

BILL060(24)
Testimony

MISC. COMM. 287

BUDGET (BUD)

BUDGET (BUD) Meeting

Meeting Date: May 27, 2025 @ 09:00 AM

Support: 0

Oppose: 0

I wish to comment: 6

Name: Robert Gould	Email: bob.gould@stanfordalumni.org	Zip: 96744-2664
Representing: Self	Position: I wish to comment	Submitted: May 22, 2025 @ 07:06 AM

Testimony:

It is hard to know what to comment on regarding this action because my comments are on the charging comment in general and how Bill 60 could be made more fair.

It is my opinion that sewer service is a core responsibility for any city government. The question then becomes how to pay for it. Until February of 1977, there was no separate sewer charge on Oahu. The case was made that because of a need to pay for new sewer installations, a nominal fee would be charged. That charge has gone from a flat fee of about \$20/mo to the current charge of hundreds of dollars in many cases. A property with two dwellings but a single sewer lateral is charged two base charges; one for each house.

In August of 1989 a 'usage charge' for sewer based on water usage was instituted. It was pretty nominal, at \$8.40/mo + \$.57/1,000 1st 1,000 gal. Four years later, in August of 1993, those usage charges increased substantially and were graduated in steps.

In 2002, when asking about the irrigation submetering program I was told that I could meter the water going to the houses rather than the water being used for irrigation followed by subtracting from the total water usage to derive the amount presumably going to the sewer. Why not meter the actual usage by metering the house water? When it got down to actually doing that, though, Tim Houghton denied the request, saying the only allowable way was to meter irrigation usage and do the math. When I asked why, he said that was the rule. When asked who made the rule, he replied that he did.

Another thing that was done at the same time (presumably by Tim Houghton) was to give a credit for 20% of the total water usage under the assumption that it would reflect the amount used to irrigate. The calculation is patently ridiculous, as it makes no allowance for rainy season vs dry season, no allowance for location and associated rainfall, nor any allowance for the yard vs house area or whether the yard is actually watered or not. Again, Tim Houghton's response when asked about it was that it was the rule. He also said that there is no difference between irrigation usage throughout the year on Oahu, which is just wrong.

The net result is that many are now paying exorbitant sewer fees, even with very minimal watering, and unless they let their lawn dry up and turn brown during the dry months, they pay even more. I have no problem paying for water usage, but I feel like being charged sewer fees for water that I can prove does not go into the sewer is just dishonest. It is clear that the Department of Environmental Services is consciously and intentionally cheating the owners of properties on Oahu as a way to extract more money. A fair way would be to give the option of metering the water actually going to the sewer by separating the house from the irrigation system as we have done and metering the house water. In the

meantime I see any increase in sewer fees as a way for the City to cheat even more by knowingly overcharging its citizens.

At some point the (I presume) City Council either on its own or at the behest of the City administration decided that the sewer system must be entirely self supporting. That means that the City has no incentive to be efficient in its operation, its charging for sewer, or its contracting for construction. And the City's track record of overpayment is staggering! One example is the City opening bids to remove a single tree. When one arborist said he could do it for \$500, the person in the City refused. When the arborist said he could not do it any cheaper, it was explained that he had misunderstood: he had bid too LOW! The City ended up paying him \$5,000 to remove a tree that he was perfectly willing to remove for 10% of that amount! We can only imagine how interested the City will be in trying to build out the sewer system in an efficient manner while protecting the interests of its sewer customers whom it is already cheating!

Look at the various vendors who botch jobs but end up getting paid anyway, particularly with 'improvements' in computer systems. At least there the money is coming from the budget and the City might be interested in keeping costs down, but if it requires the sewer system to be completely financially self sufficient, there is no incentive for the City to try and be efficient!

I think the move by the City Council to at least partially offset the new sewer costs by using tax funds is a good idea, though I don't think it goes far enough. Our hotel room taxes in Honolulu are WAY too low. San Francisco charges as much as 17.5%. Whether the 8.63% sales tax is added there, I don't know. Taxes in other similar cities are even more. The trend among businesses (especially hotels and airlines) seems to be to charge junk fees that they try to hide up front as a way to increase revenue and perhaps avoid taxes. We don't need the City to be doing the same thing, especially when it is cheating in its accounting!

Some people have small yards and big families, so they may not irrigate much but might send a lot into the sewer. Some have small yards but water every day regardless of need. Some live in rainy locations and some live in dry locations. A big lot in a dry location may require 3,000 gallons to water ONE time! They are charged twice; once for water and then again for sewer.

Houses with swimming pools in dry locations must add around 100 gallons of water per day to the pool because of evaporation. They should not be charged sewer fees for this water, as it does not go down the sewer. (And no, pools are not emptied often; only when major maintenance is needed after a decade or more, and even then the water does not go down the sewer, so they should not be charged sewer fees to fill the pool. There is a limited credit for that, but it comes from BWS and only a little bit from Environmental Services which has no credit for that.)

How can it be made more fair? METER THE SEWER WATER! PUT THE OPERATION OF THE SEWER SYSTEM DIRECTLY IN THE CITY BUDGET WITH NO USAGE FEES!

Name:

Robert Gould

Email:

bob.gould@stanfordalumni.org

Zip:

96744

Representing: Self	Position: I wish to comment	Submitted: May 22, 2025 @ 09:32 AM
Name: Frank Doyle	Email: doylef002@hawaii.rr.com	Zip: 96825
Representing: Self	Position: I wish to comment	Submitted: May 26, 2025 @ 06:51 AM
Name: Frank Doyle	Email: doylef002@hawaii.rr.com	Zip: 96825
Representing: Self	Position: I wish to comment	Submitted: May 26, 2025 @ 06:59 AM
Name: Natalie Iwasa	Email: iwasajunk@mail.com	Zip: 96825
Representing: Self	Position: I wish to comment	Submitted: May 26, 2025 @ 11:47 PM
Name: Angela Melody Young	Email: Alohadivinedesign@gmail.com	Zip: 96817
Representing: CARES Community Advocacy Research Education Services	Position: I wish to comment	Submitted: May 27, 2025 @ 08:49 AM
Testimony: Cares wishes to comment. Refer to live testimony		

I did not realize until after I submitted this testimony in the online space that all of the formatting would be lost, so I am resubmitting it as an uploaded file.

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CITY BUDGET WITH NO USAGE FEES!

Jamie Piziali, Municipal Ombudsman
Office of the Municipal Ombudsman
U.S. Environmental Protection Agency
Piziali.Jamie@epa.gov

Aloha Municipal Ombudsman Piziali,

My name is Frank Doyle, I am currently a member of the Department of Environmental Services' Sewer Fee Advisory Group for the City and County of Honolulu (CCH). During my 42 years of satisfying and rewarding service to the CCH, I served as the Director of the Department of Environmental Services, as well as Chief of the Divisions of Collection System Maintenance and Wastewater Treatment and Disposal. I am presently collaborating with a group of science and engineering colleagues seeking to reinstate the 301(h) Waiver from secondary treatment for Sand Island Wastewater Treatment Plant that was originally included in the City's NPDES Permit for that facility.

We understand that we may request the assistance of the Municipal Ombudsman when we have not had success with the existing EPA avenues for addressing our Clean Water Act concerns. Over the past 15 years, our group and others, have requested in writing and oral testimony to Federal, State and City bodies that the 2010 Consent Decree be modified to remove the requirement for secondary treatment at the Sand Island WWTP and the 301(h) Waiver be reinstated. To date, our concern has not been resolved through regular avenues, and therefore our request for assistance to you. This letter provides our argument for the reinstatement of the Waiver and, given the new administration's effort to reduce wasteful spending, the opportunity for private citizens to make our appeal and for it to be heard.

In 2010, the CCH was required to enter a Consent Decree with the EPA mandating secondary treatment at the Sand Island WWTP by 2035. Since 1981, this treatment plant has been providing advanced primary treatment with its effluent being discharged into the deep ocean, approximately 1.5 miles offshore at a depth of 240 feet. Until 2010, the Sand Island WWTP operated under an EPA permit that waived secondary treatment because CCH was able to demonstrate no harm to public health or the ocean environment resulting from advanced primary treatment and deep ocean discharge. Over the past 40 years, oceanographic monitoring has confirmed these findings. Additionally, the CCH has not been cited for any public health issues in the near shore waters of Māmalā Bay, nor for any environmental impacts within the zone of mixing at the effluent discharge. This validates there are no public health or environmental issues to be mitigated by the addition of

secondary treatment at Sand Island WWTP.

Since entering the Consent Decree, the City has completed billions of dollars of improvements to sewer collection system and treatment plant operations and has essentially complied with the Decree requirements except for its largest project, secondary treatment at Sand Island remaining. During negotiations and after the Consent Decree was enacted, argument has been made that secondary treatment was unjustified.

Despite all the evidence presented, the EPA denied the CCH's application for a 301 (h) waiver from secondary treatment at Sand Island WWTP in 2010. This denial was based on the agency's unfunded mandate for secondary treatment at all municipal sewage treatment plants throughout the United States regardless of unique geographic circumstances. The Alliance of EPA Regulators and various Environmental groups that advocate for increased regulation, including Best Available Treatment, has over the past 50 years placed a tremendous financial burden on communities throughout the country by calling for increased regulation of air, water and sewage facilities, without exception. In some cases, such as Sand Island WWTP, the regulations have been unwarranted, costing taxpayers billions of dollars at the State, County and City government levels. In addition, the annual and ever-increasing costs for operating and maintaining these facilities to meet these requirements are very expensive, and in some cases unaffordable to many communities.

At Sand Island WWTP, Phase I construction of secondary facilities to treat 20 million gallons per day is underway at a cost of \$500 million. Phase II will expand secondary capacity to 80 million gallons per day at an estimated construction cost of \$2.5 billion, which will add unwarranted and unjustified financial burdens to taxpayer financial woes in perpetuity. As a group of Hawaii environmental scientists and wastewater engineers, we are requesting EPA and if necessary, Congress, to reinstate the CCH's previous 301 (h) Permit Waiver of secondary treatment at Sand Island WWTP, like that accomplished by the City of San Diego in 2019. At that time, San Diego obtained an exemption to the Clean Water Act for its Point Loma Plant effluent discharge and was able to reinstate the Permit Waiver for secondary treatment for that plant. We understand there are wastewater treatment facilities in Alaska, Maine and the territories of American Samoa and Guam that have Waivers from secondary treatment as well.

Our group seeks to remove these unjustified regulations that ignore the science underlying the unique oceanographic features associated with the Sand Island WWTP. The cost of secondary treatment at the Sand Island WWTP cannot be

justified based on public health and environmental protection, which can be the only basis for justifying a project of this costly magnitude.

In its effort to reduce proposed Sewer Fee charges, the Honolulu City Council on December 11, 2024, adopted Resolution 287 “urging the Administration to initiate discussions with the U.S. Environmental Protection Agency, the State of Hawaii Department of Health and other pertinent parties to terminate, modify or extend the compliance deadlines of the 2010 Consent Decree relating to the City and County of Honolulu Wastewater system”. By this action the Council is basically seeking relief from the 2010 Consent Decree requirements and specifically the requirement to provide secondary treatment of sewage at the SIWWTP. The removal of the requirement to provide secondary treatment at the SIWWTP would reduce the cost of the Sewer Fee increase by approximately 25 percent.

Our group supports Council Resolution 287. Further we believe that Consent Decree Paragraph 97 MODIFICATION may well serve as a vehicle for the City Administration to move forward with Council Resolution 287. Paragraph 97 states: “The terms of this Consent Decree, including compliance schedules, may be modified, as provided in this Paragraph, by a subsequent written agreement signed by the United States, the State, and CCH. Time extensions and modifications to proposed project scopes shall not be construed as material modifications to this Consent Decree. Any non-material modifications to the Consent Decree may be made, without Court approval, by a written agreement signed by the United States, the State, and CCH, and shall be effective upon service to all the Parties; provided, however, the Intervenors may raise the issue of the materiality of the modification by invoking dispute resolution pursuant to Section XII (Dispute Resolution) of this Decree.”

In addition, we understand that the Water Infrastructure Improvement Act (WIIA) (HR 7279), allows municipalities to use Integrated Planning to meet CWA requirements. The City Department of Environmental Services (ENV) has completed its Integrated Planning Feasibility Study Final Report which recommended ENV pursue an integrated planning process. It is our understanding that ENV intends to prepare a more comprehensive and detailed Integrated Planning document. We are encouraged that through this process the CCH may revisit its CWA obligations and schedules for both wastewater and storm water to rearrange projects that prioritize community defined objectives and maximize their

investments to achieve greater water quality and human health benefits. We are confident that through the Integrated Planning process, the EPA's review of Consent Decree requirements, for Honolulu and other Cities, may save millions in unjustified expenditures and provide real benefits for dollars spent.

As private citizens who have a deep concern for our community, we believe we have a right to expect responsible stewardship by our governmental leaders and therefore are reaching out to you with our concerns. Kindly provide detailed guidance on the required steps for the City to obtain a waiver from secondary treatment at Sand Island.

Colleagues in our group who have endorsed this letter include:

Dr. James Kumagai, PhD, PE

- Former Deputy Director of Environmental Programs, Hawaii Department of Health
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Mahalo nui loa for hearing our concerns and for any guidance you can provide to our group as we continue to press forward with this matter.

Me ka haahaa,
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TO: Members of the Budget Committee

FROM: Natalie Iwasa, CPA, CFE
808-395-3233

DATE: Tuesday, May 27, 2025

SUBJECT: Bill 60 (24), CD1, and CD2s Sewers, Drainage and Cesspools – **COMMENTS**
Use of General Funds, including OTAT - **OPPOSED**

Aloha Chair Dos Santos-Tam and Councilmembers,

Thank you for this opportunity to testify on Bill 60, CD1, and the proposed CD2s, which would increase city sewer fees over several years as well as make other changes. The CD1 includes mostly blanks for the increases. The CD2 – TDST3 makes various changes to the rates, including 3% increases annually after 2035. The CD2 – TW1 makes no increases after 2029 and increases fees about 6.7% to 6.8% per year through 2029.

I oppose CD2 – TW1 as it appears to rely on general fund supplementation. As has been previously noted, using general funds for sewer operations and infrastructure would put the city's bond rating at risk. In addition, it would be unfair to residents of Hawaii Kai, who have their own private sewer system paid for by Hawaii Kai residents.

The CD2-TDST3 appears to be more reasonable. However, please carefully consider the 3% annual increases after 2035. Excluding the pandemic years, the 3% may be higher than traditional rates of inflation. A smaller percentage may still cover the needs of the city while allowing ratepayers to keep more of their hard-earned money.

Please also note that while the 100% or so increase over 10 years has been brought up often, part of the reason for the high increases is that there were no increases for about 10 years. **Several current members were on the Council during some of those years and could have done something years ago. They bear some of the responsibility for the high rates needed now.**

In addition, many Residential A properties have experienced significantly more than 100% increases over the past 10 years, yet there is still no movement to increase the threshold for that classification or to bring those real property tax rates in line with regular residential rates. **This is neither fair nor equitable to landlords who provide housing for renters.**