

**DIRECTOR'S INFORMATIONAL REPORT
TO THE ENVIRONMENTAL MANAGEMENT COMMISSION**

**March 24, 2021
Agenda item 7-a**

1. LEGISLATIVE UPDATE

a. County Council (Since last report posted on 2/18/21)

ITEM	DESCRIPTION	CURRENT STATUS
<i>Completed items</i>		
Comm. 106	Reappoints Commissioner Cardwell to the EMC for a term to end 12/31/25.	Confirmed by Council on 3/3/21.
Bill 20	Amends operating budget to appropriate \$2,251,163 in federal funds for Puna wastewater improvements.	Approved as Ordinance No. 21-22, effective 3/1/21.
Comm. 137	Requests comprehensive update of wastewater treatment facilities on Hawai'i Island. (CM Richards)	Presentation and discussion completed in RAWEEEMC on 3/16/21.
Res. 52-21	Authorizes payment of a five-year lease for one closed-circuit television truck for Wastewater Division in West Hawai'i.	Pos. recommendation by RAWEEEMC on 3/2/21. Approved by Council on 3/17/21.
Res. 53-21	Authorizes payment of a five-year lease for two 4x4 pickup trucks for Wastewater Division.	Pos. recommendation by RAWEEEMC on 3/2/21. Approved by Council on 3/17/21.
Res. 70-21	Authorizes extension of public sewer from Ali'i Drive to planned subdivision at Ali'i Kona, TMKs 7-7-004:057 and 7-7-004:058.	Waived through RAWEEEMC. Approved by Council on 3/17/21.
<i>Active items</i>		
Bill 25	Amends capital budget to appropriate funding for federally funded wastewater projects: Pāhoa and Puakō.	Approved by Council on first reading 3/3/21. Approved by Council on final reading 3/17/21. Pending Mayor approval.
Res. 67-21	Authorizes payment of a five-year lease for two multifunction copy machines for Admin/Business Services and Solid Waste	Pos. recommendation by Finance Committee 3/16/21. Final action by Council expected 4/7/21.
Comm. 167	Appoints Elyse Robinson of Council District 2 to the EMC for a term to end 12/31/25.	Positive recommendation by RAWEEEMC on 3/16/21. Final action by Council expected 4/7/21.
<i>Upcoming items</i>		
Res. 73-21	Authorizes acceptance of the 2019 Integrated Solid Waste Management Plan.	Referred to RAWEEEMC agenda for 4/6/21.
Finance Committee Special Meeting	County Council's annual budget and program review for FY 21-22.	Scheduled for the afternoon of 4/15/21.

b. Active bills in the Legislature as of 3/18/21

SB 502 SD2 HD1	<p>Proposes a constitutional amendment that guarantees individuals the right to a clean and healthy environment, including pure water, clean air, and healthy ecosystems, and to the preservation of the natural, cultural, scenic, and healthful qualities of the environment. Effective 7/1/2050.</p> <p>3/16: EEP votes to recommend passage with amendments. Remaining referrals: JHA, FIN</p>
HB 161 HD2	<p>Allows the director of finance of a county to require payment of outstanding charges owed to the county for the towing, removal, or disposal of an abandoned or derelict vehicle within the county before issuing a motor vehicle certificate of registration, except when the motor vehicle was stolen or taken without permission or authorization. Effective 1/1/2050.</p> <p>3/16: TRS votes to recommend passage without amendments. Remaining referral: JDC/WAM</p>
HB1298 HD1	<p>Transfers to the general fund the excess balances of various non-general funds from various state departments and agencies. Effective 6/30/21. See the Recycling Section of this report for more information.</p> <p>3/11: Passed first reading in the Senate and referred to WAM</p>
HB1299 HD1	<p>Repeals various non-general funds of (various departments). Implements recommendations of the auditor. Transfers most unencumbered balances to the credit of the general fund. See the Recycling Section of this report for more information.</p> <p>3/11: Passed first reading in the Senate and referred to WAM</p>

2. REQUESTS FOR UPDATES

- i. Clarification on whether the funds (\$10.5 million) previously earmarked for the now suspended county compost facility are available for alternative approaches (e.g., smaller scale distributed composting facilities). [Requested by Commissioner Cardwell for further discussion]
 - Response: Council action may be required to add such small-scale facilities to the capital budget, which would make it eligible for funding. In addition, the Council may also need to reappropriate unspent funding, as Section 10-10 of the Charter states that “an appropriation for a capital expenditure that is not encumbered shall lapse at the end of two fiscal years following the fiscal year that the appropriation was made.”
- ii. Response to the Commission’s letter of October 26, 2020, in support of Energy Savings Performance Contracting [Requested by Chair Adams]
 - Response: The Department supports Energy Savings Performance Contracting. Council Member Rebecca Villegas is facilitating a meeting with Director Mansour and a program manager from the Hawai‘i State Energy Office on 3/22 to discuss Hawai‘i County’s energy performance contracting project.
- iii. Request for information on cancellation of the Recycling Section’s Environmental Life Cycle Assessment. [Requested by Chair Adams]
- iv. Request for update on DEM administrative rules relating to enforcement of failure to connect to a sewer [Requested by Chair Adams]

3. SOLID WASTE DIVISION

1. OPERATIONS

- Solid Waste Division received a number of calls about Administrative Rule No. 9-17, relating to transfer station rules, which was to go into effect on March 1: “Vehicles are limited to sedans, SUVs, pickup trucks, or mini-vans. Trailers and dump bed trucks are prohibited at the transfer station.” Following internal discussions, the enforcement of the rule was postponed until April 16, 2021, to allow for site visits and a review of the design of all transfer stations. This would allow the identification of transfer stations where continuing to allow trailer usage would be unsafe or impractical. That review is ongoing as of 3/18/21. Solid Waste appreciates the Commission’s comments as to how this should be resolved.

2. ADMINISTRATION

- The Division held informational meetings for the refuse hauler to discuss new administrative rules for the West Hawai‘i Sanitary Landfill (WHSL) and the East Hawai‘i Reload Facility (EHRF). The WHSL meeting took place on Monday February 22 at the Spencer Kalani Schutte District Park Gym, and the EHRF meeting was held February 24 at the Aupuni Center. A third meeting about the rules for both facilities was held on March 10 at the West Hawai‘i Civic Center.

3. SOLID WASTE CAPITAL IMPROVEMENTS

- Construction work is expected to begin this month for the Wai‘ōhinu Transfer Station improvements.

4. RECYCLING SECTION

- The Recycling Section wishes the Commission to be aware of House Bill 1298, HD1, which if passed would direct the balance of 81 special funds of the State into the General Fund for unrestricted use in the operating budget. Among the special funds being targeted is the \$5,000,000 in the beverage container deposit fund. This drastic measure is being pursued because of the drop in general excise tax collections for the State in the last year.
- Recycling Section is also concerned about the impacts of House Bill 1299, HD1, of which Section 18 is reproduced below:

“SECTION 18. Section 342G-84, Hawaii Revised Statutes, is amended as follows:

By amending its title and subsections (a) and (b) to read:

"§342G-84 Deposit into [~~environmental management special~~] the general fund; distribution to counties. (a) Revenues generated from the advance disposal fee shall be deposited into [~~a special account in the environmental management~~] the general fund. [~~Moneys from the special account shall be used to~~] Subject to available funds appropriated by the legislature, the department may fund county glass recovery programs established in accordance with the requirements under section 342G-86; provided that no moneys shall be made available

to a county unless the county has first submitted its formally adopted integrated solid waste management plan to the department for review. ~~[In the event of any surplus in the special account, the department shall recommend a reduction in the fee as deemed necessary.]~~

(b) The department shall distribute ~~[the moneys contained in the special account]~~ available funds to the counties in proportion to the amount of glass imported into each county based on the county's de facto population. The distribution shall be in the form of direct contracts with the department as permitted under chapters 103 and 103D or transfer of funds from the department."

2. By amending subsection (d) to read:

"(d) All moneys distributed to the counties under subsection (b), and not used by the counties as specified in section 342G-86, shall be returned to the State for deposit into the ~~[environmental management special]~~ general fund at the end of each annual contract period."

- Out of the Sea Media Arts was developing education information focused on reducing food waste, Master Recycler Program, and update various promotional materials. Out of the Sea has suspended work on Food Waste Reduction and the updating of various promotional materials due to lack of funding.
- Currently, no manufacturer offers convenient on-island take-back of electronics. Manufacturers only offer this convenience on O‘ahu to comply with the Electronic Waste and Television Recycling & Recovery Act (HRS 339D) mandatory take-back provisions. Solid Waste requests the Commission to advocate for a stronger state Extended Producer Responsibility law requiring convenient on-island manufacturer sponsored take-back.

5. DERELICT AND ABANDONED VEHICLE (DAV) PROGRAM

Monthly towing numbers:

AV Towing 2020-21		
	E. Hawai‘i	W. Hawai‘i
July 2020	115	89
Aug 2020	87	76
Sept 2020	80	54
Oct 2020	82	43
Nov 2020	64	55
Dec 2020	76	45
Jan 2021	90	54
Feb 2021	107	57
Mar 2021		
Apr 2021		
May 2021		
June 2021		

The total tow requests for February 2021 was 163; however, 25 vehicles were not on location at the time of arrival.

6. RELOAD FACILITY UPDATE (FY 20-21)

Month/Year	Total Tons Taken to Sort Station
Jul 2020	4,529.58
Aug 2020	4,333.78
Sept 2020	4,052.55
Oct 2020	4,210.63
Nov 2020	4,406.67
Dec 2020	4,684.32
Jan 2021	4,645.69
Feb 2021	4,092.99
Mar 2021	
Apr 2021	
May 2021	
Jun 2021	
Totals	34,956.21

When time permits, SWD staff removes the corrugated cardboard from the trash and places it in a roll-off for recycling.

7. MONTHLY LANDFILL TONNAGES (FY 20-21)

Month/Year	WHSL
Jul 2020	17,409.38
Aug 2020	16,027.05
Sept 2020	14,526.61
Oct 2020	16,605.86
Nov 2020	15,521.35
Dec 2020	16,326.19
Jan 2021	15,740.65
Feb 2021	14,956.72
Mar 2021	
Apr 2021	
May 2021	
Jun 2021	
Totals	127,113.81

8. MONTHLY TRANSFER STATION TONNAGES (FY 20-21)

Month/Year	EHRSS	WHSL
Jul 2020	3,800.06	8,778.34

Aug 2020	3,673.55	8,386.36
Sept 2020	3,421.87	8,089.05
Oct 2020	3,543.85	8,280.06
Nov 2020	3,719.65	7,936.21
Dec 2020	3,911.84	9,058.94
Jan 2021	3,942.90	8,791.50
Feb 2021	3,430.00	7,748.00
Mar 2021		
Apr 2021		
May 2021		
Jun 2021		
Totals	29,443.72	67,068.46

The above table is to include data on the waste disposed in the landfill (not the greenwaste or recycling data).

4. WASTEWATER DIVISION

As outlined in the presentation to the County Council’s Regenerative Agriculture, Water, Energy, and Environmental Management Committee on March 16, 2021, the Wastewater Division faces numerous fiscal, regulatory, and political challenges and seeks the Commission’s assistance and expertise. Efforts are being made among multiple fronts to address these concerns. Wastewater Division seeks the Commission’s advice in these key areas:

- 1. Enterprise funding versus semi-autonomous agency.** Wastewater Division is funded primarily through sewer fees from serviced customers with the General Fund making up the shortfall. What are the respective benefits and drawbacks of funding the Wastewater Division through the current system versus an enterprise fund and functioning as a semi-autonomous agency of the County (such as the Department of Water Supply)?

The topic of an enterprise fund was raised with Council Members at the March 16 presentation. Commissioner Fulton provides DEM the following explanation of enterprise funding from the website Bizfluent, and asks Commissioners to study the topic in advance of the March 24 meeting, in order to be well-versed and prepared for the discussion:

“A government’s general fund is a pool of cash raised from taxes and can be spent wherever the government needs it. An enterprise fund is more specific. Enterprise fund money can only be spent on a specific purpose, such as parks and recreation. Most of the funding comes from fees related to the fund’s mission.

“Governments don’t have to rely on fees to cover all the fund’s spending. If necessary, a government can pay for some of the services with tax dollars. Most of the financing, however, is based on the fees or bonds backed by future fee payments.

“Tying fees and services together through an enterprise fund has advantages. The public can see how much it costs to provide particular services, and why the fees are set at a certain level. It’s not always possible to balance fees and the cost of services perfectly, though. A fund may run in the red one year, which is a sign the government needs to raise fees. If the fund turns a profit, the money carries over to operations in the next fiscal year, and fees might drop.

Wastewater Division would like the discussion to consider a more robust funding, structure, for example the semi-autonomous model used by the County of Hawai‘i Department of Water Supply. The City and County of Honolulu uses wastewater revenue bonds under an enterprise fund process, which is seen as an intermediate step between a County department subject to the regular budgetary process, and a semi-autonomous agency.

2. **Help in seeking funding sources.** Somewhat related to the discussion item above is the need to find other sources of revenue for operations and maintenance. Wastewater Division recognizes that the current model of funding capital improvements lacks an integrated county-wide wastewater management plan, which can steer funding for the serious investment required to revitalize aging infrastructure. Political will is lacking to pass legislation that would raise fees or enable public-private partnerships. Who should pay into the sewer system – all persons, all persons who live in an area serviced by a treatment plant, or only those connected to the plant?
3. **Cesspool conversion by 2050.** Director Mansour is a member of the statewide Cesspool Conversion Working Group, which is charged with developing a long-range comprehensive plan for cesspool conversion statewide for all cesspools by 2050. A member of the public has forwarded the CCWG to the private secretary and has asked that they be distributed to Commissioners for review. The reports are available for download at <https://health.hawaii.gov/wastewater/ccwg>.