



## RESOLUTION

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INITIATING AMENDMENTS TO THE REVISED CHARTER OF THE CITY AND COUNTY OF HONOLULU 1973, AS AMENDED, RELATING TO THE BOARD OF WATER SUPPLY.

WHEREAS, the Board of Water Supply ("BWS") is a semi-autonomous City agency whose mission is to manage Oahu's municipal water supply and distribution system, with full and complete authority to manage, control, and operate Oahu's water systems for the benefit of roughly one million customers; and

WHEREAS, the BWS has sole discretion to set water charges, while the City Council sets charges and fees for nearly all other City services; and

WHEREAS, concerns have been raised regarding the billing practices of the BWS, including allegations that the BWS has used its rate-setting and billing authority to be effective retroactively; and

WHEREAS, BWS fees should be set at the rates necessary to ensure that the BWS will have sufficient revenues in current and future years for its effective and efficient operation; and

WHEREAS, it is prudent and in the best interest of the City to ensure that Honolulu water users are not subject to retroactive billing through the BWS's rate- and charge-setting authority; now, therefore,

BE IT RESOLVED by the Council of the City and County of Honolulu:

1. That it propose, and it is hereby proposed, that the following question be placed on the 2014 general election ballot:

"Shall the Revised City Charter be amended to prohibit the rate- and charge-setting power of the Board of Water Supply from being used to establish retroactive billing practices?"

2. That it propose and it is hereby proposed, that Section 7-109, Revised Charter of the City and County of Honolulu 1973, as amended, be amended to read as follows:

**"Section 7-109. Rates, Revenues and Appropriations –**

The board shall have the power to fix and adjust reasonable rates and charges for the furnishing of water and for water services so that the revenues



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derived therefrom shall be sufficient to make the department self-supporting[.], provided that rates and charges shall not be fixed or adjusted to be effective retroactively. Such revenues shall be sufficient to meet all necessary current or future expenditures, including expenditures for (a) operating and maintenance expenses; (b) repairs, replacements, additions and extensions; (c) accident reserve, pension charges and compensation insurance; (d) payment of principal and interest on all bonds, including reserves therefor, issued for the acquisition or construction of waterworks and extensions thereto, and (e) reserve funds under Section 7-112 of this charter. All water furnished to the city or any department thereof shall be charged to the respective departments and collected at the regular rates established by the board. There shall be no free water, except as authorized by the state. The board may make appropriations for the purposes stated in this section of the charter."

3. In Section 2 of this resolution, Charter material to be repealed is bracketed and new Charter material is underscored. When revising, compiling, or printing these Charter provisions for inclusion in the Revised Charter of the City and County of Honolulu 1973, as amended, the Revisor of the Charter need not include the brackets, the bracketed material, or the underscoring.
4. That if these Charter provisions are amended by any other Charter amendment approved by the electors in the 2014 general election, the Revisor of the Charter, in revising, compiling or printing the Charter: (1) may designate or redesignate articles, chapters, sections or parts of sections, and rearrange references thereto; and (2) shall, except as otherwise expressly provided in this resolution or in the other resolution(s) amending these Charter provisions, give effect, to the extent possible, to all of the amendments approved. The Revisor of the Charter may also change capitalization or the forms of numbers and monetary sums for the sake of uniformity.
5. That upon adoption of this resolution by the Council and approval by the Mayor, the City Clerk be and is hereby directed:
  - A. To prepare the necessary ballots with the question contained in this resolution and with spaces for "yes" and "no" votes on the question for presentation to the electors at the 2014 general election. The City Clerk may make technical and non-substantive changes to the form of the question presented in order to conform it to the form of other Charter amendment questions presented to the electors at the same election; and



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- B. To publish the above-proposed Charter amendments at length in a daily newspaper of general circulation in the City and County of Honolulu at least 45 days prior to their submission to the electors at the 2014 general election.
  
- 6. That upon approval of the Charter amendment question posed in this resolution by a majority of the electors voting thereon, as duly certified, the Charter amendments in the Revised Charter proposed in Section 2 shall take effect on January 2, 2015.

INTRODUCED BY:

Kymerly Pine

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DATE OF INTRODUCTION:

September 10, 2013  
Honolulu, Hawaii

\_\_\_\_\_ Councilmembers

APPROVED this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

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KIRK CALDWELL, Mayor  
City and County of Honolulu