

STAND. COM. REP. NO. 3598

Honolulu, Hawaii

APR 08 2016

RE: H.B. No. 2501  
H.D. 2  
S.D. 2

Honorable Ronald D. Kouchi  
President of the Senate  
Twenty-Eighth State Legislature  
Regular Session of 2016  
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred H.B. No. 2501, H.D. 2, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to address the disposition of applications to continue previously authorized water rights dispositions.

Specifically, this measure:

- (1) Temporarily amends section 171-58, Hawaii Revised Statutes, to provide that when an application is made for a lease to renew a previously authorized water rights disposition, a holdover may be authorized annually until the pending lease application for the water rights disposition is finally resolved or for three years, whichever is sooner; and
- (2) Appropriates an unspecified amount of general funds to expedite pending applications for water rights dispositions.

Your Committee received written comments in support of this measure from the Department of Agriculture; the Office of the Mayor of the County of Maui; Alexander & Baldwin, Inc.; Chamber of Commerce Hawaii; Hawaii Association of Realtors; Hawaii



Cattlemen's Council; Hawaii Farm Bureau; Hawaii Fish Company, Inc.; Kauai Island Utility Cooperative; Larry Jefts Farms, LLC; Maui County Farm Bureau; Building Industry Association of Hawaii; Hawaii Crop Improvement Association; Hawaii Farmers and Ranchers United; Monsanto Hawaii; Ponoholo Ranch Limited; and twenty-five individuals.

Your Committee received written comments in opposition to this measure from the Office of Hawaiian Affairs; the Department of Ethnic Studies at the University of Hawaii at Manoa; Conservation Council for Hawaii; Farmers Voice Hawaii; Aloha Revolution; and seventy-five individuals.

Your Committee received written comments on this measure from the Department of Land and Natural Resources and one individual.

Your Committee finds that as the State undergoes economic and environmental changes, it is a challenge to achieve the goal of a sustainable, well-managed community in which food is grown locally and fresh water sources remain available for reasonable, beneficial uses. Your Committee believes that without continued access to a water source, there may be significant economic and social impacts on Hawaii's agricultural community and sustainability goals.

Your Committee notes that, under a separate request, the Department of Land and Natural Resources has requested an appropriation of \$1,500,000 in general funds for Phase II of a stream study in partnership with the United States Geological Survey. This study will collect data on low-flow characteristics of Hawaii streams and provide the necessary baseline information to support the setting of in-stream flow standards and assessing water availability for municipal, agricultural, and other uses. Your Committee believes that the data provided by this study will assist the Board of Land and Natural Resources in resolving the disposition of previously authorized water rights. Accordingly, your Committee has included the appropriation in the Supplemental Appropriations Act of 2016.

Your Committee has amended this measure by:

- (1) Changing the appropriation from an unspecified amount to \$150,000, and specifying that the appropriation is for the Department of Land and Natural Resources to hire one full-time equivalent project development specialist and



one full-time equivalent hydrologist IV to expedite applications submitted on or after the effective date of this measure to continue previously authorized water rights dispositions;

- (2) Requiring the Department of Land and Natural Resources to submit to the Legislature before each of the Regular Sessions of 2017, 2018, 2019, and 2020, reports regarding:
  - (A) The status of applications to continue previously-authorized dispositions of water rights;
  - (B) Actions taken on the applications; and
  - (C) Any relevant recommendations for legislative action or appropriation; and
- (3) Deleting the provisions contained in the effective date section that applied the amendments made by the measure to water rights disposition applications that are pending before the Board of Land and Natural Resources on the effective date of the measure, and thereby limiting the application of the measure's amendments to only those water rights disposition applications filed with the Board of Land and Natural Resources on or after the effective date of the measure.

Your Committee finds that this measure, as amended herein, will provide affected farmers, ranchers, and businesses statewide a mechanism to ensure a fair process for this class of water permit holders for a limited time period, while the department of land and natural resources establishes longer term solutions.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2501, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2501, H.D. 2, S.D. 2.



Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,



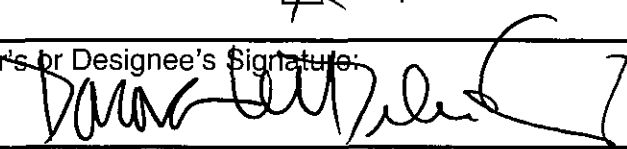
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JILL N. TOKUDA, Chair



The Senate  
 Twenty-Eighth Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 2501, HD 2, SD 1	WLA, WAM	4/4/16		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312	<input checked="" type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310		
<input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
TOKUDA, Jill N. (C)	/			
DELA CRUZ, Donovan M. (VC)	/			
CHUN OAKLAND, Suzanne		/		
ENGLISH, J. Kalani			/	
GALUTERIA, Brickwood	/			
HARIMOTO, Breene	/			
INOUYE, Lorraine R.	/			
RIVIERE, Gil			/	
TANIGUCHI, Brian T.	/			
WAKAI, Glenn		/		
SLOM, Sam		/		
<b>TOTAL</b>	6	3	0	
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
<b>Distribution:</b>				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

\*Only one measure per Record of Votes