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HONOLULU, HAWAII

DEPARTMENT OF ENVIRONMENTAL SERVICES  
**CITY AND COUNTY OF HONOLULU**

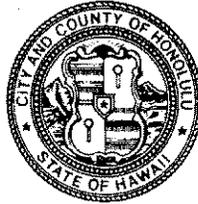
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MAYOR

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May 4, 2009

TIMOTHY E. STEINBERGER, P.E.  
DIRECTOR

MANUEL S. LANUEVO, P.E., LEED AP  
DEPUTY DIRECTOR

ROSS S. TANIMOTO, P.E.  
DEPUTY DIRECTOR

IN REPLY REFER TO:  
WAS 09-116

The Honorable Nestor Garcia, Chair  
and Members of the Budget Committee  
Honolulu City Council  
530 South King Street, Room 202  
Honolulu, Hawaii 96813

Dear Chair Garcia and Councilmembers:

Subject: Budget Communication 9  
Council Budget Hearing Questions

This is in response to Budget Committee questions of April 13, 2009, regarding the Fiscal Year 2010 Budget for the Department of Environmental Services.

**Question 1. a): Please provide an overview and status report on the environmental quality issues being addressed by the department.**

- Answer: The department is in support of proposed legislative changes to the State's Water Quality Standards (WQS). The changes address specific typographical errors in the standards and updates toxic priority pollutants, nontoxic priority pollutants, and indicator organisms to be consistent with Federal requirements. Simultaneous to this effort, we understand the State Department of Health is also engaged in similar changes through the rule making process. These changes are long overdue and will update the current standards.
- The Storm Water Quality Branch is responsible for administering the City's municipal storm water system. NPDES permit requires compliance with six elements: 1) public education/outreach and public participation, including outreach to general audiences and targeted industries, such as construction, industrial, commercial businesses; 2) illicit discharge detection and elimination, including inspections, investigations, and enforcement activities; 3) construction runoff control; including ensuring that best management practices are implemented on construction sites for both erosion and sediment control, as well as other contractor activities such as mud tracking, concrete washing, chemical storage and other non-storm water sources; 4) post construction storm water management, including permanent structural BMPs such as detention basins, inline pipe filters, vegetated swales and other measures in new developments and redevelopment; 5) pollution prevention and good housekeeping of City facilities,

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including catch basin inspections, street sweeping, storm water pollution control plans for corporation yards, wastewater treatment plants, maintenance facilities; and 6) reducing pollution from industrial and commercial facilities, including inspections to ensure compliance with City, EPA and DOH regulations, and enforcement. ENV is also required to do water quality monitoring, inspection of State receiving waters, and planning and implementation of waste load allocations as part of the total maximum daily loads (TMDLs) for certain State waters, including at this time the Ala Wai Canal, Kawa Stream, Waimanalo Stream, and Kapaa Stream. ENV recently submitted its FY 08 annual report and NPDES permit reapplication for the next five-year permit period beginning September 2009.

- The Water Quality Laboratory (WQL) performs diversified analytical procedures to monitor industrial wastewater going into the City's treatment system, the discharges from the City's eight wastewater treatment plants, and the receiving water environment. Laboratory analyses include measurements of physical/chemical properties, including metals and pesticides, microbiological examination and biological assays. The WQL is expected to conduct 141,000 analyses on 42,000 samples in fiscal year 2010. The analyses conducted on the samples are reported to the regulators as required by the permits.
- The Monitoring and Compliance Branch (M&C) assists with monitoring and compliance of the City's eight wastewater treatment plants and a wastewater reclamation facility with their applicable National Pollutant Discharge Elimination System, Underground Injection Control, air quality and general wastewater permits. The work includes submitting annual assessment reports for the four largest facilities (Sand Island Wastewater Treatment Plant (WWTP), Honouliuli WWTP, Waianae WWTP and Kailua Regional WWTP), applying for the required permits, submitting applications for permit renewals, and tracking, compiling and submitting daily, monthly, and yearly data to the State Department of Health and the Environmental Protection Agency, as required. This also includes the preparation of a monthly submittal of the wastewater plant's Discharge Monitoring Reports to the regulatory agencies, submittal of plant effluent and receiving water quality monitoring reports, compliance plans, and noncompliance reporting.
- The branch assists with compliance of Consent Decrees, Administrative Orders and Stipulated Orders. This may entail submittal of compliance status reports and non-compliance reporting. The branch's Oceanographic Team performs intensive monitoring of the receiving waters for all of the City's ocean outfalls as required under the various permits. This monitoring includes diving to collect fish and sediment samples, outfalls inspection and deploying instruments at near-shore and offshore stations to track water quality conditions at various depths. The Oceanographic Team also supports compliance with air permits by assisting with air quality monitoring. This monitoring is currently done on a daily basis at the City's largest facility, the Sand Island WWTP.
- The Regulatory Control Branch (RC) Branch is responsible for the development and implementation of the Federally mandated pretreatment program pursuant to the Code of Federal Regulations, Title 40 Part 403. The objective of the program is to establish and enforce pretreatment standards on wastewater discharges from business and industry to:

1. Prevent the introduction of pollutants into the publicly-owned treatment works (POTW) (i.e. collection system, pump stations and/or treatment plants), which will interfere with the operation of the POTW, including interference with its use or disposal of municipal biosolids;
2. Prevent the introduction of pollutants into the POTW which will pass through (resulting in noncompliance with National Pollutant Discharge Elimination System permits or Water Quality Standards) the treatment works or otherwise be incompatible with such works; and
3. Improve opportunities to recycle and reclaim municipal and industrial wastewater and biosolids.

The RC Branch is also responsible for coordinating the Department's wastewater effluent and biosolids reuse programs. This involves coordinating with the Board of Water Supply and contracted services for biosolids reuse (currently the Navy and Synagro).

The RC Branch permits approximately 3,500 businesses and conducts about 6,700 facility inspections, over 200 special investigations, and issues over 1,800 enforcement actions annually. These efforts have not only provided a deterrent to industry and the temptation to discharge harmful pollutants, but have contributed to reducing sewage spills by 55% (primarily grease and rainwater inflow) since the year 2000.

**Question 1. b): Please provide more information on the pipe lining contract currently in use by the department.**

- Answer: This is a single solicitation, multiple award construction contract resulting in the award of up to three (3) Indefinite Delivery/Indefinite Quantity contracts for the rehabilitation of sewer lines having an inside diameter of 6, 8, 10, 12, 15, 18, 21, and 24-inches using cured-in-place pipe (CIPP) technology. Other work included as part of these contracts involves sewer line cleaning and television inspection, rehabilitation of service laterals, installation of CIPP part-liners and service connection liners, point repair excavation and replacement of 6, 8, 10, 12, 15, 18, 21, and 24-inch diameter pipe, installation of new precast concrete manholes, rehabilitation of existing manholes using an epoxy coating or fiberglass reinforced polyester (FRP) insert, and providing temporary bypass pumping and traffic control work. The exact quantities and locations of the work to be performed under this contract are not known at this time, but will be determined and provided to the contractor by the City through individual job work orders. Work order assignments may involve sewer lines and manholes located within roadway and/or easement areas. This provides quicker, more cost-effective rehabilitation of sewer lines than normal design, bid, build contracts.

**Question 1. c): With regard to collection maintenance, object code no. 3049, please provide a cost comparison of the current cured in place pipe lining method versus the former design build procurement method.**

- Answer: See Attachment A.

**Question 1. d): Please provide greater detail on the reduction in debt service for Wastewater.**

- Answer: The reduction in debt service reflects four major issues: a) the 2007 Series bonds had a long first payment period resulting in higher debt service occurring in FY09, but not recurring in FY10, which was offset by increased principal payments for the 1998 Junior Series bonds; b) a slightly slower draw down rate on State Revolving Fund Loans which reduces the amount on which debt service is paid; c) reductions in GO (reimbursable) debt service as those bonds near the end of their 20 year period; and d) an elimination of Tax Exempt Commercial Paper payments in FY10. Comparisons in debt service by type are shown in Attachment B.

**Question 1. e): Please confirm whether any other Neighbor Island county will be utilizing off-site shipping of their refuse, and if so, whether that will put any constraints on the City's ability to ship its wastes.**

- Answer: We do not know of any other neighbor island county proposing to use off-site shipping for their refuse.

**Question 1. f): Please provide a breakdown of the proposed \$700,000 in advertising costs for the department.**

- Answer: We are able to identify \$505,000 in budgeted advertising costs in object code 3252. For a breakdown, see Attachment C.

**Question 1. g): Please provide an estimate of the projected budgetary impacts should the State Legislature approve the proposed measure that updates State water quality standards.**

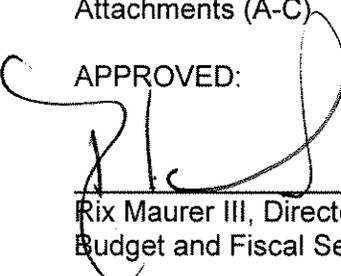
- Answer: The proposed State Legislative updates to the State water quality standards will not impact our permit monitoring or reporting requirements.

Sincerely,

  
Timothy E. Steinberger, P.E.  
Director

Attachments (A-C)

APPROVED:

  
Rix Maurer III, Director  
Budget and Fiscal Services

APPROVED:

  
Kirk W. Caldwell  
Managing Director

**ATTACHMENT A**

**COMPARISON OF CIPP UNIT PRICES OF DESIGN/BID PROJECTS VS. IDIQ2 UNIT PRICES**

**I. Design/Bid Projects**

Project Name	Unit Price Cost for CIPP Liner (\$/LF)		
	6" Pipe	8" Pipe	10" Pipe
1 Kahanahou Circle - Sewer Rehab., Job No. W3-05	\$47	\$59	
2 Kahuanani St. Sewer Repl./Rehab., Job No. W8-04		\$64	
3 Laukoa Place Sewer Repl./Rehab., Job No. W9-05		\$75	
4 Kailuana Pl. and Kailuana Lp. Sewer Repl./Rehab., Job No. W4-06		\$44	
5 Kuliouou Sewer Rehab., Job No. W17-05	\$48	\$38	\$41
6 St. Louis Hts. Sewer Rehab., Job No. W5-06	\$35	\$37	
7 Wilhelmina Rise Sewer Rehab., Job No. W10-06	\$109	\$97	\$100
<b>AVERAGE UNIT PRICE COSTS</b>	<b>\$60</b>	<b>\$59</b>	<b>\$71</b>

**II. IDIQ2 Contract**

UNIT PRICE COSTS	\$46	\$45	\$54
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## ATTACHMENT B

### Wastewater Debt Service

#### Operating Budget Ordinance Portion

	FY09	FY10
Section 9		
Bond Principal and Interest		
City and County Bonds - total budgeted	\$82,086,000	\$79,373,000
Wastewater Revenue Bonds		
Principal	\$10,115,000	\$12,490,000
Interest	\$58,619,620	\$54,839,333
Total	<u>\$68,734,620</u>	<u>\$67,329,333</u>
State Revolving Fund Loans		
Principal	\$11,385,936	\$10,409,425
Interest	\$1,964,914	\$1,632,853
Total	<u>\$13,350,850</u>	<u>\$12,042,278</u>
Tax Exempt Commercial Paper	<u>\$500,000</u>	<u>\$0</u>
Total	<u>\$82,585,470</u>	<u>\$79,371,611</u>
Section 10		
Miscellaneous		
Transfer to General Fund for Debt Service -		
Total budgeted	\$15,897,000	\$14,411,000
GO Reimbursable		
Principal	\$8,019,425	\$6,955,678
Interest	\$1,049,471	\$646,168
Total	<u>\$9,068,896</u>	<u>\$7,601,846</u>
State Revolving Fund Loans		
Principal	\$5,279,731	\$5,406,828
Interest	\$1,546,957	\$1,401,719
Total	<u>\$6,826,688</u>	<u>\$6,808,547</u>
Total	<u>\$15,895,584</u>	<u>\$14,410,392</u>
Grand Total	<u>\$98,481,054</u>	<u>\$93,782,003</u>

