

COUNCIL OF THE COUNTY OF MAUI

BUDGET AND FINANCE COMMITTEE

June 23, 2009

**Committee
Report No.** _____

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 2, 2009, makes reference to County Communication No. 09-112, from the Budget Director, transmitting 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 increase the authorization for the issuance of general obligation bonds to provide \$2.2 million in funding for the Lahaina Watershed Flood Control project.

The Director of Public Works explained that over \$6.2 million was appropriated for the Lahaina Watershed Flood Control project in the Fiscal Year (FY) 2010 Budget and \$5.6 million is available in Federal funds. An additional \$2.2 million from the FY 2009 Budget is still needed to complete the project. These funds will be used for land acquisition.

The Director stated that the project will be constructed in three to four stages, with the first two stages beginning this year. The second stage of the project will require intergovernmental agreements with the State. He estimated that construction will begin in July or August 2009.

Your Committee notes that Ordinance No. 3591 (2008) has been previously revised. Your Committee further revised the proposed bill to incorporate revisions made in Ordinance No. 3633, which was enacted on May 1, 2009.

Your Committee voted 8-0 to recommend passage of the revised proposed bill on first reading and filing of the communication. Committee Chair Pontanilla and members Baisa, Johnson, Kaho`ohalahala, Medeiros, Molina, Nishiki, and Victorino voted "aye". Vice-Chair Mateo was excused.

COUNCIL OF THE COUNTY OF MAUI
BUDGET AND FINANCE COMMITTEE

June 23, 2009
Page 2

Committee
Report No. _____

Your Committee is in receipt of a revised proposed bill, approved as to form and legality by the Department of the Corporation Counsel, incorporating your Committee's recommended revisions.

Your Budget and Finance Committee RECOMMENDS the following:

1. That Bill No. _____ (2009), as revised herein and 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; and
2. That County Communication No. 09-112 be FILED.

This report is submitted in accordance with Rule 7 of the Rules of the Council.



JOSEPH PONTANILLA, Chair

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 [\$40,524,000] \$42,724,000 (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 | \$ 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 | \$ 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
 - c. Drainage
 - (1) Lahaina Watershed Flood Control \$ 2,200,000

- 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:



TRACI FUJITA VILLAROSA
First Deputy Corporation Counsel
County of Maui

S:\CLERICAL\EK\ORDS\FY09\2009gobondam3571lahwatershedfloodcontrolCIP.wpd