

STAND. COM. REP. NO. 185

Honolulu, Hawaii

FEB 12 2021

RE: S.B. No. 1169
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committee on Water and Land, to which was referred S.B. No. 1169 entitled:

"A BILL FOR AN ACT RELATING TO DISPOSITION OF WATER LICENSES BY THE BOARD OF LAND AND NATURAL RESOURCES,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Clearly define dispositions for the use of water by the Board of Land and Natural Resources (Board) by way of licenses for water rather than conveyance of any property right or interest in water via a lease;
- (2) Clarify the water disposition process and the development and implementation of the watershed management plan required of the licensee; and
- (3) Require the Board to consult with the Commission on Water Resource Management on any proposed license to ensure that the disposition is consistent with water resource management requirements.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, Hawai'i Farm Bureau, and Hawaiian Electric Company. Your Committee received testimony in opposition to this measure from Kaua'i Island Utility



Cooperative. Your Committee received comments on this measure from Sierra Club of Hawai'i and Wai'oli Valley Taro Hui.

Your Committee finds that this measure would provide much needed efficiency, direction, certainty, and clarity to the current water disposition process. According to testimony received by your Committee, the current requirement for the disposition of water by public auction is patently unfair and unpredictable, especially for farmers and ranchers that have invested years in the land to create successful businesses. Your Committee further finds that this measure will support agricultural and renewable energy (hydroelectric) projects, improve the State's food and energy independence and sustainability, and ensure responsible stewardship of public trust resources, including water resources from forested watersheds.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1169, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1169, S.D. 1, and be referred to your Committee on Judiciary.

Respectfully submitted on
behalf of the members of the
Committee on Water and Land,


LORRAINE R. INOUE, Chair



