

COUNCIL OF THE COUNTY OF MAUI  
**BUDGET AND FINANCE COMMITTEE**

July 19, 2002

Committee  
Report No.

02-85

Honorable Chair and Members  
of the County Council  
County of Maui  
Wailuku, Maui, Hawaii

Chair and Members:

Your Budget and Finance Committee, having met on June 18, 2002 and July 2, 2002, makes reference to Contract No. C0142-9, between the County of Maui and EKO Systems, Inc., dba Maui EKO Systems, to provide management and operation services for the co-composting facility at the Central Maui Sanitary Landfill.

Your Committee notes that Contract No. C0142-9 is the ninth amendment to the initial contract dated July 27, 1995. This amendment is in the amount of \$390,000 and covers the period from July 1, 2002 to June 30, 2003.

At its meeting of June 18, 2002, your Committee met with a Budget Specialist in the Office of the Mayor, and the First Deputy Corporation Counsel.

Your Committee received testimony from one member of the public requesting that your Committee and the Administration consider scientific research regarding improved and safer methods of handling biosolids in co-composting.

Your Committee received the following documents at the meeting:

1. Copy of a news article from the March 2002 edition of *Composting News* entitled "Biosolids composting plant is opposed in California" received from Marc Merritte; and
2. Written testimony from Scott Crawford dated June 18, 2002, providing comments supporting alternative methods in the treatment of sludge.

Your Committee deferred action without discussion.

COUNCIL OF THE COUNTY OF MAUI

# BUDGET AND FINANCE COMMITTEE

July 19, 2002  
Page 2

Committee  
Report No. 02-85

By correspondence dated June 28, 2002, Councilmember Charmaine Tavares transmitted copies of the following documents received from Marc Merritte:

1. An article dated October 5, 2000, from *USA TODAY*, entitled "Faced with faulty science, EPA muzzles critics";
2. An article dated September 1998, from *Hawaii Environment & Health News*, entitled "PARADISE SLUDGED; Linda Lingle's Toxic Legacy"; and
3. An article dated August 1997, from *Cornell Waste Management Institute*, entitled "THE CASE FOR CAUTION - Recommendations for Land Application of Sewage Sludges and an Appraisal of the US EPA's Part 503 Sludge Rules".

At its meeting of July 2, 2002, your Committee met with the Budget Director, the Director of Public Works and Waste Management, and the First Deputy Corporation Counsel.

Your Committee received testimony from one member of the public requesting that your Committee consider alternatives to co-composting with sludge. He informed your Committee about new scientific research in this area that recommends the treatment of the sludge to reduce pathogenic organisms and other potentially hazardous substances before the sludge is added to the co-composting process.

The Director of Public Works and Waste Management indicated that the Department is completing its seventh year of this contract. The cumulative total of the contract is \$6.2 million. He stated that the Department initiated a Request for Proposals (RFP) to continue the operation for one additional year. He further stated that this additional year will provide time for the Department to evaluate the different ways of handling sludge and compost.

The Director informed your Committee that various options are being considered, such as landfill, co-composting, treatment of the sludge, incineration, and shipping. He pointed out that all methods have pros and cons and that cost,

COUNCIL OF THE COUNTY OF MAUI

# BUDGET AND FINANCE COMMITTEE

July 19, 2002  
Page 3

Committee  
Report No. 02-85

reliability, and harm to the environment and the community will be the major criteria for evaluation.

Your Committee expressed concern about the non-treatment of the sludge and encouraged the Department to consider different types of systems and methodologies for the treatment of the sludge. The current system was recognized as a major improvement over the former method of burying the sludge. However, new technology and research present alternative opportunities for the Department to consider.

Your Committee requested that the Department provide (1) a cost breakdown of the contract amendment; and (2) information relating to the marketing plan used by Maui EKO Systems and its benefits to the County.

Your Committee expressed concern regarding the need to send samples of the compost for testing to determine the level of pathogenic organisms. The Director stated that he was supportive of testing the Maui EKO Systems compost product as well as other compost products to assist in the analysis of the future direction for the program.

After extensive discussion, your Committee voted to refer the matter of the long-term direction and policy for recycling and the co-composting program to the Public Works and Transportation Committee.

In addition, your Committee voted to authorize the Council Chair to contract for an operational efficiency performance audit of the co-composting program, and to consider inclusion of the following in the scope of the audit:

1. Review alternative processes for the treatment of sludge/biosolids other than co-composting;
2. Review the allocation of funds for the co-composting program from the original contract to include all change orders;
3. Review of health-related issues and workers claims for absenteeism generated relating to the co-composting program and its related components;

COUNCIL OF THE COUNTY OF MAUI  
**BUDGET AND FINANCE COMMITTEE**

July 19, 2002  
Page 4

Committee  
Report No. 02-85

4. Review the cost/benefit analysis of the contract;
5. Review of the change orders to the original contract; and
6. Review compliance with health and safety-related laws and regulations of the Environmental Protection Agency, the State Department of Health, and the Occupational Safety Health Administration.

In addition, your Committee further voted to file Contract No. C0142-9.

Your Budget and Finance Committee RECOMMENDS the following:

1. That the matter of the long-term direction and policy for the co-composting program be REFERRED to the Public Works and Transportation Committee;
2. That the Council Chair be AUTHORIZED to contract for the performance of an independent audit or evaluation of the Co-Composting Program regarding the operational efficiency and performance of the program; and
3. That Contract No. C0142-9 be FILED.

Adoption of this report is respectfully requested.

COUNCIL OF THE COUNTY OF MAUI  
**BUDGET AND FINANCE COMMITTEE**

July 19, 2002  
Page 5

Committee  
Report No. 02-85

---

**G. RIKI HOKAMA** **Chair**

---

**DAIN P. KANE** **Member**

---

**ALAN M. ARAKAWA** **Member**

---

**MICHAEL J. MOLINA** **Member**

---

**ROBERT CARROLL** **Member**

---

**WAYNE K. NISHIKI** **Member**

---

**JO ANNE JOHNSON** **Member**

---

**CHARMAINE TAVARES** **Member**