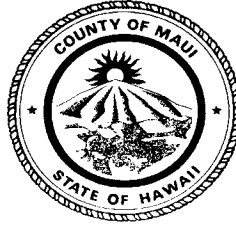


ALAN M. ARAKAWA  
Mayor  
KYLE K. GINOZA, P.E.  
Director  
MICHAEL M. MIYAMOTO  
Deputy Director



MICHAEL P. RATTE  
Solid Waste Division  
ERIC NAKAGAWA, P.E.  
Wastewater Reclamation Division

**COUNTY OF MAUI  
DEPARTMENT OF  
ENVIRONMENTAL MANAGEMENT**  
2050 MAIN STREET, SUITE 1C  
WAILUKU, MAUI, HAWAII 96793

February 20, 2015

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

For Transmittal to:

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

APPROVED FOR TRANSMITTAL

*Alan Arakawa 2/20/15*  
Mayor

Dear Chair Hokama:

**SUBJECT: REMINDER OF SOLID WASTE DIVISION FISCAL YEAR 2015  
SUPPLEMENTAL BUDGET REQUEST SUBMITTED DECEMBER 8, 2014**

This correspondence is in follow up to the Solid Waste Division (SWD) fiscal year 2015 supplemental budget submitted to Council on December 8, 2014. As noted in the request were the pending community service and non-regulatory program cuts and repercussions of not getting the budget approved by Council by February 1<sup>st</sup>. As we are past this date, with the Budget and Finance Committee yet to schedule the item to be reviewed, we respectfully remind Council the severity of this request, and the cuts necessary should this not be approved by March 3rd. Please also recall the Mayor's recent agreement with the previous Council Chair Baisa to reinstate refuse and landfill holiday services with the understanding that after the elections that Council would review the budget amendment to allow sufficient budget to allow the Solid Waste Division to make it through the year.

At current rates of expenditure, factoring in planned work, newly discovered compliance projects and the February 13, 2015 notice of closure of the Maalaea C&D Landfill the Division will run out of funding prior to the end of the fiscal year as projected. (The C&D now going to the landfill caused an instant 20% increase in tonnage and corresponding added costs to handle that material).

Please note that additional revenue is now being generated from the additional C&D tipping fees, producing a total estimate of over \$800,000 by the end of FY 15. This revenue can be used to fully fund the supplemental budget needs. Approving the supplemental budget not only avoids cutting of community

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Services and supports regulatory compliance, it also helps build Solid Waste sustainability. Recall the compliance history shown to Council last year outlining the growing cost and risks due to non-compliance, at \$860,000/yr, which is greater than the proposed supplemental budget before Council.

Understand that the County does not want to make any cuts, nor put the environment or tax payers in jeopardy by disencumbering current contracts and/or projects that are required to address and/or maintain regulatory compliance. This is also not advised by Corporation Counsel.

However, should Council not approve the budget amendment by March 3rd, then the Council understands that the County will have few options but to disencumber compliance contracts, take unnecessary risk of future fines, environmental impact and experience multiple community service impacts including the potential layoff of County Solid Waste Operations employees to make it through the fiscal year.

Division fiscal and compliance background:

- The Solid Waste Division is tasked with addressing a historical lack of resources, staffing and compliance issues starting over 24 years ago prior to the Division being formed. We cannot keep delaying action to address historical challenges. Maintaining status quo is not fiscally responsible and cost tax payers over \$870,000/yr average in non-compliance related efforts, fines, consent decrees since 2006 when the State DOH began increasing regulatory oversight.
- Note the Solid Waste Division in under new management, new Goals & Measures, Mission Statement and Priorities. Division efforts have identified areas for improvement, as the historical shortcomings have never been properly addressed. Sustainability and compliance for this Division takes resources and we expect that the planned independent audit of the Division to prove out this fact. Unfortunately, the community and our environment can't wait for audit results, and action plans need to be implemented to prevent risk of fines. The below listed cuts will need to be made in part or whole, should Council not approve our FY 15 supplemental budget by March 3<sup>rd</sup>:
  - **Close down Olowalu Convenience Center**
  - **Close landfills on holidays and stop Refuse collection on holidays and missed routes**
  - **Reduce landfill hours**
  - **Stop all maintenance and repairs on all landfill and refuse equipment.**
  - **Reduce and/or cut contracts related to building long term sustainability and compliance**
  - **Layoff employees as a last resort** (Union notification is required 90 days prior to any layoffs, so this needs to be submitted by March 7<sup>th</sup>.)

At stake is environmental risk, community impact and unnecessary Division efforts in planning, community discontent, decreased Division morale and a lack of trust and creditability in the very system that is there to support us to do our jobs for the community and the environment. Our hope is to avoid this with a Council approval of the supplemental budget by March 3<sup>rd</sup>.

Sincerely,

  
Kyle K. Ginoza, Director  
Department of Environmental Management

cc: Pat Wong  
Sandy Baz  
Michael Ratte