

**COUNCIL OF THE COUNTY OF MAUI**  
**BUDGET AND FINANCE COMMITTEE**

April 17, 2009

**Committee  
Report No.**

09-39

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 April 3, 2009, makes reference to County Communication No. 09-76, from Joseph Pontanilla, Chair of your Committee, transmitting the matter of State or Federal Stimulus Programs.

By correspondence dated March 25, 2009, the Budget Director transmitted the following:

1. A proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2009 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO ESTIMATED REVENUES, DEPARTMENT OF WATER SUPPLY, BOND FUND, STATE REVOLVING LOAN FUND MAKAWAO-PUKALANI-KULA COMMUNITY PLAN AREA, WEST OLINDA TANK REPLACEMENT AND MAKAWAO WATERLINE IMPROVEMENTS, WAILUKU-KAHULUI COMMUNITY PLAN AREA, WAILUKU WATERLINE IMPROVEMENTS, KIHEI-MAKENA COMMUNITY PLAN AREA, KIHEI ROAD WATERLINE REPLACEMENT, TOTAL CAPITAL IMPROVEMENT PROJECT APPROPRIATIONS, AND TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)".

The purpose of the proposed bill is to amend the Fiscal Year 2009 Budget by adding appropriations for the following projects: the West Olinda Tank Replacement in the amount of \$2,000,000; the Makawao Waterline Improvements in the amount of \$2,200,000; the Wailuku Waterline Improvements in the amount of \$2,000,000; and the Kihei Road Waterline Replacement in the amount of \$2,500,000.

**COUNCIL OF THE COUNTY OF MAUI**  
**BUDGET AND FINANCE COMMITTEE**

April 17, 2009  
Page 2

**Committee**  
**Report No. 09-39**

2. A proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING ORDINANCE NO. 3571 (2008) RELATING TO THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE COUNTY OF MAUI".

The purpose of the proposed bill is to reduce the authorization for the issuance of general obligation bonds from \$43,484,000 to \$40,524,000, and to reduce the appropriations for the Makawao Waterline Improvements from \$1,100,000 to \$140,000, and for the Wailuku Waterline Improvements from \$3,334,000 to \$1,334,000.

3. A proposed bill entitled "A BILL FOR AN ORDINANCE AUTHORIZING THE MAYOR OF THE COUNTY OF MAUI TO ENTER INTO INTERGOVERNMENTAL AGREEMENTS FOR A DRINKING WATER TREATMENT REVOLVING LOAN FUND FOR THE WEST OLINDA TANK REPLACEMENT".

The purpose of the proposed bill is to authorize the Mayor to enter into intergovernmental agreements to finance the construction of the West Olinda Tank Replacement project with State Revolving Loan Fund (SRF) monies in the amount not to exceed \$2,000,000.

4. A proposed bill entitled "A BILL FOR AN ORDINANCE AUTHORIZING THE MAYOR OF THE COUNTY OF MAUI TO ENTER INTO INTERGOVERNMENTAL AGREEMENTS FOR A DRINKING WATER TREATMENT REVOLVING LOAN FUND FOR THE MAKAWAO WATERLINE IMPROVEMENTS (AI STREET, KEHAU PLACE, MOLE PLACE, AND MALU PLACE)".

The purpose of the proposed bill is to authorize the Mayor to enter into intergovernmental agreements to finance the construction of the Makawao Waterline Improvements projects (Ai Street, Kehau Place, Mole Place, and Malu Place) with SRF monies in the amount not to exceed \$2,200,000.

5. A proposed bill entitled "A BILL FOR AN ORDINANCE AUTHORIZING THE MAYOR OF THE COUNTY OF MAUI TO ENTER INTO INTERGOVERNMENTAL AGREEMENTS FOR A

COUNCIL OF THE COUNTY OF MAUI  
**BUDGET AND FINANCE COMMITTEE**

April 17, 2009  
Page 3

Committee  
Report No. 09-39

**DRINKING WATER TREATMENT REVOLVING LOAN FUND FOR THE VINEYARD STREET WATERLINE REPLACEMENT”.**

The purpose of the proposed bill is to authorize the Mayor to enter into intergovernmental agreements to finance the construction of the Vineyard Street Waterline Replacement project with SRF monies in the amount not to exceed \$2,000,000.

6. A proposed bill entitled “A BILL FOR AN ORDINANCE AUTHORIZING THE MAYOR OF THE COUNTY OF MAUI TO ENTER INTO INTERGOVERNMENTAL AGREEMENTS FOR A DRINKING WATER TREATMENT REVOLVING LOAN FUND FOR THE KIHEI ROAD WATERLINE REPLACEMENT (WAIAKOA STREAM TO OHUKAI ROAD)”.

The purpose of the proposed bill is to authorize the Mayor to enter into intergovernmental agreements to finance the construction of the Kihei Road Waterline Replacement project (Waiakoa Stream to Ohukai Road) with SRF monies in the amount not to exceed \$2,500,000.

The Deputy Director of Water Supply requested that the proposed bills authorizing the intergovernmental agreements for the SRF loans be revised to clarify that the American Recovery and Reinvestment Act of 2009 (ARRA) funds are anticipated to be forgiven, with no interest or principal amounts to be repaid. He also stated that in the event that the principal amount is not forgiven pursuant to the ARRA, the balance shall be paid by the County over 30 years, at 3.25 percent interest.

Your Committee recommended that the four proposed bills relating to intergovernmental agreements be revised as requested by the Deputy Director of Water Supply.

Your Committee voted 8-0 to recommend passage of the proposed bill relating to the Fiscal Year 2009 Budget and the proposed bill relating to the issuance of general obligation bonds on first reading, and the four proposed bills relating to intergovernmental agreements, as revised, on first reading. Committee Chair Pontanilla, Vice-Chair Mateo, and members Baisa, Johnson, Kaho`ohalahala, Medeiros, Molina, and Nishiki voted “aye”. Councilmember Victorino was excused.

COUNCIL OF THE COUNTY OF MAUI

# BUDGET AND FINANCE COMMITTEE

April 17, 2009  
Page 4

Committee  
Report No. 09-39

Your Committee is in receipt of the revised proposed bills relating to intergovernmental agreements, approved as to form and legality by the Department of the Corporation Counsel, incorporating your Committee's revisions.

Your Budget and Finance Committee RECOMMENDS the following:

1. That Bill No. \_\_\_\_\_ (2009), attached hereto, entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2009 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO ESTIMATED REVENUES, DEPARTMENT OF WATER SUPPLY, BOND FUND, STATE REVOLVING LOAN FUND MAKAWAO-PUKALANI-KULA COMMUNITY PLAN AREA, WEST OLINDA TANK REPLACEMENT AND MAKAWAO WATERLINE IMPROVEMENTS, WAILUKU-KAHULUI COMMUNITY PLAN AREA, WAILUKU WATERLINE IMPROVEMENTS, KIHEI-MAKENA COMMUNITY PLAN AREA, KIHEI ROAD WATERLINE REPLACEMENT, TOTAL CAPITAL IMPROVEMENT PROJECT APPROPRIATIONS, AND TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)", be PASSED ON FIRST READING and be ORDERED TO PRINT;
2. That Bill No. \_\_\_\_\_ (2009), attached hereto, entitled "A BILL FOR AN ORDINANCE AMENDING ORDINANCE NO. 3571 (2008) RELATING TO THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE COUNTY OF MAUI", be PASSED ON FIRST READING and be ORDERED TO PRINT;
3. That Bill No. \_\_\_\_\_ (2009), attached hereto, entitled "A BILL FOR AN ORDINANCE AUTHORIZING THE MAYOR OF THE COUNTY OF MAUI TO ENTER INTO INTERGOVERNMENTAL AGREEMENTS FOR A DRINKING WATER TREATMENT REVOLVING LOAN FUND FOR THE WEST OLINDA TANK REPLACEMENT", be PASSED ON FIRST READING and be ORDERED TO PRINT;
4. That Bill No. \_\_\_\_\_ (2009), attached hereto, entitled "A BILL FOR AN ORDINANCE AUTHORIZING THE MAYOR OF THE COUNTY OF MAUI TO ENTER INTO INTERGOVERNMENTAL

COUNCIL OF THE COUNTY OF MAUI  
**BUDGET AND FINANCE COMMITTEE**

April 17, 2009  
Page 5

Committee  
Report No. 09-39

AGREEMENTS FOR A DRINKING WATER TREATMENT  
REVOLVING LOAN FUND FOR THE MAKAWAO WATERLINE  
IMPROVEMENTS (AI STREET, KEHAU PLACE, MOLE PLACE,  
AND MALU PLACE)", be PASSED ON FIRST READING and be  
ORDERED TO PRINT;

5. That Bill No. \_\_\_\_\_ (2009), attached hereto, entitled "A BILL FOR AN ORDINANCE AUTHORIZING THE MAYOR OF THE COUNTY OF MAUI TO ENTER INTO INTERGOVERNMENTAL AGREEMENTS FOR A DRINKING WATER TREATMENT REVOLVING LOAN FUND FOR THE VINEYARD STREET WATERLINE REPLACEMENT", be PASSED ON FIRST READING and be ORDERED TO PRINT; and
  
6. That Bill No. \_\_\_\_\_ (2009), attached hereto, entitled "A BILL FOR AN ORDINANCE AUTHORIZING THE MAYOR OF THE COUNTY OF MAUI TO ENTER INTO INTERGOVERNMENTAL AGREEMENTS FOR A DRINKING WATER TREATMENT REVOLVING LOAN FUND FOR THE KIHEI ROAD WATERLINE REPLACEMENT (WAIAKOA STREAM TO OHUKAI ROAD)", be PASSED ON FIRST READING and be ORDERED TO PRINT.

COUNCIL OF THE COUNTY OF MAUI  
**BUDGET AND FINANCE COMMITTEE**

April 17, 2009  
Page 6

Committee  
Report No. 09-39

Adoption of this report is respectfully requested.

  
\_\_\_\_\_  
JOSEPH PONTANILLA, Chair

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ORDINANCE NO. \_\_\_\_\_

BILL NO. \_\_\_\_\_ (2009)

A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2009 BUDGET  
FOR THE COUNTY OF MAUI AS IT PERTAINS TO ESTIMATED REVENUES,  
DEPARTMENT OF WATER SUPPLY,  
BOND FUND, STATE REVOLVING LOAN FUND  
MAKAWAO-PUKALANI-KULA COMMUNITY PLAN AREA,  
WEST OLINDA TANK REPLACEMENT AND MAKAWAO WATERLINE IMPROVEMENTS,  
WAILUKU-KAHULUI COMMUNITY PLAN AREA, WAILUKU WATERLINE IMPROVEMENTS,  
KIHEI-MAKENA COMMUNITY PLAN AREA, KIHEI ROAD WATERLINE REPLACEMENT,  
TOTAL CAPITAL IMPROVEMENT PROJECT APPROPRIATIONS, AND  
TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)

BE IT ORDAINED BY THE PEOPLE OF THE COUNTY OF MAUI:

SECTION 1. Ordinance No. 3573, Bill No. 55 (2008), as amended, "Fiscal Year 2009 Budget", is hereby amended as it pertains to Section 2, Estimated Revenues, by increasing the Other Intergovernmental in the amount of \$8,700,000, by decreasing the Bond/Lapsed Bond in the amount of \$2,960,000, and by increasing the Total Estimated Revenues in the amount of \$5,740,000, to read as follows:

"ESTIMATED REVENUES"

FROM TAXES, FEES AND ASSESSMENTS:

Real Property Taxes		221,782,429
Circuit Breaker Adjustment		(1,231,314)
Charges for Current Services		102,724,411
Transient Accommodations Tax		21,980,000
Public Service Company Tax		6,700,000
Licenses/Permits/Others		26,653,285
Fuel and Franchise Taxes		20,000,000
Special Assessments		14,675,000
Other Intergovernmental	[2,703,000]	<u>11,403,000</u>

FROM OTHER SOURCES:

Interfund Transfers		50,010,952
Bond/Lapsed Bond	[51,084,000]	<u>48,124,000</u>
Carryover/Savings:		
General Fund		30,336,804
Sewer Fund		4,489,909
Highway Fund		5,336,161
Solid Waste Management Fund		475,000
Golf Fund		0
Liquor Fund		776,839
Bikeway Fund		33,713
Water Fund		<u>5,349,547</u>

TOTAL ESTIMATED REVENUES [563,879,736] 569,619,736"

SECTION 2. Ordinance No. 3573, Bill No. 55 (2008), as amended, "Fiscal Year 2009 Budget", is hereby amended as it pertains to Capital Improvement Projects From the Bond Fund, Section 4.D.3.a.(1), Makawao-Pukalani-Kula Community Plan Area, Water Supply, by decreasing the appropriation for the Makawao Waterline Improvements in the amount of \$960,000, to read as follows:

"a. Water Supply		
(1) Makawao Waterline Improvements	[1,100,000]	<u>140,000</u>
(2) Upcountry Water Storage		3,750,000"

SECTION 3. Ordinance No. 3573, Bill No. 55 (2008), as amended, "Fiscal Year 2009 Budget", is hereby amended as it pertains to Capital Improvement Projects From the Bond Fund, Section 4.D.4.e, Wailuku-Kahului Community Plan Area, by decreasing the appropriation for the Water Supply in the amount of \$2,000,000, to read as follows:

"e. Water Supply	[4,034,000]	<u>2,034,000</u>
(1) Waihee Wells Backup Generator		
(2) Wailuku Waterline Improvements"		

SECTION 4. Ordinance No. 3573, Bill No. 55 (2008), as amended, "Fiscal Year 2009 Budget", is hereby amended as it pertains to Capital Improvement Projects From the State Revolving Loan Fund, Section 4.I, by adding appropriations for the Makawao-Pukalani-Kula Community Plan Area, Water Supply, West Olinda Tank Replacement in the amount of \$2,000,000 and Makawao Waterline Improvements in the amount of \$2,200,000; by adding an appropriation for the Wailuku-Kahului Community Plan Area, Water Supply, Wailuku Waterline Improvements in the amount of \$2,000,000; and by adding an appropriation for the Kihei-Makena Community Plan Area, Water Supply, Kihei Road Waterline Replacement in the amount of \$2,500,000; to read as follows:

"I. From the State Revolving Loan Fund		
1. Makawao-Pukalani-Kula Community Plan Area		
a. Water Supply		
(1) Kamole Water Treatment Plant Improvements		1,613,000
(2) <u>West Olinda Tank Replacement</u>		<u>2,000,000</u>
(3) <u>Makawao Waterline Improvements</u>		<u>2,200,000</u>
2. Molokai Community Plan Area		
a. Water Supply		
(1) Molokai Source Development		1,000,000
3. <u>Wailuku-Kahului Community Plan Area</u>		
a. <u>Water Supply</u>		
(1) <u>Wailuku Waterline Improvements</u>		<u>2,000,000</u>
4. <u>Kihei-Makena Community Plan Area</u>		
a. <u>Water Supply</u>		
(1) <u>Kihei Road Waterline Replacement</u>		<u>2,500,000"</u>

SECTION 5. The Total Capital Improvement Project Appropriations is amended to reflect an increase of \$5,740,000, to read as follows:

"TOTAL CAPITAL IMPROVEMENT PROJECT APPROPRIATIONS	[100,613,000]	<u>106,353,000"</u>
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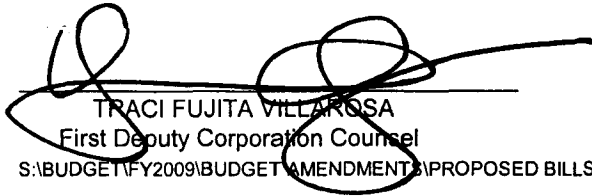
SECTION 6. The Total Appropriations (Operating and Capital Improvement Projects) is amended to reflect an increase of \$5,740,000, to read as follows:

"TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS) [563,879,736] 569,619,736"

SECTION 7. Material to be repealed is bracketed. New material is underscored.

SECTION 8. This Ordinance shall take effect upon its approval.

APPROVED AS TO FORM AND LEGALITY:



TRACI FUJITA VILLAROSA  
First Deputy Corporation Counsel

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ORDINANCE NO. \_\_\_\_\_

BILL NO. \_\_\_\_\_ (2009)

A BILL FOR AN ORDINANCE AMENDING ORDINANCE NO. 3571  
(2008) RELATING TO THE ISSUANCE OF  
GENERAL OBLIGATION BONDS OF THE COUNTY OF MAUI

BE IT ORDAINED BY THE PEOPLE OF THE COUNTY OF MAUI:

SECTION 1. Ordinance No. 3571 (2008), is amended by amending

Section 1 to read as follows:

"SECTION 1. Authorization of General Obligation Bonds. Pursuant to Chapter 47, Hawaii Revised Statutes, as amended, and particularly Part I thereof, there are hereby authorized to be issued and sold from time to time general obligation bonds of the County of Maui, State of Hawaii (the "County") in an aggregate principal amount not to exceed [~~\$43,484,000~~] \$40,524,000 (the "Bonds"), the proceeds derived from the sale of which shall be used to pay all or part of the cost of appropriations for the public improvements of the County described in Section 2 hereof."

SECTION 2. Ordinance No. 3571 (2008), is amended by amending

Section 2 to read as follows:

"SECTION 2. Disposition of Bond Proceeds. All or any portion of the proceeds derived from the sale of the Bonds or any notes issued in anticipation of the Bonds shall be used to pay all or part of the cost of any of the public improvements listed below in accordance with appropriations contained in the Fiscal Year 2009 Budget, including amendments and supplements thereto, duly approved by the Council of the County (the "Council") for the fiscal year ending June 30, 2009 (the "Fiscal Year 2009 Budget"); provided, however, that pursuant to Section 47-5, Hawaii Revised Statutes, the part of such proceeds which are in excess of the amounts required for the purposes for which the Bonds are initially issued from time to time, or which may not be applied to such purposes, or which the Council deems should not be applied to such purposes, may be applied to finance such other public improvements of the County as the Council shall, by ordinance approved by an affirmative vote of two-thirds of all of its members, determine; and provided further that the actual use and application of the proceeds of

Bonds issued pursuant to this ordinance shall not in any way affect the validity or legality of such Bonds. No proceeds of the Bonds shall be applied to any public improvement listed in this section unless and until there shall be a valid appropriation of general obligation bond proceeds in effect for such public improvement. The public improvements provided for or to be provided for in the Fiscal Year 2009 Budget, to be financed with proceeds from the sale of the Bonds, are as follows:

Public Improvements:

Estimated Project Cost

1. Hana Community Plan Area
  - a. Road Improvements (and related improvements, beautification, sidewalks, bike paths, drainage, bridge repairs and maintenance, safety and utilities, accessibility for persons with disabilities) including:
    - (1) Papahawahawa Bridge Replacement \$ 1,100,000
  
2. Paia-Haiku Community Plan Area
  - a. Government Facilities
    - (1) Haiku Fire Station \$ 600,000
  
3. Makawao-Pukalani-Kula Community Plan Area
  - a. Water Supply
    - (1) Makawao Waterline Improvements [\$ 1,100,000] \$ 140,000
  
4. Wailuku-Kahului Community Plan Area
  - a. Parks and Recreation
    - (1) War Memorial Complex Improvements \$ 500,000
  - b. Sewer
    - (1) Environmental Protection Agency Consent Decree Sewer Rehabilitation \$ 1,000,000
  - c. Water Supply
    - (1) Waihee Wells Backup Generator \$ 700,000
    - (2) Wailuku Waterline Improvements [\$ 3,334,000] \$ 1,334,000
  - d. Sanitation
    - (1) Central Maui Landfill Phase V Construction \$12,000,000

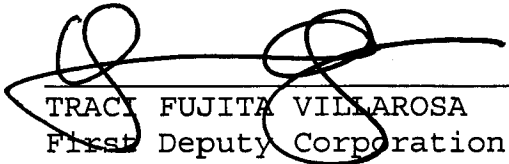
- 5. Kihei-Makena Community Plan Area
  - a. Road Improvements (and related improvements, beautification, sidewalks, bike paths, drainage, bridge repairs and maintenance, safety and utilities, accessibility for persons with disabilities) including:
    - (1) Liloa and Piikea Avenue Roundabout \$ 2,500,000
    - (2) South Kihei Road Sidewalks \$ 250,000
  - b. Sewer
    - (1) Environmental Protection Agency Consent Decree Sewer Rehabilitation \$ 1,000,000
  - c. Water Supply
    - (1) Maui Meadows Booster Pump Improvements \$ 1,500,000
  - d. Parks and Recreation
    - (1) South Maui Community Park, Phase I \$ 2,500,000
  
- 6. West Maui Community Plan Area
  - a. Road improvements (and related improvements, beautification, sidewalks, bike paths, drainage, bridge repairs and maintenance, safety and utilities, accessibility for persons with disabilities) including:
    - (1) Lower Honoapiilani Road Improvements \$ 1,000,000
  - b. Sewer
    - (1) Environmental Protection Agency Consent Decree Sewer Rehabilitation \$ 1,000,000
  
- 7. Molokai Community Plan Area
  - a. Government Facilities
    - (1) Molokai Baseyard \$ 2,000,000
  
- 8. Countywide
  - a. Sewer
    - (1) Countywide Environmental Protection Agency Consent Decree Wastewater Reclamation Facility Renovation Projects \$ 3,400,000
    - (2) Countywide Pump Station Renovations \$ 8,000,000

The cost of issuance of the Bonds or any series thereof, including without limitation, the initial fee of paying agents and registrars, the fees of financial consultants and bond counsel, the cost of preparation of any Official Statement relating to the Bonds, any notices of sale and forms of bid and the definitive Bonds, and the costs of publication of any notices of sale, may be paid from the proceeds of the Bonds or any series thereof and such costs shall be allocated pro rata to each of the foregoing projects financed from such proceeds."

SECTION 3. Material to be replaced is bracketed. New material is underscored.

SECTION 4. This ordinance shall take effect upon its approval.

APPROVED AS TO FORM  
AND LEGALITY:



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TRACY FUJITA VILLAROSA  
First Deputy Corporation Counsel  
County of Maui

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ORDINANCE NO. \_\_\_\_\_

BILL NO. \_\_\_\_\_ (2009)

A BILL FOR AN ORDINANCE AUTHORIZING THE MAYOR OF THE COUNTY OF MAUI TO ENTER INTO INTERGOVERNMENTAL AGREEMENTS FOR A DRINKING WATER TREATMENT REVOLVING LOAN FUND FOR THE WEST OLINDA TANK REPLACEMENT

BE IT ORDAINED BY THE PEOPLE OF THE COUNTY OF MAUI:

SECTION 1. Request for Loan. The County of Maui, pursuant to Chapter 340E, Hawaii Revised Statutes, has submitted an application for a loan from the Drinking Water Treatment Revolving Loan Fund ("DWTRLF") to the Director of the Department of Health, State of Hawaii, to finance the West Olinda Tank Replacement project, Project No. DW215-0006 (the "Project").

Under the terms and conditions anticipated with regard to such DWTRLF loan, the County will initially be provided assistance from the State Revolving Fund in the form of a loan for the principal amount of \$2,000,000 (the "total principal amount"). Pursuant to the federal "American Recovery and Reinvestment Act of 2009" (the "ARRA"), said principal amount of \$2,000,000 is anticipated to be forgiven (the "ARRA principal amount"). No interest shall accrue on the ARRA principal amount, and no semiannual loan fees shall be assessed.

In the event the total principal amount will not be forgiven pursuant to the ARRA, then the balance remaining (the "DWTRLF principal amount") shall be paid by the County over a term of twenty years. The fixed rate of interest assessed on the DWTRLF

principal amount shall be three and twenty-five one-hundredths percent (3.25%) per annum, or the annual rate of the weekly Bond buyers 20-year General Obligation index bond interest rate at the time the DWTRLF principal loan amount commitment is issued, less one percent (1%), whichever interest rate is higher. In addition, the County shall pay a semiannual loan fee of one and six hundred twenty-five one-hundredth percent (1.625%) of the outstanding DWTRLF principal balance at the time of each semiannual repayment is due.

SECTION 2. Council Authorization. Pursuant to Section 2.20.020, Maui County Code, the Council of the County of Maui hereby authorizes the Mayor to enter into intergovernmental agreements, which would include the execution of all necessary documents, including any amendments thereto, between the State of Hawaii and the County of Maui relating to the DWTRLF loan to finance the Project, including a pledge of the County's full faith and credit, including but not limited to the County's general taxing power as security for repayment of the loan and payment of interest and loan fees, and a covenant to exercise the County's authority as needed. The repayment of principal, interest and any loan fees shall be a first charge on the General Fund of the County.

SECTION 3. Effective Date. This ordinance shall take effect upon its approval.

APPROVED AS TO FORM  
AND LEGALITY:

  
for EDWARD S. KUSHI, JR.  
Deputy Corporation Counsel  
County of Maui  
S:\ALLIESKI\Ords\west olinda tank replacement final.doc



ORDINANCE NO. \_\_\_\_\_

BILL NO. \_\_\_\_\_ (2009)

A BILL FOR AN ORDINANCE AUTHORIZING THE MAYOR OF THE  
COUNTY OF MAUI TO ENTER INTO INTERGOVERNMENTAL AGREEMENTS  
FOR A DRINKING WATER TREATMENT REVOLVING LOAN FUND  
FOR THE MAKAWAO WATERLINE IMPROVEMENTS  
(AI STREET, KEHAU PLACE, MOLE PLACE, AND MALU PLACE)

BE IT ORDAINED BY THE PEOPLE OF THE COUNTY OF MAUI:

SECTION 1.       Request for Loan.   The County of Maui, pursuant to Chapter 340E, Hawaii Revised Statutes, has submitted an application for a loan from the Drinking Water Treatment Revolving Loan Fund ("DWTRLF") to the Director of the Department of Health, State of Hawaii, to finance the Makawao Waterline Improvements (Ai Street, Kehau Place, Mole Place, and Malu Place), Project No. DW213-0006 (the "Project").

Under the terms and conditions anticipated with regard to such DWTRLF loan, the County will initially be provided assistance from the State Revolving Fund in the form of a loan for the principal amount of \$2,200,000 (the "total principal amount"). Pursuant to the federal "American Recovery and Reinvestment Act of 2009" (the "ARRA"), said principal amount of \$2,200,000 is anticipated to be forgiven (the "ARRA principal amount"). No interest shall accrue on the ARRA principal amount, and no semiannual loan fees shall be assessed.

In the event the total principal amount will not be forgiven pursuant to the ARRA, then the balance remaining (the "DWTRLF

principal amount") shall be paid by the County over a term of twenty years. The fixed rate of interest assessed on the DWTRLF principal amount shall be three and twenty-five one hundredths percent (3.25%) per annum, or the annual rate of the weekly Bond buyers 20-year General Obligation index bond interest rate at the time the DWTRLF principal loan amount commitment is issued, less one percent (1%), whichever interest rate is higher. In addition, the County shall pay a semiannual loan fee of one and six hundred twenty-five one-hundredth percent (1.625%) of the outstanding DWTRLF principal balance at the time of each semiannual repayment is due.

SECTION 2. Council Authorization. Pursuant to Section 2.20.020, Maui County Code, the Council of the County of Maui hereby authorizes the Mayor to enter into intergovernmental agreements, which would include the execution of all necessary documents, including any amendments thereto, between the State of Hawaii and the County of Maui relating to the DWTRLF loan to finance the Project, including a pledge of the County's full faith and credit, including but not limited to the County's general taxing power as security for repayment of the loan and payment of interest and loan fees, and a covenant to exercise the County's authority as needed. The repayment of principal, interest and any loan fees shall be a first charge on the General Fund of the County.

SECTION 3. Effective Date. This ordinance shall take effect upon its approval.

APPROVED AS TO FORM  
AND LEGALITY:

D. O. A. Jr.  
for EDWARD S. KUSH JR.  
Deputy Corporation Counsel  
County of Maui

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ORDINANCE NO. \_\_\_\_\_

BILL NO. \_\_\_\_\_ (2009)

A BILL FOR AN ORDINANCE AUTHORIZING THE MAYOR OF THE COUNTY OF MAUI TO ENTER INTO INTERGOVERNMENTAL AGREEMENTS FOR A DRINKING WATER TREATMENT REVOLVING LOAN FUND FOR THE VINEYARD STREET WATERLINE REPLACEMENT

BE IT ORDAINED BY THE PEOPLE OF THE COUNTY OF MAUI:

SECTION 1. Request for Loan. The County of Maui, pursuant to Chapter 340E, Hawaii Revised Statutes, has submitted an application for a loan from the Drinking Water Treatment Revolving Loan Fund ("DWTRLF") to the Director of the Department of Health, State of Hawaii, to finance the Vineyard Street Waterline Replacement project, Project No. DW212-0003 (the "Project").

Under the terms and conditions anticipated with regard to such DWTRLF loan, the County will initially be provided assistance from the State Revolving Fund in the form of a loan for the principal amount of \$2,000,000 (the "total principal amount"). Pursuant to the federal "American Recovery and Reinvestment Act of 2009" (the "ARRA"), said principal amount of \$2,000,000 is anticipated to be forgiven (the "ARRA principal amount"). No interest shall accrue on the ARRA principal amount, and no semiannual loan fees shall be assessed.

In the event the total principal amount will not be forgiven pursuant to the ARRA, then the balance remaining (the "DWTRLF principal amount") shall be paid by the County over a term of twenty years. The fixed rate of interest assessed on the DWTRLF principal amount shall be three and twenty-five one-hundredths

percent (3.25%) per annum, or the annual rate of the weekly Bond buyers 20-year General Obligation index bond interest rate at the time the DWTRLF principal loan amount commitment is issued, less one percent (1%), whichever rate is higher. In addition, the County shall pay a semiannual loan fee of one and six hundred twenty-five one-hundredth percent (1.625%) of the outstanding DWTRLF principal balance at the time of each semiannual repayment is due.

SECTION 2. Council Authorization. Pursuant to Section 2.20.020, Maui County Code, the Council of the County of Maui hereby authorizes the Mayor to enter into intergovernmental agreements, which would include the execution of all necessary documents, including any amendments thereto, between the State of Hawaii and the County of Maui relating to the DWTRLF loan to finance the Project, including a pledge of the County's full faith and credit, including but not limited to the County's general taxing power as security for repayment of the loan and payment of interest and loan fees, and a covenant to exercise the County's authority as needed. The repayment of principal, interest and any loan fees shall be a first charge on the General Fund of the County.

SECTION 3. Effective Date. This ordinance shall take effect upon its approval.

APPROVED AS TO FORM  
AND LEGALITY:

*D. D. C. Jr.*  
for EDWARD S. KUSHI JR.  
Deputy Corporation Counsel  
County of Maui

ORDINANCE NO. \_\_\_\_\_

BILL NO. \_\_\_\_\_ (2009)

A BILL FOR AN ORDINANCE AUTHORIZING THE MAYOR OF THE COUNTY OF MAUI TO ENTER INTO INTERGOVERNMENTAL AGREEMENTS FOR A DRINKING WATER TREATMENT REVOLVING LOAN FUND FOR THE KIHEI ROAD WATERLINE REPLACEMENT (WAIAKOA STREAM TO OHUKAI ROAD)

BE IT ORDAINED BY THE PEOPLE OF THE COUNTY OF MAUI:

SECTION 1. Request for Loan. The County of Maui, pursuant to Chapter 340E, Hawaii Revised Statutes, has submitted an application for a loan from the Drinking Water Treatment Revolving Loan Fund ("DWTRLF") to the Director of the Department of Health, State of Hawaii, to finance the KIHEI ROAD WATERLINE REPLACEMENT (WAIAKOA STREAM TO OHUKAI ROAD) project, Project No. DW212-0006 (the "Project").

Under the terms and conditions anticipated with regard to such DWTRLF loan, the County will initially be provided assistance from the State Revolving Fund in the form of a loan for the principal amount of \$2,500,000 (the "total principal amount"). Pursuant to the federal "American Recovery and Reinvestment Act of 2009" (the "ARRA"), said principal amount of \$2,500,000 is anticipated to be forgiven (the "ARRA principal amount"). No interest shall accrue on the ARRA principal amount, and no semiannual loan fees shall be assessed.

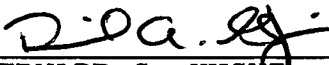
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twenty years. The fixed rate of interest assessed on the DWTRLF principal amount shall be three and twenty-five one-hundredths percent (3.25%) per annum, or the annual rate of the weekly Bond buyers 20-year General Obligation index bond interest rate at the time the DWTRLF principal loan amount commitment is issued, less one percent (1%), whichever interest rate is higher. In addition, the County shall pay a semiannual loan fee of one and six hundred twenty-five one-hundredth percent (1.625%) of the outstanding DWTRLF principal balance at the time of each semiannual repayment is due.

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SECTION 3. Effective Date. This ordinance shall take effect upon its approval.

APPROVED AS TO FORM  
AND LEGALITY:

  
for EDWARD S. KUSHT, JR.  
Deputy Corporation Counsel  
County of Maui  
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