STAND. COM. REP. NO. 2644

Honolulu, Hawaii

FEB 1 8 2022

RE: S.B. No. 2480 S.D. 1

Honorable Ronald D. Kouchi President of the Senate Thirty-First State Legislature Regular Session of 2022 State of Hawaii

Sir:

Your Committees on Water and Land and Agriculture and Environment, to which was referred S.B. No. 2480 entitled:

"A BILL FOR AN ACT RELATING TO THE WAHIAWA IRRIGATION SYSTEM,"

beg leave to report as follows:

The purpose and intent of this measure is to authorize the issuance of bonds for the Department of Land and Natural Resources and Agribusiness Development Corporation to purchase the Wahiawa Irrigation System on the Island of Oahu.

Your Committees received testimony in support of this measure from the Hawaii Crop Improvement Association, Ulupono Initiative, Hawaii Farm Bureau, Dole Food Company Hawaii, and one individual. Your Committees received testimony in opposition to this measure from the Department of Land and Natural Resources. Your Committees received comments on this measure from the Agribusiness Development Corporation.

Your Committees find that the Wahiawa Irrigation System is a critical irrigation system providing water to farmers in Waialua and Haleiwa on the island of Oahu. Built by the Waialua Sugar Company, the Wahiawa Irrigation System was created with a dam and freshwater reservoir fed by the north fork and south fork of the Kaukonahua stream. The dam is essential to agriculture as the water in the reservoir provides irrigation to farmers in Wahiawa,

Waialua, and Haleiwa. Dole Food Company has listed the irrigation system for sale for \$20,000,000, which includes the Wahiawa Reservoir, Wahiawa Dam and Spillway, and Ditch System. This purchase price is not for the acquisition of the system but rather it reflects the estimated cost of mandated improvements to the Wahiawa Irrigation System. It is in the interest of the public for the State to acquire the Wahiawa Irrigation System and preserve the System for public access and the agriculture industry. To provide the agricultural sector with a reliable irrigation system, this measure requires the Department of Agriculture and the Agribusiness Development Corporation to acquire the Wahiawa Irrigation System.

Your Committees raised concerns that the proposed amendments would have an impact on the Department of Agriculture but the Department of Agriculture did not submit testimony on this measure. Your Committees also raised concerns regarding the true financial burden to the State and the Department of Agriculture beyond the estimated \$20 million, which may lead to potential litigation and liabilities. As the Wahiawa Irrigation System serves as a crucial system to many local farmers on Oahu, your Committees also expressed concerns regarding impacts from climate change.

Your Committees have amended this measure by:

- (1) Replacing the Department of Land and Natural Resources with the Department of Agriculture as one of the purchasing agencies of the Wahiawa Irrigation System;
- (2) Amending the general obligation bonds lapse date to lapse on June 30, 2024; and
- (3) Inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Water and Land and Agriculture and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2480, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2480, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on behalf of the members of the Committees on Water and Land and Agriculture and Environment,

MIKE GABBARD, Chair

Jonaine & Annye

The Senate Thirty-First Legislature State of Hawaiʻi

Record of Votes Committee on Water and Land WTL

Bill / Resolution No.:*	Committee Referral:			Date:				
5 B248D	WTL/AEN, WAM 2/16/22					2		
The Committee is reconsidering its previous decision on this measure.								
If so, then the previous decision was to:								
The Recommendation is:								
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313								
Members		Aye	Aye (W	/R)	Nay	Excused		
INOUYE, Lorraine R. (C)		/						
KEITH-AGARAN, Gilbert S.C. (VC)								
MISALUCHA, Bennette E.								
RIVIERE, Gil								
FEVELLA, Kurt			/					
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TOTAL		4	1					
Recommendation: Adopted 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

The Senate Thirty-First Legislature State of Hawai'i

Record of Votes Committee on Agriculture and Environment AEN

Bill / Resolution No.:*				ite:					
532480	WTL/(AEN), WAM 02/16/22								
The Committee is reconsidering its previous decision on this measure.									
If so, then the previous decision was to:									
The Recommendation is:									
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313									
Members		Aye	Aye (WR)	Nay	Excused				
GABBARD, Mike (C)									
NISHIHARA, Clarence K. (VC)									
ACASIO, Laura			1						
RHOADS, Karl									
FEVELLA, Kurt									
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TOTAL		3	2						
Recommendation: Adopted Not Adopted									
Chair's or Designee's Signature:									
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^{*}Only one measure per Record of Votes