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'o Hawai'i*



KALI WATSON  
CHAIRMAN, HHC  
*Ka Luna Ho'okele*

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**STATE OF HAWAII**  
**DEPARTMENT OF HAWAIIAN HOME LANDS**

*Ka 'Oihana 'Āina Ho'opulapula Hawai'i*

P. O. BOX 1879  
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**TESTIMONY OF KALI WATSON, CHAIRMAN**  
**HAWAIIAN HOMES COMMISSION**  
**BEFORE THE HOUSE COMMITTEE ON WATER & LAND AND**  
**THE HOUSE COMMITTEE ON JUDICIARY & HAWAIIAN AFFAIRS**  
**HEARING ON FEBRUARY 12, 2024 AT 2:00PM IN CR 325**

**HB 2695, RELATING TO WATER**

February 12, 2024

Aloha Chairs Ichiyama and Tarnas, Vice Chairs Poepoe and Takayama, and Members of the Committees:

The Department of Hawaiian Home Lands (DHHL) supports this bill which would 1) require each county board of water supply or water board to prioritize the sustainable recharge of aquifers, ensure the health of watersheds, and, when allocating water for new development, prioritize the development of affordable housing over other types of development and 2) provide that these requirements shall not be construed to affect allocations of water for agricultural purposes or developments under the Hawaiian Homes Commission Act, 1920, as amended.

The DHHL concurs with the proposed amendment that the noted requirements shall not be construed to affect allocations of water for agricultural purposes or developments under the Hawaiian Homes Commission Act, 1920, as amended. The DHHL understands that water in Hawai'i is held as a public trust resource, a status which derives from laws in the Hawaiian Kingdom as well as common law, case law, and State Constitutional provisions.

Partly in recognition of the significant role in which DHHL Homestead development can address much needed housing demand in the Counties, the Counties have started to explore ways in which they can use their limited powers related to water to address the water needs and accessibility challenges of DHHL. Maui County has led the way in these efforts. In 2007, Maui County enacted Ordinance 3502, often referred to as the "show me the water" ordinance. This requires verification of "a long-term reliable source of water before subdivisions are approved." The goal of this policy is to conserve the County's resources for affordable housing. In 2021, Ordinance 5313 specifically exempted DHHL projects from this requirement

Also in Maui County, in November of 2022, Charter Amendment 12 was approved, establishing the East Maui Water Authority Board. This eleven-member Board will oversee the Nāhiku, Ke‘anae, Honomanu and Huelo water license areas. The responsibilities of the Board include approval of watershed management plans and related programs, approval of annual operations budget appropriation requests, and recommendations on water rates. One seat was reserved for a representative of the Hawaiian Homes Commission. This is the first instance in which a state or county water managing body has specifically dedicated a seat to represent and look out for DHHL interests.

In 2023, also in Maui County, the Council passed a 0.5 percent surcharge on top of the State’s 4 percent general excise tax. Twenty percent of the county’s revenue from the surcharge will go toward development of County infrastructure projects that would allow DHHL to proceed with homestead development, including the development of necessary water infrastructure.

In April 2022, the Hawai‘i County Council passed two bills allowing the development of timeshares, affordable workforce housing and other facilities at a particular site in Waikōloa, South Kohala. As passed, 2% of timeshare sales and resales from the proposed project will be donated to the Waikōloa Foundation, and 25% of those derived funds will be allocated to an agency or program to directly or indirectly support water-related needs associated with housing programs for Native Hawaiians within the South Kohala district.

Despite the importance and significance of various Federal, State, and County policies, progress on addressing the significant water access challenges of DHHL on the Hawaiian Home Lands remains a very significant challenge. DHHL believes HB 2695 would be a step in the right direction toward progress.

Thank you for your consideration of our testimony.

**BOARD OF WATER SUPPLY  
KA 'OIHANA WAI  
CITY AND COUNTY OF HONOLULU**

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February 12, 2024

The Honorable Linda Ichiyama, Chair  
and Members  
House Committee on Water and Land  
Hawai'i State Capitol, Room 325  
Honolulu, Hawai'i 96813

The Honorable David A. Tarnas, Chair  
and Members  
House Committee on Judiciary and Hawaiian Affairs  
Hawai'i State Capitol, Room 325  
Honolulu, Hawai'i 96813

Dear Chair Ichiyama, Chair Tarnas, and Members:

Subject: House Bill 2695: Relating to Water

The Honolulu Board of Water Supply (BWS) has deep concerns regarding House Bill (HB) 2695 and believes this measure is unnecessary. HB 2695 proposes to add a new chapter to Hawaii Revised Statutes (HRS) Title 13, Planning and Economic Development to require each county to prioritize (1) the sustainable recharge of aquifers, (2) ensure the health of watersheds, and (3) prioritize allocating water for affordable housing.

The county boards of water supply already share a collective responsibility with State, City, Federal agencies and departments ensuring the health of watersheds and sustainable recharge of aquifers. The priorities listed in this bill overlaps with compliance responsibilities of Hawaii Revised Statutes (HRS) of Chapter 174C State Water Code and HRS Chapter 171 Public Lands, Management and Disposition Of.

The BWS is not the proper authority to determine whether to prioritize affordable housing. The priorities of the State and counties as to the various categories of development are prone to change from time to time. The permitting process at the county level include various reviews by multiple state and county agencies based

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The Honorable David A. Tarnas, Chair  
and Members  
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on the type of zoning, whether it be residential, agricultural, planned development, special purpose, commercial or industrial.

The BWS is a semi-autonomous agency that does not receive funds from property taxes. The BWS mission is to deliver safe, dependable, and affordable water, now and into the future. The BWS does not discriminate against its water users as water service is offered on a first come, first serve basis. The BWS Board (Board) recognizes the importance of affordable water to meet essential household needs and is doing its part to support the development of affordable housing. The Board passed Resolution No. 889 (2018) to allow for waiver(s) of the water system facilities charge and new meter cost for qualified affordable and homeless dwelling units, up to 500 dwelling units per year, and recently renewed and extended the provision for waivers through June 30, 2029, through Resolution No. 976 (2023). The dwelling units must meet certain requirements as specified in the BWS Resolution. Any further extension of the provision is subject to Board approval.

Under Sections 1-102 and 2-202 of the BWS Rules and Regulations, the BWS may allow a deferral of payment of water system facility charges and installation of water service fees until the installation of the water meter, provided that all BWS requirements are satisfied.

Pursuant to the Revised Charter of the City and County of Honolulu 1973, under Article VII, Section 7-103 "All water systems of the city, including water rights and water sources, sources, together with all materials, supplies and equipment and all real and personal property used or useful in connection with such water systems shall be under the control of the department ["board of water supply"]."

Again, the BWS believes HB2695 is not necessary and as written we oppose it.

Thank you for the opportunity to testify our opposition to HB 2695.

Very truly yours,



ERNEST Y. W. LAU, P.E.  
Manager and Chief Engineer

**HB-2695**

Submitted on: 2/7/2024 1:34:15 PM

Testimony for WAL on 2/12/2024 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Keoni Shizuma	Individual	Support	Written Testimony Only

Comments:

Aloha Chair, Vice Chair, and members of the committee,

I stand in support of HB2695.

Given the circumstances outlined in section 1 of this bill, I am in strong support of the counties prioritizing the protection of our water ecosystems. Water is the one thing we can't live without, and if we run out of water, we will have to leave these islands.

I appreciate the authors and introducers of this bill for putting something forth to protect our resources for future generations.

Mahalo for your time and consideration.

Keoni Shizuma