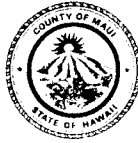


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Director of Council Services
Sandy K. Baz

COUNTY COUNCIL
COUNTY OF MAUI
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.MauiCounty.us

September 18, 2017

Mr. Danilo Aagsalog, Director
Department of Finance
County of Maui
Wailuku, Hawaii 96793

Dear Mr. Aagsalog:

**SUBJECT: AMENDING FISCAL YEAR 2018 BUDGET:
DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
(WASTEWATER ADMINISTRATION PROGRAM –
SEWER FUND, WASTEWATER OPERATIONS
PROGRAM – SEWER FUND) (BF-74)**

At its meeting on September 12, 2017, the Budget and Finance Committee reviewed the proposed budget amendment relating to the Department of Environmental Management. The proposed funds would be used for the replacement of three switchgears at the Lahaina Wastewater Reclamation Facility that are near or at the end of useful service life. The equipment replacement is vital for electrical service reliability. The proposed budget amendment appropriates the funds in Category B (operations).

May I please request you respond to the following:

1. Provide a copy of the draft capital asset policy.
2. Explain the rationale for replacement equipment to be appropriated in category B (operations) instead of category C (equipment) or as a capital improvement project. Identify the criteria used to make such a determination.
3. Was \$1,659,979 transferred from the Wastewater Administration Program - Sewer Fund, Category B to the Countywide Sewer Capital

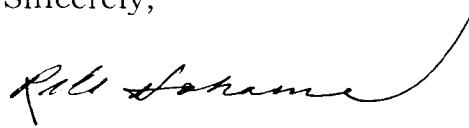
Mr. Danilo Aagsalog
September 18, 2017
Page 2

Improvement Reserve Fund for Fiscal Year 2018? If so, when was the transfer made?

May I please further request you provide your response no later than **Tuesday, September 26, 2017**. To ensure efficient processing, please include the relevant Committee item number in the subject line of your response.

Should you have any questions, please contact me or the Committee staff (Michele Yoshimura at ext. 7663, or Yvette Bouthillier at ext. 7758).

Sincerely,

A handwritten signature in black ink, appearing to read "Riki Hokama", with a long, sweeping flourish extending to the right.

RIKI HOKAMA, Chair
Budget and Finance Committee

bf:ltr:074afn01:mmy

cc: Mayor Alan M. Arakawa
Budget Director