

ALAN M. ARAKAWA
Mayor



TEENA M. RASMUSSEN
Economic Development Director

RECEIVED

2018 AUG 16 PM 2:48

OFFICE OF ECONOMIC DEVELOPMENT

OFFICE OF THE MAYOR

COUNTY OF MAUI


2200 MAIN STREET, SUITE 305, WAILUKU, MAUI, HAWAII 96793. USA
Telephone: (808) 270-7710 • Email: economic.development@mauicounty.gov

August 16, 2018

Honorable Alan Arakawa
Mayor, County of Maui
200 South High Street
Wailuku, HI 96793

For Transmittal to:

Honorable Yuki Lei K. Sugimura, Chair
Policy, Economic Development, and
Agriculture Committee
200 South High Street
Wailuku, HI 96793

APPROVED FOR TRANSMITTAL

Mayor 8/20/18 DTR

Dear Chair Sugimura,

**SUBJECT: AUTHORIZING AN AMENDMENT TO EXTEND THE TERM AND MODIFY CONDITIONS
RELATING TO REMOVAL OF EQUIPMENT FOR THE GRANT OF A LICENSE OF COUNTY
REAL PROPERTY FOR ELECTRIC VEHICLE QUICK CHARGERS AND LOCAL BATTERY
UNITS (PEA-70)**

This letter is in response to your questions from the July 30, 2018 Policy, Economic Development and Agriculture Committee meeting.

1i. **How can the County be assured the monies received from Hitachi will be earmarked to repurpose the charging equipment? Will the County receive the \$98,650 in the form of a grant from Hitachi?**

The monies can be placed in an account with finance with their specific purpose defined. That definition can be that the monies are to be used for removal of the facilities or re-purpose of the facilities at the termination of the agreement. Should the funds no longer be needed for those purposes, then the definition could include that the funds could be used for Electric Vehicle adoption Programs such as events and other public educational purposes. The funds are not a grant. The funds represent a payment to the County that effectively cover the cost of removal and restoration of the Facilities as consideration for modifying the contract.

1ii. Who will be responsible for maintaining the charging equipment on County equipment on County facilities after the License Agreement terminates on March 31, 2020, the County or Maui Economic Development Board(MEDB)?

At the termination of the agreement on March 31, 2020, and assuming the License Agreement isn't again extended, the facilities are the responsibility of the County, but the County does not have a responsibility or obligation to continue to operate it. The County would remove the facilities or re-purpose the facilities according to what makes sense at that time. What may occur is that we extend the agreements, to keep the system in place, and simply hold the monies for a later date.

1iii. If the County is responsible for maintaining the charging equipment after March 31, 2020, what will the anticipated costs to the County be, what will this cover, and who will be responsible for the maintenance?

As noted in 1.ii, there isn't a responsibility or obligation to maintain the system after the termination of the agreement. If at that time the system isn't going to be operated by another party and the License Agreement extended, the County would need to make the decision to either remove the equipment or re-purpose it. Should it be re-purposed, it would need to be supported by a proper maintenance plan that was budgeted and appropriately approved, utilizing the monies properly set aside in 1.i, above.

2. MEDB is soliciting entities interested in advertising on the EV charging systems. For the charging systems located on County facilities, will the county receive a portion of the monies generated from advertising? Why or why not?

As currently contemplated, the County does not receive a portion of the monies generated from advertising. Under the current structure our understanding is that the entire network operates at a \$12,000/month deficit. Hitachi and MEDB are working to close this gap by attracting advertising revenue to help sustain the system. Should the Committee wish to add language forbidding all advertising, beyond the recommendation by the Committee to forbid political advertising, this can be added. Please note though that the sustainability of EV charging in most jurisdictions does rely on some revenue from advertising and a complete ban may hinder the viability of the concept.

Sincerely,



Teena M. Rasmussen, Director



Fred Redell, Energy Commissioner

Cc: Mayor Alan M. Arakawa