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March 25, 2010

Honorable Representative Marcus R. Oshiro, Chair
Honorable Representative Marilyn B. Lee, Vice Chair
and members of the Committee on Finance
HOUSE OF REPRESENTATIVES
State Capitol, Conference Room 308
415 South Beretania Street
Honolulu, HI 96813

Dear Rep. Oshiro, Rep. Lee and Members of the Committee on Finance:

Subject: **SB 2440, HD1, (HSCR690-10) Relating to Boards of Water Supply –
Hearing: Thursday, March 25, 2010, 3:30 p.m., Conference Room 308,
State Capitol**

This is to submit testimony in favor of SB 2440, HD1 which allows the Board to delegate to the Manager and Chief Engineer, the authority to disburse funds on behalf of the Board of Water Supply. The law, as it currently stands, is specific that only the Chairperson or the Acting Chairperson is authorized to sign vouchers for the Board of Water Supply.

The Kaua'i County Board of Water Supply from its inception in 1961 has consistently applied HRS Section 54-25, since the powers and duties of the Board set forth in Kaua'i County Charter Section 17.03 mirrors HRS Section 54-15. HRS Chapter 54 and the Kaua'i County Charter both provide that "the board shall manage, control, and operate the waterworks of the county and all property thereof for the purpose of supplying water to the public in the county, and shall collect, receive, expend, and account for all sums of money derived from the operation thereof and all other moneys and property provided for the use or benefit of such waterworks." Therefore, in order to allow the Manager and Chief Engineer the authority to sign vouchers on behalf of the Chairperson, the successful passage of SB 2440, HD1, is critical to the Kaua'i County Board of Water Supply.

Honorable Representative Marcus R. Oshiro, Chair
Honorable Representative Marilyn B. Lee, Vice Chair
and members of the Committee on Finance

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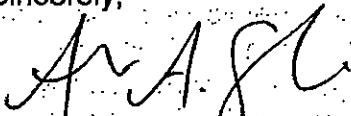
It is very likely that the other Counties will not oppose or object to the language contained in SB 2440, HD1, since they may not have the same concerns as Kaua'i County as it relates to HRS Section 54-25.

Unlike the Maui Department of Water, the Kaua'i Board of Water Supply remains a semi-autonomous body which has the full authority to manage, control and operate the waterworks of the County. Several years ago, the Maui Department of Water was changed from a semi-autonomous department to an executive department under the authority of the Mayor with an advisory Board. Also, unlike the City and County of Honolulu Board of Water Supply, the County of Kaua'i Department of Water was formed in 1961 pursuant to HRS Chapter 54 and continues its operation pursuant to the Kaua'i County Charter which was adopted in 1969. It is our understanding that the City and County of Honolulu's Board of Water Supply was established by Charter in 1929, many years prior to the adoption of HRS Chapter 54. Also, the language in the City and County of Honolulu's Charter clearly delegates the authority to sign all necessary contracts for the department and maintenance of proper accounts in such a manner to show the true and complete financial status of the department to the Manager and Chief Engineer. Kaua'i County's Charter on the other hand, in keeping with HRS Chapter 54, delegates the authority to the Board to maintain the Department's financial accounts. Finally, the Hawai'i County Board of Water Supply is governed by a separate and distinct section of HRS Chapter 54, more specifically, HRS Sections 54-51 through 54-67.

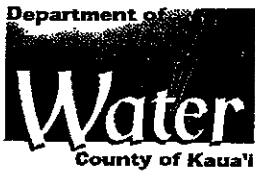
We hope the aforementioned provides sufficient reasons for the passage of SB 2440, HD1. Should you have any further questions, please feel free to call our office at (808) 241-4930.

Thank you for the opportunity to submit this written testimony.

Sincerely,


ANDREA A. SUZUKI
Deputy County Attorney
County of Kauai

cc: David Craddick, Manager and Chief Engineer



Water has no substitute.....Conserve it

March 24, 2010

Honorable Representative Marcus R. Oshiro, Chair
Honorable Representative Marilyn B. Lee, Vice Chair
and members of the Committee on Finance
HOUSE OF REPRESENTATIVES
State Capitol, Conference Room 308
415 South Beretania Street
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We support the intent of the Bill.

The original bill as submitted was amended in the House to require the Board to use rules and policy to decide how it would delegate its responsibilities.

In HB No. 2449, HD1, Section 54-25, HRS, references a key amendment, among other minor amendments, that was inserted: "The board may delegate through rules and policies its powers and duties regarding the disbursement of funds to the manager and chief engineer."

SB2440, HD1 deleted 'and policies'. If this amendment is used, it is key that the words "rules and policy" be included. The reason for this is if the Board can only act by rule it is a 6-month process to approve rules. Should there be a reason why the Board may want to rescind its delegation, it would be a long process. This is why the proposed amendment indicated to delegate its responsibilities by "rule and policy".

It may have only been a typographical error to have left out the words "and policies" after "through rules" but we would ask that these words be put in the final bill.

If you need to contact me, please call (808) 245-5408, fax at (808) 246-8628 or email at dcraddick@kauaiwater.org. Your consideration would be greatly appreciated. Thanks.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "D. Craddick".

David R. Craddick, P.E.
Manager and Chief Engineer

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Leg. Test. 2010/SB2440, HD1, HSCR690-10, Disbursement of Funds (Boards of Water Supply) (3-25-10 FIN Hearing):rm