

COUNCIL OF THE COUNTY OF MAUI
BUDGET AND FINANCE COMMITTEE

June 3, 2005

**Committee
Report No.**

_____ 05-65 _____

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 May 18, 2005, makes reference to County Communication No. 05-146, from the Budget Director, transmitting a proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2005 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO CAPITAL IMPROVEMENT PROJECTS".

The purpose of the proposed bill is to amend the Fiscal Year 2005 Budget to appropriate \$985,000 for the construction of the "Lahaina Water Treatment Facility Modifications Sludge Lagoon" project (the Project) by decreasing appropriations from capital improvement projects in various community plan districts. The proposed bill decreases the appropriation in the Makawao-Pukalani-Kula Community Plan District by \$105,000, decreases the appropriation in the Wailuku-Kahului Community Plan District by \$550,000, decreases the appropriation in the Molokai Community Plan District by \$80,000, decreases the appropriation in Countywide by \$250,000, and increases the appropriation in the West Maui Community Plan District by \$985,000 for the Project.

Your Committee notes that County Communication No. 05-146 contains inconsistent amounts required for the Project (\$970,000 vs. \$985,000).

At its meeting, your Committee met with the Budget Director; the Director of Water Supply, the Engineering Program Manager and a Civil Engineer from the Department of Water Supply; and the First Deputy Corporation Counsel.

There was no public testimony.

The Budget Director acknowledged the inconsistencies in the amount requested for the Project (\$970,000 vs. \$985,000). She stated that the correct amount for the Project is \$985,000, which includes \$15,000 for a contingency. The Budget Director informed your Committee that the description for the "Lahaina Water Treatment Facility

COUNCIL OF THE COUNTY OF MAUI
BUDGET AND FINANCE COMMITTEE

June 3, 2005
Page 2

Committee
Report No. 05-65

Improvements” in the proposed bill should be revised to either delete “- Acid Cleaning System” or to add a new item “e” for the Project.

The Director of Water Supply explained a colored flow chart entitled “DEPARTMENT OF WATER SUPPLY, BF-28, AMENDING FY 2005 BUDGET, Lahaina Water Treatment Facilities Modifications-Sludge Lagoon”, dated May 18, 2005. The Director of Water Supply informed your Committee that an additional sludge lagoon is needed prior to water entering the Lahaina Water Treatment Facility. The sludge lagoon will act as a drying bed for sediments removed in the coagulation process, and help prevent a malfunction of the flow control valve. Because algae was growing in the pre-sedimentation (pre-sed) reservoir, chemicals were added to the coagulation process in order to settle suspended solids in the untreated water. The Director of Water Supply stated that the sludge lagoon will prevent water, sediments, and chemicals from entering the Kanaha Stream if there is a malfunction in the flow control valve. Without this system in place, pollution to the Kanaha Stream would be viewed as a violation of the National Pollutant Discharge Elimination System permit with the State Department of Health, and fines could range from \$20,000 to \$30,000 per day.

The Director of Water Supply stated that the initial project for a pre-sed reservoir roof and sludge lagoon required a Special Use Permit amendment, which was acquired in August 2002. Because construction costs were too high in 2002, the Department was only able to address the roof for the pre-sed reservoir. The sludge lagoon was included as a project in 2004, but the Department received no responses to the request for proposals (RFP) and the funds lapsed on December 31, 2004. Because the Special Use Permit will expire in August 2005, the Department has requested the additional funds to proceed with a new RFP to construct the sludge lagoon.

The Director of Water Supply stated that the sludge lagoon will address operational issues, but will not increase the capacity or availability of water.

Your Committee requested the Director of Water Supply to provide the design capacity and the daily water usage of the Lahaina Water Treatment Facility.

Your Committee recommended that the description for the “Lahaina Water Treatment Facility Improvements” in the proposed bill be revised to delete the “- Acid Cleaning System”. This revision will enable the funds to be used for the Acid Cleaning System and the Project.

COUNCIL OF THE COUNTY OF MAUI
BUDGET AND FINANCE COMMITTEE

June 3, 2005
Page 3

Committee
Report No. 05-65

Your Committee voted to recommend passage of the revised bill and filing of the communication.

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 recommendations.

Your Budget and Finance Committee RECOMMENDS the following:

1. That Bill No. _____ (2005), as revised herein and attached hereto, entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2005 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO CAPITAL IMPROVEMENT PROJECTS" be PASSED ON FIRST READING and be ORDERED TO PRINT; and
2. That County Communication No. 05-146 be FILED.

Adoption of this report is respectfully requested.

COUNCIL OF THE COUNTY OF MAUI
BUDGET AND FINANCE COMMITTEE

June 3, 2005
Page 4

Committee
Report No. 05-65

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