

Honolulu, Hawaii  
Feb 29, 2008

RE: H.B. No. 2810  
H.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Fourth State Legislature  
Regular Session of 2008  
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 2810 entitled:

"A BILL FOR AN ACT RELATING TO WATER RATES,"

begs leave to report as follows:

The purpose of this bill is to support agriculture by, among other things:

- (1) Requiring water rates for farming operations to be established by agreement between the farming operation and the water supplier; and
- (2) Requiring the Public Utilities Commission (PUC) to establish just and reasonable water rates if the farming operation and water supplier fail to agree on the rate.

The Hawaii Agriculture Research Center testified in support of this bill. The Hawaii Farm Bureau Federation and Palila Growers, LLC, supported the intent of this measure. The Sierra Club, Hawaii Chapter, opposed this bill. The Department of Agriculture, Consumer Advocate, PUC, Hawaii County Council, Life of the Land, and Maui County Farm Bureau submitted comments.

Your Committee has amended this bill by replacing its entire contents with provisions that:



- (1) Authorize PUC to establish preferential rates for potable water used for agricultural activities in a public utility's service area;
- (2) Require public utilities, upon application and proof of qualification, to provide preferential rates for potable water used only for agricultural activities; and
- (3) Allow the preferential water rates to be subsidized by the water rates charged to other customers of the public utility.

Your Committee also notes for further consideration the suggestion that applications for preferential water rates under this bill as amended should be determined within 180 days from the date of application.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2810, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2810, H.D. 1.

Respectfully submitted on  
behalf of the members of the  
Committee on Consumer  
Protection & Commerce,

  
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ROBERT N. HERKES, Chair



