

Honolulu, Hawaii

FEB 05 , 2020

RE: H.B. No. 2600  
H.D. 1

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirtieth State Legislature  
Regular Session of 2020  
State of Hawaii

Sir:

Your Committee on Water, Land, & Hawaiian Affairs, to which was referred H.B. No. 2600 entitled:

"A BILL FOR AN ACT RELATING TO WATER RATES,"

begs leave to report as follows:

The purpose of this measure is to transfer the water ratemaking authority from the county boards or departments of water supply to the Public Utilities Commission.

Your Committee received testimony in support of this measure from one individual. Your Committee received testimony in opposition to this measure from the County of Maui Department of Water Supply, County of Hawai'i Department of Water Supply, Board of Water Supply of the City and County of Honolulu, County of Kaua'i Board of Water Supply, one member of the Maui County Council, and one member of the Hawai'i County Council. Your Committee received comments on this measure from the Public Utilities Commission and Department of Commerce and Consumer Affairs.

Your Committee finds that the Public Utilities Commission currently regulates water for thirty-nine small, private companies. However, your Committee further finds that the Public Utilities Commission lacks the resources necessary to make it capable of carrying out ratemaking oversight over the county water



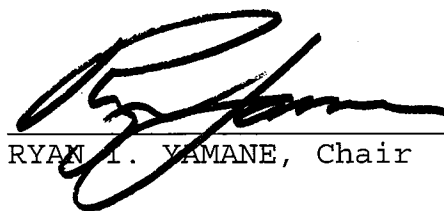
systems. Your Committee therefore finds that removing the ratemaking authority of the county water systems from the various county boards or departments of water supply and vesting it in the Public Utilities Commission is premature.

Your Committee has amended this measure by:

- (1) Removing its contents and replacing it with language requiring the Department of Health to conduct a study of the water rates and water usage rates in counties with a population greater than 500,000;
- (2) Changing the effective date to July 1, 2050, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2600, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2600, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

Respectfully submitted on  
behalf of the members of the  
Committee on Water, Land, &  
Hawaiian Affairs,



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RYAN I. YAMANE, Chair



