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**COUNTY OF MAUI
DEPARTMENT OF
ENVIRONMENTAL MANAGEMENT**
2050 MAIN STREET, SUITE 2B
WAILUKU, MAUI, HAWAII 96793

April 13, 2018

Mr. Sananda Baz
Budget Director, County of Maui
200 South High Street
Wailuku, Hawaii 96793

Honorable Alan M. Arakawa
Mayor, County of Maui
200 South High Street
Wailuku, Hawaii 96793

APPROVED FOR TRANSMITTAL
Alan Arakawa 4/16/18
Mayor Date

For Transmittal to:

Honorable Riki Hokama
Chair, Budget and Finance Committee
Maui County Council
200 South High Street
Wailuku, Hawaii 96793

Dear Chair Hokama:

**SUBJECT: REQUESTS/QUESTIONS FROM THE APRIL 5, 2018 MEETING
(EM-6) (BF-1)**

The County is in receipt of the above Budget and Finance (BF) Committee requested information dated April 9, 2018. Your request and the corresponding answer is provided below by the Department of Environmental Management (DEM).

1. *As it relates to residential refuse collection:*
 - a. *Provide the number of new accounts anticipated per year.*

The number of new accounts on average over the past four years is between 200 to 300 accounts. This number is the net new accounts (i.e. - the difference between the number of active accounts that are closed in a year and new accounts opened in a year).

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- b. *Based on the rate increase, what is the anticipated increase to revenue?*

Based on the rate increase from \$27/month to the proposed \$32/month, the anticipated increase to revenue is an additional \$1,671,000 over FY18.

Note: FY19 26,500 accts x \$32/mo. x 12 mo. = \$10,176,000
FY18 26,250 accts x \$27/mo. x 12 mo. = \$8,505,000

- c. *Provide the number of accounts currently on non-county dedicated roads but are receiving service from the Department.*

There are approximately 3,000 – 3,500 accounts on non-county dedicated roads that have been historically receiving County provided residential refuse service.

Per Department records, no new private subdivisions have been allowed refuse service on non-County roads since 2008.

- d. *If the County extended service to Waikapu Gardens I and II, how many potential accounts will be added? Are there other subdivisions requesting service? Indicate whether the subdivision is eligible for service and provide the number of potential accounts.*

There would be a potential of 467 new accounts in Waikapu Gardens Phase I (411 homes) & II (57 homes) if service was extended.

Currently, aside from Waikapu Gardens, we are aware of the following subdivisions with non-County dedicated roads that have inquired about refuse service:

Komo Mai Street, Lahaina (~54 homes)
Traditions Maui Lani, Kahului (~153 homes)
Parkways Maui Lani, Kahului (~197 homes, all 3 phases)
Kehalani Mauka (~47 homes and the full Kehalani master plan build is est. at 2,400 homes)

There may be many more potential private subdivisions with thousands of homes that may be interested in County subsidized refuse (and other Departments) services, should the County allow County services on private roads. To allow some private subdivisions without offering to all is a concern.

- e. *If the potential accounts are identified in item (d) above, what would be the impact to the operations of the division? If an increase in manpower, equipment, and other related operational supplies would be needed, provide an itemized list and costs.*

Simply identifying potential accounts does not impact operations. Should the Department be required to reconsider current practice and allow County services to private subdivisions, the impact would include but not limited to the following:

- Route analysis (Include waste generation rates, proximity to landfill, housing density, etc)
- Capacity study
- For ability to serve up to 2000 new accounts we would need:

(1.25)	Additional Operators	\$72,500/yr + F&OH
(1.5)	Automated Trucks	\$690,000/8-10 yrs
(2200)	Carts	\$154,000/10 yrs (\$70 ea)
- Obtain Council approval for an increase in operations budget O&M costs and Admin overhead \$ 20,000/yr (est)
- UPW Union negotiations on re-routing and expansion.

Notes: Union negotiations, council approved budget, etc can take up to 1 year or more. Expansion vehicles and manpower requires est. 2 year lead time.

The Division is looking into a possible future assessment fee based program (similar to Wastewater and Water) to allow for funding to be provided by subdivision developers upon building permit request. This will allow for monies to cover the expansions of service.

2. *As it relates to sewer collections fees:*

- a. *Provide the definition for “residential care homes” and how they are identified for purposes of sewer fees. (DG/EC)*

Per Maui County Code 14.19A.040 – Definitions, “Residential care homes means a building or any portion thereof in which living accommodations, personal care services, and appropriate medical care are provided to adults unable to care for themselves.”

We identify residential care homes by contacting the Department of Health or spot checking their website.

<https://health.hawaii.gov/ohca/files/2018/01/Combined-ARCH-Expanded-ARCH-Vacancy-Report-By-Area-1-2018-1.pdf>

In the past, residential care homes were charged at a commercial sewer rate. However, concerns were brought up that they may be charged too much and therefore a separate flat rate was developed for them. This is why they are classified under the "Others per month per dwelling unit".

- b. *Explain how monthly use charges for non-residential users are determined and identify what rate category non-profit organizations fall under. (KK)*

Non-residential users are identified when they apply for a Certificate of Occupancy permit. Non-profit organizations fall under Non-residential. They could be charged one of two rates depending if they have an irrigation meter or not. If the non-profit has no irrigation meter they would be charged a commercial rate of \$6.03 per thousand gallons. If they have an irrigation meter they will be charged the commercial rate of \$7.88 per thousand gallons.

- c. *Identify when the flat rate per month for Kualapuu was established and how the rate was determined. (SC)*

The flat rate per month for Kualapuu was established in 1988. The rates were developed based on an agreement with the County of Maui and Molokai Limited. The County owns and maintains the collection system and Molokai Limited owns and maintains the facility. The County collects the entire sewer fee and pays Molokai Limited for the maintenance of the facility. The facility maintenance fee has increased roughly 3% every year, which is reflected in the budget every year.

3. *As it relates to refuse disposal fees for the Environmental Protection and Sustainability Fund:*

- a. *Explain how the fees for uncontaminated greenwaste, grease trap waste contaminated cooking oil, and biosolids and sewage sludge are determined.*

The fees for uncontaminated greenwaste, grease trap waste contaminated cooking oil, and biosolids and sewage sludge are based on the contract bid. The contract is currently serviced by Maui EKO

Systems, Inc. Their fees are determined based on the cost of doing business, allowing for a reasonable mark-up and the length of the contract.

- b. *Explain the process for identifying whether greenwaste is contaminated or uncontaminated. (DG)*

We consider contamination on the greenwaste items such as plastics, glass, cardboard, rocks, metal, painted and treated wood. We don't accept wood pallets and wood crates.

- c. *Does the Department issue recycling operating permits? If so, is there a fee for the permit? Identify the page in Appendix B that the fee is listed on.*

We do not issue recycling operating permits, only the State Department of Health issues those permits.

- d. *The interim fee schedule applies only to uncontaminated greenwaste. How is grease trap waste and biosolids handled at County landfills where no scales are available or if the scales are inoperable?*

Biosolids and grease trap waste are only received and handled separately at the Central Maui landfill. As the volume of biosolids and grease trap waste on Molokai and Lanai are low, the waste end up in the landfill. The grease trap waste is dumped into our wastewater system which adds to our sludge which is dried before disposal at the landfill. The Hana region comes to the Central Maui Landfill.

If the scale is inoperable, the procedure is to take a historical average of the tonnage to calculate the approximate charge.

- e. *Explain the administrative fee of \$50 for abandoned vehicles. Should the revenue generated from this fee be deposited into the Highway Beautification and Disposal of Abandoned and Derelict Vehicles Revolving Fund?*

The \$50 administrative fee contributes to administrative costs for data entry and retention, coordinating tows, keeping inventory of stored vehicles, conducting auctions and disposal of vehicles, managing vehicle claims, and handling payments as well as postal charges for mailings and office supplies. All administrative fees collected are deposited into the HBF-AV fund, along with any towing, storage and disposal fees that are recovered from registered owners. To date in FY18, about \$117,000 in revenues/recovered fees has been deposited back into the HBF-AV fund.

- f. Does the tipping fee surcharge only apply to the Central Maui Landfill? If not, how is the fee of \$10 per ton assessed at other county landfills where no scales are available or if the scales are inoperable?*

The tipping fee surcharge is applied to all landfills. At landfills where no scales are available or if the scales are inoperable, the Interim Fee Schedule is used. The calculation of the Interim Fee Schedule are based on the scaled per ton rate, an average weight factor for each sized truck, and the corresponding porting of the surcharge based on \$10 per ton.

Should you have any questions, please contact me at ext. 8230.

Sincerely,

A handwritten signature in black ink that reads "Stewart Stant". The signature is written in a cursive, flowing style.

Stewart Stant
Director of Environmental Management