

DAVID Y. IGE  
GOVERNOR OF  
HAWAII



**STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES**

POST OFFICE BOX 621  
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**SUZANNE D. CASE**  
CHAIRPERSON  
BOARD OF LAND AND NATURAL RESOURCES  
COMMISSION ON WATER RESOURCE MANAGEMENT

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LAND  
STATE PARKS

**Testimony of  
SUZANNE D. CASE  
Chairperson**

**Before the Senate Committee on  
WAYS AND MEANS**

**March 1, 2016  
1:30 PM  
State Capitol, Conference Room 211**

**In consideration of  
SENATE BILL 2645, SENATE DRAFT 1  
RELATING TO WATER AUDITS**

Senate Bill 2645, Senate Draft 1 proposes to establish a program within the Commission on Water Resource Management (Commission) to implement standardized water loss audits of public water systems in accordance with methods adopted by the American Water Works Association (AWWA). **The Department of Land and Natural Resources (Department) supports this measure provided that this appropriation does not adversely impact appropriations for other priorities in the Executive Supplemental Budget request or any existing funding to the Department's programs, and offers the following comments.**

This measure as drafted, which comports with water audit best practices established by AWWA, would require submission of annual water audits to the Commission from the county-owned public water systems beginning in 2018 and submission of annual water audits to the Commission from remaining large capacity public water systems in Hawaii beginning on July 1, 2020.

The counties and private entities that own and operate these systems have an obligation to ensure that drinking water is developed and delivered to their customers as efficiently as possible while maintaining a sustainable water rate schedule. As well, the water audits described in this measure should be conducted by the water system owners or operators because they have immediate access to all of the information and data needed to complete the audits and have intimate knowledge of their water system infrastructure and operations. Independent validation of the utility's audit will ensure data veracity and objectivity.

The water supply industry trade group, AWWA, considers annual water audits a best practice that should be completed by responsible water utilities. There is a growing trend across the continental United States where state and local water authorities are beginning to require public water systems and utilities to conduct annual water audits on their systems. These states include California, Colorado, Delaware, Georgia, New Mexico, Pennsylvania, Tennessee, Texas, Washington, and Wisconsin.

Senate Bill 2645, Senate Draft 1 also appropriates \$350,000 out of the general fund to establish and implement the proposed water loss audit program. Should funding become available, the Department believes a more realistic cost estimate to be \$650,000 to carry out the utility training that would be required under a water audit program.

Conservation of our precious water resources through efficient delivery and use of water is an effective means to preserve this resource for future generations.

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

**DAVID Y. IGE**  
Governor

**SHAN S. TSUTSUI**  
Lt. Governor



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**SCOTT E. ENRIGHT**  
Chairperson, Board of Agriculture

**PHYLLIS SHIMABUKURO-GEISER**  
Deputy to the Chairperson

**TESTIMONY OF SCOTT E. ENRIGHT  
CHAIRPERSON, BOARD OF AGRICULTURE**

**BEFORE THE SENATE COMMITTEE ON WAYS AND MEANS**

March 1, 2016  
1:30 P.M.  
CONFERENCE ROOM 211

**SENATE BILL NO. 2645 SD1  
RELATING TO WATER AUDITS**

Chairperson Tokuda and Members of the Committee:

Thank you for the opportunity to testify on Senate Bill No. 2645 SD1. The purpose of this measure is to establish a program to implement standardized water audits of public water systems and makes an appropriation to support this initiative. The Department of Agriculture respectfully offers comments and defers to the Commission on Water Resource Management and the counties on implementation.

The efficient use of our limited water resources is of paramount importance to the continued growth and security of our State. Auditing can provide valuable information to help utilities manage their operational and financial resources in a more effective manner.

Thank you for the opportunity to testify on this measure.





# Wai Maoli

HAWAII FRESH WATER INITIATIVE

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## Fresh Water Council Members

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Stephen Anthony\*

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Jerry Ornellas

Monty Richards

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David Taylor

Dennis Teranishi

Barry Usagawa

\*US Geological Survey  
Liaison/Scientific Advisor to HCF

**Testimony of the  
Hawai'i Fresh Water Initiative  
on  
S.B. 2645, S.D. 1  
Relating to Water Audits  
House Committee on Ways and Means  
Tuesday, March 1, 2016  
Conference Room 211**

These Hawaii Fresh Water Initiative strongly supports S.B. 2645, S.D. 1, which directs the Commission of Water Resource Management to establish a 5-year program to conduct water audits of public water systems.

The Hawaii Fresh Water Initiative was launched in 2013 to bring many diverse parties together to develop a forward-thinking and consensus-based strategy to increase water security for Hawaii. A blue ribbon panel of water stakeholders drawn from multiple perspectives came together to jointly and unanimously recommend key strategies and policies that will increase Hawaii's water security.

One of the key strategies to achieve a statewide water conservation goal of 40 mgd is to identify and remedy water losses within our water transportation infrastructure.

S.B. 2645, S.D. 1 directs the Commission on Water Resource management to establish a 5-year program to support water audits of public water systems. It directs that the audits be conducted according to the process adopted by the American Water Works Association's Audits and Loss Control Programs, Manual of Water Supply Practices – M36, as amended. This included utilization of the AWWA's Free Water Audit Software.

The implementation of water audits is important to establish a baseline for our large capacity public water systems, and to assist in identifying inefficiencies that result in the loss of water, increased energy costs, and lost revenues.

For these reasons, we strongly support S.B. 2645, S.D. 1, and urge its passage.

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**Subject:** \*Submitted testimony for SB2645 on Mar 1, 2016 13:30PM\*  
**Date:** Sunday, February 28, 2016 10:01:04 AM

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**SB2645**

Submitted on: 2/28/2016

Testimony for WAM on Mar 1, 2016 13:30PM in Conference Room 211

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Amy Brinker	Individual	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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## BOARD OF WATER SUPPLY

CITY AND COUNTY OF HONOLULU  
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March 1, 2016

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Manager and Chief Engineer

ELLEN E. KITAMURA, P.E.  
Deputy Manager and Chief Engineer

The Honorable Jill N. Tokuda, Chair  
and Members  
Committee on Ways and Means  
State Senate  
Hawaii State Capitol, Room 211  
415 South Beretania Street  
Honolulu, Hawaii 96813

Dear Chair Tokuda and Members:

Subject: Senate Bill 2645, SD 1: Relating to Water Audits

We support the intent of Senate Bill 2645, SD 1, which establishes a standardized water loss audit program to reduce water loss and conserve potable water resources. We believe the leadership role of the State Commission on Water Resource Management is essential to ensure large public water systems comply in a consistent state-wide approach utilizing the American Water Works Association M-36 manual, which guides water utilities across the nation.

Thank you for your consideration of our testimony on Senate Bill 2645, SD 1.

Very truly yours,

ERNEST Y. W. LAU, P.E.  
Manager and Chief Engineer