

COUNCIL OF THE COUNTY OF MAUI
ECONOMIC DEVELOPMENT AND
BUDGET COMMITTEE

February 21, 2020

Committee
Report No. _____

Honorable Chair and Members
of the County Council
County of Maui
Wailuku, Maui, Hawaii

Chair and Members:

Your Economic Development and Budget Committee, having met on February 6, 2020, makes reference to County Communication 20-49, from the Budget Director, transmitting the following:

1. 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 STATE OF HAWAII'S DRINKING WATER TREATMENT REVOLVING LOAN FUND FOR WEST MAUI RELIABLE CAPACITY, FISCAL YEAR 2020 BUDGET ORDINANCE."

The purpose of the proposed bill is to authorize the Mayor to enter into an intergovernmental agreement with the State of Hawaii to finance the West Maui Reliable Capacity project with a loan from the Drinking Water Treatment Revolving Loan Fund not to exceed \$4,250,000.

2. A proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2020 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO ESTIMATED REVENUES; DEPARTMENT OF WATER SUPPLY, WEST MAUI COMMUNITY PLAN AREA, WATER SUPPLY, WATER FUND - RESTRICTED, WEST MAUI RELIABLE CAPACITY; STATE REVOLVING LOAN FUNDS, WEST MAUI RELIABLE CAPACITY; TOTAL CAPITAL IMPROVEMENT PROJECT APPROPRIATIONS; AND TOTAL APPROPRIATIONS

COUNCIL OF THE COUNTY OF MAUI

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE

Page 2

**Committee
Report No. _____**

(OPERATING AND CAPITAL IMPROVEMENT PROJECTS)”
 (“Budget bill”).

The purpose of the proposed bill is to amend the Fiscal Year (“FY”) 2020 Budget by 1) increasing estimated revenues from Special Assessments by \$5,525,759; 2) increasing Other Intergovernmental estimate revenues by \$4,250,000; 3) amending Section 4.J.4.a., Department of Water Supply, West Maui Community Plan Area, Water Supply, by adding an appropriation under a) Water Fund - Restricted for the West Maui Reliable Capacity project in the amount of \$5,525,759, and b) State Revolving Fund Loan Fund for the West Maui Reliable Capacity project in the amount of \$4,250,000; and 4) adjusting the totals accordingly.

3. A proposed bill entitled “A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2020 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO APPENDIX C - CAPITAL IMPROVEMENT PROJECTS, DEPARTMENT OF WATER SUPPLY, WEST MAUI COMMUNITY PLAN AREA (WEST MAUI RELIABLE CAPACITY).”

The purpose of the proposed bill is to amend the FY 2020 Budget, Appendix C, Capital Improvement Projects, Department of Water Supply, West Maui Community Plan Area, by increasing the appropriation for the West Maui Reliable Capacity project by \$9,775,759 and by expanding the scope of the project description to include the design and construction phase for West Maui Well No. 2.

4. A Certification of Additional Revenues for FY 2020, dated January 17, 2020, for \$5,525,759 in Special Assessments from the Water Fund - Restricted.

COUNCIL OF THE COUNTY OF MAUI

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE

Page 3

**Committee
Report No.** _____

A representative from the Department of Water Supply explained that the West Maui Reliable Capacity project was appropriated in FY 2019. However, there was a protest in the bidding process, and the project's funding lapsed. The proposed bills would appropriate the same amount of funding that lapsed in FY 2019 for the project in FY 2020.

Your Committee notes the FY 2020 Budget already includes \$5,650,000 from the Water Fund – Unrestricted for the West Maui Reliable Capacity project. The additional funding from the State Revolving Loan Fund and the Water Fund – Restricted brings the project's total funding to \$15,425,759.

Your Committee voted 9-0 to recommend passage of the proposed bills on first reading and filing of the communication. Committee Chair Rawlins-Fernandez, Vice-Chair King, and members Hokama, Kama, Lee, Molina, Paltin, Sinenci, and Sugimura voted "aye."

Your Committee is in receipt of a revised proposed Budget bill, 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 Economic Development and Budget Committee **RECOMMENDS** the following:

1. That Bill _____ (2020), 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 STATE OF HAWAII'S DRINKING WATER TREATMENT REVOLVING LOAN FUND FOR WEST MAUI RELIABLE CAPACITY, FISCAL YEAR 2020 BUDGET ORDINANCE," be PASSED ON FIRST READING and be ORDERED TO PRINT;

COUNCIL OF THE COUNTY OF MAUI
ECONOMIC DEVELOPMENT AND
BUDGET COMMITTEE

Page 4

Committee
Report No. _____

2. That Bill _____ (2020), as revised herein and attached hereto, entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2020 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO ESTIMATED REVENUES; DEPARTMENT OF WATER SUPPLY, WEST MAUI COMMUNITY PLAN AREA, WATER SUPPLY, WATER FUND - RESTRICTED, WEST MAUI RELIABLE CAPACITY; STATE REVOLVING LOAN FUNDS, WEST MAUI RELIABLE CAPACITY; TOTAL CAPITAL IMPROVEMENT PROJECT APPROPRIATIONS; AND TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)," be PASSED ON FIRST READING and be ORDERED TO PRINT;

3. That Bill _____ (2020), attached hereto, entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2020 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO APPENDIX C - CAPITAL IMPROVEMENT PROJECTS, DEPARTMENT OF WATER SUPPLY, WEST MAUI COMMUNITY PLAN AREA (WEST MAUI RELIABLE CAPACITY)," be PASSED ON FIRST READING and be ORDERED TO PRINT; and

4. That County Communication 20-49 be FILED.

COUNCIL OF THE COUNTY OF MAUI
**ECONOMIC DEVELOPMENT AND
BUDGET COMMITTEE**

Page 5

**Committee
Report No.** _____

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



KEANI N.W. RAWLINS-FERNANDEZ, Chair

edb:cr:20067aa:jgk

ORDINANCE NO. _____

BILL NO. _____ (2020)

A BILL FOR AN ORDINANCE AUTHORIZING THE MAYOR OF THE COUNTY OF MAUI TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT FOR A LOAN FROM THE STATE OF HAWAII'S DRINKING WATER TREATMENT REVOLVING LOAN FUND FOR WEST MAUI RELIABLE CAPACITY, FISCAL YEAR 2020 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 following project:

West Maui Reliable Capacity.....\$4,250,000

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 the amounts stated above, 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, including any amendments thereto, between the State of Hawaii and the County of Maui relating to the DWTRLF loan, to finance the construction of the Project, 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:



JENNIFER M.P.E. OANA
Deputy Corporation Counsel
County of Maui
2019-0483
2020-01-13 SRF Loan for DWS

ORDINANCE NO. _____

BILL NO. _____ (2020)

A BILL FOR AN ORDINANCE AMENDING
THE FISCAL YEAR 2020 BUDGET FOR THE COUNTY OF MAUI
AS IT PERTAINS TO ESTIMATED REVENUES;
DEPARTMENT OF WATER SUPPLY, WEST MAUI COMMUNITY PLAN AREA,
WATER SUPPLY, WATER FUND - RESTRICTED, WEST MAUI RELIABLE CAPACITY; STATE
REVOLVING LOAN FUNDS, WEST MAUI RELIABLE CAPACITY;
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. 4988, Bill No. 36 (2019), Draft 1, as amended, "Fiscal Year 2020 Budget", is hereby amended as it pertains to Section 2, Estimated Revenues, by increasing Special Assessments by \$5,525,759; by increasing Other Intergovernmental by \$4,250,000; and by increasing Total Estimated Revenues in the amount of \$9,775,759, to read as follows:

"ESTIMATED REVENUES

FROM TAXES, FEES AND ASSESSMENTS:

Real Property Taxes		358,462,076
Circuit Breaker Adjustment		(425,836)
Charges for Current Services		159,250,372
Transient Accommodations Tax		23,484,000
Public Service Company Tax		7,000,000
Licenses/Permits/Others		42,245,689
Fuel and Franchise Taxes		24,300,000
Special Assessments	[21,068,650]	<u>26,594,409</u>
Other Intergovernmental	[9,653,290]	<u>13,903,290</u>

FROM OTHER SOURCES:

Interfund Transfers		45,599,651
Bond/Lapsed Bond		86,780,111
Carryover/Savings:		
General Fund		24,458,779
Sewer Fund		7,878,180
Highway Fund		7,807,014
Solid Waste Management Fund		569,871
Environmental and Sustainability Fund		3,087,724
Liquor Fund		687,103
Bikeway Fund		387,208
Water Fund		<u>4,362,357</u>

TOTAL ESTIMATED REVENUES [826,656,239] 836,431,998"

SECTION 2. Fiscal Year 2020 Budget is hereby amended as it pertains to Section 4.J.4.a., Department of Water Supply, West Maui Community Plan Area, Water Supply, by adding an appropriation for 1) Water Fund - Restricted, West Maui Reliable Capacity, in the amount of \$5,525,759; and 2) State Revolving Loan Fund, West Maui Reliable Capacity, in the amount of \$4,250,000, to read as follows:

“J. Department of Water Supply

1. Countywide

a. Water Supply

(1) Water Fund – Unrestricted

(i) Countywide Facility Improvements	3,320,000
(ii) Countywide Upgrades and Replacements	7,180,000
(iii) Countywide Water System Modification	150,000

2. Makawao-Pukalani-Kula Community Plan Area

a. Water Supply

(1) Water Fund – Unrestricted

(i) Pookela Well B (Development Phase)	500,000
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3. Wailuku-Kahului Community Plan Area

a. Water Supply

(1) Water Fund - Unrestricted

(i) Replacement Well for Waiehu Heights Well 1 (Development Phase)	3,000,000
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(2) Bond Fund

(i) Acquisition of Real Property from Wailuku Water Company, LLC	9,500,000
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4. West Maui Community Plan Area

a. Water Supply

(1) Water Fund - Unrestricted

(i) West Maui Reliable Capacity	5,650,000
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(2) Water Fund – Restricted

<u>(i) West Maui Reliable Capacity</u>	<u>5,525,759</u>
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(3) State Revolving Loan Fund

<u>(i) West Maui Reliable Capacity</u>	<u>4,250,000</u> ”
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SECTION 3. Fiscal Year 2020 Budget is hereby amended as it pertains to the Total Capital Improvement Project Appropriations to reflect an increase of \$9,775,759, to read as follows:

“TOTAL CAPITAL IMPROVEMENT PROJECT APPROPRIATIONS [154,719,526] 164,495,285”

SECTION 4. Fiscal Year 2020 Budget is hereby amended as it pertains to the Total Appropriations (Operating and Capital Improvement Projects) to reflect an increase of \$9,775,759, to read as follows:

“TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS) [826,656,239] 836,431,998”

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:



DAVID A. GALAZIN
Deputy Corporation Counsel

ORDINANCE NO. _____

BILL NO. _____ (2020)

A BILL FOR AN ORDINANCE AMENDING
THE FISCAL YEAR 2020 BUDGET FOR THE COUNTY OF MAUI
AS IT PERTAINS TO APPENDIX C - CAPITAL IMPROVEMENT PROJECTS,
DEPARTMENT OF WATER SUPPLY, WEST MAUI COMMUNITY PLAN AREA (WEST MAUI
RELIABLE CAPACITY)

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

SECTION 1. Ordinance No. 4988, Bill No. 36 (2019), Draft 1, as amended, "Fiscal Year 2020 Budget", Appendix C – Capital Improvement Projects, is hereby amended as it pertains to the Department of Water Supply, West Maui Community Plan Area, by increasing the appropriation for the West Maui Reliable Capacity project by \$9,775,759, to read as follows:

	<u>Department of Water Supply</u>	
	1. Countywide	
CBS-2299	a. Countywide Upgrades and Replacements	7,180,000
	Upgrade and replace the following: infrastructure of water treatment facilities; well motors and pumps; booster pump stations, motors and pumps, and motor control centers; electrical systems; and SCADA systems. Install emergency generators at facilities. Proceed with design and construction of projects funded in prior fiscal year budgets.	
CBS-1075	b. Countywide Facility Improvements	3,320,000
	Construct the following: 1) Improvements at booster pump station sites, 2) Improvements at water treatment plant sites, 3) Improvements at water tank sites, and 4) Improvements needed to address sanitary survey deficiencies issued by the State Department of Health, Safe Drinking Water Branch. Proceed with design and construction of projects funded in prior fiscal year budgets.	
CBS-4615	c. Countywide Water System Modification	150,000
	The Countywide Water System Modification supports all CIP projects, including prior fiscal year, ensuing fiscal year, and emergency projects to efficiently provide clean and safe drinking water to customers. An effective CIP program demands an ability to respond to unanticipated planning, design, and construction issues in a timely manner.	
	2. Makawao-Pukalani-Kula Community Plan Area	
CBS-1106	a. Pookela Well B (Development Phase)	500,000
	Expand source, transmission, and storage for the Upcountry water system through the development phase of Pookela Well B.	
	3. Wailuku-Kahului Community Plan Area	
CBS-1102	a. Replacement Well for Waiehu Heights Well 1 (Development Phase)	3,000,000
	Expand source, transmission, and storage for Central Maui water system through the development phase of the replacement well for Waiehu Heights Well 1.	

CBS-XXXX	b. Acquisition of Real Property from Wailuku Water Company, LLC	9,500,000
	Land acquisition and related costs for parcels and easements located in Wailuku, Maui from Wailuku Water Company, LLC.	
	4. West Maui Community Plan Area	
CBS-1092	a. West Maui Reliable Capacity [5,650,000]	<u>15,425,759</u>
	Expand source, transmission, and storage for West Maui water system through the exploratory phase for Launiupoko Well Nos. 1 and 2 and the development, design, and construction phase for West Maui Well No. 2."	

SECTION 2. Material to be repealed is bracketed. New material is underscored.

SECTION 3. This Ordinance shall take effect upon its approval.

APPROVED AS TO FORM AND LEGALITY:



 DAVID A. GALAZIN
 Deputy Corporation Counsel