***Operating Revenues and Expenses*** - Revenues and expenses are distinguished between operating and non-operating.



Department of Water Supply  
County of Maui  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2019 and 2018

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(Continued)**

- **Operating Revenues** - Operating revenues generally result from providing goods and services in connection with the Department's principal ongoing operations. The principal operating revenues of the Department are fees for water service.

The Department's policy is to bill customers on a monthly basis for water usage. An estimated accrual for unbilled water revenues to the end of the fiscal period is made based on prorated actual usage from the first meter reading date subsequent to June 30th.

- **Operating Expenses** - Operating expenses include the costs associated with production, treatment, and transmission of water, including administrative expenses and depreciation on capital assets.

All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

- (17) **Water System Development Fee** - A water system development fee is levied against all new developments requiring water from the Department's systems, except those developments that have paid for and installed a complete water system, including source, transmission, and daily storage facilities. The amounts collected, net of costs incurred for water credits used to acquire additional water supply, are recorded as capital contributions.
- (18) **Capital Contributions** - The Department receives Federal and State of Hawaii grants to pay for portions of construction costs related to various capital projects. The Department also receives development fees and dedications of infrastructure assets for various developments. The amounts received are recorded as capital contributions in the accompanying statements of revenues, expenses, and changes in net position.
- (19) **Pensions** - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Employees' Retirement System of the State of Hawaii (ERS) and additions to/deductions from the ERS's fiduciary net position have been determined on the same basis as they are reported by the ERS. For this purpose, employer and employee contributions are recognized in the period in which the contributions are legally due and benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at their fair value.
- (20) **Postemployment Benefits Other Than Pensions ("OPEB")** - For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Hawaii Employer-Union Health Benefits Trust Fund ("EUTF") and additions to/deductions from EUTF's fiduciary net position have been determined on



Department of Water Supply  
County of Maui  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2019 and 2018

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(Continued)**

the same basis as they are reported by EUTF. For this purpose, EUTF recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for investments in commingled and money market funds, which are reported at net asset value (NAV). The NAV is based on the fair value of the underlying assets held by the respective fund less its liabilities.

- (21) ***New Accounting Pronouncements*** - The Government Accounting Standards Board (the "GASB") issued Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations ("AROs"). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Management has determined that this statement does not have a material impact on the Department's financial statements.

The GASB issued Statement No. 84, *Fiduciary Activities*. This Statement establishes specific criteria for identifying activities that should be reported as fiduciary activities and clarifies whether and how business-type activities should report their fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Management has determined that this Statement does not have a material impact on the Department's financial statements.

The GASB issued Statement No. 87, *Leases*. This Statement requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Management has not yet determined the effect this Statement will have on the Department's financial statements.

The GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This Statement defines debt for purposes of disclosure in notes to financial statements and establishes additional financial statement note disclosure requirements related to debt obligations of governments, including direct borrowings (for example, a government entering into a loan agreement with a lender) and direct placements (for example, a government issuing a debt security directly to an investor). Direct borrowings and direct placements have terms negotiated directly with the investor or lender and are not offered for public sale. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Management has adopted the applicable requirements of this new standard as presented in the Department's financial statements.



**Department of Water Supply  
County of Maui  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2019 and 2018**

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(Continued)**

The GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Changes adopted to conform to the provisions of this Statement should be applied prospectively. Management has adopted the applicable requirements of this new standard as presented in the Department's financial statements.

The GASB issued Statement No. 90, *Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Management has not yet determined the effect this Statement will have on the Department's financial statements.

The GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Management has not yet determined the effect this Statement will have on the Department's financial statements.

**NOTE 2 - CASH AND INVESTMENTS**

The Department's cash and investments are maintained with the County's Treasury in a cash and investment pool available for use by all of the County's funds. At June 30, 2019, and 2018, the amounts reported on the statements of net position as equity in pooled cash and investments held in County Treasury represents the Department's relative position in the County's cash and investment pool and amounted to \$105,756,034 and \$85,256,091, respectively.



Department of Water Supply  
County of Maui  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2019 and 2018

**NOTE 2 - CASH AND INVESTMENTS (Continued)**

**County's Investment Policy**

The County's investment policy conforms with the State of Hawaii statutes (Chapter 46, Section 50), which authorize the County to invest in obligations of the U.S. Treasury and U.S. government agencies, municipal securities, auction rate securities collateralized by student loans, bank repurchase agreements, commercial paper, banker's acceptances, and money market funds.

Specific requirements under the County's investment policy are as follows:

- With the exception of U.S. Treasury securities and bank certificates of deposit fully insured by the Federal Deposit Insurance Corporation (FDIC) not to exceed \$250,000 per banking institution, no more than 30% of the County's investment portfolio will be invested in a single type of security, a single issuer, or financial institution.
- Investment maturities are not to exceed five years.

**Investment Risk** - The investments are subject to certain types of risk, including interest rate risk, credit quality risk, concentration of credit risk, and custodial credit risk.

**Interest Rate Risk** - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County has a formal investment policy that follows State of Hawaii statutes, which limits investment maturities to five years as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Credit Quality Risk** - Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligation. The County's investment policy limits investments in municipal securities, U.S. Treasury securities, negotiable time certificates of deposits, U.S. government agency obligations, repurchase agreements, commercial paper, bankers' acceptances, money market funds, and auction rate securities collateralized by student loans maintaining Triple-A rating. The bond ratings for the County's investments in U.S. agency obligations (government sponsored enterprises) at June 30, 2019 and 2018 were as follows:

	2019	2018
AA+	\$ 238,841,727	\$ 171,781,995
AA	16,357,625	4,210,742
Not rated	30,123,065	33,212,686
	\$ <u>285,322,417</u>	\$ <u>209,205,423</u>

**Concentration of Credit Risk** - Concentration of credit risk is the risk of loss attributable to the magnitude of the County's investments in a single issuer or investment. The County diversifies its investments to minimize such risk and with the exception of U.S. Treasury securities, no more than 30% of the investment portfolio can be invested in a single type of security or financial institution.



**Department of Water Supply  
County of Maui  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2019 and 2018**

**NOTE 2 - CASH AND INVESTMENTS (Continued)**

**Custodial Credit Risk** - Custodial credit risk is the risk that in the event of failure of the counterparty to an investment, the County would not be able to recover the value of investment or collateral securities that are in the possession of an outside party. All of the County's investments are either insured or held by an agent in the name of the County, including the investment collateral underlying the repurchase agreements.

Custodial credit risk for bank depository accounts is the risk that in the event of a bank failure, the County's deposits may not be returned. It is the County's policy to place its bank deposits with State of Hawaii high credit quality financial institutions that are able to meet the collateral requirements for the County's deposits. As of June 30, 2019 and 2018, substantially all of the County's negotiable time certificates of deposits and cash deposits were insured and collateralized.

**Pooled Cash and Investments Held in County Treasury**

Information relating to individual bank balances, insurance, and collateral of cash deposits is determined on a county-wide basis and not for individual departments and funds. Information regarding the carrying amount and corresponding bank balances of the County's cash and investment pool and collateralization of those balances is included in the County's comprehensive annual financial report.

The Department's share of the County's cash and investment pool, as summarized in the tables below was approximately 21.6% and 24.6% at June 30, 2019, and 2018, respectively.

As of June 30, 2019, the County and fiduciary fund's cash and investments were as follows:

Type of Investment	% Yield	Maturity				Premiums (Discounts)	Fair Value
		Under 30 Days	31 - 180 Days	181 - 365 Days	1 - 5 Years		
Federal National Mortgage Association Coupon Notes	1.21 - 1.84	\$ --	\$ 7,595,000	\$ 4,000,000	\$ 14,970,000	\$ (102,252)	\$ 26,462,748
Federal Home Loan Bank Bank Notes	1.40 - 3.30	--	2,000,000	11,500,000	70,500,000	492,040	84,492,040
Federal Farm Credit Bank Notes	1.88 - 3.05	--	--	--	76,223,000	1,828,090	78,051,090
Federal Agricultural Mortgage Corporation Notes	2.40 - 2.55	--	--	--	7,000,000	112,140	7,112,140
Federal Home Loan Mortgage Corporation Notes	1.08 - 2.55	2,000,000	2,000,000	--	39,030,000	178,775	43,208,775
Tennessee Valley Authority Notes	2.33 - 2.72	--	--	1,000,000	5,000,000	159,800	6,159,800
U.S. Treasury Strips	1.94	--	--	--	2,000,000	(99,460)	1,900,540
U.S. Treasury Notes	1.78 - 3.04	--	3,500,000	5,000,000	6,000,000	(42,915)	14,457,085
Municipal Securities	1.25 - 3.26	570,000	8,325,000	--	14,430,000	153,199	23,478,199
Negotiable certificates of deposit	0.10 - 3.50	<u>1,000,000</u>	<u>6,750,000</u>	<u>13,450,000</u>	<u>43,190,000</u>	<u>152,553</u>	<u>64,542,553</u>
Total investments		\$ <u>3,570,000</u>	\$ <u>30,170,000</u>	\$ <u>34,950,000</u>	\$ <u>278,343,000</u>	\$ <u>2,831,970</u>	349,864,970
Cash on hand and deposits							<u>138,908,976</u>
Total equity in pooled cash and investments							\$ <u>488,773,946</u>



**Department of Water Supply  
County of Maui  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2019 and 2018**

**NOTE 2 - CASH AND INVESTMENTS (Continued)**

As of June 30, 2018, the County and fiduciary fund's cash and investments were as follows:

Type of Investment	% Yield	Maturity				Premiums (Discounts)	Fair Value
		Under 30 Days	31 - 180 Days	181 - 365 Days	1 - 5 Years		
Federal National Mortgage Association Coupon Notes	1.21 - 1.84	\$ --	\$ 1,000,000	\$ 6,000,000	\$ 26,565,000	\$ (761,602)	\$ 32,803,398
Federal Home Loan Bank Bank Notes	0.95 - 3.13	--	4,000,000	3,000,000	60,500,000	(1,585,920)	65,914,080
Federal Farm Credit Bank Notes	2.15 - 2.75	--	--	--	8,985,000	(75,375)	8,909,625
Federal Agricultural Mortgage Corporation Notes	3.07	--	--	--	5,000,000	(45,900)	4,954,100
Federal Home Loan Mortgage Corporation Notes	1.20 - 3.30	--	--	9,500,000	53,030,000	(1,161,317)	61,368,683
Tennessee Valley Authority Notes	2.33	--	--	--	1,000,000	(5,840)	994,160
U.S. Treasury Strips	1.41 - 1.94	--	3,000,000	--	2,000,000	(207,110)	4,792,890
U.S. Treasury Notes	1.78 - 2.53	--	--	--	4,000,000	(150,840)	3,849,160
Municipal Securities	1.25 - 2.26	1,840,000	5,825,000	--	18,145,000	(190,673)	25,619,327
Negotiable certificates of deposit	0.10 - 2.95	<u>18,498,000</u>	<u>7,500,000</u>	<u>13,493,000</u>	<u>56,680,000</u>	<u>(1,680,480)</u>	<u>94,490,520</u>
Total investments		\$ <u>20,338,000</u>	\$ <u>21,325,000</u>	\$ <u>31,993,000</u>	\$ <u>235,905,000</u>	\$ <u>(5,865,057)</u>	303,695,943
					Cash on hand and deposits		<u>43,551,274</u>
					Total equity in pooled cash and investments		\$ <u>347,247,217</u>

Unrestricted equity in pooled cash and investments held in County Treasury at June 30, 2019 and 2018 include funds for the following purposes:

	2019	2018
Board-designated		
Capital improvements	\$ 25,003,684	\$ 22,660,639
Debt service	<u>2,512,154</u>	<u>1,824,158</u>
Total board-designated	27,515,838	24,484,797
Undesignated	<u>42,994,879</u>	<u>37,646,269</u>
Total	\$ <u>70,510,717</u>	\$ <u>62,131,066</u>

At June 30, 2019 and 2018, construction contract payables, including retentions, to be paid with board-designated funds were approximately \$1.1 million and \$200,000, respectively. Construction contract commitments as of June 30, 2019 and 2018, to be paid with board-designated funds, aggregated approximately \$10.4 million and 4.6 million, respectively. There are no amounts included in the construction contract commitment amounts for 2019 and 2018 for maintenance of compliance-order projects and no amounts included for management's estimates needed in anticipation of future regulations for compliance.



**Department of Water Supply  
County of Maui  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2019 and 2018**

**NOTE 2 - CASH AND INVESTMENTS (Continued)**

Restricted equity in pooled cash and investments held in County Treasury consisted of the following at June 30, 2019 and 2018:

	2019	2018
Water system development fee	\$ 20,433,487	\$ 13,231,669
State funds	11,183,829	6,440,718
Bond funds	2,403,368	2,306,902
Customer deposits	758,279	677,428
Special assessment fund for storage	273,829	273,829
Source development fund assessments	192,525	192,525
Federal funds	--	1,954
Total	<u>\$ 35,245,317</u>	<u>\$ 23,125,025</u>

At June 30, 2019, and 2018 construction voucher and contract payables, including retentions, to be paid with restricted assets were approximately \$500,000 and \$1.8 million, respectively. Construction contract commitments as of June 30, 2019 and 2018, to be paid with restricted assets, aggregated approximately \$7.4 million and 11.2 million, respectively.

**NOTE 3 - FAIR VALUE MEASUREMENTS**

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy are described as follows:

**Level 1** - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that a government can access at the measurement date. An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

**Level 2** - Inputs other than quoted prices included within level 1 that are observable for an asset or liability, either directly or indirectly. If the asset or liability has a specified (contractual) term, a level 2 input must be observable for most of the full term of the asset or liability. Level 2 inputs include:

- Quoted prices for similar assets or liabilities in active markets,
- Quoted prices for identical or similar assets or liabilities in markets that are not active,
- Inputs other than quoted prices that are observable for the asset or liability,
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.



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**NOTE 3 - FAIR VALUE MEASUREMENTS (Continued)**

**Level 3** - Inputs are unobservable for an asset or liability.

Following is a description of the valuation techniques used by the County to measure fair value:

U.S. Treasury obligations: Valued using quoted prices in active markets for identical assets.

U.S. government agency obligations and municipal securities: Valued using quoted prices for identical or similar assets in markets that are not active.

Negotiable certificates of deposit: Valued using quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

The following table sets forth by level, within the fair value hierarchy, assets measured at fair value on a recurring basis as of June 30, 2019 and 2018:

	Assets at Fair Value at June 30, 2019			
	Total	Level 1	Level 2	Level 3
U. S. Treasury obligations	\$ 16,357,625	\$ 16,357,625	\$ --	\$ --
U. S. government agency obligations	245,486,593	--	245,486,593	--
Municipal securities	23,478,199	--	23,478,199	--
Negotiable certificates of deposit	64,542,553	--	64,542,553	--
	<u>\$ 349,864,970</u>	<u>\$ 16,357,625</u>	<u>\$ 333,507,345</u>	<u>\$ --</u>

	Assets at Fair Value at June 30, 2018			
	Total	Level 1	Level 2	Level 3
U. S. Treasury obligations	\$ 8,642,050	\$ 8,642,050	\$ --	\$ --
U. S. government agency obligations	174,944,046	--	174,944,046	--
Municipal securities	25,619,327	--	25,619,327	--
Negotiable certificates of deposit	94,490,520	--	94,490,520	--
	<u>\$ 303,695,943</u>	<u>\$ 8,642,050</u>	<u>\$ 295,053,893</u>	<u>\$ --</u>



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**NOTE 4 - RESTRICTED NET POSITION**

At June 30, 2019 and 2018, restricted net position consisted of the following:

	<u>2019</u>	<u>2018</u>
Water system development fee	\$ 20,433,487	\$ 13,231,669
Special assessment fund for storage	273,829	273,829
Source development fund assessments	192,525	192,525
Other restricted funds	<u>11,255,948</u>	<u>6,513,789</u>
Total	\$ <u>32,155,789</u>	\$ <u>20,211,812</u>

**NOTE 5 - CAPITAL CONTRIBUTIONS**

Capital contributions during the fiscal years ended June 30, 2019, and 2018 were as follows:

	<u>2019</u>	<u>2018</u>
Dedication of infrastructure assets	\$ 4,651,905	\$ 7,480,965
Source development fund assessments	8,429,220	3,956,336
Other	<u>1,194,957</u>	<u>428,351</u>
Total	\$ <u>14,276,082</u>	\$ <u>11,865,652</u>



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**NOTE 6 - CAPITAL ASSETS**

Capital assets activity during the fiscal year ended June 30, 2019, was as follows:

	Balance July 1, 2018	Additions	Reductions/ Retirements	Balance June 30, 2019
Non-depreciable assets				
Land	\$ 7,905,059	\$ --	\$ --	\$ 7,905,059
Construction in progress	<u>48,842,240</u>	<u>11,878,768</u>	<u>(26,302,217)</u>	<u>34,418,791</u>
	<u>56,747,299</u>	<u>11,878,768</u>	<u>(26,302,217)</u>	<u>42,323,850</u>
Depreciable assets				
Buildings and systems	165,974,212	11,580,688	--	177,554,900
Machinery and equipment	424,277,276	20,738,890	(15,541)	445,000,625
Infrastructure	<u>11,791,972</u>	<u>135,250</u>	<u>--</u>	<u>11,927,222</u>
	<u>602,043,460</u>	<u>32,454,828</u>	<u>(15,541)</u>	<u>634,482,747</u>
Accumulated depreciation				
Buildings and systems	75,767,687	3,933,686	--	79,701,373
Machinery and equipment	222,271,454	11,699,828	(15,541)	233,955,741
Infrastructure	<u>4,801,843</u>	<u>233,953</u>	<u>--</u>	<u>5,035,796</u>
	<u>302,840,984</u>	<u>15,867,467</u>	<u>(15,541)</u>	<u>318,692,910</u>
Total Capital Assets	\$ <u>355,949,775</u>	\$ <u>28,466,129</u>	\$ <u>(26,302,217)</u>	\$ <u>358,113,687</u>

Capital assets activity during the fiscal year ended June 30, 2018, was as follows:

	Balance July 1, 2017	Additions	Reductions/ Retirements	Balance June 30, 2018
Non-depreciable assets				
Land	\$ 7,905,059	\$ --	\$ --	\$ 7,905,059
Construction in progress	<u>34,854,382</u>	<u>22,003,449</u>	<u>(8,015,591)</u>	<u>48,842,240</u>
	<u>42,759,441</u>	<u>22,003,449</u>	<u>(8,015,591)</u>	<u>56,747,299</u>
Depreciable assets				
Buildings and systems	160,586,707	5,387,505	--	165,974,212
Machinery and equipment	413,301,480	11,141,431	(165,635)	424,277,276
Infrastructure	<u>11,430,692</u>	<u>361,280</u>	<u>--</u>	<u>11,791,972</u>
	<u>585,318,879</u>	<u>16,890,216</u>	<u>(165,635)</u>	<u>602,043,460</u>
Accumulated depreciation				
Buildings and systems	71,955,255	3,812,432	--	75,767,687
Machinery and equipment	211,392,518	11,002,939	(124,003)	222,271,454
Infrastructure	<u>4,573,279</u>	<u>228,564</u>	<u>--</u>	<u>4,801,843</u>
	<u>287,921,052</u>	<u>15,043,935</u>	<u>(124,003)</u>	<u>302,840,984</u>
Total Capital Assets	\$ <u>340,157,268</u>	\$ <u>23,849,730</u>	\$ <u>(8,057,223)</u>	\$ <u>355,949,775</u>



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**NOTE 7 - LONG-TERM LIABILITIES**

A summary of changes in long-term liabilities of the Department for the fiscal year ended June 30, 2019, are as follows:

	Balance July 1, 2018	Additions	Reductions	Balance June 30, 2019	Due Within One Year
Bonds payable	\$ 21,719,327	\$ 4,621,644	\$ 2,921,909	\$ 23,419,062	\$ 2,950,708
Notes payable from direct borrowings	46,123,084	5,208,692	5,933,794	45,397,982	2,349,064
Accrued vacation payable	1,865,812	808,309	920,556	1,753,565	865,175
Accrued compensatory time off	125,292	101,377	112,404	114,265	114,265
Claims and judgments	844,093	322,946	654,099	512,940	512,940
Total	<u>\$ 70,677,608</u>	<u>\$ 11,062,968</u>	<u>\$ 10,542,762</u>	<u>\$ 71,197,814</u>	<u>\$ 6,792,152</u>

A summary of changes in long-term liabilities of the Department for the fiscal year ended June 30, 2018, are as follows:

	Balance July 1, 2017	Additions	Reductions	Balance June 30, 2018	Due Within One Year
Bonds payable	\$ 24,530,976	\$ --	\$ 2,811,649	\$ 21,719,327	\$ 2,578,899
Notes payable from direct borrowings	29,168,425	18,352,460	1,397,801	46,123,084	1,602,385
Accrued vacation payable	2,180,906	625,407	940,501	1,865,812	804,619
Accrued compensatory time off	170,868	92,018	137,594	125,292	125,292
Claims and judgments	1,676,718	195,664	1,028,289	844,093	844,093
Total	<u>\$ 57,727,893</u>	<u>\$ 19,265,549</u>	<u>\$ 6,315,834</u>	<u>\$ 70,677,608</u>	<u>\$ 5,955,288</u>

**NOTE 8 - BONDS PAYABLE**

At June 30, 2019 and 2018, bonds payable consisted of the following:

	2019	2018
General Obligation Refunding Bonds, 2010 Series B, due in annual installments through 2021, interest payable semi-annually from 4.0% to 5.0%.	\$ 851,614	\$ 1,253,055
General Obligation Refunding Bonds, 2012 Series B, due in annual installments through 2032, interest payable semi-annually from 2.1% to 5.0%.	3,073,430	3,251,432
General Obligation Refunding Bonds, 2012 Series C, due in annual installments through 2023, interest payable semi-annually from 4.0% to 5.0%.	<u>4,050,000</u>	<u>4,945,000</u>
Balance forward	\$ 7,975,044	\$ 9,449,487



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**NOTE 8 - BONDS PAYABLE (Continued)**

	<u>2019</u>	<u>2018</u>
Balance carried forward	\$ 7,975,044	\$ 9,449,487
General Obligation Refunding Bonds, 2014 Series C, due in annual installments through 2034, interest payable semi-annually from 3.0% to 5.0%.	5,570,000	5,830,000
General Obligation Refunding Bonds, 2015 Series B, due in annual installments through 2020, interest payable semi-annually at 5.0%.	575,469	1,123,428
General Obligation Refunding Bonds, 2015 Series D, due in annual installments through 2027, interest payable semi-annually from 3.0% to 5.0%.	2,972,616	3,269,112
General Obligation Refunding Bonds, 2018 Series C, due in annual installments through 2032, interest payable semi-annually from 3.0% to 5.0%.	4,040,000	--
	21,133,129	19,672,027
Less current portion	<u>(2,950,708)</u>	<u>(2,578,899)</u>
	18,182,421	17,093,128
Unamortized premium	<u>2,285,933</u>	<u>2,047,300</u>
Noncurrent portion	\$ <u>20,468,354</u>	\$ <u>19,140,428</u>

Future bond principal and interest payments are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 2,950,708	\$ 873,353	\$ 3,824,061
2021	2,472,697	744,104	3,216,801
2022	2,139,184	624,161	2,763,345
2023	2,251,742	516,392	2,768,134
2024	1,213,544	416,165	1,629,709
2025 - 2029	5,936,996	1,317,193	7,254,189
2030 - 2034	<u>4,168,258</u>	<u>343,899</u>	<u>4,512,157</u>
Total	\$ <u>21,133,129</u>	\$ <u>4,835,267</u>	\$ <u>25,968,396</u>

The County issues general obligation bonds for the construction of major capital facilities. The County's general obligation bonds are direct obligations of the County for which its full faith and credit are pledged. A portion of the County's general obligation bonds are designated as reimbursable bonds to be repaid from the net revenues of the Department.



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**NOTE 9 - NOTES PAYABLE**

At June 30, 2019 and 2018, notes payable from direct borrowings consisted of the following:

	<u>2019</u>	<u>2018</u>
Notes payable to State of Hawaii, Department of Health		
Note payable to State Revolving Loan Fund for a capital improvement project, payable in semi-annual installments of principal, interest at a rate of 0.37%, and loan fee rate of 3.25%. This note was fully paid off in 2019.	\$ --	\$ 1,028,166
Note payable to State Revolving Loan Fund for a capital improvement project, payable in semi-annual installments of principal, interest at a rate of 0.00%, and loan fee rate of 3.25%. This note was fully paid off in 2019.	--	449,606
Note payable to State Revolving Loan Fund for a capital improvement project, payable in semi-annual installments of principal, interest at a rate of 0.35%, and loan fee rate of 3.25%. This note was fully paid off in 2019.	--	2,422,355
Note payable to State Revolving Loan Fund for a capital improvement project, payable in semi-annual installments of principal, interest at a rate of 0.00%, and loan fee rate of 3.25%. This note was fully paid off in 2019.	--	788,722
Note payable to State Revolving Loan Fund for a capital improvement project, payable in semi-annual installments of principal, interest at a rate of 1.00%, and loan fee rate of 1.00%, maturing in 2032.	164,473	176,267
Note payable to State Revolving Loan Fund for a capital improvement project, payable in semi-annual installments of principal, interest at a rate of 0.50%, and loan fee rate of 1.00%, maturing in 2033.	<u>1,583,611</u>	<u>1,696,779</u>
Balance forward	\$ 1,748,084	\$ 6,561,895



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**NOTE 9 - NOTES PAYABLE (Continued)**

	<u>2019</u>	<u>2018</u>
Notes payable to State of Hawaii, Department of Health		
Balance carried forward	\$ 1,748,084	\$ 6,561,895
Note payable to State Revolving Loan Fund for a capital improvement project, payable in semi-annual installments of principal, interest at a rate of 1.00%, and loan fee rate of 1.00%, maturing in 2033.	624,190	665,501
Note payable to State Revolving Loan Fund for a capital improvement project, payable in semi-annual installments of principal, interest at a rate of 0.00%, and loan fee rate of 1.00%, maturing in 2033.	5,774,670	6,187,147
Note payable to State Revolving Loan Fund for a capital improvement project, payable in semi-annual installments of principal, interest at a rate of 0.50%, and loan fee rate of 1.00%, maturing in 2034.	3,242,756	3,457,856
Note payable to State Revolving Loan Fund for a capital improvement project, payable in semi-annual installments of principal, interest at a rate of 1.00%, and loan fee rate of 1.00%, maturing in 2034.	1,581,035	1,678,265
Note payable to State Revolving Loan Fund for a capital improvement project, payable in semi-annual installments of principal, interest at a rate of 1.00%, and loan fee rate of 1.00%, maturing in 2035.	571,708	604,500
Note payable to State Revolving Loan Fund for a capital improvement project, payable in semi-annual installments of principal, interest at a rate of 1.00%, and loan fee rate of 1.00%, maturing in 2035.	<u>623,072</u>	<u>658,813</u>
Balance forward	\$ 14,165,515	\$ 19,813,977



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**NOTE 9 - NOTES PAYABLE (Continued)**

	<u>2019</u>	<u>2018</u>
Notes payable to State of Hawaii, Department of Health		
Balance carried forward	\$ 14,165,515	\$ 19,813,977
Note payable to State Revolving Loan Fund for a capital improvement project, payable in semi-annual installments of principal, interest at a rate of 1.00%, and loan fee rate of 1.00%, maturing in 2034.	119,568	127,193
Note payable to State Revolving Loan Fund for a capital improvement project, payable in semi-annual installments of principal, interest at a rate of 1.00%, and loan fee rate of 1.00%, maturing in 2038.	1,711,713	1,693,916
Note payable to State Revolving Loan Fund for a capital improvement project, payable in semi-annual installments of principal, interest at a rate of 0.50%, and loan fee rate of 1.00%, maturing in 2037.	2,084,482	2,184,849
Note payable to State Revolving Loan Fund for a capital improvement project, payable in semi-annual installments of principal, interest at a rate of 1.00%, and loan fee rate of 1.00%, maturing in 2037.	1,125,538	1,177,252
Note payable to State Revolving Loan Fund for a capital improvement project, payable in semi-annual installments of principal, interest at a rate of 1.00%, and loan fee rate of 1.00%, maturing in 2037.	468,979	475,150
Note payable to State Revolving Loan Fund for a capital improvement project, payable in semi-annual installments of principal, interest at a rate of 0.00%, and loan fee rate of 1.00%, maturing in 2039.	<u>20,937,537</u>	<u>17,662,004</u>
Balance forward	\$ 40,613,332	\$ 43,134,341



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**NOTE 9 - NOTES PAYABLE (Continued)**

	<u>2019</u>	<u>2018</u>
Notes payable to State of Hawaii, Department of Health		
Balance carried forward	\$ 40,613,332	\$ 43,134,341
Note payable to State Revolving Loan Fund for a capital improvement project, payable in semi-annual installments of principal, interest at a rate of 0.50%, and loan fee rate of 1.00%, maturing in 2038.	3,251,807	2,988,743
Note payable to State Revolving Loan Fund for a capital improvement project, payable in semi-annual installments of principal, interest at a rate of 0.75%, and loan fee rate of 1.00%, maturing in 2041.	<u>1,532,843</u>	<u>--</u>
	45,397,982	46,123,084
Less current portion	<u>(2,349,064)</u>	<u>(1,602,385)</u>
	<u>\$ 43,048,918</u>	<u>\$ 44,520,699</u>

As of June 30, 2019, future principal and interest payments for notes payable from direct borrowings are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 2,349,064	\$ 576,633	\$ 2,925,697
2021	2,369,345	548,340	2,917,685
2022	2,456,621	517,599	2,974,220
2023	2,478,810	485,610	2,964,420
2024	2,501,212	453,368	2,954,580
2025 - 2029	12,853,209	1,770,658	14,623,867
2030 - 2034	12,667,499	916,634	13,584,133
Thereafter	<u>7,722,222</u>	<u>233,488</u>	<u>7,955,710</u>
Total	<u>\$ 45,397,982</u>	<u>\$ 5,502,330</u>	<u>\$ 50,900,312</u>

The Department's notes payable from direct borrowings are direct obligations of the County for which its full faith and credit, including a pledge of the County's general taxing power, as security for the notes payable. Repayments of principal and interest shall be a first charge on the County's General Fund.



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**NOTE 10 - RETIREMENT BENEFITS**

**Pension Plan**

***Pension Plan Description*** - Generally, all full-time employees of the State and counties are required to be members of the ERS, a cost-sharing multiple-employer defined benefit pension plan that administers the State's pension benefits program. Benefits, eligibility, and contribution requirements are governed by HRS Chapter 88 and can be amended through legislation. The ERS issues publicly available annual financial reports that can be obtained at ERS' website: <http://www.ers.ehawaii.gov>.

***Benefits Provided*** - The ERS Pension Trust is comprised of three pension classes for membership purposes and considered to be a single plan for accounting purposes since all assets of the ERS may legally be used to pay the benefits of any of the ERS members or beneficiaries. The ERS provides retirement, disability and death benefits with three membership classes known as the noncontributory, contributory and hybrid retirement classes. The three classes provide a monthly retirement allowance equal to the benefit multiplier (generally 1.25% to 2.25%) multiplied by the average final compensation multiplied by years of credited service. Average final compensation for members hired prior to July 1, 2012 is an average of the highest salaries during any three years of credited service, excluding any salary paid in lieu of vacation for members hired January 1, 1971 or later and the average of the highest salaries during any five years of credited service including any salary paid in lieu of vacation for members hired prior to January 1, 1971. For members hired after June 30, 2012, average final compensation is an average of the highest salaries during any five years of credited service excluding any salary paid in lieu of vacation.

Each retiree's original retirement allowance is increased on each July 1 beginning the calendar year after retirement. Retirees first hired as members prior to July 1, 2012 receive a 2.5% increase each year of their original retirement allowance without a ceiling. Retirees first hired as members after June 30, 2012 receive a 1.5% increase each year of their original retirement allowance without a ceiling. The annual increase is not compounded.

The following summarizes the provisions relevant to the largest employee groups of the respective membership class. Retirement benefits for certain groups, such as police officers, firefighters, some investigators, sewer workers, judges, and elected officials, vary from general employees.

**Noncontributory Class**

Retirement Benefits - General employees' retirement benefits are determined as 1.25% of average final compensation multiplied by the years of credited service. Employees with ten years of credited service are eligible to retire at age 62. Employees with 30 years of credited service are eligible to retire at age 55.



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**NOTE 10 - RETIREMENT BENEFITS (Continued)**

*Disability Benefits* - Members are eligible for service-related disability benefits regardless of length of service and receive a lifetime pension of 35% of their average final compensation. Ten years of credited service is required for ordinary disability. Ordinary disability benefits are determined in the same manner as retirement benefits but are payable immediately, without an actuarial reduction, and at a minimum of 12.5% of average final compensation.

*Death Benefits* - For service-connected deaths, the surviving spouse/reciprocal beneficiary receives a monthly benefit of 30% of the average final compensation until remarriage or re-entry into a new reciprocal beneficiary relationship. Additional benefits are payable to surviving dependent children up to age 18. If there is no spouse/reciprocal beneficiary or dependent children, no benefit is payable.

Ordinary death benefits are available to employees who were active at time of death with at least ten years of credited service. The surviving spouse/reciprocal beneficiary (until remarriage/re-entry into a new reciprocal beneficiary relationship) and dependent children (up to age 18) receive a benefit equal to a percentage of member's accrued maximum allowance unreduced for age or, if the member was eligible for retirement at the time of death, the surviving spouse/reciprocal beneficiary receives 100% joint and survivor lifetime pension and the dependent children receive a percentage of the member's accrued maximum allowance unreduced for age.

*Contributory Class for Employees Hired Prior to July 1, 2012*

*Retirement Benefits* - General employees' retirement benefits are determined as 2% of average final compensation multiplied by the years of credited service. General employees with 5 years of credited service are eligible to retire at age 55.

Police and firefighters' retirement benefits are determined using the benefit multiplier of 2.5% for qualified service, up to a maximum of 80% of average final compensation. Police officers and firefighters with five years of credited service are eligible to retire at age 55. Police officers and firefighters with 25 years of credited service are eligible to retire at any age, provided the last five years is service credited in these occupations.

*Disability Benefits* - Members are eligible for service-related disability benefits regardless of length of service and receive a one-time payment of the member's contributions and accrued interest plus a lifetime pension of 50% of their average final compensation. Ten years of credited service is required for ordinary disability. Ordinary disability benefits are determined as 1.75% of average final compensation multiplied by the years of credited service but are payable immediately, without an actuarial reduction, and at a minimum of 30% of average final compensation.

*Death Benefits* - For service-connected deaths, the surviving spouse/reciprocal beneficiary receives a lump sum payment of the member's contributions and accrued interest plus a monthly benefit of 50% of the average final compensation until remarriage or re-entry into a



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**NOTE 10 - RETIREMENT BENEFITS (Continued)**

new reciprocal beneficiary relationship. If there is no surviving spouse/reciprocal beneficiary, surviving dependent children (up to age 18) or dependent parents are eligible for the monthly benefit. If there is no spouse/reciprocal beneficiary or dependent children/parents, the ordinary death benefit is payable to the designated beneficiary.

Ordinary death benefits are available to employees who were active at time of death with at least one year of service. Ordinary death benefits consist of a lump sum payment of the member's contributions and accrued interest plus a percentage of the salary earned in the 12 months preceding death, or 50% joint and survivor lifetime pension if the member was not eligible for retirement at the time of death but was credited with at least ten years of service and designated one beneficiary, or 100% joint and survivor lifetime pension if the member was eligible for retirement at the time of death and designated one beneficiary.

*Contributory Class for Employees Hired After June 30, 2012*

*Retirement Benefits* - General employees' retirement benefits are determined as 1.75% of average final compensation multiplied by the years of credited service. General employees with ten years of credited service are eligible to retire at age 60.

Police officers and firefighters' retirement benefits are determined using the benefit multiplier of 2.25% for qualified service, up to a maximum of 80% of average final compensation. Police officers and firefighters with ten years of credited service are eligible to retire at age 60. Police officers and firefighters with 25 years of credited service are eligible to retire at age 55, provided the last five years is service credited in these occupations.

*Disability and Death Benefits* - Members are eligible for service-related disability benefits regardless of length of service and receive a lifetime pension of 50% of their average final compensation plus refund of contributions and accrued interest. Ten years of credited service is required for ordinary disability.

For police officers and firefighters, ordinary disability benefits are 1.75% of average final compensation for each year of service and are payable immediately, without an actuarial reduction, at a minimum of 30% of average final compensation.

Death benefits for contributory members hired after June 30, 2012 are generally the same as those for contributory members hired June 30, 2012 and prior.

*Hybrid Class for Employees Hired Prior to July 1, 2012*

*Retirement Benefits* - General employees' retirement benefits are determined as 2% of average final compensation multiplied by the years of credited service. General employees with five years of credited service are eligible to retire at age 62. General employees with 30 years of credited service are eligible to retire at age 55.



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**NOTE 10 - RETIREMENT BENEFITS (Continued)**

*Disability Benefits* - Members are eligible for service-related disability benefits regardless of length of service and receive a lifetime pension of 35% of their average final compensation plus refund of their contributions and accrued interest. Ten years of credited service is required for ordinary disability. Ordinary disability benefits are determined in the same manner as retirement benefits but are payable immediately, without an actuarial reduction, and at a minimum of 25% of average final compensation.

*Death Benefits* - For service-connected deaths, the surviving spouse/reciprocal beneficiary receives a lump sum payment of the member's contributions and accrued interest plus a monthly benefit of 50% of the average final compensation until remarriage or re-entry into a new reciprocal beneficiary relationship. If there is no surviving spouse/reciprocal beneficiary, surviving dependent children (up to age 18) or dependent parents are eligible for the monthly benefit. If there is no spouse/reciprocal beneficiary or dependent children/parents, the ordinary death benefit is payable to the designated beneficiary.

Ordinary death benefits are available to employees who were active at time of death with at least five years of service. Ordinary death benefits consist of a lump sum payment of the member's contributions and accrued interest plus a percentage multiplied by 150%, or 50% joint and survivor lifetime pension if the member was not eligible for retirement at the time of death but was credited with at least ten years of service and designated one beneficiary, or 100% joint and survivor lifetime pension if the member was eligible for retirement at the time of death and designated one beneficiary.

*Hybrid Class for Employees Hired After June 30, 2012*

*Retirement Benefits* - General employees' retirement benefits are determined as 1.75% of average final compensation multiplied by the years of credited service. General employees with ten years of credited service are eligible to retire at age 65. Employees with 30 years of credited service are eligible to retire at age 60. Sewer workers, water safety officers, and emergency medical technicians may retire with 25 years of credited service at age 55.

*Disability and Death Benefits* - Provisions for disability and death benefits generally remain the same except for ordinary death benefits. Ordinary death benefits are available to employees who were active at time of death with at least ten years of service. Ordinary death benefits consist of a lump sum payment of the member's contributions and accrued interest, plus a percentage multiplied by 50% joint and survivor lifetime pension if the member was not eligible for retirement at the time of death but was credited with at least ten years of service and designated one beneficiary, or 100% joint and survivor lifetime pension if the member was eligible for retirement at the time of death and designated one beneficiary.

**Contributions** - Contributions are governed by HRS Chapter 88 and may be amended through legislation. The employer rate is set by statute based on the recommendations of the ERS actuary resulting from an experience study conducted every five years. Since July 1, 2005, the employer contribution rate is a fixed percentage of compensation, including



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**NOTE 10 - RETIREMENT BENEFITS (Continued)**

the normal cost plus amounts required to pay for the unfunded actuarial accrued liabilities. The contribution rates for fiscal year 2018 were 31.00% for police officers and firefighters and 19.00% for all other employees. Contributions to the pension plan from the Department were \$2,459,961 and \$2,237,373 for the fiscal years ended June 30, 2019 and 2018, respectively.

Per Act 17 (SLH 2017), employer contributions from the State and counties are expected to increase over four years beginning July 1, 2017. The rate for police officers and firefighters increases to 31.00% on July 1, 2018; and increases to 36.00% on July 1, 2019; and 41.00% on July 1, 2020 and the rate for all other employees' increased to 19.00% on July 1, 2018; 22.00% on July 1, 2019; and 24.00% on July 1, 2020.

The employer is required to make all contributions for noncontributory members. Contributory members hired prior to July 1, 2012, are required to contribute 7.8% of their salary and police officers and firefighters are required to contribute 12.2% of their salary. Contributory members hired after June 30, 2012, are required to contribute 9.8% of their salary, except for police officers and firefighters who are required to contribute 14.2% of their salary. Hybrid members hired prior to July 1, 2012 are required to contribute 6.0% of their salary. Hybrid members hired after June 30, 2012 are required to contribute 8.0% of their salary.

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*** - At June 30, 2019 and 2018, the Department reported a liability of \$41,040,357 and \$39,254,115, for its proportionate share of net pension liability of the County. The net pension liability was measured as of June 30, 2018 and 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates. The Department's proportion of the net pension liability was based on a proportion of the Department's contributions to the pension plan relative to the project contributions of the County. At June 30, 2018, the Department's proportion of the County's proportion was 6.8667% which was an increase of 0.3075% from its proportion measured as of June 30, 2017. At June 30, 2017, the Department's proportion of the County's proportion was 6.5592% which was a decrease of 0.0471% from its proportion measured as of June 30, 2016.

There were no other changes between the measurement dates, June 30, 2018 and 2017, and the reporting dates, June 30, 2019 and 2018 that are expected to have a significant effect on the proportionate share of the net pension liability.



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**NOTE 10 - RETIREMENT BENEFITS (Continued)**

For the fiscal years ended June 30, 2019 and 2018, the Department recognized pension expense of \$1,648,171 and \$5,528,608. At June 30, 2019 and 2018, the Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	June 30, 2019	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 741,443	\$ 301,719
Net difference between projected and actual earnings on pension plan investments	16,877	--
Changes in proportion and difference between Department contributions and proportionate share of contributions	1,411,571	369,448
Changes of assumptions	4,675,507	--
Department contributions subsequent to the measurement date	<u>2,459,961</u>	<u>--</u>
	<u>\$ 9,305,359</u>	<u>\$ 671,167</u>
	June 30, 2018	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 638,507	\$ 446,969
Net difference between projected and actual earnings on pension plan investments	103,630	--
Changes in proportion and difference between Department contributions and proportionate share of contributions	1,186,006	539,709
Changes of assumptions	6,060,567	--
Department contributions subsequent to the measurement date	<u>2,237,373</u>	<u>--</u>
	<u>\$ 10,226,083</u>	<u>\$ 986,678</u>



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**NOTE 10 - RETIREMENT BENEFITS (Continued)**

At June 30, 2019, the \$2,459,961 reported as deferred outflows of resources related to pensions resulted from contributions made subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2020.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions as of June 30, 2019 will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2020	\$ 2,882,185
2021	2,416,188
2022	912,927
2023	2,530
2024	<u>(39,599)</u>
Total	\$ <u>6,174,231</u>

**Actuarial Assumptions** - The total pension liability in the June 30, 2018 and 2017 actuarial valuations were determined using the following actuarial assumptions adopted by the ERS's Board of Trustees on December 12, 2016, based on the 2015 Experience Study for the five-year period from July 1, 2010 through June 30, 2015:

Inflation rate	2.50%
Payroll growth	3.50%
Investment rate of return	7.00% per year, compounded annually including inflation

There were no changes to ad hoc postemployment benefits including cost of living allowances.

Post-retirement mortality rates are based on the 2016 Public Retirees of Hawaii mortality table with adjustments based on generational projections of the BB projection table for 2016 and full generational projections in future years. Pre-retirement mortality rates are based on multiples of RP-2014 mortality table based on the occupation of the member.

The long-term expected rate of return on pension plan investments was determined using a "top down approach" of the Bespoke Client Constrained Simulation-based Optimization Model (a statistical technique known as "re-sampling with replacement" that directly keys in on specific plan-level risk factors as stipulated by the ERS Board of Trustees) in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the



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**NOTE 10 - RETIREMENT BENEFITS (Continued)**

expected future real rates of return (real returns and inflation) by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Strategic Allocation (Risk-Based Classes)	Target Allocation	Long-Term Expected Rate of Return		Long-Term Expected Real Rate of Return*	
		2018	2017	2018	2017
Broad growth	63.00%	7.10%	8.05%	4.85%	5.80%
Principal protection	7.00%	2.50%	2.45%	0.25%	0.20%
Real return	10.00%	4.10%	5.80%	1.85%	3.55%
Crisis risk offset	20.00%	4.60%	5.35%	2.35%	3.10%
	<u>100.00%</u>				

\*Uses an expected inflation of 2.25%

**Discount Rate** - The discount rate used to measure the net pension liability at June 30, 2019 and 2018 was 7.00%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from the County will be made at statutorily required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the Department's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** - The following presents the Department's proportionate share of the net pension liability as of June 30, 2019 and 2018, calculated using the discount rate of 7.00%, as well as what the Department's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.00%) or 1-percentage point higher (8.00%) than the current rate:

	June 30, 2019		
	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Department's proportionate share of the net pension liability	\$ <u>45,554,079</u>	\$ <u>41,040,357</u>	\$ <u>26,575,815</u>
	June 30, 2018		
	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Department's proportionate share of the net pension liability	\$ <u>45,941,237</u>	\$ <u>39,254,115</u>	\$ <u>26,801,679</u>



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**NOTE 10 - RETIREMENT BENEFITS (Continued)**

***Pension Plan Fiduciary Net Position***

The pension plan's fiduciary net position is determined on the same basis used by the pension plan. The ERS's financial statements are prepared using the accrual basis of accounting under which expenses are recorded in the accounting period in which they are earned and become measurable. Employer and member contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investment purchases and sales are recorded as of their trade date. Administrative expenses are financed exclusively with investment income.

There were no significant changes after the report measurement date. Detailed information about the pension plan's fiduciary net position is available in the separately issued ERS financial report. ERS' complete financial statements are available at <http://www.ers.ehawaii.gov>.

The County of Maui's comprehensive annual financial report contains further disclosures related to the County's proportionate share of the net pension liability and the employer pension contributions.

***Payables to the Pension Plan***

As of June 30, 2019 and 2018, the Department had \$487,502 and \$556,191, respectively, payable to the pension plan.

**Postemployment Benefits Other Than Pensions (OPEB)**

***Plan description*** - The State provides certain health care and life insurance benefits to all qualified employees. Pursuant to Act 88, SLH 2001, the State contributes to the EUTF, an agent multiple-employer defined benefit plan that replaced the Hawaii Public Employees Health Fund effective July 1, 2003. The EUTF was established to provide a single delivery system of health benefits for state and county workers, retirees and their dependents. The EUTF issues an annual financial report that is available to the public. The report may be obtained by writing to the EUTF at P.O. Box 2121, Honolulu, Hawaii 96805-2121.

For employees hired before July 1, 1996, the County pays the entire base monthly contribution for employees retiring with ten years or more of credited service, and 50% of the base monthly contribution for employees retiring with fewer than ten years of credited service. A retiree can elect a family plan to cover dependents.

For employees hired after June 30, 1996 but before July 1, 2001, and who retire with less than 10 years of service, the County makes no contributions. For those retiring with at least 10 years but fewer than 15 years of service, the County pays 50% of the base monthly contribution. For employees retiring with at least 15 years but fewer than 25 years of service, the County pays 75% of the base monthly contribution. For those retiring with at least 25 years of service, the County pays 100% of the base monthly contribution. A retiree can elect a family plan to cover dependents.



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**NOTE 10 - RETIREMENT BENEFITS (Continued)**

For employees hired after on or after July 1, 2001, and who retire with fewer than 10 years of service, the County makes no contributions. For those retiring with at least 10 years but fewer than 15 years of service, the County pays 50% of the base monthly contribution. For those retiring with at least 15 years but fewer than 25 years of service, the County pays 75% of the base monthly contribution. For those retiring with at least 25 years of service, the County pays 100% of the base monthly contribution. Only single plan coverage is provided for retirees in this category. Retirees can elect family coverage, but must pay the difference.

**Employees Covered by Benefit Terms** - At July 1, 2018 and 2017, the following number of plan members were covered by the benefit terms:

	2018	2017
Inactive employees or their beneficiaries currently receiving benefits	1,534	1,470
Inactive employees entitled to but not yet receiving benefits	269	248
Active members	<u>2,463</u>	<u>2,494</u>
Total	<u><u>4,266</u></u>	<u><u>4,212</u></u>

**Contributions** - Measurement of the actuarial valuation and the annual required contributions (ARC) are made for the County as a whole and are not separately computed for the individual County departments and agencies such as the Department. Contributions are governed by HRS Chapter 87A and may be amended through legislation.

The County allocates the ARC to the various departments and agencies based upon a systematic methodology. The Department's contributions paid to the County for the fiscal years ended June 30, 2019 and 2018 were \$1,097,832 and \$1,121,088, which equaled the Department's allocated ARC for postemployment health care and life insurance benefits.

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB** - At June 30, 2019 and 2018, the Department's share of the net OPEB liability was \$23,903,694 and 24,037,169, respectively. The net OPEB liability was measured as of July 1, 2018 and 2017, and the total OPEB liability to calculate the net OPEB liability was determined by an actuarial valuation as of those dates.

There were no changes between the measurement date, July 1, 2018, and the reporting date, June 30, 2019, that are expected to have a significant effect on the net OPEB liability.



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**NOTE 10 - RETIREMENT BENEFITS (Continued)**

For the fiscal years ended June 30, 2019 and 2018, the Department recognized OPEB expense of \$622,706 and \$2,469,581, respectively. At June 30, 2019 and 2018, the Department reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	June 30, 2019	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ --	\$ 461,685
Net difference between projected and actual earnings on OPEB plan investments	--	258,427
Changes of assumptions	407,417	--
Department contributions subsequent to the measurement date	<u>3,044,435</u>	<u>--</u>
	<u>\$ 3,451,852</u>	<u>\$ 720,112</u>
	June 30, 2018	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on OPEB plan investments	\$ --	\$ 285,812
Department contributions subsequent to the measurement date	<u>2,528,321</u>	<u>--</u>
	<u>\$ 2,528,321</u>	<u>\$ 285,812</u>

At June 30, 2019, the \$3,044,435 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the fiscal year ending June 30, 2020.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB as of June 30, 2019 will be recognized in OPEB expense as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Net Deferred Outflows (Inflows)</u>
2020	\$ (99,402)
2021	(99,402)
2022	(99,402)
2023	(12,411)
2024	<u>(2,078)</u>
	<u>\$ (312,695)</u>



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**NOTE 10 - RETIREMENT BENEFITS (Continued)**

**Actuarial assumptions** - The total OPEB liability in the July 1, 2018 actuarial valuation was determined using the following actuarial assumptions adopted by the EUTF's Board of Trustees on January 8, 2018, based on the experience study covering the five-year period ended June 30, 2015 as conducted for the ERS:

Inflation	2.50%
Salary increases	3.50% to 7.00%, including inflation
Investment rate of return	7.00%
Healthcare cost trend rates	
PPO	Initial rates of 10.00%, declining to a rate of 4.86% after 13 years
HMO*	Initial rates of 10.00%; declining to a rate of 4.86% after 13 years
Contribution	Initial rates of 4.00% and 5.00%; declining to a rate of 4.70% after 12 years
Dental	Initial rates of 5.00% for the first three years; followed by 4.00%
Vision	Initial rates of 0.00% for the first three years, followed by 2.50%
Life insurance	0.00%

\* Blended rates for medical and prescription drug

The total OPEB liability in the July 1, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	3.50% to 7.00%, including inflation
Investment rate of return	7.00%
Healthcare cost trend rates	
PPO	Initial rates of 6.60%, 6.60% and 9.00%, declining to a rate of 4.86% after 14 years
HMO*	Initial rate of 9.00%; declining to a rate of 4.86% after 14 years
Contribution	Initial rates of 2.00% and 5.00%; declining to a rate of 4.86% after 14 years
Dental	3.50%
Vision	2.50%
Life insurance	0.00%

Mortality rates are based on system-specific mortality tables utilizing scale BB to project generational mortality improvement.



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**NOTE 10 - RETIREMENT BENEFITS (Continued)**

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class as of July 1, 2018 and 2017 are summarized in the following table:

Asset Class	2018		2017	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
International equity	17.00%	6.50%	19.00%	7.00%
U.S. equity	15.00%	5.05%	19.00%	5.50%
Private equity	10.00%	8.65%	10.00%	9.25%
Core real estate	10.00%	4.10%	10.00%	3.80%
Trend following	9.00%	3.00%	7.00%	1.75%
U.S. microcap	7.00%	7.00%	7.00%	7.00%
Global options	7.00%	4.50%	7.00%	5.50%
Private credit	6.00%	5.25%	0.00%	0.00%
Long treasuries	6.00%	1.90%	7.00%	1.90%
Alternate risk premium	5.00%	2.45%	0.00%	0.00%
TIPS	5.00%	0.75%	5.00%	0.50%
Core bonds	3.00%	1.30%	3.00%	0.55%
REITs	0.00%	0.00%	6.00%	5.85%
	<u>100.00%</u>		<u>100.00%</u>	

**Single Discount rate** - The discount rate used to measure the total OPEB liability at June 30, 2019 and 2018 was 7.00%, based on the expected rate of return on OPEB plan investments of 7.00% and the municipal bond rate of 3.62% (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-year Municipal GO AA Index"). Beginning with the fiscal year 2019 contribution, the County's funding policy is to pay the recommended actuarially determined contribution, which is based on layered, closed amortization periods. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.



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**NOTE 10 - RETIREMENT BENEFITS (Continued)**

**OPEB Plan Fiduciary Net Position** - The OPEB plan's fiduciary net position has been determined on the same basis used by the OPEB plan. The EUTF's financial statements are prepared using the accrual basis of accounting under which revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of the cash flows. Employer contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investment purchases and sales are recorded on a trade-date basis. Administrative expenses are financed exclusively with investment income.

There were no significant changes after the report measurement date. Detailed information about the OPEB plan's fiduciary net position is available in the separately issued EUTF financial report. The EUTF's complete financial statements are available at <http://eutf.hawaii.gov>.

**Changes in the Net OPEB Liability**

The following schedule presents the changes in the net OPEB liability for the fiscal year ended June 30, 2019 and 2018. The ending balances are as of the measurement dates, July 1, 2018 and 2017.

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
<b>Balance at June 30, 2018</b>	<b>\$ 39,568,747</b>	<b>\$ 15,531,578</b>	<b>\$ 24,037,169</b>
<b>Changes for the fiscal year:</b>			
Service cost	910,032	—	910,032
Interest on the total OPEB liability	2,711,292	—	2,711,292
Contributions - employer	—	2,528,321	(2,528,321)
Net investment income	—	1,166,847	(1,166,847)
Difference between expected and actual experience	(537,699)		(537,699)
Changes in assumptions	474,496		474,496
Benefit payments	(1,262,979)	(1,262,979)	—
Administrative expense	—	(3,572)	3,572
<b>Net changes</b>	<b>2,295,142</b>	<b>2,428,617</b>	<b>(133,475)</b>
<b>Balance at June 30, 2019</b>	<b>\$ 41,863,889</b>	<b>\$ 17,960,195</b>	<b>\$ 23,903,694</b>



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**NOTE 10 - RETIREMENT BENEFITS (Continued)**

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
<b>Balance at June 30, 2017</b>	<b>\$ 37,248,935</b>	<b>\$ 12,981,757</b>	<b>\$ 24,267,178</b>
<b>Changes for the fiscal year:</b>			
Service cost	911,774	—	911,774
Interest on the total OPEB liability	2,597,699	—	2,597,699
Contributions - employer	—	2,413,778	(2,413,778)
Net investment income	—	1,309,402	(1,309,402)
Benefit payments	(1,189,661)	(1,189,661)	—
Administrative expense	—	(2,965)	2,965
Other	—	19,267	(19,267)
<b>Net changes</b>	<b>2,319,812</b>	<b>2,549,821</b>	<b>(230,009)</b>
<b>Balance at June 30, 2018</b>	<b>\$ 39,568,747</b>	<b>\$ 15,531,578</b>	<b>\$ 24,037,169</b>

***Sensitivity of the Department's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate*** - The following presents the Department's proportionate share of the net OPEB liability calculated using the discount rate, as well as what the Department's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2019		
	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Department's proportionate share of the net OPEB liability	\$ 30,470,113	\$ 23,903,694	\$ 18,054,176
	June 30, 2018		
	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Department's proportionate share of the net OPEB liability	\$ 30,677,639	\$ 24,037,169	\$ 18,711,876



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**NOTE 10 - RETIREMENT BENEFITS (Continued)**

***Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates -***

The following presents the net OPEB liability of the Department, as well as what the Department's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rates:

	June 30, 2019		
	Current Healthcare Cost Trend Rates		
	<u>1% Decrease</u>		<u>1% Increase</u>
Department's proportionate share of the net OPEB liability	\$ <u>17,758,150</u>	\$ <u>23,903,694</u>	\$ <u>30,973,725</u>
	June 30, 2018		
	Current Healthcare Cost Trend Rates		
	<u>1% Decrease</u>		<u>1% Increase</u>
Department's proportionate share of the net OPEB liability	\$ <u>18,397,447</u>	\$ <u>24,037,169</u>	\$ <u>31,204,024</u>

**Deferred Compensation Plan**

The County participates in a deferred compensation plan established by the State of Hawaii in accordance with Internal Revenue Code Section 457. The plan is available to all the County employees, and permits employees to defer a portion of their salary until future years by contributing to a fund managed by a plan administrator. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All plan assets are held in a trust fund to protect them from claims of general creditors and from diversion to any uses other than paying benefits to participants and beneficiaries. The County has no responsibility for loss due to the investment or failure of investment of funds and assets in the plans, but does have the duty of due care that would be required of an ordinary prudent investor. Therefore, in accordance with GASB Statement No.32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, deferred compensation plan assets are not reported in the accompanying basic financial statements.



**Department of Water Supply  
County of Maui  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2019 and 2018**

**NOTE 11 - SICK LEAVE**

Accrued sick leave aggregated to approximately \$5.0 million and \$5.5 million as of June 30, 2019 and 2018, respectively. Sick leave can accumulate at the rate of one and three-quarters working days for each month of service without limit, but can be taken only in the event of illness and is not convertible to pay upon termination of employment. However, a County employee who is vested in the retirement system and retires or leaves government service in good standing with 60 days or more of unused sick leave is entitled to additional service credit in the ERS.

**NOTE 12 - RISK MANAGEMENT**

The Department participates in the County's insurance program, which is self-insured for worker's compensation, vehicle, and general liabilities. The County has excess insurance for vehicle and general liability losses over \$500,000. The liability for claims and judgments was estimated based on a combination of case-by-case review and the application of historical experience. Because of the inherent uncertainties in estimating future projected liabilities of claims and judgments, it is at least reasonably possible that the estimates used may change within the near-term.



## **SUPPLEMENTARY INFORMATION**



**Department of Water Supply**  
**County of Maui**  
**SCHEDULE I - SCHEDULE OF CAPITAL ASSETS**  
**Fiscal Year Ended June 30, 2019**

	Balance July 1, 2018	Additions and Transfers	Retirements	Balance June 30, 2019	Accumulated Depreciation July 1, 2018	Additions	Retirements	Accumulated Depreciation June 30, 2019
	\$ 7,905,059	\$ --	\$ --	\$ 7,905,059	\$ --	\$ --	\$ --	\$ --
	1,843,362	10,462,920	--	12,306,282	458,019	140,460	--	598,479
voirs	4,251,683	--	--	4,251,683	3,661,331	53,716	--	3,715,047
	20,831,410	--	--	20,831,410	4,350,022	412,767	--	4,762,789
	20,714,841	--	--	20,714,841	2,258,917	466,238	--	2,725,155
	34,656,213	--	--	34,656,213	31,106,058	708,722	--	31,814,780
	80,340,001	841,061	--	81,181,062	31,278,907	2,088,584	--	33,367,491
	1,672,930	--	--	1,672,930	1,200,049	32,702	--	1,232,751
	1,072,693	276,707	--	1,349,400	867,820	26,476	--	894,296
	591,079	--	--	591,079	586,564	4,021	--	590,585
	36,789,562	1,456,155	--	38,245,717	25,076,359	1,995,326	--	27,071,685
t	2,708,773	--	--	2,708,773	2,250,464	134,321	--	2,384,785
	3,136,099	3,441,962	--	6,578,061	2,684,746	416,112	--	3,100,858
	54,918,359	1,774,283	--	56,692,642	44,167,867	1,321,420	--	45,489,287
s	302,182,459	12,403,539	--	314,585,998	131,329,532	6,698,583	--	138,028,115
	4,257,244	153,032	--	4,410,276	2,501,663	141,824	--	2,643,487
	8,901,738	21,608	--	8,923,346	5,479,001	400,105	--	5,879,106
	54,155	--	--	54,155	33,126	2,221	--	35,347
	198,385	--	--	198,385	109,978	5,276	--	115,254
	72,674	--	--	72,674	65,711	1,316	--	67,027
	535,995	--	--	535,995	331,483	22,555	--	354,038
	2,729,380	1,412,128	--	4,141,508	1,582,714	151,595	--	1,734,309
	1,682,737	--	--	1,682,737	1,227,288	82,287	--	1,309,575
	291,058	--	--	291,058	291,058	--	--	291,058
	11,181,241	135,250	--	11,316,491	4,379,802	221,043	--	4,600,845
	246,277	--	--	246,277	213,226	4,097	--	217,323
	603,765,407	32,378,645	--	636,144,052	297,491,705	15,531,767	--	313,023,472
	644,566	37,045	(15,541)	666,070	583,803	27,070	(15,541)	595,332
	5,538,546	39,138	--	5,577,684	4,765,476	308,630	--	5,074,106
	<u>\$ 609,948,519</u>	<u>\$ 32,454,828</u>	<u>\$ (15,541)</u>	<u>\$ 642,387,806</u>	<u>\$ 302,840,984</u>	<u>\$ 15,867,467</u>	<u>\$ (15,541)</u>	<u>\$ 318,692,910</u>
		\$ 5,156,121						
		3,323,425						
		21,496,925						
		1,242,227						
		343,571						
		892,559						
		<u>\$ 32,454,828</u>						

ress.



**Department of Water Supply**  
**County of Maui**  
**SCHEDULE II - SCHEDULE OF LONG-TERM DEBT - GENERAL OBLIGATION B**  
**June 30, 2019**

<b>County of Maui General Obligation Bonds</b>	<b>Fiscal Year</b>	<b>Coupon Interest Rate</b>	<b>Bond Dated</b>	<b>Maturing Serially From</b>	<b>Call Dates</b>	<b>Authorized and Issued</b>
G.O. Refunding Bonds, 2010 Series B (a)						
	2020	4.000	12/1/2010	6/1/2020	Noncallable	\$ 417,419
	2021	4.000	12/1/2010	6/1/2021	6/1/2020	434,195
Total 2010 Series B Issue						<u>851,614</u>
G.O. Refunding Bonds, 2012 Series B (b)						
	2020	5.000	11/1/2012	6/1/2020	Noncallable	186,708
	2021	5.000	11/1/2012	6/1/2021	Noncallable	196,382
	2022	5.000	11/1/2012	6/1/2022	Noncallable	206,056
	2023	4.000	11/1/2012	6/1/2023	Noncallable	216,214
	2024	2.125	11/1/2012	6/1/2024	6/1/2023	224,921
	2025	3.000	11/1/2012	6/1/2025	6/1/2023	229,758
	2026	3.000	11/1/2012	6/1/2026	6/1/2023	236,529
	2027	3.000	11/1/2012	6/1/2027	6/1/2023	243,785
	2028	3.000	11/1/2012	6/1/2028	6/1/2023	251,040
	2029	3.000	11/1/2012	6/1/2029	6/1/2023	258,779
	2030	3.000	11/1/2012	6/1/2030	6/1/2023	266,519
	2031	3.000	11/1/2012	6/1/2031	6/1/2023	274,258
	2032	3.000	11/1/2012	6/1/2032	6/1/2023	<u>282,481</u>
Total 2012 Series B Issue						<u>3,073,430</u>
G.O. Refunding Bonds, 2012 Series C (c)						
	2020	5.000	11/1/2012	6/1/2020	Noncallable	940,000
	2021	5.000	11/1/2012	6/1/2021	Noncallable	985,000
	2022	5.000	11/1/2012	6/1/2022	Noncallable	1,035,000
	2023	4.000	11/1/2012	6/1/2023	Noncallable	<u>1,090,000</u>
Total 2012 Series C Issue						\$ <u>4,050,000</u>



**Department of Water Supply**  
**County of Maui**  
**SCHEDULE II - SCHEDULE OF LONG-TERM DEBT - GENERAL OBLIGATION BONDS**  
**June 30, 2019**

<b>County of Maui General Obligation Bonds</b>	<b>Fiscal Year</b>	<b>Coupon Interest Rate</b>	<b>Bond Dated</b>	<b>Maturing Serially From</b>	<b>Call Dates</b>	<b>Authorized and Issued</b>
G.O. Refunding Bonds, 2014 Series C (d)						
	2020	5.000	12/1/2014	6/1/2020	Noncallable	\$ 275,000
	2021	5.000	12/1/2014	6/1/2021	Noncallable	290,000
	2022	5.000	12/1/2014	6/1/2022	Noncallable	305,000
	2023	5.000	12/1/2014	6/1/2023	Noncallable	320,000
	2024	5.000	12/1/2014	6/1/2024	Noncallable	335,000
	2025	3.000	12/1/2014	6/1/2025	6/1/2024	350,000
	2026	3.000	12/1/2014	6/1/2026	6/1/2024	360,000
	2027	4.000	12/1/2014	6/1/2027	6/1/2024	370,000
	2028	3.000	12/1/2014	6/1/2028	6/1/2024	385,000
	2029	3.000	12/1/2014	6/1/2029	6/1/2024	400,000
	2030	3.000	12/1/2014	6/1/2030	6/1/2024	410,000
	2031	3.125	12/1/2014	6/1/2031	6/1/2024	420,000
	2032	3.250	12/1/2014	6/1/2032	6/1/2024	435,000
	2033	3.250	12/1/2014	6/1/2033	6/1/2024	450,000
	2034	3.250	12/1/2014	6/1/2034	6/1/2024	465,000
Total 2014 Series C Issue						<u>5,570,000</u>
G.O. Refunding Bonds, 2015 Series B (e)						
	2020	5.000	3/1/2016	9/1/2020	Noncallable	<u>575,469</u>
Total 2015 Series B Issue						<u>575,469</u>
G.O. Refunding Bonds, 2015 Series D (f)						
	2020	5.000	3/1/2016	9/1/2020	Noncallable	311,112
	2021	5.000	3/1/2016	9/1/2021	Noncallable	327,120
	2022	5.000	3/1/2016	9/1/2022	Noncallable	343,128
	2023	5.000	3/1/2016	9/1/2023	Noncallable	360,528
	2024	5.000	3/1/2016	9/1/2024	Noncallable	378,624
	2025	5.000	3/1/2016	9/1/2025	Noncallable	397,416
	2026	3.000	3/1/2016	9/1/2026	9/1/2025	416,904
	2027	3.000	3/1/2016	9/1/2027	9/1/2025	437,784
Total 2015 Series D Issue						\$ <u>2,972,616</u>



**Department of Water Supply**

**County of Maui**

**DULE II - SCHEDULE OF LONG-TERM DEBT - GENERAL OBLIGATION BONDS (Continued)**

**June 30, 2019**

	<b>Fiscal Year</b>	<b>Coupon Interest Rate</b>	<b>Bond Dated</b>	<b>Maturing Serially From</b>	<b>Call Dates</b>	<b>Authorized and Issued</b>	<b>Outstanding June 30, 2018</b>	<b>Payable Within One Year</b>
Series C (g)	2020	5.000	9/1/2018	9/1/2020	Noncallable	\$ 245,000	\$ 245,000	\$ 245,000
	2021	5.000	9/1/2018	9/1/2021	Noncallable	240,000	240,000	—
	2022	5.000	9/1/2018	9/1/2022	Noncallable	250,000	250,000	—
	2023	5.000	9/1/2018	9/1/2023	Noncallable	265,000	265,000	—
	2024	5.000	9/1/2018	9/1/2024	Noncallable	275,000	275,000	—
	2025	5.000	9/1/2018	9/1/2025	Noncallable	290,000	290,000	—
	2026	5.000	9/1/2018	9/1/2026	Noncallable	305,000	305,000	—
	2027	5.000	9/1/2018	9/1/2027	Noncallable	320,000	320,000	—
	2028	5.000	9/1/2018	9/1/2028	Noncallable	335,000	335,000	—
	2029	5.000	9/1/2018	9/1/2029	9/1/2028	350,000	350,000	—
	2030	5.000	9/1/2018	9/1/2030	9/1/2028	370,000	370,000	—
	2031	4.000	9/1/2018	9/1/2031	9/1/2028	390,000	390,000	—
	2032	3.000	9/1/2018	9/1/2032	9/1/2028	405,000	405,000	—
						<u>4,040,000</u>	<u>4,040,000</u>	<u>245,000</u>
						\$ <u>21,133,129</u>	\$ <u>21,133,129</u>	\$ <u>2,950,708</u>



**Department of Water Supply  
County of Maui  
SCHEDULE II - SCHEDULE OF LONG-TERM DEBT -  
GENERAL OBLIGATION BONDS (Continued)  
June 30, 2019**

**NOTES:**

- (a) The General Obligation Refunding Bonds, 2010, Series B, maturing on or before June 1, 2020 are issued without the right or option of the County of Maui to redeem the same prior to their respective maturity dates. The County of Maui reserves the right and option to redeem the Bonds maturing on June 1, 2021, prior to their stated maturity, on or after June 1, 2020, in whole or in part at any time, in order of maturity selected by the County of Maui and by lot within a maturity, at 100% of the principal amount.
- (b) The General Obligation Refunding Bonds, 2012, Series B, maturing on or before June 1, 2023 are issued without the right or option of the County of Maui to redeem the same prior to their respective maturity dates. The County of Maui reserves the right and option to redeem the Bonds maturing on June 1, 2024 to June 1, 2032, prior to their stated maturity, on or after June 1, 2023, in whole or in part at any time, in order of maturity selected by the County of Maui and by lot within a maturity, at 100% of the principal amount.
- (c) The General Obligation Refunding Bonds, 2012, Series C, maturing before June 1, 2023 are issued without the right or option of the County of Maui to redeem the same prior to their respective maturity dates.
- (d) The General Obligation Refunding Bonds, 2014, Series C, maturing on or before June 1, 2024 are issued without the right or option of the County of Maui to redeem the same prior to their respective maturity dates. The County of Maui reserves the right and option to redeem the Bonds maturing on June 1, 2025 to June 1, 2034, prior to their stated maturity, on or after June 1, 2024, in whole or in part at any time, in order of maturity selected by the County of Maui and by lot within a maturity, at 100% of the principal amount.
- (e) The General Obligation Refunding Bonds, 2015, Series B, maturing before September 1, 2025 are issued without the right or option of the County of Maui to redeem the same prior to their respective maturity dates.
- (f) The General Obligation Refunding Bonds, 2015, Series D, maturing on or before September 1, 2025 are issued without the right or option of the County of Maui to redeem the same prior to their respective maturity dates. The County of Maui reserves the right and option to redeem the Bonds maturing on September 1, 2026 to September 1, 2027, prior to their stated maturity, on or after September 1, 2025, in whole or in part at any time, in order of maturity selected by the County of Maui and by lot within a maturity, at 100% of the principal amount.
- (g) The General Obligation Refunding Bonds, 2018, Series C, maturing on or before September 1, 2028 are not subject to redemption prior to maturity. The bonds maturing on or after September 1, 2019 are subject to redemption at the option of the County on or after September 1, 2028, in whole or in part at any time, from any maturities selected by the County, at a redemption price equal to 100% of the principal amount of the Bonds or portions thereof to be redeemed plus accrued interest to the date of redemption.



**PART II**

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS**





N&K CPAs, Inc.  
ACCOUNTANTS | CONSULTANTS

AMERICAN SAVINGS BANK TOWER  
1001 BISHOP STREET, SUITE 1700  
HONOLULU, HAWAII 96813-3696  
T (808) 524-2255 F (808) 523-2090

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Council Chair,  
and Members of the Council  
County of Maui  
Wailuku, Maui, Hawai'i

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Department of Water Supply of the County of Maui (the Department), a proprietary fund of the County of Maui, as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements, and have issued our report thereon dated December 20, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Department's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control. Accordingly, we do not express an opinion on the effectiveness of the Department's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Department's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

N&K CPAs, Inc.

Honolulu, Hawai'i  
December 20, 2019



## ATTACHMENT “2”



## APPENDIX A

# WATER MANAGEMENT AREAS

FOR GROUND WATER ONLY

 Water Management Areas



### ISLAND OF OAHU

- North Sector
- Windward Sector
- Honolulu Sector
- Pearl Harbor Sector
- Central Sector



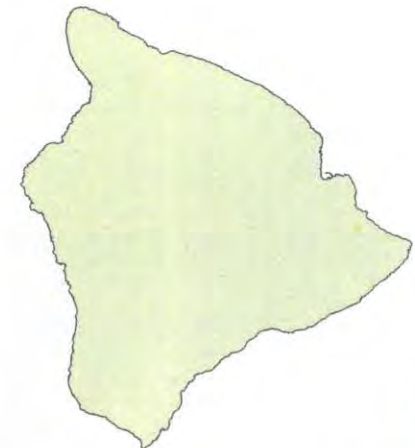
### ISLAND OF MOLOKAI

- West Sector
- Central Sector
- Northeast Sector
- Southeast Sector



### ISLAND OF MAUI

- Iao System



STATE OF HAWAII  
Department of Land and Natural Resources  
Commission on Water Resource Management










# APPENDIX B



Department of Land and Natural Resources  
Commission on Water Resource Management  
Stream Protection and Management Branch

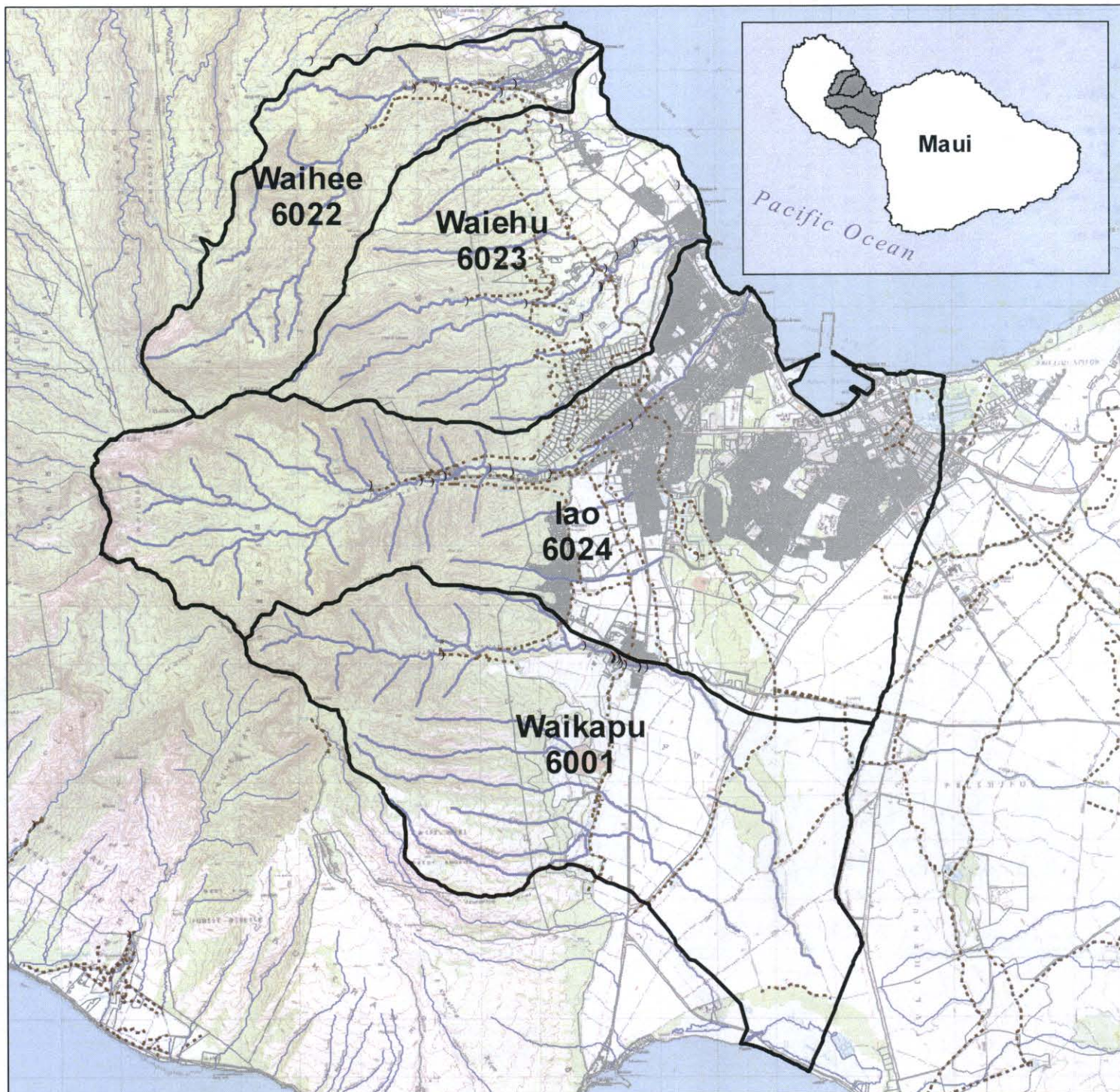
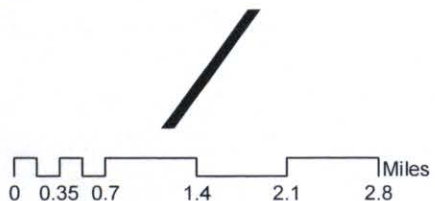
## Na Wai Eha, Maui Designated Surface Water Management Areas

### Legend

-  Hydrologic Units and Code
-  TMK Parcels
-  Streams
-  Irrigation System
-  Diversions

This map was produced by the Department of Land and Natural Resources (DLNR), Commission on Water Resource Management for planning purposes. It should not be used for boundary interpretations or other spatial analysis beyond the limitations of the data. Information regarding compilation dates and accuracy of the data presented can be obtained from DLNR.

Date: 04/29/2008  
Datum: North American Datum 1983





## ATTACHMENT “3”



DWS - Current Vacant Position Report  
As of March 16, 2020

Job Profile	Comp	Location	Division	Status
Laborer II	BU01-BC03	DWS Kahului Baseyard	Field Ops	Requesting list
Water Plant Maintenance Mechanic I	BU01-BC11	DWS Kahului Baseyard	Plant Ops	Recruiting
Construction Equipment Mechanic I	BU01-BC11	DWS Kahului Baseyard	Field Ops	Candidate selected - processing
Pipefitter II	BU01-WS09	Molokai Baseyard	Field Ops	Potential transfer
Plant Electrician/Electronics Repairer Sup	BU02-F212	DWS Kahului Baseyard	Plant Ops	Continuous recruiting
Planner V	BU13-SR24	One Main Plaza	Planning	On hold-return rights
Water Service Supervisor II	BU02-F209	Lahaina Baseyard	Field Ops	TAing staff to meet MQs
Water Service Clerk-Dispatcher	BU03-SR15	DWS Kahului Baseyard	Field Ops	Recruiting
Meter Reader And Field Collection Sup	BU04-SR17	Admin	Fiscal	TAing staff to meet MQs
Equipment Operator IV	BU01-BC10	DWS Kahului Baseyard	Field Ops	TAing current staff
Carpenter I	BU01-BC09	DWS Kahului Baseyard	Field Ops	Candidate selected - processing
Civil Engineer I	BU13-SR18	Admin	Engineering	Recruiting
Electronic Technician I	BU01-BC15	DWS Kahului Baseyard	Plant Ops	Recruiting
Pre-Audit Clerk I	BU03-SR11	Admin	Fiscal	Failed Recruitment, re-recruting
Water Microbiologist III	BU13-SR22	DWS Kahului Baseyard	Plant Ops	On hold
Water Plant Maintenance Mechanic II	BU01-WS11	DWS Kahului Baseyard	Plant Ops	Recruiting PWOE
Plant Electrician/Electronics Repairer II	BU01-WS12	DWS Kahului Baseyard	Plant Ops	Recruiting PWOE
WTP Operator IV	BU01-BC13	Mahinahina WTP	WTP Ops	Reallocating to WTPOTrainee
Cashier II	BU03-SR12	Admin	Fiscal	Interviewing
Water Plant Maintenance Mechanic I	BU01-BC11	Piiholo WTP	WTP Ops	Recruiting
Civil Engineer IV	BU13-SR24	Admin	Engineering	Recruiting
Civil Engineer VI	BU13-SR28	Admin	Engineering	On hold
Pipefitter Helper	BU01-BC05	DWS Kahului Baseyard	Field Ops	Interviewing



## ATTACHMENT “4”



## LIMITED DISTRIBUTION

**COUNTY OF MAUI  
FY 2020 COUNCIL ADOPTED BUDGET  
EQUIPMENT DETAIL**

Department Water Supply  
Program WATER OPERATIONS PROGRAM

Fund Enterprise Fund  
Sub-Fund Water Supply Fund

## 953604C DWS WATER TREATMENT PLANTS

DEPT PRIORITY NO.	EQUIPMENT	TYPE	AGE	MILEAGE	ESTIMATED USE LIFE	QTY	COST PER UNIT	TOTAL COST	DESCRIPTION/JUSTIFICATION
10	Other Equipment (7044)	Replacement	20	N/A	20	3	\$10,000	\$30,000	Finish water pumps OLINIA
11	Motor Vehicles (7040)	Replacement	26	90,289	20	1	\$75,000	\$75,000	Heavy duty flat bed truck with lift gate.
12	Other Equipment (7044)	Replacement	20	N/A	20	1	\$20,000	\$20,000	#3 Raw water feed pump and motor KAPOLE
16	Other Equipment (7044)	Replacement	15	N/A	15	1	\$20,000	\$20,000	#1 Baldor VFD KAPOLE
26	Computer Equipment (7031)	Replacement	5	N/A	5 Years	2	\$2,700	\$5,400	Computers for SCADA KAPOLE
32	Other Equipment (7044)	Replacement	20	N/A	20	1	\$8,000	\$8,000	10" Flow Meter for MWTF Backwash Decant
33	Computer Equipment (7031)	Replacement	7	N/A	7	2	\$5,000	\$10,000	Admin desktop computers MANANAHINA
36	Other Equipment (7044)	Replacement	20	N/A	20	1	\$10,000	\$10,000	Surface Water Pump PIHOLE
37	Other Equipment (7044)	Replacement	20	N/A	20	1	\$10,000	\$10,000	Backwash Water Pump PIHOLE
40	Other Equipment (7044)	Replacement	5	N/A	5	1	\$12,000	\$12,000	Bubble Tester LWTF
42	Other Equipment (7044)	Replacement	20	N/A	20	1	\$8,000	\$8,000	CMF Influent Meter OLINIA
	Other Equipment (7044)	New	N/A	N/A	5	1	\$53,500	\$53,500	Remote control mower
<b>TOTAL</b>	<b>953604C DWS WATER TREATMENT PLANTS</b>							<b>\$261,900</b>	
<b>TOTAL</b>	<b>WATER OPERATIONS PROGRAM</b>							<b>\$1,960,412</b>	

#10 can purchase 1 and move the other 2 next year  
#36 & 37 can move to next year



PROPOSED FISCAL YEAR 2021

Department: WATER SUPPLY

Fund: WATER FUND

**WATER TREATMENT PLANT OPERATIONS**

	FY2019 BUDGET	FY2020 PROPOSED	CHANGE AMOUNT	% CHANGE	
Salaries & Wages + Premium Pay	2,209,867	2,240,240	30,373	1.4%	Correction of salaries; step and pay raises, prem pay \$275,000
Operations	5,365,222	5,422,824	57,602	1.1%	
Equipment	261,900	479,500	217,600	83.1%	
<b>Total</b>	<b>7,836,989</b>	<b>8,142,564</b>	<b>305,575</b>	<b>3.9%</b>	

**SALARIES & WAGES:**

EP Count 28.0 28.0

**OPERATIONS (Changes: Increase/Decrease)**

S/O	Description				
6120	Electricity	2,250,000	2,295,000	45,000	2.0% Inflationary adjustment.
6178	Water Delivery Charges	420,063	432,665	12,602	3.0% Inflationary Adjustment
		<b>2,670,063</b>	<b>2,727,665</b>	<b>57,602</b>	<b>2.2%</b>

**EQUIPMENT:**

**953604 - Water Treatment Plant Operations**

7031	Computer Equipment	5,400	0	
7031	Computer Equipment	10,000	0	
7040	Motor Vehicles	75,000	45,000	4 wheel drive S.U.V. - CM1806 Olinda
7044	Other Equipment	30,000	50,000	(2) Raw Water Vault Meters - Piiholo/Kamaole
7044	Other Equipment	20,000	18,000	Vault Flow Meter - Piiholo
7044	Other Equipment	20,000	12,000	Service Water Pump - Piiholo
7044	Other Equipment	8,000	250,000	(5) Raw Water + Filter Valves & Actuators - Piiholo
7044	Other Equipment	10,000	24,000	(2) Bubble testers - Mahinahina/Kamaole
7044	Other Equipment	10,000	27,000	(2) 12" Influent Valves & Actuators - Mahinahina
7044	Other Equipment	12,000	53,500	Remote Control Mower - Piiholo
7044	Other Equipment	8,000	0	
7044	Other Equipment	53,500	0	
		<b>261,900</b>	<b>479,500</b>	



## Equipment Expansion Budget Request

Complete appropriate yellow boxes throughout. Please provide a separate schedule per expansion request.

1 Priority No.:  of Strategic Alignment: 2 Program: Department: Division: 3 Fund: Sub-Fund: Other: 

## 4 Equipment Expenditures

Index Code	Subobj Code	Subobj Code Description	New or Replacement	Age	Mileage	Estimated Use Life	Description of Equipment/Vehicle	Quantity	Price Per Unit	FY 2020 Department Proposed
935604C	7044	Finish Water Pump	Replacement	20			Finish Water Pump	3	\$10,000	\$30,000

## 5 Justification

Purpose of Expansion request:

new replacement equipment 20yrs old

Anticipated outcome/impact after implementation of changes:

plant efficiency

one of these 3 pumps  
is being purchased now (2020)  
budget 1

We are requesting  
funds for the other 2 pumps  
(that were used to buy a replacement truck)  
be reinstated for use  
in the 2021 proposed budget.



## Equipment Expansion Budget Request

Complete appropriate yellow boxes throughout. Please provide a separate schedule per expansion request.

1 Priority No.:  of Strategic Alignment: 2 Program: Department: Division: 3 Fund: Sub-Fund: Other: 

## 4 Equipment Expenditures

Index Code	Subobj Code	Subobj Code Description	New or Replacement	Age	Mileage	Estimated Use Life	Description of Equipment/Vehicle	Quantity	Price Per Unit	FY 2020 Department Proposed
935604C	7044	Surface water pump	Replacement	20		20	Surface water pump	1	\$10,000	\$10,000

## 5 Justification

## Purpose of Expansion request:

new replacement equipment for 20 yrs old equipment

## Anticipated outcome/impact after implementation of changes:

plant efficiency

These funds also used to  
purchase the replacement truck.  
We would like to purchase this  
Pump in the proposed 2021 budget.

T.L.



## Equipment Expansion Budget Request

Complete appropriate yellow boxes throughout. Please provide a separate schedule per expansion request.

1 Priority No.:  of Strategic Alignment: 2 Program: Department: Division: 3 Fund: Sub-Fund: Other: 

## 4 Equipment Expenditures

Index Code	Subobj Code	Subobj Code Description	New or Replacement	Age	Mileage	Estimated Use Life	Description of Equipment/Vehicle	Quantity	Price Per Unit	FY 2020 Department Proposed
935604C	7044	Backwash water pump	Replacement	20		20	Backwash water pump	1	\$10,000	\$10,000

## 5 Justification

## Purpose of Expansion request:

new replacement equipment for 20 yrs old equipment

## Anticipated outcome/impact after Implementation of changes:

plant efficiency

Purchase of this pump was also deferred in order to use funds to buy the replacement truck. We would like to purchase this pump in the proposed 2021 budget. T.L.





**COUNTY OF MAUI**  
**REVIEW REQUEST TO PURCHASE**  
**UNBUDGETED EQUIPMENT ≥ \$1,000**

**FISCAL**  
**YEAR**  
**2020**

Fund # 550	Dept. # 25	Department WATER SUPPLY	FOR BUDGET USE <i>223</i>
Program OPERATIONS		Division WATER TREATMENT PLANT	Contact Person TONY LINDER Phone/Ext 270-7380
<b>EQUIPMENT BEING REPLACED</b>			
County Tag # CofM 2228	Equipment #	Fund Code	Description 2008 Ford F-150 Age/Mileage 12 yrs 147063 Original Purchase Cost
<b>REQUESTED REPLACEMENT - NEW ADDITION</b>			
Purchase Type Outright <input checked="" type="checkbox"/> Lease <input type="checkbox"/>		If lease purchase: Annual Cost    Years of Contract    Estimated Life 10 yrs	
Equipment Type 4-dr, 4WD Pickup Truck		Check One: <input checked="" type="checkbox"/> Replace Existing Equipment <input type="checkbox"/> Additional Equipment	
Funding Source Index Code 953604C		Subobject Code 7040 Equipment Purchase Cost \$40,000	
<b>JUSTIFICATION (Attach any supporting documents)</b>			
<p>1. If replacement, briefly describe condition of existing equipment. Truck # 2228 was involved in a serious accident resulting in the vehicle being unusable. (Vehicle is totaled)</p> <p>2. Description of Need/Service (for new or replaced equipment). This vehicle is used daily as a commuter vehicle by staff to and from the Piiholo base yard to assigned WTP sites.</p> <p>3. Is it necessary for legal compliance, to maintain safety and/or a health work environment? Each treatment plant is required by law to be staffed daily, (365) by a licensed WTPO. This vehicle ensures proper compliance.</p> <p>4. Will purchasing this equipment casue cost savings (If so, how? Quantify dollars and hours, if possible). (See #3 above)</p> <p>5. Number of other items of similar equipment presently available for use. All vehicles at the Piiholo base yard are currently in use performing other duties. No spares.</p> <p>6. Physical location of the equipment to be used (Division, branch, section and geographical location). Piiholo baseyard. Makawao forest reserve. Also Olinda, Iao and Kamole WTP's.</p> <p>7. Alternative (What will happen if the department does not receive this unbudgeted equipment?) Staffing levels and/or time spent at the facilities may be compromised.</p> <p>8. Request related to any other CIP submission? If yes, which project? No</p> <p>9. Other comments This much needed vehicle was in a serious accident rendering it unusable. The division has re-prioritized equipment purchases. WTP division will defer \$40,000 of pump replacements as this is a higher priority.</p>			
<b>CERTIFICATION OF DEPARTMENT HEAD</b>			
Name/Title Helene Kau, Deputy Director <i>for Director</i>		Signature <i>Helene Kau</i>	Date January 24, 2020
<b>APPROVALS REQUIRED</b>			
Michele M. Yoshimura, Budget Director		Signature <i>Michele M. Yoshimura</i>	Date 2/24/2020
Sandy Baz, Managing Director		Signature <i>Sandy Baz</i>	Date 2/24/2020
Michael P. Victorino, Mayor		Signature <i>Michael P. Victorino</i>	Date 2/24/2020



COUNTY OF MAUI

**Acquisition for Replacement of Existing Motor Vehicle  
Request Form**

RECEIVED

2020 JAN 24 PM 1: 52

OFFICE OF THE MAYOR

Department: Water Supply Division: Treatment Plant

Submitted by (Print Name): Warren Sardinha Position Title: Support Supervisor

Signature: [Signature] Date: 1-24-20

Approved by: [Signature] Date: 1-24-2020  
(Department Director)

Recommended for Approval: [Signature] Date: 2/10/20  
(Dept. of Management)

Approved by: [Signature] Date: 2/11/20  
(Managing Director)

The vehicle requested for replacement consideration must meet at least two of the following criteria. Identify and explain as necessary which two criteria apply: 1 and 4.

1. Passenger vehicles (sedans, station wagons, vans, light pick up trucks) - 7 years or 100,000 miles;
2. The unit, when operated, endangers the safety of the operator, passengers and/or people that are in close proximity to it, and that the repair costs to address safety issues exceed its replacement acquisition cost;
3. The unit cannot be repaired due to unavailability of parts;
4. The repair cost of a unit damaged by accident or other causes exceeds the actual cash value of the unit prior to the damage;
5. The accumulated MAJOR repair costs plus the anticipated additional repair costs to recondition the unit exceeds 50% of the replacement acquisition cost;
6. The history of annual cost of renting a substitute for a unit that is sidelined for an extended period due to difficulty in obtaining parts exceeds the average annual cost of a new unit; or
7. The unit is obsolete and is no longer suitable for the mode of operations.

**Attachment Q (Page 1 of 2)**



Cost benefit analysis: Vehicle COM-2228 was involved in a vehicle accident on 1/19/2020. This vehicle is not repairable due to major components were damaged frame, rear end, cab, and front suspension, and also the vehicle has 147,063 miles there is no benefit to try to repair this vehicle even if it were possible.



### **Acquisition for Replacement of Existing Motor Vehicle Request Form (Cont.)**

Requests to acquire a new vehicle to replace an existing vehicle shall be evaluated based on the requesting agency's responses to the following. Please provide complete answers to the following to ensure a complete and efficient review of the vehicle request. Additional supporting documentation may be provided if relevant to the request.

1. What is the vehicle year and current mileage reading?  
2008 ford F150 4x4 extend cab millage 147,063 ☒
2. What are the average miles of official annual usage for the past 3 years?  
43,200 miles
3. What is the need for the continued use of the vehicle to maintain the present level of service? Describe in detail the function it must perform, including driving routes and miles, and the frequency of performance in a normal routine or cycle of work (which may be daily, weekly, monthly, etc.).  
This vehicle is used 7 days a week from Piholo to lao treatment plant ☒
4. Describe the impact on operations if the vehicle is not replaced.  
We are using a loaner but we need a truck for our daily operation to haul materials.
5. Identify opportunities to substitute the vehicle with another without curtailing other essential services. Is there an existing vehicle(s) available in this division, or other divisions within the department that can be also used to accommodate this need? What considerations have been given to consolidating vehicle use?  
We have just enough vehicles to go around before the vehicle accident. ☒
6. What is the estimated minimum mileage per year that this vehicle will be driven? (Complete the Minimum Mileage Evaluation & Determination Worksheet, see Attachment C)
7. Prepare a cost benefit analysis. The requesting department should detail the **cost(s)** to acquire (i.e. costs of vehicle and any special equipment) and the **benefit(s)** that will be derived by the County by replacing the existing vehicle. (Benefits should include descriptions of and quantified cost savings to operations, efficiencies gained, etc.).
8. Is this a Council-approved budgeted request? If yes, please indicate the funding source (program, index code).

### **Attachment Q (Page 2 of 2)**





# MINIMUM USE MILEAGE EVALUATION & DETERMINATION WORKSHEET

Department:	Water Supply	Division:	Water Treatment (East)
Position Title(s):	Water Treatment Plant Operators		
Duties:	Vehicle Used to transport the Operators from Baseyard Piholo to the Iao plant in the Morning and then bring the Operators back to the Piholo Baseyard at the end of the day.		

Recommended Vehicle:	Ford	F-150	2008	CM2228	W11584	147299	1/3/20
	Make	Model	Year	License #	Asset #	Odometer Reading & Date	

Prepared by (Print):	Kelly K. Wright	Date:	1-6-20
Prepared by (Signature):		Date:	1/13/20
Approved by Director:		Date:	1/13/20

Instructions: This worksheet serves to document mileage driven a given vehicle to help evaluate and determine vehicle utilization on an annualized basis and shall be prepared for every County vehicle.

This worksheet should be completed as accurately as possible with estimates used as necessary. If travel activity is recurring on a monthly basis, one form may be completed and annualized. If travel activity is not recurring and varies from month to month, a worksheet may be prepared to reflect the varying months, then summarized to calculate an annualized estimate. Do not fill shaded spaces; this information will calculate based on your input.

See also the COM Motor Vehicle Policy Section C, County Vehicle Usage and Assignment, Section D, Take Home Vehicles (THV), and Section G, Vehicle Acquisition, Replacement and Disposal.

Period/Month of Review :		Dec-19						
	Activity Description	Purpose	From (Address/Location)	To (Address / Location)	Miles	Frequency (# of times per month)	Total Miles Per Mo.	Comments (Indicate if estimated or actual)
1	Going to Iao WTF	Work	Piholo	Iao	20	30	600	Estimated
2	Going to Piholo WTF	Work	Iao	Piholo	20	30	600	Estimated
3							0	
4							0	
5							0	
6							0	
7							0	
8							0	
9							0	
10							0	
11							0	
12							0	
13							0	
14							0	
15							0	
Month Total							1200	
Annualized					480	720	14400	

## Attachment C











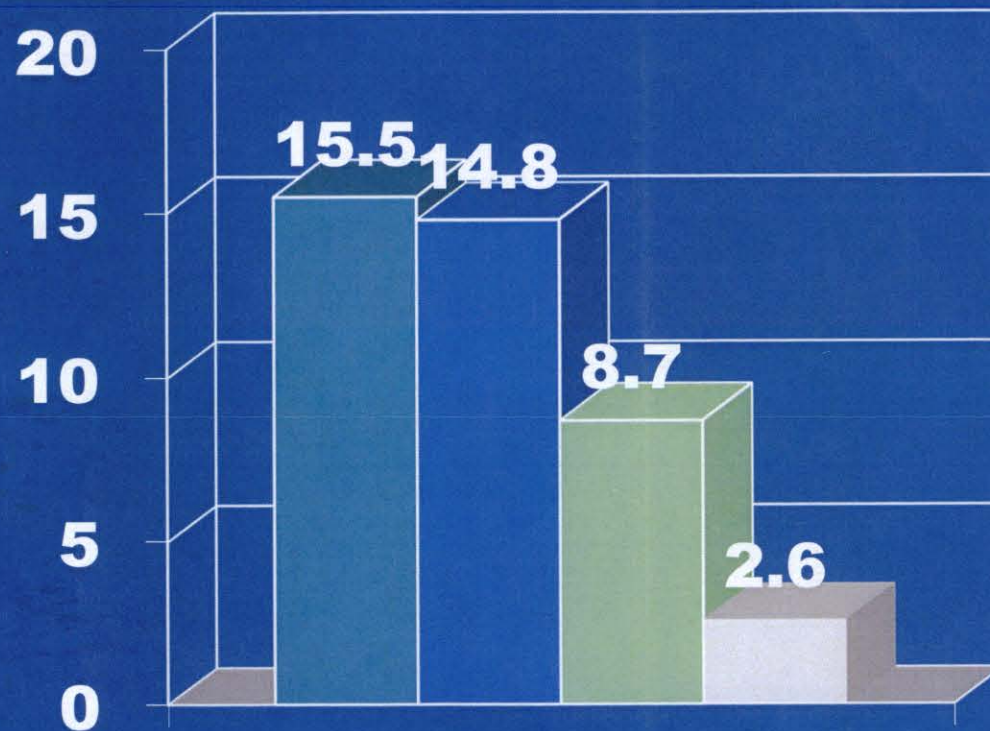




## ATTACHMENT “5”



# Major Expenditures



■ **Electricity**      ■ **Payroll**  
■ **Debt Service**    ■ **Grants**

- Electricity
  - \$15.5 million    22%
- Payroll
  - \$14.8 million    21%
- Debt Service
  - \$8.7 million    12%
- Grants
  - \$2.6 million    4%
- These total 59% of \$70.2 million Operating Budget

Reprinted 02/25/2020



RECEIVED

2020 MAR 30 AM 11:11

OFFICE OF THE  
COUNTY CLERK

March 27, 2020

MEMO TO: EDB-1 File

F R O M: Yuki Lei K. Sugimura, Chair *Yuki Lei K. Sugimura*  
Water, Infrastructure, and Transportation Committee

SUBJECT: **OPERATIONAL AND BUDGETARY REVIEW OF THE  
DEPARTMENT OF TRANSPORTATION (WIT-71)**

The Water, Infrastructure, and Transportation Committee was scheduled to conduct an operational and budgetary review of the Department of Transportation's Fiscal Year 2020 Budget at its meeting on March 24, 2020. However, because of evolving conditions in Maui County stemming from the novel coronavirus pandemic, the meeting was canceled. Attached is a copy of the Department's presentation as transmitted to the Committee electronically on March 25, 2020.

wit:ltr:071a01:cdc

Attachment



## WIT.Committee

---

**From:** Marc Takamori <Marc.Takamori@co.maui.hi.us>  
**Sent:** Wednesday, March 25, 2020 8:46 AM  
**To:** WIT.Committee  
**Subject:** Transportation Presentation  
**Attachments:** 2020\_03\_24 - Transportation Presentation.pdf

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

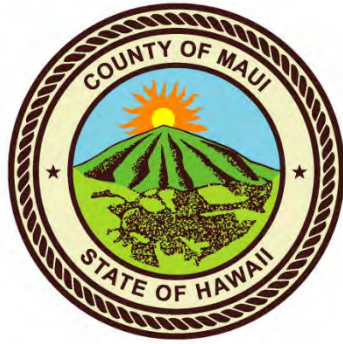
Aloha Chester,

As requested, attached is the presentation that we were planning to present to the WIT committee.

Should you have any questions, let me know.

Thank you,  
Marc





maui bus

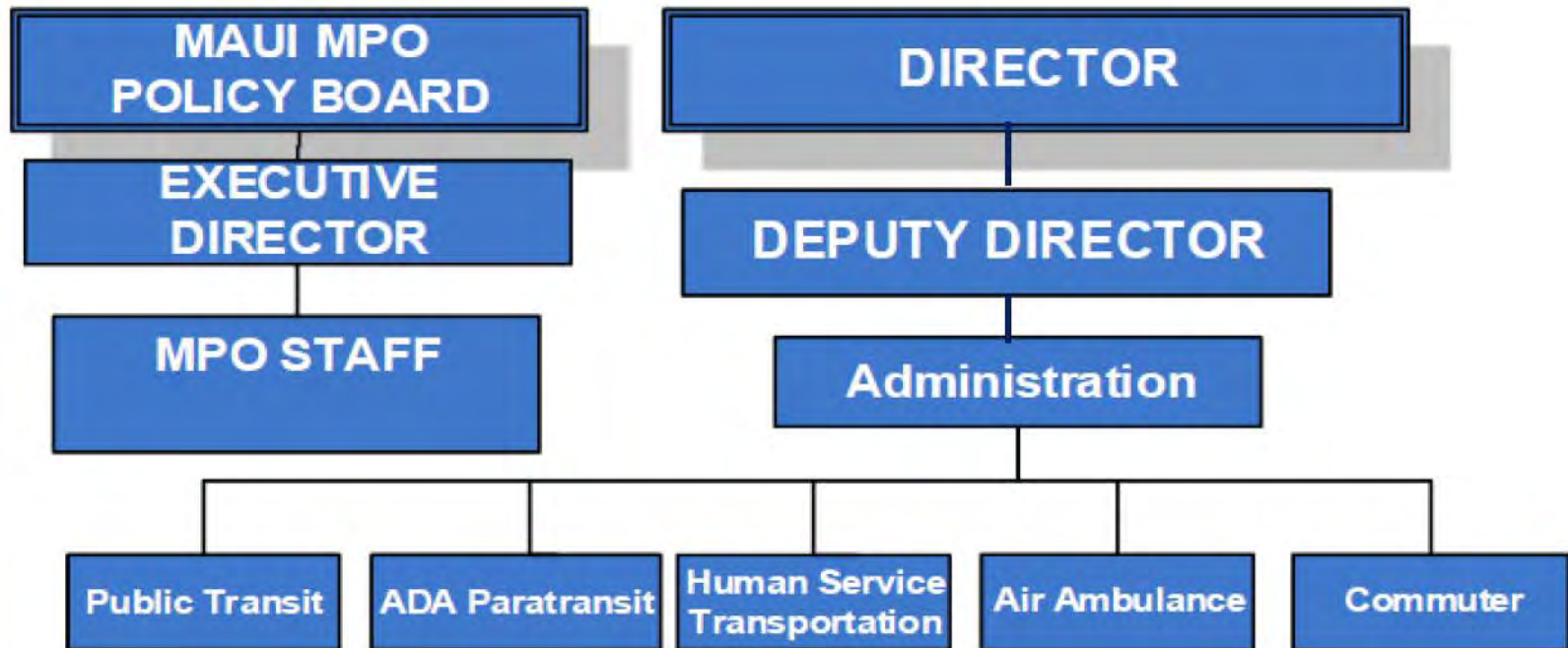
# Department of Transportation

County of Maui | March 24, 2020





# Organizational Chart





# Budget Overview

FUND: General Fund		
Administration Program	FY19 Adopted	FY20 Adopted
Salaries and Wages	\$ 507,318.00	\$ 514,037.00
Operations	\$ 832,654.00	\$ 755,031.00
Equipment	\$ 2,500.00	\$ 2,500.00
<b>TOTAL:</b>	<b>\$ 1,342,472.00</b>	<b>\$ 1,271,568.00</b>
<b>Change from FY19:</b>		<b>5.3% Decrease</b>
Staffing	FY19 Adopted	FY20 Adopted
EP	6	6
<b>Change from FY19:</b>		<b>No Change</b>

- Included in the General Fund, Administration Program is a grant to MEO for bus replacements. There was a 5.3% decrease for this years funding due to the decrease in MEO's bus replacement grant amount.
  - MEO's bus replacement request was to replace 4 buses (1 school type bus and 3 – 29 passenger/2 wheelchair buses) – Buses are currently on order
- There are no vacancies in the department.



# Budget Overview

FUND: General Fund		
Human Service Transportation Program	FY19 Adopted	FY20 Adopted
Salaries and Wages		
Operations	\$ 6,380,515.00	\$ 6,872,263.00
Equipment		
<b>TOTAL:</b>	<b>\$ 6,380,515.00</b>	<b>\$ 6,872,263.00</b>
<b>Change from FY19:</b>		<b>7.7% Increase</b>

- The 7.7% increase in funding for this year included a 5% wage increase and wage adjustment for bus drivers to retain and attract qualified staff. It also includes increases in administrative costs for office supplies, safety equipment, insurance, and vehicle repair and maintenance costs.

FUND: General Fund		
Air Ambulance Program	FY19 Adopted	FY20 Adopted
Salaries and Wages		
Operations	\$ 672,215.00	\$ 672,215.00
Equipment		
<b>TOTAL:</b>	<b>\$ 672,215.00</b>	<b>\$ 672,215.00</b>
<b>Change from FY19:</b>		<b>No Change</b>



# Budget Overview

FUND: Highway Fund		
Administration Program	FY19 Adopted	FY20 Adopted
Salaries and Wages		
Operations	\$ 802,500.00	\$ 802,500.00
Equipment		
<b>TOTAL:</b>	<b>\$ 802,500.00</b>	<b>\$ 802,500.00</b>
Change from FY19:		No Change

FUND: Highway Fund		
Public Transit Program	FY19 Adopted	FY20 Adopted
Salaries and Wages		
Operations	\$ 12,565,030.00	\$ 13,708,333.00
Equipment		
<b>TOTAL:</b>	<b>\$ 12,565,030.00</b>	<b>\$ 13,708,333.00</b>
Change from FY19:		9.1% Increase

- There was a 9.1% increases this year which includes 3% increases to the three contracts (fixed route, ada paratransit, and commuter services). The paratransit contract also included a increase in the projected annual service hours based on ridership trends.



# Maui Bus Rates & Fee Study

## KEY ISSUES TO BE ADDRESSED IN THIS PROJECT INCLUDE:



Establishing program goals and objectives that are easily measurable for a small staff and are comparable to peer agencies and national best practices



Implementing transit planning and fare policies that meet program objectives and have County Council and community support



Balancing competing needs when developing transit and fare policies, including operating expense, efficiency, ridership gains, maximizing revenues, and ease of understanding



Building on existing research, observations, and recommendations from the MSRTP and 2018 Department Audit

- The Maui Bus Rates & Fee Study is being moved forward by the support of the Council and Mayor based on discussions in FY20's budget sessions.
- Now that Maui has a Urban Zone Area based on the 2010 US Census, there are additional requirements that needs to be fulfilled before the raising of any fares or carrying out any major transportation service reductions. The Maui County Council in FY 2018 authorized an audit on the Department which made some recommendations to establish formal program objectives to govern overall program performance management for the Maui Bus programs. It also recommended establishing governing fare policies.
- The intent of this study is to establish policies, gather community input and the recommendations on transit fares will be presented to the Maui County Council.



# Maui Bus Rates & Fee Study

- ▶ Out to Bid: August 12, 2019
- ▶ Bids Closed: September 13, 2019
- ▶ Consultant Selected: November 4, 2019
  - Nelson/NyGaard Consulting Associates
- ▶ NTP: January 8, 2020
- ▶ Completion: December 2020



# Budget Overview

FUND: Grant Revenue Fund		
Administration Program	FY19 Adopted	FY20 Adopted
Salaries and Wages	\$ 160,000.00	\$ 164,800.00
Operations	\$ 1,182,500.00	\$ 6,580,200.00
Equipment	\$ 3,020,000.00	\$ 4,220,000.00
<b>TOTAL:</b>	<b>\$ 4,362,500.00</b>	<b>\$ 10,965,000.00</b>
<b>Change from FY19:</b>		<b>151% Increase</b>
Staffing	FY19 Adopted	FY20 Adopted
EP	2	2
<b>Change from FY19:</b>		<b>No Change</b>

- Grant revenue funds are allocated for the different type of federal funds expected from the Federal Transit Administration (FTA) and the Maui MPO. Grant revenue included the increase in the award of the FTA low-no emissions competitive grant and the State of Hawaii funds for the Central Maui Transit Hub.
- The two grant revenue funded EP positions that falls under Transportation are the Maui MPO Executive Director and Maui MPO Financial Specialist. They are administratively tied to our department. There are no position vacancies.



# Budget Overview

Capital Improvement Project		
Capital Improvement Project	FY19 Adopted	FY20 Adopted
Central Maui Transit Hub	\$ 650,000.00	\$ -
Bus Stops & Shelter	\$ -	\$ 200,000.00
<b>TOTAL:</b>	<b>\$ 650,000.00</b>	<b>\$ 200,000.00</b>

- Central Maui Transit Hub:
  - In FY19, the Council funded \$650,000 in planning and design funds for our Central Maui Transit Hub. The State funded \$2.5 million for construction. The State funds are in HHFDC's CIP budget.
  - We're in the final stages of the engineering drawings and will be submitting the plans for permits at the ending of March.
  - Based on the latest review of the project costs, there will be the need of an additional \$1.5 million dollars.
- Bus Stops & Shelters
  - In FY20, the Council funded \$200,000 in planning and design funds for our bus stops and shelter project. The proposed stop locations are currently under review by our planning and design consultants.



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2020 MAR 30 PM 12:01  
OFFICE OF THE  
COUNTY CLERK

March 27, 2020

MEMO TO: EDB-1 File

F R O M: Yuki Lei K. Sugimura, Chair *Yuki Lei K. Sugimura*  
Water, Infrastructure, and Transportation Committee

SUBJECT: **OPERATIONAL AND BUDGETARY REVIEW OF THE  
DEPARTMENT OF ENVIRONMENTAL MANAGEMENT (WIT-72)**

At its meeting on March 9, 2020, the Water, Infrastructure, and Transportation Committee conducted an operational and budgetary review of the Department's Fiscal Year 2020 Budget. Attached are copies of the Department of Environmental Management's PowerPoint presentations from the Wastewater Reclamation Division and the Solid Waste Division. Any written correspondence from the Department responding to questions from the Committee transmitted via letter will be submitted when received.

Following is a summary of questions by Committee members and answers by the Acting Division Chief for Wastewater Reclamation:

1. What are the five service areas for Maui County?

The Department has treatment plants in Kihei, Lahaina, Central Maui, Lanai City, and Kaunakakai. It also has collection-only areas in Haliimaile and Kualapuu on Molokai.

2. Given that Maui Land and Pineapple Company owns the land where the Department's West Maui Recycled Water Expansion project is located, is it a matter of negotiations progressing before the project can move forward?

Negotiation is underway, but it's complicated. Maui Land and Pineapple Company has installed solar photovoltaic arrays on part of the land, and they don't want to part with that infrastructure since it generates revenue for them. The Department has done an appraisal and knows what it believes the property is worth, but it's a matter of coming to an agreement with Maui Land and Pineapple. Thus, negotiations are complicated, but ongoing.

3. Does the Department plan to increase capacity at its Kahului-Wailuku treatment center?



The Department is looking at all alternatives, including whether it is necessary to just build a whole new treatment plant rather than attempting to expand the existing plant.

4. Is it realistic for developers to connect to the County system if they are located in Olowalu?

Olowalu is a significant distance from the Department's system. It'd be more realistic for the developer to build their own treatment plant onsite. It is not the Department's intent to extend its infrastructure to connect to Olowalu.

5. Is there a plan to expand capacity at the treatment plant on Molokai?

Yes. The Department found major infiltration in its system, and there are construction plans to reduce current processing volume by 50,000-80,000 gallons per day, which will help.

6. Are hydro turbines or other alternative technologies currently in the Department's plans?

Not currently.

7. Does a ban on flushable wipes need to be legislated?

What is difficult is changing people's behavior. More public outreach will help, but it is difficult to change behavior. Banning the sale of flushable wipes would be worth considering.

8. Is there an update on the status of the Hana Beach Park bathrooms expansion project?

There is a design contract with the consultant, and the consultant expects to be done with that by the end of May, beginning of June. At that point, the Department of Parks and Recreation would oversee construction.

Following is a summary of questions by Committee members and answers by the Division Chief for Solid Waste:



9. Is there a difference by location as to what it costs the Department per ton to dispose of solid waste?

Yes, it does vary a lot by location. The Department is more efficient at the larger facilities compared to smaller ones. Central Maui is a more efficient location, for example, than Hana. Roughly, Central Maui's cost is \$55-60/ton, while Hana is over \$1,000/ton.

10. With the green waste extraction program ending in Hana, is the Department open to purchasing a woodchipper if the green waste is going to stay at the landfill?

The Department is acquiring a woodchipper to help reduce the size of the green waste coming into Hana. Ideally, the public would be able to procure some of that material after it's processed.

11. What is happening to green waste currently for the Department?

The Department is undergoing a transition right now as it pertains to green waste, partly because the landfill has less than two years of capacity left. Right now, the Department is landfilling green waste. There is not enough space to do anything else.

12. Does the Department have enough protective equipment for employees who work at the landfills?

The Department is in the process of purchasing various equipment to address safety needs that have been identified, especially with the current ongoing situation with the novel coronavirus.

13. The Department has a manual route once-a-week, and an automated route twice-a-week. Is there a plan to do all the routes either once-a-week or twice-a-week?

The main goal is maximizing efficiency, which is why the Department uses as many automated routes as possible. Some streets make it difficult for automated collection, however, so the manual routes are still necessary.



**WATER, INFRASTRUCTURE & TRANSPORTATION COMMITTEE**  
**SOLID WASTE DIVISION**  
**MARCH 9, 2020 PRESENTATION**



RECEIVED AT WIT MEETING ON 3/9/20

*Solid Waste  
Michael Ratte*



## MISSION STATEMENT

*“To provide Public Health, Safety and Environmental Protection of Maui County’s Air, Land and Water, Through Effective and Sustainable Solid Waste Management Practices, Resources and a Dedicated Team”*

## PRIORITIES

<p><b>1) SAFETY</b> Employee safety Public and Environmental safety Facility, Equipment &amp; Infrastructure safety</p> <p><b>2) REGULATORY COMPLIANCE ENVIRONMENTAL PROTECTION</b> Meet all State, Federal &amp; County regulatory requirements, permits, mandates, &amp; procedures to maintain compliance</p>	<p><b>3) RESOURCE MANAGEMENT</b> Meet resource management needs for personnel, budget, equipment &amp; Infrastructure to build &amp; maintain: Reliability, Sustainability &amp; Efficiency</p> <p><b>4) NON-SAFETY, NON-COMPLIANCE RELATED SERVICES / PROGRAMS</b> Expansion of community services, refuse collections on non-County roads, beautification, grounds keeping, non-critical programs</p>
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# **SWD RESPONSIBILITIES & SERVICES**

## ***RESPONSIBILITIES***

- Engineering (planning, design, construction and asset management)
- Fiscal management (Budgeting, accounting & customer service)
- Landfill operation and Refuse collection
- Regulatory compliance and safety

## ***COMMUNITY SERVICES***

- Serve 27,000 refuse clients & haul over 2,600 refuse routes/yr
- Manage 4 landfills, 5 closed landfills & 1 transfer station on 3 islands
- Maintain residential self haul services at 5 locations
- Receive and process >220,000 tons/yr of MSW
- Construction & Demolition material processing: >27,000 tons/yr



# LANDFILL OPERATIONS OVERVIEW

	Central Maui	Molokai	Lanai	Hana	Olowalu Transfer Station	County Total Tons/yr
Annual Tons Processed	209,000	5,800	4,300	1,100	2,700	223,000
Current Landfill Capacity	2 years	3.5 years	17 years	20 years	NA	
Future Capacity	Ph IIIA + 3 yrs Ph IIIB + 7 yrs	Ph V + 5 yrs Ph VI + 10 yrs	NA	NA	NA	

Landfill Partial Closures	FY 2016	FY 2017	FY 2018	FY 2019
Closures/Year	176	24	25	7*
Full Open Rate	83.9%	97.8%	97.7%	99.4%

\*not counting 14 forced closures due to tropical storms Lane and Olivia

## CENTRAL MAUI LANDFILL





## REFUSE COLLECTIONS OVERVIEW

<b>Weekly Service</b>	<b>Wailuku</b>	<b>Makawao</b>	<b>Lahaina</b>	<b>Molokai</b>	<b>Hana</b>	<b>Lanai</b>	<b>Total</b>
Automated Accounts	13,000	6,600	1,900	0	0	700	22,200
Manual Accounts	1,000	2,200	800	500	200	0	4,700
Total Accounts	<b>14,000</b>	<b>8,800</b>	<b>2,700</b>	<b>500</b>	<b>200</b>	<b>700</b>	<b>26,900</b>



	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
Delayed Routes/Year	29	44	40	14*
On-Time Pickup Rate	98.9%	98.3%	98.5%	99.5%
<b>Annual Statistics</b>				
2.5 Million Pickups				
2,600 Routes				
45,000 Tons Collected (90,000,000 Pounds)				



\*not counting delayed routes due to tropical storms Lane and Olivia



## HISTORICAL CHALLENGES & CURRENT EFFORTS

- Unmonitored waste disposal allowed prior to 1993 caused costly inherited conditions for current Division
- History of public perception regarding our free for all open “Dumps” in the past, vs. our engineered, environmentally protected & regulated landfills of the present
- We continue empowerment of employees, training and building achievable career paths
- Have outdated Integrated Solid Waste Management Plan (ISWMP) Updating in FY 2020/2021
  - Improve plan for overall management of solid waste for Maui County
  - Evaluate options for waste reduction, recycling waste conversion and alternative energy production
  - Strategize implementation of a supported, feasible and cost effective plan
- Meeting revenue projections due to estimated billable tonnages received
  - The SWD currently processes >5,500 tons of unbilled, zero revenue waste at our landfills due to waivers given to County, State, non-profits, community events, and free residential drop off at 4 locations = loss of revenue/yr of \$500,000.



## SWD FY 20 BUDGET STATUS

FY20 BUDGET TO ACTUAL THROUGH 1/31/20			
APPROVED BUDGET	EXPENSES	ANTICIPATED EXPENSES	PROJECTED END OF YEAR BALANCE *
\$31,877,011	(\$18,380,171)	(\$11,210,245)	\$2,286,595

\* Majority of EOY balance savings is due to Fringe & Overhead and A budget vacancies

FY20 REVENUE ESTIMATE THROUGH 1/31/20		
REVENUE BUDGET	PROJECTED END OF YEAR REVENUE	% OF BUDGET
27,698,017	26,602,028	-3.96%

Revenue varies year to year due to estimated incoming tonnage forecasts

### FY 2020 BUDGET AMENDMENT SUBMITTED TO COUNCIL:

- Supplemental Budget submitted, to acquire 63 acres adjacent to Central Maui Landfill for a FEMA approved emergency debris handling area, greenwaste and sludge handling, waste reduction, conversion and waste to energy projects, storm water retainage basins and related infrastructure.



## FY 20 CAPITAL IMPROVEMENT PROJECT STATUS

	TITLE	PHASE	ENCUMBERED IN FY2020/ % COMPLETE	\$	DESCRIPTION
Protection of Human Health and the Environment	Central Maui Landfill (CML) Expansion	Construction	Yes / Design Complete <i>Awaiting Bond Funding *</i>	12.5M	Phase III expansion at CML to increase capacity for additional 9 years.
	MLF Landfill Scalehouse Replacement and Traffic Optimization	Design	Yes / 10%	200k	Provide a new scalehouse office and scale, and improve site access and exiting reducing traffic conflict points and address safety concerns.
Regulatory Compliance	CML Customer Drop-Off Area Improvements	Design	Yes / 25%	100k	Expansion of drop-off area to reduce customer wait times and reduce vehicle back-up onto Pulehu Road.
	CML Entrance Facility and Traffic Improvements	Design	Yes / 25%	50k	Dedicated lanes for residential, commercial, and greenwaste customer drop-offs to alleviate traffic back-up and reduce customer confusion.
	CML Extension of Primary Litter Screen and Drainage Improvements	Design & Construction	Yes / 10% <i>Awaiting Bond Funding *</i>	500k	Horizontal extension of the existing tall litter screen along Pulehu Road to service the recently built Phase V-B Extension disposal cell.
	Hana Landfill Office Trailer and PV Expansion	Design	Yes / 50%	25k	Modular office/bathroom/breakroom for a landfill staff of four to provide a minimum sanitary and functional environment for staff.
	CML Ph VB Ext Leachate Recirculation System	Design & Construction	Yes / 25% <i>Awaiting Bond Funding *</i>	650k	Expansion of the leachate recirculation system into the newly constructed Phase VB Extension disposal cell waste mass.
	Environmental Compliance System Design and Construction	Design & Construction	Yes / 20%	500k	Addresses emergency design, construction, construction management, unplanned regulatory compliance improvements at all county landfills.
	Integrated Solid Waste Management Plan Update	Planning	Yes / 20%	200k	With the update of the ISWMP, the department will be able to support investments and strategies to operational requirements for both financial and long-term goals of the County.
Resource Management	CML Land Purchase	Acquisition	Yes / Appraisal Complete <i>Awaiting Bond Funding *</i>	200k	Originally CIP was for 17 acres. Due to additional land needs and subdivision restrictions, new plan is for 63 acres. Awaiting for Council to hear amendment for this property acquisition
	CML Storage Facility/Infrastructure	Design	Yes / 10%	300k	This project will provide critical parts storage and much needed onsite maintenance work area for heavy equipment.
	CML Operations Facilities	Design	Yes / 10%	250k	Infrastructure for solid waste management facilities, including, materials reclamation area, abandoned vehicle yard, electronic waste and household hazardous waste collection area.



## COUNCIL INITIATED AMENDMENTS TO FY 20

- 3 expansion positions added to Molokai LF staff to take over refuse collection (from Public Works Dept) and green waste receiving & processing (from EP&S Division).
- Estimated start date June 2020

### POSITIONS:

Equipment Operator (1)

Laborer II

Laborer II

Est. April start date

Est. April start date

Awaiting pre-employment screening



## VACANT POSITIONS STATUS REPORT

TOTAL DIVISION EMPLOYEES: 107

VACANCIES: 7

FY 20 EXPANSION POSITION VACANCIES: 4

All positions posted and awaiting approved applicant lists and/or under interview process

Reasons for vacancies include transfers, employee promotions, retirements and expansion positions

SECTION	POSITION TITLE	STATUS
ADMINISTRATION	Safety Specialist I	Recruitment period completed. Awaiting applicant list
	SWD Operations Program Superintendent	Recruitment period completed. Awaiting applicant list
	CEI	Recruitment period completed. Awaiting applicant list
	CEIV	Currently interviewing
CENTRAL MAUI LANDFILL	Laborer II (2)	Currently interviewing
	Landfill Equipment Operator	Recruitment period completed. Awaiting applicant list
MOLOKAI LANDFILL	Laborer II	Employee selected. Awaiting physical
LANAI LANDFILL	Landfill Equipment Operator	Recruitment period ongoing. Awaiting applicant list
WAILUKU REFUSE	Crew Leader II	Recruitment period completed. Awaiting applicant list
	Refuse Collector	Currently interviewing



## COUNCIL SUPPORT MOVING FORWARD

- FY20 Supplemental Budget Amendment in process  
Awaiting Council review to acquire 63 acres adjacent to Central Maui Landfill for needed FEMA emergency debris handling area, greenwaste and sludge handling, waste reduction, conversion and waste to energy projects, storm water retainage basins and related infrastructure.
- Continue to work together with the Division to support our yearly budget requests to maintain environmental protection, community needs, continuation of services, landfill capacity, staffing, equipment and CIP to meet our growing population, increasing regulations and expectations.
- Continue to support the Division rates and fees to allow for a self-funded Solid Waste Division without the need for General Fund subsidy.

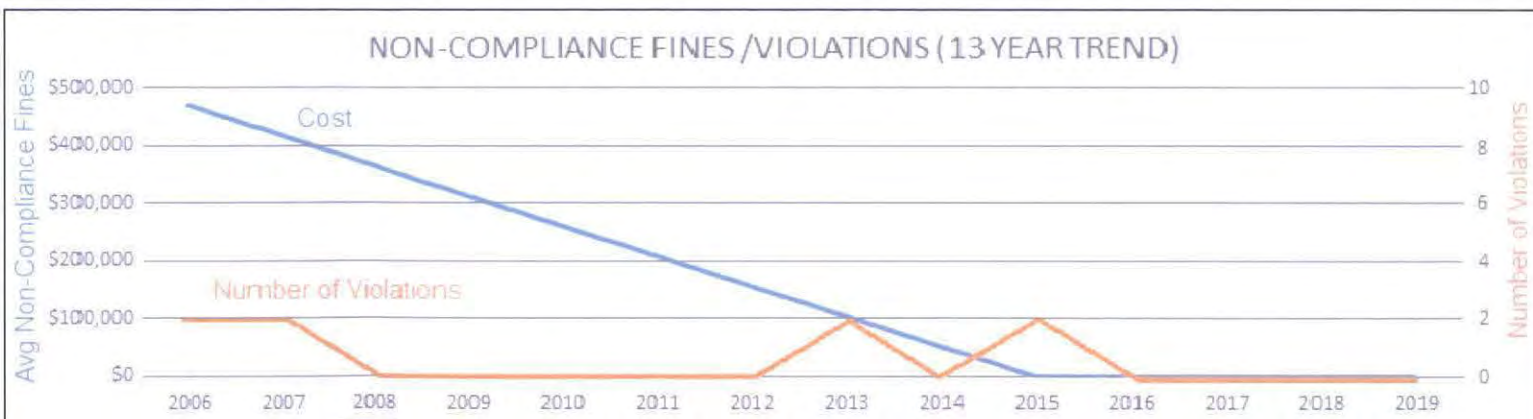


The background of the slide is a photograph of a landfill. In the upper left, a yellow front-end loader is parked on a pile of waste. In the lower left, a white garbage truck is visible. The rest of the image shows a vast expanse of land filled with trash under a clear sky.

# **SOLID WASTE DIVISION REFERENCE INFORMATION**



# HISTORICAL PERFORMANCE MEASURES





## **ADMINISTRATION, COMPLIANCE, PLANNING & ENGINEERING**

### **Capital Projects**

- Landfill Construction / Expansions
- Infrastructure & Regulatory Projects
- Safety Improvements
- Environmental Assessment
- Environmental Impact Statements

### **Technical Documentation**

- Permitting
- Operations Plan
- Equipment Maintenance & Replace Plan
- Surface Water Management Plan

### **Management of ~ 20 Permits**

- Solid Waste Mgmt. Operating Permits
- Stormwater (NPDES) Permits
- Air Quality (NSPS / Title V) Permits
- Special Land Use Permits

### **Reporting Requirements**

- Solid Waste Operating Reports
- Discharge Monitoring Reports
- Land Use Commission Reports
- Air Permit Compliance Reports
- Landfill Gas Monitoring Reports
- Groundwater Monitoring Reports
- Surface Emissions Monitoring Reports

### **Safety and Training**

#### **(5th most dangerous job in the US)**

- 50+ Job specific training programs for landfill and refuse collections

### **Collection and Billing**

- Account Management
- Bill payment
- Appliance/White Goods Pickup



**Safety matters**

## **REFUSE COLLECTION**

### **Safety is Priority #1**

#### **WHY?**

- Unknown hazardous materials
- Street access constraints
- Low light conditions
- Overhead obstacles
- Other vehicles and traffic
- Pedestrians and animals

### **General Refuse Collection Rules**

- All containers need to be out at curb by 5:00 AM on day of pick up
- No collection of liquids, animal carcasses, commercial construction debris, refuse in excess of collection unit

### **Manual Routes**

- Collected 1x/week on Maui & Molokai
- Collection unit, max of six (6), self provided, 32 gallon containers, bags or bundles, weighing no more than 50 lbs. each
- Account holder is responsible for spillage and/or breakage of containers

### **Automated Routes**

- Collected 2x/week on Maui and 1x/week on Lanai
- Collection unit, one (1) County issued 96 gallon cart with lid closed
- Cart must be accessible within sidewalk area, handle away from street, with 5 feet of clearance all around

### **Annual Statistics**

2,500,000 pickups per year  
90,000,000 lbs of trash  
picked up and hauled per year



## **LANDFILL SECTION**

### **FOUR LANDFILLS**

#### **Central Maui Landfill**

- Processes 210,000 tons per year
- 80 acres
- In service since 1987
- Largest municipal landfill in the State
- Waste intake rate, 1,200 tons max/day

#### **Molokai Landfill**

- Processes 5,800 tons per year
- 12 acres
- In service since 1974
- Waste intake rate, < 20 tons/day

#### **Lanai Landfill**

- Processes 4,300 tons per year
- 17 acres
- In service since 1968
- Waste intake rate, < 20 tons/day

#### **Hana Landfill**

- Processes 1,300 tons per year
- 12 acres
- In service since 1984
- Waste intake rate, < 20 tons/day

### **Prohibited Items**

- Liquids
- Fuel tanks
- Automobiles
- Regulated hazardous
- PCB materials
- Radioactive waste
- White goods
- Untreated medical / infectious waste
- Commercial green waste

### **30 Years of Post-Closure**

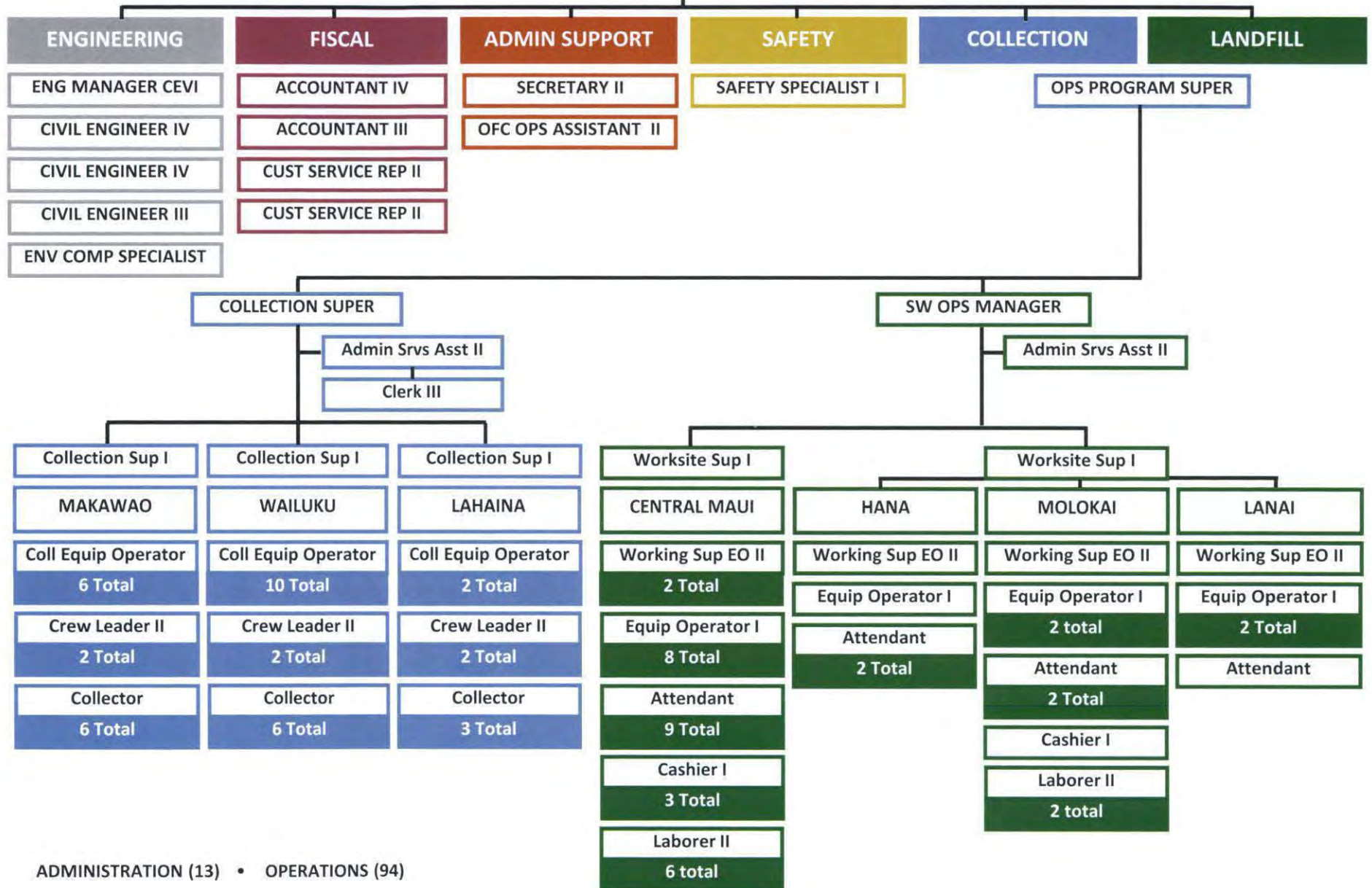
#### **Monitoring of Closed Landfills**

- CML phases 1&2
- Makani
- Kalamaula (on Molokai)
- Waikapu
- Olowalu



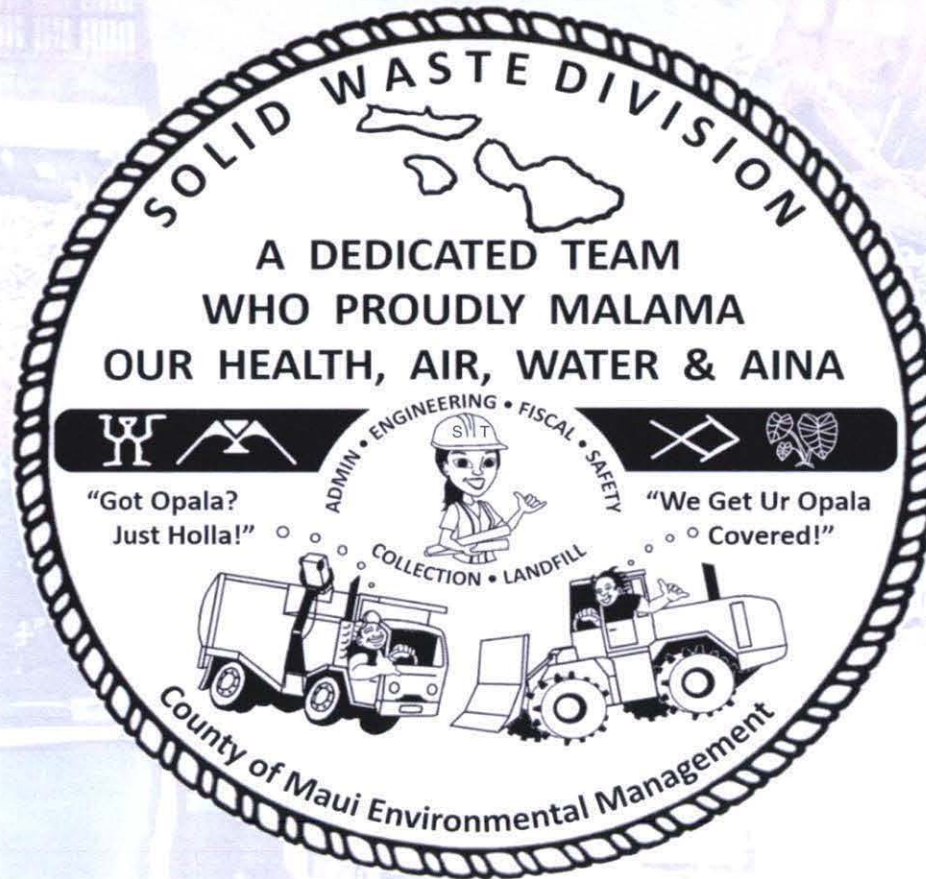
# ORGANIZATION CHART

**DIVISION CHIEF**





Continued success is ensured through the sustained commitment from all stake holders, including our County Council, the Community, Administration, Department and Division.



MAHALO FOR YOUR SUPPORT





# WASTEWATER RECLAMATION DIVISION

MAUI COUNTY  
DEPARTMENT OF ENVIRONMENTAL MANAGEMENT

WATER, INFRASTRUCTURE, AND TRANSPORTATION  
COMMITTEE

MARCH 9, 2020

RECEIVED AT WIT MEETING ON 3/9/2020  
Scott Rollins

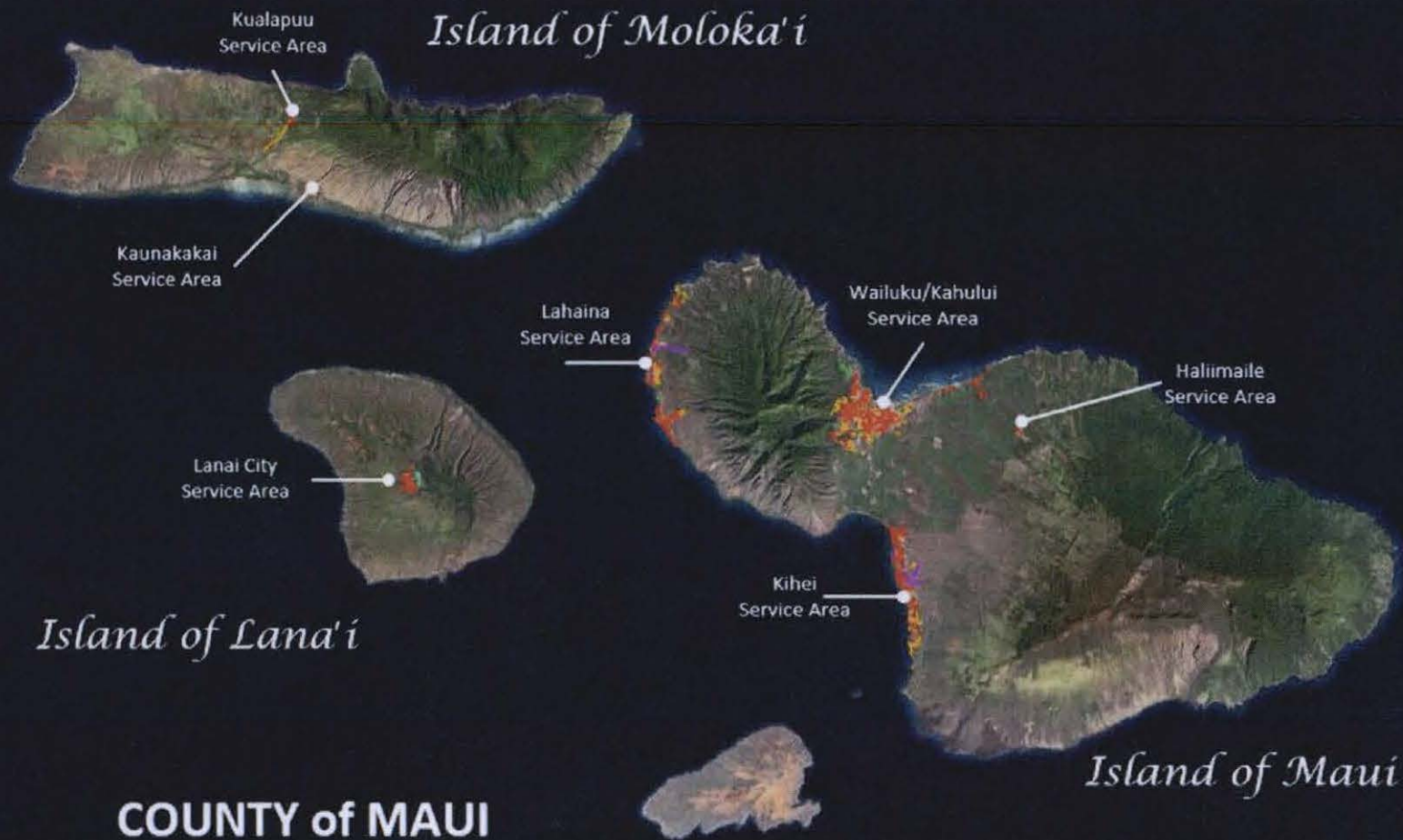


## "GLOBAL" PERFORMANCE MEASURES

- Reliability of Existing Facilities Over the Long Term at the Lowest Possible Cost (99.9978%)
- Increase Volume of Reclaimed Water
- Expand Sewer System to Non-Sewered Areas
- Improve Quality of Treated Effluent





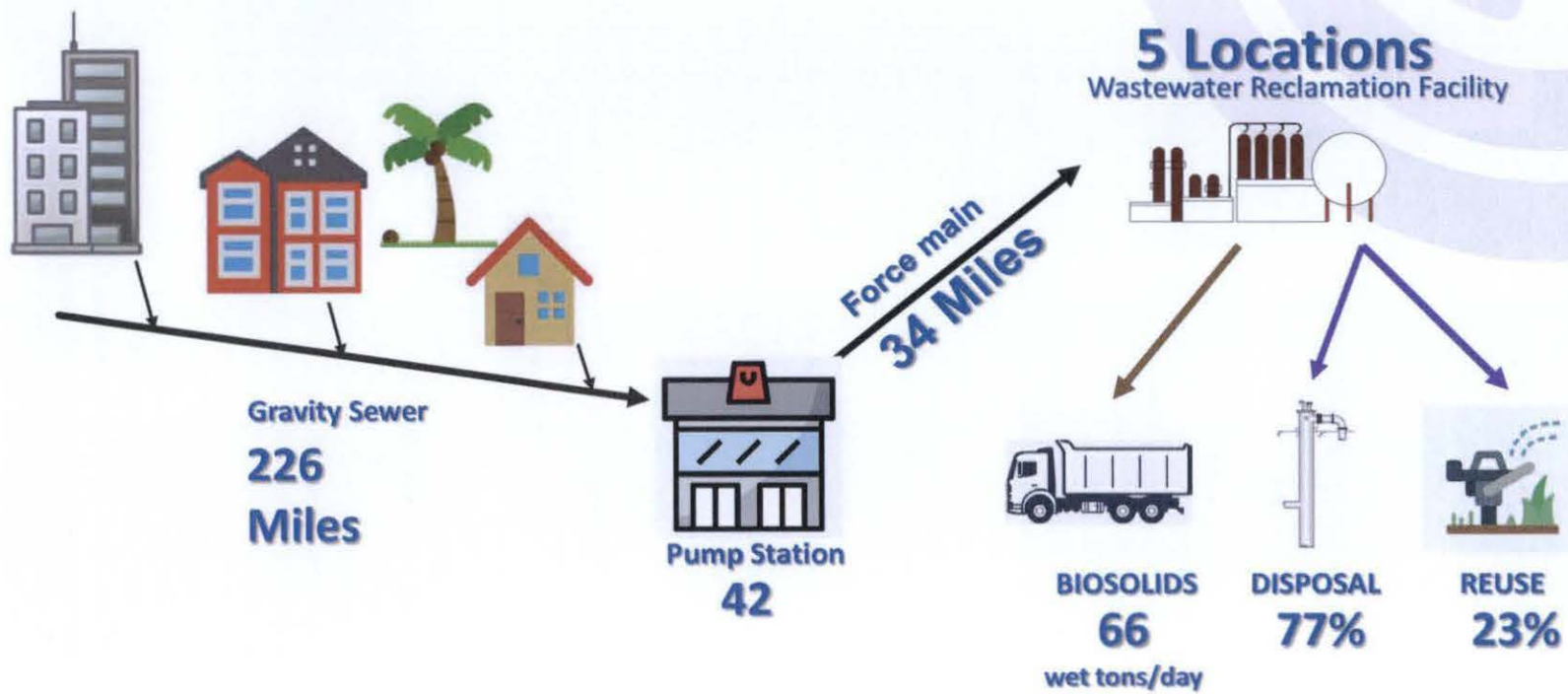


**COUNTY of MAUI**  
**SEWER SERVICE AREAS**



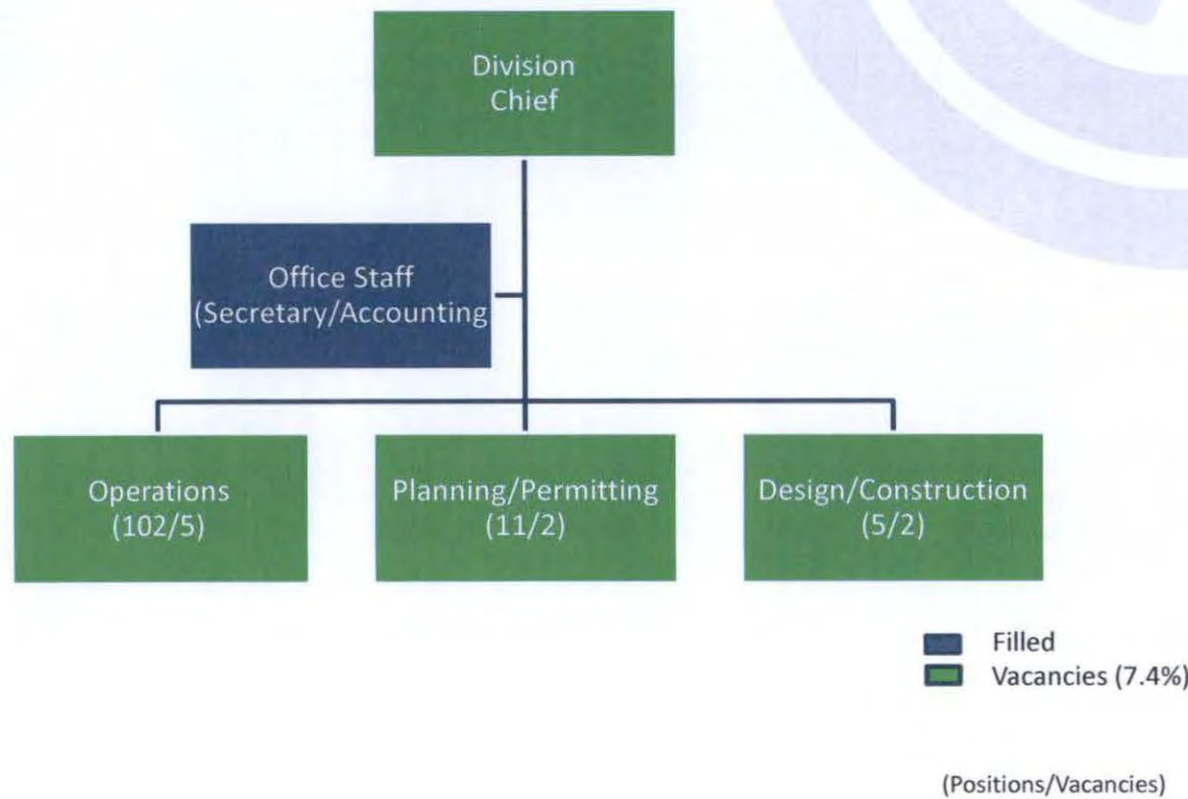


## WHERE DOES MY SEWAGE GO?



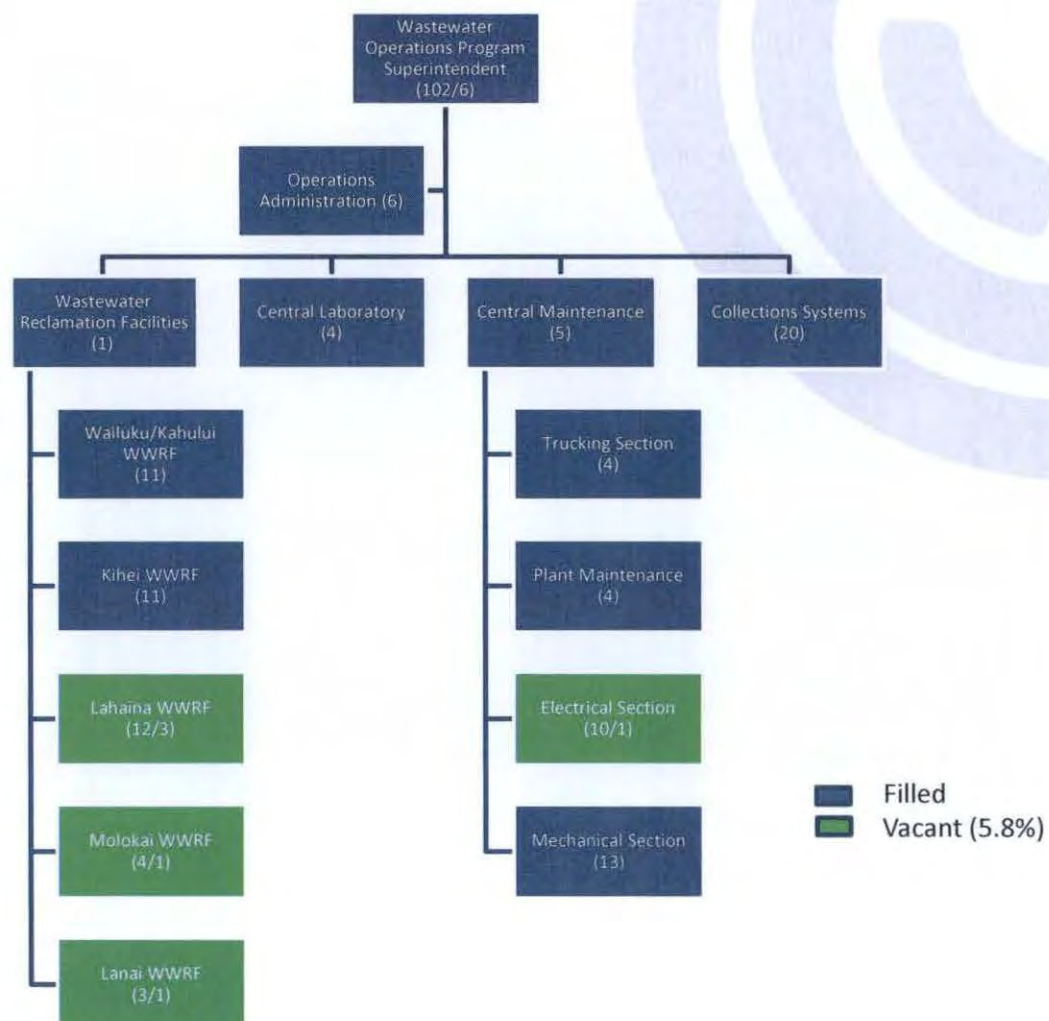


## DIVISION STRUCTURE



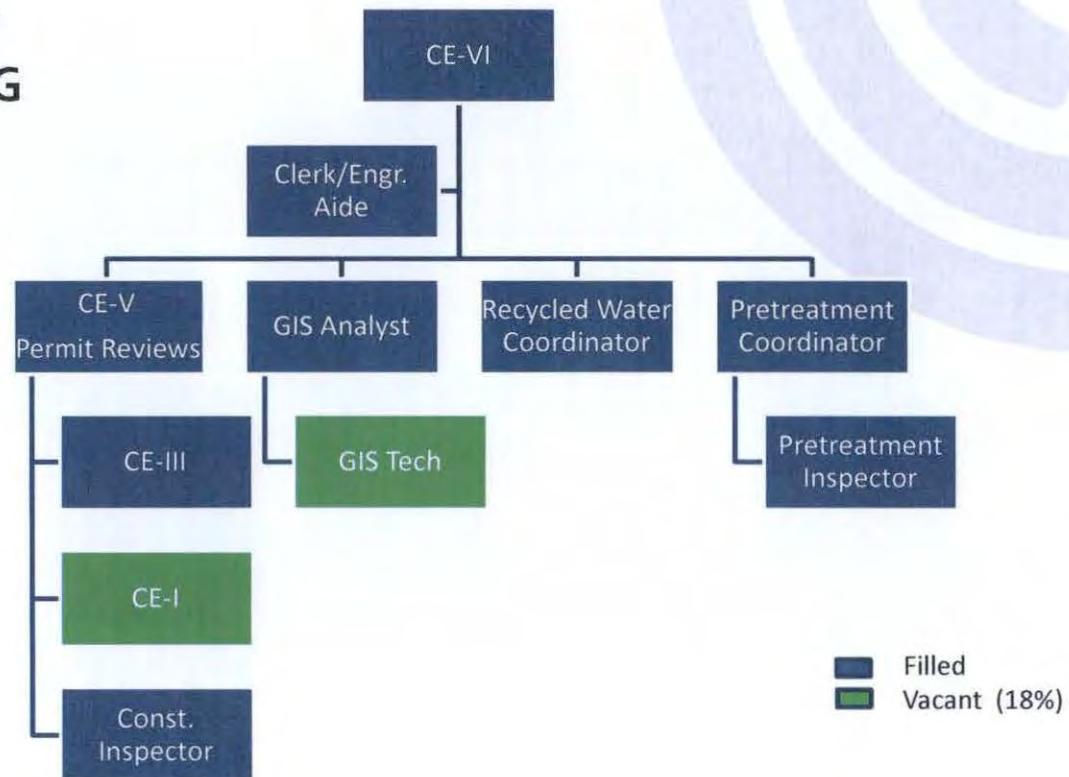


# OPERATIONS



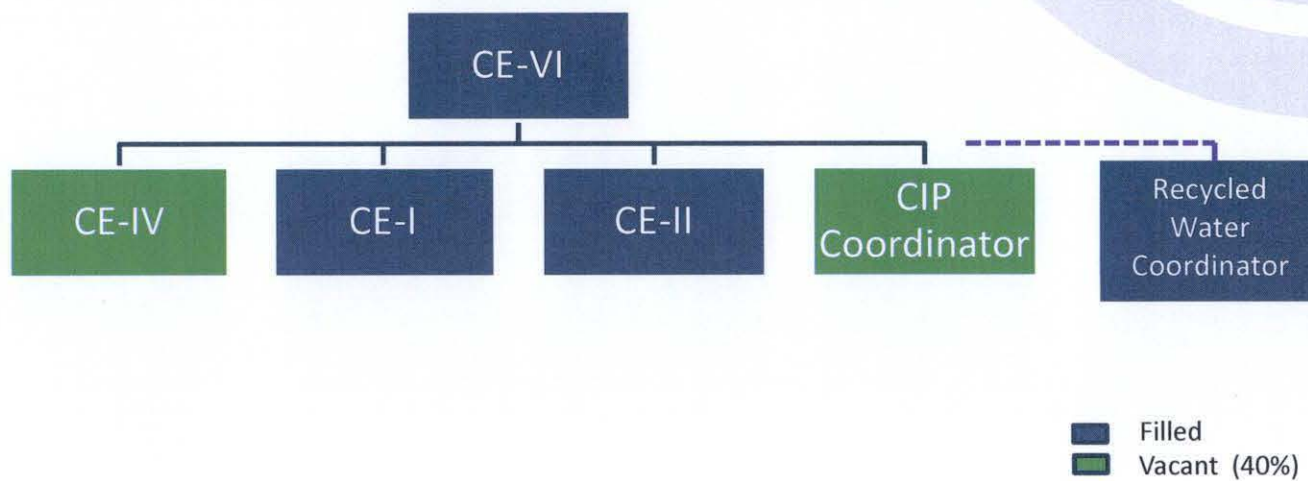


## PLANNING/ PERMITTING SECTION





## DESIGN / CONSTRUCTION SECTION





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**FY2020  
CAPITAL IMPROVEMENT PROGRAM**

- 18 WWRD projects
- \$30,550,000
- 2 Added Council projects
- \$8,500,000





## CIP PROJECT TYPES

- **Does it Work / Is it Safe ?**
  - 0 projects
- **Is it Reliable (end of useful life)?**
  - 10 projects budgeted \$10,250,000
- **Expansion of Service**
  - 2 projects budgeted \$2,900,000
- **Recycled Water Projects**
  - 6 projects budgeted \$23,550,000
- **Increase Quality of Treatment**
  - 1 project budgeted \$1,350,000
- **Other**
  - 1 project budgeted \$1,000,000



Still active from previous years:  
23 CIP construction projects  
35 CIP Design projects



## IS IT RELIABLE (END OF USEFUL LIFE)?



### DESIGN

- Kihei No. 3 Force Main
- Kihei No. 9 WWPS Upgrade
- Napili WWPS No. 3 Modifications
- Lahaina Emergency Generator Replacement
- Countywide EPA Compliance Projects



### CONSTRUCTION

- Kuau #3 Force Main Replacement
- Kuau #4 Force Main Replacement
- Wailuku-Kahului EPA Compliance Sewer Rehabilitation
- Countywide EPA Compliance WWRF Renovation Projects
- Countywide Wastewater System Modifications



## EXPANSION OF SERVICES



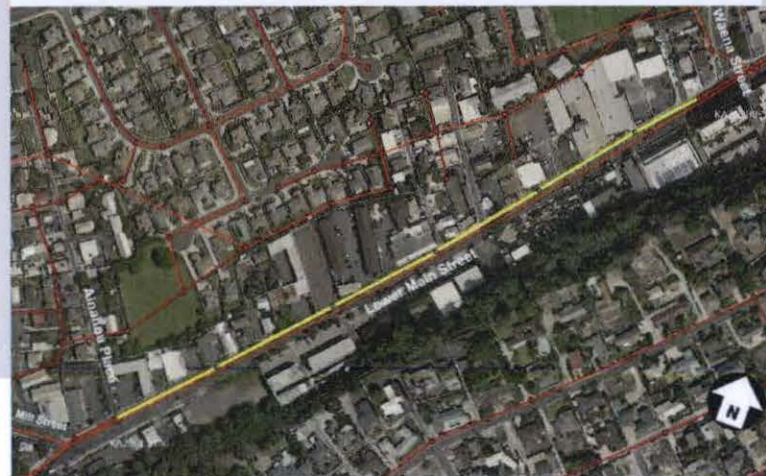
### DESIGN

Wailuku-Kahului WWRF Facility Plan  
(Capacity Expansion)



### CONSTRUCTION

Lower Main Street Sewer Upgrade





## RECYCLED WATER PROJECTS



### DESIGN

Lahaina WWRF R-1 Process Expansion

Wailuku-Kahului Recycled Water Pump Station

Wailuku-Kahului Recycled Water Force Main

Kihei-Makena Sewer Expansion



### CONSTRUCTION

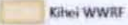









West Maui Recycled Water Expansion

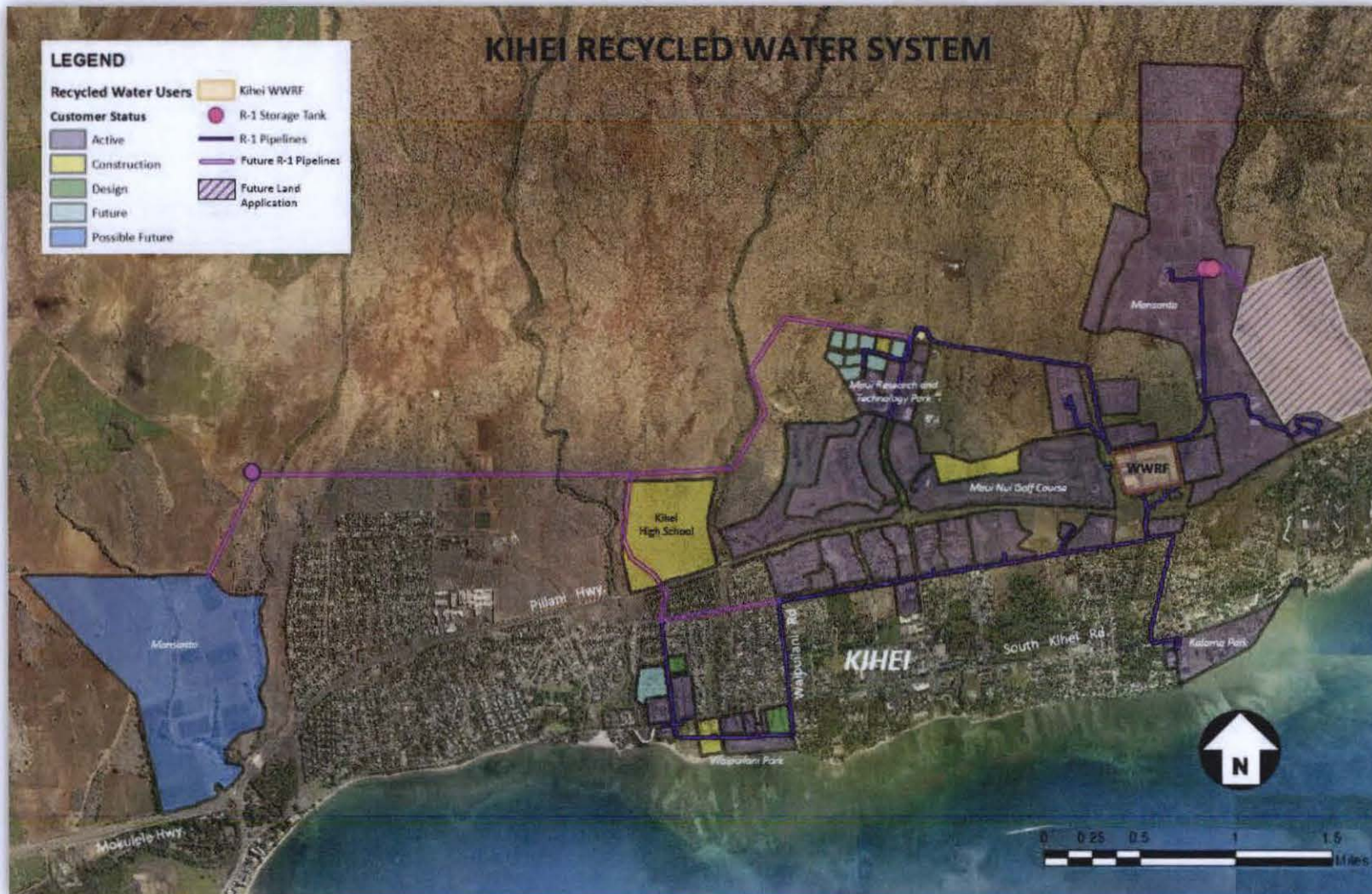
Kihei Effluent Pump Station Upgrade



# KIHEI RECYCLED WATER SYSTEM

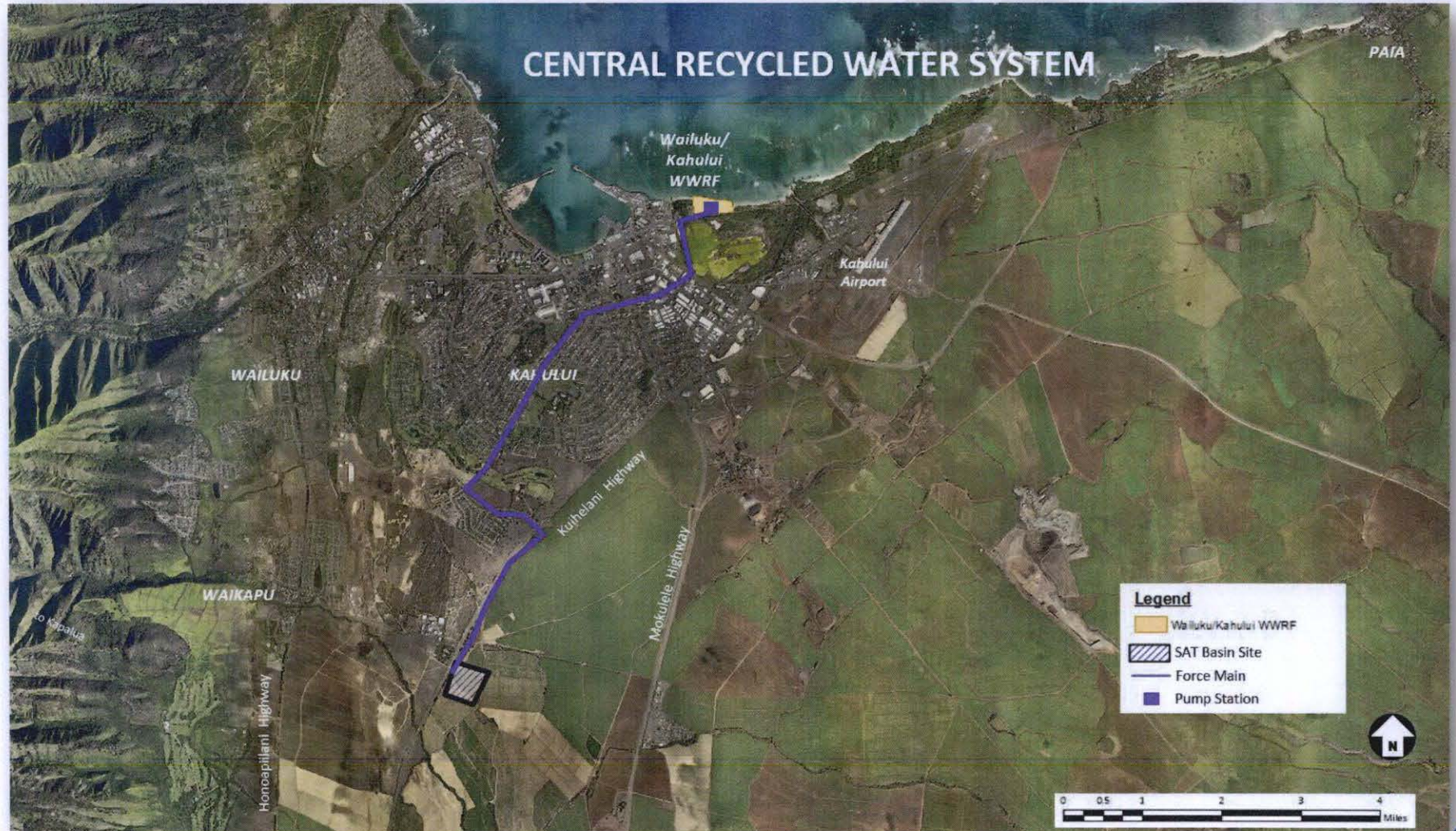
## LEGEND

<b>Recycled Water Users</b>	 Kihei WWRP
<b>Customer Status</b>	 R-1 Storage Tank
 Active	 R-1 Pipelines
 Construction	 Future R-1 Pipelines
 Design	 Future Land Application
 Future	
 Possible Future	





# CENTRAL RECYCLED WATER SYSTEM



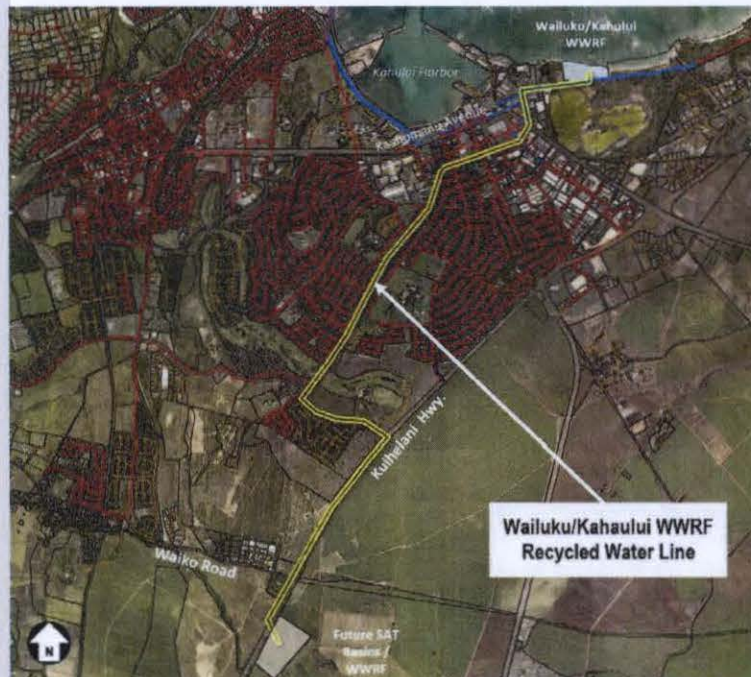


## INCREASE TREATMENT QUALITY / OTHER



DESIGN

Wailuku-Kahului SAT Basins

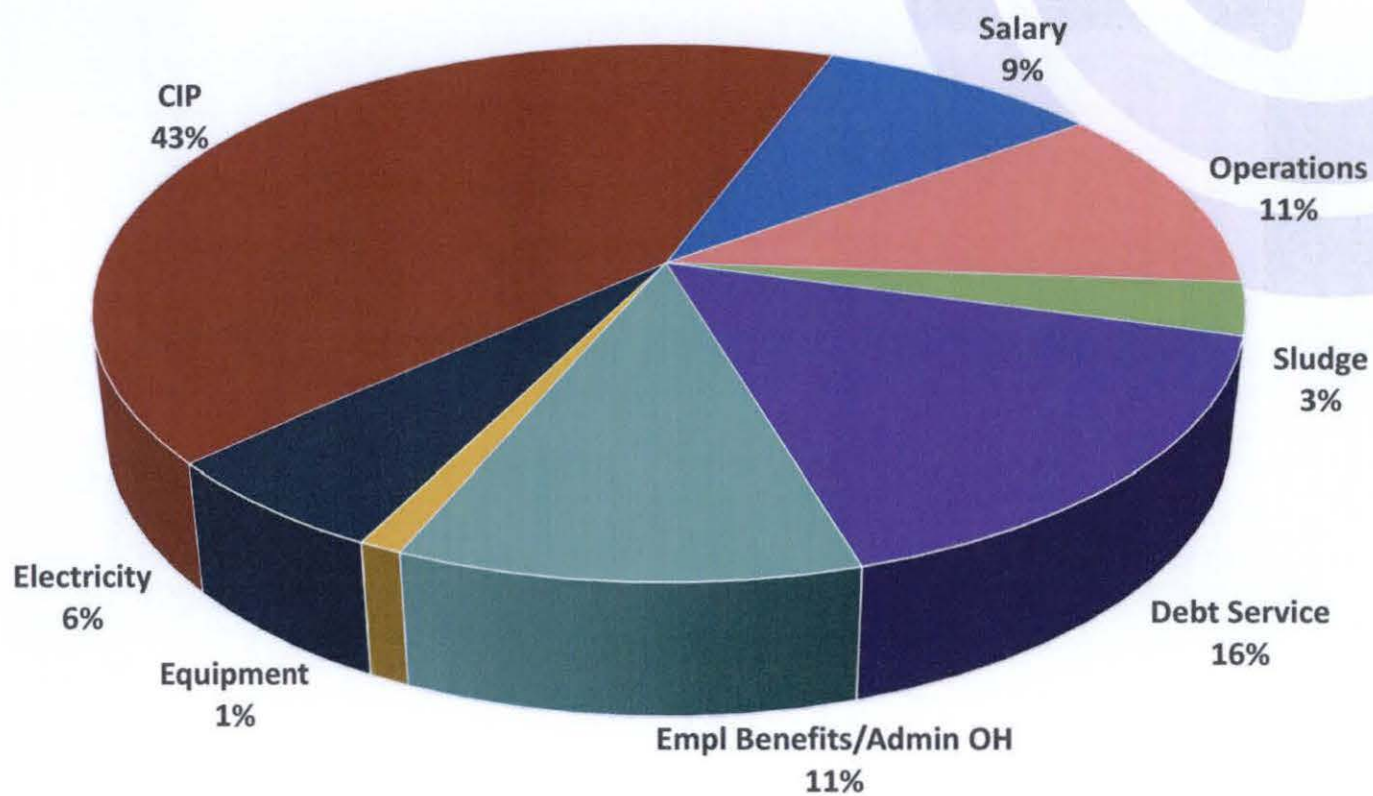


OTHER

Upcountry Sewer System Upgrades

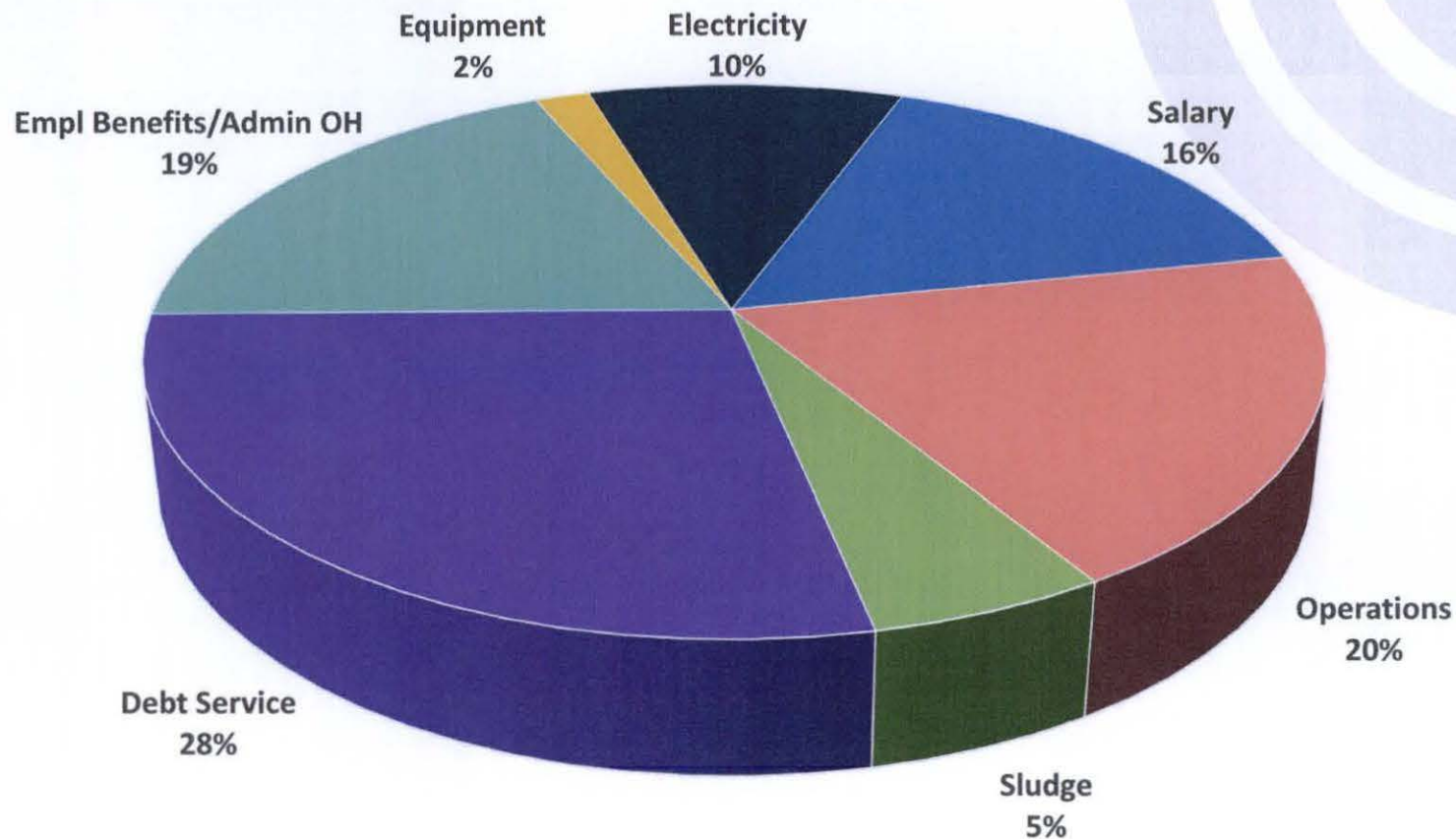


## WASTEWATER RECLAMATION DIVISION TOTAL FY2020 -\$92,193,361





## WASTEWATER RECLAMATION DIVISION TOTAL ABC ACCOUNTS FY2020 - \$53,143,361



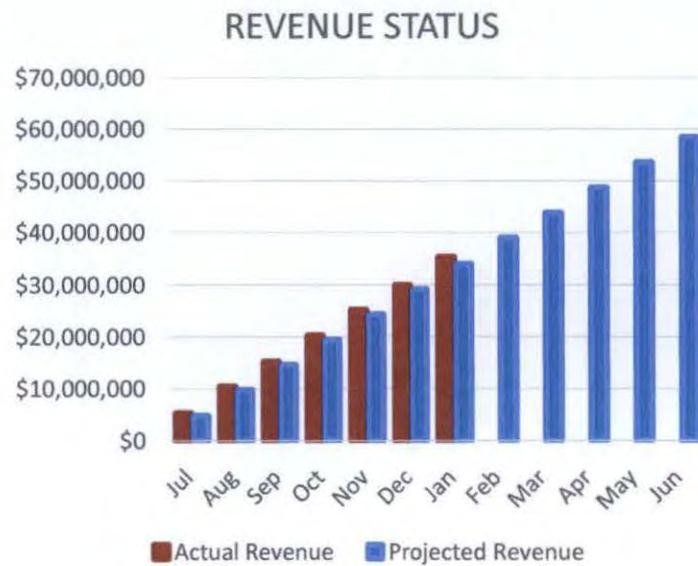
Category	Expended to Date
Salary	53%
Operations	49%
Sludge	49%
Debt Service	52%
Empl/Benefits Admin	57%
Equipment	44%
Electricity	57%

Through Jan 31, 2020 58% of Time



## BUDGET STATUS THRU JANUARY 31, 2020

**Projected Revenue \$58,395,180**  
**Billed to Date \$35,433,034 (60%)**  
**Time Passed - 7 months (58%)**



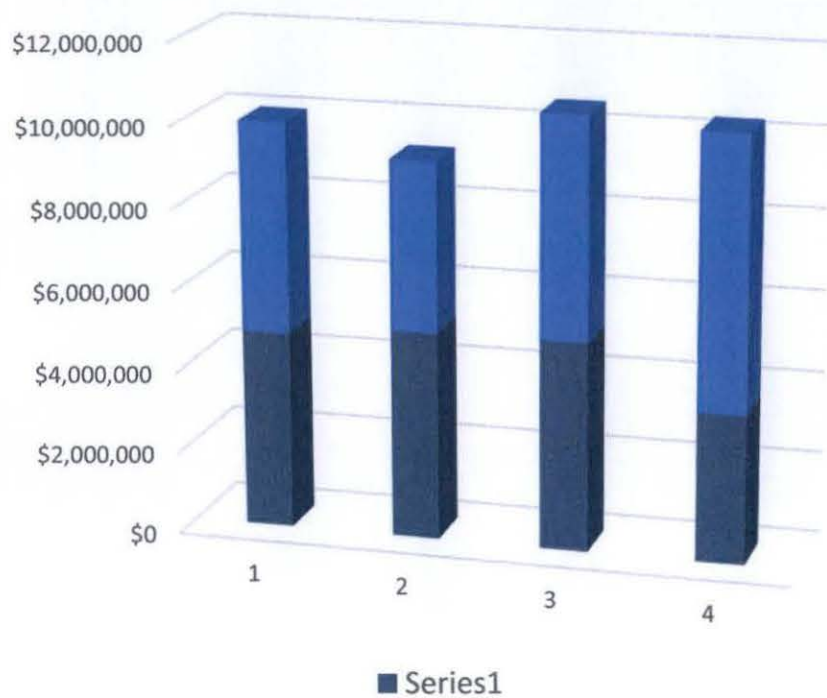
**Projected Expenses \$53,143,361**  
**Expended to Date \$27,946,739 (53%)**  
**Time Passed - 7 months (58%)**



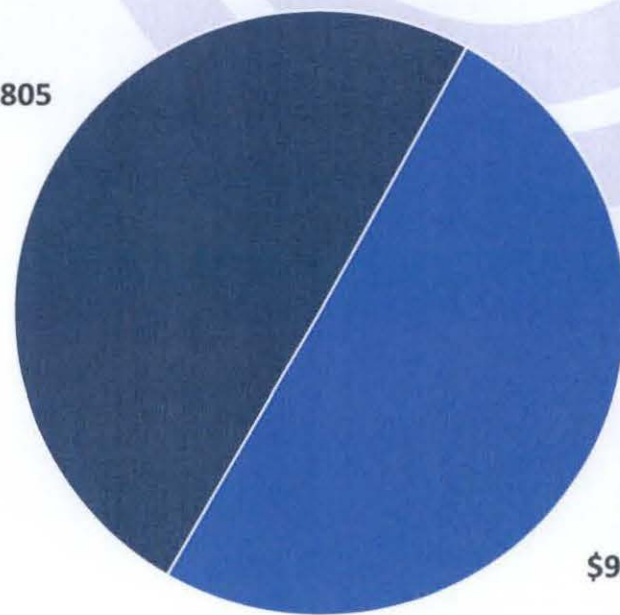


## WWRD DEBT SERVICE

ANNUAL DEBT SERVICE



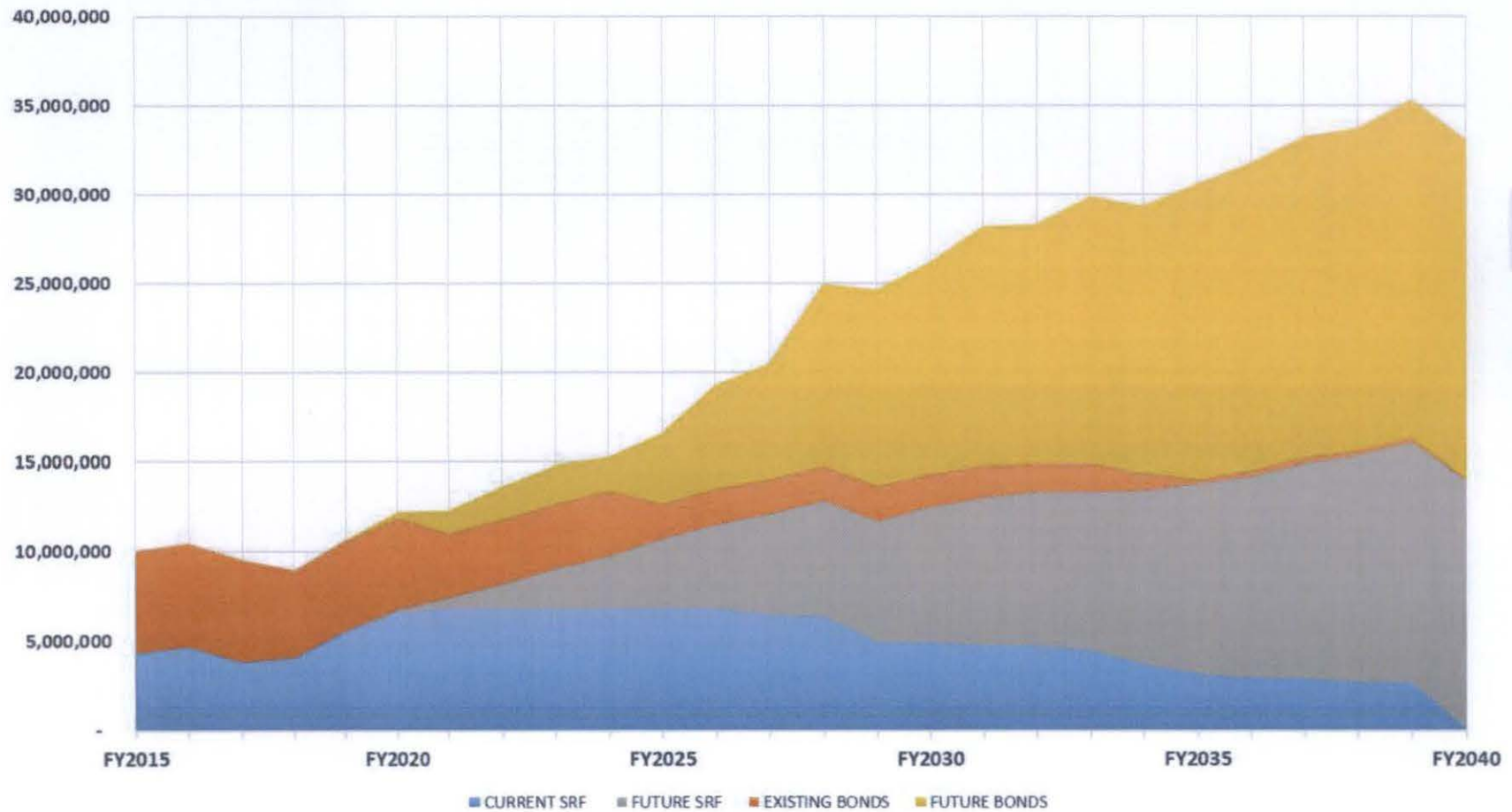
\$88,840,805



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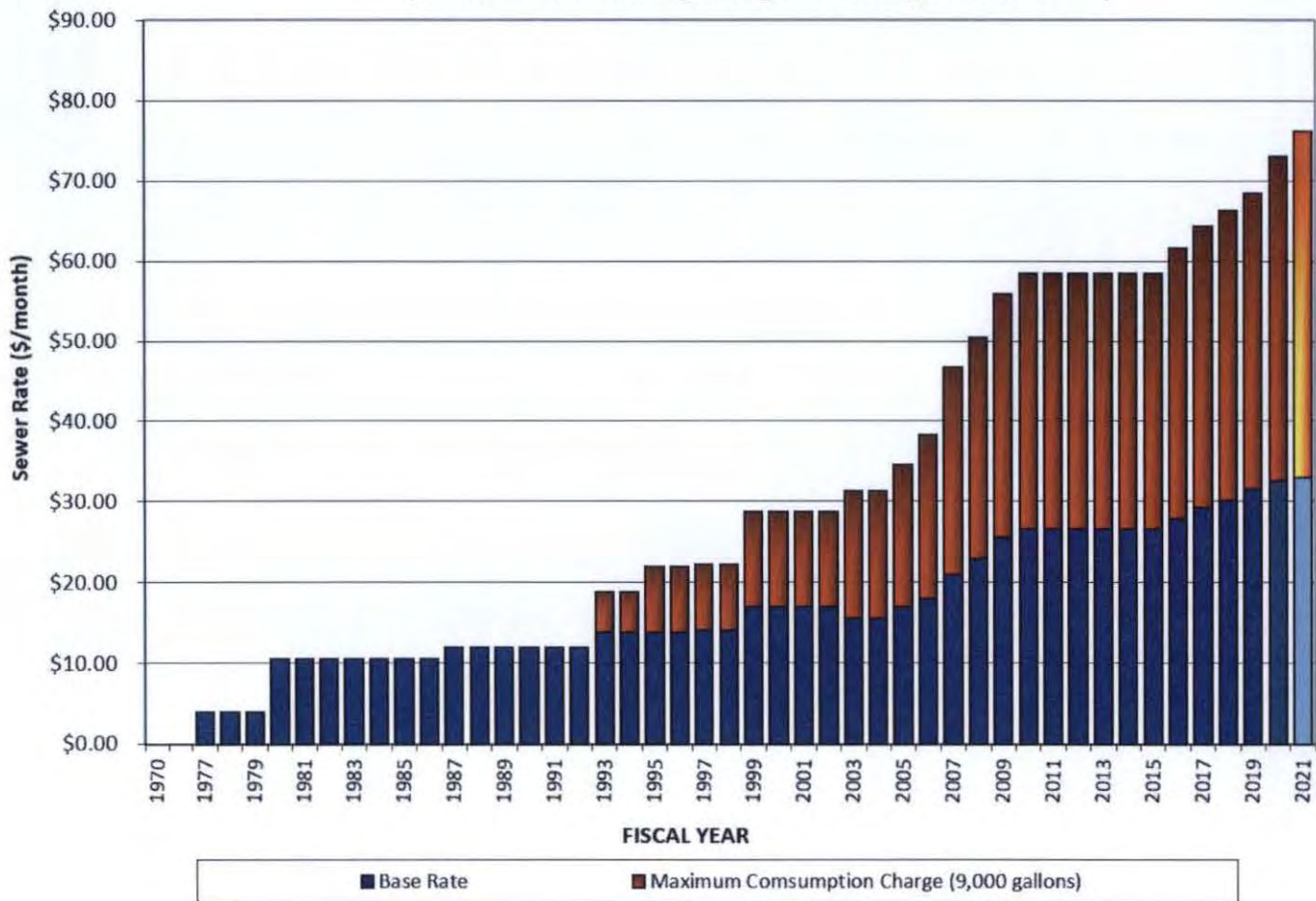
## EXISTING & PROPOSED DEBT SERVICE





## SEWER RATES

**HISTORY OF MAUI SEWER RATES**  
(Maximum Billing Single-Family Residence)





## FUTURE CHALLENGES FACING WWRD



### REDUCING ENERGY COSTS

Expected greater energy usage due to additional treatment and pumping, and cost increases due to rate increases.

Old equipment replaced with higher efficiency models, reducing carbon footprint.



### CIP VS. SEWER RATES

Balancing the amount of money spent on CIP projects with reasonable increases in sewer rates and debt allocation.



### AGING INFRASTRUCTURE AND EQUIPMENT

It keeps getting older and everything has a useful life.

Gravity Sewer, Manholes, Pump Stations, Force Mains, Pumps, Blowers, Generators, Reuse Lines, Meters, Tanks, Basins, UV Equipment, Filters, Buildings, Vehicles, Trucks, Maintenance Vehicles etc.



### STRICTER REGULATORY REQUIREMENTS

New UIC permitting requirements, possible NPDES permit requirements, sludge disposal issues



### INCREASING DEBT

SRF Loans and GO Bonds to accomplish County goals.  
SRF Loan Amounts limited, Bond Rates are increasing.



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## THINGS THAT WILL HELP WWRD

### FUNDING



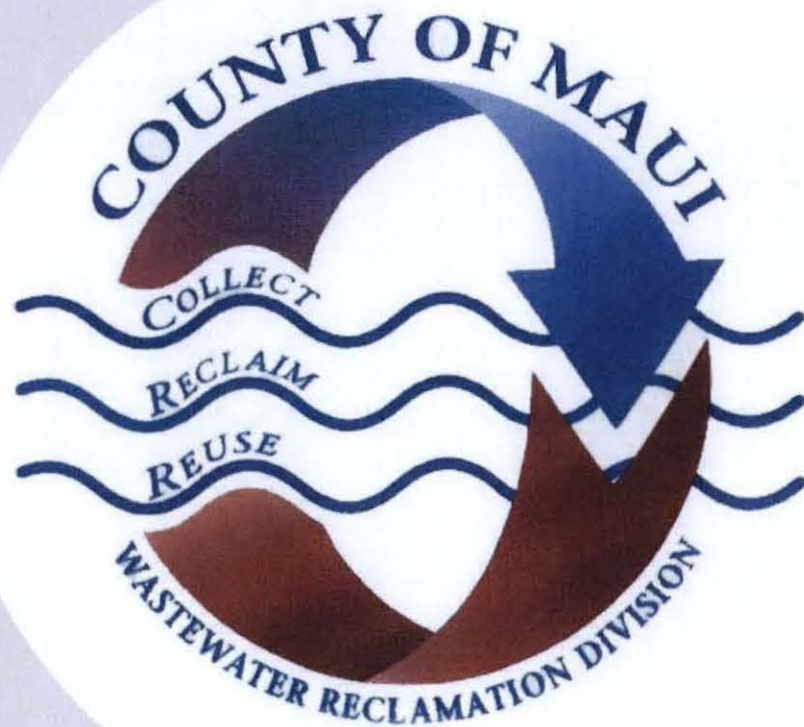
- Bonds payed by the General Fund instead of by sewer customers
- Money from the General Fund to pay for projects

- Property owners need to CCTV private sewer lines to verify adequate condition, if not repair/replace
- Banning flushable wipes



### LEGISLATION





# THANK YOU AND QUESTIONS

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SCOTT ROLLINS  
ACTING DIVISION CHIEF

