

Capital Program

Capital Budget Summaries

This section provides a description of the County of Maui's Capital Budget; summaries of the proposed FY 2024 Capital Budget by major fund, department, district, funding type and project type; six-year proposed Capital Improvement Program (CIP) plan, also referred to as "Capital Program" budget; impacts of the capital projects on the operating budget; and capital budget policies and guidelines. Detailed information relating to the capital projects with proposed funding in FY 2024 can be found in the Department Capital Project Sheets section of this budget book.

Definition of Capital Program and Capital Project

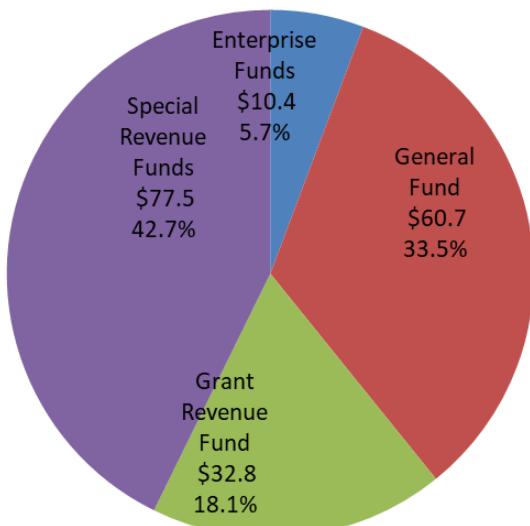
The County of Maui's CIP plan is a six-year plan that outlines the public infrastructure needs of the community. The CIP plan provides the citizens of Maui County with a list of capital projects planned for the ensuing fiscal year and the next succeeding five years. While the CIP plan covers a 6-year planning horizon, the plan is updated annually to reflect ongoing changes as projects are added, existing projects are modified, completed, and/or withdrawn from the CIP plan. The County Council appropriates funding for capital projects planned in the ensuing fiscal year.

Chapter 3.04.010, Maui County Code, defines a capital improvement as "*a permanent improvement or betterment as distinguished from ordinary repair or current maintenance.*" A capital project is a project to construct either new facilities; significant, long-term renovation to existing facilities; or purchase of specialized, long-life equipment. Many grants made by non-County entities (i.e. State, Federal, or private) to fund capital projects for the County are also included in the capital budget.

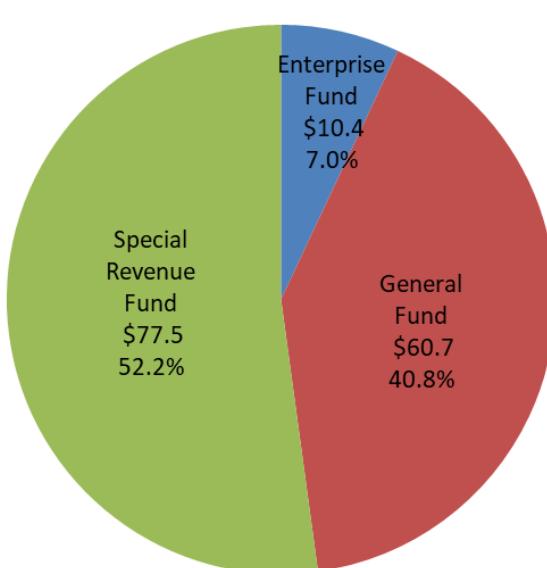
The Charter and County Code do not provide provisions on a monetary threshold for projects to qualify as a capital project. However, there are many factors that affect how a capital project is funded and administered. Depending on its cost, size and scope, a project may be funded in the Department's operating or capital budget. Bonds or loans may only be used to fund capital projects.

FY 2024 Capital Budget Overview

ALL SOURCES OF FUNDS: \$181.4M
Total Capital Projects by Major Fund Type
Figure 5-1 (in Millions)



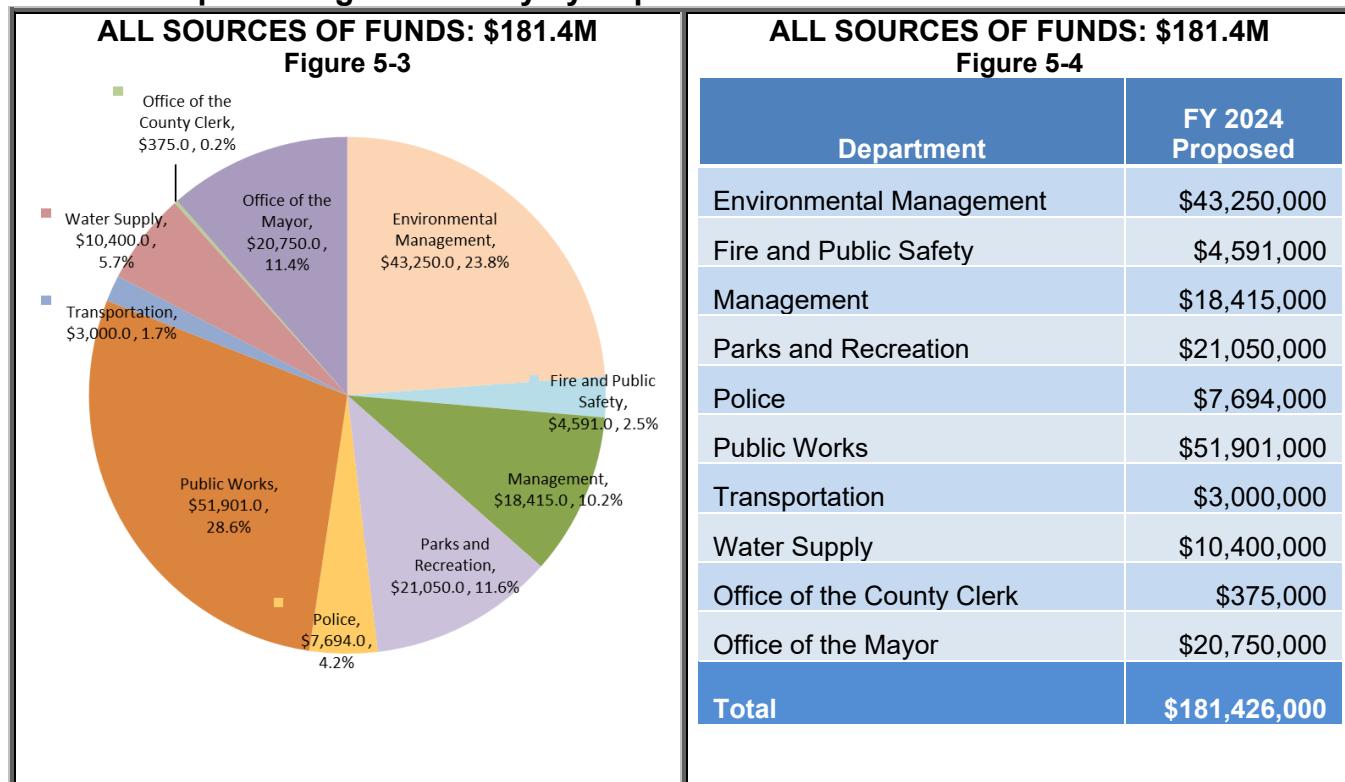
COUNTY SOURCES OF FUNDS: \$148.6M
Total Capital Projects by Major Fund Type
Figure 5-2 (in Millions)



FY 2024 Capital Budget Overview (Cont'd)

As shown in the charts on the prior page, the proposed FY 2024 CIP Budget totals \$181.4 million. This total includes capital projects funded through the County and Grant Revenue Funds. The FY 2024 CIP Budget funded by County Funds is \$148.6 million representing a decrease of \$115.2 million from the FY 2023 Adopted Budget.

The following sections include graphs and tables detailing the FY 2024 Proposed Capital Budget from All Sources of Funds by department, district, fund type and project type:

FY 2024 Capital Budget Summary by Department

As shown in Figure 5-3, the Department of Public Work's capital projects make up 28.6 percent or \$51.9 million of the total FY 2024 Capital Budget. Capital projects for the Department of Public Works represent the largest percentage of the total projects proposed. Projects listed under this department consist of road and related improvements, beautification, sidewalks, bike paths, drainage, bridge repairs and maintenance, safety and utilities, and accessibility for persons with disabilities. This year's funding includes: (1) Countywide Road Resurfacing and Pavement Preservation, \$13.1 million; (2) Countywide Federal Aid Program, \$12.2 million; (3) Countywide Facilities Maintenance Program, \$5.6 million; (4) Countywide Drainline Replacement Program, \$5.0 million; (5) Countywide Traffic and Safety Program, \$4.1 million; (6) Countywide Bridge and Drainage Program, \$4.0 million; (7) East Maui Rockfall and Embankment Repairs, \$3.9 million; (8) Countywide DPW Baseyard Facilities Program, \$2.6 million; (9) Maui Lani Parkway Extension, \$1.0 million; and (10) Lower Honoapiilani Road Erosion at Kaopala Bay, \$0.4 million.

FY 2024 Capital Budget Summary by Department (Cont'd)

Capital projects for the Department of Environmental Management represent the second largest percentage of the total projects proposed at \$43.3 million or 23.8% of the total proposed FY 2024 capital budget. These capital projects consist of those planned under both the Solid Waste and Wastewater Divisions. The most notable projects proposed for FY 2024 are: (1) Kaanapali Resort R-1 Water Distribution System Expansion, \$8.6 million; (2) Countywide Environmental Protection Agency (EPA) Compliance Wastewater Reclamation Facility Renovation Projects, \$4.2 million; (3) Countywide Wastewater System Modifications, \$3.0 million; (4) Central Maui Landfill Land Purchase, \$2.0 million; (5) Interim County of Maui Greenwaste and Biosolids Management, \$2.0 million; (6) West Maui Environmental Protection Agency (EPA) Compliance Sewer Rehabilitation, \$2.0 million; (7) Napili No. 2 Force Main Replacement, \$1.5 million; (8) Lahaina Wastewater Reclamation Facility R-1 Process Expansion, \$1.4 million; (9) Central Maui Landfill Phase II/III Interface Development, \$1.2 million; and (10) Kihei Wastewater Pump Station No. 7 Relocation, \$1.1 million.

At \$21.1 million or 11.6%, Parks and Recreation represents the third largest percentage of the total CIP proposed for FY 2024. Most notably, the Department's projects include: (1) Lahaina Civic Center Rehabilitation, \$5.4 million; (2) War Memorial Gym Building Improvements, \$4.0 million; (3) Old Hana School Improvements, \$3.0 million; (4) South Maui Beach Parks Parking Lots Improvements, \$2.0 million; (5) Countywide Park Playground Improvements, \$1.6 million; (6) Central Maui Pickleball Courts, \$1.0 million; (7) Napili Park Improvements, \$0.8 million; and (8) Fifth Street Courts Resurfacing and Improvements, \$0.7 million.

At \$20.8 million or 11.4%, the Office of the Mayor holds the fourth largest percentage of total proposed CIP for FY 2024. This amount is reflective of the Kula Agricultural Park Phase I Expansion – Upcountry Maui Ag Park project which will include design and environmental assessment for a water system to support the Kula Ag Park expansion including construction services and special inspections. \$10.0 million is anticipated to be obtained from State funding.

At \$18.4 million or 10.2%, the Department of Management holds the fifth largest percentage of the total CIP proposed for FY 2024. The projects under the Department of Management are (1) Wailuku Civic Hub, \$14.5 million; and (2) 60 South Church Street Building Renovations, \$3.9 million.

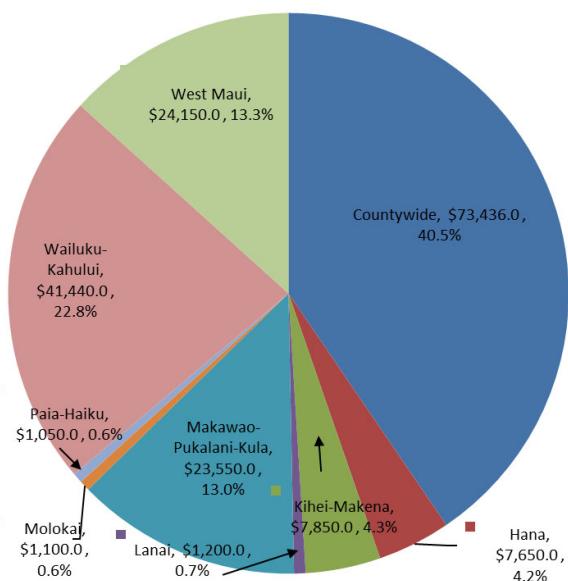
This year's funding for the Department of Water Supply represents \$10.4 million or 5.7 percent of the total FY 2024 CIP Proposed Budget. Most notably, the projects include: (1) Countywide Upgrades and Replacements, \$4.8 million; (2) Upper Kula Transmission Improvements, \$2.5 million; (3) West Maui Reliable Capacity, \$0.9 million; (4) Upcountry Reliable Capacity – USGS, \$0.8 million; and (5) Countywide Facility Improvements, \$0.7 million.

The Department of Police reflects total CIP projects of \$7.7 million or 4.2% of the total FY 2024 CIP proposed for FY 2024. That includes (1) Radiosystem Facility Upgrades, \$4.0 million; and (2) Countywide Police facilities, \$2.7 million.

The FY 2024 Capital Budget also includes projects for the Department of Fire and Public Safety, \$4.6 million, Transportation, \$3.0 million; and Office of the County Clerk, \$0.4 million.

Capital Program**Capital Budget Summaries****FY 2024 Capital Budget Summary by District**

ALL SOURCES OF FUNDS: \$181.4M
Figure 5-5



ALL SOURCES OF FUNDS: \$181.4M
Figure 5-6

District	FY 2024 Proposed
Countywide	\$73,436,000
Hana	\$7,650,000
Kihei-Makena	\$7,850,000
Lanai	\$1,200,000
Makawao-Pukalani-Kula	\$23,550,000
Molokai	\$1,100,000
Paia-Haiku	\$1,050,000
Wailuku-Kahului	\$41,440,000
West Maui	\$24,150,000
Total	\$181,426,000

FY 2024 Capital Budget Summary by District (Cont'd)

As shown in Figure 5-5, the largest percentage of the CIP Budget for FY 2024, \$73.4 million or 40.5 percent, is allocated for Countywide projects. This category includes projects for more than one community plan area. Some of the major capital projects include: Countywide Road Resurfacing and Pavement Preservation, \$13.1 million; Countywide Federal Aid Program, \$12.2 million; Countywide Facilities Maintenance Program, \$5.6 million; Countywide Drainline Replacement Program, \$5.0 million; Countywide Upgrades and Replacements; \$4.8 million; Countywide Environmental Protection Agency (EPA) Compliance Wastewater Reclamation Facility Renovation Projects, \$4.2 million; Countywide Traffic and Safety Program, \$4.1 million; and Countywide Bridge and Drainage Program, \$4.0 million.

The second largest percentage of this year's proposed capital budget is for the Wailuku-Kahului community plan area at \$41.4 million or 22.8%. Some of the major capital projects include: Administration Building Acquisition, \$4.0 million; War Memorial Gym Building Improvements, \$4.0 million; 60 South Church Street Building Renovations, \$3.9 million; Transportation Baseyard Facility, \$2.4 million; Central Maui Landfill Land Purchase, \$2.0 million; and Interim County of Maui Greenwaste and Biosolids Management, \$2.0 million.

The West Maui community plan area represents the third largest percentage of this year's proposed capital budget at \$24.2 million or 13.3 percent. Some of the major capital projects include: Kaanapali Resort R-1 Water Distribution System Expansion, \$8.7 million; Lahaina Civic Center Rehabilitation, \$5.4 million, West Maui Environmental Protection Agency (EPA) Compliance Sewer, \$2.0 million; Napili No. 2 Force Main Replacement, \$1.5 million; and Lahaina Wastewater Reclamation Facility R-1 Process Expansion, \$1.4 million.

FY 2024 Capital Budget Summary by District (Cont'd)

The Makawao-Pukalani-Kula community plan area is fourth highest in CIP projects with a proposed budget of \$23.6 million or 13.0 percent of the total CIP proposed FY 2024 budget. Notable projects include: Kula Agricultural Park Phase 1 Expansion – Upcountry Maui Ag Park, \$20.8 million; and Upper Kula Transmission Improvements, \$2.5 million.

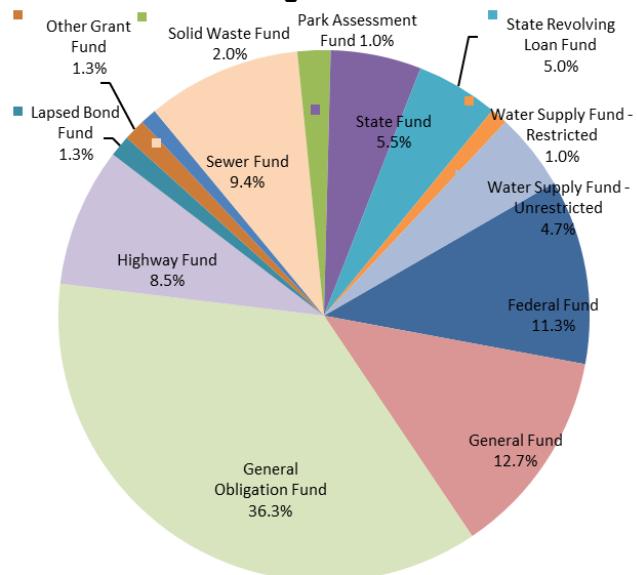
The proposed projects for the Kihei-Makena community plan area total \$7.9 million or 4.3 percent of the total FY 2024 Proposed Capital Budget. Major CIP projects in this community plan area include: South Maui Beach Parks Parking Lots Improvements, \$2.0 million; Kihei Wastewater Pump Station No. 7 Relocation, \$1.1 million; Kihei Wastewater Pump Station No. 6 Modification/Upgrade, \$1.0 million; and Kaiola Place Sewer Extension, \$1.0 million.

The Hana community plan area is proposed with projects totaling \$7.7 million or 4.2 percent of the total FY 2024 Proposed Capital Budget. The major capital projects in this area are East Maui Rockfall and Embankment Repairs, \$3.9 million; Old Hana School Improvements at \$3.0 million; Helene Hall Septic Improvements; \$0.6 million and Keanae Septic System Improvements, \$0.2 million.

The Lanai community plan area has \$1.2 million or 0.7 percent of the FY 2024 Proposed Capital Budget. The capital projects on Lanai include: Fifth Street Courts Resurfacing and Improvements, \$0.7 million; and Lanai Wastewater Treatment Pond Renovations, \$0.5 million.

The projects in the Molokai community plan area, which total \$1.1 million and represent 0.6% of the total FY 2024 Proposed Capital budget, include Molokai Police Station, \$0.5 million; Pukoo Fire Station Renovation, \$0.4 million; and Molokai Landfill Master Plan, \$0.3 million.

The Paia-Haiku community plan area represents \$1.1 million or 0.6 percent of the total FY 2024 Proposed Capital Budget. The capital improvement projects in this area includes: Upcountry Reliable Capacity – USGS, \$0.8 million; and Paia Wastewater Pump Station Modifications, \$0.3 million.

Capital Program**Capital Budget Summaries****FY 2024 Capital Budget Summary by Fund Type****ALL SOURCES OF FUNDS: \$181.4M****Figure 5-7****ALL SOURCES OF FUNDS: \$181.4M****Figure 5-8**

Fund Type	FY 2024 Proposed
Federal Fund	\$20,425,000
General Fund	\$22,955,000
General Obligation Fund	\$65,945,043
Highway Fund	\$15,351,000
Lapsed Bond Fund	\$2,349,957
Other Grant Fund	\$2,400,000
Park Assessment	\$1,800,000
Sewer Fund	\$17,050,000
Solid Waste Fund	\$3,650,000
State Fund	\$10,000,000
State Revolving Loan Fund	\$9,100,000
Water Supply Fund - Restricted	\$1,900,000
Water Supply Fund - Unrestricted	\$8,500,000
TOTAL	\$181,426,000

Figure 5-7 details distribution of the capital budget, by funding type. The largest source of funding for capital projects planned in FY 2024 is the General Obligation Bond (“G. O. Bond”) Fund at 36.3% of the total. The next largest sources of funding are General Fund at 12.7%, Federal Funds at 11.3%, Sewer Fund at 9.4%, Highway Fund at 8.5%, and State Fund at 5.5%.

The County of Maui funds its Capital Program through the use of several different funding mechanisms. Federal Funds are provided to the County by Federal departments or agencies and State Funds are those received from State departments or agencies as grant awards or contracts

The State Revolving Loan Fund is available funding for County projects from a program administered by the State Department of Health. This source of funding provides low interest rate loans to fund construction of drinking water and wastewater infrastructure projects to achieve or maintain compliance with Federal Clean Water and Drinking Water Acts.

The General Fund is the primary operating fund of a governmental organization that accounts for activities and services not required to be accounted for in another fund, and traditionally associated with governments, such as police and fire service. Core government services are financed primarily through taxes, fees, and intergovernmental and other non-exchange revenues.

G. O. Bond Funds are for major capital projects secured by the pledge of the County’s full faith, credit, and taxing power. Lapsed Bond Proceeds are funds from a prior issuance of G. O. Bonds that have lapsed and made available for re-appropriation.

The Highway Fund is funded by the County’s fuel tax, public utility franchise tax, and motor vehicle weight tax. These taxes may be used for highway and mass transit related projects and services.

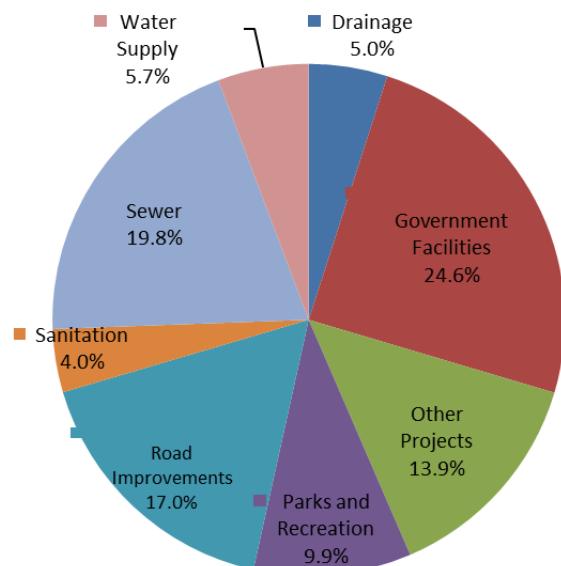
Capital Program**Capital Budget Summaries****FY 2024 Capital Budget Summary by Fund Type (Cont'd)**

The Park Assessment Fund is derived from contributions in lieu of land and paid to the County as a condition of the approval of a subdivision. The funds may be used for the purpose of providing parks and playgrounds to the specific community district that the fund derived from.

The Sewer Fund is funded by sewer assessments and user fees. Funds can only be used for wastewater-related operations and capital projects. The Solid Waste Management Fund derives its revenues by fees associated with landfill disposal and refuse collection.

Restricted Water Supply Fund was established for the water system development fees collected from new users. This is a fee imposed on applicants for new services to fund a portion of costs to construct water system improvements or to recover the cost of existing water systems made from anticipation of additional demand on the systems

Unrestricted Water Supply Fund was established to set aside water revenues for services provided to fund capital projects related to system repairs, maintenance, and facility replacements.

FY 2024 Capital Budget by Project Type**ALL SOURCES OF FUNDS: \$181.4M****Figure 5-9****ALL SOURCES OF FUNDS: \$181.4M****Figure 5-10**

Project Type	FY 2024 Proposed
Drainage	\$9,000,000
Government Facilities	\$44,700,000
Other Projects	\$25,250,000
Parks and Recreation	\$18,050,000
Road Improvements	\$30,776,000
Sanitation	\$7,250,000
Sewer	\$36,000,000
Water Supply	\$10,400,000
TOTAL	\$181,426,000

As shown in Figure 5-9, the largest project type is Government Facilities at 24.6%, followed by Sewer at 19.8%, Road Improvements at 17.0%, Other Projects at 13.9%, Parks and Recreation at 9.9%, Water Supply at 5.7%, Drainage at 5.0%, and Sanitation, 4.0%.

Major capital projects under Government Facilities are: Wailuku Civic Hub, \$14.5 million; Countywide Facilities Maintenance Program, \$5.6 million; Administration Building Acquisition, \$4.0 million; Radiosystem Facility Upgrades, \$4.0 million; 60 South Church Street Building Renovations, \$3.9 million; Old Hana School Improvements, \$3.0 million; Countywide Police Facilities, \$2.7 million; Countywide DPW Baseyard Facilities Program, \$2.6 million; and Transportation Baseyard Facility, \$2.4 million.

FY 2024 Capital Budget by Project Type (Cont'd)

Major projects under the Sewer project type include: Kaanapali Resort R-1 Water Distribution System Expansion, \$8.7 million; Countywide Environmental Protection Agency (EPA) Compliance Wastewater Reclamation Facility Renovation Projects, \$4.2 million; Countywide Wastewater System Modifications, \$3.0 million; Countywide Wastewater Project Management, \$2.0 million; and West Maui Environmental Protection (EPA) Compliance Sewer Rehabilitation, \$2.0 million.

Road Improvement projects include: Countywide Road Resurfacing and Pavement Preservation, \$13.1 million; Countywide Federal Aid Program, \$12.2 million; and Countywide Traffic and Safety Program, \$4.1 million.

Other Projects represent the fourth largest category. They include the following major capital projects: Kula Agricultural Park Phase 1 Expansion – Upcountry Maui Ag Park and \$20.8 million; and East Maui Rockfall and Embankment Repairs, \$3.9 million.

The fifth largest project type is Parks and Recreation. These projects consist of the following: Lahaina Civic Center Rehabilitation, \$5.4 million; War Memorial Gym Building Improvements, \$4.0 million; South Maui Beach Parks Parking Lots Improvements, \$2.0 million; Countywide Park Playground Improvements, \$1.6 million; and Central Maui Pickleball Courts, \$1.0 million.

Water Supply, which is the sixth largest project type, is highlighted by these projects: Countywide Upgrades and Replacements, \$4.8 million; Upper Kula Transmission Improvements, \$2.5 million; West Maui Reliable Capacity, \$0.9 million; Upcountry Reliable Capacity – USGS, \$0.8 million; and Countywide Facility Improvements, \$0.7 million.

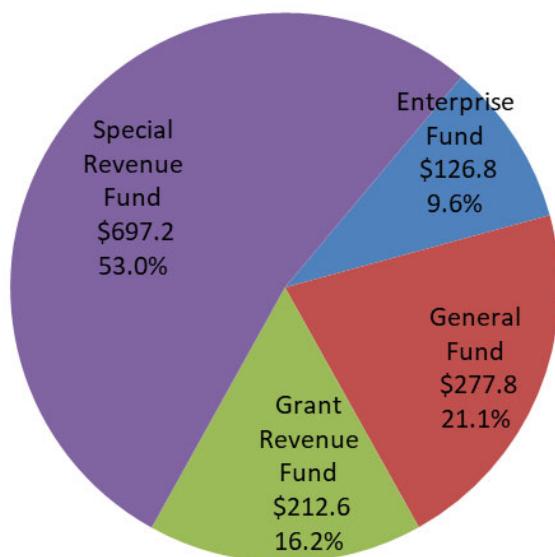
In addition to Road projects, the Department of Public Works also handles projects covered in the Drainage category. These include: Countywide Drainline Replacement Program, \$5.0 million; and Countywide Bridge and Drainage Program, \$4.0 million.

The final category is Sanitation which is under the Department of Environmental Management's Solid Waste Division. The following projects are among those planned for the FY 2024: Central Maui Landfill Land Purchase, \$2.0 million; Interim County of Maui Greenwaste and Biosolids Management, \$2.0 million; Central Maui Landfill Phase II/III Interface Development, \$1.2 million; and Environmental Compliance System Design and Construction, \$0.8 million.

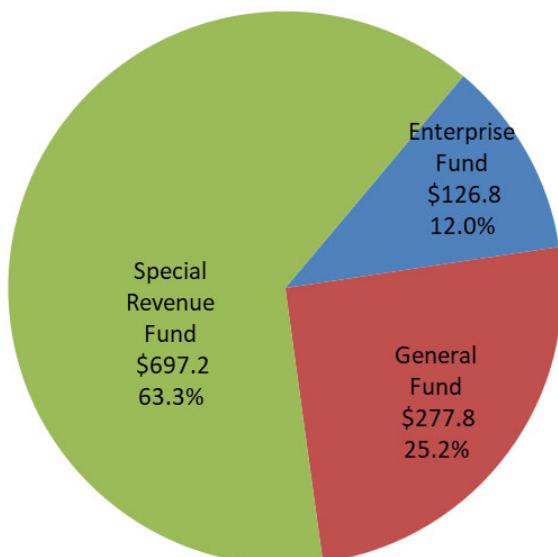
Capital Program**Capital Budget Summaries****Six-Year Capital Budget Summaries**

Figures 5-11 to 5-14 summarize the planned CIP Budget for FY 2024 through FY 2029 by Major Fund Type and Total Capital Projects from All Sources of Funds and County Sources of Funds. Detailed information relating to the six-year CIP plan is presented in the Capital Budget Ordinance and is accessible on the County's website: www.mauicounty.gov.

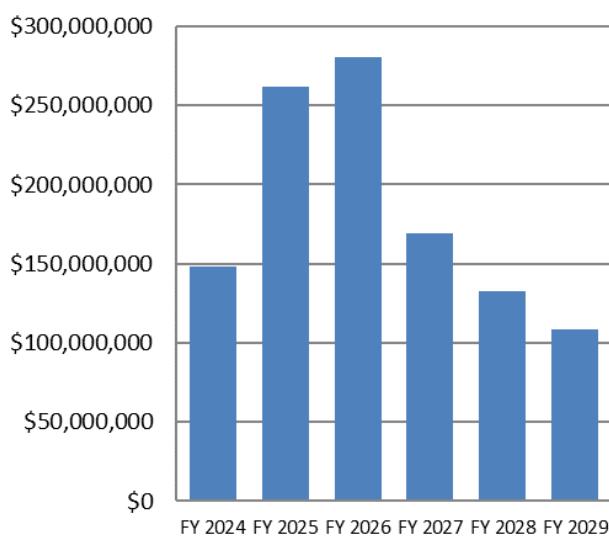
ALL SOURCES OF FUNDS: \$1.314B
Total Capital Projects by Major Fund Type
Figure 5-11 (in Millions)



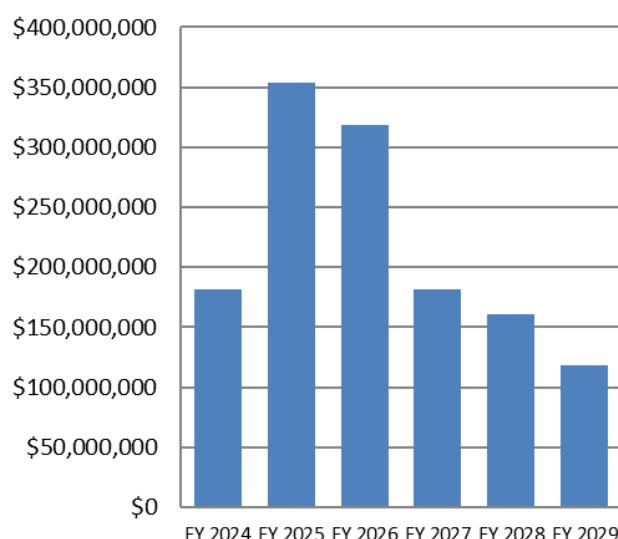
COUNTY SOURCES OF FUNDS: \$1.101B
Total Capital Projects by Major Fund Type
Figure 5-12 (in Millions)



ALL SOURCES OF FUNDS: \$1.314B
Total Capital Projects by Fiscal Year
Figure 5-13



COUNTY SOURCES OF FUNDS: \$1.101B
Total Capital Projects by Fiscal Year
Figure 5-14



Impact on the Operating Budget

Identifying the impact of the planned capital projects on the operating budget and quantifying the costs associated with funding capital projects is an integral part of the CIP plan. Incurring future operating expenses is expected of most capital projects. The total anticipated impact on the operating budget for FY 2024 is \$3.2 million and \$12.4 million for the next succeeding years. For FY 2024, operating expenses will be incurred by the capital projects for Environmental Management, 71.1 percent; Management, 18.9 percent; and Parks and Recreation, 10.1 percent.

Debt service or the cost of financing capital projects funded by G. O. Bonds significantly impacts the operating budget. The allocation of G.O. Bonds to individual projects is reflected in the Funding Details and Methods of Financing sections in the individual project sheets.

These operating impacts are presented in the CIP plan through the inclusion of anticipated impacts in the Operating Impact Narrative section of the individual project sheets, which can be found in the Department Capital Project Sheets section of the program budget. The operating budget may include costs associated with additional staffing, maintenance, other non-maintenance, and non-capital equipment.

Figure 5-15 below provides a summary of the capital projects' impact on the annual operating budget for the next six years by department as reported to the Budget Office by County departments:

Capital Improvement Impact on the Operating Budget
Figure 5-15

Department	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	6-Year Total
Environmental Management	\$2,213,000	\$2,223,500	\$2,223,500	\$2,231,750	\$2,166,500	\$10,000	\$11,068,250
Management	\$435,000	\$445,000	\$485,000	\$495,000	\$535,000	\$545,000	\$2,940,000
Parks and Recreation	\$504,454	\$506,238	\$183,075	\$184,967	\$186,916	\$0	\$1,565,650
TOTAL	\$3,152,454	\$3,174,738	\$2,891,575	\$2,911,717	\$2,888,416	\$555,000	\$15,573,900

Project Prioritization

The prioritization method utilized by the County allows for a capital expenditure strategy that enables the County to provide appropriate facilities for its employees and customers and to manage future costs.

All capital projects recommended for inclusion in the six-year CIP plan are initially prioritized by the department before being further analyzed by the Budget Office, based upon various criteria. This assessment is designed to measure both the overall need for a project, the relative urgency of a project, and available funding sources. It is not a substitute for the decision-making process undertaken by the Mayor and the County Council. It is however, an attempt to define some basic evaluation criteria that can be applied against competing countywide requests and become one of the many factors in the overall decision-making process.

Pursuant to Section 8-8.3 of the Charter, the proposed capital improvement projects are also reviewed by the Planning Director in relation to the Maui Island Plan and community plans.