



STATE OF HAWAII
DEPARTMENT OF HEALTH
P. O. Box 3378
Honolulu, HI 96801-3378
doh.testimony@doh.hawaii.gov

Testimony COMMENTING on S.B. 703, S.D. 1
RELATING TO SOLID WASTE

REPRESENTATIVE CHRIS LEE, CHAIR
HOUSE COMMITTEE ON ENERGY AND ENVIRONMENTAL PROTECTION

Hearing Date: March 17, 2015
Hearing Time: 8:30 a.m.

Room Number: 325

1 **Fiscal Implications:** Unknown.

2 **Department Testimony:** We appreciate the intent of this measure but defer to the Governor's
3 Executive Budget request for the Department of Health's appropriation and personnel priorities.
4 The Department would also like to offer the following comments.

5 The solid waste management surcharge is the primary funding mechanism for the Department's
6 solid waste regulatory program that regulates solid waste management facilities, such as landfill,
7 waste-to-energy, recycling, composting, and waste treatment operations in the state. The
8 surcharge is also intended to support other mandated solid waste activities, such as solid waste
9 planning, waste minimization/diversion, lead-acid battery and tire recycling outreach,
10 environmentally preferable purchasing tracking, and leaf blower enforcement; however, these
11 services have been eliminated because of decreasing revenue over the last six years, and
12 increasing programmatic costs. The surcharge was last increased in 1997, and at 35 cents a ton,
13 Hawaii has the lowest surcharge that has been imposed by state regulatory programs.

14 Our current expenditure with reduced services and vacancy is about \$660,000, which is expected
15 to increase to \$860,000 by the end of FY 2017. The increase is due to personnel costs and the
16 need to fund indirect costs by FY 2016, which this program is not currently paying. With an
17 annual deficit of about \$200,000 to \$400,000 per year, we expect to be insolvent by FY 2017.

1 Based on the original language in S.B. 703 and 2014 disposal tonnage, with no additional waste-
2 to-energy facilities, we anticipate that the proposed revenue will increase from about \$475,000 to
3 \$1.2M per year. This revenue will help with current expenses, vacancy, and the return of many
4 of the mandated but eliminated services.

5 The Department also offers the following amendments.

6 **Offered Amendments:** (1) Page 2, line 11: Delete “reduction.” The term adds ambiguity, as
7 transfer stations tend to compact waste, but not necessarily reduce the amount of waste. (2) Page
8 2, line 15: After “within the State that” insert “has already paid the surcharge on the waste
9 resulted in ash and.” The exemption on ash disposal should only apply to entities that already
10 paid the surcharge. Those that generate ash for disposal and have not yet paid for waste disposal
11 should still pay the surcharge. (3) Page 2, line 20 through page 3 line 3: Delete “; provided that
12 there shall be no surcharge for solid waste disposal of within the State at permitted waste-to-
13 energy facilities that accept less than 150,000 tons of solid waste annually.” This exemption was
14 initially included to accommodate a proposed waste to energy facility whose project financing
15 was endangered by the inclusion of the surcharge. The facility has not been constructed and we
16 understand that efforts to construct it have ceased. We, therefore, recommend that this
17 exemption be deleted. We note that 150,000 tons per year is greater than the municipal solid
18 waste disposal rates for most landfills in the state, including Waimanalo Gulch Sanitary landfill.
19 If all counties move to waste-to-energy, this exemption could cause the State to see significantly
20 less surcharge revenue than currently anticipating. (4) Amend HRS Ch. 342G-13 (4) to read:
21 “(4) Serve as the state solid waste management agency for compliance with the federal Resource
22 Conservation and Recovery Act of 1976 (42 United States Code section 6901 et seq.) and any
23 other federal or state law regarding solid waste; and”. (5) Amend HRS Ch. 342G-63 (c)(1) to
24 read: “(1) Partially fund the operating costs of the [~~program~~] department including its regulatory
25 functions and the development of waste reduction and diversion activities as mandated by
26 chapter 342G[;], 342H, and 342I;” The recommended amendments are a housekeeping measure
27 that will align funding authorization with a revised administrative organization.

1 Thank you for the opportunity to testify on this measure.

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

DEPARTMENT OF ENVIRONMENTAL SERVICES
CITY AND COUNTY OF HONOLULU

1000 ULUOHIA STREET, SUITE 308, KAPOLEI, HAWAII 96707
TELEPHONE: (808) 768-3486 ● FAX: (808) 768-3487 ● WEBSITE: <http://envhonolulu.org>

KIRK CALDWELL
MAYOR



LORI M.K. KAHIKINA, P.E.
DIRECTOR

TIMOTHY A. HOUGHTON
DEPUTY DIRECTOR

ROSS S. TANIMOTO, P.E.
DEPUTY DIRECTOR

IN REPLY REFER TO:
WAS 15-26

March 16, 2015

The Honorable Chris Lee, Chair
and Members of the Committee on
Energy and Environmental Protection
State Senate
State Capitol
Honolulu, Hawaii 96813

Dear Chair Lee and Members:

SUBJECT: Senate Bill 703, SD1, Relating to Solid Waste

The City and County of Honolulu's Department of Environmental Services is opposed to Senate Bill (SB) 703, SD1 which proposes to increase funding for the Department of Health's (DOH) Solid Waste Management programs through increases in the solid waste management surcharge.

We are in full support of adequate funding of the DOH Solid Waste Management programs, and we are opposed to funding these regulatory functions through fees on regulated activities rather than through use of State general funds. We believe that State general funds are the proper source of funding. The increase in the solid waste surcharge unfairly targets a specific base for a wider purpose.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Lori M.K. Kahikina".

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

1065 Ahua Street
Honolulu, HI 96819
Phone: 808-833-1681 FAX: 839-4167
Email: info@gcahawaii.org
Website: www.gcahawaii.org



GCA of Hawaii

GENERAL CONTRACTORS ASSOCIATION OF HAWAII

Quality People. Quality Projects.

Uploaded via Capitol website

March 4, 2015

TO: HONORABLE CHRIS LEE, CHAIR, HONORABLE NICOLE LOWEN, VICE CHAIR AND MEMBERS OF THE HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

SUBJECT: **OPPOSITION TO S.B. 703, SD1, RELATING TO SOLID WASTE.**

Increases the solid waste management surcharge to \$ _____ per ton of solid waste disposed of in landfills or shipped out-of-state. Establishes a solid waste management surcharge to _____ cents per ton of solid waste disposed of at waste-to-energy facilities that accept 150,000 tons or more of solid waste annually. Provides for no surcharges to waste-to-energy facilities that accept less than 150,000 tons of solid waste annually and for ash disposed of in landfills that originates from a waste-to-energy facility. Defines "waste-to-energy" facility. Effective July 1, 2050. (SD1)

HEARING

DATE: Tuesday, March 17, 2015
TIME: 8:30 a.m.
PLACE: Room 325

Dear Chair Lee, Vice Chair Lowen and Member of the Committee,

The General Contractors Association of Hawaii (GCA) is an organization comprised of over approximately six hundred (600) general contractors, subcontractors, and construction related firms. The GCA was established in 1932 and is the largest construction association in the State of Hawaii. The mission is to represent its members in all matters related to the construction industry, while improving the quality of construction and protecting the public interest.

GCA is in **opposition** to S.B. 703, SD1 which proposes to increase the solid waste management surcharge by a significant amount, which will be absorbed by many companies that use the facility. GCA opposes any increase that may not be warranted to meet specific Department of Health operating costs within the projected budget. The current bill is proposing an increase of 90 cents for the solid waste management surcharge, from its existing 35 cents to \$1.25 per ton for solid waste disposed at a landfill or to an out of state facility. The bill also permits no surcharge for waste to energy facilities that accept less than 150,000 tons of solid waste annually and for ash. This bill proposes a \$0.90 increase per ton, which would calculate to more than what may be necessary.

GCA is strongly opposed to any increase in the solid waste management surcharge that may not be appropriate through the surcharge mechanism. There is concern that the more appropriate funding should be through the use of State general funds. It appears that the onetime increase of

\$0.90 may not be necessary and that a smaller increase may be warranted. GCA's main concern is with how a proposed increased surcharge would be passed on to contractors and owners, which would in turn, raise the cost of all construction projects. Due to a number of significant infrastructure projects that are expected, such as rail, shipyard maintenance, as well as commercial and residential building and renovation, it would be detrimental to the state's economic recovery to burden private and public projects with extra added taxes framed as surcharges. In today's economic situation, increasing construction costs will adversely affect economic recovery.

We are also very concerned about the potential for immediate implementation of this increased cost for existing public works projects due to the original effective date of July 1, 2015. Many of our members have existing contracts in place for which contractors had based their costs on the known disposal costs at the time of the bidding process. Any sudden increase in disposal costs after an award of the contract will lead to unanticipated cost increases to the contractors which may not be recovered from the owner.

We respectfully request that this Committee defer S.B. 703, SD1 for the reasons above. Thank you for the opportunity to provide testimony on this measure.

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, March 15, 2015 1:10 PM
To: EEPtestimony
Cc: amybrinker@mac.com
Subject: *Submitted testimony for SB703 on Mar 17, 2015 08:30AM*

SB703

Submitted on: 3/15/2015

Testimony for EEP on Mar 17, 2015 08:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Amy Brinker	Individual	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

lowen2-Thomas

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, March 15, 2015 9:59 PM
To: EEPtestimony
Cc: jamesjtz@aol.com
Subject: *Submitted testimony for SB703 on Mar 17, 2015 08:30AM*

SB703

Submitted on: 3/15/2015

Testimony for EEP on Mar 17, 2015 08:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
James Gauer	Individual	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov