

MICHAEL P. VICTORINO  
Mayor

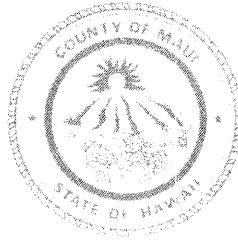
ERIC A. NAKAGAWA, P.E.  
Acting Director

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



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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

April 2, 2019

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

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

APPROVED FOR TRANSMITTAL

*Michael P. Victorino* 4/5/19  
Mayor 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-4) (EDB-1)**

The County is in receipt of the above Economic Development and Budget (EDB) Committee requested information dated April 1, 2019. Your request and the corresponding answer is provided below by the Department of Environmental Management (DEM).

**1. Provide the estimated revenues to be generated as a result of the following proposed increases to rates and fees in the FY2020 Budget:**

**a. Residential monthly sewer collection rates (if available, by dwelling type).**

The estimated revenues to be generated as a result of the proposed rate increase by dwelling type are:

Sewer Class	FY20 Estimated Revenue
Single Family (SF)	\$ 17,592,420.00
Multi Family (MF)	\$ 12,809,301.00
Flat Rate SF	\$ 1,301,937.00
Flat Rate MF	\$ 1,096,254.00
Haliimaile	\$ 35,800.00
	<b>\$ 32,835,712.00</b>

**b. Non-residential monthly sewer collection rates.**

Sewer Class	FY20 Estimated Revenues
Commercial	\$ 6,524,850.00
Hotels	\$ 13,186,100.00
Industrial	\$ 4,772,800.00
Carehomes	\$ 9,000.00
Private Haulers	\$ 496,738.00
Reclaimed water	\$ 540,000.00
Permit Fees	\$ 30,000.00
	<hr/>
	\$ 25,559,488.00

**c. Refuse disposal fees for municipal solid waste.**

\$585,000 (Residential Self-Haul Fees)

**d. Landfill tipping fees by category.**

MSW	\$12,882,707
Construction & Demolition (C&D)	<u>\$ 2,700,333</u>
	\$15,583,040

**e. Refuse collection fees for Maui**

\$9,992,664

**f. Refuse collection fees for Molokai**

\$182,556

**g. Refuse collection fees for Lanai**

\$164,220

**h. Curbside recycling pilot program**

\$201,300

- 2. For each category above, indicate whether the estimated revenues generated by the rates and fees, with the proposed increases, will cover the cost of providing the service. If not, please estimate the amount the County subsidizes the service.**

Sewer user fees are structured so each customer class pays its equitable share of the operations, maintenance, and repair (OM&R) costs, including debt service and cash CIP projects.

The Mayor's SWD Administration Budget of \$14,121,480 is allocated to Operations cost based upon the Section's Payroll (Landfill 52.7% and Refuse Collection 47.3%). With the Proposed Rates & Fees, including the additional one Sunday of service/month, neither Landfill nor Refuse Collection will be self-funded.

Landfill deficit equals \$(879,469) and Refuse Collection's deficit equals \$(886,036), for a deficit of \$(1,765,506). This would be reduced by Budget's current Carry-over Savings estimate, for a final deficit of \$(1,195,606).

The additional added service of the one Sunday open per month at the Central Maui Landfill first year cost is \$812,000, and subsequent yearly costs is \$878,000. This equates to \$73,200 per each Sunday opened. These costs include a total of (6) new expansion positions, as well as UPW union contract negotiation to force all landfill staff from a 4 day/10hr week to a 5 day/8hr week.

To maintain self-funded status of the Solid Waste Division, (including the added Sunday), the rates and fees would need an increase to \$107 for misc. trash & C&D and \$35 for residential collection for Maui & Molokai.

To maintain self-funded status without the added Sunday, the rates and fees would need a lesser increase to \$104 for misc. trash and C&D and \$34 for residential collection for Maui and Molokai.

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,



for

ERIC A. NAKAGAWA, Acting Director  
Department of Environmental Management

# SOLID WASTE DIVISION FY2020 RATES & FEES AND REVENUE CALCULATION

(INCLUDES THE ADDED ONE SUNDAY PER MONTH OPEN AT CENTRAL MAUI LANDFILL)

## FY 20 RATES

## MAYORS PROPOSED

  = Rate/Expense changes over FY 19

### COSTS BY PROGRAM PROPOSED FY20

					LANDFILL	COLLECTION	TOTAL	QUESTION #
salaries and wages					3,107,442	2,790,279	5,897,721	(EM-4) (EDB-1)
operations					6,752,978	1,622,339	8,375,317	
equipment					323,860	65,000	388,860	
interfund					50,000	290,000	340,000	
administrative costs <sup>†</sup>					7,440,447	6,681,033	14,121,480	2
<b>TOTAL</b>					<b>17,674,727</b>	<b>11,448,651</b>	<b>29,123,378</b>	
REVENUES FY20		FY20 PROPOSED RATES		FY20 EST BILLABLE TONS	LANDFILL	COLLECTION	TOTAL	
		RATE/MONTH	RATE	UNITS				
misc trash			103	tons	125,075	12,882,707	12,882,707	1.d.
Construction & Demolition			103	tons	26,217	2,700,333	2,700,333	1.d.
residential tipping fee			5	vehicle	117,000	585,000	585,000	1.c.
Transfer from EPS					627,217		627,217	Interfund
appliance pick up fee			25	each	875	21,875	21,875	
residential collection- Maui		33	396	accts	25,234	9,992,664	9,992,664	1.e.
residential collection- Molokai		33	396	accts	461	182,556	182,556	1.f.
residential collection- Lanai		17	204	accts	805	164,220	164,220	1.g.
3-Can Plan		11	132	accts	1,525	201,300	201,300	1.h.
<b>TOTAL</b>					<b>16,795,257</b>	<b>10,562,615</b>	<b>27,357,872</b>	
<b>% of Total Revenue</b>					<b>61.39%</b>	<b>38.61%</b>		
<b>SURPLUS(DEFICIT)</b>					<b>(879,469)</b>	<b>(886,036)</b>	<b>(1,765,506)</b>	2
<b>BUDGET ESTIMATED CARRY OVER SAVINGS:</b>							<b>569,900</b>	2
<b>FINAL ESTIMATED GENERAL FUND SUBSIDY:</b>							<b>1,195,606</b>	2

<sup>†</sup> Administrative Costs includes DEM contribution, division admin, debt service, overhead, ers, eutf (health), opeb (obligation to post employment benefits)

Landfill revenue = (tipping fee x # of units)

Refuse revenue = refuse fee x 12 months x # of units

Surplus(Deficit) = proposed budget - estimated revenue