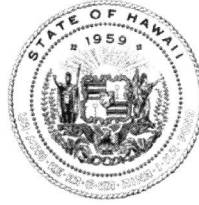
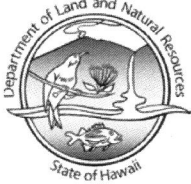


DAVID Y. IGE  
GOVERNOR OF  
HAWAII



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

POST OFFICE BOX 621  
HONOLULU, HAWAII 96809

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

**KEKOA KALUHIWA**  
FIRST DEPUTY

**JEFFREY T. PEARSON, P.E.**  
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES  
BOATING AND OCEAN RECREATION  
BUREAU OF CONVEYANCES  
COMMISSION ON WATER RESOURCE MANAGEMENT  
CONSERVATION AND COASTAL LANDS  
CONSERVATION AND RESOURCES ENFORCEMENT  
ENGINEERING  
FORESTRY AND WILDLIFE  
HISTORIC PRESERVATION  
KAHOOLAWE ISLAND RESERVE COMMISSION  
LAND  
STATE PARKS

**Testimony of  
SUZANNE D. CASE  
Chairperson**

**Before the House Committee on  
FINANCE**

**Thursday, April 7, 2016  
2:01 P.M.**

**State Capitol, Conference Room 308**

**In consideration of  
SENATE BILL 2645, SENATE DRAFT 2  
RELATING TO WATER AUDITS**

Senate Bill 2645, Senate Draft 2 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 the 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, 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 on July 1, 2018 and submission of annual water audits to the Commission from remaining large capacity public water systems in Hawaii beginning on July 1, 2020. Commission-guided third-party validation of the water audits 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.

SECTION 7 of Senate Bill 2645, Senate Draft 2 appropriates an unspecified sum out of the general fund to establish and implement the proposed water loss audit program. The Department estimates that the cost to implement the proposed water audit program is \$650,000. This level of funding is necessary to provide the technical assistance and validation required for a successful 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 on this measure.