

ORDINANCE NO. _____

BILL NO. 111 (2022)

A BILL FOR AN ORDINANCE AUTHORIZING THE MAYOR OF THE COUNTY OF MAUI TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH THE STATE OF HAWAII DEPARTMENT OF HEALTH FOR A LOAN FROM THE STATE WATER POLLUTION CONTROL REVOLVING FUND FOR THE COUNTYWIDE RESIDENTIAL CESSPOOL CONVERSION PROGRAM

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

SECTION 1. Purpose. Approximately 12,200 cesspools currently are used for the disposal of household wastewater in the County of Maui ("County"). Discharge of raw, untreated sewage to a cesspool can migrate through the soil and potentially contaminate oceans, streams, and ground water by releasing disease-causing pathogens and nutrients. Pathogens found in untreated sewage may negatively impact human health by contaminating drinking water sources or waters used for swimming and fishing. Further, the pollution can damage land and aquatic ecosystems, including coral reefs.

In 2017, the State of Hawaii passed Act 125 requiring that prior to January 1, 2050, all cesspools, unless exempted, be: (1) upgraded or converted to a septic system or aerobic treatment unit system; or (2) connected to a sewerage system.

By way of funds allocated through the State Water Pollution Control Revolving Fund, commonly referred to as the Clean Water State Revolving Fund ("CWSRF"), the State of Hawaii may provide funding to the County to assist

property owners with costs associated with residential cesspool conversions in compliance with Act 125. Funding for this purpose will benefit the County as a whole by protecting water sources and ecosystems from pollutants generated by cesspools. The funding program may span multiple years, and specific funding amount(s) will be set-forth in the annual budget ordinance.

SECTION 2. Request for Loan. The Hawaii Revised Statutes, Chapter 342D, Part V, establishes the CWSRF in accordance with the provisions and requirements of the Federal Water Pollution Control Act, 33 U.S.C. 1251 et seq.

The County intends to apply for and secure funding with the State of Hawaii, Department of Health, for a CWSRF Loan for the Countywide Residential Cesspool Conversion Program (the "Program").

Under the terms and conditions anticipated with regard to the CWSRF Loan, the County shall repay, over a term not to exceed twenty years, the principal amount, which shall not exceed \$1,000,000 for the Program at a fixed rate of interest that shall not exceed the Bond Buyer's twenty-year general obligation bond issue. If the CWSRF Loan is principally forgiven by the State and the County does not default on the CWSRF Loan terms and conditions, then repayment may not be required.

Section 2.20.020, Maui County Code, provides that, unless authorized by ordinance, the Mayor shall not enter into any intergovernmental agreement or any amendment thereto which places a financial obligation upon the County or any department or agency thereof.

SECTION 3. 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 between the State of Hawaii and the County relating to the CWSRF Loan, to finance the Program, 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 4. Effective date. This Ordinance takes effect on approval.

APPROVED AS TO FORM

AND LEGALITY:

Stephanie Chen
STEPHANIE M. CHEN

Deputy Corporation Counsel
County of Maui
LF2021-1747

2022-06-16 Ord Authorizing IGA with State for
Cesspool Conversions.docx

INTRODUCED BY:

A handwritten signature in cursive script, appearing to read "James L. Lee", is written over a horizontal line.

Upon the request of the Mayor.

DIGEST

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This bill proposes to authorize the Mayor to enter into an intergovernmental agreement with the State of Hawai'i Department of Health for a loan from the Clean Water State Revolving Fund for the Countywide Residential Cesspool Conversion Program in an amount not to exceed \$1,000,000.

I, KATHY L. KAOHU, County Clerk of the County of Maui, State of Hawaii, DO HEREBY CERTIFY that the foregoing BILL NO. 111 (2022) was passed on First Reading by the Council of the County of Maui, State of Hawaii, on the 5th day of August, 2022, by the following vote:

AYES: Councilmembers Gabriel Johnson, Natalie A. Kama, Kelly T. King, Michael J. Molina, Tamara A. M. Paltin, Shane M. Sinenci, Yuki Lei K. Sugimura, Vice-Chair Keani N. W. Rawlins-Fernandez, and Chair Alice L. Lee.

NOES: None.

EXCUSED: None.

DATED at Wailuku, Maui, Hawaii, this 8th of August, 2022.



KATHY L. KAOHU, COUNTY CLERK
COUNTY OF MAUI, STATE OF HAWAII

Copies of the foregoing Bill, in full, are on file in the Office of the County Clerk, County of Maui, for use and examination by the public.