



HONOLULU CITY COUNCIL

KE KANIHELA O KE KALANA O HONOLULU

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TOMMY WATERS
CHAIR & PRESIDING OFFICER
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HONOLULU CITY COUNCIL
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February 11, 2025

'25FEB11 PM 3:00 CITY CLERK

Roger Babcock Jr., Ph.D., P.E.
Director
Department of Environmental Services
City and County of Honolulu
1000 Ulu'ohia Street
Suite 308
Kapolei, HI 96707

SUBJECT: Bill 60 (2024) Proposed Increase in Honolulu Sewer Rates

Dear Dr. Babcock.

As you are aware, the proposal to significantly increase sewer rates in Bill 60 (2024) has caused much anxiety across the city and continues to receive significant reservations from this Council. Most if not all of our constituents continue to experience growing economic pressure, as the cost of nearly every expense in their day to day lives seems to be increasing. While this Council understands the necessity of ensuring the delivery of these critical services, it is just as important that we provide clear rationale to the public, and ensure that every member of this Council is provided with the necessary information to ensure that we have exhausted all other options before simply raising rates.

For that reason, I request that you provide additional details around the questions outlined below. While you have provided some of this information in the form of presentations to the Council, it would be helpful to have all of the information provided in one document. Given the importance and timeliness of the potential rate increases and the need for Council deliberations on the matter, please respond to the following questions as quickly as possible, but no later than March 3, 2025.

1. Please provide a detailed history and timeline of the sewer fund rates for the last 20 years.
 - a. Please describe the process for setting the rates.
 - i. Are rates set differently for the type of ratepayer based on the type of entity (i.e. commercial or residential), the location of the facility, or the type of structure being served? Are rates different for single family units and multi-family units? If so, please explain why these differ.
 - b. Please include the proposed amount of any increase or decrease in the rates and the rationale for the rate changes.

2. Please break down in detail and by year what the recent projected increase in sewer fees fund would be used for:
 - a. Include detailed projections of the annual income from the sewer fees and specifically how those funds are projected to be spent each year.
 - b. Please provide a list, details, and amounts of any projects that would not be completed each year without the proposed increase in fees, including the impact to the City of any project delayed or not completed.

3. These sewer system upgrades started with the 1995 consent decree.
 - a. Please show us what was spent complying with that 1995 consent decree.
 - b. What costs are associated with the 2007 stipulated order?
 - c. What are the costs associated with the 2010 comprehensive settlement?
 - d. Since the 1995 consent decree, have the sewer rates been consistently adjusted to provide the funding for the anticipated costs that the consent decree, stipulated order, and the settlement were projected to incur?
 - i. If the rates were not consistently adjusted to account for the projected costs, please explain why and the impact of the lack of such adjustments to ratepayers.

4. What is the total projected cost of the Sand Island Wastewater Treatment Plant (WWTP) project?
 - a. Please break down the total cost of the Sand Island WWTP upgrade by budget year.
 - i. Please provide details on each project line item (planning, design, construction, inspection, etc.), including detailed costs.
 - b. What are the milestones for the project?
 - i. What is the timing to reach each milestone?
 - ii. What is the cost to reach each milestone?
 - iii. What are the potential roadblocks or delays for each milestone?
 1. By what amount would each delayed milestone increase the costs of reaching that milestone and future milestones?
 - a. How would each delay impact the completion and costs of the entire project?
 - c. What contracts have been or are projected to be procured?
 - i. Who are the contractors engaged by the ENV for the project?
 1. What are the contracts for and what is the cost of each contract?
 2. What is the status of the contracts?
 - d. How will the tariffs implemented and proposed by President Trump impact the costs of the upgrades and the total cost of the Sand Island WWTP project?

5. What is the total spent cost to date of the Sand Island Wastewater Treatment Plant project?
 - a. How has this project been funded thus far?
 - b. Which revenue source will pay for the remaining costs to complete the Sand Island WWTP project?

- c. Have you evaluated or applied for any funding or grants from the federal government?
 - i. Has the City and/or ENV communicated any project funding requests to our federal Congressional delegation?
 - 1. If the City and/or ENV communicated any project funding requests to our federal delegation, please include detailed status and the history of any federal resources the City and/or ENV applied for or requested. The funding source, amount, and result of the request should be included.
 - 2. For each funding source, please list the amount of potential funding and detail the impact such funding would potentially have on the proposed increase in sewer fund rates.
- d. Have you evaluated or applied for any funding or grants from the Hawai'i state government?
 - i. Has the City and/or ENV communicated any project funding requests to any member of the State House or Senate, and/or the Governor?
 - 1. If the City and/or ENV communicated any project funding requests to any member of the State House or Senate, and/or the Governor, please include the detailed status and the history of any state resources the City and/or ENV applied for or requested. The funding source, amount, and result of the request should be included.
 - 2. Please list which state resources were evaluated. Please include notations identifying which state resources the City and/or ENV applied for or requested.
 - a. For each funding source, please list the amount of potential funding and detail the impact such funding would potentially have on the proposed increase in sewer fund rates.
- e. Have you evaluated or applied for any funding or grants from the private or non-profit sector?
 - i. Has the City and/or ENV communicated any project funding requests to any private or non-profit entity?
 - 1. Please list which private or non-profit resources were evaluated. Please include notations identifying which resources the City and/or ENV applied for or requested.
 - a. Include the detailed status and the history of any private or non-profit resources the City and/or ENV applied for or requested. The funding source, amount, and result of the request should be included.
 - b. For each funding source, please list the amount of potential funding and detail the impact such funding would potentially have on the proposed increase in sewer fund rates.

6. What ability does the City have to fund the Sand Island WWTP upgrades through existing city departmental budgets?
 - a. Please list all City programs examined for potential budget reductions or elimination so that funding can be reprogrammed to this project, including the potential amounts such cuts would make available.
 - i. For each city program budget reduction or elimination, please list the amount of potential funding and detail the impact such funding would potentially have on the proposed increase in sewer fund rates.
 - a. How much in available or excess funds from other departments could be reprogrammed to this project?
 - b. Please list all City department budgets examined for excess funds, including the potential amount of available or excess funds.
 - i. For each city department with excess funds, please list the amount of potential funding and detail the impact such funding would potentially have on the proposed increase in sewer fund rates.
 - c. How much in funding from City vacant positions be reprogrammed to this project?
 - i. How much in vacant position funds from ENV and other departments could be reprogrammed to this project?
 1. Please list all City departments examined for potential vacant position funds, including the potential amount of funds available from vacant positions.
 2. For each city department with vacant position funds, please list the amount of potential funding and detail the impact such funding would potentially have on the proposed increase in sewer fund rates.
 - d. How much in general funds overall can be reprogrammed to this project?
 - i. Please detail the source and amount of potential City general funding that could be reprogrammed and the impact such funding would potentially have on the proposed increase in sewer fund rates.
 1. Has ENV discussed the rate increases with all the O'ahu Neighborhood Boards?
 - e. If not, why not?
 - f. Which neighborhood boards have you already met with?
 - i. What was presented at each Board, and who was the presenter?
 - ii. What was the reaction from each Board?
 - g. Which neighborhood boards have you NOT met with?
 - i. When is ENV scheduled to meet each of those Boards?
 - h. Please provide copies of all materials presented to the Neighborhood Boards.

Dr. Babcock
February 11, 2025
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Thank you for your attention to this request. If you have any questions, please contact my Chief of Staff, Duncan Osorio, at 808-768-5095.

Sincerely,

A handwritten signature in black ink that reads "Tommy Waters". The signature is written in a cursive, flowing style with a long horizontal line extending to the right from the end of the name.

Tommy Waters
Chair and Presiding Officer
Honolulu City Council

cc: Mayor Rick Blangiardi
Managing Director Mike Formby