
A BILL FOR AN ACT

RELATING TO WATER RATES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Agriculture in Hawaii depends on many factors,
2 including access to water for irrigation purposes at affordable
3 rates. Although many farmers are able to access lower
4 agricultural water rates provided by the county water systems,
5 other farmers who are unable to access the county water systems
6 must rely on the more expensive residential water rates provided
7 by public utilities. Without affordable water rates,
8 agriculture cannot be sustainable and competitive in Hawaii.

9 The legislature finds that it is in the public interest to
10 promote the long-term viability of agriculture by establishing
11 mechanisms that provide for preferential rates for potable water
12 used for agricultural activities.

13 The purpose of this Act is to establish a policy of
14 providing preferential potable water rates for agricultural
15 activities and to authorize the public utilities commission to
16 establish preferential water rates for potable water used for
17 agricultural activities.



1 SECTION 2. Chapter 269, Hawaii Revised Statutes, is
2 amended by adding a new section to read as follows:

3 "§269- Preferential water rates for agricultural
4 activities. (a) It is the policy of the State to promote the
5 long-term viability of agriculture by establishing mechanisms
6 that provide for preferential rates for potable water for
7 agricultural activities. The public utilities commission shall
8 have the authority to establish preferential rates for potable
9 water used for agricultural activities in a public utility's
10 service area.

11 (b) Upon receipt of a bona fide request for preferential
12 rates for potable water to be used for agricultural activities,
13 and proof that the customer engages in agricultural activities,
14 a public utility shall provide proposed preferential rates for
15 potable water to be used only for qualified agricultural
16 activities to the public utilities commission for approval. All
17 such rates approved by the public utilities commission shall be
18 subsidized by the potable water rates charged to other customers
19 of the public utility if required as determined by the public
20 utilities commission. In reviewing the proposed preferential
21 rates, the public utilities commission, in consultation with the
22 department of agriculture, may establish additional criteria to



1 qualify bona fide agribusinesses for water used solely for
2 agricultural activities. For rate cases initiated pursuant to
3 this section, the public utilities commission shall allow the
4 recovery of any reasonable unamortized costs incurred by the
5 public utility in its previous rate case; provided however, upon
6 full amortization of these costs, rates shall be adjusted
7 accordingly."

8 SECTION 3. Section 269-1, Hawaii Revised Statutes, is
9 amended by adding a new definition to be appropriately inserted
10 and to read as follows:

11 "Agricultural activities" means a commercial agricultural,
12 silvicultural, or aquacultural facility or pursuit conducted, in
13 whole or in part, including the care and production of livestock
14 and livestock products, poultry and poultry products, apiary
15 products, and plant and animal production for nonfood uses; the
16 planting, cultivating, harvesting, and processing of crops; and
17 the farming or ranching of any plant or animal species in a
18 controlled salt, brackish, or freshwater environment."

19 SECTION 4. New statutory material is underscored.

20 SECTION 5. This Act shall take effect upon its approval.



H.B. NO. 2810
H.D. 1
S.D. 1
C.D. 1

Report Title:

Agricultural Water Rates; Public Utilities Commission

Description:

Authorizes the public utilities commission to establish preferential potable water rates for agricultural activities in a public utility's service area. (HB2810 CD1)

HB2810 CD1 HMS 2008-3876

