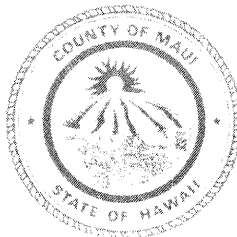


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OFFICE OF THE
COUNTY COUNCIL



**COUNTY OF MAUI
DEPARTMENT OF
ENVIRONMENTAL MANAGEMENT**

2050 MAIN STREET, SUITE 2B
WAILUKU, MAUI, HAWAII 96793

MICHAEL P. VICTORINO
Mayor

ERIC A. NAKAGAWA, P.E.
Acting Director

SHAYNE R. AGAWA, P.E.
Deputy Director

MICHAEL P. RATTE
Solid Waste Division

SCOTT R. ROLLINS, P.E.
Wastewater Reclamation
Division

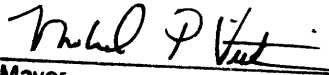
TAMARA FARNSWORTH
Environmental Protection &
Sustainability Division

April 9, 2019

Ms. Michele M. Yoshimura 
Budget Director, County of Maui
200 S. High Street
Wailuku, HI 96793

APPROVED FOR TRANSMITTAL

Honorable Michael P. Victorino
Mayor, County of Maui
200 S. High Street
Wailuku, HI 96793


Mayor 4/11/19
Date

For Transmittal to:

Honorable Keani Rawlins-Fernandez
Chair, Economic Development and Budget Committee
Maui County Council
200 S. High Street
Wailuku, HI 96793

Dear Chair Rawlins-Fernandez:

SUBJECT: FISCAL YEAR ("FY") 2020 BUDGET (EM-11) (EDB-1)

The County is in receipt of the above Economic Development and Budget (EDB) Committee requested information dated April 4, 2019. Your request and the corresponding answer is provided below by the Department of Environmental Management (DEM).

1. In your correspondence dated March 11, 2019, relating to vacancies, capital improvement projects, and department costs:

a. Of the seven vacancies listed four are noted as "working on posting position." What exactly does "working on posting position" mean? (MM)

"Working on posting position" means that the position is in the recruitment process.

b. What is the current status of these vacancies? (MM)

The current status of these vacancies as of 04/8/19:

Admin:

	SALARY	POSITION TITLE	STATUS
1	\$24,610	GIS ANALYST I	AT DPS FOR RECRUITMENT PROCESS

Operations:

	SALARY	POSITION TITLE	STATUS
1	\$44,688	PLANT WORKER	AT DPS FOR RECRUITMENT PROCESS
2	\$68,988	ELECTRONIC TECHNICIAN II	AT DPS FOR RECRUITMENT PROCESS
3	\$48,744	AWWTPO	EXPECTED START DATE 5/1/19
4	\$43,308	AWWTPO TRAINEE	AT DPS FOR RECRUITMENT PROCESS
5	\$74,040	WWTP O & M SUPV IV	AT DPS FOR RECRUITMENT PROCESS
6	\$43,308	AWWTPO TRAINEE	AT DPS FOR RECRUITMENT PROCESS
7	\$75,144	COLLECTION SYSTEM SUPERINTENDENT	AT DPS FOR RECRUITMENT PROCESS
8	\$50,304	ADMINISTRATIVE ASSISTANT II	AT DPS FOR RECRUITMENT PROCESS.
9	\$36,732	CLERK III	HIRED ON 04/03/19

2. In his correspondence dated April 1, 2019 (EM-2), the Director noted the Department will write off certain receivables.

a. At what point does the Director decided to write off bad debt? (MM)

Please refer to the Landfill Collection Policy, submitted with (EM-2) (EDB-1) response. SWD requests the write-off to the Director of Finance, at least 30 days delinquent, has been settled through litigation with assistance from Corporation Council, and/or has been granted a discharge per the United States Bankruptcy Code.

b. The Solid Waste Division Bad Debt under Countywide collection is estimated at \$14,758 as of March 28, 2019. How many of these debtors are actually making efforts to pay their debt. What is the success rate for collecting debt by Transworld Systems Inc.? (MM)

Countywide debt, once placed with Collection Agency is then monitored by Treasury, and their efforts and status regarding paying their debt is in their hands at that point. SWD will receive notification from Treasury when payment is received on account. There are times when customer will make a payment to SWD outside of the collection agency and SWD will notify Collection agency of the payment.

SWD has submitted 26 accounts. At the current time 9 (35%) have been paid in full or partially paid.

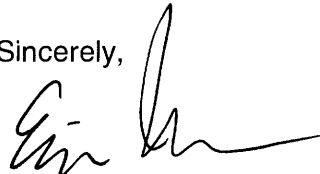
- c. The highest numbers for account balances are for 28-58 days and over 90 days. At what point do you stop providing services to these accounts? What efforts are being taken to collect from these accounts (MM)**

Rule 15-3-5 (b) (2) "Disposal permits for commercial accounts delinquent beyond 30 days shall be invalid." It is at this time SWD stops providing services.

Please refer to SWD's Landfill Collection Policy already submitted with (EM-2) (EDB-1) response.

Thank you for the opportunity to provide you with information on this matter. Should you have any questions or concerns, please feel free to transmit them to the Department of Environmental Management via transmittal through the Office of the Mayor.

Sincerely,



ERIC A. NAKAGAWA, Acting Director
Department of Environmental Management

LANDFILL COMMERCIAL ACCOUNT COLLECTIONS PROCEDURE

1. GENERAL INFORMATION

1.1. PURPOSE

The purpose of establishing a Landfill Collections Policy is to ensure timely collection of revenues and deter losses and the excessive liability of unpaid account balances.

1.2. REASONS FOR THIS POLICY'S EXISTENCE

- 1.2.1. Due to no existing County wide collections procedure, The Solid Waste Division created this interim policy in attempt to better manage commercial customer accounts that are delinquent beyond thirty days and to minimize overdue account balances in the future.
- 1.2.2. Customers who had overdue account balances continued to use services, and their unpaid balances continually increased. As the unpaid balances increase and the aging of the account balances increase, the likelihood of collection on the account greatly diminishes.
- 1.2.3. Managing delinquent accounts requires the Solid Waste Division to invest time and other resources into collection efforts and will invariably result in the loss of Landfill revenues.

1.3. APPLICABILITY

This policy is applicable to the Department of Environmental Management, Solid Waste Division. Employees with any type of collections duties are required to be familiar with the requirements of this policy.

1.4. AUTHORITY AND RESPONSIBILITY

- 1.4.1 These policies and procedures for Landfill accounts collections activities are subject to approval by the Director of Environmental Management (DEM).
- 1.4.2 Ordinance 8.04.040 Disposal permits--Application and suspension.
 - A. *No business, federal or state agency, religious entity, or nonprofit organization shall dispose of refuse at any landfill facility without first obtaining a disposal permit issued by the department and making payment of the permit fee required in the annual budget ordinance.*
 - B. *An applicant for a disposal permit shall file with the director an application signed by an authorized person on behalf of the business, federal or state agency, religious entity, or nonprofit organization on forms furnished by the department containing the following information:*
 1. *Name, address and telephone number of the business, federal or state agency, religious entity, or nonprofit organization;*

2. *Make, model, and weight of the vehicle which is to be used to transport and dispose the refuse;*
3. *Vehicle license number;*
4. *Such other information as may be deemed necessary by the director.*

C. The director may suspend a disposal permit for the following reasons:

1. *Failure to pay any disposal charges or special handling fees when due; or*
2. *Noncompliance with disposal procedures established by the department.*

1.4.3. Chapter 15-3 Rules for Maui County Landfills adopted 12/3/98

Section 15-3-5 (b) (2): "Commercial accounts delinquent beyond thirty days may be sent to a collection agency. The party responsible for the account shall pay any costs and fees charged by such collection agency. Disposal permits for commercial accounts delinquent beyond thirty days shall be invalid. Such commercial accounts shall not use any landfill until the account is brought current, and may be required to obtain a new disposal permit. [Eff 06/18/94, am 12/27/98] (Auth: MCC Section 8.04.078) (Imp: Section 8.04.078)"

2. PROCEDURES

2.1. Ensuring Timely Collections & Identifying Delinquent Accounts

2.1.1. Each month the accounts section will have 5 calendar days to send out the prior month billing statement. For example, the January billing statement will be postmarked no later than February 5th.

2.1.1.1. After the close of each month the Solid Waste Division ACCOUNTANT III will present a report showing all accounts that are delinquent past 30 days. This report will be transmitted to the ACCOUNTANT IV and Solid Waste Division Chief by the fifteenth day of the following month, along with suggested accounts to write off and/or send to corporation counsel and/or collections agency (see section 2.5).

2.2. Delinquent Account Customer Notification

- 2.2.1. By the tenth day of the month each of the delinquent accounts will be sent a letter notifying them that they will no longer be allowed to use the Landfill unless they pay off past due balances that are delinquent beyond 30 days.
- 2.2.2. Landfill stoppage will commence once the account is 30 days delinquent per Section 15-3-5 (b) (2) Rules for Maui County Landfills.
- 2.2.3. Customers who are unable to pay-off past due balances will be allowed to continue to use the Landfill if they comply with the following:
 - 2.2.3.1. Keep all future balances current, **and**
 - 2.2.3.2. Set up a payment plan for the delinquent balance, in writing, with the ACCOUNTANT III, that is approved by the ACCOUNTANT IV or Division Chief.

2.3 Landfill Use Stoppage

- 2.3.1 The ACCOUNTANT III will prepare a report that indicates which customer accounts have received a stoppage of service. A copy will be sent to each landfill center and the cashier's office.
- 2.3.2 These customers will not be able to use the Landfill until they meet the requirements noted in the Delinquent Account Customer Notification.
- 2.3.3 The Customer Service Reps II will notify the landfill center when a customer with a delinquent account conforms to the collections policy and can be reinstated to use the landfill.

2.4 Payment Plans

- 2.4.1 Payment plans will be established on a case by case basis.
- 2.4.2 The Solid Waste Division will take into account the level of usage, the customer's payment history, and the aging of the account.
- 2.4.3 Once a payment plan has been approved, the customer must adhere to the payment plan and keep all future billings current.
- 2.4.4 Copies of the approved payment plans will be kept on file by the ACCOUNTANT III.
- 2.4.5 Any default will result in the stoppage of service and based on recommendations from the Department Director, the account will be sent to Corporation Counsel for further legal action.
- 2.4.6 Referral to a collection agency and/or Corporation Counsel may be approved by the Department Director.
- 2.4.7 The following initial action thresholds are to be used when an account is delinquent beyond 30 days:
 - 2.4.7.1 Amount due \$0 to \$100- Write off balance
 - 2.4.7.2 Amount due \$100.01 to \$5,000- Send to Collection Agency
 - 2.4.7.3 Amount due \$5,000.01 and greater- Refer to Corporation Counsel for collection.

2.5 Write-off

2.5.1 When all attempts (Division and/or Corporation Counsel correspondence to the account holder, and/or litigation, and/or referral to a collection agency) to collect overdue balances from the Landfill customer have failed per this policy, the Solid Waste Division will present a list of uncollectible accounts to the Department Director. If in agreement, the Department Director will sign and forward on to the Director of Finance for approval to write off the receivable.