

COUNCIL OF THE COUNTY OF MAUI

# POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE

November 21, 2014

**Committee  
Report No.** \_\_\_\_\_

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

Chair and Members:

Your Policy and Intergovernmental Affairs Committee, having met on September 29, 2014, October 27, 2014, and November 6, 2014, makes reference to County Communication 14-229, from Councilmember Elle Cochran, transmitting a proposed resolution entitled "AUTHORIZING THE COUNCIL CHAIR TO CONTRACT FOR A PERFORMANCE AUDIT OF THE SOLID WASTE DIVISION, DEPARTMENT OF ENVIRONMENTAL MANAGEMENT".

The purpose of the proposed resolution is to authorize the Council Chair to contract for an independent audit or evaluation of the Solid Waste Division, Department of Environmental Management ("Division").

Your Committee notes the Council adopted the proposed resolution as Resolution 14-98 on September 5, 2014. As noted in Resolution 14-98, the Division is responsible for providing solid waste collection, disposal, and diversion services essential to maintaining the sanitary conditions and environmental health of the County. Resolution 14-98 also explains that gains in efficiency benefiting both the Division and the public could be identified through a review of the Division's processes and procedures.

The Director of Environmental Management informed your Committee of an audit of the Division performed in 2009. He transmitted a copy of a document entitled "Operational Assessment of the Solid Waste Division Department of Environmental Management County of Maui," dated June 1, 2009, by Quality + Engineering.

Your Committee notes the 2009 audit addressed questions relating to: (1) the status of the Division's position descriptions; and (2) whether the Division had adequate controls to (a) maintain safe and continuous operations at their current level throughout the County, (b) manage its current capital improvement projects, and (c) meet the recommendations of the County's Integrated Solid Waste Management Plan ("ISWMP"). The 2009 audit produced nine findings and recommendations for the Division, relating to

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the need for strategic plans, position descriptions, documentation control systems, manuals, a new business model to execute the ISWMP, and updated ISWMP budget revenue projections and expense assumptions.

Your Committee requested information from the Department relating to the status of the Division's implementation of these findings and recommendations. Your Committee also asked for information concerning implementation of the Fiscal Year 2015 Budget for the Division, personnel needs, regulatory compliance issues, priorities for compliance with the ISWMP, assessment of the Division's three-can recycling pilot program, the Division's policies and procedures for personnel management, the Division's revised goals and measures, and other issues. Your Committee noted two common themes to the Department's responses—namely, a lack of time and a lack of money.

Your Committee considered the scope of the audit to be conducted. Your Committee felt it prudent to consider focusing the audit on three primary issues germane to the Division's performance, rather than leave the audit open-ended. Your Committee also noted it would respect the concerns voiced by the Department of the Corporation Counsel and avoid, to the extent possible, suggesting the audit be structured in such a way as to interfere with ongoing litigation in Tracy N. Takamine v. County of Maui, et al., Civil 14-00335 JMS-KSC; and Tracy N. Takamine v. Kyle Ginoza, et al., Civil 14-1-0450(2).

Your Committee recommended the Council Chair consider addressing the following three issues in the scope of the performance audit of the Division, while noting she would have flexibility to make any needed adjustments:

1. Evaluate the sufficiency of staffing, equipment, and other resources to enable the Division to provide required services to the public, including the Division's ability to comply with regulatory requirements. Consider national standards as well as the measurements and goals established by the ISWMP.
2. Study and report on the resources needed for the Division to be self-sufficient. Consider special management funds (e.g., the Solid Waste Management Fund), refuse collection and tipping fees, and other funding sources.

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3. Review the proposal submitted by Anaergia in response to the County's request for proposals dated November 9, 2012, and perform a cost-benefit analysis of implementing the resulting Integrated Waste Conversion and Energy Project. Consider any reduction in County personnel or positions and financial resources that may result from implementing the contract. Include an analysis of whether the County's contract with Anaergia is a no-cost contract, as has been asserted.

Your Committee notes the minutes of your Committee's three meetings on the subject and the documents provided in connection with this matter may be of assistance to the auditor in performing the audit.

Your Committee voted 5-0 to recommend filing of the communication. Committee Chair Hokama, Vice-Chair Couch, and members Baisa, Cochran, and Crivello voted "aye". Committee members Carroll, Guzman, Victorino, and White were excused.

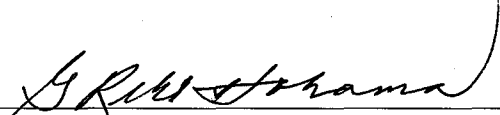
Your Policy and Intergovernmental Affairs Committee **RECOMMENDS** that County Communication 14-229 be FILED.

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This report is submitted in accordance with Rule 8 of the Rules of the Council.

  
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G. RIKI HOKAMA, Chair

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