

Honolulu, Hawaii

MAR 20 2008

RE: H.B. No. 2810  
H.D. 1  
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 Water and Land, to which was referred H.B. No. 2810, H.D. 1, entitled:

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

beg leave to report as follows:

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

- (1) Authorizing the Public Utilities Commission to establish preferential water rates for potable water used for agricultural activities;
- (2) Requiring public utilities, upon application and proof of qualification, to provide preferential rates for potable water used for agricultural activities; and
- (3) Allowing the preferential water rates to be subsidized by the water rates charged to other customers of the public utility.

Testimony in support of this measure was submitted by the Department of Agriculture, Public Utilities Commission, Hawaii Crop Improvement Association, and Hawaii County Council. Hawaii Farm Bureau Federation; Maui County Farm Bureau; Palila Growers, LLC; and Kohala Ranch Water Company submitted testimony in support and proposed amendments to this measure. Testimony in support of the intent of this measure was submitted by the Department of



Commerce and Consumer Affairs. Hawaii Reserves, Inc. submitted testimony in opposition to this measure.

Your Committees note that the Public Utilities Commission has represented that their process for considering a request for a change in water rate provides for the amortization of the applicant's assets. Therefore, it is not necessary to include a provision in this measure to require that such amortization be allowed.

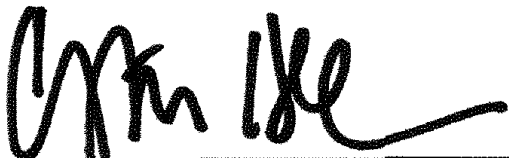
Your Committees further encourage the Department of Agriculture to assist the Public Utilities Commission in making determinations as to whether an operation is a legitimate agricultural activity.

Your Committees have amended this measure by:

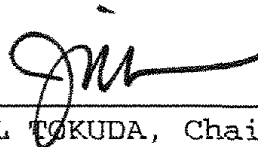
- (1) Amending the definition of "agricultural activities" as requested by the Hawaii Farm Bureau Federation; and
- (2) Amending the effective date to July 1, 2050.

As affirmed by the records of votes of the members of your Committees on Agriculture and Hawaiian Affairs and Water and Land that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2810, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2810, H.D. 1, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection, and Affordable Housing.

Respectfully submitted on  
behalf of the members of the  
Committees on Agriculture and  
Hawaiian Affairs and Water and  
Land,



CLAYTON HEE, Chair



JILL TOKUDA, Chair



The Senate  
 Twenty-Fourth Legislature  
 State of Hawaii

**Record of Votes**  
**Committee on Agriculture and Hawaiian Affairs**  
**AHW**

|  |  |                         |            |                |
|--|--|-------------------------|------------|----------------|
| Bill / Resolution No.:*<br><b>HB2810, HD1</b>  | Committee Referral:<br><b>AHW/WTL, CPH</b> | Date:<br><b>3/13/08</b> |            |                |
| <input type="checkbox"/> The committee is reconsidering its previous decision on this measure.<br>If so, then the previous decision was to: _____  |  |                         |            |                |
| The Recommendation is:<br><input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313 |  |                         |            |                |
| <b>Members</b>   | <b>Aye</b>                                 | <b>Aye (WR)</b>         | <b>Nay</b> | <b>Excused</b> |
| TOKUDA, Jill N. (C)  | /  |                         |            |                |
| ENGLISH, J. Kalani (VC)  |  |                         |            | /              |
| GABBARD, Mike  | /  |                         |            |                |
| HEE, Clayton   | /  |                         |            |                |
| KOKUBUN, Russell S.  | /  |                         |            |                |
| SLOM, Sam  |  |                         |            | /              |
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| <b>TOTAL</b>   | <b>4</b>                                   |                         |            | <b>2</b>       |
| Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted   |  |                         |            |                |
| Chair's or Designee's Signature:<br><div style="text-align:center; font-family: cursive; font-size: 1.2em;">Russell S. Kofu</div>  |  |                         |            |                |
| <b>Distribution:</b> Original     Yellow     Pink     Goldenrod<br>File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy   |  |                         |            |                |

\*Only one measure per Record of Votes

The Senate  
Twenty-Fourth Legislature  
State of Hawaii

**Record of Votes**  
**Committee on Water and Land**  
**WTL**

|  |  |                         |            |                |
|--|--|-------------------------|------------|----------------|
| Bill / Resolution No.:*<br><b>HB 2810 HDI</b>  | Committee Referral:<br><b>AHW/WTL, CPH</b> | Date:<br><b>3/13/08</b> |            |                |
| <input type="checkbox"/> The committee is reconsidering its previous decision on this measure.<br>If so, then the previous decision was to: _____  |  |                         |            |                |
| The Recommendation is:<br><input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313 |  |                         |            |                |
| <b>Members</b>   | <b>Aye</b>                                 | <b>Aye (WR)</b>         | <b>Nay</b> | <b>Excused</b> |
| HEE, Clayton (C)   | /  |                         |            |                |
| KOKUBUN, Russell S. (VC)   | /  |                         |            |                |
| FUKUNAGA, Carol  |  |                         |            | /              |
| TOKUDA, Jill N.  | /  |                         |            |                |
| WHALEN, Paul   | /  |                         |            |                |
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| <b>TOTAL</b>   | <b>4</b>                                   |                         |            | <b>1</b>       |
| Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted   |  |                         |            |                |
| Chair's or Designee's Signature:<br><div style="text-align:center; font-family: cursive; font-size: 1.2em;">Russell S. Kohl</div>  |  |                         |            |                |
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