

STAND. COM. REP. NO.

3023

Honolulu, Hawaii

MAR 19 2008

RE: H.B. No. 2965
H.D. 2
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Madam:

Your Committees on Agriculture and Hawaiian Affairs and Commerce, Consumer Protection, and Affordable Housing, to which was referred H.B. No. 2965, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO AGRICULTURAL WATER SECURITY,"

beg leave to report as follows:

The purpose of this measure is to authorize a person who, controls, operates, or manages an agricultural water system to negotiate an agreement for the production of emergency power for the system following the Governor's declaration of a disaster.

Testimony in support of this measure was submitted by the Kamehameha Schools, Kohala Crayfish Farm, The Kohala Ditch Project, Island Resources, Ltd., Department of Agriculture, and one individual. The Department of Commerce and Consumer Affairs and the Public Utilities Commission submitted comments regarding this measure.

Your Committees find that agricultural water security is essential to maintain public health and well-being, ensure future cultivation of food, fiber, and energy crops, and enhance rural recreation and community aesthetics. On October 15, 2006, the Kiholo earthquake caused considerable damage to irrigation systems in the Waimea and Hamakua areas on the island of Hawaii, causing the agricultural water users to depend on ground water to supply water to the ditch systems and incurring costs for the transmission of water and energy to run pumps.

2008-1962 SSCR SMA.doc



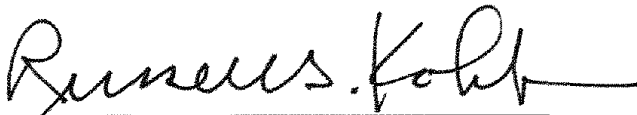
On October 15, 2006, the Governor proclaimed these areas to be disaster areas and directed government agencies to take such action and employ such measures for water supply and other emergency functions as necessary. Furthermore, the Governor's proclamation suspended statutes, including those relating to procurement, public lands management, water development, the State water code, and public utilities. These emergency measures are to continue until an appropriate time for termination determined by the Governor.

Your Committees further find that agricultural water systems are critical for agricultural production and that measures should be implemented to allow appropriate responses to conditions caused by natural disasters such as earthquakes.

Your Committees have amended this measure by adding a provision that, in the event that an agreement for electrical power is negotiated with an independent power producer, that the execution of such an agreement shall not render the independent power producer subject to the jurisdiction of the Public Utilities Commission.

As affirmed by the records of votes of the members of your Committees on Agriculture and Hawaiian Affairs and Commerce, Consumer Protection, and Affordable Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2965, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2965, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committees on Agriculture and
Hawaiian Affairs and Commerce,
Consumer Protection, and
Affordable Housing,



RUSSELL S. KOKUBUN, Chair



JILL TOKUDA, Chair



