

DAVID Y. IGE  
GOVERNOR

JOSH GREEN M.D.  
LT. GOVERNOR



ISAAC W. CHOY  
DIRECTOR OF TAXATION

STATE OF HAWAII  
**DEPARTMENT OF TAXATION**  
P.O. BOX 259  
HONOLULU, HAWAII 96809  
PHONE NO: (808) 587-1540  
FAX NO: (808) 587-1560

To: The Honorable Mike Gabbard, Chair;  
The Honorable Clarence K. Nishihara, Vice Chair;  
and Members of the Senate Committee on Agriculture and Environment

The Honorable Lorraine R. Inouye, Chair;  
The Honorable Gilbert S.C. Keith-Agaran, Vice Chair;  
and Members of the Senate Committee on Water and Land

From: Isaac W. Choy, Director  
Department of Taxation

Date: February 12, 2021

Time: 1:20 P.M.

Place: Via Video Conference, State Capitol

**Re: S.B. 997, Relating to Environmental Management**

The Department of Taxation (Department) offers the following comments regarding S.B. 997, for your consideration.

S.B. 997 allows county governments to have the ability to enter into private-public partnerships for services and transferring of wastewater treatment facilities to a private entity or its wholly owned nonprofit management entity for delivery of services. The measure also requires a tax clearance from the Department and the Internal Revenue Service be obtained in order to participate in the program. S.B. 997 is effective upon its approval.

The Department notes under the requirement to obtain tax clearances for certain contracts with the state and counties set forth in section 103-53, Hawaii Revised Statutes, tax clearances may be given to taxpayers who are in good standing under a plan in which delinquent taxes, interest, and penalties are being paid to the Department, or who are contesting the debts in an administrative or judicial appeal.

For consistency and ease of administration, the Department respectfully requests that new section 340B-H(b)(6) on page 14 be amended to read:

- (6) Submit tax clearances from the director of taxation and the Internal Revenue Service to the effect that:
  - (A) All tax returns due have been filed and all

- taxes, interest, and penalties levied or accrued against have been paid;
- (B) The entity or nonprofit is in good standing under a plan in which delinquent taxes, interest, and penalties are being paid to the department of taxation or the Internal Revenue Service, if applicable, in installments; or
  - (C) The validity of any outstanding taxes, penalties, or interest is being contested in an administrative or judicial appeal with the department of taxation or Internal Revenue Service.

The Department also requests that the Department be given the authority to mandate the electronic filing of the tax clearance application. Electronic filing of tax documents significantly reduces the administrative burden of processing paper documents.

Thank you for the opportunity to provide comments on this measure.

DAVID Y. IGE  
GOVERNOR



CRAIG K. HIRAI  
DIRECTOR

ROBERT YU  
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM  
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
OFFICE OF THE PUBLIC DEFENDER

**STATE OF HAWAII**  
**DEPARTMENT OF BUDGET AND FINANCE**  
P.O. BOX 150  
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE  
BUDGET, PROGRAM PLANNING AND  
MANAGEMENT DIVISION  
FINANCIAL ADMINISTRATION DIVISION  
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

**WRITTEN ONLY**  
TESTIMONY BY CRAIG K. HIRAI  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
TO THE SENATE COMMITTEES ON AGRICULTURE AND ENVIRONMENT  
AND WATER AND LAND  
ON  
SENATE BILL NO. 997

**February 12, 2021**  
**1:20 p.m.**  
**Room 229**

RELATING TO ENVIRONMENTAL MANAGEMENT

The Department of Budget and Finance (B&F) offers comments on Senate Bill (S.B.) No. 997.

S.B. No. 997 establishes a new part in Chapter 340B, HRS, which would allow the county governments to enter into private-public partnerships and transfer their wastewater treatment facility management and operation responsibilities to private entities.

B&F takes no position on the counties' ability to enter into private-public agreements for operation of their wastewater treatment facilities; however, B&F has strong concerns regarding proposed Sections 340B-H and 340B-I, which would appear to make the State responsible for overseeing and/or subsidizing the operating and capital improvement budgets for these county facilities. B&F questions why there is a need for State involvement as the counties are responsible for the operation and capital improvement costs of wastewater treatment facilities.

Thank you for your consideration of our comments.



**WRITTEN TESTIMONY OF  
THE DEPARTMENT OF THE ATTORNEY GENERAL  
THIRTY-FIRST LEGISLATURE, 2021**

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**ON THE FOLLOWING MEASURE:**

S.B. NO. 997, RELATING TO ENVIRONMENTAL MANAGEMENT.

**BEFORE THE:**

SENATE COMMITTEES ON AGRICULTURE AND ENVIRONMENT AND ON  
WATER AND LAND

**DATE:** Friday, February 12, 2021 **TIME:** 1:20 p.m.

**LOCATION:** State Capitol, Via Videoconference

**TESTIFIER(S):** **WRITTEN TESTIMONY ONLY.**  
(For more information, contact Dale Sakata,  
Deputy Attorney General, at 587-3050)

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Chairs Gabbard and Inouye and Members of the Committees:

The Department of the Attorney General (Department) provides the following comments.

This bill would allow county governments to enter into private-public partnerships and transfer wastewater treatment facility management and operation responsibilities to private entities. Further, it would allow transfer of the right to provide wastewater treatment and resource recovery services to those private entities. The bill proposes to create a new part in chapter 340B, Hawaii Revised Statutes (HRS) to enable such public-private collaboration. It proposes amendments to section 89-8.5, HRS, to allow the counties to negotiate with bargaining units and execute memoranda of understanding for employees under its control to alter existing or new collective bargaining agreements with respect to items subject to section 89-9, HRS. Also, this bill will allow the private entity to request the corresponding county to subsidize operations and fund capital expenditures of any transferred facility for up to an as-yet-unspecified number of years.

The Department notes that the bill proposes to mirror the framework used by the Hawaii Health Systems Corporation (HHSC) to transfer management and operations of medical facilities under its control. See Act 103, Session Laws of Hawaii 2015. Generally, the numerous references to HHSC in this bill are inapplicable as HHSC has

no authority over and does not operate or manage wastewater treatment facilities. We recommend removing all references to HHSC in the proposed amendments in this bill.

We note further that the amendments this bill proposes for the contemplated wastewater treatment facility transaction are to be included in chapter 340B, HRS. Chapter 340B, however, relates to wastewater treatment personnel, and focuses on certification requirements for personnel operating wastewater treatment plants. Chapter 46, HRS, relating to county organization and administration, may be a more appropriate chapter for these new provisions relating to the transfer of wastewater treatment facility management and operation.

The definition of "private entity" on page 5, lines 13-18, includes a business organization that "[h]as a certificate of need to operate, maintain, design, and construct a wastewater treatment plant, and is able to demonstrate the successfulness of the resource recovery program pursuant to chapter 340A." A certificate of need is peculiar to the State Health Planning and Development Agency in connection with health care system facilities. It does not relate to wastewater treatment facilities and there does not appear to be an analogous certificate for such facilities. Unless the Committees intend to establish a certificate of need requirement for wastewater treatment plants, reference to a certificate of need should be deleted from this definition. If deleted, the definition of "private" entity should be further amended to comport with the Committees' intent as it relates to wastewater treatment plants.

The term "resource recovery program pursuant to chapter 340A, HRS" is also used in the definition of "private entity" on page 5, line 18. Chapter 340A, however, does not address a "resource recovery program. Instead, it addresses a resource recovery "facility," which means a facility in which solid waste is reprocessed into new products in such manner that original products lose their identity. It is not clear that this narrow definition is appropriate for the apparent purpose of this bill because, for example, it does not appear to address water recovery and re-use, types of uses referred to in section 1 of the bill.

The definition of "transferred facility" on page 6, lines 4-9, does not include the right or responsibility to "design" or "construct" a wastewater treatment facility, although a "private entity, " appears to have a right to "design" and "construct." We recommend that to be consistent with the authority provided in section 340B-B(a), the words "design" and "construct" be added to this definition.

The newly proposed section 340B-B(a), at page 6, line 10, through page 7, line 5, provides that "the mayor, or county directors of wastewater treatment systems, or their designees, shall negotiate with a private entity or transfer the right and responsibility to manage, operate, design, construct, and implement full scale resource recovery services . . . to a nonprofit management entity wholly-owned by the private entity." It is unclear whether "or" is a typographical error and should be the word "to," or if this properly reflects the intent of this provision. We are available to assist with amendments to address the Committees' intent in this regard.

Further, it is not clear what "full scale resource recovery services" means as that term is used in section 340B-B(a), page 6, lines 17-18, and page 7, lines 3-4. The term is not defined in chapters 340A or 340B, HRS. Again, the Department is available to assist with suggested wording if so desired.

Section 340B-B(b)(1), page 7, lines 10-11, provides that the negotiated agreement, which includes a transfer and completion date and a plan and schedule for completing the transfer, shall also include "[p]rovisions and deadlines for conducting and completing due diligence." Typically, due diligence occurs before an agreement is entered for a transaction of this nature, and is not therefore addressed in the same agreement as the transfer itself. The Committees might take this into consideration in determining whether to amend this provision.

In section 340B-B(c), page 8, lines 11-18, it is not clear what "maintain administrative oversight" means. Without clarifying what "maintain administrative oversight" entails, this provision appears to conflict with section 340B-D(b)(2), at page 9, line 17, through page 10, line 2, which provides that the transferee entity will have

exclusive control of all matters related to the management, operation, and provision of wastewater treatment services in the leased facilities. These sections should be reconciled to be consistent with each other.

Section 340B-F(a), at page 11, lines 2- 8, references liabilities transferred to the wastewater system upon its creation by Act 262, Session Laws of Hawaii 1996, and liabilities related to collective bargaining contracts negotiated by the State. Act 262 created HHSC and does not appear applicable with respect to wastewater systems. We recommend that this reference be deleted.

Section 340B-G(e), at page 12, line 15, begins with the incomplete phrase "[s]ubject to subsection," The appropriate subsection reference appears to be subsection (c).

Section 340B-H(b)(2), at page 14, lines 1-4, provides for applicable licensing or accreditation with respect to the entity operating a wastewater treatment facility. There are, however, no such licensing or accreditation requirements. Instead, it is the operators (i.e. employees) who must be licensed or accredited. The provision should be deleted or amended to clarify that this requirement pertains to the operators of the facility.

Section 340B-H(b)(7), page 14, line 19, through page 15, line 3, provides that the transferee entity must provide audited financial statements in the same manner described in section 323F-22, HRS. Section 323F-22, HRS, relates to audited financial statements of HHSC. We recommend that this newly proposed part should, instead, have its own stand-alone audit provision that mirrors the applicable parts of section 323F-22, HRS.

In Section 340B-I, the word "Capitol," page 15, line 8, should be changed to "Capital."

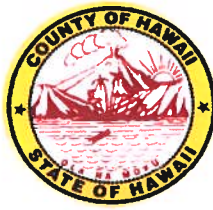
Section 3 of this bill, page 17, lines 1-9, amends section 89-8.5, HRS, which addresses the HHSC. The provision should either be amended to address the wastewater treatment transaction contemplated by this measure or the intent of the Committees should be addressed in a stand-alone measure pertaining to the wastewater treatment transaction. The Committees might also consider deleting the

amendments on page 17, lines 9-12, as unnecessary. The parties would not be able to negotiate amendments to a bargaining agreement that affects nonparties, and if anything needs to be addressed between the parties to the wastewater treatment facility transaction, that kind of agreement is typically handled by a separate agreement.

Thank you for the opportunity to share these comments.



Mitchell D. Roth  
Mayor



Lee E. Lord  
Managing Director

Robert H. Command  
Deputy Managing Director

## County of Hawai'i Office of the Mayor

25 Aupuni Street, Suite 2603 • Hilo, Hawai'i 96720 • (808) 961-8211 • Fax (808) 961-6553  
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(808) 323-4444 • Fax (808) 323-4440

February 11, 2021

Chair, Sen. Lorraine R. Inouye  
Vice-Chair, Sen. Gilbert S.C. Keith-Agaran  
**Senate Committee on Water & Land**  
Chair, Sen. Mike Gabbard  
Vice-Chair Sen. Clarence K. Nishihara  
**Senate Committee on Agriculture and Environment**  
Hawai'i State Legislature / 415 S. Beretania St.  
Honolulu, HI 96813

**Subject: S.B. 997, RELATING TO ENVIRONMENTAL MANAGEMENT**  
**Hearing Date: Friday, February 12, 2021**  
**Time/Place of Hearing: Conference Room 229 & Videoconference at 1:20 p.m.**

Aloha Chair Inouye and Chair Gabbard:

The County of Hawai'i is expressing its unequivocal support for Senate Bill 997 which will allow county governments to enter into private-public partnerships for the services and transferring or joint partnering of waste-water treatment facilities.

Like other counties throughout the state, Hawai'i county is facing the critical need to invest in costly upgrades of its aging waste-water infrastructure, under time sensitive legal conditions with very limited available financial resources. It must also refocus current environmental management practices toward a modern resource recovery model.

This will require state-of-the-art facilities that private entities can develop more economically and effectively than county governments. Senate Bill 997 will enable county government to establish public-private partnerships that would create resource recovery systems that are regulatory compliant, and environmentally and financially sound.

On behalf of the County of Hawai'i, I am humbly asking for your committee's utmost consideration and support of this important bill. Please feel free to contact me for any additional information.

Mahalo,

  
LEE E. LORD  
Acting Mayor

Council Chair  
Alice L. Lee

Vice-Chair  
Keani N.W. Rawlins-Fernandez

Presiding Officer Pro Tempore  
Tasha Kama

Councilmembers  
Gabe Johnson  
Kelly Takaya King  
Michael J. Molina  
Tamara Paltin  
Shane M. Sinenci  
Yuki Lei K. Sugimura



Director of Council Services  
Traci N. T. Fujita, Esq.

**COUNTY COUNCIL**  
COUNTY OF MAUI  
200 S. HIGH STREET  
WAILUKU, MAUI, HAWAII 96793  
[www.MauiCounty.us](http://www.MauiCounty.us)

February 10, 2021

TO: Honorable Mike Gabbard, Chair  
Senate Committee on Agriculture and Environment  
  
Honorable Lorraine R. Inouye, Chair  
Committee on Water and Land

FROM: Alice L. Lee  
Council Chair

A handwritten signature in cursive script, appearing to read "Alice L. Lee".

DATE: February 12, 2021

SUBJECT: **SUPPORT OF SB 997, RELATING TO ENVIRONMENTAL MANAGEMENT**

Thank you for the opportunity to testify in **SUPPORT** of this important measure. The purpose of this measure is to allow county governments to enter into private-public partnerships for the services and transferring, or joint venturing of one or more of their wastewater treatment facilities to a private entity, or its wholly owned nonprofit management entity, for the delivery of those services.

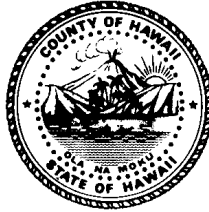
The Maui County Council has not had the opportunity to take a formal position on this measure. Therefore, I am providing this testimony in my capacity as an individual member of the Maui County Council.

I **SUPPORT** this measure for the following reasons:

1. The measure provides the County additional options for operating wastewater treatment facilities.
2. I am open to new, creative ways to solve Maui County's wastewater treatment facility problems.
3. Often, public-private partnerships allow the counties to provide exceptional service to the public while also saving taxpayer dollars.

For the foregoing reasons, I **SUPPORT** this measure.

County of Hawai'i  
Council District 9 -  
North and South Kohala



Phone: (808) 961-8564  
(808) 887-2069

Email: [tim.richards@hawaiiicounty.gov](mailto:tim.richards@hawaiiicounty.gov)

**Chair:** Committee on Regenerative  
Agriculture, Water, Energy, and  
Environmental Management

**HERBERT M. "TIM" RICHARDS, III**  
HAWAI'I COUNTY COUNCIL  
DISTRICT 9

25 Aupuni Street, Ste. 1402, Hilo, Hawai'i 96720

February 10, 2021

**Committee on Agriculture and Environment**

Senator Mike Gabbard, Chair

Senator Clarence K. Nishihara, Vice Chair

**Committee on Water and Land**

Senator Lorraine R. Inouye, Chair

Senator Gilbert S.C. Keith-Agaran, Vice Chair

**Submission via online testimony**

RE: Support of SB 997  
Hearing Date/Time: February 11, 2021 at 1:20 p.m.

Dear Senators:

As the Chair of the Committee on Regenerative Agriculture, Water, Energy, and Environmental Management for the Hawai'i County Council, I thank you for the opportunity to submit **testimony in SUPPORT of SB 997.**

With most of Hawai'i's wastewater systems being outdated and in dire need of upgrades, or in some cases whole new facilities, it would be budgetarily beneficial for counties to be allowed to enter private-public partnerships to provide systems that are up-to-date, operationally sound, and environmentally friendly. Upgraded systems would optimally reduce our fossil fuel imprint and potentially produce additional renewable energy for our communities, without the extreme price tag attached to our county government agencies, who are already hard pressed. In these tough economic times, it is important to entertain opportunities that can provide efficient services for our island state.

Please feel free to contact me should you need to discuss my position and knowledge of this matter further. Thank you for your attention and consideration.

Sincerely,

HERBERT M. "TIM" RICHARDS, III  
Hawai'i County Council, District 9

**Mitchell D. Roth**  
*Mayor*

**Lee E. Lord**  
*Managing Director*



**Ramzi I. Mansour**  
*Director*

**Brenda D. Iokepa-Moses**  
*Deputy Director*

# County of Hawai'i

## DEPARTMENT OF ENVIRONMENTAL MANAGEMENT

345 Kekūanāo'a Street, Suite 41 · Hilo, Hawai'i 96720

Ph: (808) 961-8083 · Fax: (808) 961-8086

Email: [cohdem@hawaiiicounty.gov](mailto:cohdem@hawaiiicounty.gov)

February 11, 2021

Senator Lorraine R. Inouye, Chair,  
Members of the Committee on Water and Land

Senator Mike Gabbard, Chair  
Members of the Committee on Agriculture and Environment

**Re: SB 997**

Hearing: Friday, February 12, 2021

Time: 1:20 p.m.

Dear Senator Inouye, Senator Gabbard, and Members of the Joint Committee:

Thank you for the opportunity to provide testimony in full support of SB 997, relating to environmental management. Hawai'i County considers this bill very beneficial and important to pass. As outlined by the U.S. Environmental Protection Agency, public-private partnerships provide 1) access to more sophisticated technology; 2) cost-effective design, construction, and operation; 3) flexible financing; 4) clear delegation of responsibility and risk; and 5) guaranteed costs.

There are approximately 23 private companies, regulated by the Public Utilities Commission, that are operating wastewater treatment facilities around the State, and many of them operate in Hawai'i County. They operate separate and apart from those facilities operated by county governments.

Public-private or joint-venture partnerships promote a better more efficient wastewater management system that addresses financial liabilities, capital improvement projects, economic efficiencies, resource sharing, regulatory compliances, and provide a robust public health and safety to the people of Hawai'i. In addition, it will allow for more creative minds to use the best and latest technologies to capture our resources and protect our environment.

On an island as large as this one, the County simply cannot afford to be the sole designer, builder, and operator of wastewater treatment plants to serve the whole island. Creative solutions must be considered instead.

Additional drivers behind the need for shared services are the lack of credentials for certified wastewater plant operators, the personal liability that they may be subject to, the lack of interest in dealing with fecal matters, and the mandated requirements that must be met to operate a wastewater treatment plant to be able to protect the health and safety of the public makes it hard to recruit, retain and maintain within the State of Hawai'i and nationwide. Therefore, we must fall back on outside qualified certified operators to meet the mandated requirements and continue providing a healthy and safe environment.

We are supportive of suggestions from the Department of the Attorney General to improve the bill, which if approved will get us closer to the overall goal of providing a more efficient, environmentally safe, robust wastewater treatment services that will allow for more users to abandon their cesspools and septic tanks and connect to wastewater treatment systems.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Mansour', written over a horizontal line.

Ramzi I. Mansour  
Director, Department of Environmental Management



**HAWAII GOVERNMENT EMPLOYEES ASSOCIATION**  
AFSCME Local 152, AFL-CIO

**RANDY PERREIRA**, Executive Director • Tel: 808.543.0011 • Fax: 808.528.0922

The Thirty-First Legislature, State of Hawaii  
The Senate  
Committee on Agriculture and Environment  
Committee on Water and Land

Testimony by  
Hawaii Government Employees Association

February 11, 2021

**S.B. 997 – RELATING TO ENVIRONMENTAL MANAGEMENT**

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO **strongly opposes the purpose and intent of S.B. 997** which allows county governments to privatize one or more of their wastewater treatment facilities to a private entity or its wholly owned nonprofit management entity.

S.B. 997 is a repeat of the privatization of the Maui Region of the Hawaii Health Systems Corporation and clearly follows an identical playbook, but with worse consequence as wastewater treatment facilities are critical utilities that all residents depend upon daily. As written, this measure establishes the framework for any county to transfer the right and responsibility to operate and manage any wastewater treatment and resource recovery services to a private entity, without public notice, input, or consent. This lack of government transparency is deplorable and absolutely unacceptable.

We live in an island state with limited natural resources, therefore we do not dispute the need to incorporate new, emerging resource technologies to produce and use renewable energy, generate gas that can service our communities, create biosolids that can be turned into fertilizer, and reclaim water that can be used for golf courses, agriculture, and landscaping. We are confident that this can be achieved while remaining in regulatory compliance and maintaining financial viability if counties choose to work in true partnership with the private sector, as other local counties are incorporating these new technologies into their municipal systems without relinquishing total control of their operations.

Public employees and your public workforce are not “logistical and structural issues” to surmount, as our local workforce has and will continue to adapt when provided with the proper resources, training, and support. We must invest in the concept that new technology and government are not mutually exclusive and break the habit of mainland private ownership and the selling of our local public assets as the perennial, end-all solution.

We respectfully implore the Legislature and Counties to judiciously complete its due diligence, exhaust every avenue prior, and seek comprehensive public input prior to

Committee on Agriculture and Environment  
Committee on Water and Land  
Page 2  
February 11, 2021

fracturing and selling a critical government asset. We cannot afford any lesser degree of scrutiny or the potential of a failed experiment when it comes to delivering critical utility services. We remain steadfast that for transparency and accountability, public utilities should remain in the public domain, therefore **we respectfully request that the Committee defer S.B. 997 and consider alternative resolutions.**

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Randy Ferreira". The signature is fluid and cursive, with a large initial "R" and a long, sweeping underline.

Randy Ferreira  
Executive Director



Email: [communications@ulupono.com](mailto:communications@ulupono.com)

SENATE COMMITTEES ON AGRICULTURE & ENVIRONMENT AND WATER & LAND  
Friday, February 12, 2021 — 1:20 p.m.

**Ulupono Initiative supports the intent of SB 997, Relating to Environmental Management**

Dear Chair Gabbard, Chair Inouye, and Members of the Committees:

My name is Micah Munekata, and I am the Director of Government Affairs at Ulupono Initiative. We are a Hawai'i-focused impact investment firm that strives to improve quality of life throughout the islands by helping our communities become more resilient and self-sufficient through locally produced food; renewable energy and clean transportation; and better management of freshwater and waste.

**Ulupono supports the intent of SB 997**, which allows county governments to enter into private-public partnerships for the services and transferring, or joint venturing of one or more of their wastewater treatment facilities to a private entity, or its wholly owned nonprofit management entity, for the delivery of those services.

Ulupono supports the State's efforts to increase diverse renewable energy resources, including the use of wastewater to support the production of renewable natural gas through methane capture, anaerobic digestion, and other technologies. By allowing county governments the ability to seek out private-public partnerships to support wastewater services, the State is providing a critical pathway for local government to upgrade and replace entire wastewater facilities in need of modernization. Private entities not only bring their ability to capitalize such projects, but also the expertise that will support a sustainable future for Hawai'i. While Hawai'i currently only has a single wastewater treatment plant (WWTP) upgraded for renewable natural gas, there are private companies with extensive experience in developing and upgrading WWTP. We believe this legislation will open the doors to more collaboration with such companies and that collaboration can help Hawai'i achieve both water quality and renewable energy goals.

Thank you for the opportunity to testify.

Respectfully,

Micah Munekata  
Director of Government Affairs

*Investing in a Sustainable Hawai'i*





**THE SENATE  
THE THIRTY-FIRST LEGISLATURE  
REGULAR SESSION OF 2021**

**COMMITTEES ON AGRICULTURE AND ENVIRONMENT AND WATER AND LAND**

Senator Mike Gabbard, Chair  
Senator Clarence Nishihara, Vice Chair

Senator Lorraine Inouye, Chair  
Senator Gilbert Keith-Agaran, Vice Chair

Friday, February 12, 2021, 1:20 PM  
Conference Room 229 and Videoconference

**Re: Testimony in Opposition of SB997 - RELATING TO ENVIRONMENTAL MANAGEMENT**

Chairs Gabbard and Inouye, Vice Chairs Nishihara and Keith-Agaran, and Members of the Committees on Agriculture and Environment and Water and Land:

The United Public Workers, AFSCME Local 646, AFL-CIO (“UPW”) is the exclusive bargaining representative for approximately 14,000 public employees, which includes blue collar, non-supervisory employees in Bargaining Unit 1 and institutional, health, and correctional employees in Bargaining Unit 10, in the State of Hawaii and various counties. The UPW also represents 1,500 members in the private sector.

UPW **opposes** SB997, which allows county governments to enter into private-public partnerships for the services and transferring, or joint venturing of one or more of their wastewater treatment facilities to a private entity, or its wholly owned nonprofit management. UPW opposes initiatives that subsidize or otherwise encourage the sale or lease of public infrastructure to private investors and could result in private control or operation of public assets.

Similar agreements in other states regarding water privatization have also shown how these agreements could negatively impact the communities and workers at these facilities. For example, in New Jersey, a 2012 lease agreement between one municipal water system to a multinational water corporation and a private equity firm has seen the water rates in that municipality increase by nearly 50 percent since the agreement was signed. Additionally, in order to contain costs, some private entities may reduce the number of workers or other reduced workforce standards, something that occurred with a 2011 lease agreement in New York, where the number of skilled sewage treatment workers was reduced by 20 percent.

As we consider investments that look at trying to improve our state’s infrastructure, we ask that it does not come at the expense of the workers who are presently keeping those facilities operational. Thank you for the opportunity to submit this testimony.

**SB-997**

Submitted on: 2/11/2021 5:30:25 PM

Testimony for AEN on 2/12/2021 1:20:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Courtney Chesser	Testifying for HGEA	Oppose	No

Comments:

Work as Chemist II in the environmental division for City and County of Honolulu.

I Strongly Oppose.

**SB-997**

Submitted on: 2/9/2021 1:34:04 PM

Testimony for AEN on 2/12/2021 1:20:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Deborah Ward	Individual	Support	No

Comments:

Please SUPPORT this bill, as it could help Hawii County resolve some of the most pressing impediments to restoration of clean coastal waters and resources. Thank you

**SB-997**

Submitted on: 2/10/2021 6:32:59 PM

Testimony for AEN on 2/12/2021 1:20:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Andrea Quinn	Individual	Oppose	No

Comments:

Dear Honorable Committee Members,

Please support SB997.

Thank you,

Andrea Quinn

**SB-997**

Submitted on: 2/11/2021 2:57:44 PM

Testimony for AEN on 2/12/2021 1:20:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Sean Remata	Individual	Oppose	No

Comments:

I oppose this bill because the Hawaii government is not equipped to monitor outsourcing. This is just a quick fix to save money when this administration does not have the foresight to diversify the economy and revenue streams.