

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

February 18, 2011

**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 February 1, 2011, makes reference to County Communication No. 10-282, from the Budget Director, transmitting the following:

1. A proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2011 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO ESTIMATED REVENUES; PAIA-HAIKU COMMUNITY PLAN AREA, WATER SUPPLY, PAIA-HAIKU DISTRIBUTION SYSTEM IMPROVEMENTS; MAKAWAO-PUKALANI-KULA COMMUNITY PLAN AREA, WATER SUPPLY, MAKAWAO-PUKALANI-KULA DISTRIBUTION SYSTEM IMPROVEMENTS; TOTAL CAPITAL IMPROVEMENT PROJECT APPROPRIATIONS; AND TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)" ("Budget bill").

The purpose of the proposed Budget bill is to amend the Fiscal Year ("FY") 2011 Budget by adding a \$1,175,000 appropriation for the Paia-Haiku Distribution System Improvements and increasing the existing Makawao-Pukalani-Kula Treatment Plant Improvements appropriation by \$668,000.

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

The purpose of the proposed bill is to authorize the Mayor to enter into intergovernmental agreements for a \$1,175,000 loan from the State's Drinking Water Treatment Revolving Loan Fund for the Lower Paia Water Tank Replacement project.

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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 LOAN FROM THE DRINKING WATER TREATMENT REVOLVING LOAN FUND FOR THE LOWER OMAOPIO ROAD TANK REPLACEMENT".

The purpose of the proposed bill is to authorize the Mayor to enter into intergovernmental agreements to increase the existing \$10,500,000 loan from the State's Drinking Water Treatment Revolving Loan Fund for the Lower Omaopio Road Tank Replacement project by \$668,000 so that the total loan shall not exceed \$11,168,000.

The Acting Director of Water Supply informed your Committee that the prior authorization for an intergovernmental loan of \$10,500,000 for the Lower Omaopio Tank Replacement project was less than the lowest bid received; therefore, the Department was unable to enter into a contract with the winning bidder. According to the Acting Director, the authorization to increase the loan by \$668,000 to \$11,168,000 would allow the County to enter into a contract for the construction of the project.

The Acting Director added that both the Lower Paia Water Tank Replacement and Lower Omaopio Tank Replacement projects would increase existing water storage capacity as well as improve fire flow to areas surrounding the projects.

Your Committee voted 8-1 to recommend passage of the proposed bills on first reading and filing of the communication. Committee Chair Pontanilla, and members Baisa, Carroll, Cochran, Couch, Mateo, Victorino, and White voted "aye". Committee Vice-Chair Hokama voted "no".

Your Committee is in receipt of a revised proposed Budget bill, approved as to form and legality by the Department of the Corporation Counsel, incorporating nonsubstantive revisions that take into account prior amendments to the FY 2011 Budget.

Your Budget and Finance Committee RECOMMENDS the following:

1. That Bill No. \_\_\_\_\_ (2011), as revised herein and attached hereto, entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2011 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO ESTIMATED REVENUES; PAIA-HAIKU

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COMMUNITY PLAN AREA, WATER SUPPLY, PAIA-HAIKU  
DISTRIBUTION SYSTEM IMPROVEMENTS;  
MAKAWAO-PUKALANI-KULA COMMUNITY PLAN AREA,  
WATER SUPPLY, MAKAWAO-PUKALANI-KULA DISTRIBUTION  
SYSTEM IMPROVEMENTS; 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. \_\_\_\_\_ (2011), attached hereto, entitled "A BILL FOR AN ORDINANCE AUTHORIZING THE MAYOR OF THE COUNTY OF MAUI TO ENTER INTO INTERGOVERNMENTAL AGREEMENTS FOR A LOAN FROM THE DRINKING WATER TREATMENT REVOLVING LOAN FUND FOR THE LOWER PAIA WATER TANK REPLACEMENT", be PASSED ON FIRST READING and be ORDERED TO PRINT;
  
3. That Bill No. \_\_\_\_\_ (2011), attached hereto, entitled "A BILL FOR AN ORDINANCE AUTHORIZING THE MAYOR OF THE COUNTY OF MAUI TO ENTER INTO INTERGOVERNMENTAL AGREEMENTS FOR A LOAN FROM THE DRINKING WATER TREATMENT REVOLVING LOAN FUND FOR THE LOWER OMAOPIO ROAD TANK REPLACEMENT", be PASSED ON FIRST READING and be ORDERED TO PRINT; and
  
4. That County Communication No. 10-282 be FILED.

This report is submitted in accordance with Rule 8 of the Rules of the Council.

  
JOSEPH PONTANILLA, Chair