



# University of Hawaii at Manoa

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## HB 34 RELATING TO WATER

Statement for  
House Committee on  
Water, Land Use, and Development  
Public Hearing - February 7, 1989

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HB 34 would establish a system whereby the county water boards would assess those to whom they deliver water and the proceeds would be placed in a state water assessment special fund under the jurisdiction of the state Commission on Water Resources Management for use in watershed management.

Our statement on this bill does not represent an institutional position of the University of Hawaii.

We generally support the intent of HB 34 as it establishes a fund to allow the state to make purchases or expenditures on behalf of the public at large for the purpose of addressing the "external effects" of normal economic activity. Private landowners who either incur some cost or forego some revenue in favor of a watershed management program generate an external benefit which accrues mostly to water users, not the landowners. Hence the landowners have little incentive to make such expenditures or forego such benefits.

The impetus for the introduction of this bill, as indicated in its section on findings and purpose, is concerned with "the need for clean water in a reliable supply for today and to meet future growth." The language of the findings and purpose section generally seems to indicate quite clearly that the concern relates primarily, to the cleanliness of water supplied by the county systems. Therefore, it should be noted that, in Hawaii:

1. the problem of "cleanliness" of domestic water, as distinguished from contamination generally, is essentially restricted to supplies drawn from surfacewater sources;
2. the fraction of the water derived from such sources in the total domestic water developed by each county varies greatly from county to county.
3. some county systems rely entirely on surfacewater sources, some rely entirely on groundwater sources, and some rely on sources of both kinds.
4. the extent to which the "cleanliness" of domestic water drawn from surfacewater supplies is a problem varies greatly from system to system.

Although the quality of water derived from surfacewater sources is dependent on the management of the watersheds, it should also be noted that problems with the "cleanliness" of such water cannot be eliminated entirely by improvements in watershed management; that such problems are now eliminated or reduced by treatments such as filtration; and that chlorination is used to cope with bacterial contamination problems with surfacewater sources. To what extent remaining "cleanliness" problems will most expeditiously be dealt with by improved watershed management practices versus improved treatment must vary greatly from system to system. HB 34 seems to reflect the implicit assumption that overall, these remaining problems will most expeditiously be dealt with by improved watershed management.

If the assessments are to be imposed on all customers of all county boards of water supply, it is, of course, appropriate that the boards of water supply collect them. Because the needs for improvement in domestic water "cleanliness" vary greatly from system to system and from county to county, it is appropriate that the assessments be pooled in a state fund as proposed in HB 34. However, the Legislature should recognize that, according to the provisions of the bill, allocations from the fund to improvements in watershed management county by county will be subject to the judgment of the Water Commission whereas appropriations from the state general and capital improvements funds could reflect the judgments of the legislature directly. Furthermore, the purposes for which the Water Commission can use the funds should be much more carefully specified. For example, what sort of reimbursements, and for what sorts of watershed management programs, would the funds be used. In addition, the tax is levied only on water sold by the Board of Water Supply. But, for example, the Honolulu BWS covers only about half the total water used on Oahu. The tax, to be equitable, should be extended to all those who will benefit from watershed management.

If the assessments are to be collected by the boards of water supply, the bill should certainly be amended to allow the boards to collect the assessment through their regular billing cycles. In the City and County of Honolulu, for example, the billing of the Board of Water Supply is bimonthly. The present requirement of the bill that the assessments be billed on the quarterly basis would necessitate the introduction of two extra billing cycles per year. Therefore, we suggest that the bill be amended to let the Boards of Water supply include the tax on their current billing cycle.