

City close to settling wastewater lawsuit



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KHON2 has learned the City and County of Honolulu is close to reaching a settlement with three environmental groups over a lawsuit filed nearly six years ago in federal court. The proposed settlement will force \$1.2 billion worth of upgrades at two wastewater treatment plants on Oahu.

The agreement, which still faces some minor hurdles, requires the city to bring the Honouliuli and Sand Island wastewater treatment plants to full secondary treatment. The city would be given until at least 2020 to complete the costly upgrades.

A source familiar with negotiations said a press conference announcing the settlement had been scheduled by Honolulu Mayor Mufi Hannemann early next week.

“The purpose of the (press) conference is to talk about the settlement, which will be a global settlement,” said the source, who asked to remain anonymous.

The lawsuit by the Sierra Club, Hawaii's Thousand Friends and Our Children's Earth Foundation was filed in July of 2004.

It claims the city has been in violation of the federal Clean Water Act by allowing effluent to be dumped into the ocean without full secondary treatment, a process which removes a large portion of organic matter from the wastewater.

In January of 2009 the Environmental Protection Agency issued final decisions not to renew variances that would have exempted the Honouliuli and Sand Island wastewater treatment plants from secondary treatment for another five years.

Although the city has spent nearly \$10 million fighting the lawsuit and EPA demands for costly upgrades at the two plants, the mayor now appears ready to sign-off on a settlement.

Asked Friday about the possibility that an announcement was imminent, Hannemann skirted the issue.

“We are working hard, my team and I, to make sure we cross the T's and dot the I's,” said the mayor. “Right now we're not quite ready to make that announcement, but we've been working very hard on that from day one.”



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However some are questioning the timing of the expected settlement, which would come just a few weeks before Hannemann files papers with the Office of Elections to run for governor.

“There is an issue of why is this being settled now instead of years ago,” the source familiar with negotiations, told KHON2. “Is it coincidental that the mayor happens to be leaving office and running for governor?”

In his 2009 State-of-the-City Address, Hannemann promised to “put on the gloves” to protect taxpayers from costly upgrades at Honouliuli and Sand Island. He has also argued that state water quality standards, which the EPA uses to determine CWA compliance, are incorrect and outdated and should be addressed by state lawmakers.

GOVERNOR'S REACTION

When asked about a possible settlement of the longstanding lawsuit against the city, Gov. Linda Lingle said Honolulu’s wastewater treatment issues should have been settled years ago.

“The city, not only under this mayor, but previous mayors have delayed coming to terms with this and now it has all come home to roost,” said Lingle. “Again the people are going to be left to pay for it.”

PAYING FOR IT

Any settlement of the wastewater lawsuit would require approval by the Honolulu City Council, which just completed an arduous and at times combative budget process.

On June 9 the Council passed a \$1.8 billion operating budget that included a property tax increase for non-resident homeowners and diminished city services because of public worker furloughs.

Budget Chairman Nestor Garcia, who voted in favor of the property tax increase with five of his colleagues, said the Council would be forced to craft a financial plan for upgrades at Honouliuli and Sand Island that did not overburden taxpayers.

“Until the administration comes up with a financing plan we're not quite sure whether it's going to involve sewer fee hikes, CIP appropriations or a combination of the two,” said Garcia. “It's always been our understanding that this wasn't going to come cheap.”

However Oahu residents may not react kindly to another increase in sewer fees. Fees have been rising the past five years and will increase another 15 percent on July 1.

The Sierra Club, Hawaii's Thousand Friends and Our Children's Earth Foundation refused to comment or did not return phone calls to Khon2.

Have a news tip? Contact Andrew Pereira at 368-7273.