

COUNCIL OF THE COUNTY OF MAUI
BUDGET AND FINANCE COMMITTEE

June 21, 2002

Committee
Report No.

02-64

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 June 4, 2002, makes reference to County Communication No. 02-92, 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 PUMPSTATION FORCEMAIN REPLACEMENT".

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 \$7,360,000 of construction funds.

Your Committee notes that the State Department of Health (DOH) has a State Water Pollution Control Revolving Fund Loan Program 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. The current SRF loan rate is 3.4 percent versus the bond rate of 5 percent.

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

The Wastewater Reclamation Division Chief informed your Committee that the proposed bill would authorize the Mayor to enter into an intergovernmental agreement with the State DOH Wastewater Branch. He explained that the SRF loan the County is seeking is for construction of the Wailuku Wastewater Pumpstation Forcemain Replacement. The project scope includes replacing 10,000 feet of the 12,000 foot forcemain line that was constructed in 1976. The

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Division Chief stated that the project will replace a concrete reinforced type line, will address reduction in capacity, and will use the existing forcemain line as a redundant line in the event a break occurs. The Capital Improvement Project previously received design funds from the Fiscal Year (FY) 2000 Budget, and is part of the FY 2003 Budget.

Your Committee expressed concern that there were no plans to include reclaimed water in this project. The Division Chief noted that the capability for reclaimed water usage was only at the Wailuku-Kahului Wastewater Reclamation Facility (WWRF). He also informed your Committee that the reclaimed water quality is R-2 and that DOH enforces strict requirements on the use of reclaimed water. In addition, the Division Chief stated that it would cost approximately \$14 million to upgrade the WWRF.

After discussion, your Committee requested that the Committee Chair send a letter requesting that the Administration consider using reclaimed water as a part of the project.

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

Your Budget and Finance Committee RECOMMENDS the following:

1. That Bill No. _____ (2002), 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 PUMPSTATION FORCEMAIN REPLACEMENT" PASS FIRST READING and BE ORDERED TO PRINT; and
2. That County Communication No. 02-92 be FILED.

Adoption of this report is respectfully requested.

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