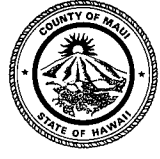


53(14)

DANNY A. MATEO
County Clerk

JOSIAH K. NISHITA
Deputy County Clerk



OFFICE OF THE COUNTY CLERK
COUNTY OF MAUI
200 SOUTH HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.mauicounty.gov/county/clerk

August 5, 2016

RECEIVED
2016 AUG -5 PM 4:15
OFFICE OF THE
COUNTY CLERK

Honorable Riki Hokama, Chair
Budget and Finance Committee
Council of the County of Maui
Wailuku, Hawaii 96793

Dear Chair Hokama:

By letter dated July 25, 2016 (County Communication No. 16-159), the Director of Finance transmitted 110 contracts/grants for filing with the County Clerk.

At the August 5, 2016 Council meeting, the foregoing communication was filed; however, Grant No. G4221 was referred to your Committee at your request. Transmitted is a copy of the contract.

Respectfully,

DANNY A. MATEO
County Clerk

/jym

Enclosures

cc: Director of Council Services

CANCELLATION OF SUBRECIPIENT AGREEMENT
Lanai Community Health Center
LCHC New Facility G4221

Source of Fund: 166813 6317 \$499,226.00 LCHC New Facility

THIS CANCELLATION OF SUBRECIPIENT AGREEMENT, made and entered into this 16th day of June, 2016, by and between the COUNTY OF MAUI, a political subdivision of the State of Hawaii, whose business address is 200 South High Street, Wailuku, Maui, Hawaii 96793, hereinafter referred to as "County", and LANAI COMMUNITY HEALTH CENTER, a Hawaii non-profit corporation, whose mailing address is P.O. Box 630142, Lanai City, Hawaii 96763, hereinafter referred to as the "Subrecipient", and collectively referred to as the "Parties",

W I T N E S S E T H :

WHEREAS, the Parties entered into that certain Subrecipient Agreement dated November 16, 2015 ("Agreement"), on file with the CDBG Office Program Manager and incorporated herein by reference, to provide a grant of Community Development Block Grant ("CDBG") funds for the final phase of the Lanai Community Health Center capital improvement project to include, but not limited to, procurement and installation of the facility's permanently affixed fixtures and hereinafter referred to as the "Project";


WHEREAS, by letter dated December 22, 2015 Lanai Community Health Center requested that the Subrecipient Agreement be terminated, a copy of which is attached hereto as Exhibit "1" and incorporated herein;

WHEREAS, the County has reviewed Lanai Community Health Center's request and by letter date April 21, 2016, agreed to terminate the


Subrecipient Agreement, a copy which is attached here to as Exhibit "2" and incorporated herein;

NOW, THEREFORE, the Parties agree to cancel the Subrecipient Agreement upon execution of this Cancellation of Subrecipient Agreement and neither Party shall have any further rights, duties or obligations pursuant to the Subrecipient Agreement.

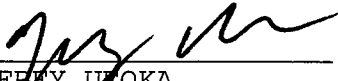
Approval Recommended:


JOSEPH PONTANILLA
CDBG Program Manager
Office of the Mayor

COUNTY OF MAUI

By 
ALAN M. ARAKAWA
Its Mayor

Approved as to
Form and Legality:


JEFFREY ULOKA
Deputy Corporation Counsel
County of Maui


SUBRECIPIENT:

LANAI COMMUNITY HEALTH CENTER


(Signature)

BEVERLY R. ZIGMOND
(Print name)

President, BOI
(Title)


(Signature)

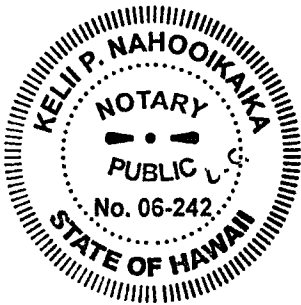
MICHELE HOLSOMACK
(Print name)

SECRETARY
(Title)

STATE OF HAWAII)
 : SS.
 COUNTY OF MAUI)

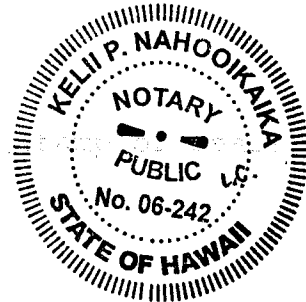
On this 16th day of June, 2016, before me appeared ALAN M. ARAKAWA, to me personally known, who being by me duly sworn did say that he is the Mayor of the County of Maui, a political subdivision of the State of Hawaii, and that the seal affixed to the foregoing instrument is the lawful seal of the said County of Maui, and that the said instrument was signed and sealed on behalf of said County of Maui pursuant to Section 9-18 of the Charter of the County of Maui; and the said ALAN M. ARAKAWA acknowledged the said instrument to be the free act and deed of said County of Maui.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.



Keli P. Nahookaika
 Notary Public, State of Hawaii
 Print Name: KELI P. NAHOOIKAIKA
 My commission expires: 4.30.18

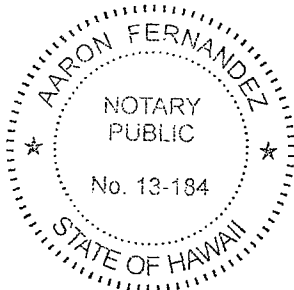
NOTARY PUBLIC CERTIFICATION		
Doc. Date:	<u>6.16.16</u>	# Pages: <u>8</u>
Notary Name:	<u>KELI P. NAHOOIKAIKA</u>	Judicial Circuit: <u>2nd</u>
Doc. Description:	<u>Expn cancellation of Subrecipient agreement lanai community health center</u>	
Notary Signature:	<u>Keli P. Nahookaika</u>	
Date:	<u>6.16.16</u>	



STATE OF HAWAII)
 : SS.
COUNTY OF MAUI)

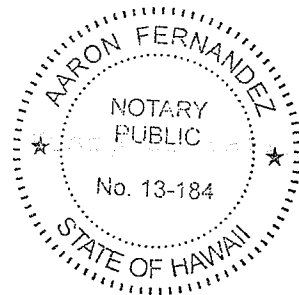
On this 13th day of May, 2016, before me appeared Beverly R. Zymond, to me personally known, who being by me duly sworn did say that she is the President of **LANAI COMMUNITY HEALTH CENTER**, a Hawaii non-profit corporation; and that the seal affixed to the foregoing instrument is the corporation seal of the said corporation, and that the said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and the said officer acknowledged the said instrument to be the free act and deed of the said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.



[Signature]
Notary Public, State of Hawaii
Print Name: Aaron Fernandez
My commission expires: 6/2/2017

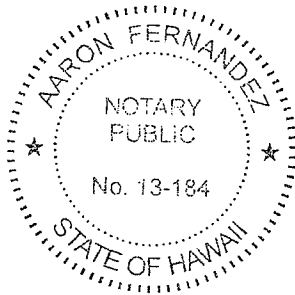
NOTARY PUBLIC CERTIFICATION		
Doc. Date:	<u>Undated at time of notarization</u>	# Pages: <u>5</u>
Notary Name:	<u>Aaron Fernandez</u>	Judicial Circuit: <u>Second</u>
Doc. Description:	<u>Cancellation of Subrecipient Agreement Lanai Community Health Center</u>	
Notary Signature:	<u>[Signature]</u>	
Date:	<u>5/13/2016</u>	



STATE OF HAWAII)
 : SS.
COUNTY OF MAUI)

On this 13th day of May, 2016, before me appeared Michele Holsombreck, to me personally known, who being by me duly sworn did say that she is the Secretary of **LANAI COMMUNITY HEALTH CENTER**, a Hawaii non-profit corporation; and that the seal affixed to the foregoing instrument is the corporation seal of the said corporation, and that the said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and the said officer acknowledged the said instrument to be the free act and deed of the said corporation.

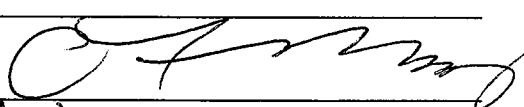
IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

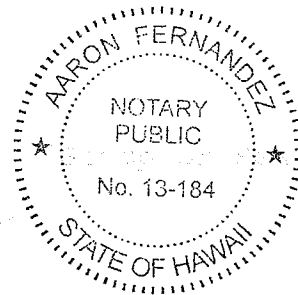



Notary Public, State of Hawaii

Print Name: Aaron Fernandez

My commission expires: 02/2017

NOTARY PUBLIC CERTIFICATION		
Doc. Date:	<u>Undated at time of notarization</u>	# Pages: <u>5</u>
Notary Name:	<u>Aaron Fernandez</u>	Judicial Circuit: <u>Second</u>
Doc. Description:	<u>Cancellation of Subrecipient Agreement Lanai Community Health Center</u>	
Notary Signature:		
Date:	<u>5/13/2016</u>	



RECEIVED

LĀNA'I COMMUNITY HEALTH CENTER

2015 DEC 22 9:45

P. O. Box 630142
Lāna'i City, HI 96763-0142



Phone: 808-565-6919 x114
Fax: 808-565-9111
dshaw@lanaicomunityhealthcenter.org

The Community is our Patient -- men, women, children, uninsured, insured!

December 22, 2015

Sent Via USPS (Certified Mail Return Receipt) AND E-mail
✓ Mr. Joseph Pontanilla
CDBG Program Manager
County of Maui-Office of the Mayor
200 South High Street
Wailuku, Maui, HI 96793-2155

Dear Mr. Pontanilla:

This letter responds to your letter to Lāna'i Community Health Center ("LCHC"), dated December 16, 2015 ("December 16 Letter"). Because it was sent by U.S. Mail, instead of e-mail or other electronic communication, LCHC did not receive your letter until December 21, 2015 affording us only one (1) day to prepare a reply. We regret that we were unable to meet the stated deadline.

The December 16 Letter references a November 19th letter sent to Robert Hall by Dawn Lincoln ("November 19 Letter"), and states that "In the event LCHC is able to submit the requested and required documents [as specified in the November 19 letter] on or before Tuesday, December 22, 2015, the Maui CDBG Program Office, after review, may authorize procurement as it pertains to Project No. 15-2 Grant No. G4221 for procurement processes that took place after November 16, 2015".

Robert Hall submitted a document entitled "Draft 1 -- November 30, 2015" along with over 20 attached support documents to your office approximately 3 weeks ago. Although we considered this document part of the continued dialogue with CDBG and therefore submitted it in "draft" form, it clearly addressed the issues raised in the November 19 Letter. (We have enclosed copies of the documents provided for your reference.) The December 16 Letter states, "The information issued to this office, does not meet the requested stipulated requirements necessary to make procurement for 15-2 possible." Nevertheless, you neglected to indicate specifically what is lacking and how the documents submitted fail to satisfy any "stipulated requirements." This lack of specificity as to precisely what information you are requesting has also contributed to our inability to reply in a meaningful manner to the December 16 Letter.

The deficiencies in the December 16 Letter are part of a larger failure of your office to communicate effectively during the grant application and award process. LCHC never received a written response to its September 16, 2015 request for Pre-Award. LCHC believes that if afforded the opportunity for Pre-Award, eligible items could have been ready for purchase with CDBG funding prior to the effective date

E Ola nō Lāna'i

LIFE, HEALTH, and WELL-BEING FOR LĀNA'I

EXHIBIT 1

of the SRA. As it is, this delay has closed a window of opportunity LCHC to use CDBG funds to acquire many of the affixed items that it anticipated purchasing with County funds.

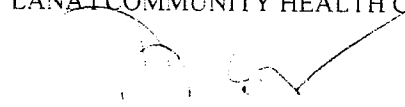
Up through and including your last teleconference with Mr. Hall on December 9, 2015, LCHC has transparently supplied CDBG with information to specifically achieve the desired result of moving the project forward, in an effort to avoid construction delays, and ensure a timely opening of the new facility. At the close of the teleconference, CDBG agreed to schedule a conference call with Mr. Mark Chandler of HUD to discuss and hopefully resolve LCHC's request for Pre-Award. There was no follow through on the promised teleconference as well. We can only now assume that the call will not take place, which is disappointing.

CDBG's non-responsiveness has single handedly delayed this health facility's construction and our ability to open before 2016 as initially planned. CDBG is totally responsible for the delay, which we view as an unacceptable mismanagement of Federal and County funds, as well as an impediment to our ability to care for our patients.

We've maintained open communications with your CDBG office throughout the 2015 grant and award process, as well as all past CDBG grants LCHC has received. I remind you that the County came to LCHC and specifically asked us to submit a request for the 2015 CDBG – we complied with a very short turnaround time because we have had success with CDBG funding in the past. However, this year, we have been disappointed by the CDBG office's lack of response to our many verbal and written communications, which we suspect resulted from CDBG staff turnover and hiring of inexperienced individuals by the office. We would have appreciated support from the 2015 grant funding, because it would have provided a direct benefit to the community of Lāna'i. However, in light of all of the facts described above, LCHC has decided it is in the best interest of the health center to obtain funding from other sources and, therefore, hereby withdraws its CDBG 2015 application.

Very truly yours,

LĀNA'I COMMUNITY HEALTH CENTER

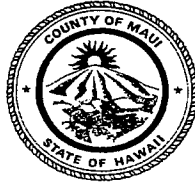

Diana V. Shaw, PhD, MPH, MBA, FACMPE
Executive Director

Enc.

Cc: Jeff Ueoka, COM Deputy Corporation Counsel
Alan Arakawa, Mayor
Riki Hokama, Maui Council, Lāna'i Representative
Robert Hall, LCHC Project Manager
Mark Chandler, HUD, Director, Office of Community Planning & Development
Laura Anderson, Esq.

ALAN M. ARAKAWA
MAYOR

JOSEPH PONTANILLA
PROGRAM MANAGER



200 South High Street
Wailuku, Maui, Hawaii USA 96793-2155
Telephone (808) 270-7213
Fax (808) 270-7159
E-mail: cdbg@mauicounty.gov

OFFICE OF THE MAYOR
COUNTY OF MAUI
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

April 21, 2016

Ms. Diana Shaw
Executive Director
Lanai Community Health Center
P.O. Box 630142
Lanai City, Hawaii 96763

Dear Ms. Shaw:

**SUBJECT: Lanai Community Health Center (LCHC) New Facility
(CDBG Project 15-2) Voluntary Termination of CDBG Project**

We are in receipt of your letter dated December 22, 2015 that was received on December 30, 2015 notifying the County of Maui CDBG Program Office of LCHC's decision to voluntarily terminate its CDBG Subrecipient Agreement dated November 16, 2015 for Project 15-2, LCHC New Facility, in the amount of \$499,226.

To formalize the termination of the project, a Cancellation of CDBG Subrecipient Agreement between Lanai Community Health Center and the County of Maui CDBG Program will be prepared and sent to you for your signature.

It has been our pleasure to work with you. We sincerely appreciate the dedicated efforts of you and your staff in addressing the challenges encountered in completing the Lanai Community Health Center. This facility will serve the Lanai community well. We look forward to working with Lanai Community Health Center in the future.

Sincerely,


JOSEPH PONTANILLA
CDBG Program Manager

xc: Mayor Alan M. Arakawa