

DEPARTMENT OF BUDGET AND FISCAL SERVICES
CITY AND COUNTY OF HONOLULU
530 SOUTH KING STREET, ROOM 208 • HONOLULU, HAWAII 96813
PHONE: (808) 768-3900 • FAX: (808) 768-3179 • INTERNET: www.honolulu.gov

KIRK CALDWELL
MAYOR



NELSON H. KOYANAGI, JR.
DIRECTOR

GARY T. KUROKAWA
DEPUTY DIRECTOR

RECEIVED
CITY CLERK
CITY AND COUNTY OF HONOLULU
MAY 17 PM 2:14

May 17, 2016

The Honorable Ann H. Kobayashi, Chair
and Members
Committee on Budget
Honolulu City Council
530 South King Street, Room 202
Honolulu, Hawaii 96813

Dear Chair Kobayashi and Councilmembers:

SUBJECT: Follow Up to FY2017 Operating Budget, Bill 14 (2016) CD1 and CD2

Attached is a departmental response and follow up from the Special Budget Committee held on May 10, 2016. Included is the response from the following department:

- Department of Environmental Services

Should you have any questions, please contact me at 768-3901.

Sincerely,

A handwritten signature in black ink, appearing to read "Nelson H. Koyanagi, Jr.", written in a cursive style.

Nelson H. Koyanagi, Jr.
Director

Attachment

APPROVED:

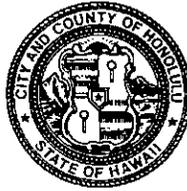
A handwritten signature in black ink, appearing to read "Roy K. Amemiya, Jr.", written in a cursive style.

Roy K. Amemiya, Jr.
Managing Director

DEPARTMENT OF ENVIRONMENTAL SERVICES
CITY AND COUNTY OF HONOLULU

1000 ULUOHIA STREET, SUITE 308, KAPOLEI, HAWAII 96707
TELEPHONE: (808) 768-3486 • FAX: (808) 768-3487 • WEBSITE: <http://envhonorolulu.org>

KIRK CALDWELL
MAYOR



LORI M.K. KAHIKINA, P.E.
DIRECTOR

TIMOTHY A. HOUGHTON
DEPUTY DIRECTOR

ROSS S. TANIMOTO, P.E.
DEPUTY DIRECTOR

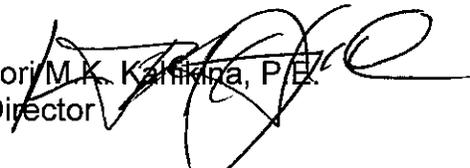
IN REPLY REFER TO:
WAS 16-108

May 16, 2016

MEMORANDUM

TO: Roy K. Amemiya Jr., Managing Director

VIA: Nelson H. Koyanagi, Jr., Director
Department of Budget and Fiscal Services

FROM: Lori M.K. Kahikina, P.E.
Director 

SUBJECT: FY 2017 Operating Budget CD1 and CD2 Response
(Comments and Concerns)

Attached are our agency's comments and concerns to Bill 14 proposed CD1 and CD2 amendments.

Attachment

DEPARTMENT OF ENVIRONMENTAL SERVICES

ACTIVITY: REFUSE COLLECTION AND DISPOSAL

<u>Amount</u>	<u>Fund Code</u>	<u>Description</u>
\$(7,932,500)	WF-HP	Reduce funding for current expenses for OC 3049 - Other Services -- Not Classified

Department's Comments and Concerns: Recommend against this cut. This funding is used to pay for many essential Refuse Division functions and existing contracts, without which, the City could be in violation of DOH and EPA mandated regulations and requirements.

The reduction in funding would significantly impact H-POWER and landfill operations and ability to meet contractual payment obligations included in the following requirements:

H-POWER Operating Contract -\$65,000,000

Reduced funding could result in breach of the H-POWER operating contract.

H-POWER ash/residue Landfill Disposal - \$11,750,000

Reduced funding could prevent the disposal of ash and residue at the landfill due to insufficient funds to pay tipping fees.

H-POWER ash/residue liner - \$600,000

Reduced funding severely limit our ability to prepare the landfill to accept additional ash/residue.

H-POWER ash/residue Landfill monitoring, testing - \$1,387,000

Reduced funding jeopardizes our ability to maintain compliance with DOH and EPA permit monitoring requirements for the ash monofil.

H-POWER Environmental Testing - \$1,500,000

Reduced funding jeopardizes our ability to do testing required to maintain compliance with DOH and EPA permit requirements for H-POWER.

H-POWER CPI/PPI/Diesel true up -- \$1,500,000

Reduced funding could result in a breach of contract as an annual true up of costs is required.

DEPARTMENT OF ENVIRONMENTAL SERVICES

H-POWER insurance – \$2,129,940

Reduced funding could result in an inability to provide required insurance for the H-POWER facility. This could be a breach of contract.

H-POWER sludge processing – \$320,000

Reduced funding could result in limiting ability to take sewage sludge to H-POWER impacting our ability to reduce landfill disposal. It could also result in a breach of contract.