

August 6, 2019

TESTIMONY OF ROB PARSONS

EACP-8 "Status Update on Anaergia Services LLC Projects"

Aloha Chair Sinenci and Council Members:

My name is Rob Parsons and I am a long-time resident living in Haiku. It is good to see a status update being called for on these carry-over projects from the previous administration. A court ruling has halted the so-called MANA project, which proposes building a 60-ft digester and sludge drying facility in a tsunami zone. The landfill contract, signed on January 8, 2014 stated they would be operational by 2018, yet 5 years, 6 months and 29 days (2,036 days) have passed and there has been NO PROGRESS WHATSOEVER.

We should not just be walking away from these ill-conceived projects, we should be running full speed!

Please ask our representative from Corporation Counsel to affirm that these contracts have a standard clause that will allow the County to terminate them without substantial penalty or cost.

When I mentioned to a 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 can inform us today that they are looking to better alternatives.

The Department of Environmental Management should be planning for the ten-year update of our Integrated Solid Waste Management Plan (ISWMP). This provides a rare opportunity for more community input and review of how our County may utilize and manage its waste resources. The ISWMP will be approved by this Council and filed with the State Department of Health. It will be the guiding document to address resource recovery and management challenges for the next decade. Hopefully DEM will share with us their intended timetable for update of the ISWMP.

I will offer 10 good reasons not to support the so-called MANA project, and to support cancellation of the contract (after a financial and performance audit, if deemed necessary), and exploration of far better alternatives.

- 1) The project is currently halted by a legal ruling by Judge Cardoza that the Final EIS is inadequate, in part because the tsunami zone risks were underestimated.
- 2) It is absurd to consider building a \$20M, 60'-tall digester, power plant, and 57'-tall emissions stack in the tsunami zone and sea level rise inundation zone.
- 3) Investments should be made in de-centralizing Wailuku-Kahului Waste Water Treatment, not in adding more infrastructure in a sensitive area adjacent to the shoreline and a protected wildlife refuge.
- 4) The project was pitched to stabilize, not reduce energy costs. The beginning price of 29.5 cents per kWh would escalate to over 40 cents by the end of the 20-year contract. That makes no sense when renewable solar PV with battery storage is now coming in around 10 cents per kWh.
- 5) The RFP should have been disallowed, because it sought processing of sewage sludge, which was already under contract to Anaergia in the landfill contract. If anyone else had responded to the narrowly written RFP, this double jeopardy would have come to light.
- 6) Removing the sewage sludge from EKO's co-composting of green waste will leave them with an unmarketable end product of wood chips or mulch, devoid of nutrients.
- 7) On the other hand, dried, pelletized sludge is being billed as a substitute for \$100,000 in the Parks budget annually for fertilizer. But this product will face stern disapproval from our community, since adding irrigation water would make it stink to high Heaven.
- 8) Raising 500 acres of sorghum to digest as a biofuel raises several issues, which might entail its own Top 10 list. 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.
- 9) Thermophilic digesters of this kind, operating under high pressure and temperature, are prone to leakage, spills and explosions. If this technology is to be tried, it should not be contiguous to the ocean, a wildlife refuge, and major urban areas.
- 10) Odors and emissions in this area are of great concern and have not been adequately addressed in environmental studies.

I'd like to highlight just one of many possible alternatives to the build-out of the shoreline makai of Amala Place for a 60'-digester and CHP (Combined Heat and Power) turbine with a 57'-tall emissions stack to generate electricity.

Maui Tomorrow President Michael Williams re-sent an email proposing that the County partner with the State on their upcoming RFP for solar PV with storage at Kahului Airport. Slated to come in at 8-10 cents per kWh, it represents perhaps \$20 million in savings over the next two decades. Because the W-KWTF is also located on State land, there should be no issues with "wheeling" from the airport to the wastewater treatment facility. The MANA project was pitched, in part to "stabilize" electrical costs. But in truth, if we are to do any further improvements there, while transitioning away from the centralized treatment in the tsunami and sea level rise inundation zones, cost-savings should be paramount.

Thank you for the opportunity to testify on these items.

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11.1 Multi-term Contract. Pursuant to state law, HRS §103D-315 and Hawaii Administrative Rule ("HAR") §3-122-149, and unless otherwise provided for by law, this contract may be entered into for any period of time deemed to be in the best interests of the COM, provided the term of the contract and conditions of renewal or extension, if any, are included in the solicitation and funds are available for the first fiscal period at the time of contracting. Payment and performance obligations for succeeding fiscal periods shall be subject to the availability and appropriation of funds therefore. Further, when funds are not appropriated or otherwise made available to support continuation of performance in a subsequent fiscal period, the contract shall be cancelled and the Provider shall be reimbursed for the reasonable value of any non-recurring costs incurred but not amortized in the price of goods or services delivered under the contract. The cost of cancellation may be paid from any appropriations available for such purposes.

11.4 County Termination for Convenience.

11.4.1 The Procurement Officer may, when the interests of the COM so require, terminate this Agreement, in whole or in part, for the convenience of the COM, which termination shall be subject to the terms of this Section

11.4. The Procurement Officer shall give written notice of the termination to Provider specifying the part of the Agreement terminated and when such termination becomes effective.

11.4.2 Provider shall incur no further obligations in connection with the terminated performance, and on the date(s) set in the notice of termination, Provider shall stop performance to the extent specified.

11.4.3 Provider shall submit a termination claim specifying the amounts due because of the termination for convenience bearing on the claim within 90 days of the Notice of Termination. Provider's claim shall include Provider's reasonable out-of-pocket costs incurred but not amortized in the price of providing the services delivered under this Agreement, without profit, in preparing to perform and performing the terminated portion of the Agreement. Such costs shall not include consequential costs, lost or anticipated profits, unabsorbed overhead, and/or opportunity costs.

The County Charter permits the Council to cancel multi-year service contract for any future fiscal year, one year at a time--see Section 9-12.3