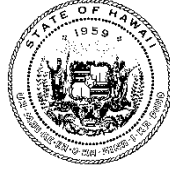


DAVID Y. IGE
GOVERNOR



CURT T. OTAGURO
Comptroller

AUDREY HIDANO
Deputy Comptroller

STATE OF HAWAII
DEPARTMENT OF ACCOUNTING
AND GENERAL SERVICES
P.O. BOX 119
HONOLULU, HAWAII 96810-0119

WRITTEN TESTIMONY
OF
CURT T. OTAGURO, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE
SENATE COMMITTEE
ON
PUBLIC SAFETY, INTERGOVERNMENTAL, AND MILITARY AFFAIRS
ON
FEBRUARY 5, 2019

S.B. 1062

**PLEASE DISREGARD OUR PREVIOUS TESTIMONY ON THIS BILL SUBMITTED 2/1/19
RELATING TO WASTE MANAGEMENT**

Chair Thielen and members of the Committee, thank you for the opportunity to submit written testimony on S.B. 1062.

The Department of Accounting and General Services (DAGS) supports the intent of the bill to prevent illegal dumping of liquid or solid wastes and offers the following comments:

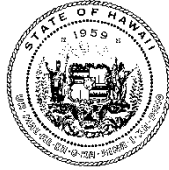
1. By requiring any agency of the State or any county to receive a statement for services performed which includes a receipt from a licensed waste management facility, farm lot with an approved soil and water conservation plan, or construction site with a permit to grade and fill the site or stockpile fill on the site that verifies that the waste was properly received and lawfully disposed of in order to make full payment, will not ensure all waste from the project site was properly and lawfully disposed of.

2. The proper and lawful disposal for construction waste from the construction site is solely the contractor's responsibility. This bill will bring unintended liability to the contracting agency and the State.

3. The bill implies that the contracting agency is able to verify that the receipt for proper and lawful disposal is for all of the waste generated from the construction site. The Department of Accounting and General Services does not have the resources to identify and verify all waste leaving a construction site.

Thank you for the opportunity to testify on this matter.

DAVID Y. IGE
GOVERNOR



SARAH ALLEN
ADMINISTRATOR
BONNIE KAHAKUI
ASSISTANT ADMINISTRATOR

**STATE OF HAWAII
STATE PROCUREMENT OFFICE**

P.O. Box 119
Honolulu, Hawaii 96810-0119
Tel: (808) 586-0554
email: state.procurement.office@hawaii.gov
<http://spo.hawaii.gov>
Twitter: [@hawaiispo](https://twitter.com/hawaiispo)

TESTIMONY
OF
SARAH ALLEN, ADMINISTRATOR
STATE PROCUREMENT OFFICE
TO THE SENATE COMMITTEES
ON
GOVERNMENT OPERATIONS
AND
PUBLIC SAFETY, INTERGOVERNMENTAL, AND MILITARY AFFAIRS

February 5, 2019, 2:45 PM

SB1062
RELATING TO WASTE MANAGEMENT

Chairs Thielen and Nishihara, Vice Chairs Inouye and Wakai, and members of the committees, thank you for the opportunity to submit comments on SB1062.

Page 6, lines 1 to 8 states: "If required pursuant to a contract or executed agreement, the state or county agency may make partial payment to the contractor without a receipt showing proper waste disposal from a licensed waste management facility, farm lot, or construction site and before any dumping of waste. A person who knowingly submits a receipt that is altered or falsified in any manner for the purposes of this subsection shall be subject to section 708-872."

A. Concern 1: The bill fails to stipulate a specific percentage or dollar payment amount that the state or county agency may withhold if the contractor does not provide a receipt showing proper disposal. This could lead to possible inequities in payments, i.e. 10%-90%, to contractors, differing from agency to agency. Contractors may question the disparities of amounts, between agencies, if a standard or guidelines are not set.

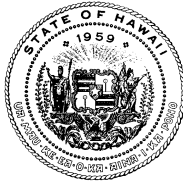
Concern 2: This Bill verbiage is silent as to the extent of the partial payment. This means essentially that a contractor could be partially paid up to 99% of their work, leading to the risk that proper waste disposal may not happen as the contractor's cost-benefit analysis may determine that it is not worth the expense after being paid almost the full amount.

Recommendation: The bill should identify a specific percentage based on total contract value.

B. Concern 3: The bill falsely assumes that the contractor will be aware of the disposal requirements.

Recommendation: The bill should identify that disposal requirements shall be pursuant to the bid specifications or executed agreement between the state agency or county agency and the contractor.

Thank you.



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

WRITTEN
TESTIMONY ONLY

Testimony COMMENTING on SB1062
RELATING TO WASTE MANAGEMENT

SENATOR LAURA H. THIELEN, CHAIR
SENATE COMMITTEE ON GOVERNMENT OPERATIONS

SENATOR CLARENCE K. NISHIHARA, CHAIR
SENATE COMMITTEE ON PUBLIC SAFETY, INTERGOVERNMENTAL, AND
MILITARY AFFAIRS

Hearing Date: February 5, 2019

Room Number: 225

1 **Fiscal Implications:** None

2 **Department Testimony:** The Department of Health (DOH) offers the following comments:

3 1. Waste is not defined in Hawaii Revised Statutes (HRS) Chapter 103. If the definition of
4 waste is assumed to be as defined in HRS 342H-1, then waste is, “sewage, industrial and
5 agricultural matter, and all other liquid, gaseous, or solid substance, including radioactive
6 substance, whether treated or not, which may pollute or tend to pollute the atmosphere,
7 lands or waters of this State.” Given this definition, the DOH should be consulted if
8 waste is to be disposed outside of a DOH-permitted or approved waste facility.

9 2. The DOH recognizes that a significant portion of generated construction material waste,
10 such as uncontaminated soil, and unpainted and uncontaminated crushed concrete and
11 asphalt may be reused or recycled at farm lots and other construction sites, and supports
12 this activity, if appropriate.

13 3. The DOH understands that the intent of the measure is to prevent the improper disposal
14 of waste, and therefore offers clarifying language for consideration.

15 **Offered Amendments:** Additions appear as underlined and deletions appear as strikeouts.

1 (e) Beginning July 1, 2019, in any contract with an agency of the State or a county that includes
2 the disposal of liquid or solid waste, including but not limited to construction waste, full payment
3 shall not be rendered unless the statement for services submitted pursuant to subsection (a)
4 includes a receipt from a ~~licensed-Department of Health-permitted~~ waste management facility,
5 Department of Health-approved wastewater treatment facility, or other location approved by the
6 Department of Health. In addition, any contract with an agency of the State or county that
7 includes the transport or placement of soil that meets Department of Health guidance for
8 unrestricted use or unpainted and uncontaminated concrete and asphalt that meets the inert fill
9 definition of HRS 342H-1 and placement under Department of Health guidance, full payment
10 shall not be rendered unless the statement for services submitted pursuant to subsection (a)
11 includes a receipt from a farm lot with an approved soil and water conservation plan, or
12 construction site with a permit to grade and fill the site or stockpile fill on site. The receipt shall
13 ~~that~~ verifies that the waste or inert fill was properly received and lawfully ~~disposed of~~ managed
14 in an appropriate, ~~licensed-DOH-permitted or approved~~ waste facility, farm lot, or construction
15 site and shall include:

- 16 (1) The number of truck loads accepted by the facility;
- 17 (2) The type of material received;
- 18 (3) The address of the site and name of the agent authorized to accept the disposal; and
- 19 (4) Reference of the holder, farm, or company of the farm soil and water conservation
20 plan or construction permit number, as applicable.

1 If required pursuant to a contract or executed agreement, the state or county agency may make
2 partial payment to the contractor without a receipt showing proper waste disposal from a ~~licensed~~
3 DOH-permitted or approved waste management facility, or inert fill acceptance by farm lot, or
4 construction site and before any dumping of waste. A person who knowingly submits a receipt
5 that is altered or falsified in any manner for the purposes of this subsection shall be subject to
6 section 708-872.

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

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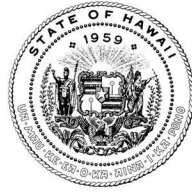
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EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

Testimony of **Ford Fuchigami**
Administrative Director, Office of the Governor

Before the
SENATE COMMITTEES
ON
GOVERNMENT OPERATIONS
AND
PUBLIC SAFETY, INTERGOVERNMENTAL, AND MILITARY AFFAIRS

February 5, 2019
2:45 p.m., Conference Room 225

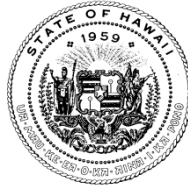
In consideration of
SB 1062
RELATING TO WASTE MANAGEMENT

Chairs Thielen and Nishihara, Vice Chairs Inouye and Wakai, and committee members:

Thank you for the opportunity to provide testimony in Support of the Intent of **Senate Bill 1062**.

We defer to testimonies submitted separately by the Department of Health and the administrator of the State Procurement Office and ask that the amendments offered in their testimonies be incorporated into this bill.

We appreciate your attention and will be available to answer your questions, should you have any at this time.



TESTIMONY BY:

JADE T. BUTAY
DIRECTOR

Deputy Directors
LYNN A.S. ARAKI-REGAN
DEREK J. CHOW
ROSS M. HIGASHI
EDWIN H. SNIFFEN

STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097

February 5, 2019
2:45 p.m.
State Capitol, Room 225

S.B. 1062
RELATING TO WASTE MANAGEMENT

Senate Committee(s) on Government Operations &
Public Safety, Intergovernmental, and Military Affairs

The Department of Transportation (DOT) **supports the intent** of S.B. 1062 requiring all state contractors disposing liquid or solid waste provide a receipt that the waste was received and disposed of at a licensed facility or an appropriate construction site before full payment is made for contractual services.

The DOT respectfully submits the following concern to S.B. 1062, starting on Page 2, Line 16 regarding payment for goods and services to be paid no later than thirty calendar days following receipt of the statement or satisfactory delivery of the goods or performance of the service.

Under the current system, payments to Contractors are to be made within thirty calendar days following a Department's receipt of the Contractor's progress payment.

However, Contractors usually submit their progress payment to the Department the following month for work or services completed in the previous month. Therefore, depending on when the work or service is completed in the previous month, payments to Contractors could be made between 45 to 75 calendar days following receipt of the statement or satisfactory delivery of the goods or performance of the service.

Thank you for the opportunity to provide testimony

**SENATOR LAURA H. THIELEN, CHAIR
SENATE COMMITTEE ON GOVERNMENT OPERATIONS**

**SENATOR CLARENCE K. NISHIHARA, CHAIR
SENATE COMMITTEE ON PUBLIC SAFETY, INTERGOVERNMENTAL, AND MILITARY AFFAIRS**

SB 1062 – Relating to Waste Management

Tuesday, February 5, 2019 – 2:45 p.m., State Capitol Conference Room 225

Aloha Chair Thielen, Chair Nishihara, and members of the Committees:

My name is Lasha-Lynn Salbosa. I was born in Hawai'i, spent my formative years in Wai'anae, and am now a resident of Hawai'i Kai. I am a member of the Hawai'i Kai Neighborhood Board, representing Subdistrict #7, Kalama Valley and Ka Iwi.

I am testifying in **SUPPORT** of Senate Bill 1062, which would require all state and county agency contracts that include disposal of liquid or solid waste to provide a receipt that the waste was received and disposed of at a licensed facility, or an appropriate farm or construction site before full payment is made for those contractual services.

Improper liquid or solid waste disposal is a significant problem facing many neighborhood communities throughout the State. Under current rules, State and County agencies simply rely on best business practices to assure that liquid or solid waste (e.g., construction waste, dredged material, soil, or scrap wood) is properly eliminated or recycled. There are no mechanisms in place to allow State and County agencies to *require* proper disposal of liquid and solid waste, and track where such waste is disposed. Proper disposal of liquid and solid waste will protect our local farmers and maintain the health and beauty of our island communities.

Please act now and pass SB 1062.

Respectfully yours,



Lasha-Lynn H. Salbosa
Hawai'i Kai Neighborhood Board No. 1, Subdistrict #7

SB-1062

Submitted on: 2/4/2019 2:42:53 PM

Testimony for GVO on 2/5/2019 2:45:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Melodie Aduja	Testifying for O`ahu County Committee on Legislative Priorities of the Democratic Party of Hawai`i	Support	No

Comments:

TO: Members of the Committees on Government Operations and Public Safety,
Intergovernmental and Military Affairs

FROM: Natalie Iwasa
808-395-3233

HEARING: 2:45 p.m. Tuesday, February 5, 2019

SUBJECT: SB1062, Waste Management – **SUPPORT**

Aloha Chairs and Committee Members,

Thank you for allowing me the opportunity to provide testimony on SB1062, which would require contractors who have waste from public works projects to provide a receipt that the waste was received and disposed of at a licensed facility before payment is made for their services.

In 2009 and 2010, the city replaced underground wiring for street lighting along Lunalilo Home Road. A few years later, the state added a right turn lane to Kalanianaʻole Hwy. between Keahole and Hawaii Kai Drive. Construction debris, including rebar and asphalt chunks, from both of those projects was dumped in Kamilonui Valley under a long-term stockpiling permit for the memorial park. (The first permit was issued on March 1, 2004, nearly 14 years ago.)

More recently the city repaved just about all of the roads in Hawaii Kai, and debris from some of those roads was also added to the stockpile. Kamilonui Valley is a watershed, and construction debris of this type should not be allowed.

I support the requirement for contractors to put their waste in a licensed facility and ask you to vote “yes” on SB1062.