

COUNCIL OF THE COUNTY OF MAUI
BUDGET AND FINANCE COMMITTEE

February 17, 2012

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 January 17, 2012, makes reference to County Communication 11-326, from the Budget Director, transmitting the following:

1. A proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2012 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO ESTIMATED REVENUES; MAKAWAO-PUKALANI-KULA COMMUNITY PLAN AREA, WATER SUPPLY, KAUPAKALUA 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 2012 Budget by adding a \$1,000,000 appropriation for the Kaupakalua Road Waterline Replacement project.

2. 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 LOAN FROM THE DRINKING WATER TREATMENT REVOLVING LOAN FUND FOR THE KAUPAKALUA ROAD WATERLINE REPLACEMENT PROJECT, MAKAWAO-PUKALANI-KULA COMMUNITY PLAN AREA, FISCAL YEAR 2012 BUDGET ORDINANCE".

The purpose of the proposed bill is to authorize the Mayor to enter into an intergovernmental agreement for a \$1,000,000 loan from the State's Drinking Water Treatment Revolving Loan Fund for the Kaupakalua Road Waterline Replacement project.

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The Director of Water Supply informed your Committee that the purpose of the proposed project is to replace approximately 3,000 feet of a 30-year-old waterline. The existing six-inch in diameter waterline will be replaced with an upgraded eight-inch in diameter waterline. The Director noted that increasing the size of the waterline would improve fire protection and also lower water system improvement costs if persons on the upcountry water meter priority list are granted water meters.

Your Committee noted that replacing the existing 30-year-old waterline would also reduce the chance of waterline breakage that would interrupt water service to the surrounding residents.

Your Committee questioned the County's current level of debt service and noted how an increase in debt for water-related projects could have an impact on water rates. Your Committee recommended that the matter relating to the County's debt levels be referred to your Budget and Finance Committee.

Your Committee voted 8-0 to recommend passage on first reading of the proposed bills and filing of the communication. Committee Chair Pontanilla, Vice-Chair Hokama, and members Baisa, Couch, Cochran, Mateo, Victorino, and White voted "aye". Committee member Carroll was excused.

Your Committee is in receipt of revised proposed bills, approved as to form and legality by the Department of the Corporation Counsel, incorporating nonsubstantive revisions, including adjustments to reflect the expected passage of other pending legislation.

Your Budget and Finance Committee RECOMMENDS the following:

1. That Bill _____ (2012), as revised herein and attached hereto, entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2012 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO ESTIMATED REVENUES; MAKAWAŌ-PUKALANI-KULA COMMUNITY PLAN AREA, WATER SUPPLY, KAUPAKALUA 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;

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2. That Bill _____ (2012), as revised herein and attached hereto, entitled "A BILL FOR AN ORDINANCE AUTHORIZING THE MAYOR OF THE COUNTY OF MAUI TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT FOR A LOAN FROM THE DRINKING WATER TREATMENT REVOLVING LOAN FUND FOR THE KAUPAKALUA ROAD WATERLINE REPLACEMENT PROJECT, MAKAWAO-PUKALANI-KULA COMMUNITY PLAN AREA, FISCAL YEAR 2012 BUDGET ORDINANCE", be PASSED ON FIRST READING and be ORDERED TO PRINT;
3. That the matter relating to the County's debt levels be REFERRED to your Budget and Finance Committee; and
4. That County Communication 11-326 be FILED.

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



JOSEPH PONTANILLA, Chair

ORDINANCE NO. _____

BILL NO. _____ (2012)

A BILL FOR AN ORDINANCE AMENDING
THE FISCAL YEAR 2012 BUDGET FOR THE COUNTY OF MAUI
AS IT PERTAINS TO ESTIMATED REVENUES;
MAKAWAO-PUKALANI-KULA COMMUNITY PLAN AREA, WATER SUPPLY,
KAUPAKALUA 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. 3840, Bill No. 34 (2011), Draft 1, "Fiscal Year 2012 Budget", as amended, is hereby amended as it pertains to Section 2, Estimated Revenues, by increasing Other Intergovernmental in the amount of \$1,000,000; and by increasing Total Estimated Revenues in the amount of \$1,000,000, to read as follows:

"ESTIMATED REVENUES

FROM TAXES, FEES AND ASSESSMENTS:

Real Property Taxes	208,876,794
Circuit Breaker Adjustment	(1,337,612)
Charges for Current Services	108,609,034
Transient Accommodations Tax	17,500,000
Public Service Company Tax	6,000,000
Licenses/Permits/Others	25,275,088
Fuel and Franchise Taxes	17,550,000
Special Assessments	5,754,224
Other Intergovernmental	[30,727,752] <u>31,727,752</u>

FROM OTHER SOURCES:

Interfund Transfers	40,180,755
Bond/Lapsed Bond	26,078,189
Carryover/Savings:	
General Fund	57,770,909
Sewer Fund	9,010,527
Highway Fund	5,770,547
Solid Waste Management Fund	2,421,399
Golf Fund	(1,224,964)
Liquor Fund	697,021
Bikeway Fund	275,000
Water Fund	<u>7,494,768</u>

TOTAL ESTIMATED REVENUES	[567,429,431] <u>568,429,431"</u>
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SECTION 2. Ordinance No. 3840, Bill No. 34 (2011), Draft 1, "Fiscal Year 2012 Budget", as amended, is hereby amended as it pertains to Section 4.1.1., From the State Revolving Loan Fund, by adding an appropriation under the Makawao-Pukalani-Kula Community Plan Area, Water Supply, entitled "Kaupakalua Road Waterline Replacement", in the amount of \$1,000,000, to read as follows:

- I. From the State Revolving Loan Fund
 - 1. Makawao-Pukalani-Kula Community Plan Area
 - a. Water Supply
 - (1) Olinda Water Treatment Plant - Relining of the 8.5 MG Sedimentation Basin 1,500,000
 - (2) Piiholo Water Treatment Plant Improvements - Organic Carbon Reduction 1
 - (3) Waikamoi Flume Improvements 1
 - (4) Kaupakalua Road Waterline Replacement 1,000,000"

SECTION 3. The Total Capital Improvement Project Appropriations is amended to reflect an increase of \$1,000,000, to read as follows:

"TOTAL CAPITAL IMPROVEMENT PROJECT APPROPRIATIONS [103,952,430] 104,952,430"

SECTION 4. The Total Appropriations (Operating and Capital Improvement Projects) is amended to reflect an increase of \$1,000,000, to read as follows:

"TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS) [567,429,431] 568,429,431"

SECTION 5. Material to be repealed is bracketed. New material is underscored.

SECTION 6. This Ordinance shall take effect upon its approval.

APPROVED AS TO FORM AND LEGALITY:


 ADRIANNE N. HEELY
 Deputy Corporation Counsel

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ORDINANCE NO. _____

BILL NO. _____ (2012)

A BILL FOR AN ORDINANCE AUTHORIZING THE MAYOR OF THE COUNTY OF MAUI TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT FOR A LOAN FROM THE DRINKING WATER TREATMENT REVOLVING LOAN FUND FOR THE KAUPAKALUA ROAD WATERLINE REPLACEMENT PROJECT, MAKAWAO-PUKALANI-KULA COMMUNITY PLAN AREA, FISCAL YEAR 2012 BUDGET ORDINANCE

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 construction of the Kaupakalua Road Waterline Replacement Project, Makawao-Pukalani-Kula Community Plan Area, Fiscal Year 2012 Budget Ordinance.

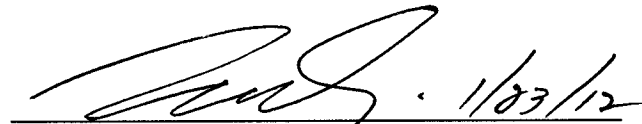
Under the terms and conditions anticipated with regard to such DWTRLF loan, the County shall repay, over a term of twenty years, the principal amount, which shall not exceed \$1,000,000, at a fixed rate of interest that shall not exceed the annual rate of the weekly Bond buyer's 20-year general obligation index bond interest rate.

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 an intergovernmental agreement, which would include the execution of all necessary documents between the State of Hawaii and the County of Maui relating to the DWTRLF loan to finance the construction of the

Kaupakalua Road Waterline Replacement Project, Makawao-Pukalani-Kula Community Plan Area, Fiscal Year 2012 Budget Ordinance, 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:



EDWARD S. KUSHI, JR.
First Deputy Corporation Counsel
County of Maui

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