

**INFRASTRUCTURE AND ENVIRONMENTAL
MANAGEMENT COMMITTEE**
Council of the County of Maui

MINUTES

Council Chamber

February 3, 2014

CONVENE: 1:32 p.m.

PRESENT: VOTING MEMBERS:

Councilmember Elle Cochran, Chair
Councilmember Stacy Crivello, Vice-Chair
Councilmember Donald G. Couch, Jr.
Councilmember Don S. Guzman

EXCUSED: Councilmember Robert Carroll
Councilmember G. Riki Hokama
Councilmember Mike White

STAFF: Jordan Molina, Legislative Analyst
Chancy Hopper, Legislative Analyst
Carla Nakata, Legislative Attorney
Pauline Martins, Committee Secretary

Ella Alcon, Council Aide, Molokai Council Office (via telephone
conference bridge)
Denise Fernandez, Council Aide, Lanai Council Office (via telephone
conference bridge)
Dawn Lono, Council Aide, Hana Council Office (via telephone
conference bridge)

ADMIN.: Kyle K. Ginoza, Director, Department of Environmental Management
Michael Ratte, Acting Solid Waste Division Chief, Department of
Environmental Management
Michael Hopper, Deputy Corporation Counsel, Department of the
Corporation Counsel

OTHERS: Rosemary Robbins

PRESS: *Akaku Maui Community Television, Inc.*

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**IEM-11(1) COMMITTEE'S PRIORITIES AND PROCEDURES; PRESENTATIONS FROM
COUNTY ADMINISTRATIVE AGENCIES (ORIENTATION WORKSHOP BY
THE DEPARTMENT OF ENVIRONMENTAL MANAGEMENT)**

CHAIR COCHRAN: ... (*gavel*) ... Aloha, will the Infrastructure and Environmental Management Committee meeting please convene? It is February 3, 2014, and around 1:33 in the afternoon. Members, aloha, thank you for being here. And I am the Chair of the Committee, Councilmember Elle Cochran. And before we begin let's please silence our cell phones or other noisemaking type devices. Thank you. Here with us today, I have Vice-Chair of this Committee, Ms. Stacy Crivello.

VICE-CHAIR CRIVELLO: Aloha, Chair.

CHAIR COCHRAN: Aloha. And also Don Couch.

COUNCILMEMBER COUCH: Aloha, Chair.

CHAIR COCHRAN: Aloha. And our other Don...Don Guzman.

COUNCILMEMBER GUZMAN: Aloha, Chair.

CHAIR COCHRAN: Hello. And we have excused for today that would be Vice-Chair of the Council, Bob Carroll, and also Riki Hokama. Mr. White will be arriving shortly. And, Members, we also have from our Administration, Director of Environmental Management, Kyle Ginoza.

MR. GINOZA: Aloha.

CHAIR COCHRAN: Aloha. Deputy Corporation Counsel, Michael Hopper. Aloha. And also, Mike Ratte, Acting Solid Waste Division Chief. Aloha, Mr. Ratte, nice to have you. From my Committee Staff, we have Secretary, Pauline Martins, and, I guess, we'll be having Erin Fleming, shortly, our Legislative Attorney. But also Legislative Analyst, Jordan Molina, who thought he could get away from me, easier, but here he is working on this Committee. Awesome, thank you, Jordan, for being here and everyone. Now, we shall open up...public testimony will be accepted in a few moments. Let me lay the ground rules. Please sign up at the desk at the front lobby on the eighth floor here if you will be testifying. And you will be allowed three minutes per item. We only have one item. And one minute to conclude if needed. When testifying please state your name and any group or organization you may be affiliated with. And also that goes for we have a connection to our District Offices and we shall be rotating through the sites should there be a need for testimonies from these other sites. Let me check in right now with our Hana Office. Hana, anyone there, Ms. Lono?

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MS. LONO: Good afternoon, Chair. This is Dawn Lono at the Hana Office and I have no one waiting to testify.

CHAIR COCHRAN: Thank you for being there. From our Lanai Office, Ms. Fernandez?

MS. FERNANDEZ: Good afternoon, Chair. This is Denise Fernandez on Lanai, and there is no one waiting to testify.

CHAIR COCHRAN: And thank you for being there. Our Molokai Office?

MS. ALCON: Good afternoon, Chair. This is Ella Alcon on Molokai.

CHAIR COCHRAN: Thank you, Ms. Alcon. Do you have people waiting to testify?

MS. ALCON: No, I don't.

CHAIR COCHRAN: Thank you for being there. Okay, we'll check back with you folks later. But at this point, I shall turn to our Chamber then and to see if we have anyone here in the gallery to testify. No, oh, okay. We have a couple spectators then. Thank you for being there. So, Hana, I'm just going to check back with you to double check before we close. Anyone there?

MS. LONO: Hana Office has no one waiting to testify, Chair.

CHAIR COCHRAN: Okay, thank you. Lanai, anyone there?

MS. FERNANDEZ: There is no one waiting to testify on Lanai.

CHAIR COCHRAN: Thank you. And Molokai?

MS. ALCON: There's no one here on Molokai waiting to testify.

CHAIR COCHRAN: Okay, thank you, Ms. Alcon. Ladies, thank you all for being there for us. And anyone, last minute, last call, wishing to come up and testify? If so, please come up to the podium. And, Members, seeing no one rushing to us to testify, without objections, I shall now close public testimony.

COUNCIL MEMBERS: No objection.

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CHAIR COCHRAN: Thank you, so ordered. Ladies, thank you for being there and we shall now move on. We have one item on our agenda today, and it relates to the presentation from our Department of Environmental Management, regarding the organization of the Department and its current efforts in wastewater reclamation and solid waste management, including waste-to-energy opportunities. The item is IEM-11(1) and we will... Committee's Priorities and Procedures; allow Presentations from County Administration... Administrative Agencies, and we'll be receiving an orientation workshop by Department of Environmental Management. These orientation workshops were held twice during 2013, first on February 11th, and again, on October 14th. Today's presentation will update us on the current status of these programs. And I'm trusting that this will be of value to ourselves, Members, and to the public as the Budget and Finance Committee will soon begin its review of the Mayor's budget requests. And today we have with us, as I mentioned, Director of Environmental Management to present this update and respond to the questions that the Members may have. And, Mr. Ginoza, I'll turn the floor over to you right now, if you have any opening comments.

MR. GINOZA: Thank you, Chair. Thank you for the opportunity to be here. We are actually going to focus on the Solid Waste Division today.

CHAIR COCHRAN: Okay.

MR. GINOZA: And we have a PowerPoint presentation. So, I'd like to defer till that time.

CHAIR COCHRAN: Okay, alrighty, well with that then, Members, we shall be in brief recess to reset the room for the PowerPoint presentation. We are now in recess. . . . *(gavel)* . . .

RECESS: 1:38 p.m.

RECONVENE: 1:41 p.m.

CHAIR COCHRAN: . . . *(gavel)* . . . Will the Infrastructure and Environmental Management Committee meeting please reconvene? And we shall now receive a PowerPoint from Department of Environmental Management. So, I guess, Mr. Ginoza, the floor is all yours.

. . . **BEGIN PRESENTATION** . . .

MR. GINOZA: Thank you, Chair. As I mentioned, we will be talking about the Solid Waste Division today and some priorities and topics that we have been faced with. Specifically, the first thing we'll talk about is a recycling community dropbox opportunity that has presented itself, an update to the Integrated Waste Conversion and Energy Project, discussion on the revenues we get for the Division versus the expenses or the budget and seeing where we have shortfalls, and that will be followed by a discussion led by Mike Ratte on the current and future plans of the

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Solid Waste Division as we look at a defined five-year plan going forward. So, some of you may know about the...or all of you know about the dropbox program we have where communities could recycle materials at, for instance, UHMC, or in Kihei. We have eight sites in the County. There is one private site at...located at the Pioneer Mill Smokestack. And the current private provider has told us they'll --

CHAIR COCHRAN: --Sorry. We're in recess, sorry. . . . (*gavel*) . . .

RECESS: 1:42 p.m.

RECONVENE: 1:43 p.m.

CHAIR COCHRAN: . . . (*gavel*) . . . Environmental Management...Infrastructure and Environmental Management meeting will now reconvene. Mr. Ginoza, please continue.

MR. GINOZA: Sure. As I was mentioning in Lahaina, the County currently doesn't have a dropbox...community dropbox location. But there is currently a private provider that has one at the...located at the Pioneer Mill Smokestack. And they are going to cease operations soon. So, they have asked the County if we would be willing to fund the program going forward. And we were here in front of...well in front of the Budget and Finance Committee just a couple weeks ago because we already had a budget shortfall. So, we can't take on this project with the current budget we have. The cost to the County would be a total of \$355 a ton, which would be \$155 per ton for the hauling to our processor, and then \$200 to get the material off island, on top of a month-to-month lease cost of \$200 a month. So, if you look at the estimated annual tonnage of, I believe, it was 78 tons per year, we're looking at estimated annual cost to the County of \$30,000 to take on the dropbox at the Lahaina Smokestack. And so, just to give you an example of...this is actually from my house as an example of just for one month, family of four. If you look at the amount of glass that we recycle is about 20 pounds; newspaper 10; cardboard 40; and plastic 20. So, it would be a total of 90 pounds for the month. And if you look at, with the \$355 per ton cost to the County, if I were to pay the full cost of recycling for this, for the 90 pounds, I would pay roughly \$16, but instead the County pays it for me. So, it would be on an annual cost of a \$190 for my recycling efforts that the County would pay. So, that's what the County would be footing if we were to take on the Lahaina site, and I were to recycle there. As far as, you know, another diversion effort that we have it's the Integrated Waste Conversion and Energy Project. As you read in *The Maui News*, we executed the contract on January 8th of this year with Maui Resource Recovery Facility, LLC. They are in the process of securing the offtake agreements for the solid and liquid fuels to ensure that the project is financeable. And in parallel they're also preparing the environmental documents...the Environmental Impact Statement. And as I mentioned in a previous Committee meeting, the Department will propose a land swap on this project so that the project will be wholly...will be operated on a wholly privately owned land property basically. And the commercial operations date is still anticipated in early 2017. I'd like to now move on to why there is a General Fund subsidy. I've alluded to this at various

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meetings, but I wanted to elaborate where the residential refuse collection, the opala pickers of Maui, the actual fees pay only for the collection of the trash but not the actual landfill costs. And I'll go over these in more detail shortly. As far as the landfill fees, those are only paid by the commercial sector so there is a revenue shortfall from all the other sectors that dispose of trash at the landfill. And thirdly, as far as the recycling program, the recycling fee from the landfill charges do not cover the County-funded recycling activities. And lastly, the above program fees do not pay for the administrative costs of the Solid Waste Administration. So, it's because of these shortfalls in revenue that revenues do not match what the budget is and what expenses are. And so, in order to get more closely towards self-sufficiency we gotta do a better job at recovering costs through our fee structure. So, if you look at Residential Refuse Collection, as I just mentioned, we currently charge \$18 a month and that revenue is roughly \$5 million. The refuse collection budget is roughly \$5 million as well. And that's why as I mentioned the fees basically cost the...fees equate to roughly the cost of collection but that fee does not also include the landfill costs. And the landfill costs for the County-collected refuse is about \$4 million, that's about \$3.3 million or so of Central Maui Landfill, and then the balance being from the other landfills. This refuse fee also doesn't include the vehicle replacement costs that are on the average about \$1 million a year. And just to note that no residential refuse rate increase...there has been no residential refuse rate increase since 2010. So, really for the Refuse Collection Program to be self-sustainable we'd have to charge, sorry, roughly double, or \$35 a month, compared to the \$18 a month fee we currently charge. Regarding the landfill, just looking at Central Maui Landfill in particular, the column on the right basically shows the shortfall. So, the first line, the commercial haulers, they pay the 75.60 per ton tip fee. And so, we get revenue just south of \$7 million from the commercial haulers. But if you look at the next five rows, those are other categories where we accept trash from, but we don't charge a tip fee for. And so, you can see it's in aggregate, in red, it's roughly about \$5 million out of what should be a total \$12 million revenue, that we currently do not charge a tip fee for and thus that is what is being subsidized by the General Fund. Mr. Ratte will now go over the...what the current status is of the Solid Waste Division and how we are trying to be more sustainable in the future.

MR. RATTE: Thank you, Kyle. And, thank you, Council members, for this opportunity to go over a little more detail about the Solid Waste Division, specifically, where we're at now and what some of our major responsibilities are and a plan for the future. I'll just start out by giving you a quick summary of what the Division's responsibilities are and some of the numbers behind that. The Administration Section, we do oversee three programs--Administration, Operations, and the Metals and Abandoned Vehicles Program. We also have our Engineering Section, CIP Projects, Fiscal Section, Safety and Training as well. We manage over 40 permits and related regulatory compliance that goes along with those permits, and administer a divisionwide budget of over 24 million. Our Operations program, specifically, we serve over 26,000 refuse clients and that's over 2,600 routes per year that we run. And we have four open landfills, five closed landfills that we have responsibilities that go 30 years out after we close them down. We have over 14 diversion programs and associated grants that go along with that. We landfill over 160,000 tons per year Countywide, and the County's specific diversion and recycling of over

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75,000 tons per year that we actually divert and recycle from the landfill. Our Metals and Abandoned Vehicles program, we remove and divert over 750 vehicles on average per year, 11,000 white goods, which is appliances mainly, and over 900 tons of metals per year. Our current challenges right now that we face, always been there, but just to identify them a little bit for you. First and foremost, environmental protection, regulatory compliance, fiscal responsibility, perception and accountability of the division, and community service and support. I want to stress that with agreed upon goals and vision, and we'll talk a little more about our goals in a moment, the Division can meet our current needs and build future sustainability. Jumping into a little bit of the ugly reality of the Division from the past and present. This slide right here shows violations that we've had over the years, actually since 2006, the quantities of those and the fines associated with them as well as the resolution costs. So, we have fines that we pay Department of Health, as well as resolution costs for projects that we wouldn't normally have had to do if we had been in compliance. So, since 2006, that's roughly, \$4.5 million in violations and resolution costs that we've been responsible for. Obviously none of us want to continue in the vein of that last slide, so what we've done over the past years is put together a longer term vision for the Division and what we're calling the five-year plan. I'll get into each one of these a little more detail in a moment, but I'll just run 'em down for you. I want to just start out by talking about foundation building for the Division, personnel-related and reorganization issues, fiscal responsibility, our diversion, recycling programs and abandoned vehicle, refuse collection, as well as landfill operations plans. Lastly, defining resources and action plan moving forward is critical and we appreciate being here today to express this and come up with an agreed upon plan. I think, what's most important here to remember and I'll stress it again at the end is, you know, this plan that we have and the success of it is really contingent upon support from all levels and that's County Council, Budget, Administration, DPS, the Department, as well as the Division. So now, I'm going to jump in a little bit to the individual sections here, just going to talk about 'em briefly. Foundation building, we're going to redefine and look at our mission statement for the Division. We want to improve our accountability and perception and trust of the Division. We want to develop priorities, goals, and decision making that we have, and responsibility outlines have already been in place for some of the sections and we want to complete that for the rest of the Division. And last, but not least, we want to get stakeholder buy-in to our goals and measures that we've drafted. And that will come before you from Administration with our FY '15 Budget. Reorganization and personnel related issues that we want to look at. The Division will be looking at various reorganization of the various sections that we do have. We will be looking and already started revising some PDs that we have and different responsibilities of the Division to better meet our mission statement. Also, we're gonna be looking at our position expectations that will be in line with position descriptions of each staff that we have as far management and beyond that and address individual base yard needs with those expectations. And again, we want to build empowerment, ownership accountability. It's not just words, but it's in our thoughts and in our minds when we put together these plans to make sure that we can improve our sustainability and achieve career paths for our staff. Fiscal responsibility, we have completed and in process of finalizing an economic analysis of each section, landfill diversion, recycling, as well as our collections. These are

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mainly on a cost per ton basis. So that information will be available to you shortly. And we've also looked at our monthly budget progress and built a fairly robust reporting for our monthly budget that we have for all of our different programs. We've also looked into an overall plan for rates and fees, our grants, waivers. Kyle talked about that a little bit earlier. And then the General Fund subsidy...reviewing that and determining what the potential is for 100 percent self-funding moving into the future if that's something the Administration and Council wants to do. We certainly can put together a plan for that. Jumping into the individual sections of our Operations program. First, we'll talk about recycling, abandoned vehicles, and metals. We definitely will continue with diversion through recycling and waste conversion. Kyle mentioned our waste conversion project that we're moving forward with now. We have redefined our goals and priorities and especially through as new diversion technologies come about. It's important for us to keep abreast of those and move forward as those things become economically feasible for us to do things different or new as we move forward. We also will be developing new and different Recycling, Abandoned Vehicles programs with a standalone budget hopefully rather being comingled with Operations. Those of you that were here we talked a few weeks back about our Recycling and Abandoned Vehicles programs, especially our recycling program being combined with Operations budget makes it very difficult when we run short on monies. We're going to put that monies towards Operations related projects that are regulatory compliant and recycling sometimes suffer. So, we see some benefit to creating a standalone budget for the recycling section. Lastly here, we want to work towards looking at what we use for landfill cover at our landfills and hopefully try to incorporate more local resources such as crushed glass, C&D, concrete, et cetera, to decrease the earthen cover that we use right now that's basically dug up around the island and used for cover material at the landfill. If we can use some on-island resources rather than shipping them off island it's a win-win situation for all of us. Refuse collection, these are the guys that pick up your trash along the road. We want to plan for some longer terms sustainability for staffing and empowerment and career paths for our staff. We also want to evaluate and plan for some...the remaining routes to automate. It's cheaper for us to automate versus manual pickup. Electronic routing and mapping is something we want to continue to move forward with. That is a challenge for us, but we are looking at incorporating that in the near future. Also looking at our responsibilities of that section just to ensure that they meet our goals and measures. Safety training--our SOPs--standard operating procedures as well as looking at position expectations again in refuse. Landfill Operations, we have been working closely with the Department of Health as well as Corp. Counsel to meet our regulatory compliance. It's been a challenge for us for the past years and we want to create a better relationship with them to be more proactive instead of reactive. We want to address some staffing and some budget issues hopefully with the FY '15 Budget. We do have some issues and challenges with litter, leachate, erosion, et cetera. We need to look at that very closely to decrease fines and regularly noncompliance. Landfills have over 25 permits to deal with. It's pretty extensive and challenging for us to do that. We need to improve some of that oversight as well as address compliance and approved use of our closed landfills that we have out there. We can look also at improving efficiency at our outer landfills, potentially looking at transfer stations for Hana, as well as Lanai. And also as Kyle mentioned before, waste conversion does not have

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to just include Central Maui, but we can look at alternatives there as technology presents itself. Review and redefine standard operating procedures and position expectations at operations level at the landfills as well as take a look at our safety and training programs to make sure that that is covered for us. We definitely have a very dangerous situation out there at the landfill working phase and we want to keep our guys safe. All right switching gears a little bit now, current actions and decisions that we need to make. Some of 'em easy, some of 'em tough, but in general we do want to appreciate the FY '14 Supplemental Budget. We will use that immediately as we speak now to address stop gap measures right now in FY '14. But one of the biggest questions we gotta face as we move into FY '15 Budget, is maintaining status quo an option for us? Our FY '14 Budget and staffing levels could allow us to keep the current compliance level that we have and service to the community if that is acceptable. That is an option for sure. We would have to also accept current levels of fines and closures in noncompliance that we've had with DOH. However, that certainly is an option. Another one that it may not be that popular is contract operation perhaps. It may not be feasible and we're not recommending that, but it is an option that could be explored. Or the alternative that we would like to propose, and that we are describing about today, and we will show you in the FY '15 Budget that we submit is new goals and measures. We've drastically changed in the FY '15 Budget how we've described what our goals and measures are. I'll get to those in a minute here, but we generally feel that we want something that is quantifiable and measurable that we can shoot for and that is agreed upon by not just the Division, but the Department and Council and Administration. Our FY '15 Budget does identify what those resources necessary to meet the goals and measures and in the budget upcoming. It will include some additional staffing, additional budget, and a reorganization in there too just to get that out now so that you understand that's what we are looking at. And we will use this five-year plan as a guide to meet those goals once we can get 'em agreed upon. Here's a few of 'em, not all, but just the main ones that we wanted to talk to you about today. In general, we have goals and measures. The first one is DOH violations and noncompliance. You can see the numbers over the past couple years and hopefully we can improve upon that in the future. Average cost per year due to noncompliance for the last couple of years is over \$350,000 a year. Very significant and I don't think it's something any of us want to continue. However, the numbers speak for themselves. The next goal that we have here is maintaining an acceptable number of open landfill days. These are days when the landfills are actually open and not closed. In FY '14, we had about 22 days. We're hoping to cut that in half as we move forward if we can get the staffing and budget that's needed. Should make note that we do have about 1,100 scheduled open days per year in all four of our landfills. So, being down for 11 days out of 1,100 is pretty good in my opinion... 1 percent. But, again, these are goals that can be looked at and agreed upon by all and then we move forward from there. Lastly, on our missed routes for collections, we have about 2,550 routes per year that we run. We do miss routes occasionally due to mechanical failures of equipment, staff shortages, sometimes natural things with the weather keep us from accessing roadways and stuff. In FY '14, we're estimating about 25 missed routes. We hope to cut that down to 15 to 20 in FY '15. So looking at FY '15 Budget and beyond, if status quo is not an option that we want to look at then our FY '15 Budget support is definitely required. Looking at

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goals and measures again as part of that budget is the first step in doing that. And again, success is dependent upon commitment from all the stakeholders involved and I don't want to stress that too much, but it is necessary to have support from County Council, Administration, Department of Personnel Services, our Department, and the Division. So, I'd just like to say thank you for your support. We appreciate you guys keeping an open mind of the needs of what we have in the Division and the future of Environmental Management and Solid Waste. And thank you for your time today.

... **END PRESENTATION** ...

CHAIR COCHRAN: Thank you, Mr. Ratte. And we have another sheet here, Mr. Ratte or Kyle, are we going to be going through that now or is this after?

MR. RATTE: I believe, you're referring to the five-year plan?

CHAIR COCHRAN: Yes.

MR. RATTE: That's more for your guys take away. I kind of went over the bullet points of that just now as we --

CHAIR COCHRAN: Okay.

MR. RATTE: --went through different sections, but that's much more detailed plan that you can take a look at and you certainly can ask us questions from that if you like or we can talk about it another time.

CHAIR COCHRAN: Okay, well then, Members, with that we shall be in brief recess to reset the room. We are now in recess. ... *(gavel)* ...

RECESS: 2:08 p.m.

RECONVENE: 2:14 p.m.

CHAIR COCHRAN: ... *(gavel)* ... Aloha and welcome back, will the Infrastructure and Environmental Management meeting please reconvene? And, thank you, Director Ginoza, and Mike Ratte, for the presentation. At this point, Members, the floor will be now open for discussion, or Mr. Ginoza, or Mr. Ratte, if you have some remarks that you would like to make now after your presentations?

MR. GINOZA: I have nothing further, thank you.

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MR. RATTE: No, nothing further, but we'll answer whatever questions you guys have.

CHAIR COCHRAN: Oh, okay, well thank you very much. And we have Mr. Couch.

COUNCILMEMBER COUCH: Thank you, Madam Chair. A couple things you mentioned, I think, it was Mr. Ratte that mentioned this. You talked about contract operations potentially. And it's my understanding that that was the, I mean, certainly not on this island but that was the basis of the Konno decision...Big Island landfill contract operations is. Have we been able to work things so that we can do contract operations or?

MR. GINOZA: Basically, we just put that forth as if we don't get adequate resources internally, human resources internally; we have to maintain regulatory compliance so we would have to figure out some other option. And I don't know if contract operations is even viable at this point because it's not...because of the Konno decision and other aspects. But we didn't want you think that it was not something that if you so wanted that we would look into further. But it's something that may be viable but highly unlikely.

COUNCILMEMBER COUCH: Okay and the other thing you mentioned was a lot of closures and you're trying to lower the amount of closures of the landfill. Is that just because of, you know, you have a staffing shortage that essentially, I know, for the last couple of years we didn't really like expansion positions so people were reluctant to ask for them? Is that essentially why you're having all these closures?

MR. RATTE: Yeah, I don't think that the closures have increased much over the past few years. It's just we've tracked 'em a little closer now, but it is mainly due to a staffing concern that we have at the outer landfills more specifically but at Central Maui as well for litter control.

COUNCILMEMBER COUCH: And lastly, Madam Chair, if I may?

CHAIR COCHRAN: Yes, go ahead.

COUNCILMEMBER COUCH: Speaking of outer landfills, you mentioned transfer stations. Certainly I can understand one for Hana because you have one for Lahaina, so I don't see why you wouldn't have one for Hana as opposed to a full-on landfill that we're having issues with anyway. But somebody mentioned, I think, Mr. Ratte, you mentioned potentially a transfer station for Lanai. I'm a little curious as to how you would do that. Would it be cheaper to do that as opposed to run a landfill?

MR. GINOZA: What we're looking at as, I think, I explained maybe, I don't know, a few months ago in this Committee is that at the outer landfills--Hana, Lanai, and Molokai, we're looking at basically trying to refine three scenarios we're looking at. One is particularly on Lanai where we

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have less than a decade left of landfill space is what is the cost of doing landfilling, a new landfill? What is the cost of for Molokai and Lanai doing a transfer station whereby we'd utilize say Young Brothers and ship it to Oahu?

COUNCILMEMBER COUCH: That's right.

MR. GINOZA: And then the third would be a small waste conversion system that would keep the resource on island and produce energy or some other desirable commodity. And so, we're still trying to refine that. I think, last time I said it would be... we're still close and we're still trying to get that put forth to this Committee, but that's kind of the options we're looking at. So, transfer station for Molokai and Lanai would be to try to ship that to HPower on Oahu because they are currently below their minimum threshold of the waste they're receiving. So, they've been open to that.

COUNCILMEMBER COUCH: Well open to that in that they will buy our trash or they're gonna require us to ship it to them?

MR. GINOZA: Oh, it would be a definite cost to the County of Maui that we would have to pay a tip to them. And by ordinance, they have to accept. They have to charge a tip for anything that comes in. And so, they would charge us a tip and then we'd be responsible for the transport cost as well. And that's why that because when you add on all of these costs, you know, it's not as viable as it initially may sound as compared to just landfilling. But it is something that we're trying to factor in all the costs that would be borne by the County in that endeavor.

COUNCILMEMBER COUCH: So, let me, I'm sorry, Madam Chair, he just opened up another big can of.

CHAIR COCHRAN: Go ahead, Mr. Couch.

COUNCILMEMBER COUCH: So, you're saying that they're below their minimums, so they're required to pay for the difference, and we can bail 'em out by sending trash to them, but they're going to charge us to do that.

MR. GINOZA: Yes. And there are other entities on Oahu that have proposed to give them some trash as well, but they want to charge a full tip. So, that's something that we've been talking to them about that, you know, it would solve our problem and help alleviate their problem of paying for no...

COUNCILMEMBER COUCH: But at a cost to us?

MR. GINOZA: Yeah. But no matter what, there would be some cost to the County, I believe.

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MR. RATTE: If I could add that cost though to us would more than likely be lower than what we pay now for landfilling in Lanai, for example, where on the order of four to five times more cost to us to run the Lanai landfill versus Central Maui. And Hana is about the same and Molokai about the same order of magnitude. So, even withstanding the cost for us to ship that to Oahu, I would see that as a very good potential for a cost savings to the County.

MR. GINOZA: And the other thing is in large part if we were willing to accept the similar amount of ash in return, I'm sure they would be more amenable. But because we're just adding to their ash issue on island, that's something that they don't want to exasperate the issue.

COUNCILMEMBER COUCH: But they'd have to pay for the minimum? I'm sorry that's...it just doesn't...it defies the logic to me but that's all right.

CHAIR COCHRAN: Okay, thank you. Thank you, Mr. Couch. Members, any further questions, comments for Department? So, Mr. Ginoza, getting back to the Lahaina Community Dropbox, in essence, you're saying that, I mean, I know, our entire system doesn't pay for itself. I mean, just 'cause as you mentioned it's \$18 a month and you really should be charging 30, 35. And real quickly on that note, you have not raised any fees in four years, five years?

MR. GINOZA: Since 2010 for the residential refuse collection.

CHAIR COCHRAN: Right and so did you ever look to do, 'cause, I know, Department of Water Supply is trying to figure out a way how can we increase to, you know, offset costs. So, has your Department looked into doing a gradual phase or rather than just nothing at all? I mean, I think, in this day and age nobody wants to pay more for anything, but it's a definitely needed service. But, you know, has your...I'm sure you've tried to crunch numbers and make it sort livable for people.

MR. GINOZA: We have and part of it is I don't know what the best forum is to have this discussion with either, you know, your Committee, or Budget, or some Committee to reach consensus on what the fiscal implications are if we do not try to close that gap. Or, you know, is the goal in the next 10 or 15 years to reach cost recovery of our different programs? I don't know. If you look at, like for instance, the landfill side of it, I mean, we allow our residents who do not use our residential refuse collection program to tip at the landfill for free. So, the way I've kind of justified it is okay so since I as a residential refuse collection customer, pay only my \$18 for the collection side of it, and I don't...that cost does not cover the tip, it's my property tax that is subsidizing that. Similarly, the self-hauls have a zero tip and so their property tax is helping to pay for the landfill. So, I don't know if that's something that is palatable to everyone here or if we'd like to see better cost recovery of individual programs. And frankly, we have not had that discussion here and, I know, we're so close to budget so I don't know if we'll get to it this year. But this is kind of the environment we're in now that I can kind of justify why General Funds should pay for certain services or certain shortfalls in services. But if the ultimate goal is to get

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self-sufficiency, like water, or like sewer, or you know, that kind of things, I mean, that's something that I feel we should make a collective decision on. We've bounced it back-and-forth between the Department level and the Division level, and yet I don't know which is the best scenario whether or not this level of General Fund subsidy is acceptable or it should be reduced over time. So, the bottom line is we have looked at it and I would like to have a more thorough discussion with the Council as far as what direction to take on that.

CHAIR COCHRAN: Okay, well that's good and I'm definitely willing to go there or wherever we see fit for it to have the dialogue and discussion. But going back to the Lahaina Community Dropbox and its closure, was there an understanding... 'cause I heard it through community and they've been utilizing the services and are gonna be, you know, very unhappy to lose the service. So, I'm trying to figure out a way and how we can keep it going and you've drawn out the cost to this County, estimated cost service of 30,000 annual cost. Was there... am I... I was told that there was some type of prior agreement or a potential agreement, I guess, with the provider now with County but then, I guess, County backed up and said we can't take it over. Was there ever such a, I don't know, discussion in regards to that?

MR. GINOZA: We discussed it when they said that they would close if they did not receive County funding. But it's something that we looked into, do we just accept the service when we're strapped for budget as many Members were here for the Budget and Finance Committee meeting where we asked for \$864,000 because we are quite strapped with trying to maintain regulatory compliance. It was also something that we didn't want to accept a new program, you know, midyear and then go to budget and find out that we wouldn't get additional funding to keep it going. And so, it's something that I bring up to... for something for us to contemplate in the Fiscal '15 Budget. But it is something that will be a defined cost to the County. Like I said, it's roughly 78 tons per year and the cost is \$155 to haul and \$200 to process. So, it's \$355 per ton to accept it at this site. There is one in Olowalu and there was one in Napili, a private site in Napili, but, I believe, that one is being scaled back as well.

CHAIR COCHRAN: Okay. And the lease right now, is that for Kaanapali Land Management Company?

MR. GINOZA: Yes.

CHAIR COCHRAN: The lease?

MR. GINOZA: Yes.

CHAIR COCHRAN: Okay. Well, again, you know, I'm willing to discuss this during this upcoming budget to see how we can initiate some type of resolution to this and I have another quick... Members, you have any questions? Yeah, go ahead, Mr. Couch.

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COUNCILMEMBER COUCH: Thank you, Madam Chair. Mr. Ginoza brought up something else as in their discussions on, you know, whether the General Fund should support some of the stuff or cost recovery. Are you taking into account too that you have...we have a lot of multi-family residences that essentially they pay for their own trash, and we also have some private single-family home subdivisions that they pay for their own trash, and yet they also pay property taxes. They pay for the full price it actually costs to haul trash and subsidize all the other stuff. So, you're taking that kind of thing into account too when you have your discussions?

MR. GINOZA: Discussions with who?

COUNCILMEMBER COUCH: Well with you guys amongst yourselves in trying to determine which...whether to have the General Fund cover things or be self-sustaining.

MR. GINOZA: Yeah, I mean, definitely the different rate classes or the different household types really, you know, or even business versus residential sectors, there is so many different iterations of things that, yeah, it seems like it's a double payment by the multi-family folks and an absolute full payment from the commercial folks. And so, I mean, that is something that as we do our rate analysis, you know, we need some direction as to what way are we trying to converge on as far as self-sufficiency or more on the General Fund. But, yes, I mean, we take that into account.

COUNCILMEMBER COUCH: Thank you. Thank you, Chair.

CHAIR COCHRAN: Thank you, Mr. Couch. Members, any further questions? Looking at your...these numbers, yes, Slide 17, Recycling, Abandoned Vehicles, Medical *[sic]* Section...Metals...medicals...and work towards landfill cover to incorporate local resources. You have glass there. I think that's been an ongoing question as to whether DOH will allow that usage. So, have they changed and are going to allow glass?

MR. GINOZA: We're looking at it and so, the Department of Health has been against using glass as part of our, the composition of the daily cover. So, they're on board for what is called "alternative daily cover", which can be used as an alternative to the earthen material. But what we're looking at is using crushed glass as kind of a leveling layer in the landfill. So, you can imagine after the trash is dumped and it's compacted, there's some level of unevenness in the trash. And so, the requirement is that we put six inches of cover on top of the undulations basically. So, we're looking at using glass in replacement of the earthen material for...to level it out and then put six inches of cover. I mean that's basically what we're looking at as an alternative to the amount of daily cover, the amount of earthen material that we're excavating from Maui.

CHAIR COCHRAN: Okay.

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MR. GINOZA: Yeah, it's also non HI-5. So, it's not beverage redemption container glass. It's basically what people would not get that deposit back for.

CHAIR COCHRAN: Okay. And, okay, so it's kind of part of the refuse that's there, because I remember it was because glass doesn't break down completely so there's always the pockets, I guess, that create methane, and it sits there, and thereby they feel it's very unsafe to use it as a cover, not cover crop, but cover material.

MR. GINOZA: The cover material, the rationale that the Department of Health has given us is that we would need to prove scientifically that glass is a...has characteristics of earthen material, which when we look at it because glass is an inert material and is kind of similar to, because of the amount of fine material in it, it's similar to aggregate with some sand. We felt that that would be the best way to kind of push forth this initiative. But then we also thought in the shorter term to try to just utilize the crushed glass. We can try to just use it as a leveling layer first and that would be a matter of we'd either use dirt or crushed glass as that leveling layer. And so, we think it will be helpful because in large part we don't get enough subsidy from the State for the what they call ADF...it's advanced disposal fee. So, it doesn't pay for us to get the glass off island for recycling. So, rather than just throw it in the landfill, we'd like to try to repurpose it by replacing some earthen material that would otherwise just be landfilled and lost.

CHAIR COCHRAN: Okay, well good. I'm glad we're looking to somehow make use of this material. It sort have been problematic. And then also in regards to the next slide, Refuse Collections and you're looking to electronic routing and mapping. It just brought up the discussion we had with Department of Transportation in regards with, I guess, MEO's Paratransit, and they computerized everything. The next thing you know they had some complications in their routes and late, you know, tardiness in pickups, and missed pickups, and whatever. So, I was remembering that and hopefully whatever the program is that you folks are looking into isn't going to create such hardships upon our community 'cause it was sort of an unattended thing that occurred, but of course, they're addressing it. But in the meantime it's the people who sort of got, you know, the negative impacts.

MR. GINOZA: Yeah, this one unlike the, my understanding of the MEO cases where they basically schedule appointments and they have all these intakes the day before and have to schedule a route. We're just looking at something that's more static and not real time that particular routes may be regular in this time, but, you know, if somebody doesn't show up and we have to try to recover or get those homes serviced, how we could adequately get those serviced. I mean, it's really more a matter of just having different alternatives or scenarios but not anything in real time. Say, I mean, like in the mainland they have it where oh, a certain highway is closed. And so, they have to reroute the trucks to go some other way. We won't have that level of sophistication or complexity. So, I don't think, we need to worry about impacts to the public per se.

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CHAIR COCHRAN: Okay, okay. Well that's good to hear. And then on Slide 19, Landfill Operations, in regards to...well, I guess, it's, maybe it's another slide about the noncompliance numbers and what have you. As I understand, if you can just elaborate a little more maybe where the status is on this and what may be presented this upcoming budget in regards to a position or, you know, creating a regulation compliance officer type person. And how that's going to relate to, you know, bringing these numbers down or completely avoiding having to have any noncompliance issues.

MR. GINOZA: Sure, we, because of the issues we've had with the amount of permits and just the staff is more kind of trained to be more customer service oriented to keep the landfill open. And yet from a liability side it's important for us at the County to also keep in mind the potential liabilities of if we don't maintain permit compliance. And so, we've worked with the Corporation Counsel to try to figure out a way to have a almost like an internal compliance officer or internal auditor. We're trying to sure up the Division uncertainties, but also to have someone internal through the County to also keep track of that will just bolster our ability to remain compliant. So, that's the vein in which we're looking for an E/P and say risk manager or somewhere in Corporation Counsel to be kind of that second level of inspection to ensure we remain compliant, because, you know, it doesn't help anyone when we have issues with noncompliance. And, you know, it can be as easy as we have a heavy storm event and litter is exposed and all of a sudden we get a compliance issue because there's exposed litter. And so, it's not something that it's, you know, can always be anticipated because weather events really 'cause a lot of the potential for noncompliance. So, it's just to make sure that we're on top of things and, you know, help other departments as well that have regulatory compliance related concerns.

CHAIR COCHRAN: Okay, thank you. Yes, Mr. Couch.

COUNCILMEMBER COUCH: Thank you, Madam Chair. And that brings up a question and I realize that we have, you know, litigation and pending cases and whatnot. Can we open an item to discuss the compliance issues in executive session at some time in the future, in the near future, if at all possible, for this instead of having a whole full-on communication go through? Can we just open up an item from this meeting?

CHAIR COCHRAN: Yeah, sure, I mean, you know, we'll look into the process in which that can occur, Mr. Couch. I'm very, you know, open to that and thereby we can see what the issues are and, you know, needed, is this compliance regulatory person needed? Is this position...so, are you done, Mr. Couch? Yes. Okay, so, real quick, Mr. Ginoza, would this be a new E/P or would it be a redescription of a current body of some kind or how would this...have you worked that through?

MR. GINOZA: I am not really sure how it will be presented in the Fiscal '15 --

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CHAIR COCHRAN: Okay.

MR. GINOZA: --Budget, but it is something that is a priority from our perspective.

CHAIR COCHRAN: Okay. Very good. And, I think, Mr. Patrick Wong also has brought it up at a point in time. So, very good, looking forward to further dialogue in regards to that. But, I guess, why I pointed to Slide No. 19, Landfill Operations, one of your bullet points, look to improving efficiency at outer landfills, and that would be in regards to Lanai, Molokai, Hana. Is that what you're referring to --

MR. RATTE: Correct.

CHAIR COCHRAN: --Mr. Ratte?

MR. RATTE: Yes.

CHAIR COCHRAN: Okay. And then what are the...and this is just strictly and it says via transfer stations and/or waste conversion.

MR. RATTE: Yes, correct, just kind of following up to what Kyle had mentioned earlier to Mr. Couch's question. In general, the cost that we have at Hana, Lanai, and Molokai are several times more than what they are at Central Maui. So, if there are ways that we can look at improving efficiency at Hana, for example, and potentially looking at transferring that waste from Hana to Central Maui, that is something there that we're definitely looking at to save some money there. And Kyle already mentioned about Lanai as far as potentially looking further into barging that to Oahu. Waste conversion and just new technology that's available to us, there are potential package systems out there that are much smaller than what we will be looking at at Central Maui that could potentially, as Kyle mentioned, handle the waste that we have onsite rather than transferring it. So that's another option that we're also evaluating.

CHAIR COCHRAN: Okay.

MR. RATTE: If I could just follow up on something that you had just asked and Kyle --

CHAIR COCHRAN: Sure.

MR. RATTE: --mentioned about staffing in our FY '15 Budget. The staffing that we're asking for in Solid Waste Division is more for operators and laborers and engineering, just to bolster the Division in general. But some of the regulatory compliance challenges that we have at the landfills are operations related and a lot of times staffing related, so we've looked at our staffing that we have at all of our landfills and tried to come up with the best possible economical solution for that rather than regulatory noncompliance and fines. So, what you'll find, at least

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what we've drafted, and hopefully what you see in the FY '15 Budget submittal is positions for operators as well as laborers at Central Maui. And, I believe, we have one...one or two engineering positions also that we want to add to the Division. And we do realize that this a tough subject to absorb, but in looking at what we've seen over the past years for regulatory noncompliance and fines, we do feel it's a very economically beneficial venture.

CHAIR COCHRAN: Okay, thank you. Thank you for those comments. And last but not least, my question is in regards to the Charter Amendment change for, I guess, what was that environmental...well we have an Environmental Coordinator but a type of division, I think, within your Department, Mr. Ginoza? Can you elaborate and tell us where that's at 'cause, I believe, it was something that was the Charter Amendment --

MR. GINOZA: Yes.

CHAIR COCHRAN: --and voters decided to create such a position?

MR. GINOZA: Sure.

CHAIR COCHRAN: Okay.

MR. GINOZA: So, the Charter Amendment had to do with basically adding guide efforts to optimize resources for environmental natural resource protection, sustainability, conservation, and restoration. That was the addition to the Charter in 2013. And so what we've been doing is we've looked at the Hawaii 2050 Sustainability Plan, which is more at a high level kind of guiding principles plan. And it looked at stuff like education, renewable energy, that sort of things as well as looking at what other counties and the State has. And so, for instance, the State has a sustainability person now. That person is in the Department of Land and Natural Resources. I believe, City and County, they just have like their OED, Office of Economic Development, they kind of tag team to handle sustainability type issues. Big Island just, I think, they attrition'd theirs and they're trying to get it back...their sustainability person. And Kauai is trying to make, instead of an appointed, make it a civil service position. So, we researched what the kind of overarching principles have been for the State as well as what type of resources are put to sustainability matters. And a month or so ago, I met with the State sustainability coordinator, and she had mentioned that the State is currently in the process of creating these web based dashboards, which can show certain metrics and how they're doing on these metrics. And once they develop that, that's anticipated in the coming months, they'll convene county personnel to kind of chime in and provide input to that process. And so from a State standpoint, it's still kind of coalescing to something that's more tangible. And so what we're looking at is because the Charter Amendment is to kind of guide and to advocate for these areas of sustainability or environmental protection type topics, instead of trying to create a huge division to try to hit aquatic resources or natural resource protection or conservation, we're looking at the current iteration and it may change at budget but is to have...we already have two people

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assigned, the sustainability coordinator and the sustainability clerk from the Fiscal '14 Budget, but to add three more expansion positions. One would be looking at advocating coastal resource protection and the other two would be looking at land-based resource protection. So, that's kind of where we're looking at more of an advocacy from the County in ensuring different topics get addressed and, or looked at.

CHAIR COCHRAN: Okay. And follow up, Members? Did you have comments? So, last budget we appropriated money for this position, did we not?

MR. GINOZA: So, you appropriated money for a sustainability coordinator and a sustainability clerk, which is something that early on we were just looking at just mirroring something at the State or other county levels and there really isn't a position for either of those two. And so as we did more research into try to figure out what would these positions or any other expansion positions be accountable for, you know, we've been trying to develop a system of goals and metrics to ensure that we're not just adding positions without any deliverables. I mean, that's kind of where we got stuck with, okay, do we look at it from an advocacy perspective or to actually be kind of a regulatory hammer on a lot of these items?

CHAIR COCHRAN: Okay.

MR. GINOZA: So my fear was to hire two individuals who were kind of rudderless. And so, I would want it...I wanted to kind of, you know, yeah, maybe we were a little bit premature in adding those people without having a more defined strategy, but I'll take full responsibility for that. That's something that we really need to focus on and we meaning, the Department has to focus on trying to get something that is actionable and, to me, results oriented because I don't want just to have staff and no deliverables because then, you know, we're basically just adding for no reason. And so that's kind of where we're at. I mean, I know, that wasn't a concrete answer, but it is something that we're working toward to have something concrete for the Fiscal '15 Budget. And that's why you don't see somebody in that sustainability coordinator position, because I was concerned about what that final structure would look like, and maybe, you know, if we only think that only two people would be in there, we might look for somebody different than if there were other people in there as well.

CHAIR COCHRAN: Right. Okay, well I thank you for your, you know, your straightforwardness in answering, you know, that question. And well, looking forward to seeing something, yeah, materialized and get a better handle on exactly what this position means and entails and what its kuleana is going to be for your, as you say deliverables and actions. So, thank you for that and looking forward to further discussion during this budget go-around. Members, do we have any further comments or questions? Seeing none, okay, well then, with that, Department, any closing thoughts or comments? Mr. Hopper, any? We're all good.

UNIDENTIFIED SPEAKER: Thank you.

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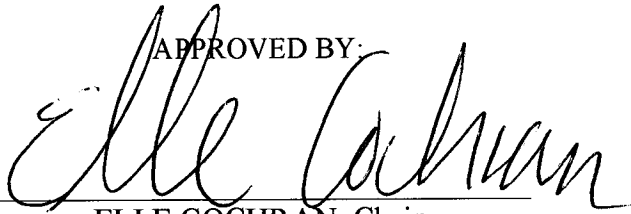
CHAIR COCHRAN: Alrighty well thank you folks and looking forward to the new budget cycle coming around the corner pretty quickly here.

ACTION: DEFER.

CHAIR COCHRAN: And, Members, without any further items on our agenda today, we are now adjourned. . . . *(gavel)* . . .

ADJOURN: 2:50 p.m.

APPROVED BY:



ELLE COCHRAN, Chair
Infrastructure and Environmental
Management Committee

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Transcribed by: Delfey Fernandez

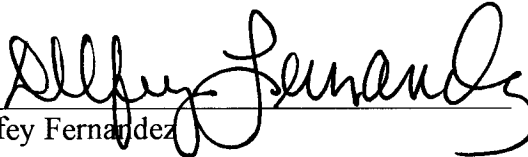
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CERTIFICATE

I, Delfey Fernandez, hereby certify that the foregoing represents to the best of my ability, a true and correct transcript of the proceedings. I further certify that I am not in any way concerned with the cause.

DATED this 25th day of February 2014, in Wailuku, Hawaii.


Delfey Fernandez