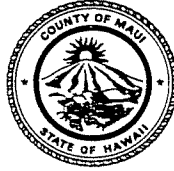


ALAN M. ARAKAWA
Mayor



BRIAN T. MOTO
Corporation Counsel

DEPARTMENT OF THE CORPORATION COUNSEL

COUNTY OF MAUI
200 SOUTH HIGH STREET
WAILUKU, MAUI, HAWAII 96793
TELEPHONE: (808) 270-7740 FAX 270-7152

September 6, 2006

MEMORANDUM

T O: Dain P. Kane, Chair
Budget and Finance Committee

F R O M: Edward S. Kushi, Jr., Deputy Corporation Counsel

SUBJECT: AMENDING FY 2007 BUDGET (KAMOLE WEIR WATER TREATMENT FACILITY CLEARWELL REPLACEMENT PROJECT AND DRINKING WATER STATE REVOLVING FUND LOAN) (BF-91)

A handwritten signature in black ink, appearing to be "Edward S. Kushi, Jr.", is written to the right of the "F R O M:" line.

Per your request of September 6, 2006, attached find Bill No. 48 (2006), Draft 1, AS REVISED, entitled "A BILL FOR AN ORDINANCE AUTHORIZING THE MAYOR OF THE COUNTY OF MAUI TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT FOR A DRINKING WATER STATE REVOLVING FUND LOAN FOR THE KAMOLE WEIR WATER TREATMENT FACILITY CLEARWELL REPLACEMENT".

We further confirm that the said Bill No. 48 (2006), Draft 1, may proceed to second and final reading, as the revisions made to said bill are not "...so fundamentally different from that originally proposed as to amount to a new proposal."¹

Call if further clarification is needed.

APPROVED FOR TRANSMITTAL:

A large, stylized handwritten signature in black ink, appearing to be "Brian T. Moto", is written over the typed name and title.

BRIAN T. MOTO
Corporation Counsel

¹Carlsmith, Carlsmith, Wichman and Case v. CPB Properties, Inc., et al.; 64 Haw. 584 (1982), pp 591.

Dain P. Kane, Chair
Budget and Finance Committee
September 6, 2006
Page 2

Enc.

cc: Lloyd Ginoza, Budget Director (w/enc.)
George Tengan, Director of the Department of Water Supply
(w/enc.)
Traci Fujita Villarosa, First Deputy Corporation Counsel
(w/enc.)
Michele M. White, Legal Assistant (w/enc.)

S:\ALL\ESK\COUNCIL\Memos\memo to kane re srf water loan2.wpd

ORDINANCE NO. _____

BILL NO. 48 (2006)
Draft 1

A BILL FOR AN ORDINANCE AUTHORIZING THE MAYOR OF THE COUNTY OF MAUI TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT FOR A DRINKING WATER STATE REVOLVING FUND LOAN FOR THE KAMOLE WEIR WATER TREATMENT FACILITY CLEARWELL REPLACEMENT

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 Kamole Weir Water Treatment Facility Clearwell Replacement project (the "Project").

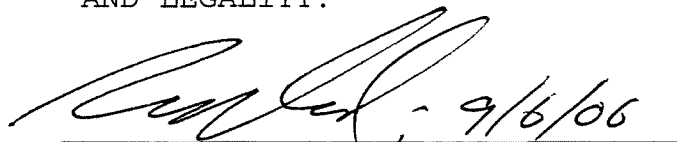
Under the terms and conditions anticipated with regard to such DWTRLF loan, the County shall repay, over a term of twenty years, the principal amount, which shall not exceed \$10,907,123 at a fixed rate of interest in the amount of zero and fifteen one-hundredth percent (0.15%) per annum. In addition, the County shall pay a semiannual loan fee of one and six hundred twenty-five one-thousandth percent (1.625%) of the outstanding principal balance at the time each semiannual repayment is due.

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 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:



EDWARD S. KUSHI, JR.
Deputy Corporation Counsel
County of Maui

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