

COUNCIL OF THE COUNTY OF MAUI
BUDGET AND FINANCE COMMITTEE

April 6, 2001

**Committee
Report No.**

01-62

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

Chair and Members:

Your Budget and Finance Committee, having met on March 15, 2001, makes reference to County Communication No. 00-297, from the Director of Public Works and Waste Management, transmitting a proposed bill entitled "A BILL FOR AN ORDINANCE AUTHORIZING THE MAYOR OF THE COUNTY OF MAUI TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT FOR A STATE WATER POLLUTION CONTROL REVOLVING FUND LOAN FOR THE WAILUKU-KAHULUI WASTEWATER RECLAMATION MODIFICATION, PHASE II".

The purpose of the proposed bill is to authorize the Mayor to complete the processing of the State Revolving Fund (SRF) loan application for approximately \$10,400,000 of construction funds.

At its meeting of January 12, 2001, the Council referred County Communication No. 00-297 to your Budget and Finance Committee (County Communication No. 01-8).

At its meeting, your Committee met with the Budget Director, the Director of Public Works and Waste Management, and a Deputy Corporation Counsel.

The Director of Public Works and Waste Management informed your Committee that the proposed bill would authorize the Mayor to enter into an intergovernmental agreement with the State Department of Health (DOH) Wastewater Branch. As background information, the Director of Public Works and Waste Management stated that the DOH has a State Water Pollution Control Revolving Fund Loan with about \$200 million of capital, which is loaned for water pollution control projects. The SRF loan is repaid and the funds are loaned again, with approximately 80 percent of the funds loaned at any one time.

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Your Committee was informed that the SRF loan the County is seeking is for construction of the Wailuku-Kahului Wastewater Reclamation Modification, Phase II. The project scope includes the addition of an aeration basin, headworks modifications, new blower building, electrical system upgrades and tsunami protection. The Director of Public Works and Waste Management stated that this Capital Improvement Project previously received design funds from the Fiscal Year (FY) 2001 Budget, and is part of the FY 2002 Budget. The current SRF loan rate is 2.8 percent versus the bond rate of 5 percent. He further noted that this SRF loan would be a \$3 million savings over the life of the loan.

Your Committee voted to recommend passage of the revised proposed bill on first reading and filing of the communication.

Your Committee is in receipt of a revised proposed bill entitled "A BILL FOR AN ORDINANCE AUTHORIZING THE MAYOR OF THE COUNTY OF MAUI TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT FOR A STATE WATER POLLUTION CONTROL REVOLVING FUND LOAN FOR THE WAILUKU-KAHULUI WASTEWATER RECLAMATION MODIFICATION, PHASE II". The revised bill changes the date from 2000 to 2001.

Your Budget and Finance Committee RECOMMENDS the following:

1. That Bill No. _____ (2001), as revised herein and attached hereto, entitled "A BILL FOR AN ORDINANCE AUTHORIZING THE MAYOR OF THE COUNTY OF MAUI TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT FOR A STATE WATER POLLUTION CONTROL REVOLVING FUND LOAN FOR THE WAILUKU-KAHULUI WASTEWATER RECLAMATION MODIFICATION, PHASE II" PASS FIRST READING and BE ORDERED TO PRINT; and
2. That County Communication No. 00-297 be FILED.

Adoption of this report is respectfully requested.

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