

LATE TESTIMONY

BOARD OF WATER SUPPLY

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



February 11, 2014

KIRK CALDWELL, MAYOR

DUANE R. MIYASHIRO, Chairman
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ROSS S. SASAMURA, Ex-Officio
GLENN M. OKIMOTO, Ex-Officio

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

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

The Honorable Will Espero, Chair
and Members
Committee on Public Safety, Intergovernmental
and Military Affairs
Senate
Hawaii State Capitol, Room 224
415 South Beretania Street
Honolulu, Hawaii 96813

Dear Chair and Members:

Subject: Senate Bill 3094, Relating to Counties

The Board of Water Supply, City and County of Honolulu (BWS) appreciates the intent of Senate Bill No. 3094, relating to the empowerment of counties to impose and enforce liens on unpaid water or sewer charges. However, we do have reservations and propose revisions to paragraph (23) and (23) (A) as described below.

Respectfully, we request that the proposed legislation in paragraph (23) (B) be amended to remove the dollar threshold for the imposition and enforcement of liens. This amendment would be consistent with the other provisions of the chapter and any liens would be implemented in accordance with the counties ability to enact or adopt laws, rules and ordinances.

Additionally, this revision to paragraphs (23) and (23) (A) of this chapter to allow counties to take over State water systems should be removed in its entirety. The revisions as proposed could unfairly burden the ratepayers and counties with the additional cost to maintain, improve, enlarge, and develop a State water system. BWS water rate payers are currently assessed the cost of operating and maintaining water system infrastructure through established water rates as allowed by statutes and City charter. BWS rates are established by conducting a rate study that takes substantial amount of time, as many issues have to be addressed and vetted to ensure that the proposed water rate revenues are adequate to recover the projected future water supply operating and capital costs. A cost of service analysis is then performed to properly allocate the revenue requirements to the various customer classes in a fair and equitable manner.

Thank you for your consideration of our testimony on Senate Bill 3094.

Very truly yours,



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

LATE TESTIMONY

DEPARTMENT OF ENVIRONMENTAL SERVICES CITY AND COUNTY OF HONOLULU

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DEPUTY DIRECTOR

IN REPLY REFER TO:
WAS 14-26

February 11, 2014

The Honorable Will Espero, Chair
and Members of the Committee on
Public Safety, Intergovernmental and Military Affairs
State Senate
State Capitol
Honolulu, Hawaii 96813

Dear Chair Espero and Members:

SUBJECT: Senate Bill 3094, Relating to Counties

The City and County of Honolulu's Department of Environmental Services (ENV) does not support Senate Bill (SB) 3094, which amends the current statute to 1) allow counties to take over from the State existing wasteworks and sewer systems, and 2) allow counties to impose and enforce liens upon premises served for any unpaid water or sewer charges, in its current form.

Specifically ENV objects to the language that would give the county the power "to take over from the State existing waterworks systems, including water rights, pipelines, and other appurtenances belonging thereto, and sewer systems, and to enlarge, develop, and improve the same;..". We believe that this is similar to an unfunded mandate in that it does not provide for the counties to ensure that such State facilities are in currently acceptable condition prior to taking over such a system or for the State to bring such facilities up to condition prior to any transfer. We recommend that this item be removed from the bill.

ENV supports the concept of the counties having authority to impose and enforce liens upon a premise for unpaid water or sewer bills. We often have little leverage to collect unpaid sewer fees without potentially creating a health hazard through disconnecting a premise from the sewer system. ENV does recommend that the definition of the dollar amount at which liens be allowed be left to the counties and that the language "in excess of \$_____" be removed from the bill. If the counties are allowed to impose liens, they should be allowed to determine at what dollar amount of unpaid bills such liens should be imposed.

SB 3094 should not be passed out of committee without the changes recommended above.

Thank you for your consideration.

Sincerely,


Lori M.K. Kahikina, P.E.
Director