

Honolulu, Hawaii

APR 06 2017

RE: H.B. No. 1536
H.D. 2
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committees on Judiciary and Labor and Ways and Means, to which was referred H.B. No. 1536, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO IRRIGATION,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Clarify that the Board of Agriculture has the power to acquire property by eminent domain for the construction and maintenance of water facilities that convey, distribute, and transmit water for agricultural uses that are in addition to irrigation, but not allow eminent domain for purposes of domestic use; and
- (2) Amend the definition of "public utility" in chapter 269, Hawaii Revised Statutes, to exclude:
 - (A) Any person who controls, operates, or manages plants or facilities developed for conveying, distributing, and transmitting non-potable water, and any irrigation project established pursuant to chapter 167, Hawaii Revised Statutes; and
 - (B) Any board of water supply that manages, controls, and operates the waterworks of a county for the



purpose of supplying water to the public in that county.

Your Committees received testimony in support of this measure from the Department of Agriculture, City and County of Honolulu Board of Water Supply, County of Kaua'i Department of Water, Land Use Research Foundation of Hawaii, Hawai'i Farm Bureau, Maui Chamber of Commerce, Maui County Farm Bureau, East Kauai Water Users' Cooperative, Kalepa Koalition, Saiva Siddhanta Church, and three individuals. Your Committees received testimony in opposition to this measure from the Sierra Club of Hawai'i and one individual. Your Committees received comments on this measure from the Public Utilities Commission, Department of Commerce and Consumer Affairs Division of Consumer Advocacy, and Office of Hawaiian Affairs.

Your Committees find that there are many non-potable water systems across the State that provide non-potable water for agricultural purposes. There is concern that Public Utilities Commission regulations intended for privately owned utilities may be applied to state-owned agricultural irrigation systems overseen by the State's Commission on Water Resource Management. Your Committees find that this measure clarifies state law in alignment with policies currently followed by the Department of Agriculture and Public Utilities Commission.

Your Committees have amended this measure by:

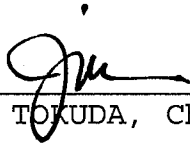
- (1) Clarifying that any irrigation project operated pursuant to chapter 167, Hawaii Revised Statutes, is excluded from the definition of "public utility";
- (2) Removing proposed language that would have excluded any board of water supply that manages, controls, and operates the waterworks of a county for the purpose of supplying water to the public in that county from the definition of "public utility"; and
- (3) Inserting an effective date of January 7, 2059, to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Judiciary and Labor and Ways and Means that are



attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1536, H.D. 2, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 1536, H.D. 2, S.D. 1.

Respectfully submitted on behalf of the members of the Committees on Judiciary and Labor and Ways and Means,



JILL N. TOKUDA, Chair

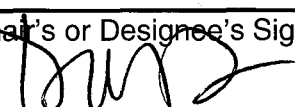


GILBERT S.C. KEITH-AGARAN, Chair



The Senate
Twenty-Ninth Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 1536, HD2	AEN/LPH, SDL/WAM	3/29/17		
<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)	/			
ENGLISH, J. Kalani				/
GALUTERIA, Brickwood	/			
HARIMOTO, Breene	/			
INOUYE, Lorraine R.	/			
KAHELE, Kaiali'i				/
RIVIERE, Gil		/		/
SHIMABUKURO, Maile S.L.				/
TANIGUCHI, Brian T.	/			
WAKAI, Glenn	/			
TOTAL	7	1		3
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes