

# **ENVIRONMENTAL, AGRICULTURAL, AND CULTURAL PRESERVATION COMMITTEE**

**Council of the County of Maui**

## **MINUTES**

**August 6, 2019**

**Council Chamber**

**CONVENE:** 1:40 p.m.

**PRESENT:** VOTING MEMBERS:

Councilmember Shane M. Sinenci, Chair  
Councilmember Tasha Kama, Vice-Chair (arrived at 2:14 p.m.)  
Councilmember Kelly T. King  
Councilmember Alice L. Lee (left at 4:10 p.m.)  
Councilmember Michael J. Molina  
Councilmember Tamara Paltin  
Councilmember Yuki Lei K. Sugimura (arrived at 2:09 p.m.)

**STAFF:**

John Rapacz, Legislative Attorney  
Kasie Apo Takayama, Legislative Analyst  
Nicole Siegel, Committee Secretary  
Clarita Balala, Committee Secretary

Zhantell Lindo, Council Aide, Molokai Council Office (via telephone conference bridge)  
Denise Fernandez, Council Aide, Lanai Council Office (via telephone conference bridge)  
Mavis Oliveira-Medeiros, Council Aide, Hana Council Office (via telephone conference bridge)

Don Atay, Executive Assistant to Councilmember Shane M. Sinenci  
Dawn Lono, Executive Assistant to Councilmember Shane M. Sinenci  
Gina Flammer, Executive Assistant to Councilmember Shane M. Sinenci

**ADMIN.:**

Richelle Thomson, Deputy Corporation Counsel, Department of the Corporation Counsel  
Sandy Baz, Managing Director, Department of Management  
Eric Nakagawa, Director, Department of Environmental Management  
Tamara Farnsworth, Environmental Protection and Sustainability Division Chief, Department of Environmental Management  
Cecile Powell, Recycling Specialist, Environmental Protection and Sustainability Division, Department of Environmental Management

**OTHERS:**

Roger Yamagata, General Manager, Maui Disposal Co, Inc.

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David Ching, Assistant General Manager, Maui Disposal Co, Inc.

Jasee Lau

Rob Parsons

Charlotte O'Brien, President, Carbon Drawdown Solutions, Inc.

Jazmyne Geis

Albert Perez, Executive Director, Maui Tomorrow

Others (3)

**PRESS:** *Akaku: Maui Community Television, Inc.*

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CHAIR SINENCI: . . .*(gavel)*. . . Aloha mai kakou. Welcome to the Environment [*sic*], Agriculture [*sic*], and Cultural Preservation Committee. It's August 6, 2019, and it's 1:40 in the p.m. I'm Shane Sinenci, your Committee Chair. Before we start, may I please ask that everyone silence all cell phones and noisemaking devices please? Mahalo. Starting off with some introductions, Vice-Chair Tasha Kama is on her way as well as Member Yuki Lei Sugimura. They should be joining us in a little bit. We also have Member Paltin. Aloha.

COUNCILMEMBER PALTIN: Aloha auinala, Chair.

CHAIR SINENCI: Mahalo for being here. And Member Lee, aloha.

COUNCILMEMBER LEE: Mr. Chair, konichiwa.

CHAIR SINENCI: Konichiwa. Mahalo for that. Also, we have Member Michael Molina. Aloha.

COUNCILMEMBER MOLINA: Aloha, sir.

CHAIR SINENCI: And Chair King, aloha.

COUNCILMEMBER KING: Good afternoon, aloha.

CHAIR SINENCI: Thank you. For our Corporation Counsel representative, we have Ms. Richelle Thomson. Thank you. And Administration representatives, we have Ms. Tamara Farnsworth, the Recycling Coordinator; Cecile Powell, welcome...with the...she's our Recycling Specialist. We have Mister...Director Eric Nakagawa of Environmental Management. Mahalo.

MR. NAKAGAWA: Aloha.

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CHAIR SINENCI: We're also awaiting Managing Director Sandy Baz. He's also en route. Today, we have with our private industry representative, Mr. David Ching from Maui Disposal. Aloha.

MR. CHING: Aloha, Chair.

CHAIR SINENCI: And we also have Mr. Roger Yamagata in the audience. So, welcome.

MR. YAMAGATA: Aloha, Chair.

CHAIR SINENCI: For our Legislative Staff, we have John Rapacz, our Legislative Attorney; Kasie Apo Takayama, our Legislative Analyst; Ms. Nicole Siegel, Committee Secretary; Ms. Clarita Balala, Committee Secretary; and in our District Offices, Ms. Mavis Oliveira-Medeiros in Hana; Ms. Denise Fernandez in Lanai; and Ms. Zhantell Lindo in our Molokai District Office. So, welcome, everyone. Today, Members, we have two items, EACP-31, our 3 Can Plan; and also our EACP-8, the status and update of the Anaergia Services LLC projects. If there are no objections, we'll start with testimony today. For individuals testifying in the Chamber, please sign up at the desk just outside the Chamber door. If testifying from one of the remote testimony sites, please sign up with District Office Staff. Testimony will be limited to the items on the agenda today. And pursuant to the Rules of the Council, each testifier will be allowed to testify for up to three minutes per item. When testifying, please state your name and the name of any organization you may be representing. Pursuant to the Rules of the Council, if you are a paid lobbyist, please inform the Committee. And, Ms. Apo Takayama, we've established connection to the other Council District Offices I believe.

MS. APO TAKAYAMA: Yes, Chair. There are no...there's no one signed up to testify.

CHAIR SINENCI: Thank you. Ms. Apo, can you please call the first testifier to the podium?

MS. APO TAKAYAMA: Chair, the first testifier is Jasee Lau, testifying on EACP-31.

**. . .BEGIN PUBLIC TESTIMONY. . .**

MR. LAU: Aloha, Chairman Sinenci.

CHAIR SINENCI: Aloha.

MR. LAU: Thank you for coming all the way from Hana and helping us over here. I'm sorry that the other island representatives aren't here yet but I don't think they will have any objections to calling it the 3 Island 3 Can Plan.

CHAIR SINENCI: Thank you for that recommendation. Members, seeing none, thank you Mr. Lau. Ms. Apo?

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MS. APO TAKAYAMA: The next testifier is Roger Yamagata, testifying on EACP-31.

MR. YAMAGATA: Good morning...oh, good afternoon, Chairman and Councilmembers. My name is Roger Yamagata. I'm the General Manager of Maui Disposal. We're the current contractor providing service to process the curbside and the County drop boxes. We've been doing this for over seven years. Today, I just wanted to give you, the Council, a brief history of the 3 Can Plan, how it started, who proposed it first, and benchmarks to the current date. In 2000, Mayor Kimo Apana introduced the first 3 Can Plan for an island-wide curbside program with a rollout of five years. It was never put into place because of no facility that was able to handle 24,000 homes. In early 2000, the County tried to establish its own what we call a MRF, which is a material recovery facility in the Central Maui Landfill. It failed because there was no expertise. There was no funding. And the amount of volume that it was going to process did not warrant a large-scale operation. In 2008, Maui Disposal bought 4 acres of land in Kahului and invested the other 3 million for a total of \$11 million to start a MRF, our material recovery facility that had the capability of handling the whole island's recycling. For the past seven years, we've been doing the drop boxes and the curbside program for the County. Unfortunately, it started as a pilot program, and it still remains only Maui Meadows and South Kihei are the only communities that are being involved with the plan. We feel that with the investment we made, we took a chance and did it before the County or any other private sector company did it. We took the step of eliminating the need for County funds for the facility. All we need now, and we stand ready to do it, is volume. There's a cost to recycle. It is not free. But what is the alternative? It's to bury everything in our landfill. That's wasting thousands of tons of dirt a year. Maui Disposal by itself recycles about 10 million pounds of recyclables per year. So, we want...we hopefully can expand on that to increase the amount of diversion from the landfill. Thank you.

CHAIR SINENCI: Thank you, Mr. Yamagata. Members, do you have any questions?

COUNCILMEMBER KING: Question...

CHAIR SINENCI: Chair King, go ahead.

COUNCILMEMBER KING: Thank you, Chair. Thanks for being here, Roger. So, my question is a couple of years ago when the previous Mayor was going to eliminate the 3 Can Plan from Maui Meadows, they were proposing to do it in Lahaina. What...did anything ever happen with that? Did...were you guys part of that plan to expand?

MR. YAMAGATA: No, and the public rose up and went to the Mayor's Office to keep the existing plan in place, and the County offered to keep it in place but those homes had to pay an additional --

COUNCILMEMBER KING: Right.

MR. YAMAGATA: --amount of money --

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COUNCILMEMBER KING: No, I'm aware of --

MR. YAMAGATA: --per month.

COUNCILMEMBER KING: --that but I just wonder whatever happened to --

MR. YAMAGATA: The --

COUNCILMEMBER KING: --the proposal to...

MR. YAMAGATA: --Lahaina one was never brought up.

COUNCILMEMBER KING: Okay. Thank you.

CHAIR SINENCI: Any...yes, Member Paltin?

COUNCILMEMBER PALTIN: Thank you, Chair. Thank you, Mr. Yamagata, for being here and all your service to the West Maui community and our disposal needs. I was wondering if it was to roll out Countywide, you have the capacity to collect it or the capacity to process it, or both?

MR. YAMAGATA: Currently, we have the capacity to process bale. We have the facility. But if we were to go island-wide, additional funds would be...have to be invested because of the volume. We'd have to reconfigure our building and expand our sort line. But the facility is there. As far as bringing in the product, the County's trucks service each home twice a week. So, the same truck instead of twice a week, it will be one-week recyclables, the second time during the week would be solid waste. So, there would be no need for additional vehicles.

COUNCILMEMBER PALTIN: Do you have an estimate about like say you do add on a district a year, how much, like if you roll out a...it not all at one time, like what...in what way would you like to roll it out, stay in South Maui until all of South Maui is done, then jump over to West Side, or did you have any plan that...along those lines?

MR. YAMAGATA: The County's Division would be doing the routes. But obviously, I think it makes sense to finish Kihei first, and then go into the next district. As far as volume, Lahaina would be to me, should be the next one because they don't...they do not have 4,000 homes, they have less than that, so it will be easier to put on the map. But again, the Division, Solid Waste Division, would be handling the routes.

COUNCILMEMBER PALTIN: And then you folks as a business, are you considering like the income to process the facilities as your...generate...economic generator, or are you looking to repurpose the materials into something usable, or how are you ultimately disposing of the recycled --

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MR. YAMAGATA: Materials.

COUNCILMEMBER PALTIN: --the materials?

MR. YAMAGATA: We'll need to depend on County's input on the processing fees. As you folks are aware, China has backed out of the world recycling market. So, we cannot depend on what we call end-user revenues, which is the revenues that we would normally get from shipping the products overseas. In fact, some commodities we now have to pay. We'll pay the shipping and also pay them like a tip fee to accept our recyclables. So, without government subsidy, recycling will not happen. Can I say one thing, Chair? David --

CHAIR SINENCI: Go ahead.

MR. YAMAGATA: --Ching is a resource person over there too, so he could answer questions as well as myself.

COUNCILMEMBER PALTIN: Thank you.

CHAIR SINENCI: Do you have any other questions, Member...

COUNCILMEMBER PALTIN: Not at this time.

CHAIR SINENCI: Okay.

COUNCILMEMBER PALTIN: Thank you.

CHAIR SINENCI: Thank you, Mr. Yamagata, for being here. With no objections, we could...could we keep you on as a resource --

MR. YAMAGATA: Yes.

CHAIR SINENCI: --if you're still here? No objections. Thank you. Ms. Apo Takayama?

MS. APO TAKAYAMA: Chair, the next testifier is Rob Parsons, testifying on EACP-31 and EACP-8, to be followed by Charlotte O'Brien.

MR. PARSONS: Good afternoon, Chair Sinenci, Councilmembers. My name is Rob Parsons. I'm a long-time resident residing in Haiku, and I would like to speak to both agenda items. I was fortunate to learn a great deal about solid waste management, preferably known as resource recovery and management, when I began working with the County as Environmental Coordinator in 2003. Then Solid Waste Director John Harder took me under his wing and provided a hands-on education on progressive management. Among other things, John helped with the massive cleanup on Kauai after Hurricane Iniki in 1992. Many of you know that implementation of the 3 Can Plan for curbside recycling was one of the first progressive steps taken to implement the

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recommendations of the 2009 update of the Maui County Integrated Solid Waste Management Plan, the ISWMP. Two neighborhoods in South Maui were chosen under the guidance of George Correia. And to me, George personified more than anybody working in the County the can-do attitude. He was once asked to assist with an appliance amnesty collection in 2005 that resulted in 53 containers of derelict appliances being shipped to Oahu for metal processing. When asked if his division could lend a hand, he said whatever it takes. Sadly, our DEM Director at the time had more of a no-can plan and announced that he was going to rescind the program due to costs. Only after an uproar from those who had curbside recycling in South Maui was the decision reversed. The South Maui neighborhoods were chosen not as a pilot program to determine the viability of curbside recycling but to educate the Department on any issues as it continued to phase in the program similar to what was done with automated refuse trucks. A bulk purchase of many blue and green cans was initially made and many have been stored unused since then. Costs ran artificially high due to the bid on processing of the sorted recyclables. Rebidding the contract could have brought considerable savings. Green waste was hauled to the EKO Compost site in Central Maui Landfill. Taking it to the Kihei regional composting site might have provided another opportunity for cost-saving efficiency. Often, people have remarked to me that they can't believe Maui doesn't have a curbside recycling especially those who've lived or visited the West Coast, where it's widespread. With the upcoming ten-year update of the ISWMP, new opportunities will avail themselves. The challenges of recycling have been noted over the past two years. So, we may consider ways to utilize these resources on Maui or in Hawaii rather than shipping them to Asian markets. And quickly, I would just say that one of the opportunities that may lie ahead is food composting. San Francisco and Seattle both do curbside food waste composting and which provides a nutrient-rich compost that could help remediate our agricultural soils. So, thank you again for the opportunity to testify on this.

CHAIR SINENCI: Thank you, Mr. Parsons. Did you mention something about already having those green and blue bins?

MR. PARSONS: I did, and I would defer to the Department that is here. They can...when they go over the history of this program, I think that they can lend more on the current status of the unused blue and green cans.

CHAIR SINENCI: Okay. Thank you. We have a question from Member Molina.

COUNCILMEMBER MOLINA: Good afternoon, Mr. Parsons. Just if you could help refresh our memories, you made references to a former DEM Director that had concerns about this plan. Who was that Director again if you could...

MR. PARSONS: Who was the Director?

COUNCILMEMBER MOLINA: Yeah, at that time.

MR. PARSONS: Director Kyle Ginoza at that time.

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COUNCILMEMBER MOLINA: Okay. Thank you.

MR. PARSONS: Yeah.

COUNCILMEMBER MOLINA: Thank you, Chair.

CHAIR SINENCI: Okay. Member Paltin?

COUNCILMEMBER PALTIN: Thank you. I was wondering if you could offer a little bit more detail how rebidding the projects would result in cost savings.

MR. PARSONS: Yes, I could. Mr. Yamagata spoke to the investment that they made in the materials recovery facility, commonly known as a MRF. He's correct that the County had made a lot of inquiries on commercial properties trying to set up their own MRF, but both Aloha Recycling and Maui Disposal have MRFs for sorting and processing recyclables. So, as you know, Aloha Recycling handles our drop box sites but the processing of those materials then goes to Maui Disposal. So, because there's more than one MRF, I think a competitive bidding process could result in considerable cost savings other than the cost of our contract now. So, as we move forward, I think we'll want to look at the cost involved here.

COUNCILMEMBER PALTIN: And what do you feel is an appropriate time length for a contract?

MR. PARSONS: I'm not sure that I'm the best person to ask that. I know the County often uses five-year contracts with a add-on potential year or two afterwards. But there are others better equipped to answer that question I think.

COUNCILMEMBER PALTIN: Okay. Thank you.

MR. PARSONS: Thank you.

CHAIR SINENCI: Thank you. Any other questions, Members? Chair King?

COUNCILMEMBER KING: So, I guess we're asking the questions on EACP-31, then we'll let Mr. Parsons...he wanted to testify any additional item. So, just...thanks for coming, Rob. And I just want to find out to your knowledge, what, if anything, are we still recycling on the island? Is there anything that we're recycling?

MR. PARSONS: I...

COUNCILMEMBER KING: At one point, we were...

MR. PARSONS: My answer to that would be that most of what we consider recycling is collecting and packaging and shipping to another market. And so, it depends on what

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your definition of recycling is. I...in my testimony, I did say that I think it makes sense to look at to what extent we can use those resources locally. There's...in the past, there's been efforts to use crushed glass here. We could revisit that, you know.

COUNCILMEMBER KING: Right. And at one...I mean at one point we were processing plastic here. I remember Aloha...

MR. PARSONS: HDPE plastic --

COUNCILMEMBER KING: Right.

MR. PARSONS: --was --

COUNCILMEMBER KING: And they were making two --

MR. PARSONS: --reused, yes.

COUNCILMEMBER KING: --by-fours at one point at --

MR. PARSONS: Right.

COUNCILMEMBER KING: --Aloha, and we were doing some processing on-island. And to your knowledge, are we doing anything on-island anymore?

MR. PARSONS: I think some of the resorts are doing a little bit of glass-crushing and using that material on property. Also some minor food waste composting --

COUNCILMEMBER KING: Okay. But County of Maui is not...

MR. PARSONS: --but not on a larger scale.

COUNCILMEMBER KING: Okay. And County...not...County of Maui isn't doing anything --

MR. PARSONS: No --

COUNCILMEMBER KING: --to your...

MR. PARSONS: --not that I'm aware of.

COUNCILMEMBER KING: Thank you.

CHAIR SINENCI: Okay. Thank you. Mr. Parsons, did you have another item you wanted to speak to?

MR. PARSONS: Yes, I do. I'd like to speak to the Status Update on Anaergia Services. My name is Rob Parsons. It's good to see the status update being called for these

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carryover projects from the previous Administration. A court ruling has halted the so-called MANA project, which proposes building a 60-foot digester and sludge drying facility in the tsunami zone. The landfill contract signed on January 8, 2014, stated they would be operational by 2018. But here we are, 5 years, 6 months, and 29 days after that contract was signed. That's 2,036 days have passed and there's been no progress whatsoever on that contract. We should not just be walking away from this ill-conceived project, we should be running full speed. Please ask our representative from Corporation Counsel Office to affirm that these contracts have a standard clause that will allow the County to terminate them without substantial penalty or cost. And if you look at Page 4 of my testimony in this item, it has some of the language in that contract. When I mentioned to a college...colleague that this agenda item was pending, she replied, I thought both those projects were dead. But to date, we have not received word from the Administration on whether they intend to pursue either proposal. Hopefully, they'll inform us today that they're looking to better alternatives. Department of Environmental Management is about to begin planning for the ten-year update of our Integrated Solid Waste Management Plan. This provides a rare opportunity for more community input and review of how our County may utilize and manage its waste resources. This will be the guiding document to address resource recovery and management challenges for the next decade. I gave you in my written testimony ten good reasons not to support the so-called MANA project. I'll summarize them as best I can. One is that the EIS was ruled against in a legal ruling by Judge Cardoza. It was ruled inadequate. It seems absurd to consider building anything in the tsunami and sea level rise inundation zone, much less a 60-foot-tall digester and 57-foot-tall emission stack. Investments should instead be made in decentralizing the Wailuku-Kahului Wastewater Reclamation Facility. I'd like to highlight just one of many possible alternatives to this build out, and that would be to partner with the airport, which is putting out a RFP to provide power for that facility, and being right adjacent to the wastewater treatment facility, also on State land. We could perhaps bring in electricity at something like 8 or 10 cents a kilowatt rather than the 29 to 30 cents proposed in this original contract, which would escalate to about 40 cents over the 20-year life of the contract. So, I'm hoping that the Administration is looking to some of these alternatives. That's just one. There are many others that I think would be a better choice than this current proposal. Thank you.

CHAIR SINENCI: Thank you, Mr. Parsons. Members, any questions? Chair King?

COUNCILMEMBER KING: Thank you, Chair. So, Rob, you mentioned the two contracts. One of them was the MANA, which was going to provide I think power to the airport, correct, originally? Wasn't that originally going to go to the airport?

MR. PARSONS: The...an RFP was issued to provide power to the airport. They pulled it back and they're redoing it. It's going to be --

COUNCILMEMBER KING: Okay.

MR. PARSONS: --reissued.

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COUNCILMEMBER KING: Oh, okay. 'Cause that was the one I remember seeing it being cancelled. So, I thought the contract was just dead anyway because they cancelled --

MR. PARSONS: Yeah --

COUNCILMEMBER KING: --it.

MR. PARSONS: --they're modifying it, and I'm not sure the reason for that. But I know there has been discussions of --

COUNCILMEMBER KING: Oh, okay.

MR. PARSONS: --the potential for the County to partner with the State.

COUNCILMEMBER KING: Okay. So, what is the...so does the County have any interest to your knowledge? 'Cause I know you were Environmental Coordinator up until the end of last year, but does the County have any interest in that project?

MR. PARSONS: I didn't hear any at that time because the County was behind this MANA project. I'm thinking that it was their best alternative to address some of the issues at the Kahului Wastewater. I...it just...it had too many moving parts for me, and I think it's, you know, time to...

COUNCILMEMBER KING: Move on.

MR. PARSONS: To...yeah, to move on --

COUNCILMEMBER KING: Okay.

MR. PARSONS: --frankly, yeah.

COUNCILMEMBER KING: Thank you. Thank you, Chair.

CHAIR SINENCI: All right. Mahalo, Mr. Parsons, for your testimony.

MR. PARSONS: Thank you.

CHAIR SINENCI: Thank you. Ms. Apo Takayama, can you call the next testifier please?

MS. APO TAKAYAMA: Chair, the next testifier is Charlotte O'Brien, testifying on behalf of Carbon Drawdown Solutions, Incorporated, testifying on agenda item EACP-8, to be followed by Jazmyne Geis.

MS. O'BRIEN: Council, Mr. Chair --

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CHAIR SINENCI: Aloha.

MS. O'BRIEN: --my name is Charlotte O'Brien. I'm the President of Carbon Drawdown Solutions. I was also one...our company also answered the original RFP. And so, I've worked a lot in the space of waste-to-energy. It's a very difficult space. It's a very new space. And I'm not anti-Anaergia. The...what they're doing in Cyprus and what they're doing in California look very good. But what they have proposed to do in Maui is just unthinkable. Whenever you're looking at waste-to-energy, you have to balance the environment, the energy, and the profit. All they balanced was the profit at the expense of Maui County. And with three grandchildren in this County, I'm not going to allow that to happen. And I'm not saying that they can't come back and try again on the big picture. But to take the icing off the cake to say, okay, we have to balance everything in the solid waste management including the waste...the wastewater system, and they just take the top, they just take the \$81 a ton times 24,000 tons of biosolids, that's over \$2 million a year. To say that they're going to get...provide electricity at almost 30 cents a kilowatt hour when Pacific Biodiesel can produce it for less than 20 cents, and then they escalate it 2.2 percent a year till they're up to 44 cents a kilowatt hour over 20 years. That's just ridiculous. When we have current alternatives, we have...when MECO produces excess energy, we can buy it. With a nimble system, when we can use solar or wind, we can do that. And when we need the very...when we're in a crunch, then we go to the biodiesel. We've always got a backup so you're using the least expensive electricity at every possible time. That's what modern technology allows. You can pull from which type of energy you need. So, it's not that I'm against Anaergia, it's just that this was a very, very...I don't even know where they came up with this idea. It was so ridiculous. So, yeah.

CHAIR SINENCI: Thank you, Ms. O'Brien.

MS. O'BRIEN: Sure.

CHAIR SINENCI: Members, any questions for the testifier? Council Chair King?

COUNCILMEMBER KING: Okay. Thanks for being here, Char. So --

MS. O'BRIEN: Sure.

COUNCILMEMBER KING: --when you're talking about the original contract, you were a bidder, you're talking about the landfill contract?

MS. O'BRIEN: The landfill, yeah.

COUNCILMEMBER KING: Okay.

MS. O'BRIEN: The solid waste.

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COUNCILMEMBER KING: Yeah, I just wanted to differentiate that. And then did you...have you been following the iterations of Anaergia as they've kind of changed their proposal over the years?

MS. O'BRIEN: Somewhat.

COUNCILMEMBER KING: Okay.

MS. O'BRIEN: Somewhat.

COUNCILMEMBER KING: And so, in your opinion, how far off is it from the original RFP that was issued that they originally --

MS. O'BRIEN: Well, it's not even --

COUNCILMEMBER KING: --responded to?

MS. O'BRIEN: --in the same ballpark. Originally, what they were talking about was taking...using anaerobic digestion to take all of the trash and digest what they could out of it, and then squeeze the rest into these little blocks that then they were going to burn for energy. Well, of course, nobody wants...that's like an incineration. So, who wants to burn these little blocks that you've created, and nobody would take it. Not...I mean even Asia wouldn't take it, and I would never allow our trash to be burned in Asia and let that pollution come back to us. I'm an ardent environmentalist so I wouldn't allow something like that to happen. But that was their plan. Well, we're going to get down to almost zero waste because we're going to send it off-island. Well, that's silly.

COUNCILMEMBER KING: So, that was the plan that was accepted by the last --

MS. O'BRIEN: That was the plan --

COUNCILMEMBER KING: --Administration.

MS. O'BRIEN: --that was accepted, yes.

COUNCILMEMBER KING: And then 'cause my recollection is it kept morphing over the years to a point where it wasn't even recognizable as the same project that had been --

MS. O'BRIEN: Right.

COUNCILMEMBER KING: --accepted. Okay.

MS. O'BRIEN: And I also want to say that Anaergia is a young company but what they're doing in Turkey appears to be pretty good, although I'm still curious about the RF...the RDF, and then the project they have in California looks amazing. But it's

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just...it's not our project. It's not what we need, at least, not in this situation. Maybe down the road when we move that thing, they can come back in and do what they're doing in California, and we'll all be happy. It's just...let's not go down this road.

COUNCILMEMBER KING: Yeah, okay. I mean I don't even know what the road is anymore because it --

MS. O'BRIEN: Yeah --

COUNCILMEMBER KING: --keeps changing --

MS. O'BRIEN: --exactly --

COUNCILMEMBER KING: --so.

MS. O'BRIEN: --it's just changed so much, yeah.

COUNCILMEMBER KING: Thank you.

CHAIR SINENCI: Okay. Thank you for your testimony. Chair would like to recognize Member Sugimura, welcome.

COUNCILMEMBER SUGIMURA: Good afternoon, Chair.

CHAIR SINENCI: Good afternoon. Ms. Apo Takayama, please call the next testifier.

MS. APO TAKAYAMA: The next testifier is Jazmyne Geis, testifying on EACP-8 and EACP-31, to be followed by Albert Perez.

CHAIR SINENCI: Okay.

MS. GEIS: Hi. My name is Jazmyne Geis. Thank you, Chair and Councilmembers. Yeah, I'm here today on behalf of myself, and also, I'm glad I had time to come and hear about these important issues happening within solid waste management. I'm born and raised here on Maui, returned back in 2016 after college and living abroad, and my background is in sustainable design, also anthropology, and my graduate field is actually looking at solid waste management practices and also consumption. So, I'm a sustainable designer and I work in packaging and also products, and of course, as, you know, the connection between waste and production and consumption is directly tied. So, what you're inputting is...has an output and it doesn't go away. So, I'm here to I think introduce myself and also the willingness of community individuals like myself and also groups that are willing to help the Council and also work through these hard issues because we also have knowledgeable people within our community. So, I'm also a part of...now a founding Zero Waste Coalition, and you folks have heard about zero waste in the last presentation I was here in March by the Environmental Protection and Sustainability Division. Yeah, it's a movement that's also happening

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nationwide and also globally, and it is really a direction towards less and towards yeah, I would say the perspective of being aware and acknowledging resources and their value. Yeah, so, as far as the coalition, we have wonderful and talented people that have come together in the community as a grassroots movement just on the willingness to make change here on Maui and for our home and for our communities and our families. So, yeah, I'm here today to hear what that is and also just to support that. And I do have a lot of research background and I do have information that I'm willing to share, help on the topics. I think a question that came up earlier is like what is recyclable, and on the tour that I had with the MRF, there's a lot of surprising things that are, you know, not recyclable and also, you know, the education is starting, and I'm really grateful that the recycling is taking...moving that forward to educate the communities because we have a lot that needs more education as far as what we...what we're throwing away and what we're able to recycle and how we can better consume. So, thank you for hearing me out and I'm looking forward to hearing presentations today and talks. Thank you.

CHAIR SINENCI: Mahalo, Ms. Geis, for being here. Members, any questions for the testifier?  
Council Chair King?

COUNCILMEMBER KING: Thank you. Thank you for being here, Ms. Geis, and, you know, bringing your expertise. Do you...did you do any research into curbside recycling by any chance?

MS. GEIS: Yeah, there's...I looked into some I think systems of curbside recycling, and there's of course, examples of cities and towns that are doing that within the US. And there's, you know, it's delicate issue. It's...some parts they're still trying to do trials on the truck, and the size of the truck, and get a feel for how much is --

COUNCILMEMBER KING: Okay.

MS. GEIS: --actually...

COUNCILMEMBER KING: Did you, in any of your research, did you see...come across any models that were cost-neutral?

MS. GEIS: I have to review the research. There might have been a town in California, maybe in Washington as well. I don't know it off the top of my head but there, yeah, I believe that there's positive models that are neutral and they have figured out how much the community uses and can balance out and manage how many trucks are coming in that certain area a week and things like that. And so --

COUNCILMEMBER KING: Okay.

MS. GEIS: --I think it's manageable.

COUNCILMEMBER KING: Okay. Thank you. Thanks for being here.

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MS. GEIS: Yeah.

CHAIR SINENCI: Thank you, Ms. Geis, for being here. Ms. Apo Takayama, please call the next testifier.

MS. APO TAKAYAMA: Chair, the last testifier is Albert Perez, testifying on EACP-8 on behalf of Maui Tomorrow.

MR. PEREZ: Aloha, Chair and Councilmembers.

CHAIR SINENCI: Aloha.

MR. PEREZ: Chair, could I just say something briefly about the 3 Can Plan before I start?

CHAIR SINENCI: Sure. Go ahead.

MR. PEREZ: I definitely support its expansion. As an original founding member of the Maui Recycling Group, we started that in 1990 and it seemed to make progress. Our objective at the time was to prevent the building of an incinerator in Maui County, and that's been addressed by some other testifiers, but I wholeheartedly support the expansion to reduce whatever we can. But also recycling is a third R, and I do believe that the County can take some actions to reduce the types of products that are brought in to Maui so that we don't have to think about reusing them or recycling. So, that's all I have to say about that. Thank you. I'm Albert Perez. I'm with the...I'm the Executive Director of Maui Tomorrow and I'm testifying regarding the EACP-8. So, we have some comments. We've made this before with regard to the sludge processing, energy generation, and biocrop growing and slash burning project at the Wailuku-Kahului Wastewater Reclamation Facility. And it's a crazy proposal, that's the bottom line, and it's going to cost this County a lot of money. Mr. Parsons referred to that a little bit, 29 cents a kilowatt-hour with a 2 percent escalation clause per year. In comparison, solar projects with battery storage are now down to 8 cents per kilowatt-hour with no escalation clause and the price is continuing to drop. So, since the land upon which the facility is...it's actually leased from the State. I think it's the same owner as the DOT Airport's Division. So, the PUC provision that prohibits wheeling of power, it may not apply, and I'd like to ask the County to investigate that possibility. So, they could do a project at the airport and power the wastewater treatment plant at the same time for, you know, 8 cents, 10 cents, somewhere around that instead of 29 and rising. In addition, this...well...sorry, this wastewater treatment plant is in a tsunami zone. They built a seawall to deal with the tsunami threat. But subsequent to that, there was a new study that showed that the tsunami heights in the area would be 30 feet instead of 20, and it's also in a area that's supposed to be inundated by sea level rise, the 3-foot sea level rise. So, as the sea level rises, the tsunami heights will also be higher relative to the existing wall. And we really need to adopt other methods to move our wastewater treatment inland before something like that happens and it fills all of Kanaha Pond and possibly Kahului with sludge and

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other things from that wastewater treatment plant. There was a very poorly done Environmental Impact Statement done by Anaergia for the sludge-drying project. Maui Tomorrow challenged that EIS in court and we won. So, the primary finding was that this was an agency action, and the EIS should have been prepared by the County and not the applicant. So, the County Charter and the contract itself give the County Administration the power to cancel this contract. And we should be doing this as soon as possible so that we can be moving forward with siting the wastewater technology on a distributed basis, away from the tsunami zone and sea level rise as soon as possible. Thank you.

CHAIR SINENCI: Thank you, Mr. Perez. Members, any questions for the testifier? Seeing none, thank you for your testimony. The Chair would like to recognize Committee Vice-Chair Tasha Kama, welcome.

VICE-CHAIR KAMA: Aloha, Chair.

CHAIR SINENCI: Aloha. Ms. Apo Takayama, any other testifiers please?

MS. APO TAKAYAMA: Chair, there's no further testimony from our District Offices or in the Council Chamber.

CHAIR SINENCI: No one else? Okay. With no objections, I will close public testimony.

COUNCILMEMBERS: No objections.

**. . .END OF PUBLIC TESTIMONY. . .**

CHAIR SINENCI: Okay. Thank you.

**EACP-31 3 CAN PLAN (CC 19-305)**

CHAIR SINENCI: Members, so our first item today is EACP-31, the 3 Can Plan. This item is about our three-can curbside recycling pilot project currently operating in Maui Meadows. The State of Hawaii's Integrated Solid Waste Management Plan calls for a 50 percent reduction in waste through a conversion to recycling. Maui's own Integrated Solid Waste Management Plan calls for a diversion of 60 percent of our waste to recycling to reduce the burden already on our landfills. I put this item on the agenda so we could learn more about the existing curbside recycling pilot program and the Department's plans and ability to expand the program to meet the State and County's landfill diversion goals and to review the cost of doing such an expansion, and if the expansion can sustain itself. Members, for this item today, we have with us Ms. Tamara Farnsworth, the Recycling Coordinator; and Cecile Powell. Is she still here?

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MS. FARNSWORTH: Cecile was not feeling well so she's no longer --

CHAIR SINENCI: Okay.

MS. FARNSWORTH: --here.

CHAIR SINENCI: All right. And we also have Director Eric Nakagawa here, as well as Mr. Yamagata and Mr. Ching. So, welcome our panelists. I would like to allow our representatives from the Environmental Protection and Sustainability Division to provide opening remarks to present her PowerPoint presentation. Ms. Farnsworth?

MS. FARNSWORTH (*PowerPoint Presentation*): Mahalo, Chair. Aloha to you --

CHAIR SINENCI: Aloha.

MS. FARNSWORTH: --and aloha to all the Members and everyone here. Thank you so much for giving us the opportunity to present and talk about the 3 Can Plan. Today, I'm going to talk a little bit about...just a little bit about the history--we've heard a fair amount already--how the 3 Can Plan works, why we should even be potentially doing it, and potential budget estimates for expansion. These are...well, as we get into it, we'll show logistic estimates at this time. So, we did hear a little of the history already so I won't go too into that. But in 2008 through 2011, logistics and plan were developed over two to three years with Solid Waste Recycling Office, DEM or Environmental...Department of Environmental Management, union, and community stakeholders. And in 2011, phase one/pilot of the 3 Can Plan was rolled out in one route in Kihei, in Maui Meadows. In 2012, there was a change in Administration and the expansion was postponed. It was not continued. So, we have been in a state of pilot status, phase one status, for the last like seven or eight years. In 2015, the Department did move to cancel the 3 Can Plan. But to community input, it was decided to continue the...with the plan and to start charging \$6 for the service. At this time, fees have been increasing along with collection fees to \$11. That was a decision or that is a decision made by Solid Waste Division. During that time, and just a little history, which is that the Recycling Office was moved from Solid Waste Division into the Environmental Protection and Sustainability Division. So, we're now, while we still work together, we are in two separate division with two separate budgets. But again, landfill diversion, we still work together. I'd like to give you a little just basic description of the plan for anyone who's not aware. So, of course, it's called the 3 Can Plan because it's got three cans. One for...a blue one for your recyclables, a green one for green waste, and the third for rubbish. In the blue cart, we take...we call the mixed recyclables, and we take at this time newspaper, aluminum and bimetal cans, cardboard and paper bags, and plastic bottles with next number one and two. We did take a few more items in the past. But with the recycling commodities market, we are now taking these specific items in the 3 Can Plan. Currently, we're doing about 26 tons per month in the area that in phase one. We also take green waste in the green cart, and that's about 70...sorry, 62 tons per month. We did start with a food waste pilot but since that's been cancelled for various reasons. So, green...oh, I forgot

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to say that in the blue cart, it does go to Maui Disposal for processing. All of those materials are sent to overseas markets. And in the green cart, we send it to EKO Compost to be co-composted with our sewage sludge and FOGs or fats, oils, and grease. So, how it works is that there are two pickups per month. The first one is for the brown cart rubbish service, and the second we alternate between blue and green carts every other week. There is not additional hauling services. So, Chair King, you were asking about neutral costs. That isn't basically a neutral cost. It costs with...this program come with processing costs as well as startup costs. Yeah, so that's basically how it works. Recyclables do go to the sort MRF. And, you know, I will say that we could change where the recyclables are sent. If we change the...our, you know, ideas about what the processing should be as far as it being recycled. So, what we're really talking about here is source separation at folks' homes, where it ends up going in those carts and exactly what we put in the carts. We can design and shift based on the highest and best use of whatever the materials that we are collecting are. So, recent history, it's been going seven, eight years, still going strong but it is stagnating a bit. It's been quite a while since we started this program. There has been an increase in processing costs from last year to this year because we did rebid it. There was one sole bidder and so we did go with that price, which is quite a bit more than it was previously, and they may want to speak to the reasons for that. Additionally, we did find about 8 months ago, there was a 25 percent contamination rate. Part of that was because of the lack of education that we had been providing a bit of a stagnant and, you know, changes in staff in our office. So, we have rolled out a really intensive education plan that includes these magnets. So, if you guys want, you can have these...are available in our office at all the drop boxes, and it shows everything that we recycle at our drop boxes. We also have new signs at all of our...signage at our...all of our drop box facilities in front of each container. We want to ensure that everybody knows what we do take and what we do not take. So, only what is listed is what we do take. We take the same items in both the drop boxes and the curbside recycling program with the exception of glass. We also have relabeled the carts--here, I'm going to go back--with--oops--with these new labels. So, we are just about to be placing these new label stickers on top of each of the blue carts in September 1<sup>st</sup>. So, in about just a month, we're going to be putting those on there to help our residents to do a better job of recycling. So, you may be asking yourself why is recycling important. Committee Chair Sinenci did touch on a couple of things. In the 2000 Hawaii plan, it calls for 50 percent recycling. We are currently at about 35 percent. That includes curbside recycling, green waste recycling, demolition...construction demolition, and other types of recycling. So, we do have a ways to go. That was from 2000, almost 20 years ago, and we're not quite there yet. Again, we are also...we are...oh, and I want to mention also that this is the EPA waste management hierarchy. So, at the top, we've got source reduction and reuse, then we've got recycling and composting as a second preference, and then energy recovery or what we might know as waste-to-energy, and then treatment and disposal, which is landfill. So, we're always looking towards reduction and reuse as the...as our highest and best possibility for managing our waste, then recycling and composting comes after that. So, we are part of what's called the Aloha+ Challenge, which is a Statewide sustainability goals measurement consortium, and there are six goals. One of them is

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waste reduction in that. And we're also connected with the UN Sustainability [sic] Development Goals or the SDGs as we call them. And so, together, we are trying to go towards significantly increasing the annual quantity of waste converted into new material, as well as reduce our waste. This quantified is 70 percent of a waste reduction and recycling and diversion. So, we're again at 35 percent. And then this is just showing a little bit more. This is through solid waste reduction, recycling, reuse. And on Oahu, it also includes waste-to-energy or the H-POWER plant, but that is considered only on Oahu. So, these are some of the numbers we're looking at, 50 percent, 70 percent. And then with our Integrated Solid Waste Management Plan, that was mentioned earlier, and we did provide a copy of that in our presentation materials. I'm not sure if you have that in front of you. We...this is an overview of the plan that was written in 2009. That calls for a...and we will be updating it again in the next couple of years. That calls for a 60 percent diversion rate. And I just brought this up, this is a recommendation from that and from the committee and the consultants who we worked with. This is...we want...the primary focus of the Integrated Solid Waste Management Plan is the goal of 60 percent diversion, and secondarily, the use of WasteTEC technology, which is what they call waste-to-energy in here. So, I just wanted to point that out that we really...all of our goals are pointing to at least 50, 60, 70 percent diversion. So, that's why we would want to go through the energy and the expense of potentially expanding and increasing recycling and diversion wherever possible. So, next, you may be asking how much is this going to cost us, right? So, we did put together some budgetary costs. Now, these are total estimates. I'm not sure if you have in front of you our curbside 3 Can Plan outline. I'm not sure if you received that. Okay. So, basically, in 2011, the outline was presented to Council and Administration and everyone, and this was basically our rollout plan. And so, we have all the plans in place although they need to be updated for 2019. It's eight years later. What I did provide for you or hopefully you'll get it is that plan, and then I went through and just highlighted everything that does need to be updated, which is quite a few things. So, perhaps you can refer to this as you are having some questions about how we might do it, what our intentions would be, but it's pretty much been laid...all laid out. So, we would be able to expand should the call come for that with the proper resources provided to us. So, basically, what it is it's a phase...a seven-phase plan. We are in phase one, and it would expand to the remainder of Kihei, which is 2,000 households. And then...and this again can be updated and changed. You know, we were here talking about maybe West Maui is a better place to expand to next. So, these can all be changed but this is from the original plan. And then expanding the next year to Kahului and Wailuku, and then the next year to Makawao and West Maui, and then the next year including our manual routes. Because right now, manual routes, the guys come and they put the trash in the back of the truck. And so, we would convert those trucks to a semi-automated system where guys can put a cart on to...manually put a cart on to the truck, and then put it into the back. So, these...that's our basic plan of how we would expand. What we see are estimated setup costs here. So, that's for equipment and for education, it requires a lot of education as we expand. We want to get everybody on board and everybody in the program and make sure everybody knows what to do, when to put their carts out, how to change. So, there is a large education

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startup cost, which would go...which was I think in this plan, it's about \$12 per household. It would go down to about \$1 ongoing.

COUNCILMEMBER KING: Chair? Is it possible --

MS. FARNSWORTH: So...

COUNCILMEMBER KING: --to ask questions along the way? 'Cause this is a pretty lengthy presentation.

MS. FARNSWORTH: Yeah, I'm...

COUNCILMEMBER KING: If we wait until we get to the end, we might forget.

MS. FARNSWORTH: Okay. I'm happy --

COUNCILMEMBER KING: Is it possible...

MS. FARNSWORTH: --to take questions.

CHAIR SINENCI: Do we have any questions for Ms. Farnsworth?

COUNCILMEMBER KING: I do because we just heard that this wasn't going to entail any extra equipment because we're already picking up, and you've got pretty...430,000 extra dollars, is that what that is, equipment, 430,000 --

MS. FARNSWORTH: Yes.

COUNCILMEMBER KING: --just to expand to the rest of Kihei?

MS. FARNSWORTH: So...

COUNCILMEMBER KING: But we just heard that we don't need any extra trucks because it's going to be using the same trucks, and that we have...already have the cans as well.

MS. FARNSWORTH: So...

CHAIR SINENCI: Ms. Farnsworth?

MS. FARNSWORTH: So, equipment means carts. And we do have a...some extra carts that are being stored. I don't know how many exactly that there are. I wasn't...I...I'm not aware of that but we can get that information to you. So, equipment doesn't mean extra trucks. It means two additional carts per household.

COUNCILMEMBER KING: Right. But you got \$430,000 in here for carts and you're telling --

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MS. FARNSWORTH: So --

COUNCILMEMBER KING: --me you don't --

MS. FARNSWORTH: --if you --

COUNCILMEMBER KING: --know how many --

MS. FARNSWORTH: --are...

COUNCILMEMBER KING: --we have, so how did you come up with that figure?

MS. FARNSWORTH: Okay. I'm going to do the math. So, Cecile put this all together but basically it's between 80 and \$100 per cart, two --

COUNCILMEMBER KING: Right --

MS. FARNSWORTH: --times --

COUNCILMEMBER KING: --but --

MS. FARNSWORTH: --2,000, so...

COUNCILMEMBER KING: --we already have some. Now, you're telling me you don't know how many we have but yet you put a number in here. So, shouldn't we find out how many we already have before we decide how much it's --

MS. FARNSWORTH: So...

COUNCILMEMBER KING: --going to cost?

MR. NAKAGAWA: Chair?

MS. FARNSWORTH: Thank you. And I agree with you, Chair, and I will let you know we did have a week to put this together. So, we did our very best to get the best overall estimates for you. Again, so, I want to really reiterate that these are estimates. These are roundabout figures. These are ballparks. They're not exact. We're doing our best. We did our best to bring to you some numbers because for County Council we wanted to ensure that we had some idea of how much it might cost.

CHAIR SINENCI: Director?

MS. FARNSWORTH: So, when I said neutral cost, it meant...oh.

CHAIR SINENCI: The Director wanted to --

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MR. NAKAGAWA: Yeah --

CHAIR SINENCI: --chime in.

MR. NAKAGAWA: --Chair. The extra carts that they're referring to is really just spare carts for the existing pilot study. It's not additional carts for expansion. So, I think Ms. Farnsworth is referring to in order to expand the 3 Can Plan, those were the additional carts that would be required.

MS. FARNSWORTH: Yes.

CHAIR SINENCI: Ms. Farnsworth, you got a couple more slides. Members, we'll finish up --

COUNCILMEMBER KING: Okay.

CHAIR SINENCI: --and then we can ask questions --

MS. FARNSWORTH: Okay.

CHAIR SINENCI: --after her presentation. Thank you.

COUNCILMEMBER KING: Unless if it goes on. Okay.

MS. FARNSWORTH: Okay. So, I was talking about equipment and education. So, equipment again is carts, not trucks. Although there...we would have to hire some additional staff or upgrade some of our staff in order to be able to administer the island-wide program efficiently and effectively. Again, these numbers are...like these numbers are from 2011 and we'd have to update them, and that's all highlighted in the plan that I provided to you. So, estimated ongoing costs, this is based solely on our current processing costs, which are for 1,051 tons per year, we're going at 289.25. That is for both green waste and the recycling processing costs. We are only able to get one...a number for phase two from Maui Disposal who are...who we are currently contracted with. Because they were the sole bidder for this contract, we are able to negotiate with them. It...so, basically, the idea is as the tonnage goes up, the cost goes down for processing. And again, that we are in a five-year or three-year contract plus two. So, we are...we would be working with Maui Disposal at the minimum for three years, potentially five years, or we could go out for bid again in three years should we decide to do that. With the update of the Integrated Solid Waste Management Plan, we might find other ways. We might want to process the materials. Again, there's a lot of unknown. So, we...we're here today to provide with you the best information that we have at this time and...but there are a lot of unknowns. So, this is the ongoing cost for processing and we have for expansion to phase two, it...the price would go from 289 to 202.48 cost per ton for a total of 462,869. And again, everything else is to be determined based on many, many variables. Potential revenue, so, the original intention for this plan was to be at no-additional cost to the

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community. But with the way that the recycling commodities market is right now and has changed over the last seven or eight years, we have determined that we may need to charge a nominal fee for the recycling service. It would be providing additional services to our residents but this gives you a little just various revenue for 3, 5, 10, and \$15 a month. We'd like to keep it between three and five. I'm thinking five. But again, these are all numbers that we really need to analyze, get clarity on but we just wanted to present you with as much as we could today with some roundabout ballpark information for you, and also letting you know that we potentially could generate some revenue to offset our costs. And then lastly, we have potential savings estimates to add into the mix. That would be decreasing the hauling and monitoring of our recycling drop boxes. Currently, we're paying about \$500,000 a year for seven drop box facilities. We could do away with all of them once we...if we expand it island-wide, or we could keep two to three because not all the homes and condos don't have necessarily collection services. So, we'd still want to be able to provide some sort of recycling services to the general population. So, we keep our Central Maui Landfill, Olowalu, and/or potentially Hana open for those residents who do still bring their trash to landfills or who need to drop off their trash at a facility. Of course, we...as with now, we have savings on landfill tipping fees commensurate with the diverted tonnages. So, we want to offset the costs with whatever we are saving it by it not going to the landfill. Additionally, we are looking forward to having to move the Kihei Recycling Center to another location because Parks and Recreation is expanding their park where it is currently located. So, for build out costs, we're looking at around \$300,000. Again, these are estimates. We don't know yet but we would be saving that if we close down that drop box center to expand curbside recycling. And there are other things that may be, you know, we'll...again, we got to analyze all the numbers. So, in conclusion, from our perspective, resuming the plan to expand curbside recycling island-wide is an important component of moving towards zero waste, reducing our trash, meeting our County and State's stated goals, and reducing our waste to landfill. For those of you who may question the genuine desire in the community for the 3 Can Plan, it is our understanding that a majority of residents would like to have the service in their island or in their areas island-wide even at a cost. We do...we could do...we do have some survey results previously. They're a little bit...they're several years old. If we really want to, we can do another survey and conduct a survey on the folks who do have refuse service now. And if we chose to do that, we could certainly do that. Sometimes we do have to make decisions that we know will benefit our constituents and our environment simultaneously even if some people are initially resistant to change, and we need to ask our self or question, how does this County want to move forward to create sustainable systems? There are still some people in our constituency who believe man-made change isn't real but we can...climate change isn't real, but we can't decide not to move forward with preparing for it or addressing it because some people don't agree. So, we do...want to do what's right overall after being presented with the facts, the costs, and weighing all the options. And if this body and our Administration does decide to move forward with island-wide curbside recycling, we are up for the challenge with...provided with the right resources. So, mahalo.

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CHAIR SINENCI: Thank you, Ms. Farnsworth, for your presentation. Members, we did have Mr. Ching and Mr. Yamagata here to maybe if they want to provide some comments before your questions if there is no objections.

COUNCILMEMBERS: No objections.

CHAIR SINENCI: Okay. Mr. Ching, did you have some comments?

MR. CHING: Thank you, Chair. Good afternoon. Good afternoon, Committee. Just want to preface this whole recycling idea, put it in perspective. It's not really something that the community really has a choice 'cause we live on an island. We really need to use recycling as one component of a way to divert our waste materials from our landfills. Because I don't know if you folks remember but 30 years ago, you could go to our landfill and you drive down into the landfill to empty your rubbish. Today, we have two mountains that are now geographic features, and that's trash. Okay. So, we're not doing our community a service by just burying our trash, and recycling is one component of preventing further geographic features from being built out of trash here. So, that's one thing we've really got to do. Unfortunately, recycling is expensive. It's very expensive. And it's getting more expensive every day especially due to the world climate that we're in today, and we have places like China who used to take the multitude of our recycled material and process it and actually do the recycling. Today, they're not doing that for us anymore. We could in the past recover hundreds of dollars a ton for our raw recyclables. Today, we can't. We're lucky if we can get a tenth of the value. So, that's increased the cost to the community. So, recycling is not free. I don't know if we even can on an island get to a neutral condition where it's not costing our community money. So, you know, those...there's...as Ms. Farnsworth had said, there's a whole a lot of elements that we just don't have the answers to today but the main point is we have to use recycling as one of the methods to reduce the solid waste going into our landfills. So, thank you, Chair.

CHAIR SINENCI: Mahalo, Mr. Ching. Mr. Yamagata?

MR. YAMAGATA: Yeah, I'd like to just expand a little bit on the cost of recycling. Just the freight cost to ship one container of glass to Oakland, it's a \$141 a ton. So, \$141 a ton is just to pay Pasha to ship the glass. But besides that, we have to pay a hauling company to bring the container from the pier to our facility and back. We also have to load and weigh the container. We don't sort glass because it's too dangerous. So, we do save on that sorting cost. But all other materials, we have to sort everything that comes into our plant especially curbside, which is we get everything from dead cats to blood bags to food. We have to sort all of that. The drop boxes, I might want to expand a little bit more. Those are already separated and sorted by the community. That's why we don't charge as much for the drop box contract because the community does a great job in already sorting it. I might want...also want to add that Kihei and the West Side, there are a lot of condos. I believe there are more condo units than homes. They don't have a 3 Can Plan ability or the opportunity to get a 3 Can Plan

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going. So, I urge the Council to look at keeping the drop boxes as many as possible because the condo and resort people will not have a place to recycle.

CHAIR SINENCI: Mahalo, Mr. Yamagata. Director, you have some comments before we open it up for questions?

MR. NAKAGAWA: Yeah, just kind of prefacing off of Roy [sic] and David here is just that we as the Administration, as well as this body is kind of faced with I guess what are we really trying to accomplish. And we're here same with you guys is really we want to do the right thing for the environment. And it, like David said, it's super expensive. And so...but when you look at it as a whole as Roy was saying, whether you're landfilling it or you're shipping this across the oceans everywhere, and environmentally, which one is the more environmentally sound method? And I think as we go into our Integrated Solid Waste Management Plan update, that's the kind of...that will actually really flesh out the different options, the costs, the different methods across the nation on what everybody is doing and try to maybe hopefully find out what is that best way for us as a County. So, and that actually starts this fiscal year. So, and that will give everybody a better understanding like a whole bigger picture perspective of what is the best for the County, yeah.

CHAIR SINENCI: All right. Thank you, Director. Ms. Farnsworth said that the cost had gone up for trash pickup. Do you have any comments to that and you think will that continue to go up?

MR. NAKAGAWA: Trash...sorry, Chair, trash pickup?

CHAIR SINENCI: For why costs have...has gone up to \$11...

MR. NAKAGAWA: Yeah, Chair, I can get back to you in writing but I believe that's just regular operation and maintenance of the trash pickups.

CHAIR SINENCI: Thank you. Members, you guys have any questions for the panel? Go ahead, Council Chair King.

COUNCILMEMBER KING: I have a ton of questions but I charge more than \$141 a ton. So, I'm going to keep it short, shorter than that. So, it's kind of interesting to hear us talk about shipping all of our stuff off the island as recycling 'cause we're not recycling anything here that I know of. I don't know and I was going to ask you if Reynolds is doing any recycling onsite 'cause I know that's part...isn't that part of Maui Disposal? And the question is for Roger, Roger not Roy.

MR. YAMAGATA: Reynolds is our sister company and they do not do any recycling on-island.

COUNCILMEMBER KING: Okay.

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MR. YAMAGATA: I think glass, we're talking about reuse. And our glass goes to Owens Corning where it's turned back into bottles. But there's nobody here in Hawaii that's doing that.

COUNCILMEMBER KING: Okay. 'Cause we used to do some on-island. Now, we do nothing. So, we really are looking...I mean our three R's are basically reduce, reuse, and remove. 'Cause when we talk...we're talking about recycling yet everything is getting shipped off-island. I mean that's...it's ridiculous to me to hear we can't afford to recycle anymore 'cause it's so...the value has gone down. But really, we're not recycling it here. So, I guess I was just wondering if...because I know you're connected to Reynolds, is...have you guys looked at the costs of this removal with such a low value that we could get in return versus trying to start up the recycling here on island again and saving all that shipping and all that the fossil fuel used and all the emissions...

MR. YAMAGATA: I think the ratio would be we'd have to spend millions of dollars to buy the right equipment to save thousands of dollars.

COUNCILMEMBER KING: Okay.

MR. YAMAGATA: So --

COUNCILMEMBER KING: 'Cause what we were --

MR. YAMAGATA: --we...

COUNCILMEMBER KING: --doing before? Why did it work before and now it's not working?

MR. YAMAGATA: Aluminum, which is Reynolds main product goes to a facility in the United States. So, they are not as affected by China as the other commodities. But paper, cardboard, plastic, like David said, we've had drops of 90 percent of what we were getting from foreign countries.

COUNCILMEMBER KING: No, no, I'm not...but I'm not talking about what we're getting from foreign countries. I'm saying there was a time when we were recycling a lot of that material on-island, you know, then we had --

MR. YAMAGATA: I...

COUNCILMEMBER KING: --Aloha Recycling and they were making...they were --

MR. YAMAGATA: I...

COUNCILMEMBER KING: --actually making two-by-fours out of those milk cartons, one of those plastic milk cart, and they were...

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MR. YAMAGATA: That...yeah, that didn't work because I believe the composite of that plastic could not hold screws or nails. They had to re-pull all that plastic lumber out of the bird sanctuary and redo it again. So, they tried. I was here when they tried to do that.

COUNCILMEMBER KING: Okay. But I was under the understanding that we used to do...we used to recycle...the County used to recycle--maybe our DEM Director or Ms. Farnsworth can answer this--used to recycle paper and cardboard. I know Aloha Recycling used to recycle cardboard. And why...and that was...it seemed like it was a winning proposition and we're not doing that anymore either. So...

MR. YAMAGATA: Yeah, cardboard and paper, we're still recycling.

COUNCILMEMBER KING: We do?

MR. YAMAGATA: Yes. In...when I say recycle, we sort it, bale it, and ship it.

COUNCILMEMBER KING: No, no, I mean recycle on the island, not ship off island.

MR. YAMAGATA: But there is no facility that would take used paper here that...

COUNCILMEMBER KING: Maybe Ms. Farnsworth could speak to that.

MS. FARNSWORTH: I'm not aware of them. When they...when we do say recycle...when they say recycle, I believe it means shipping it off island to be recycled elsewhere. I'm not aware of cardboard or paper recycling facilities or remanufacturing facilities here. They did do this...they did try to recycle the plastic jugs but my understanding at the time was they had to import more because there weren't enough for the demand, and then after that, they...the demand dwindled. And so, there's a very scalability issue that we have here in Hawaii and in Maui, and we have to find or it's a very delicate balance of having enough materials to remanufacture, to process and remanufacture here, and the demand for marketing it --

COUNCILMEMBER KING: Okay.

MS. FARNSWORTH: --as well.

COUNCILMEMBER KING: So, you're saying that we've never recycled on-island?

MS. FARNSWORTH: There was some glass recycling I think occurring. There was some of the plastic. But, you know, I've been here for six years and I don't know what other materials were being...at some small scale, being recycled on-island. I will say that the majority of our recyclables are organics, green waste or biosolids, the FOGs, and we could look at food waste at some point as well.

COUNCILMEMBER KING: Okay.

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MS. FARNSWORTH: But yeah, it's mostly when we talk about recycling, it is removing and shipping somewhere else to be --

COUNCILMEMBER KING: Okay.

MS. FARNSWORTH: --remanufactured elsewhere.

COUNCILMEMBER KING: Chair, maybe we could just send a note to Aloha Recycling and just ask that question, was there anything that you're... 'cause I know they were one of the ones recycling glass before. And there was actually, I don't know if it still exists, but there was actually a State procurement law that you had to use 10 percent of that recycled glass in the asphalt. And for some reason, they stopped using it. So, I'm not sure why that was but I would like to hear from, you know, 'cause I have a hard time believing that we never recycled cardboard and paper. I think we did used to 'cause I used to work closely with our Recycling Coordinator, Hana Steel. And I would... I'd be really shocked to find out that, you know, for the last three decades, we've been shipping everything off island. But I mean maybe it is possible. It would be nice to hear from them and, you know, what they were doing on island and what was being recycled and why it stopped.

CHAIR SINENCI: Okay. Ms. Apo, did you get that?

MS. APO TAKAYAMA: I got that. Thank you.

CHAIR SINENCI: Okay.

COUNCILMEMBER KING: Thank you.

CHAIR SINENCI: Thank you. Member Sugimura?

COUNCILMEMBER SUGIMURA: Yeah, appreciate this discussion 'cause it's important. And you're right, we are an island, and we have a lot of education I think that we need to do for the community so that we can get better at it. In Washington D.C., in the town of Bethesda where my daughter-in-law is with their children, they're all programmed from a very young age to recycle, and they get it because that kind... they grew up with it unlike us where we just, you know, didn't quite have that opportunity to learn about, you know, waste and how to handle waste. And of course, if we go to Japan, they're super amazing, right, for the millions of people there. But I was just wondering, are we having a problem at the landfill in... at some... Director Nakagawa, if we don't take care of this, I remember the... well, I don't know... quite remember the landfill the way that Mr. Ching does, but it is a mountain, and I drive there, kind of locked, right, taking the back roads to come to town. So, I've seen it, and there's lot of activity that goes on. So, help us with that 'cause I think there's some kind of urgency that maybe we need to pay attention to.

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CHAIR SINENCI: Director?

MR. NAKAGAWA: Yes, Chair. Yes, Member Sugimura, so if you remember in our...this year's Fiscal Year 2020 Budget, we do have the project to go ahead and expand phase three of our landfill. And that will...was put in place because I think we, at that time, we have, I can't remember exactly, but around three years left, two to three years left for landfill air space that they recalculate every year. So, that allowed us to...the design is already done, waiting for approvals. And so, we'll be able to go ahead and construct and expand the landfill. 'Cause you're talking about landfill capacity, right?

COUNCILMEMBER SUGIMURA: Right.

MR. NAKAGAWA: Yeah.

COUNCILMEMBER SUGIMURA: Right. So, we're just going to keep on expanding it and run out of space still, right, if we don't do the next steps?

CHAIR SINENCI: Director?

MR. NAKAGAWA: Yeah, Chair. So, my understanding from the past is always been that Ameron, right, they're the mining company over there, they're the ones who originally, I guess mine resources there, and some deal was made to where that landfill started developing over there. And as they moved and quarried, and they continued to move along with them and just kind of utilize that landfill space. But that's kind of my very high-level like, and I was never part of Solid Waste and so, that's kind of my understanding of how it progressed over there.

COUNCILMEMBER SUGIMURA: And is it even feasible for us to go to a 3 Can Plan? I mean I don't think you can do Kula for I don't know...I didn't see Kula on your list, but are you thinking of phasing it? I think it...I know Kula, not...Kihei fought to keep it in Maui Meadows. So, that's still going. I guess I didn't realize a pilot for five to six years. But for you to expand it and if, you know, just to take it to the next steps, do you see that as an important thing for our whole, you know, our whole recycling for the island just to keep us so that we're not getting into a danger zone of too much trash or what do you see?

MS. FARNSWORTH: If I understand, we're again, if we're asking why is it important. So, it is known that curbside recycling is a very important component for recycling programs, for waste management programs overall. We know that curbside recycling provides the highest tonnage from...for...from residents because it's convenient. It's much easier for them to just put it out at the curb. So, we know we will capture the highest amount of recyclable materials from our residents if we do expand to curbside recycling. And again, source recycling is where we're...or source separation is where we're going again so we can have the cleanest, most uncontaminated materials that were separated from the trash before it ever became trash. And again, wherever we send it, would we...if we continue to send it to overseas markets to be recycled there, if

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we look at other technologies that we could potentially utilize on-island, if we look at scalable potential smaller recycling operations on-island. I know there's some glass potentials, there may be...we may want to look at plastic remanufacturing to some extent. Again, there's new technologies that have come out since that project by Maui...by Aloha --

COUNCILMEMBER SUGIMURA: \_\_\_\_.

MS. FARNSWORTH: --Recycling of several years ago was in place. So, again, that's why we're really looking forward to updating our Integrated Solid Waste Management Plan in order to take a look at all the options so we can again get a really good handle on the best way to manage our trash and the best way to reduce it I think is we're really looking towards that. But I think we know that we want to get to 50, 60, 70 percent recycling and diversion rate overall no matter what.

COUNCILMEMBER SUGIMURA: So, the Integrated Management Plan is being done now?

MS. FARNSWORTH: We are...we just got some budget for it and we're going to be starting to look for a consultant, and then engaging in the process. It's a one-to-two-year process. This is 2009's. It's a huge undertaking, and we had maybe 25 people on committee in 2009. So, it's going to take a little while, and there's so many more technologies available to us than there were and options available than in 2009.

COUNCILMEMBER SUGIMURA: Great. In the...and one of the testifiers, Jazmyne Geis, sounds --

CHAIR SINENCI: Geis.

COUNCILMEMBER SUGIMURA: --like she has a young mind that could help...possibly help with this and moving us forward. So, appreciate her coming forward. Yeah, thank you. And go for it.

MS. FARNSWORTH: Mahalo.

COUNCILMEMBER SUGIMURA: Go for it. Thank you.

CHAIR SINENCI: Thank you. Member Paltin, you had some questions for the panel?

COUNCILMEMBER PALTIN: Thank you, Chair. So, in regards to the 3 Can Plan and the recycling on-island and whatnot, is there nobody from the green one, the green can, the yard waste to speak to that? Or I mean 'cause that looks like the portion of the 3 Can Plan that is not shipped off, right?

MS. FARNSWORTH: That's correct.

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COUNCILMEMBER PALTIN: And in the current one, it's that portion of it is free. So, I was wondering like maybe we could rapid expand in that area because it's being done on-island and the cost isn't very significant. Is it that it has to be done by district with all three cans? Can we like start deploying the yard waste one because everybody has yard waste, and then that's going to definitely divert it from the landfill and like that, or does it have to be rolled out? Like do you, after you collect everybody's rubbish, do you disinfect the truck, and then put everybody's green waste in it, and then disinfect it, and then put everybody's recyclables on it? Or I mean just talking about like hitting our goals of diversion and whatnot faster.

MS. FARNSWORTH: Okay. I hear that there's a few things to speak to. First is we could take a look at doing a 2 can plan, to expanding 2 can plan but we do want to make sure that as we are expanding, we want to look at the whole picture. So, we don't want to confuse our residents too much. We don't want to...we want to ensure that we get a working system in place at the outset. So, it may or may not make sense to just do two but maybe it might make sense again. It's something that needs to be analyzed further, and we have talked about that. We've additionally discussed maybe we'd start taking a look at food waste again because that's like 40 percent of our waste stream, you know, and what can we do with that? Currently, the...

COUNCILMEMBER PALTIN: Oh, food waste, you just set up little natural farming pig slops, and then have everybody then --

MS. FARNSWORTH: So --

COUNCILMEMBER PALTIN: --have --

MS. FARNSWORTH: --you know --

COUNCILMEMBER PALTIN: --a party at the end.

MS. FARNSWORTH: --that is --

COUNCILMEMBER PALTIN: A couple of pig.

MS. FARNSWORTH: --one thing that's been doing...that's happening a lot; however, all the pig farms on Maui are not going to be able to accommodate all the food waste that we have pre and post-consumer. But we're definitely, we're...we, as the County, are supporting some of those initiatives right now with food...with pig farmers. So, it is something we definitely are looking or participating in now.

COUNCILMEMBER PALTIN: Or maybe just like by neighborhood, the Christmas party pig or something, just keep it local.

CHAIR SINENCI: Right, there you go.

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MS. FARNSWORTH: Any kind...I think multi-solutions are important. And then as far as you're talking about disinfecting the truck, currently, we have one truck because it's one route that is dedicated to recycling. In Honolulu where they have a 3 Can Plan that's been in effect for maybe 10, 12 years or something, they do go and wash out their trucks between different types of materials that they're picking up. But yes, you're absolutely correct about green waste being the majority and the most localized recycling option that we have here.

COUNCILMEMBER PALTIN: And then in the plan to expand island-wide, was it always the plan to bring it Central to EKO or was there a plans to have composting facilities by district?

MS. FARNSWORTH: We can look at any possibility. Again, we're talking...there's two aspects when we pick it up, having our residents sort at their house, and then where we take those carts once we pick it up remains to be determined. Currently, we take it to Maui Disposal, the green carts. And currently, we take the green cart...or the blue carts, and currently we take the green carts to EKO. But --

COUNCILMEMBER PALTIN: Is there a cost --

MS. FARNSWORTH: --a lot is changing --

COUNCILMEMBER PALTIN: --on the EKO site?

MS. FARNSWORTH: --in our system, so.

COUNCILMEMBER PALTIN: Is there a cost on the EKO site to dispose it over there?

MS. FARNSWORTH: Currently, there is not but it...that may change where EKO, and that will be rebid in the next couple of years as well. And again, we're looking at different possibilities for the green waste and all of that. There's many technologies available of how to utilize organics these days. And so, we want to analyze all the possibilities.

COUNCILMEMBER PALTIN: And then I was wondering how does the 3 Can Plan play into the source reduction and reuse, like how is that captured within there if that's the top tier in the waste management hierarchy?

MS. FARNSWORTH: It is an important component of overall, our waste management and zero waste. But we're always focusing before it ever becomes waste is how do we reduce it, how do we encourage folks through their habits and practices, how do we encourage commercial sector to reduce their packaging. So, we are looking at those initiatives too. So, it's all integrated and everything works together.

COUNCILMEMBER PALTIN: Okay. I think that's it for me.

CHAIR SINENCI: Thank you, Member Paltin. Member Molina, you had --

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COUNCILMEMBER MOLINA: Yeah.

CHAIR SINENCI: --some questions?

COUNCILMEMBER MOLINA: Yeah, thank you, Mr. Chair. Good afternoon, Ms. Farnsworth. You know something I think Mr. Yamagata had mentioned earlier about finding all kinds of unusual things in the I guess the 3 Can Plan or what have you. I know other municipalities on the mainland, they have a penalty for you if you don't recycle appropriately. Has that something...is that something that's been discussed? Because sometimes that's what you need to recycle appropriately, a penalty, and I don't know if maybe Corp. Counsel can chime in as far as...well, you mentioned also Oahu, they've had this 3 Can Plan going for the last ten years. So, I presume they have a penalty in there if you don't recycle appropriately. Is that something that you care to comment on? And I see Director Nakagawa back there as well. So, I'm not sure what your thoughts on that. 'Cause I know if we ever implement this Countywide, that's something we may have to consider. I know we want to encourage people to recycle but at the same time do it right.

MS. FARNSWORTH: Chair?

CHAIR SINENCI: Ms. Farnsworth?

MS. FARNSWORTH: Exactly, recycle right and reduce waste. That is our messaging currently. That would be mandate, that would be legislation that would have to be put into place. There's a little bit I think, I don't know I've been reviewing so many documents, but I think it's in this one, the plan. It talks about mandating universal collection, which means everybody has to buy into and subscribe to the collection program. Currently, you can opt in or opt out, and you can take it to the landfill if you want but that would be a portion of it. What we do have in place are called Opalagies Tags. So, it's not a punitive measure, it's a encouraging...we, you know, when we go and inspect the carts or we...when we did in the past, and we saw the wrong materials in there, then we would have a little Opalagies note, and we would let people know what they did...what...how they could do better. And so, it's not punitive and perhaps we could take a look at that, but we definitely are wanting to stay on the positive side, and I think it's something to consider.

COUNCILMEMBER MOLINA: About how many Opalagies would you issue before taking more serious action? Are you...

MS. FARNSWORTH: Well, you know, honestly, I wasn't here in 2011. But in Honolulu, 'cause I was there for five years, and we...I was part of the rollout team in Honolulu, what we did was after three, two or three infractions, we remove the cart, and we just said you can't do it right and causing too much contamination to our systems.

COUNCILMEMBER MOLINA: Okay. Thank you. Thank you, Chair.

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CHAIR SINENCI: Okay. Thank you.

MR. YAMAGATA: Chair, excuse me.

CHAIR SINENCI: Yes, Mr. Yamagata?

MR. YAMAGATA: Recycling starts with, like Tamara said it, with children. And at our MRF, we encourage site visits. We sponsor these once a month schools to come down. We give them little hard hats and miniature safety glasses, and they review and look at what is sorted and what is thrown away. They see how we bale it. And the County even had Tour De Trash in the past where anybody is invited and it was free. We'd sponsor the tour and it will take about 20 minutes but they really get a feeling as to what is recyclable and where it goes, and we had a pretty good response and the questions were excellent from the community. And I think some of you here have already been to our facility and we invite anybody to come down. The Mayor was there about a week ago, yeah, David?

MR. CHING: Yeah.

MR. YAMAGATA: So, he is well aware of what the curbside product looks like coming into the facility. Thank you.

CHAIR SINENCI: Thank you.

COUNCILMEMBER MOLINA: Yeah, Mr. Chair, I just want...yeah, I want to thank Mr. Yamagata for that because education is the key with the younger generation. You know, for those of us who grew up in a pre, I don't want to say pre-contact Maui, but, you know, how much, you know, time way before, there was no education on recycling. It was just throw away your rubbish anything --

CHAIR SINENCI: Right.

COUNCILMEMBER MOLINA: --and everything. And about rubbish dumps, I remember going down to the Makawao dump. We actually had a dump in Makawao, you know --

CHAIR SINENCI: Yeah, but you could go --

COUNCILMEMBER MOLINA: --but times have since changed.

CHAIR SINENCI: --rummage through the dump --

COUNCILMEMBER MOLINA: Yeah.

CHAIR SINENCI: --right? So --

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COUNCILMEMBER MOLINA: Yeah.

CHAIR SINENCI: --I mean our parents' generation was probably the best recyclers. They never threw anything away.

COUNCILMEMBER MOLINA: Yeah.

CHAIR SINENCI: And if they did, if it was burnable, they just burnt it in the backyard --

COUNCILMEMBER MOLINA: Yeah, yeah.

CHAIR SINENCI: --or they would go rummage and reuse --

COUNCILMEMBER MOLINA: Yeah.

CHAIR SINENCI: --some of the things now. So...

COUNCILMEMBER MOLINA: Yeah. And driving by the gulches, you see people throw their washing machines and all kinds of...down the gulches.

CHAIR SINENCI: Right, it's definitely changed --

COUNCILMEMBER MOLINA: Yeah.

CHAIR SINENCI: --now.

COUNCILMEMBER MOLINA: Thank God. Thank you.

CHAIR SINENCI: Thank you. Chair King?

COUNCILMEMBER KING: Thank you, Chair. Yeah, I, you know, there's so much education that's been out there. If you don't know what it means to reduce, reuse and recycle, that's...you've been living in a tunnel. But it's motivation I think that's missing. It's how do we get people motivated 'cause everybody knows that's the right thing to do. Although I will maintain we're not recycling, we're just removing the problem, and I don't...I think there is a way to address it here on island. But I...what we need is we need to start...and I said this the last time they put out that RFP for the entire landfill is they need to start looking at sections of it and let individual entrepreneurs bid on sections of it because there are people who probably would have just bid on recycling the newspaper and the cardboard. That's what Tom Reed told me. He could recycle that. We can't...there are probably no local people who...there's probably no one locally that could do the entire thing and make money out of it, but there are people that can do sections of it. And I know because I was one of them. You know, we were recycling the cooking oil and making biodiesel right there until the last Mayor ran us out of the landfill. So, I think it's possible but I think we have to get creative and I think we have to work with the recycling community to get back into recycling on the

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island. Because it doesn't work just to collect it all and ship it off island. We're just exacerbating the problem and it's costing us a lot of money. But I also wanted to... 'cause I thought this was true, and then someone texted me after we started talking about those, you know, the two-by-fours that were made out of the plastic, those didn't get removed. What happened with those at Kealia Pond was they tried to use these...the pegs that were made out of the same stuff and they kept popping up. So, they had to go back in there and put screws in it. But the...it's not that the two-by-fours didn't work. They worked. They just had to have...they had to be used a different type of fastener, and they didn't find that out till they had put all those in, and then they had to close it down for a while. So, there's a way to get there. I don't know if there's a way to get there as slowly as we're going 'cause I think it might be an all-or-nothing thing. I think you have to go big or go home basically because that's how you reduce the amount of...the amount per ton. You can't...it costs too much per ton when you just go little bits and pieces. So, at some point, we're going to have to decide that we got to stop shipping all our stuff out, and we don't have any more holes in the ground to stick it in. And so, we're going to have to figure out how to deal with it here. But one of the ideas that I think I've seen in other communities is to not necessarily penalize people for not recycling but charging them for their garbage upfront. I mean there is...there are communities that charge you for plastic containers. I mean you...we've all seen those big Costco plastic pieces that are this big and there's one little lipstick in the middle of it, and you got this...all this plastic. Well, you know, those...they should be paying for that, and that pays for us to take care of it on the back end. It's kind of like the HI-5. We charge the bottling companies extra, then when we take the...when we collect those cans and...or the bottles and cans and recycle them, we have money to do it because we've charged them upfront. So, getting creative with ways...with looking at the waste upfront, and making people responsible for what they throw away I think it's really critical. 'Cause there's a lot of stuff that we don't need, and as long as someone else is willing to take it for free, we're just going to keep tossing it out. So, are we looking into any of those programs?

MS. FARNSWORTH: Chair?

CHAIR SINENCI: Ms. Farnsworth?

MS. FARNSWORTH: Yes, I totally agree with you. I think that reducing is, in particular, plastic packaging, is we really need to be focused on that. And that would include I think working to pilot with some of our stores here to kind of find ways that we can get them to have less packaging. The...sometimes, you know, these are multinational corporations who have across-the-board practices. So, that's one thing we can work on piloting with them. I think there's another really important aspect of this is extended producer responsibility, which means that we go to the manufacturers of the products and we ensure that they have some kind of take-back system as well, and they are incorporating a cyclical design process into their manufacturing practices. And I...yeah, so, we are definitely looking towards that because recycling in particular has become so challenging and so expensive, and it's becoming more and more difficult. And Asia just doesn't want our trash anymore and I don't blame them. So,

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we are really looking at reduction and all the different ways. We're currently focused on looking...helping and empowering our residents to reduce their waste through our BYO program and, you know, different...giving...introducing them to new ideas about them, about that, and then once we get kind of that more into place and more helping to shift focus towards waste reduction away from just relying on what they think is recycling, then we want to really to start taking a look at the retailers and the commercial sector. And all of that also I think there's mandates that we can put into place as well like for instance, the single-use plastic ban that is being taken a look at in this Committee, as well as other legislation that may come down the line.

COUNCILMEMBER KING: Okay. Well, thank you for that. And I, you know, I just want to finish by commenting that this may be...recycling may be...I mean and I'm talking about true recycling on-island, it may be something that we need to look at subsidizing further down the line if it does cost us money. Because the value of doing that and making something useful out of our trash, our throwaways versus continually putting it in a hole on the ground or continually shipping it off island, it may be worth it if costs us. And when I look at things like the bus, that costs us a lot of money but it's worth it to us because it helps our community. And we have to start looking at recycling the same way that at some point we're not going to be able to afford not to do it 'cause we don't want to be part of that big island of trash in the middle of the Pacific that people are walking on. Thank you.

CHAIR SINENCI: Thank you, Chair King. Member Kama?

VICE-CHAIR KAMA: Thank you, Chair. As Chair King was speaking and as Ms. Farnsworth, this is what I was thinking about, so we have the silver tsunami, right, this is all of our seniors who are aging out. And I know that if you're over 60 years of age, you got to be taking at least 4 types of meds whether it's vitamins or something to keep your blood pressure down or something to keep your blood from clogging or...but at least 4, right? But if we had, and every month you're on these meds, that means every month, right, you're getting 4 new containers with pills, right, 4 new containers, meaning you multiply it times the thousands of seniors we have on this island, and they accumulate over 30 days, over 12 months, over 10 years. You know, that mountain just became a huge...it became more than a mountain. So, if we start right here by talking to some of the pharmacies to see what can be done about when somebody calls in a new...a prescription, or they're just going to refill, can they just take the bottle back and have it refilled? I mean it may be, yeah, I thought about that and said you got to be kidding, it's just one small pill, but it isn't 'cause it accumulates over time, and it should be worth looking into. So, everybody even our elders can participate in the recycling. It's not that hard. It's not that difficult. It's doable. We just got to be willing to say okay, I'm going to take my four bottles back to my pharmacy and tell just fill them up. And maybe they might take it and just give me four from somebody else, but the idea is that we're not throwing it in the trash. That's all, Chair. Thank you.

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CHAIR SINENCI: Thank you, Member Kama. Members, thank you. Thank you for that healthy discussion. I know everybody recycles. I know everybody has that plastic, that drawer in your kitchen with all the plastic bags and all your brown paper bags. So, we already do it. And thanks to Ms. Geis for being here because she represents the generation that we want to do this for. I appreciate your forward-thinking on recycling because while we still have this population numbers and in anticipation of population growth, we do need to establish ourselves when it comes to reuse and recycling. So, mahalo for that. And sorry I'm keeping you past our mid-meeting mark. So, we'll take a break, a recess, and come back at 3:30, and we'll swap out for our next.

COUNCILMEMBER KING: Chair, could I just ask one more question of Ms. Farnsworth?

CHAIR SINENCI: Go ahead, Chair.

COUNCILMEMBER KING: Could you possibly bring us a figure for expanding the 3 Can Plan and starting with like expanding through Kihei to look at possibly funding this in the next Budget cycle and not waiting till 2022? 'Cause we got to get moving on some of this stuff. So, I would like to see what that accurate figure would be.

MS. FARNSWORTH: We can do our best. We have a lot of planning that needs to occur over the next year to update the plan. We may need to speak to the union but we will do our best and we'll start working on a budget for sure.

COUNCILMEMBER KING: Okay. Thank you.

MS. FARNSWORTH: Director? Yeah.

CHAIR SINENCI: Thank you. So, if no objections, Members, I'm going to recess till 3:33.

UNIDENTIFIED SPEAKER: Today?

UNIDENTIFIED SPEAKER: Today?

CHAIR SINENCI: Today. . . .*(gavel)*. . .

**RECESS: 3:23 p.m.**

**RECONVENE: 3:37 p.m.**

CHAIR SINENCI: . . .*(gavel)*. . . Will the Environmental, Agriculture [*sic*], and Cultural Preservation Committee please come back to order. It's 3:37 in the p.m., August 6<sup>th</sup>. And, Members, before we continue our meeting, we...if there are no objections, we'd like to defer EACP-31.

COUNCILMEMBERS: No objections.

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**COUNCILMEMBERS VOICED NO OBJECTIONS.**

**ACTION: DEFER pending further discussion.**

COUNCILMEMBER SUGIMURA: We want to continue the discussion.

CHAIR SINENCI: Yes, we may. Thank you.

**EACP-8 STATUS UPDATE ON ANAERGIA SERVICES LLC PROJECTS (CC 18-128)**

CHAIR SINENCI: So, for our next item, we have EACP-8, the Status...the...and Update on the Anaergia Services LLC Projects. And so, Members, in the spirit of addressing past issues, there seems to be a theme here in the last couple days, I placed this item on the Committee today as an educational update for Members. I thought it was important for us to understand the history of this contract and the scope of the problems that the contract may have...trying to address. There has also been considerable amount of time since the contract was signed, and I was hoping some information can be provided to you all about the future of the two projects. Today, we have with us Managing Director Sandy Baz, Richelle Thomson of the Deputy Corporation Counsel, as well as Director Eric Nakagawa. So, without further ado, Mr. Baz, would you like to provide some comments from the Administration please?

MR. BAZ: Good afternoon, Chair and Members. A pleasure being with you this afternoon. We appreciate you bringing this item up for discussion. I will actually leave the historical information to our Deputy Corporation Counsel to provide, and then we'll be here to answer questions that you may see and as far as the Committee's concerns might go. So, I will hand this over to Richelle.

CHAIR SINENCI: Okay. Ms. Thomson?

MS. THOMSON: Thank you very much, Chair. And I'll try to not bore you with the complete timeline but I'll go over the high points and I'm happy to go over any of the details as you'd like. For context, this project, I'm going to talk first about the Central Maui Landfill. It's called the Maui Resource Recovery Facility contract with Anaergia. So, I'm going to talk about that a little bit first because it's the longest history. So, going way back, you've heard a little bit from the earlier item, the 3 Can Plan on the Integrated Solid Waste Management Plan. So, this is a mandate under State law that the County develop a Integrated Solid Waste Management Plan. But the goals of this plan are to divert 60 percent of Maui's waste from its landfills to improve infrastructure and to reduce dependence on landfills. I'm not going to go into any more of the details on the Integrated Solid Waste Management Plan. But at any rate, that was the basis for the Department of Environmental Management in 2011 and 2012, going out with a request for proposals to handle all of the waste streams that

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come into the Central Maui Landfill. So, that's...I means that's both solid waste, green waste, fats, oils, and grease, sewage sludge, construction and demolition waste is also added in there from time to time. So, using all of those waste streams for something beneficial. The request for proposals went through two different stages. So, first, the Department went out with a request for qualifications, which is basically a fact-finding mission. You go out and you say you have all these waste streams, we're looking to see if there may be projects out there that could fulfill, you know, the goals of diversion or generating energy or fuel or electricity. So, first, they went out with a fact-finding mission. They took the information from that, developed a request for proposals, published it. Approximately at least a dozen, they were groups of entities, so it usually wasn't a single company but groups of entities, bid on that, submitted proposals on that RFP in 2012. And so, I believe 20...between 2012 and 2013, Anaergia was chosen as the successful proposer. We then entered into about a good year worth of negotiations and ended up with a contract that we have right now, which was signed in 2014. So, that contract, and I can tell you some of the details of the contract if you're interested, but it has...and gone three amendments. And the third amendment extended the...extended certain milestones, which seemed to be the primary focus is, and where is this project, and when is it potentially ending, or what's the next cutoff date. So, the contractor has until June 30 of 2020 to execute a binding contract with Maui Electric Company for the sale of electricity or renewable gas. And if the contractor achieves that goal, the County would then negotiate in good faith reasonable milestones regarding the rest of the deliverables of the contract. So, that's where that contract is right now. If you want to know any of the details about the contract, just let me know.

CHAIR SINENCI: Is that it? Okay.

MS. THOMSON: Is that okay?

CHAIR SINENCI: Thank you. Director Nakagawa, do you want to provide comments before I open it up for questions?

MR. NAKAGAWA: No, Chair. I think Richelle covered it all as far as history.

MR. BAZ: Oh.

MR. NAKAGAWA: Oh, Sandy will, sorry.

MR. BAZ: Chair, thank you. I'll add a little bit. During...when Mayor Victorino first came into office, this is one of the topics that was confronting him. And during his inauguration speech, he actually put Anaergia kind of on notice. He wanted action from them by the end of this calendar year. Notwithstanding the contract requirements, but he did put them basically on notice to one of action. And so, we have presented them that...with that information as well, the contractor themselves.

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CHAIR SINENCI: Okay. Thank you, Director. I had a question. I'll open it up for questions. Has the Department of Environmental Management or the Mayor's Office had any discussions with MECO about the County's need for a waste-to-energy project, and what role would MECO be able to play? Have you had that discussion with them, Director?

MR. NAKAGAWA: Yes, Director [sic]. So, when I first became Director, I did meet with Maui Electric. They are always looking for ways of having renewable energy. I mean that's the State's initiative, right? And so, by 2045, trying to reutilize this 100 percent renewable. And so, they are seeking these different ways. And I believe they recently, it's MECO or HECO, one of them just put out an RFP for a certain amount of megawatts proposal. So, I think they are open to different entities, if you will, providing renewable energy. I don't know all the specifics with that. I don't...I have...I haven't really got into the details with Maui Electric since that initial meeting in April. But I can always...they told me to just keep in touch and we can...I can meet with them.

CHAIR SINENCI: Director, do you think they're more open to just wind or solar power or also for gas?

MR. NAKAGAWA: Yes, Chair. So, my understanding is they're...they are...I just had a tour over there. They try to look at...they really want this firm power, I guess that's what they call firm power where the...it's something that provides power 24/7. So, they...I remember in the tour they explained to me when HC&S went out and they did provide 10 megawatts of firm power, that really not hindered them but it operationally, it made it a little more difficult when they lost that firm power. And so, I think in this new one, I believe they are looking for all the different types of powers. I don't know what the breakup is on and the percentages versus wind, solar, versus this other type of firm power. So, but it's public document. We can always go download it and get the specifics from that if you need.

CHAIR SINENCI: So, one last question. Is there a plan B just in case Anaergia is unable to fulfill their contract with the County?

MR. NAKAGAWA: Yes, definitely. We have...as Ms. Thomson was kind of touching on this Integrated Solid Waste Management Plan, I mean the whole goal once again my understanding of this Maui Resource Recovery Facility project was really to throw the burden and the risk on a private entity to let them flesh out what is possible, what is not, trying to meet the goals of this Integrated Solid Waste Management Plan. For whatever reason, the...my...what I've learned over the past couple months is really that it's always the offtake, whatever they produce whether it's electricity, whether it's recyclable market, whether it's the, some type of ash, all these different people keep...they come up and tell us about the different products that they can make out of this waste. That market is very volatile I guess so to speak. And so, something that might have been good five years ago, all of a sudden like today with, you know, with Anaergia, looks like they're, maybe that's what they're having problems with, might

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not be good today. Something that's good today might not be good five years from now. And so, the question...the bigger question that I want to...when...I want to look at in this Integrated Solid Waste Management Plan is really when we try to develop some type of waste-to-energy because that seems to be the future of creating waste into a resource. Is really what is that delta if you guys...so to speak. So, my understanding is you can create energy, electricity at 8 cents per kilowatt with this solar and wind. Other people who need to create it with maybe waste or some other type of product can create it at 22 cents. Well, what is that gap, and how much does...do we, as a community need to subsidize maybe to make up that gap. That way it puts everybody in a level playing field of if that cost \$5 million a year of subsidy and we pay \$8 million a year currently for recyclables, you save 3 million and you can create electricity. So, that's the kind of equal playing field that to me just kind of my couple of months of reviewing it is really...is our goal as a community because I think everywhere in the world is trying to create...utilize this waste as a resource. And when you utilize that resource that I've seen, it's really...it has...it's energy. Everybody is trying to get off of fossil fuels and the greenhouse gases. And so, when we pursue that and we figure out what that delta is and what the subsidy is, I think then we can come back to this body and say okay, this is a reasonable and a good idea or maybe it's going to be too expensive where it's \$20 million to make up that gap, and then all of a sudden maybe that waste-to-energy technology is just not here, not good enough yet, and we need to figure out okay, we continue it to diversion and not recyclable, or continue with recyclables. But until we get that fleshed out with the Integrated Waste...Solid Waste Management Plan update, I think we're kind of to me really kind of just picking here and there and kind of guessing at the game, right?

CHAIR SINENCI: Thank you, Director. And just to let the Members know, we did reach out to the Anaergia representative on the island but he wasn't able to come today but he's open to coming to future meetings. I did have one other question. Has there been any money paid out for either Anaergia contracts? Do you know, Director or Ms. Thomson?

MR. NAKAGAWA: Mr. Chair, zero County funds.

CHAIR SINENCI: Okay. Thank you. Members...Council Chair King?

COUNCILMEMBER KING: Thank you, Chair. I was kind of going to ask that question too, how much money has been spent. Because we might not...haven't paid out any funds but I think a lot of time and resources went into the however many years we've been dealing with this. And so, I wanted to ask the Managing Director or actually, I guess you're our Acting Mayor today, 'cause the Mayor is gone again, but the...what you just said about the Mayor committing to if there's no performance by the end of the year, what does that mean? What is that benchmark by the end of December 2019?

MR. BAZ: So, thank you, Chair. And, Chair King, so, what the initiative is about really was to try to see some movement on it. And if he didn't see movement, then we would be starting to look at alternative methods and alternative vendors possibly as far as it

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goes. And that, as the Director of Environmental Management mentioned, you know, there are other options. We have been approached by other interested parties, and, you know, so, it's something that we would start to look at.

COUNCILMEMBER KING: But what would be...what do you...what does he consider movement?

MR. BAZ: A contract with MECO would be a good step.

COUNCILMEMBER KING: Okay. So, if he doesn't see that contract with MECO by the end of this year, then he's going to cancel and move on?

MR. BAZ: Yeah --

COUNCILMEMBER KING: Something like that.

MR. BAZ: --I mean he didn't spell out specifically what would be the cutoff activity. But definitely, he would want to see some movement by the end of this year.

COUNCILMEMBER KING: Okay. I mean we've --

MR. BAZ: So far, there has...

COUNCILMEMBER KING: --been hearing that for four years. So, I'm not sure what that means. But if we had something definitive, that would be nice to hear. Because I think the danger that this constant extension on this supposed contract has...the harm that it has done to this community has been...that it's kept us from doing something else that could be real, that could have been addressing some of our energy needs and our recycling needs. And we've been, I think three extensions.

MR. BAZ: Well...

COUNCILMEMBER KING: To your knowledge, I mean, and I know you came in, it was the previous Mayor that extended it three times, but to your knowledge was there any kind of a benchmark that was hit at, and maybe Ms. Thomson knows, at each of those extension dates?

MR. BAZ: Chair, before she answers the question, Mayor does want to make sure that there is activity and that they do accomplish their goals. We are under an extension that the prior Administration entered into that we're legally bound to a certain extent. And so, you know, the Mayor would like to, you know, hold them accountable and will hold them accountable and will not extend this contract anymore unless --

COUNCILMEMBER KING: Okay. But...right, but we've --

MR. BAZ: --those...

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COUNCILMEMBER KING: --heard from several people and also from, you know, there's an e-mail from Michael Williams saying that, and we've heard from people who are lawyers that we do have the opportunity. We can cancel this contract. So, we don't have our hands bound and we have given them three extensions. The County has given them three chances to do, make something happen. So --

MR. BAZ: Yeah --

COUNCILMEMBER KING: --you know --

MR. BAZ: --so...

COUNCILMEMBER KING: --it just would be nice to hear that somebody's going to finally say enough.

MR. BAZ: Yeah. Yeah, and we have had those discussions with Corporation Counsel about cancelling the contract as well. I wouldn't want to get into those discussions right at this point unless we go into executive session.

COUNCILMEMBER KING: Okay. So, to date, we have two agreements with Anaergia, Mr. Baz? That second contract, the second...the MANA project, is that a...considered a County contract or agreement, the one that's been put on hold by the courts?

MR. BAZ: I actually would defer to our Deputy --

COUNCILMEMBER KING: Okay.

MR. BAZ: --Corporation Counsel.

MS. THOMSON: Chair?

CHAIR SINENCI: Ms. Thomson?

MS. THOMSON: So, switching gears, I'm going to talk a little bit about the Anaergia contract for the Kahului Wastewater Treatment Plant. So, that was an RFP issued by the prior DEM Director. And the contract was entered into I believe about two years ago.

COUNCILMEMBER KING: Our prior DEM Director?

MS. THOMSON: Correct.

COUNCILMEMBER KING: Okay.

MS. THOMSON: And the RFP was to provide fuel, and the preference was given to renewable fuels to provide electricity to power the needs of the wastewater treatment plant in

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Kahului. So, that was goal number one. Goal number two was to include in that generation of electricity, you produce heat, waste heat. And so, using that waste heat to dry the sewage sludge from all three wastewater treatment plants. And the goal of drying the sludge is to reduce the volume of the sludge, and then also as being done at EKO Compost, you make a class A fertilizer, which can be used on County facilities. So, that's kind of the short version of what the RFP was.

COUNCILMEMBER KING: Okay.

MS. THOMSON: Anaergia, there were other entities that I understand were interested in the project, but ultimately only Anaergia bid onto, bid into that RFP. And so, it was selected, negotiated the contract, which again took a very significant amount of time. These are not contracts that are boilerplate. They're --

COUNCILMEMBER KING: Right.

MS. THOMSON: --very well-negotiated. At any rate, that contract was executed and the project began. First up in the project though was to have an Environmental Impact Statement done. That was challenged at the court, at the Circuit Court level, and Judge Cardoza ruled that the project for the purposes of the Environmental Impact Statement was a County project, not a private applicant project. So, that decision has been appealed.

COUNCILMEMBER KING: But it was put out as a contract...it was put out as an RFP by the County, so it is a County contract. Is that correct? I mean they're contracting with the County.

MS. THOMSON: It's a County contract, we're talking about two different things though. And so, the County put out a request for proposals but it did not specify what type of project. For example, if we're going to install new sewer lines, we know exactly what the project is going to be. We have a consultant draw the specs. The specs are put out to bid. Those are usually low-bid invitation for bid projects. Low bid, everything checks out, we enter into a contract. They accomplish the goals. If an Environmental Impact Statement is required for that project, that would clearly be a County-initiated project. But other types of projects where you have a wide open request for proposals, you don't really know what...you know what your goals are in a broad sense but you don't have a specific technology or a specific project that's going to meet those goals. So, going out to try to do an Environmental Impact Statement when you do not know what the project is going to be at the end of the day would be an impossible --

COUNCILMEMBER KING: Okay.

MS. THOMSON: --task.

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COUNCILMEMBER KING: Okay. So, they...so, I guess the...what we're appealing is that the County, you're saying that the County doesn't need to do the EIS. But it doesn't mean that the contractor doesn't because they do know what their project is.

MS. THOMSON: Right.

COUNCILMEMBER KING: And I just want to clarify something you said earlier too. Because what they were doing with drying sewage sludge was not at all what EKO Compost is doing. The compost that EKO is making is totally different. It's how...had all the bacteria cooked out of it. And I did meet with the former DEM Director about this. I was horrified that they were talking about using dried sewage sludge on our parks and on our County facilities because I don't know anybody that would want to use that. And that's what I told him it's like first rain, you'd...it would smell like, you know, feces all over. I don't know why you...why they were even looking at that as a potential usage for County. 'Cause to me, if there was even any question about EKO's compost, which is totally bacteria-free and been tested, this other thing is not the same at all. So, I just want to clarify that 'cause I think they would be horrified if you thought...if they thought you were kind of equating those two operations and the two processes. But I do understand, I guess so the County is now appealing the case at the court for the MANA project? Is that where we're at now or is it the contractor that it's appealing?

CHAIR SINENCI: Ms. Thomson?

MS. THOMSON: Thank you, Chair. I'm not assigned to that appeal. But my understanding is that both the County and Anaergia have appealed. And I don't want to get too much into detail on why the County has appealed but this decision has broader ramifications for the County than just for this one project, and that's the reason that the County has appealed.

COUNCILMEMBER KING: Okay. So, that's another, I guess the other cost that we're incurring with these contracts is more in court cases. Thank you, Chair.

CHAIR SINENCI: Members, thank you. Any other questions for Ms. Thomson? Member Molina?

COUNCILMEMBER MOLINA: Yeah, Chair, not for Ms. Thomson, maybe for the Director if that's a...

CHAIR SINENCI: Go ahead.

COUNCILMEMBER MOLINA: For...if you deem it appropriate to ask at this time? My question was more related to the biogas issue, you know, and power generation of various County sites. Any updates with regards to that? I guess which is part of Anaergia proposal. And I'm referencing also the testimony from Mr. Parsons, I guess is one of the reasons for, you know, this...the issues. It says here raising 500 acres of

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sorghum to digest as a biofuel raises several issues, which might entail its own top ten list. And one obvious one is that State DOH has verified that there is no permitted process for disposal of digestate on ag lands, so it would entail additional treatment and costs. Any thoughts on that comment from Mr. Parsons?

MR. NAKAGAWA: Chair? So, let me...

CHAIR SINENCI: Go ahead.

MR. NAKAGAWA: I'm trying to understand the question. So, you're asking about you just wanted some comments on --

COUNCILMEMBER MOLINA: Yeah.

MR. NAKAGAWA: --when they create, they're...after they digest, right, and they have their residual, right --

COUNCILMEMBER MOLINA: Right.

MR. NAKAGAWA: --and how do they I guess get rid of that residual, right? Yeah, so, my understanding is that they were...this is what that...which was what they were going to do is allow that to...because it's nitrogen, it will fertilize their crops, right, and 'cause they're going to regrow another this bio...I mean this fuel source. That is something that I think they're...they need to work out. I think that's part of the comments maybe on their EIS that it wasn't really fleshed out. So, I think they're going to probably figure out what does DOH allow them to do and what they don't allow them to do, as far as what they can do with that residual. The...we don't have any anaerobic digesters in the County of Maui. I've seen couple on tours. So, I...my understanding with a lot of that, the residuals is they dry it and then landfill it after. And so, I'm not too sure what their plan will be for this one but it...any rate with their, whatever plan they come up with, it will have to be reviewed and approved by the Department of Health, yeah.

COUNCILMEMBER MOLINA: Yeah, thank you for those comments, Director. And I guess the underlying theme is we're not sure. There's so many uncertainties, yeah, with this. And there was, I guess initially, when it was first proposed, this contract with Anaergia, there was all this, you know, high hopes and optimism, and it's turned into, you know, what we have here now. So, I have no more...nothing else to say at this point but appreciate the comments, Mr. Director. Thank you.

CHAIR SINENCI: Thank you, Member Molina. Any other comments, questions? Member Paltin, then Member Sugimura. Oh, Member Sugimura first.

COUNCILMEMBER SUGIMURA: So, thank you for presenting this and the update or the history. And so, after this year, what are we looking for? And I'm glad that the Mayor did make that strong statement so that at least the community knows that there is a

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possible finality to something that we've been hearing that's been kind of floating around from last Administration into this Administration. So, after this year, I'm sure there's legal things that, you know, Corp. Counsel needs to advise us on, and we have to, you know, walk that line, but can you say? Is it too early? If you could say what the...your, you know, what are we looking for in the future or plans for the future?

MR. NAKAGAWA: Wait, let me...maybe I should clarify. So, you're...I think what...are you asking like what are we looking to see by the end of the year from this contract?

COUNCILMEMBER SUGIMURA: And then what's past that?

MR. NAKAGAWA: And then what happens past that? Well, I think I mean for my say as far dealing with contracts and that kind of stuff, I think they have a deliverable. That deliverable is a binding contract with Maui Electric, plain and simple. So, what I think that we as a Department will look for, if they have that by the end of the year, after that, they will proceed on how, once they get that contract with Maui Electric, how do they deliver that type of whatever their promise in that contract with them, with Maui Electric. So, if they're saying that they're contracted to provide five megawatts of renewable power to Maui Electric, they will proceed in figuring out, okay, obviously if they bid on that, they got in a contract, they know how to...what kind of facility, they know how much they're going to invest in it, they're going to start constructing it, designing it, and that kind of stuff from a pure, I guess facts standpoint, right? Going forward if, to me, if they do not have that deliverable, the contract will end at the mid-June 2020. And in the meantime, we can already start to figure out, plan out, okay, what is the next RFP that we want to put forward. I think to me, I'm playing a little bit of Monday night quarterback here, but I think to me, it should be a division-level project. I mean to me, that kind of removes the whole uncertainty of the project, just like any other project that's done in our...and it will be fleshed out with our...through CIP and through...it comes through this Council. I mean that's kind of my take on it, and then that way everybody is kind of aware of what's going on in the future.

COUNCILMEMBER SUGIMURA: Thank you very much. Thank you.

CHAIR SINENCI: Thank you. Director, so, you'd be willing to partner with the airport on their renewable RFP? Is that what you're saying?

MR. NAKAGAWA: The --

CHAIR SINENCI: The County.

MR. NAKAGAWA: --renewable...

CHAIR SINENCI: I mean would you --

COUNCILMEMBER SUGIMURA: The MANA project.

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CHAIR SINENCI: --look into partnering with the...if they have...with the airport on their renewable RFP? Is that what you're saying?

MR. NAKAGAWA: Well, I think...I'm not too...I'm not aware of what the airport is doing --

CHAIR SINENCI: Okay.

MR. NAKAGAWA: --but I assume they're kind of doing their own thing with --

CHAIR SINENCI: Right.

MR. NAKAGAWA: --RFP. That would be I guess up to the Mayor, and to figure out whether or not he wants to partner. But I think we are open if --

CHAIR SINENCI: Okay.

MR. NAKAGAWA: --you know, yeah.

CHAIR SINENCI: Thank you. Member Paltin, you had a question?

COUNCILMEMBER PALTIN: Thank you. Yeah, so, I guess, you know, the guy...had a guy, Tim Gunter and maybe Janai Kealoha came around, and they said that they were also applying for the MECO RFP that they put out. And I was wondering like, so now Anaergia is competing amongst everyone for this RFP that MECO put out. Is that the same one that we're talking they need to have movement on before the end of the year?

MR. NAKAGAWA: Chair?

CHAIR SINENCI: Director?

MR. NAKAGAWA: Yeah, so, I'm not too sure which Gunter and Kealoha, what they're bidding on. I assume once again is Maui Electric...Maui Electric, right, not HECO?

COUNCILMEMBER PALTIN: It's a waste --

MR. NAKAGAWA: Yeah.

COUNCILMEMBER PALTIN: --to energy --

MR. NAKAGAWA: So, Maui Electric --

COUNCILMEMBER PALTIN: --project.

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MR. NAKAGAWA: --had come up with some type of RFP from private entities. And just kind of based on what you're saying, I would assume that's the only one right now. So, that everybody...so, it's just a normal RFP that the County does, the State does, opens it up, who's interested, what can you --

COUNCILMEMBER PALTIN: For MECO --

MR. NAKAGAWA: --provide?

COUNCILMEMBER PALTIN: --in this case?

MR. NAKAGAWA: And this would be, yeah, MECO.

COUNCILMEMBER PALTIN: So, then, it seems like it would be important for us as a County to know when the deadline is for the RFP, and if they can secure it by the end of the year if that's what we're considering as movement on the contract is or no?

CHAIR SINENCI: Director?

MR. NAKAGAWA: Yeah, Chair.

COUNCILMEMBER PALTIN: If that fits --

MR. NAKAGAWA: My understanding...

COUNCILMEMBER PALTIN: --into the timeline --

MR. NAKAGAWA: Right.

COUNCILMEMBER PALTIN: --that --

MR. NAKAGAWA: And you're --

COUNCILMEMBER PALTIN: --Victorino --

MR. NAKAGAWA: --correct.

COUNCILMEMBER PALTIN: --put.

MR. NAKAGAWA: I mean basically, that RFP came out I believe this month. And so, I can always inquire with MECO to see if that would meet our deadline. I mean to me, April, I mean August, September, October, I mean it should be able to...they should be able to award within five months. And so...but I can always ask Maui Electric when are they planning on awarding that.

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COUNCILMEMBER PALTIN: And then has anyone asked Anaergia if they have put together a proposal to bid on the RFP?

MR. NAKAGAWA: Yes, Chair. So, yeah, they are working on that, looking at what that RFP entails and whether or not they're going to be able to propose something or not. I do know that Anaergia told me that they are looking at that.

COUNCILMEMBER PALTIN: So, it seems like too if they don't secure the bid by December that the Mayor does know that we have a way out of this contract before June of 2020?

CHAIR SINENCI: Director?

MS. THOMSON: Chair, if you don't mind, I'll answer that.

CHAIR SINENCI: Ms. Thomson?

MS. THOMSON: If we want to get into a very much more in-depth discussion on if the County could cancel the contract earlier than the June 2020 date, we probably need to do that in an executive session because that could involve some information we don't want public.

COUNCILMEMBER PALTIN: Okay. And then for the MANA one, what is the deadline for us to see movement on that?

MS. THOMSON: Chair?

CHAIR SINENCI: Ms. Thomson?

MS. THOMSON: And so, the MANA contract also had both preliminary deadlines in terms of, you know, preconstruction deadlines, and then they also have deadlines to be operational within X amount of time. The lawsuit that was filed impacted those deadlines. So, I don't know how much time it's going to take to go through that legal process, but that was an unanticipated event. So...

COUNCILMEMBER PALTIN: So, you put a stop clock on their deadline or is that what we have to do, or that's a courtesy?

MS. THOMSON: It's kind of a mix of what we have to do and a courtesy. So, it's an unforeseen circumstance that, you know, could be grounds to extend certain deadlines in the contract.

COUNCILMEMBER PALTIN: So in hindsight, should the contract or the RFP have been more specific so we don't run into this type of situation?

MR. NAKAGAWA: Yeah, so --

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CHAIR SINENCI: Director?

MR. NAKAGAWA: --I can answer that from more a broad or specific...I mean broader point of view. So, all of our contracts and as well as whether it's design or construction, we do...we...you never...you don't ever work in these type of if you're going to get a contested case during planning...through Planning Commission or whether you need a noise variance. Those are kind of things that typically are not because they take either from six months to...I mean contested case could be one year. And so, typically we always in those cases provide a contract extension, and whether it's a construction completion date or whether it's a design contract extension for types of project. So, the only reason why I say that is I don't think this type of contract would be any different than all of the other contracts that we always do normally.

COUNCILMEMBER PALTIN: So, basically, no, it wouldn't have been...if it was specified, it still could have run into this type of problem?

MR. NAKAGAWA: Right, because now all of a sudden if, I guess to put it into perspective, if I have a construction contract and you want to always anticipate all these type of delays, instead of me having a normal 9-month to 12-month contract, now I'm having a 24-month contract. But that just delays my deliverable of when I want it to be built, yeah. So, you don't ever add that in. Only if it comes up, then we kind of add that type of extensions then.

COUNCILMEMBER PALTIN: And is there a option if they're in court and we're waiting for us to work it out between ourselves that like okay, let's just drop it because it's like taking long time and we want to pursue other things? Is it like you can mutually come to that agreement without lawyers or no?

MS. THOMSON: Yes.

CHAIR SINENCI: Ms. Thomson?

MS. THOMSON: So, in general, you can typically terminate contracts by negotiation is what you're speaking about. I wanted to add something though to your...the last question. And I think what you might have been getting at is the specifics of the project. So, if it were a County-initiated project and we knew exactly what we wanted to be built down there, then we would have had, you know, very tight specifications, and we probably would have gone out with a invitation for bids, you know. So, this project was a little bit, not a little bit, a lot different in that we didn't know exactly what the project was going to look like. So, that's why we, you know, it wasn't a County-initiated project in terms of the way it was seen from the --

COUNCILMEMBER PALTIN: Have we --

MS. THOMSON: --Department level.

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COUNCILMEMBER PALTIN: --done that before or...

MS. THOMSON: Yes. Not often. You know, usually it's your traditional CIP projects where we know exactly what we're doing in terms of a County project, you know, not something that's more where we're looking for alternative types of projects to satisfy a goal.

COUNCILMEMBER PALTIN: So, as long as they're in court, the thing is in court, there is no deadline? It's just as long as the court case plays out plus however much time it was on the stop clock?

CHAIR SINENCI: Ms. Thomson?

MS. THOMSON: No, the contract still would need to be amended to reflect, you know, those circumstances that came up. So, with...usually a request would come in, you know, to modify the contract, you know, based on, you know, an estimated time to resolve whatever the issues are.

COUNCILMEMBER PALTIN: So, they're in court, and then you would amend the contract and say, okay, because you're in court, we're going to give you one more year kind of thing. And then regardless if the case is pau in one year or not, that's how much time they have?

MS. THOMSON: I think it's getting a little bit too speculative. But in general, yeah, if the County considers whatever the circumstance like Eric was saying, maybe a contested case or, you know, a complaint filed in court, if the County feels it's...it warrants an extension, you know, then you would try to make the extension relevant to the timeframe of resolving the issue.

COUNCILMEMBER PALTIN: Okay. I think that's all I got right now.

CHAIR SINENCI: Okay. Member Molina, you had a question?

COUNCILMEMBER MOLINA: Yeah, just one. If you have that...this information right now, how much has County funds been spent on this whole contractual issue? I believe the previous Council did an audit as well. Any ballpark figure how much we've spent on this whole matter dealing with Anaergia? Anaergia I should say.

CHAIR SINENCI: Director, do you have that...

MR. NAKAGAWA: Yeah, so once again, I can only go based on IFAS contract. I mean it's a tracking of County funds. And then, there's zero funds spent on both agreements, contracts. So...

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COUNCILMEMBER MOLINA: Yeah. And if I may put you on the spot with one more question, Mr. Director, and I know you're well-versed in wastewater matters and whatnot, if things don't work out with Anaergia, I don't know if it's too early to speculate, do you see other options, viable options out there, or have you kind of...you basically have a plan B for us if things don't work out with this company, and any different direction or options you think that will be viable for this County to consider from your perspective?

MR. NAKAGAWA: Chair?

CHAIR SINENCI: Director?

MR. NAKAGAWA: Yeah, from my perspective, I've researched like I said for the past couple months on just more or less trying to get an understanding of how waste-to-energy works and that kind of stuff. And there are definitely approved technologies and they do at other places. I do think there's a lot of red tape though involved with that. Do I think it's, I mean beneficial or I don't know what the word may be, technology is quite there? I don't quite just 'cause I'm real high-level, I don't...haven't gone into the details. I mean I don't think so but definitely they have thousands and thousands of different anaerobic digestions. I mean even just wastewater alone where they create methane gas and they have cogeneration and they create energy. So, I think there...that it's definitely a possibility. The question for us is really, I guess we...I always kind of come step back and look at it right. I mean this is for us once again, it comes down to a, how do we change our trash into a resource. And I think from all my research is really the future is some type of waste-to-energy. And then the next step is really zero waste, right? I mean 'cause we're talking about landfills, trying to do environmentally what's sound and reducing what we bury. So, it's zero trash. And that...that's just the next step that is the kind of future on what we're trying to strive for in the future from...but that comes with a lot of education as we all know from the 3 Can Plan. I mean it's zero waste right? I mean that's the next ultimate step I think.

COUNCILMEMBER MOLINA: Okay. Well, thank you. I appreciate your perspective, Mr. Director. Thank you, Chairman.

CHAIR SINENCI: Thank you, Member Molina. Chair King, you had --

COUNCILMEMBER KING: Yeah, just --

CHAIR SINENCI: --a comment?

COUNCILMEMBER KING: --wanted to bring up that we did have that audit that was done. I'm not sure if anybody here remembers if that was the...and maybe, Ms. Thomson, was that done by outside...by RFP or did that...was that done by our County Auditor?

MS. THOMSON: It was done by an outside auditor.

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COUNCILMEMBER KING: Okay. So, we did spend money on that and as well as the court case, as well as other resources that we've had to negotiate. So, you know, I think if we wanted to know exactly how much was spent that we'd have to do another audit on that, and I don't really want to throw money after that. But I do think it might be a good idea to review the audit because I think that the Council has under our purview, if we wanted to, just to defund this whole thing and make the contract go away. I don't know if we want to do that. But if we're looking at it from that point of view and we don't see any movement happening one way or another...I don't believe that that audit ever came under detailed scrutiny by this Council. I remember when it came out and it was brought up and it was filed, and I don't believe I've ever saw an actual scrutiny of that audit. And I think that's why this item is still on your master agenda list from former Councilmember Cochran because she did mean to have a meeting where we would actually review that audit of the original Anaergia contract.

CHAIR SINENCI: Okay. So, we can look at that at a future meeting.

COUNCILMEMBER KING: Okay. Thank you.

CHAIR SINENCI: Thank you, Chair. Member Kama, did you have any comments?

VICE-CHAIR KAMA: No, I was just in my head, thinking that it almost seems like although I've just gotten on Council that I've been hearing about this situation and just kind of like it's on and on and on, and I just wish we could just erase it and start all over with somebody else. I don't know if we can do that.

CHAIR SINENCI: I don't know --

VICE-CHAIR KAMA: So, is that --

CHAIR SINENCI: --if there's a...

VICE-CHAIR KAMA: --possible?

CHAIR SINENCI: If there's a magic eraser?

VICE-CHAIR KAMA: Of course, it's called Maui County Council.

CHAIR SINENCI: Thank you, Member Kama. Director, you guys have any closing comments? Ms. Thomson?

MR. NAKAGAWA: I...I'll scrutinize this from afar 'cause really I didn't start it and I didn't extend anything. So...but I will...I mean...so I'll start with the good, I will commend the Director, the initial Director. 'Cause if you look at it as a whole and, 'cause I'm an engineer, just looking at it as a whole, you had this Integrated Solid Waste Management Plan that wanted to spend or increase our capital improvement budget from 25 million to 106 million in order to get 60 percent diversion, 3 Can Plan, MRFs,

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construction C&D MRFs, and that's all laid out in this thing. I mean that's just facts. That's kind of what I gathered. And so, what in...I mean trying to raise \$75 million in one fiscal year, I...there's no way this Council, I don't care if it was this one or the one behind, would have approved that. So, what he initially did was really throw all of that to some private entity and here, you guys think you can do it, you take the risk, you spend your money and see if you can do it. And who better can do it than private entities, right? I mean they can do a lot of things a lot faster. And the scrutinizing of it is for me is really kind of what Ms. Kama is saying though is really the...on the flipside of the coin is that we wasted a lot of time. I mean I don't know if it's wasted but we didn't really advance in that. I mean so, we're kind of still waiting for this product, right? And so, those are the two flip I think if you look at it from afar in a non-bias kind of point of view is really it was a great idea. It probably maybe was too ambitious and what they thought they could have as marketable offtakes and off-products didn't come to fruition. Unfortunately, the deadline is six...is almost ten months away and we just got to wait. So, that is the bummer part of it is just that we're, we cannot contract other type of ways to other people. So, we're kind of in the sit-and-wait, but that doesn't prevent us from like I said the Mayor wants to put this ending date. So, we are still looking at who it is talking to the different people. So, we're still researching. And when that comes, we can always have something ready in writing. And as soon as that contract is done, we can put it out to bid already. And so, I think that's as a whole just kind of looking from afar and looking back is where we're at, yeah.

CHAIR SINENCI: Thank you, Director, for your --

MR. NAKAGAWA: Thank you, Chair.

CHAIR SINENCI: --comments. Member Paltin, you had a question?

COUNCILMEMBER PALTIN: Yeah, I just was wondering if you ever find out the deadline on the RFP and the deadline for MECO to make a decision, if you could forward that information to maybe Mr. Sinenci's Committee and he can share it with us, or you can just send --

MR. NAKAGAWA: Sure...

COUNCILMEMBER PALTIN: --it to me, either way.

CHAIR SINENCI: Yeah.

MR. NAKAGAWA: Yeah, sure, Chair. I mean that's public information, so.

COUNCILMEMBER PALTIN: Thanks.

CHAIR SINENCI: All right. Thank you, Director. Thank you, Members. And as Council Chair King had stated, our Committee is in receipt of this item from past

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Councilmember Cochran's IEM item 63. And so, we wanted to bring that up. According to the, I guess the Anaergia contract Article III, under Section 3.02, Progress Reports, that MRRF shall report in writing to the County on at least a monthly basis with the effective date through the commercial operation date on MRRF's progress toward completion of each project milestone, pursuant to Article IX. So, we wanted to revisit it and just get an update. And like Chair King said, we might look at a further date to possibly look at the audit, the County audit. But we did want to bring it up with the 3 Can Plan because, you know, we're looking towards more recycle and reuse. And as this Committee, we wanted to look at those areas where we can be shifting towards, or those programs where we can shift our waste for energy use. So, I appreciate everybody's manao input today and your participation in today's meeting. So, Members, if there are no objections, the Chair would like to defer this item.

COUNCILMEMBERS: No objections.

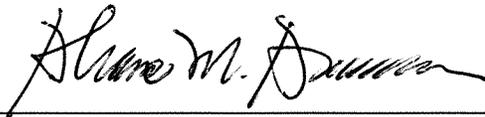
**COUNCILMEMBERS VOICED NO OBJECTIONS** (Excused: ALL).

**ACTION: DEFER pending further discussion.**

CHAIR SINENCI: Thank you. So, this concludes today's Environmental, Agricultural, and Cultural Preservation Committee meeting. Thank you very much, Members, Department representatives, and resource persons. This August 6<sup>th</sup> meeting of the EACP Committee is now adjourned. Mahalo. . . *(gavel)*. . .

**ADJOURN: 4:28 p.m.**

APPROVED:



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SHANE M. SINENCI, Chair  
Environmental, Agricultural, and Cultural  
Preservation Committee

eacp:min:190806:acqp

Transcribed by: Ann Carmel Q. Pugh

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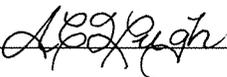
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CERTIFICATE

I, Ann Carmel Q. Pugh, 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 the 26<sup>th</sup> day of August, 2019, in Kihei, Hawaii

  
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Ann Carmel Q. Pugh