

JOSH GREEN, M.D.
Governor

SYLVIA LUKE
Lt. Governor



SHARON HURD
Chairperson, Board of Agriculture

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**TESTIMONY OF SHARON HURD
CHAIRPERSON, BOARD OF AGRICULTURE**

**BEFORE THE SENATE COMMITTEES ON AGRICULTURE AND ENVIRONMENT
AND WATER AND LAND**

**MONDAY, JANUARY 29, 2024
1:00 PM
CONFERENCE ROOM 229 & VIDEOCONFERENCE**

**SENATE BILL NO. 2495
RELATING TO WATER METERING**

Chairs Gabbard and Inouye, Vice Chairs Richards, and Elefante, and Members of the Committees:

Thank you for the opportunity to testify on Senate Bill 2495. This bill exempts from acreage assessments land occupiers who have not applied for water service for the following year. By an unspecified date, requires the Board of Agriculture to amend its administrative rules to require the Department of Agriculture to: maintain an active record of land occupiers within the boundaries of an irrigation district that have not applied for water service or water service connections as prospective consumers and have not drawn water without authorization; immediately discontinue service to a land occupier for non-use if there are no water toll charges for a period of more than 2 years; maintain records of all weir, water meter, and water flow measuring instrument readings taken; make individualized reading records available to land occupiers upon request; provide written notice to land occupiers whenever a weir, water meter, or water flow measuring instrument is removed by the Department for any reason and to cease any associated water toll charges and acreage assessments; establish a formal process for certain land occupiers to contest erroneous water toll charges and acreage



assessments; and establish a formal process for land occupiers with outstanding water toll charges and acreage assessments to enter into a reasonable payment plan with the Department. The Department respectfully opposes this bill.

Section 1's proposed language, "provided that land occupiers who have not applied for water service for the following year shall be exempt from acreage assessments," is inconsistent with the water service application process. Farmers that want to receive irrigation water submit an initial application prior to receiving service. A new application is not submitted on an annual basis. This measure would essentially require an annual recommitment by the user or be removed from the system, with the default being removal. In order to ensure that the user does not have access to the system for the coming year, the Department must remove the meter, not just shut it off. If the user desires to use the system the following year, they would need to pay the connection charge, which could be up to \$6,000, and reconnection cannot be guaranteed. If the system is experiencing prolonged drought or has become unable to supply adequate volume, the connection would be deferred until the situation has been resolved. Additionally, the program does not have the human resources necessary to bird-dog the over 700 irrigation customers every year to confirm their intent. Our past experience shows a very low percentage of users respond to mailings, even if it identifies potential negative impacts. Staff would end up going door to door over the course of weeks, taking them away from their normal duties to ensure a complete response. Automatic removal from the system for a "no response" is sure to shock many users. As a compromise, we offer a one-time poll of existing users to make a mass adjustment to the coming acreage certification in May. Finally, the acreage assessment was not intended to be highly variable. The rate is set to collect 30% of the anticipated expenditure ceiling for the fund. This is to ensure a minimum cash flow to conduct operations, which includes salaries, equipment, utilities, etc. Reducing the overall acreage increases the per-acre fee for the remaining users.

Regarding Section 2, the Department has existing authorities that can achieve like results and commits to work with system users to arrive at equitable solutions,

including repayment plans (which is current practice), when at all possible, and pursue stricter measures such as collection entities as a last resort. Irrigation invoices are sent on a monthly basis with the Department's address and contact phone number. The actual water meter readings are shown on each invoice. Accounts that have not been paid on time are stamped "Past Due." The Department does its best to work with customers that reach out to discuss any billing discrepancies, unpaid bills, and changes in usable acreage. Acreage assessment changes must be made in writing and are performed immediately prior to the start of the next fiscal year. Billing errors, such as an incorrect water usage volume, are corrected within the next billing cycle.

The Department aims to support, sustain, and grow the agricultural industry. The Department's ability to provide irrigation water is a beneficial public service that can provide farmers with water at a price that is lower than County rates. As such, the Department operates on the premise that irrigation water is desired and beneficial. The removal of a user from the irrigation system is not a matter to be taken lightly. Removing farmers from the irrigation system and taking away their access to irrigation water without their express written request makes it more difficult to support the industry.

Thank you for the opportunity to testify.



Environmental Caucus of
The Democratic Party of Hawai'i

Agriculture & Food Security Committee

Monday, January 29, 2024, 1:00 pm

Senate Committees on Agriculture and Environment and on Water and Land

SENATE BILL 2495 – RELATING TO WATER METERING

Position: Support

Me ke Aloha Chairs Gabbard and Inouye, Vice-Chairs Richards and Elefante, and members of the Senate Committees on Agriculture and Environment and on Water and Land

SB2495 Exempts from acreage assessments land occupiers who have not applied for water service for the following year, and requires the Board of Agriculture to amend its administrative rules to prevent erroneous toll charges.

The Agriculture & Food Security Committee supports this measure to ensure that former users of an irrigation system who have had their meters removed are not charged for the use of water.

We understand that irrigation systems are a complicated operation and that errors can be made. The expectation is that amending the rules can build safeguards into the system.

Mahalo for the opportunity to address this matter.

/s/ Charley Ice Acting Chair, Agriculture and Food Security Committee
Environmental Caucus of the Democratic Party

LATE

SB-2495

Submitted on: 1/28/2024 9:46:57 PM

Testimony for AEN on 1/29/2024 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Brian Miyamoto	Testifying for Hawaii Farm Bureau	Support	Written Testimony Only

Comments:

Support