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COUNTY COUNCIL
COUNTY OF MAUI
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September 27, 2016

Mr. Stewart Stant, Director
Department of Environmental Management
County of Maui
Wailuku, Hawaii 96793

Dear Mr. Stant:

**SUBJECT: AUTHORIZING COUNTY TO ENTER INTO A SITE
LEASE RELATED TO AN ELECTRICITY
GENERATING FACILITY AT WAILUKU-KAHULUI
WASTEWATER RECLAMATION FACILITY (IEM-68)**

The Infrastructure and Environmental Management Committee is in receipt of correspondence dated June 21, 2016 from your Department. In preparation for the Committee's consideration of the matter, may I please request your Department provide a response to the following questions related to the proposed Site Lease Agreement.

1. Is the proposed agreement with Anaergia Services, LLC or SPE, LLC? Please explain.
2. How will the proposed agreement serve the best interests of the County? Please explain.
3. In the correspondence, it is stated: "The Power Purchase Agreement includes a fixed energy price escalation."
 - a. Provide details on the "fixed energy price escalation." What are the terms over the 20-year agreement?
 - b. What are the projected annual costs to the County, including but not limited to costs associated with

- installation, operation, maintenance, repair, improvement, and replacement of the system?
- c. What is the projected cost savings to the County as a result of using system-generated electricity to run the facility and the use of dried bio-solids that may be used as fertilizer at County facilities or landfill cover?
4. Are there similar projects in other counties? Were they successful or not? What lessons were learned that can be applied to this one?
 5. The Kahului-Wailuku Reclamation Facility is located in a tsunami evacuation zone. There have been discussions over the years to relocate the facility outside of the tsunami zone.
 - a. How and why was the Kahului-Wailuku Reclamation Facility site chosen?
 - b. What is the status regarding plans to relocate the facility?
 - c. Should improvements be made to the current facility in light of its location within a tsunami zone?
 6. What is the expected timeframe for initiation of this project?
 7. The correspondence states: "Sludge from the Kihei and Lahaina facilities also may be transported to the sludge dryer at the Kahului facility."
 - a. How much sludge is anticipated to be transported from the Kihei and Lahaina facilities? How often will this occur?
 - b. Who will be responsible for transporting it to the Kahului facility?
 - c. How much will this cost the County?
 8. The correspondence states: "The project includes an anaerobic digester, which will convert energy crops and other alternatives into methane gas, which in turn will be used to fuel a turbine engine that will generate electricity to power the needs of the wastewater facility."

Energy Crops

- a. Where and what type of crops will be grown?
- b. How will crops be harvested, how frequently, and by whom?

Use of Methane Gas

- a. The use of methane is concerning. Have you considered the impacts of methane gas, its viability, and whether other types of gas could be used?
- b. How will air quality permitting requirements be met?

Electricity Generated

- a. How many kilowatts of electricity are expected to be generated from this project? How will the generated electricity be used, other than powering the needs of the wastewater facility?
- b. What is the responsibility of Maui Electric Company as a back-up should issues arise and the system become inoperable?
- c. What are the costs involved to keep Maui Electric Company as a system back-up and who will be responsible for those costs?

May I further request that you provide this information **no later than Friday, October 7, 2016** in time for the anticipated Committee discussion of the matter at its meeting on October 11, 2016. To ensure efficient processing, please include the relevant Committee item number in the subject line of your response.

Should you have any questions, please contact me or the Committee staff (Shelly Espeleta at ext. 7134, or Rayna Yap at ext. 8007).

Sincerely,



ELLE COCHRAN, Chair
Infrastructure and Environmental
Management Committee

iem:ltr:68aem01:ske

cc: Mayor Alan M. Arakawa