

COUNCIL OF THE COUNTY OF MAUI
BUDGET AND FINANCE COMMITTEE

December 18, 2015

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 November 23, 2015, makes reference to County Communication 15-164, from Councilmember Riki Hokama, relating to amendments to the Fiscal Year ("FY") 2016 Budget.

By correspondence dated October 19, 2015, the Budget Director transmitted the following:

1. A proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2016 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO ESTIMATED REVENUES; COUNTYWIDE, SEWER, COUNTYWIDE ENVIRONMENTAL PROTECTION AGENCY (EPA) CONSENT DECREE WASTEWATER RECLAMATION FACILITY RENOVATION PROJECTS; TOTAL CAPITAL IMPROVEMENT PROJECT APPROPRIATIONS; AND TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)." The purpose of the proposed bill is to amend the FY 2016 Budget by (1) increasing Bond/Lapsed Bond revenues by \$3,341,700, from \$25,782,372 to \$29,124,072; and (2) adding an appropriation of \$3,341,700 from the Bond Fund, Countywide, Sewer, for wastewater reclamation facility renovation projects.
2. A proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING ORDINANCE NO. 4228, BILL NO. 35 (2015), RELATING TO THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE COUNTY OF MAUI (COUNTYWIDE ENVIRONMENTAL PROTECTION AGENCY (EPA) CONSENT DECREE WASTEWATER RECLAMATION FACILITY

COUNCIL OF THE COUNTY OF MAUI
BUDGET AND FINANCE COMMITTEE

Page 2

Committee
Report No. _____

RENOVATION PROJECTS).” The purpose of the proposed bill is to amend the FY 2016 general obligation bond authorization ordinance by adding \$3,341,700 for Countywide, Sewer, for wastewater reclamation facility renovation projects.

By correspondence dated November 10, 2015, the Budget Director transmitted the following:

1. A revised proposed bill entitled “A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2016 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO ESTIMATED REVENUES; WAILUKU-KAHULUI COMMUNITY PLAN AREA, SEWER, WAILUKU-KAHULUI TREATMENT PLANT UPGRADES; TOTAL CAPITAL IMPROVEMENT PROJECT APPROPRIATIONS; AND TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS).” The purpose of the revised proposed bill is to amend the FY 2016 Budget by (1) increasing Bond/Lapsed Bond revenues by \$3,341,700, from \$25,782,372 to \$29,124,072; and (2) adding an appropriation of \$3,341,700 from the Bond Fund, Wailuku-Kahului Community Plan Area, Sewer, for the Wailuku-Kahului Treatment Plant Upgrades project.
2. A revised proposed bill entitled “A BILL FOR AN ORDINANCE AMENDING ORDINANCE NO. 4228, BILL NO. 35 (2015), RELATING TO THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE COUNTY OF MAUI (WAILUKU-KAHULUI TREATMENT PLANT UPGRADES).” The purpose of the revised proposed bill is to amend the FY 2016 general obligation bond authorization ordinance by adding \$3,341,700 for the Wailuku-Kahului Community Plan Area, Sewer, for the Wailuku-Kahului Treatment Plant Upgrades project.

The Wastewater Reclamation Division Chief, Department of Environmental Management, said the existing sand-filtering system at the Wailuku-Kahului Wastewater Reclamation Facility has reached the end of its useful life and will be replaced with newer technology. The \$3,341,700

COUNCIL OF THE COUNTY OF MAUI
BUDGET AND FINANCE COMMITTEE

Page 3

Committee

Report No. _____

will cover all costs of the new water filtration system except construction. He also said the Department anticipates requesting project construction funds in the FY 2017 Budget.

The Plant Maintenance Manager, Wastewater Reclamation Division, Department of Environmental Management, said the new technology will also eliminate the need for chlorine treatment and the cost of sand needed to operate the old system.

Your Committee notes on November 8, 1999, the County entered into a Consent Decree to establish goals and plans to change the County's wastewater practices, thereby settling allegations brought by the United States Environmental Protection Agency ("EPA") and the State Department of Health ("DOH") that the County had violated the Clean Water Act and other State and Federal environmental laws. On May 26, 2015, the United States District Court for the District of Hawaii terminated the Consent Decree because the County had shown, to the satisfaction of the EPA and DOH, sufficient controls are in place to ensure compliance with the Clean Water Act and other applicable laws. Accordingly, the proposed bills were revised to delete references to the Consent Decree.

Your Committee voted 5-0 to recommend passage of the revised proposed bills on first reading. Committee Chair Hokama and members Baisa, Carroll, Cochran, and Crivello voted "aye." Committee Vice-Chair White and members Couch, Guzman, and Victorino were excused.

Your Committee is in receipt of further revised proposed bills, approved as to form and legality by the Department of the Corporation Counsel, incorporating your Committee's revisions and nonsubstantive revisions that take into account prior amendments to the FY 2016 Budget and the FY 2016 general obligation bond authorization ordinance.

Your Budget and Finance Committee **RECOMMENDS** the following:

1. That Bill _____ (2015), attached hereto, entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2016 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO

COUNCIL OF THE COUNTY OF MAUI

BUDGET AND FINANCE COMMITTEE

Page 4

Committee
Report No. _____

ESTIMATED REVENUES; WAILUKU-KAHULUI COMMUNITY PLAN AREA, SEWER, WAILUKU-KAHULUI TREATMENT PLANT UPGRADES; TOTAL CAPITAL IMPROVEMENT PROJECT APPROPRIATIONS; AND TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)," be PASSED ON FIRST READING and be ORDERED TO PRINT; and

2. That Bill _____ (2015), attached hereto, entitled "A BILL FOR AN ORDINANCE AMENDING ORDINANCE NO. 4228, BILL NO. 35 (2015), RELATING TO THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE COUNTY OF MAUI (WAILUKU-KAHULUI TREATMENT PLANT UPGRADES)," be PASSED ON FIRST READING and be ORDERED TO PRINT.

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



RIKI HOKAMA, Chair

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ORDINANCE NO. _____

BILL NO. _____ (2015)

A BILL FOR AN ORDINANCE AMENDING
THE FISCAL YEAR 2016 BUDGET FOR THE COUNTY OF MAUI
AS IT PERTAINS TO ESTIMATED REVENUES;
WAILUKU-KAHULUI COMMUNITY PLAN AREA, SEWER,
WAILUKU-KAHULUI TREATMENT PLANT UPGRADES;
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. 4231, Bill No. 38 (2015), Draft 1, as amended, "Fiscal Year 2016 Budget", is hereby amended as it pertains to Section 2, Estimated Revenues, by increasing Bond/Lapsed Bond Fund in the amount of \$3,341,700; and by increasing Total Estimated Revenues in the amount of \$3,341,700, to read as follows:

"ESTIMATED REVENUES

FROM TAXES, FEES AND ASSESSMENTS:

Real Property Taxes	255,944,996
Circuit Breaker Adjustment	(360,846)
Charges for Current Services	126,381,439
Transient Accommodations Tax	23,280,000
Public Service Company Tax	9,061,812
Licenses/Permits/Others	31,629,389
Fuel and Franchise Taxes	22,430,000
Special Assessments	480,000
Other Intergovernmental	34,205,000

FROM OTHER SOURCES:

Interfund Transfers	46,473,347
Bond/Lapsed Bond	[28,002,372] <u>31,344,072</u>
Carryover/Savings:	
General Fund	22,570,332
Sewer Fund	2,836,340
Highway Fund	3,678,085
Solid Waste Management Fund	(822,125)
Golf Fund	(149,289)
Liquor Fund	864,275
Bikeway Fund	327,789
Water Fund	<u>16,110,544</u>

TOTAL ESTIMATED REVENUES	[622,943,460]	<u>626,285,160"</u>
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SECTION 2. Fiscal Year 2016 Budget is hereby amended as it pertains to Section 4.D.4, From the Bond Fund, Wailuku-Kahului Community Plan Area, by adding an appropriation for a capital project entitled, "Wailuku-Kahului Treatment Plant Upgrades" under the project type, Sewer, in the amount of \$3,341,700, to read as follows:

"D. From the Bond Fund

4. Wailuku-Kahului Community Plan Area

a. Government Facilities

(1) Kalana O Maui Campus Electrical Upgrades	1,200,000
(2) Acquisition of Real Property at 2154 Kaohu Street	1,220,000

b. Road Improvements (and related improvements, beautification, sidewalks, bike paths, drainage, bridge repairs and maintenance, safety and utilities, accessibility for persons with disabilities including:

(1) Kahekili Highway Improvements	3,000,000
(2) Kuikahi Drive Pavement Rehabilitation	440,000

c. Sewer

(1) <u>Wailuku-Kahului Treatment Plant Upgrades</u>	<u>3,341,700"</u>
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SECTION 3. Fiscal Year 2016 Budget is hereby amended as it pertains to the Total Capital Improvement Project Appropriations to reflect an increase of \$3,341,700, to read as follows:

"TOTAL CAPITAL IMPROVEMENT PROJECT APPROPRIATIONS	[103,266,630]	<u>106,608,330"</u>
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SECTION 4. Fiscal Year 2016 Budget is hereby amended as it pertains to the Total Appropriations (Operating and Capital Improvement Projects) to reflect an increase of \$3,341,700, to read as follows:

"TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)	[622,943,460]	<u>626,285,160"</u>
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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:



JEFFREY UEOKA
Deputy Corporation Counsel

ORDINANCE NO. _____

BILL NO. _____ (2015)

A BILL FOR AN ORDINANCE AMENDING ORDINANCE NO. 4228,
BILL NO. 35 (2015), RELATING TO THE ISSUANCE OF
GENERAL OBLIGATION BONDS OF THE COUNTY OF MAUI
(WAILUKU-KAHULUI TREATMENT PLANT UPGRADES)

BE IT ORDAINED BY THE PEOPLE OF THE COUNTY OF MAUI:

SECTION 1. Ordinance No. 4228, Bill No. 35 (2015), is amended by amending Section 1 to read as follows:

"SECTION 1. Authorization of General Obligation Bonds. Pursuant to Chapter 47, Hawaii Revised Statutes, as amended, and particularly Part I thereof, there are hereby authorized to be issued and sold from time to time general obligation bonds of the County of Maui, State of Hawaii (the "County") in an aggregate principal amount not to exceed [~~\$27,002,372~~] \$30,344,072 (the "Bonds"), the proceeds derived from the sale of which shall be used to pay all or part of the cost of appropriations for the public improvements of the County described in Section 2 hereof."

SECTION 2. Ordinance No. 4228, Bill No. 35 (2015), is amended by amending Section 2 to read as follows:

"SECTION 2. Disposition of Bond Proceeds. All or any portion of the proceeds derived from the sale of the Bonds or any notes issued in anticipation of the Bonds shall be used to pay all or part of the cost of any of the public improvements listed below in accordance with appropriations contained in the Fiscal Year 2016 Budget, including amendments and supplements thereto, duly approved by the Council of the County (the "Council") for the fiscal year ending June 30, 2016 (the "Fiscal Year 2016 Budget"); provided, however, that pursuant to Section 47-5, Hawaii Revised Statutes, the part of such proceeds which are in excess of the amounts required for the purposes for which the Bonds are initially issued from time to time, or which may not be applied to such purposes, or which the Council deems should not be applied to such purposes, may be applied to finance such other public improvements of the County as the Council shall, by ordinance approved by an affirmative vote of two-thirds of all of its members, determine; and provided further that the actual use and application of the proceeds of Bonds issued pursuant to this ordinance shall not in any way affect the validity or legality of such Bonds. No proceeds of the Bonds shall be applied to any public improvement listed in this section unless and until there shall be a valid appropriation of general obligation bond proceeds in effect for such public improvement. The public improvements provided for or to be provided for in the Fiscal Year 2016 Budget, to be financed with proceeds from the sale of the Bonds, are as follows:

Public Improvements:
Estimated Project Cost

1.	Hana Community Plan Area	
a.	Road Improvements (and related improvements, beautification, sidewalks, bike paths, drainage, bridge repairs and maintenance, safety and utilities, accessibility for persons with disabilities) including:	
	(1) Piilani Highway Roadway and Embankment Repairs at Waiopai	500,000
	(2) Waiopai Bridge Improvements	600,000
2.	Paia-Haiku Community Plan Area	
a.	Road Improvements (and related improvements, beautification, sidewalks, bike paths, drainage, bridge repairs and maintenance, safety and utilities, accessibility for persons with disabilities) including:	
	(1) Baldwin Avenue Bicycle Improvements	350,000
	(2) North Shore Greenway	350,000
3.	Makawao-Pukalani-Kula Community Plan Area	
a.	Government Facilities	
	(1) Kula Community Center Land Acquisition	307,000
	(2) Waiakoa (Kula) Gym Acquisition	1,220,000
b.	Road Improvements (and related improvements, beautification, sidewalks, bike paths, drainage, bridge repairs and maintenance, safety and utilities, accessibility for persons with disabilities) including:	
	(1) Baldwin Avenue Resurfacing Phase 2	3,361,250
	(2) Kokomo Road and Makawao Avenue Pavement Reconstruction, Phase 2	1,400,000
c.	Other Projects	
	(1) Kula Agricultural Park Expansion	1,000,000
4.	Wailuku-Kahului Community Plan Area	
a.	Government Facilities	
	(1) Kalana O Maui Campus Electrical Upgrades	1,200,000
	(2) Acquisition of Real Property at 2154 Kaohu Street	1,220,000
b.	Road Improvements (and related improvements, beautification, sidewalks, bike paths, drainage, bridge repairs and maintenance, safety and utilities, accessibility for persons with disabilities) including:	

	(1)	Kahekili Highway Improvements	3,000,000
	(2)	Kuikahi Drive Pavement Rehabilitation	440,000
c.		<u>Sewer</u>	
	(1)	<u>Wailuku-Kahului Treatment Plant Upgrades</u>	<u>3,341,700</u>
5.		Kihei-Makena Community Plan Area	
	a.	Drainage	
	(1)	South Kihei Road Culvert Replacement at Waiakoa	1,600,000
	b.	Road Improvements (and related improvements, beautification, sidewalks, bike paths, drainage, bridge repairs and maintenance, safety and utilities, accessibility for persons with disabilities) including:	
	(1)	North South Collector Road (Namauu Place to Kulanihakoi Street)	553,622
6.		West Maui Community Plan Area	
	a.	Drainage	
	(1)	Lahaina Watershed Flood Control	2,000,000
7.		Molokai Community Plan Area	
	a.	Drainage	
	(1)	Kaunakakai Drainage System B	400,000
	b.	Government Facilities	
	(1)	Kaunakakai Police Station	250,000
8.		Countywide	
	a.	Drainage	
	(1)	Countywide Drainage Improvements	1,500,000
	b.	Government Facilities	
	(1)	Countywide Facility Building Improvements	750,000
	c.	Other Projects	
	(1)	Bus Stops and Shelters	800,000
	(2)	Countywide Equipment	3,650,500
	(a)	Provided, that \$2,162,500 shall be for a D8 Dozer, a 4,000-Gallon Water Truck, a Roll-off Truck, and (2) 28-Cubic-Yard Refuse Trucks for the Solid Waste Operations Program.	
	(b)	Provided, that \$988,000 shall be for a D8 Dozer with Ripper Attachment for the Iao Flood Control Project.	
	(c)	Provided, that \$500,000 shall be for a Pumper Truck for the Pukoo Fire Station.	
	d.	Parks and Recreation	
	(1)	Large Capacity Cesspool Closure	550,000

The cost of issuance of the Bonds or any series thereof, including without limitation, the initial fee of paying agents and registrars, the fees of financial consultants and bond counsel, the cost of preparation of any Official Statement

relating to the Bonds, any notices of sale and forms of bid and the definitive Bonds, and the costs of publication of any notices of sale, may be paid from the proceeds of the Bonds or any series thereof and such costs shall be allocated pro rata to each of the foregoing projects financed from such proceeds."

SECTION 3. Material to be repealed is bracketed. New material is underscored.

SECTION 4. This ordinance shall take effect upon its approval.

APPROVED AS TO FORM
AND LEGALITY:



JEFFREY UEOKA
Deputy Corporation Counsel
County of Maui

ords.budget.2016\2015-12-08 bond amd Wailuku-Kahului Treatment Plant Upgrades
LF 2015-5273