

10.5 Administration and Funding Options

Many of the options being considered in previous chapters of this Plan update would require changes to existing methods of administering and funding programs. Some administration and funding options for consideration follow.

10.5.1 Establishing Solid Waste as an Enterprise Fund

As discussed above, about two-thirds of the County's expenditures for solid waste management are currently funded by the County's general fund which is primarily supported by property taxes. There are some disadvantages associated with the current funding system, including:

- Property tax funding provides no financial incentive for residents to reduce waste.
- Using property taxes to fund solid waste services can be perceived as unfair because property tax collections are not correlated specifically with the types and volumes of waste generated, potentially leading to inequitable subsidization.
- It can be somewhat more challenging to manage solid waste programs based on funding allocation of money from the general fund, because the money in the general fund may be redirected towards other pressing county needs.

Another funding mechanism for solid waste systems costs commonly used in many communities is to establish a self-sustaining enterprise fund. An enterprise fund can be supported primarily by user fees, dedicated taxes, or dedicated property taxes. Some advantages often cited for enterprise funds include:

- Promoting fairness by charging specifically for waste composition and volume disposed.
- Reducing burden on the general fund.
- Requiring more sensitivity to customer's needs.
- Allowing managers more discretion; however, still holding them accountable to customers.
- Running government more like a business.

The main disadvantages cited for enterprise funds is that they can be regressive and place a burden on the poor by increasing the amount they must pay for an essential service like waste management. Enterprise funds also may be more cumbersome to administer (management of financing) and politically unpopular for those with the expectation that solid waste is subsidized through the general fund. Several factors would be considered to establish an enterprise fund system:

- Determine local authority (i.e., Can the County legally charge solid waste management user fees?).
- Gain support from decision makers.
- Decide the appropriate type of user fees to support the enterprise fund.
- Perform full cost accounting to identify and report costs of operation, including the preparation of a long-range budget.
- Educate the public.

10.5.2 Separating Solid Waste Management as a Line Item on Property Taxes

The County could provide additional information to customers about the cost of managing solid waste by adding a separate line item on property tax bills outlining the amount of the tax used to fund solid waste services. A possible breakdown might include the three primary categories of expenses shown in Exhibit 10-3: SWD Operations, West Hawai'i Sanitary Landfill, and Recycling Programs. The addition of a line item on property taxes would be an interim step to educate the public on the breakdown and costs of solid waste management.

10.5.3 Establish PAYT System at County Recycling and Transfer Stations

As discussed in greater detail in Chapter 3, there are several ways that the County could implement a PAYT system at recycling and transfer stations. A PAYT program may be implemented via:

- Charging residents' solid waste by weight through the addition of scales at County recycling and transfer stations while accepting drop-off of recyclable or compostable materials at no charge.
- Charging residents' solid waste by volume where residents pre-purchase tags and/or bags that they would then place their waste in and haul to their nearest recycling and transfer station.
- Charging residents' solid waste by volume being disposed of, while allowing drop-off of recyclable or compostable materials.
- Implementing universal curbside collection of garbage for all households in the County where practical.

Two methods that would minimize staffing requirements at the stations include a "tag" or "bag" system. In a tag system, property owners would be issued tags along with their semi-annual property tax bills that could be used as "currency" for delivering waste, and extra tags could be available for purchase at County offices or retail outlets. Arrangements would need to be made for renters not served by a building collection service.

A bag system would consist of requiring all residents to put waste into a standard type of plastic bag that would be available for purchase at County offices and/or retail outlets.

There would be many implementation challenges associated with this system. An extended phase-in period would be necessary accompanied by an intensive public education program. A PAYT program could be a user fee option integrated into an enterprise funding program (see Section 10.5.1). This program has been shown to work in other jurisdictions on the mainland and in Hawai'i (e.g., Kaua'i).

10.5.4 Modifications to Existing Programs and Practices

The County could consider modifications or improvements to existing programs that may increase revenue instead of changing funding mechanisms (e.g., enterprise fund):

- Seek more non-user-fee funding (e.g., federal grants, opportunities such as SRF).
- Increase recycling rates through improved operations (e.g., public outreach, transfer and recycling station upgrades).
- Determine adequacy of handling fees on non-routine solid wastes (e.g., asbestos, petroleum-contaminated soil).
- Increase participation of the hotel/tourism industry through tax incentives or other mechanisms.

- Determine adequacy of the registration fee for the abandoned vehicle program.
- Reevaluate the residential hauler credit program.
- Regularly review and, when appropriate, renegotiate the WHSL contract.

10.5.5 Illegal Dumping Prevention

Illegal dumping of household and commercial waste can have a variety of potential negative impacts. Hazardous chemicals generated from illegally dumped waste can contaminate groundwater and surface water, potentially affecting both human health and aquatic habitats. Flooding can result from blockage of streams and drainage culverts. Property values can be affected by illegal dumping, economic impacts resulting from costs of clean up can affect County resources, and illegal dumping degrades quality of life –the beauty of the island for residents and visitors. Additional efforts to prevent illegal dumping would be particularly important if the County were to implement a PAYT program or dramatically increase the tipping fee.

This section describes existing regulations at the federal, state, and local level. It also describes illegal dumping prevention measures within the County, issues and concerns, and options to deter illegal dumping that have the potential to bolster the County's existing prevention system.

10.5.5.1 Regulations

At the federal level, Statute 42 United States Code (USC) 6928(d)(2)(B) & (C) of the Criminal Provisions of the Resource Conservation and Recovery Act (RCRA) indicts offenders who knowingly treat, store, or dispose of hazardous waste without a permit with penalties up to 2 years of incarceration and a \$50,000 per day in fines.

The County regulates "littering" and the state regulates "illegal dumping." The state defines illegal dumping as the illicit disposal of solid waste that is equal to or greater than 1 cubic yard. The County's litter law does not quantify what is considered litter; therefore, it could be less than or greater than 1 cubic yard.

In accordance with Hawai'i Revised Statutes Chapter 342H (HRS 342H), illegal dumping could be subject to enforcement action and administrative civil penalties up to \$10,000 per day. Those who knowingly dispose of solid waste equal to or greater than 1 cubic yard and less than 10 cubic yards are subject to criminal penalties (petty misdemeanor) up to \$25,000 per day for each offense. If illegal dumping is equal or exceeds 10 cubic yards, it is considered a class C felony and potentially subject to \$50,000 for each separate offense. If illegal dumping is suspected, a complaint can be filed with the State Department of Health, Solid and Hazardous Waste Branch, State Department of Attorney General Investigations Office, District Health Office located in Hilo, or Hawai'i County Police Department (HCPD).

Hawai'i County Code (HCC 20-8) contains provisions that prohibit littering. In the past five years, revisions such as Ordinance 12-1, aimed at reducing plastic bag littering and pollution, have been enacted to further reduce contamination. These provisions cover the materials commonly encountered in the municipal waste stream and prohibit discarding or disposing of these materials on either public or private property. Violators may be fined up to \$1,000 and/or not more than 200 hours of community service for each offense. Cost recovery for cleanup is also allowed under the current County code.