

**Written Testimony in Opposition
Bill 9 (2026)
Budget, Finance, and Economic Development Committee**

I respectfully submit written testimony in opposition to Bill 9 (2026).

I acknowledge the importance of safe, reliable, and resilient water infrastructure for Maui County, particularly as the County evaluates opportunities to integrate public and private water systems and improve long-term water security. My opposition to this bill is not based on disagreement with those goals. Rather, it is based on the structure, funding mechanisms, and scope of authority established by this measure, which together create long-term fiscal and governance risks that are not adequately constrained or disclosed.

1. Bill 9 bundles multiple major fiscal actions into a single amendment

As described in the Mayor’s transmittal and budget explanation, Bill 9 simultaneously increases estimated revenues, increases General Fund carryover/savings, transfers funds to the General Excise Tax Fund, expands Department of Water Supply staffing, authorizes capital acquisitions, and broadens project descriptions across multiple budget appendices .

By combining operating appropriations, capital appropriations, staffing increases, inter-fund transfers, and project scope expansions into a single bill, the measure reduces transparency and makes it difficult for the Council and the public to evaluate the true fiscal and operational impact of each component. Each of these actions would ordinarily merit discrete consideration. Bundling them together limits meaningful scrutiny.

2. One-time carryover funds are used to create permanent obligations

The certification of revenues confirms that the \$10,000,000 supporting this bill is derived from General Fund carryover/savings . Carryover and savings are, by definition, non-recurring resources.

Despite this, Bill 9 authorizes:

- an increase of 10.0 equivalent personnel positions within the Department of Water Supply, and
- ongoing operational responsibilities associated with newly acquired and integrated systems.

The transmittal states explicitly that these positions are intended to be created “as soon as possible so they can be filled if the County acquires additional systems” . This establishes permanent staffing in anticipation of future acquisitions that have not yet occurred and for which long-term funding has not been identified.

Using one-time funds to establish permanent staffing and ongoing operational responsibilities obscures the County's true baseline costs and shifts known future obligations into later budgets. This weakens fiscal discipline and increases the likelihood of future budget pressure.

3. Acquisition of private water systems lacks defined guardrails

Bill 9 authorizes the acquisition of private water systems and wells and allows for upgrades necessary to bring those systems to Department standards prior to integration .

However, neither the bill nor its attachments establish:

- valuation standards for acquisition,
- criteria for determining which systems should be acquired,
- limits on acquisition or upgrade costs,
- prioritization among candidate systems, or
- requirements for Council notification or approval on a per-acquisition basis.

Absent these guardrails, the bill grants broad, open-ended authority to acquire and upgrade private systems without sufficient legislative constraints. This reduces Council oversight and makes it difficult to ensure that acquisitions are cost-effective, equitable, and aligned with broader County priorities.

4. Project scope is expanded after budget introduction

The bill updates Appendix A and Appendix C to broaden project descriptions to include “any upgrades that may be needed prior to integrating the systems” .

Expanding project scope after funds are authorized materially increases administrative discretion and weakens legislative intent control. While upgrades may be necessary, the absence of defined limits or standards allows the scope and cost of work to grow without further Council review.

This approach reduces transparency and increases the risk that expenditures will exceed what was reasonably contemplated at the time of appropriation.

5. Circular fund movements obscure the true source and use of funds

Bill 9 increases estimated revenues, increases General Fund carryover/savings, transfers funds to the General Excise Tax Fund, and then uses those funds for both operating and capital purposes. While each step may be legally permissible, the overall structure makes it difficult to trace the true origin, duration, and purpose of the funds.

This complexity complicates public understanding and weakens accountability. Clear separation between revenue sources, one-time savings, operating costs, and capital investments is essential to sound fiscal governance.

6. The bill commits the County to a long-term “vision” without sufficient structure

The transmittal references the Department of Water Supply’s “vision to integrate public and private water systems and develop a municipal water system” . While vision is important, legislation that commits public funds must be anchored in defined plans, timelines, standards, and limits.

Bill 9 advances that vision by creating staffing, authorizing acquisitions, and expanding project scope, but it does so without a comprehensive framework that allows the Council and public to evaluate:

- total projected cost,
- long-term operational impact,
- ratepayer implications, or
- alternative approaches.

Approving major structural commitments based on vision alone, without corresponding safeguards, places future Councils and taxpayers at risk.

Conclusion

Bill 9 (2026) does not merely fund water infrastructure improvements. It establishes permanent staffing, authorizes open-ended acquisitions, expands project scope, and commits the County to long-term operational obligations using one-time funding sources, all within a single, complex amendment.

For these reasons, I oppose Bill 9 (2026) as drafted. At a minimum, consideration should be deferred until the bill is restructured to clearly separate one-time and recurring costs, establish acquisition and upgrade guardrails, preserve meaningful Council oversight, and present a transparent accounting of long-term fiscal impacts.

Thank you for the opportunity to submit written testimony for the record.

Submitted by:
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