Honolulu, Hawaii

FEB 0 5 ' 2020

H.B. No. 2600 RE:

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. 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,

RYAN 1. YAMANE, Chair

State of Hawaii House of Representatives The THIRTIETH Legislature

Record of Votes of the Committee on Water, Land, & Hawaiian Affairs

Bill/Resolution No.: HB 2600	Committee Referral: WLH, CPC, FIN			Date: 01/31/2020		
☐ The committee is reconsidering its previous decision on the measure.						
The recommendation is to: □ Pass, unamended (as is) □ Pass, with amendments (HD) □ Hold □ Pass short form bill with HD to recommit for future public hearing (recommit)						
WLH Members		Ayes	Ayes (WR)	Nays	Excused	
1. YAMANE, Ryan I. (C)		V			www.sec.sec.	
2. TODD, Chris (VC)				사람 선택 레르기 모르		
3. HAR, Sharon E.					<u>. 3340 </u>	
J. HAK, Sharon E.						
4. LOWEN, Nicole E.	<u> </u>	/			W negative and the second seco	
5. TARNAS, David A.		V				
6. WILDBERGER, Tina	10.00 to 10			Aioiii.o.iii.o.iii.iiii.iii.o.ii.o. <u>oooloooooooooo</u>	and an annual transfer of the second of the	
7. WARD, Gene						
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TOTAL (7)	/	7	0	0	0	
The recommendation is: Adopted If joint referral, did not support recommendation.						
Vice Chair's or designee's signature:						
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO						