

Honolulu, Hawaii

Feb 6, 2008

RE: H.B. No. 2810

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Fourth State Legislature  
Regular Session of 2008  
State of Hawaii

Sir:

Your Committees on Agriculture and Water, Land, Ocean Resources & Hawaiian Affairs, to which was referred H.B. No. 2810 entitled:

"A BILL FOR AN ACT RELATING TO WATER RATES,"

beg leave to report as follows:

The purpose of this bill is to:

- (1) Establish a process for just and reasonable water rates for farming operations with oversight from the Public Utilities Commission (PUC); and
- (2) Exempt the suppliers of water from the definition of "public utilities" under the PUC law.

The Hawaii Farm Bureau Federation, Maui County Farm Bureau, Hawaii Agriculture Research Center, and the Hawaii Crop Improvement Association supported this bill. Palila Growers, LLC, supported the intent of this measure and suggested amendments. The Department of Agriculture, Consumer Advocate, PUC, and the Hawaii County Council submitted comments.

Your Committees find that due to their geographical isolation, some farmers are unable to access agricultural water provided by the State or the counties. Instead, these farmers are forced to pay significantly higher water rates for water provided by private water suppliers. The financial burden caused by high water rates may jeopardize the financial viability of bona fide

HB2810 HSCR AGR-WLH HMS 2008-1607



farms in our state. This bill is intended to address this problem in a fair and reasonable manner.

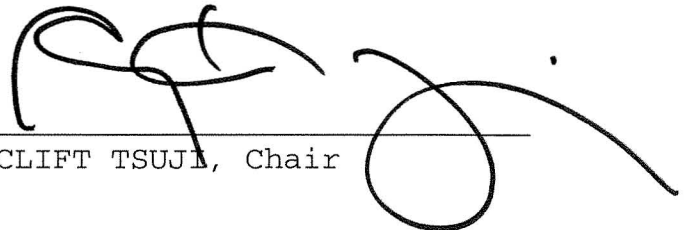
However, your Committees find that several concerns were raised with this measure, including the exclusion of suppliers of water from the definition of "public utilities" and the lack of a clearly defined policy statement in the bill to guide the PUC in setting favorable agricultural water rates. Your Committees respectfully request that these concerns be addressed as this bill moves along in the legislative process.

As affirmed by the records of votes of the members of your Committees on Agriculture and Water, Land, Ocean Resources & Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2810 and recommend that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

Respectfully submitted on  
behalf of the members of the  
Committees on Agriculture and  
Water, Land, Ocean Resources &  
Hawaiian Affairs,



KEN ITO, Chair



CLIFT TSUJI, Chair



State of Hawaii  
House of Representatives  
The Twenty-fourth Legislature

Record of Votes of the Committee on Agriculture

Bill/Resolution No.: HB2810	Committee Referral: AGR/WLH, CPC	Date: 01/30/08		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input checked="" type="checkbox"/> Pass, unamended (as is) <input type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
AGR Members	Ayes	Ayes (WR)	Nays	Excused
1. TSUJI, Clift (C)	/			
2. BROWER, Tom (VC)	/			
3. BERG, Lyla B., Ph.D.		/		
4. CHANG, Jerry L.	/			
5. HANOHANO, Faye P.	/			
6. HERKES, Robert N.	/			
7. MANAHAN, Joey	/			
8. WAKAI, Glenn	/			
9. YAMANE, Ryan I.	/			
10. YAMASHITA, Kyle T.	/			
11. CHING, Corinne W.L.	/			
12. MEYER, Colleen Rose		/		
TOTAL (12)	10	2	Ø	Ø
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted         If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: <u>Tom Brower</u>				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office				

