

STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
677 QUEEN STREET, SUITE 300
Honolulu, Hawaii 96813
FAX: (808) 587-0600

IN REPLY REFER TO:

Statement of
Karen Seddon
Hawaii Housing Finance and Development Corporation
Before the

HOUSE COMMITTEE ON HOUSING

March 25, 2013 at 10:00 a.m.
State Capitol, Room 329

In consideration of
H.C.R 43/H.R. 24
**REQUESTING THE HAWAII HOUSING FINANCE
AND DEVELOPMENT CORPORATION AND THE CITY AND COUNTY
OF HONOLULU BOARD OF WATER SUPPLY TO ENTER INTO DISCUSSIONS TO
TRANSFER OWNERSHIP AND MANAGEMENT OF THE WAIAHOLE WATER
SYSTEM TO THE BOARD OF WATER SUPPLY.**

The HHFDC *offers the following comments* on H.C.R.43/H.R. 24.

H.C.R. 43/H.R. 24 requests that the HHFDC and the City and County of Honolulu Board of Water Supply (BWS) enter into discussions to transfer the Waiahole Valley potable water system, which is currently owned and operated by HHFDC, to the BWS. This potable water system serves Waiahole residents, agricultural users, and the Waiahole Elementary School. The system is aging, and requires repair and improvements. HHFDC has requested \$7.8 million in CIP funds for potable water system improvements in the Executive Biennium Budget request.

HHFDC has engaged in discussions with the BWS staff to make sure that planned improvements meet all current BWS standards and requirements. The current planned improvements include tapping into the existing BWS water system for water, building a new storage tank for the valley, rebuilding the access bridge to the well site, and replacing the existing pumps.

We also currently have a substantial number of users who suffer from frequent pressure issues because of the design of the original system. The new water storage tank will allow the entire valley to be fed on a gravity system which will greatly aid the reliability of the water system.

While dedication to the BWS remains a possible long term goal, there are still many issues to be resolved before pursuing this step is feasible. Our immediate goal is to ensure the continued supply of safe potable water to the valley residents. Our long term goal is to find the most cost effective way to meet our obligations to supply water. We are planning for all of our improvements to meet the BWS standards so that dedication can be a long term goal.

Thank you for the opportunity to testify.

BOARD OF WATER SUPPLY

CITY AND COUNTY OF HONOLULU
630 SOUTH BERETANIA STREET
HONOLULU, HI 96843



March 20, 2013

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Manager and Chief Engineer

ELLEN E. KITAMURA, P.E.
Deputy Manager and Chief Engineer

The Honorable Rida T. R. Cabanilla, Chair
and Members
Committee on Housing
House of Representatives
Hawaii State Capitol
415 South Beretania Street
Honolulu, Hawaii 96813

Dear Chair Cabanilla and Members:

Subject: House Concurrent Resolution No. 43 Requesting the Hawaii Housing Finance and Development Corporation and the City and County of Honolulu Board of Water Supply Enter into Discussions to Transfer Ownership and Management of the Waiahole Valley Water System to the Board of Water Supply

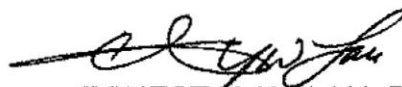
Thank you for the opportunity to provide testimony on House Concurrent Resolution (HCR) No. 43 regarding the Waiahole Valley water system. We have the following comments:

1. The Honolulu Board of Water Supply (BWS) and the Hawaii Housing Finance and Development Corporation (HHFDC) have been in periodic discussions on water system improvements and dedication of the Waiahole Valley potable water system since 2001 with little progress.
2. The State constructed the water system in the 1980's but did not complete essential component facilities, such as the 365' reservoir for the upper valley. There remain serious design flaws in the water system which contribute to intermittent water service disruptions.
 - a. The lack of a 365' reservoir causes the booster pumps to cycle on and off to maintain pressures in the upper valley, reducing the pump design life and increasing pump repair and replacement costs.

- b. The existing 239' reservoir continues to leak significant water loss, which causes the Waiahole Wells pumpage to exceed its State permitted use of 0.075 million gallons per day.
 - c. The long unpaved access road to the Waiahole Wells including the stream crossing requires costly maintenance especially after storms.
 - d. The cross-country power line serving the well station is subject to frequent damage from falling trees during storms, disrupting water service.
 - e. The breaker tank at the well site is too small to accommodate the agricultural lots above the lower reservoir causing the well pumps to cycle on and off reducing the pump design life and increasing pump repair and replacement costs.
 - f. There are two cross-country waterlines in the lower valley that will be difficult to locate and access if there was a main break.
3. In 2007, the HHFDC completed an engineering study that identified three water system upgrade options but the improvements have not been funded for design and construction. The State must complete the water system upgrades to meet BWS Water System Standards before BWS will consider dedication for operation and maintenance.
 4. All existing Waiahole Valley water system services must enter into BWS water service agreements and agree to pay our prevailing BWS water rates and charges prior to dedication of the system.

BWS will continue to work with HHFDC on defining the water system upgrades. Thank you for your consideration of our testimony on HCR No. 43.

Very truly yours,



ERNEST Y. W. LAU, P.E.
Manager and Chief Engineer