

Honolulu, Hawaii

Ag: 122, 2010

RE: H.R. No. 136
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fifth State Legislature
Regular Session of 2010
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.R. No. 136 entitled:

"HOUSE RESOLUTION REQUESTING THE AUDITOR, PURSUANT TO SECTION 26H-6, HAWAII REVISED STATUTES, TO CONDUCT AN ANALYSIS OF THE PRACTICE OF EXCHANGE ACCOMMODATION IN HAWAII,"

begs leave to report as follows:

The purpose of this measure is to request the Auditor conduct an analysis of the profession of exchange accommodation in Hawaii.

Prior to a hearing on this measure, your Committee circulated a proposed draft that deleted the contents of the measure as received and inserted language that would establish a special investigative committee to investigate the status and handling of the Ocean View-Kahuku water system construction project on Hawaii Island.

Your Committee received written comments in support of the proposed draft from Ocean View Community Development Corporation and several concerned individuals. The State Procurement Office and the Hawaii County Department of Water Supply opposed this measure. The County of Hawaii Mayor's Office provided comments.

Your Committee has amended this resolution by adopting the proposed draft of this measure.

Specifically, this measure:

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- (1) Amends the title to read: ESTABLISHING AN INVESTIGATIVE COMMITTEE TO INVESTIGATE THE COUNTY OF HAWAII DEPARTMENT OF WATER SUPPLY; and
- (2) Replaces the contents of H.R. No. 136 with a measure that would establish an investigative committee vested with powers to:
 - (A) Determine the status of the planned water well and overall water system project in Ocean View-Kahuku;
 - (B) Provide for an audit of the funds received from the 2005 appropriation for this project;
 - (C) Ascertain information relating to any change in project scope since the approval of the environmental assessment;
 - (D) Determine whether the Department of Water Supply complied with the State Procurement Code in contracting the services of Bolton Inc. to complete construction of the water project.

Upon further consideration, your Committee has also amended this measure by:

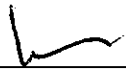
- (1) Limiting the assistance provided by the Legislative Reference Bureau to conducting analyses and drafting appropriate legislation as requested by the investigative committee and eliminating duties related to conducting legal and policy analyses and reviewing laws and studies in other jurisdictions; and
- (2) Clarifying that the Department of the Attorney General is requested to provide the investigative committee with copies of documents as may be available, and provide legal analyses as needed, to the extent that the Attorney General's participation does not impermissibly conflict with any litigation of which the Attorney General is a party.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee concurs with the intent and purpose of



H.R. No. 136, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 136, H.D. 1.

Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,



ROBERT N. HERKES, Chair

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