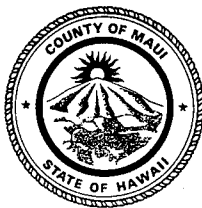


ALAN M. ARAKAWA
MAYOR



RECEIVED
KEITH A. REGAN
MANAGING DIRECTOR

2016 JUL -8 AM 9:19

OFFICE OF THE MAYOR

Ke'ena O Ka Meia
COUNTY OF MAUI - Kalana O Maui
July 7, 2016

REFERENCE NO. BD-BA 17-01
OFFICE OF THE
COUNTY CLERK

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

For Transmittal to:

Honorable Michael White, Chair
and Members of the Maui County Council
200 South High Street
Wailuku, Hawaii 96793

Dear Chair White:

APPROVED FOR TRANSMITTAL
[Signature] 7/7/16
Mayor Date

SUBJECT: AMENDMENTS TO THE FISCAL YEAR 2017 BUDGET

On behalf of the Department of Environmental Management, I am transmitting the attached proposed bills to address budgetary insufficiencies within the Environmental Protection and Sustainability (EP&S) Program as a result of cuts to the program's FY 2017 budget.

After reviewing the budget passed by the Council, the department is estimating an operating shortfall of \$644,873 for FY 2017. As described in the attached correspondence dated July 6, 2016, to address the shortfall, the department is proposing to adjust rates and fees as follows:

3429 Fees - Refuse Disposal

Commodity	Estimated Tons	FY17 Proposed Fees	Updated FY17 Proposed Fees	Fee Difference	Estimated Additional Revenue
Biosolids	22,223	\$90 / ton	\$103 / ton	\$13	\$216,674
Uncontaminated Greenwaste	15,225	\$25 / ton	\$36 / ton	\$11	\$125,606
Grease Trap Waste Contaminated Cooking Oil*	6,980	\$67 / ton	\$30 / ton	-\$37	-\$193,695
TOTAL ADDITIONAL REVENUE					\$148,585

COUNTY COMMUNICATION NO. 16-146

Honorable Michael White, Chair
and Members of the Maui County Council
July 7, 2016
Page 2

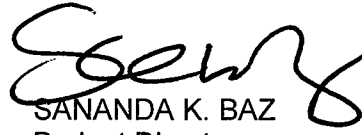
The department is also requesting a supplemental transfer from the General Fund in the amount of \$400,000 as the Solid Waste Division currently has no carryover savings. Attached is a Certification of Additional Revenues for Fiscal Year 2017 to certify the availability of General Fund Carryover/Savings.

In addition, the department is proposing additional revisions to Appendix B, Rates and Fees as it relates to the Interim Fee Schedule, applicable at county landfills where there are no scales or when scales are inoperable, to coincide with the new scaled tip fee of \$81/per ton for municipal solid waste.

The Department of Environmental Management is requesting that the proposed bills be considered as soon as possible. I respectfully request this matter be referred to the appropriate Council committee for expeditious review, discussion and appropriate action.

Thank you for your attention in this matter. Should you have any questions, please feel free to contact me at ext. 7212.

Sincerely,


SANANDA K. BAZ
Budget Director

Attachments (4)

cc: Keith Regan, Managing Director
Danny Agsalog, Finance Director
Stewart Stant, Director of Environmental Management

ORDINANCE NO. _____

BILL NO. _____ (2016)

A BILL FOR AN ORDINANCE AMENDING
THE FISCAL YEAR 2017 BUDGET FOR THE COUNTY OF MAUI
AS IT PERTAINS TO ESTIMATED REVENUES;
DEPARTMENT OF ENVIRONMENTAL MANAGEMENT,
ENVIRONMENTAL PROTECTION AND SUSTAINABILITY PROGRAM -
SOLID WASTE MANAGEMENT FUND, DEPARTMENT OF FINANCE, COUNTYWIDE COSTS;
TOTAL OPERATING APPROPRIATIONS; AND TOTAL
APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)

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

SECTION 1. Ordinance No. 4334, Bill No. 62 (2016), Draft 1, "Fiscal Year 2017 Budget", is hereby amended as it pertains to Section 2, Estimated Revenues, by increasing Charges for Current Services in the amount of \$148,585, increasing Interfund Transfers in the amount of \$400,000, increasing Carryover/Savings from the General Fund in the amount of \$400,000; and by increasing Total Estimated Revenues in the amount of \$948,585, to read as follows:

"ESTIMATED REVENUES"

FROM TAXES, FEES AND ASSESSMENTS:

Real Property Taxes		273,887,388
Circuit Breaker Adjustment		(398,235)
Charges for Current Services	[135,887,152]	<u>136,035,737</u>
Transient Accommodations Tax		23,484,000
Public Service Company Tax		9,100,000
Licenses/Permits/Others		35,170,154
Fuel and Franchise Taxes		23,606,500
Special Assessments		5,975,000
Other Intergovernmental		32,775,000

FROM OTHER SOURCES:

Interfund Transfers	[46,486,467]	<u>46,886,467</u>
Bond/Lapsed Bond		38,129,000
Carryover/Savings:		
General Fund	[17,578,419]	<u>17,978,419</u>
Sewer Fund		3,800,945
Highway Fund		4,886,279
Solid Waste Management Fund		22,086
Golf Fund		458,756
Liquor Fund		797,883
Bikeway Fund		311,997
Water Fund		<u>7,532,766</u>

TOTAL ESTIMATED REVENUES	[659,491,557]	<u>660,440,142"</u>
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SECTION 2. Fiscal Year 2017 Budget is hereby amended as it pertains to Section 3.B.3.f., Department of Environmental Management, Environmental Protection and Sustainability Program – Solid Waste Management Fund, by increasing the Category B and Total appropriations in the amount of \$548,585, to read as follows:

	<u>A - Salaries</u>	<u>B - Operations</u>	<u>C - Equipment</u>	<u>Total</u>
"3. Department of Environmental Management				
a. Administration Program – General Fund	434,125	177,750	4,500	616,375
(1) Provided, that disbursement for salaries and premium pay is limited to 5.0 equivalent personnel.				
(2) Grant to Community Work Day Program, dba Malama Maui Nui	0	205,500	0	205,500
b. Wastewater Administration Program – Sewer Fund				
(1) General	1,364,576	1,597,375	6,000	2,967,951
(i) Provided, that disbursement for salaries and premium pay is limited to 18.0 equivalent personnel.				
(ii) Provided, that \$392,351 shall be for the new water and sewer billing system.				
(2) Contribution to General Fund – Employees' Retirement System (ERS) and Federal Insurance Contributions Act (FICA)	0	1,838,476	0	1,838,476
(3) Contribution to General Fund – Hawaii Employer-Union Health Benefits Trust Fund (EUTF)	0	1,288,052	0	1,288,052
(4) Contribution to General Fund – Other Post-Employment Benefits (OPEB)	0	719,727	0	719,727
(5) Contribution to General Fund – Reimbursement for the Department of Environmental Management – Administration Program	0	462,023	0	462,023
(6) Debt Service	0	8,975,616	0	8,975,616
(7) Administrative Overhead Charge	0	4,151,453	0	4,151,453

	<u>A - Salaries</u>	<u>B - Operations</u>	<u>C - Equipment</u>	<u>Total</u>
(8) Transfer to Countywide Sewer Capital Improvement Reserve Fund	0	2,678,431	0	2,678,431
c. Wastewater Operations Program – Sewer Fund	6,401,648	14,377,463	898,560	21,677,671
(1) Provided, that disbursement for salaries and premium pay is limited to 100.0 equivalent personnel.				
(2) Provided, that \$50,000 shall be for professional services for painting and maintenance, and that a report shall be provided by the end of the third quarter on the efficacy of a professional services allocation as compared to an additional 1.0 equivalent personnel.				
d. Solid Waste Administration Program – Solid Waste Management Fund	1,004,892	304,944	9,300	1,319,136
(1) Provided, that disbursement for salaries and premium pay is limited to 14.0 equivalent personnel.				
(2) Contribution to General Fund – Employees' Retirement System (ERS) and Federal Insurance Contributions Act (FICA)	0	1,558,937	0	1,558,937
(3) Contribution to General Fund – Hawaii Employer-Union Health Benefits Trust Fund (EUTF)	0	1,092,205	0	1,092,205
(4) Contribution to General Fund – Other Post-Employment Benefits (OPEB)	0	610,293	0	610,293
(5) Contribution to General Fund – Reimbursement for the Department of Environmental Management – Administration Program	0	354,621	0	354,621
(6) Debt Service	0	5,027,310	0	5,027,310
(7) Administrative Overhead Charge	0	5,226,264	0	5,226,264

	<u>A - Salaries</u>	<u>B - Operations</u>	<u>C - Equipment</u>	<u>Total</u>
e. Solid Waste Operations Program – Solid Waste Management Fund	4,790,754	7,628,761	140,000	12,559,515
(1) Provided, that disbursement for salaries and premium pay is limited to 82.0 equivalent personnel.				
(2) Provided, that \$569,050 shall be for construction and demolition landfill expenditures because of the Maalaea landfill closure.				
f. Environmental Protection and Sustainability Program – Solid Waste Management Fund	154,820	[4,354,550] <u>4,903,135</u>	0	[4,509,370] <u>5,057,955”</u>
(1) Provided, that disbursement for salaries and premium pay is limited to 3.0 equivalent personnel.				
(2) Provided, that \$25,000 shall be for Community Work Day Program, dba Malama Maui Nui, to conduct West Maui recycling events.				

SECTION 3. Fiscal Year 2017 Budget is hereby amended as it pertains to Section 3.B.4.f., Department of Finance, Countywide Costs, Supplemental Transfer to the Solid Waste Management Fund, by increasing the Category B and Total appropriations in the amount of \$400,000, to read as follows:

	<u>A - Salaries</u>	<u>B - Operations</u>	<u>C - Equipment</u>	<u>Total</u>
“4. Department of Finance				
a. Administration Program	644,394	92,462	1,500	738,356
(1) Provided, that disbursement for salaries and premium pay is limited to 9.8 equivalent personnel.				
(2) Provided, that the Full Cost Allocation Plan and OMB A-87 Compliant Cost Allocation Plan are updated.				
b. Accounts Program	1,080,550	561,900	3,000	1,645,450
(1) Provided, that disbursement for salaries and premium pay is limited to 18.0 equivalent personnel.				

	<u>A - Salaries</u>	<u>B - Operations</u>	<u>C - Equipment</u>	<u>Total</u>
c. Financial Services Program				
(1) General	4,827,236	1,956,920	5,000	6,789,156
(i) Provided, that disbursement for salaries and premium pay is limited to 98.7 equivalent personnel.				
(2) Countywide Service Center – Annual Lease Costs	0	506,800	0	506,800
d. Purchasing Program	392,228	68,721	0	460,949
(1) Provided, that disbursement for salaries and premium pay is limited to 7.0 equivalent personnel.				
e. Treasury Program	693,998	413,600	5,435	1,113,033
(1) Provided, that disbursement for salaries and premium pay is limited to 14.0 equivalent personnel.				
f. Countywide Costs				
(1) Fringe Benefits	0	57,966,774	0	57,966,774
(2) Bond Issuance and Debt Service	0	41,053,717	0	41,053,717
(3) Supplemental Transfer to the Golf Fund	0	2,767,331	0	2,767,331
(4) Supplemental Transfer to the Solid Waste Management Fund	0	[11,428,064] <u>11,828,064</u>	0	[11,428,064] <u>11,828,064</u>
(5) Insurance Programs and Self Insurance	0	12,700,000	0	12,700,000
(6) Transfer to the Open Space, Natural Resources, Cultural Resources, and Scenic Views Preservation Fund	0	2,734,892	0	2,734,892
(7) Transfer to the Affordable Housing Fund	0	5,469,783	0	5,469,783
(8) General Costs	0	936,126	0	936,126
(9) Overhead Reimbursement	0	(22,043,724)	0	(22,043,724)
(10) Transfer to the Emergency Fund	0	4,000,000	0	4,000,000

	<u>A - Salaries</u>	<u>B - Operations</u>	<u>C - Equipment</u>	<u>Total</u>
(11) Post-Employment Obligations	0	16,172,000	0	16,172,000"
(i) Provided, that the funds are paid to the State of Hawaii Employer-Union Health Benefits Trust Fund prior to September 30, 2016.				

SECTION 4. Fiscal Year 2017 Budget is hereby amended as it pertains to the Total Operating Appropriations to reflect a Category B and Total appropriations increase of \$948,585, to read as follows:

"TOTAL OPERATING APPROPRIATIONS	174,988,440	[362,607,798] <u>363,556,383</u>	8,025,405	[545,621,643] <u>546,570,228"</u>
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SECTION 5. Fiscal Year 2017 Budget is hereby amended as it pertains to the Total Appropriations (Operating and Capital Improvement Projects) to reflect an increase of \$948,585, to read as follows:

"TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)	[659,491,557]	<u>660,440,142"</u>
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SECTION 6. Material to be repealed is bracketed. New material is underscored.

SECTION 7. This Ordinance shall take effect upon its approval

APPROVED AS TO FORM AND LEGALITY:



 JEFFREY UEOKA
 Deputy Corporation Counsel

ORDINANCE NO. _____

BILL NO. _____ (2016)

A BILL FOR AN ORDINANCE AMENDING
THE FISCAL YEAR 2017 BUDGET FOR THE COUNTY OF MAUI
AS IT PERTAINS TO APPENDIX B, REVENUES – FEES, RATES, ASSESSMENTS AND TAXES,
DEPARTMENT OF ENVIRONMENTAL MANAGEMENT,
SOLID WASTE MANAGEMENT FUND,
CHARGES FOR CURRENT SERVICES, FEES – REFUSE DISPOSAL

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

SECTION 1. Ordinance No. 4334, Bill No. 62 (2016), Draft 1, "Fiscal Year 2017 Budget", Appendix B, "Revenues – Fees, Rates, Assessments and Taxes" is hereby amended as it pertains to the Department of Environmental Management, Solid Waste Management Fund, Charges for Current Services, Fees – Refuse Disposal, by adjusting fees, to read as follows:

"COUNTY OF MAUI REVENUES – FEES, RATES, ASSESSMENTS AND TAXES"					
ACCOUNT	REVENUE SOURCE	FEE, RATE, ASSESSMENT OR TAX	HRS	COUNTY CODE	ORDINANCE
DEPARTMENT OF ENVIRONMENTAL MANAGEMENT SEWER FUND					
CHARGES FOR CURRENT SERVICES:					
3220	Pretreatment Permit Fees	Permit Categories			
		Permit Fees			
		Class I, II, III, and IV	\$100 every 2 years	14.21A.105	
		Special purpose discharge permit.....	\$100 every 2 years	14.21A.350	
		Class V.....	\$50 every year		
		Miscellaneous Wastewater Pretreatment Program Fees:		14.21A.350	
		Wastewater Discharge	\$10		
		Permit Application Fee			
		Liquid Waste Hauler:			
		A. Permit Decal Initial Issue.....	\$5 per vehicle		
3470	Fees - Sewer Collections	Residential - Monthly Rates:	Fees	46-1.5	14.31.010
					14.31.015
		Rates for this class are based on monthly base charge and metered water usage charge.			
		Single family and duplex dwellings served by County water system per dwelling unit per month:			
		Monthly Base Charge.....	\$29.20		
		Monthly metered water usage charge per 1,000 gallons (for the first 9,000 gallons, at which point charge is capped)	\$3.90		
		Single family and duplex dwellings not served by County water system per month:			
		Flat rate per dwelling unit.....	\$56.55		

Condominiums and multi-family dwellings served by County water system per dwelling unit per month:

Monthly Base Charge.....	\$29.20
Monthly metered water usage charge per 1,000 gallons (for the first 6,000 gallons, at which point charge is capped)	\$3.90

Multi-family dwellings not served by County water system per month:

Flat rate per dwelling unit.....	\$46.15
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Others per month per dwelling unit:

Haliimaile.....	\$14.15
Residential Care Homes	\$90.50

Monthly Use Charge - Non-Residential:

14.31.020

The rates for this class of users are based on the monthly base charge and water volume usage per one thousand gallons. The "with irrigation meter" rate represents that rate per thousand gallons that the customer would be charged for all other meters should the customer utilize an irrigation meter.

Monthly base charge (per meter per month)	\$16.90
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Without Irrigation Meter Rate

Commercial	\$5.85
Hotels	\$7.90
Industrial, Restaurant, Food Service Establishment, Commercial with Restaurant / Food Service Establishment.....	\$9.90
U.S. Government.....	\$5.85
State.....	\$5.85
County	\$5.85
Religious.....	\$5.85

With Irrigation Meter Rate

Commercial	\$7.65
Hotels	\$10.90
Industrial, Restaurant, Food Service Establishment, Commercial with Restaurant / Food Service Establishment.....	\$13.30
U.S. Government.....	\$7.65
State.....	\$7.65
County	\$7.65
Religious.....	\$7.65
Kualapuu - Flat rate per month	\$56.55

Surcharges

46-1.5

14.31.030(A)

Rate per thousand pounds of suspended solids (SS) over 4 pounds per 1,000 gallons of sewerage	\$808
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Rate per thousand pounds for all pounds of BOD over 4 pounds per 1,000 gallons of sewerage	\$1,329
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3472	Private Septic Disposal	Per 1,000 gallons or less of waste for private haulers that haul waste to the County sewerage treatment system.....	46-1.5	14.31.020 14.29.060
				\$102.50

3490	Fees - Reclaimed Water Service	Rate per 1,000 gallons for major agriculture	\$0.25	20.30.080
		Rate per 1,000 gallons for agriculture	\$0.40	
		Rate per 1,000 gallons for all other users	\$1.50	

3490	Fees - Installation of Reclaimed Water Meter	Meter Size:	Charges*	20.30.060
		5/8 inch and 3/4 inch.....	\$325	
		1 inch	\$400	
		1-1/2 inches.....	\$3,450	
		2 inches	\$3,650	
		3 inches	\$18,300	

*Includes cost of meter and meter box. In addition to this charge, labor cost and other incidental supplies shall be computed and shall be based on actual labor time, rate and cost of incidental supplies.

3490	Fees - Reclaimed Water Connection	South Maui (per thousand gallons per day of capacity).....\$82 West Maui (per thousand gallons per day of capacity).....\$33	20.30.070
3728	Late Fees	Service charge to all late payments over 30 days .. 1% per month	14.31.010 14.31.020

**DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
SOLID WASTE MANAGEMENT FUND**

**NON-BUSINESS
LICENSES & PERMITS:**

3239	Fees - Refuse Disposal Permit	Permit fee.....\$5	8.04.040	3052
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**CHARGES FOR
CURRENT SERVICES:**

3428	Fees - Special Handling	\$22.50per load (less than one ton). \$45.00per load (one ton up to less than five tons). \$90.00per load (five tons and above).	8.04.050
3429	Fees - Refuse Disposal	Unit Charge: \$81per ton for Municipal Solid Waste (MSW). [25] \$36.....per ton for uncontaminated greenwaste. [67] \$30per ton for grease trap waste contaminated cooking oil. [90] \$103.....per ton for Biosolids. \$65per ton for clean earthen material/concrete rubble (no protruding re-bar, no larger than 4' x 2' x2'). \$40per ton for clean earthen material/concrete rubble 2½" minus (no re-bar whatsoever). \$10per ton for all non-HI5, non ADF subsidized, crushed glass 2½" minus (clean & non-contaminated).	46-1.5 8.04.050

Disposal charges may be waived by the director for non-profit organizations and organizations participating in a county-sponsored event if the organization:

1. Has recycling operating permit; or
2. Submits, and the director approves, information provided on the department's form which documents the organization's recycling efforts.

Interim Fee Schedule – applicable at County landfills where there are no scales or when scales are inoperable.

Category I: Light trucks or other vehicles with a gross vehicle weight of less than 10,000 pounds: [68] \$69 per truck load; [25] \$32 for uncontaminated green waste

Category II: Medium trucks or other vehicles with a gross vehicle weight from 10,000 to 19,999: [~~\$135~~] \$137 per truck load; [~~\$40~~] \$53 for uncontaminated green waste

Category III: Large trucks or other vehicles with a gross vehicle weight from 20,000 to 25,999 pounds: [~~\$198~~] \$200 per truck load; [~~\$60~~] \$78 for uncontaminated green waste

Category IV: Large trucks or other vehicles with a 12 cubic yard capacity: [~~\$220~~] \$222 per truck load; [~~\$65~~] \$86 for uncontaminated green waste

Category V: Large trucks or other vehicles with a 20 cubic yard capacity: [~~\$378~~] \$382 per truck load; [~~\$105~~] \$138 for uncontaminated green waste

Category VI: Commercial refuse hauling trucks:

1. Roll off (not compacted)..... [~~\$540~~] \$546 per truck load; [~~\$155~~] \$203 for uncontaminated green waste
2. Roll off (compact)..... [~~\$833~~] \$843 per truck load; [~~\$235~~] \$308 for uncontaminated green waste
3. 42-cubic-yard front end loader..... [~~\$954~~] \$965 per truck load; [~~\$270~~] \$351 for uncontaminated green waste
4. 20-cubic-yard front end loader..... [~~\$450~~] \$455 per truck load; [~~\$125~~] \$164 for uncontaminated green waste

Categories I through VI: Half-truck loads shall be charged one-half the appropriate truck load fees.

Category VII: Residential refuse hauling light trucks or other vehicles with a gross vehicle weight of less than 10,000 pounds: no charge.

	Lanai Landfill	Refuse disposal fees at the Lanai Landfill shall be waived for Pulama Lanai.	8.04.060 Memorandum of Understanding between the County and Pulama Lanai.	3612
3431	Fees - Refuse Collection	\$24 per refuse collection unit per month on the islands of Maui and Molokai, for solid waste services provided. \$12 per refuse collection unit per month on the island of Lanai, or one half the rate of Maui and Molokai, for solid waste services provided. Each alternate refuse placement location deemed a refuse collection unit and authorized by the director shall not be subject to the refuse collection fee. Replacement fee for lost or damaged 96 gallon refuse cart \$105 Service fee for closing and re-opening a refuse account at the same residence within 1 year or re-opening refuse account that has been closed by the division for delinquency \$30	8.04.030 8.04.060	3484
3539	Fees – Curbside Recycling Pilot Program	All existing participants shall pay an additional \$9 per account per month where curbside recycling services are provided.		

3433	Interest - Delinquent Refuse Charges	1% per month or portion of the month that charges are delinquent.	8.04.050
	Fees - Recycling Surcharge	Tipping fee surcharge \$10 per ton	8.04.050
	Fees – Abandoned Vehicle	Administrative fee..... \$50 per vehicle	
	Fees – White goods pick up	Hauling and processing fee \$25 per white good picked up by County	

**DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
SPECIAL REVENUE/TRUST AND AGENCY FUND**

MISCELLANEOUS:

3432	Highway Beautification Fund Fees - Administrative Fees for Litter Removal	For cost of litter removal \$100 each billing	20.20.070	2539
	Kihei Regional Wastewater Treatment System - Facility Expansion Assessment Fee	Applicants for building permits to construct developments..... \$4.65 per gallon of project flow	14.34.060	
	Kihei Regional Wastewater Treatment System - Collection/Transmission System Project Assessment Fee	Component cost times quotient of project flow divided by total number of gallons	14.34.070	
	Wailuku-Kahului Regional Wastewater Treatment System - Facility Expansion/ System Upgrade Assessment	Applicants for building permits to construct developments..... \$4.57 per gallon of project flow	14.35.060	
		Penalty of 10% per year or portion thereof that assessment is delinquent, in addition to amount of delinquent assessments.	14.35.050"	

SECTION 2. Material to be repealed is bracketed. New material is underscored.

SECTION 3. This Ordinance shall take effect upon its approval.

APPROVED AS TO FORM AND LEGALITY:

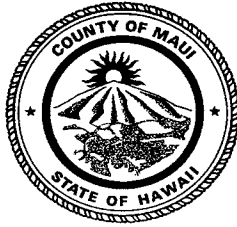


JEFFREY UEOKA
Deputy Corporation Counsel

ALAN M. ARAKAWA
Mayor

STEWART STANT
Director

MICHAEL M. MIYAMOTO
Deputy Director



MICHAEL P. RATTE
Solid Waste Division

ERIC NAKAGAWA, P.E.
Wastewater Reclamation Division

**COUNTY OF MAUI
DEPARTMENT OF
ENVIRONMENTAL MANAGEMENT**

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

July 6, 2016

Mr. Sananda K. 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

Dear Mr. Baz:

SUBJECT: FISCAL YEAR ("FY") 2017 BUDGET

The Department of Environmental Management (Department) appreciates your support in working with the Council to reevaluate the budget for the Environmental Protection and Sustainability (EP&S) Division. The funding will allow the Department to properly address recycling and other landfill diversion programs in Maui County.

The Department would like to propose to the Council how the EP&S Division will work with the Fiscal Year (FY) 2017 budget. Several landfill diversion contracts in the EP&S Division that end in FY 2016 or are not being extended by the contractor for FY 2017, were put out for bid. Based upon the bid unit prices and estimated quantity of material to be diverted, the budget for FY 2017 will be insufficient to continue to fully fund all diversion programs for FY 2017.

The Department has revisited its numbers for FY 2017 and has identified a budget shortfall of \$644,873 for FY 2017 in the EP&S Division. The shortfall is mostly due to an increase in cost of services for FY 2017, namely the composting contract and the used motor oil grant that increased by approximately \$600,000 and \$45,000, respectively. The Department has identified the following approaches to address this budget shortfall for your consideration:

1. Please consider increasing/decreasing the Rates and Fees (R&F) for the following:

3429 Fees - Refuse Disposal

Commodity	Estimated Tons	FY17 Proposed Fees	Updated FY17 Proposed Fees	Fee Difference	Estimated Additional Revenue¹
Biosolids ²	22,223	\$90 / ton	\$103 / ton	\$13	\$216,674
Uncontaminated Greenwaste ²	15,225	\$25 / ton	\$36 / ton	\$11	\$125,606
Grease Trap Waste Contaminated Cooking Oil ³	6,980	\$67 / ton	\$30 / ton	-\$37	-\$193,695
TOTAL ADDITIONAL REVENUE					\$148,585

¹ Estimated Additional Revenue assumes the new rates will be in effect October 1, 2016.

² These rates are based on the new contracts with providers which will increase the cost of the contracts.

³ The reduced rate will be matched by the contractor. While it reduces revenues, it also reduces the cost of the contract.

2. In addition to #1 above, the Department will make funding available for EP&S's contractual services by discontinuing Household Hazardous Waste Collection Events for FY 2017. This will produce a savings in FY 2017 of \$100,000 in contractual services.

If implemented, the total of these changes for FY 2017 will be \$248,585. This would leave the EP&S budget short by approximately \$400,000. The Department is requesting to cover this shortfall with a supplemental budget request for FY 2017.

We would also like to propose a budget amendment to the FY 2017 budget to update the Rates and Fees for unscaled landfills based on Council's increase of the landfill tipping fee of \$80 per ton to \$81 per ton for scaled landfills. The amendment is to have the rates and fees for the unscaled landfills be comparable to the scaled landfills.

Also, if the proposed changes to the rates and fees for Greenwaste, Biosolids and Fats, Oils and Grease (above) are approved, the unscaled landfill rates for those commodities would need to be updated as well.

Below are the proposed amended Rates and Fees for the unscaled landfills that reflects all of the proposed changes above:

Category I: Light trucks or other vehicles with a gross vehicle weight of less than 10,000 pounds: \$69 per truck load; \$32 for uncontaminated green waste

Category II: Medium trucks or other vehicles with a gross vehicle weight from 10,000 to 19,999 pounds: \$137 per truck load; \$53 for uncontaminated green waste

Category III: Large trucks or other vehicles with a gross vehicle weight from 20,000 to 25,999 pounds: \$200 per truck load; \$78 for uncontaminated green waste

Category IV: Large trucks or other vehicles with a 12 cubic yard capacity: \$222 per truck load; \$86 for uncontaminated green waste

Category V: Large trucks or other vehicles with a 20 cubic yard capacity: \$382 per truck load; \$138 for uncontaminated green waste

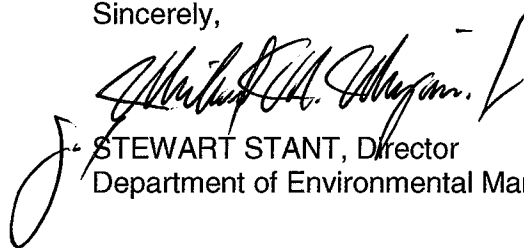
Category VI: Commercial refuse hauling trucks:

1. Roll off (not compacted): \$546 per truck load; \$203 for uncontaminated green waste
2. Roll off (compact): \$843 per truck load; \$308 for uncontaminated green waste
3. 42 cubic yard front end loader: \$965 per truck load; \$351 for uncontaminated green waste
4. 20 cubic yard front end loader: \$455 per truck load; \$164 for uncontaminated green waste

Categories I through VI: Half-truck loads shall be charged one-half the appropriate truck load fees

Should you have any questions, please contact Michael Miyamoto, Department of Environmental Management, at 270-8230.

Sincerely,



STEWART STANT, Director
Department of Environmental Management

CERTIFICATION OF ADDITIONAL
REVENUES FOR FISCAL YEAR 2017

I, ALAN M. ARAKAWA, Mayor of the County of Maui, State of Hawaii, pursuant to Section 9-9.1 of the Revised Charter of the County of Maui (1983), as amended, do hereby certify that there is available for appropriation revenue received from anticipated sources but in excess of the budget estimates for Fiscal Year 2017. The amount available for appropriation is:

From Carryover/Savings:

General Fund	\$400,000.00
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ALAN M. ARAKAWA
Mayor, County of Maui

STATE OF HAWAII)
) SS.
COUNTY OF MAUI)

On this 7th day of July, 2016, before me appeared Alan M. Arakawa, to me personally known, who being by me duly sworn did say that he is the Mayor of the County of Maui, a political subdivision of the State of Hawaii, and that the seal affixed to the foregoing instrument is the lawful seal of the said County of Maui, and that the said instrument was signed and sealed on behalf of said County of Maui pursuant to Section 9-18 of the Charter of the County of Maui; and the said ALAN M. ARAKAWA acknowledged the said instrument to be the free act and deed of said County of Maui.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Doc. Date: Undated # Pages: 1

Jennifer Okamura Second Circuit

Doc. Description: Certification of
Additional Revenues for
Fiscal Year 2017.

Jennifer Okamura 7/7/2016
Notary Signature Date

NOTARY CERTIFICATION



Jennifer Okamura
Notary Public, State of Hawaii
My commission expires: June 29, 2020

