

COUNCIL OF THE COUNTY OF MAUI  
**COMMITTEE OF THE WHOLE**

June 1, 2001

**Committee  
Report No.**

01-98

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

Chair and Members:

Your Committee of the Whole, having met on May 15, 2001, makes reference to County Communication No. 01-91, from the Council Chair, regarding proposed contracts for special counsel.

Your Committee is in receipt of a letter dated May 4, 2001, from First Deputy Corporation Counsel Howard M. Fukushima, requesting consideration of a proposed resolution entitled "AUTHORIZING THE EMPLOYMENT OF SPECIAL COUNSEL FOR THE BOARD OF WATER SUPPLY". The purpose of the proposed resolution is to authorize the employment of William W. L. Yuen, Esq. of Ching, Yuen and Morikawa as special counsel for the Board of Water Supply regarding a loan from the United States Department of Agriculture (USDA).

Your Committee notes that this matter pertains to water system improvements for the Ulumalu/Peahi area.

At its meeting, your Committee met with the Director of Water Supply; the Corporation Counsel; the First Deputy Corporation Counsel; two Deputy Corporation Counsel; and William W. L. Yuen, Esq. of Ching, Yuen and Morikawa.

There being no public testimony, First Deputy Corporation Counsel Howard M. Fukushima provided a brief overview of the case and requested that Mr. Yuen be retained to act as special bond counsel on behalf of the Department of Water Supply and the Board of Water Supply. The contract with Mr. Yuen shall be in the total amount not to exceed \$12,000 and shall be paid by the Maui Ranch Estates Homeowners' Association.

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Your Committee briefly discussed the matter with the Director of Water Supply, who provided a copy of an article regarding Federal funding to be used to fix the Ulumalu subdivision's water system.

Mr. Yuen explained why special bond counsel is needed in this case. The Department of Water Supply is proposing to borrow funds from the USDA. This type of loan is considered a revenue bond because part of the agreement contains a rate commitment by the County to eventually approve rates to generate revenue to repay the loan. The USDA loan involves a special matter presenting a real necessity for the employment of special counsel.

Based on the information received and the recommendation of the Department of the Corporation Counsel, your Committee voted to recommend adoption of the proposed resolution.

Your Committee of the Whole **RECOMMENDS** that Resolution No. \_\_\_\_\_, attached hereto, entitled "AUTHORIZING THE EMPLOYMENT OF SPECIAL COUNSEL FOR THE BOARD OF WATER SUPPLY" be **ADOPTED**.

Adoption of this report is respectfully requested.

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