

**JOSH GREEN, M.D.**  
GOVERNOR

**SYLVIA LUKE**  
LT. GOVERNOR



**DEAN MINAKAMI**  
EXECUTIVE DIRECTOR

**STATE OF HAWAII**

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM  
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION  
677 QUEEN STREET, SUITE 300  
HONOLULU, HAWAII 96813  
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Statement of  
**DEAN MINAKAMI**  
Hawaii Housing Finance and Development Corporation  
Before the

**HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION  
AND  
HOUSE COMMITTEE ON WATER & LAND**

March 18, 2025 at 9:00 a.m.  
State Capitol, Room 325

In consideration of  
**S.B. 1602 SD1**  
**RELATING TO THE KEAUKOU AQUIFER SYSTEM.**

Chairs Lowen and Hashem, Vice Chairs Perruso and Lamosao, and members of the Committees.

HHFDC **supports** SB 1602 SD1, which appropriates funds to the Department of Land and Natural Resources (DLNR) to install two monitoring wells in the Keauhou Aquifer System. It also establishes the Keauhou Aquifer System Monitoring Program and requires reports to the Legislature.

The development of affordable housing in West Hawaii is being impeded by concerns about the development of new water sources. For example, HHFDC's Kamakana Villages, a master planned community in north Kona with the potential of 1,600 affordable housing units, is located within the area of the Keauhou Aquifer and is stalled due to a lack of potable water.

The pilot program will help to address concerns about developing new water sources in north Kona.

Thank you for the opportunity to testify on this bill.

JOSH GREEN, M.D.  
GOVERNOR | KE KIA'ĀINA

SYLVIA LUKE  
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAII'  
DEPARTMENT OF LAND AND NATURAL RESOURCES  
KA 'OIHANA KUMUWAIWAI 'ĀINA

P.O. BOX 621  
HONOLULU, HAWAII 96809

DAWN N.S. CHANG  
CHAIRPERSON  
BOARD OF LAND AND NATURAL RESOURCES  
COMMISSION ON WATER RESOURCE  
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FIRST DEPUTY

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DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES  
BOATING AND OCEAN RECREATION  
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HISTORIC PRESERVATION  
KAHOOLAWE ISLAND RESERVE COMMISSION  
LAND  
STATE PARKS

Testimony of  
DAWN N. S. CHANG  
Chairperson

Before the House Committees on  
ENERGY & ENVIRONMENTAL PROTECTION  
AND  
WATER & LAND

Tuesday, March 18, 2025  
9:00 AM

State Capitol, Conference Room 325 & Videoconference

In consideration of  
SENATE BILL 1602 SD1  
RELATING TO THE KEAUHOU AQUIFER SYSTEM

Senate Bill 1602 SD1 proposes to establish a Keauhou aquifer system monitoring pilot program within the Department of Land and Natural Resources (Department) and directs the Commission on Water Resource Management (Commission) implement a program to: 1) manage the monitoring wells installed in the Keauhou aquifer system; 2) monitor groundwater levels in the Keauhou aquifer system; and 3) conduct water quality tests in the Keauhou aquifer system. This bill also requires the Department submit an interim report to the Legislature every six months, detailing groundwater levels and water quality analysis in the Keauhou aquifer system. The bill also appropriates \$163,000 from the general revenues of the State of Hawai'i for fiscal years 2025-2026 and 2026-2027 for the installation of two monitoring wells in the Keauhou aquifer. **The Department strongly supports this measure, provided that its passage does not adversely impact the Administration's budget priorities, and offers comments.**

The Keauhou aquifer system is a vital water source that sustains local communities, ecosystems, and cultural practices. However, it faces ongoing challenges, including increasing water demand and concerns over potential resource overuse. The balance between development and resource sustainability remains a key issue, as stakeholders seek to ensure long-term water availability while preserving the unique environmental and cultural heritage of the region.

The Commission seeks to protect and regulate groundwater use within the Keauhou aquifer system, ensuring that withdrawals do not compromise the health of the aquifer or the ecosystems and traditional practices that rely on it. To support this goal, the Department suggests amendments to create a Keauhou aquifer system monitoring pilot project. A pilot project would support ongoing efforts to

manage the Keauhou aquifer system, conduct community outreach and education, and collaborate with other agencies such as the Division of Aquatic Resources.

If consistent with the administration's funding priorities, the Department also supports the construction of monitoring wells within the Keauhou aquifer system to support responsible management of Keauhou's ground water resources. The Department notes that the House Committee on Finance amended House Bill 300, HD1 to include \$4,000,000 in Capital Improvement Project funding for the 2025-2026 fiscal year for the construction of two deep monitoring wells within the Keauhou aquifer. This measure could provide a vehicle for that funding in the event that the CIP appropriation is removed from House Bill 300.

SECTION 1. (a) ~~[There is established a]~~ The department of land and natural resources shall establish a -year Keauhou aquifer system monitoring pilot ~~[program within the department of land and natural resources.]~~ project.

(b) The commission on water resource management, in partnership with other agencies, shall:

- (1) ~~[Manage the]~~ Collect data from monitoring wells installed in the Keauhou aquifer system;
- (2) Monitor groundwater levels in the Keauhou aquifer system; ~~[and]~~
- (3) Conduct water ~~[quality]~~ salinity tests in the Keauhou aquifer system.
- (4) Monitor the impacts of groundwater pumping on the health of coastal ecosystems and traditional and customary practices within the Keauhou aquifer system;
- (5) Initiate public information meetings to report on the data collected;
- (6) Conduct community outreach to guide the management of groundwater resources in the Keauhou aquifer system;

(7) Integrate existing and new studies and research into a plan for the responsible management of groundwater resources in the Keauhou aquifer system; and

(8) Conduct other related activities as the department deems necessary to carry out the purpose of the pilot project.

(c) The department of land and natural resources shall submit an interim report to the legislature every six months, detailing, at minimum, groundwater levels and water [~~quality~~] salinity analysis in the Keauhou aquifer system.

SECTION 2. Based on the department of land and natural resources' assessment of the Keauhou aquifer system monitoring pilot project, the department shall determine whether to continue, expand, or end the pilot project.

SECTION [~~2.~~] 3. There is appropriated out of the general revenues of the State of Hawaii the sum of \$200,000 or so much thereof as may be necessary for fiscal year 2025-2026 and the same sum or so much thereof as may be necessary for fiscal year 2026-2027 for the Keauhou aquifer system monitoring pilot project.

There is also appropriated out of the general revenues of the State of Hawaii the sum of \$4,000,000 or so much thereof as may be necessary for fiscal year 2025-2026 [~~and the same sum or so much thereof as may be necessary for fiscal year 2026-2027~~] for the installation of two monitoring wells in the Keauhou aquifer system.

The sums appropriated shall be expended by the department of land and natural resources for the purposes of this Act.

SECTION [~~3~~] 4. This Act shall take effect on July 1, 2025.

Mahalo for the opportunity to testify in strong support of this measure.

March 14, 2025

The Honorable Nicole E. Lowen, Chair  
House Committee on Energy & Environmental Protection  
The Honorable Mark J. Hashem, Chair  
House Committee on Water & Land  
Hawaii State Capitol, Conference Room 325  
415 South Beretania Street  
Honolulu, Hawai'i 96813

RE: Testimony in Support of SB1602 SD1 RELATING TO THE KEAUKOU AQUIFER SYSTEM.

Dear Chair Lowen, Chair Hashem, and Members of the Committees,

I am Charles Young, chair of the Kona Community Development Plan Action Committee. On March 11, 2025, the Kona Community Development Plan Action Committee voted unanimously to support SB 1602, which appropriates funds to the Department of Land and Natural Resources (DLNR) to install two monitoring wells in the Keauhou Aquifer System. It also establishes the Keauhou Aquifer System Monitoring Program and requires reports to the Legislature, detailing groundwater levels and water quality analysis in the Keauhou aquifer system.

The public trust doctrine described by the Hawai'i Supreme Court as, "the right of the people to have the waters protected for their use [which] demands adequate provision for traditional and customary Hawaiian rights, wildlife, maintenance of ecological balance and scenic beauty, and the preservation and enhancement of the waters" (HRS 174C-2), aims to protect ecological, cultural, and social uses of waters.

Much of the Keauhou aquifer system is located underneath the Kona Urban Growth Area (UGA) by the County General Plan and the Kona Community Development Plan. This land is envisioned for future urban growth and infrastructure development. At the same time, the Keauhou Aquifer System is a vital water source that sustains local ecosystems and cultural practices. Therefore, achieving the balance between high density development and resource sustainability is critical. The Kona Community Development Plan Action Committee supports SB1602, which proposes to create a Keauhou aquifer system monitoring pilot program to enhance our ability to sustainably manage groundwater use within the Keauhou aquifer system.

Respectively,

  
\_\_\_\_\_  
Charles Young (Mar 14, 2025 12:15 PST)  
Charles Young,

**Testimony to the House Committee on Energy & Environmental Protection  
Representative Nicole E. Lowen, Chair  
Representative Amy A. Perruso, Vice Chair**

**Testimony to the House Committee on Water & Land  
Representative Mark J. Hashem, Chair  
Representative Rachele F. Lamosao, Vice Chair**

**Tuesday, March 18, 2025, at 9:00AM  
Conference Room 325 & Videoconference**

**RE: SB1602 SD1 Relating to the Keauhou Aquifer System**

Aloha e Chairs Lowen, Hashem, and Members of the Committees:

My name is Sherry Menor, President and CEO of the Chamber of Commerce Hawaii ("The Chamber"). The Chamber supports Senate Bill 1602 Senate Draft 1 (SB1602 SD1), which appropriates funds to the Department of Land and Natural Resources to install two monitoring wells in the Keauhou Aquifer System. Establishes the Keauhou Aquifer System Monitoring Program. Requires reports to the Legislature.

SB1602 SD1 aligns with our 2030 Blueprint for Hawaii: An Economic Action Plan, specifically under the policy pillar for Business Services. This bill promotes policies that drive economic growth, enhance workforce opportunities, and improve the quality of life for Hawaii's residents.

Preserving a stable freshwater supply is vital to sustaining Hawaii's economy, particularly the agriculture, tourism, and other water-intensive sectors that underpin local prosperity. Recognizing this, the legislation establishes a multi-year Keauhou Aquifer System Monitoring Pilot Program under the Department of Land and Natural Resources, which includes installing new monitoring wells, regularly measuring groundwater levels, and conducting water quality tests. By producing timely data, this initiative seeks to protect a key resource that directly influences job stability, business growth, and the broader economic health of West Hawaii.

The legislation also provides funding for two monitoring wells, ensuring a thorough approach to collecting actionable information and maintaining the aquifer's long-term integrity. The Chamber supports this measure because protecting essential water resources is critical not only for environmental sustainability but also for fostering robust economic development and safeguarding Hawaii's commercial vitality.

The Chamber of Commerce Hawaii is the state's leading business advocacy organization, dedicated to improving Hawaii's economy and securing Hawaii's future for growth and opportunity. Our mission is to foster a vibrant economic climate. As such, we support initiatives and policies that align with the 2030 Blueprint for Hawaii that create opportunities to strengthen overall competitiveness, improve the quantity and skills of available workforce, diversify the economy, and build greater local wealth.

We respectfully ask to pass Senate Bill 1602 Senate Draft 1. Thank you for the opportunity to testify.



# NATURAL ENERGY LABORATORY OF HAWAII AUTHORITY



An Authority of the State of Hawaii attached to the Department of Business, Economic Development & Tourism

Statement of  
**Riley Saito**  
**Executive Director**

Natural Energy Laboratory of Hawaii Authority  
before the

## **HOUSE COMMITTEE ON ENERGY AND THE ENVIRONMENTAL PROTECTION HOUSE COMMITTEE ON WATER AND LAND**

Tuesday, March 18, 2025  
9::00 am

State Capitol, Conference Room 229 & Videoconference

### **SB 1602 RELATING TO THE KEAUHOU AQUIFER SYSTEM.**

The Natural Energy Laboratory of Hawaii Authority (NELHA) is pleased to support SB 1602 which establishes the Keauhou Aquifer System Monitoring Program and appropriates funds to DLNR to install two monitoring wells for this purpose. NELHA is a self-sufficient agency which currently supports over 50 companies with annual economic impact to Hawaii on the order of \$148M as determined by the University of Hawaii Economic Research Organization for calendar year 2022.

NELHA's duties include supporting ocean research and technology development on the 870-acre Hawaii Ocean Science and Technology (HOST) park it administers. Additional fresh water will be necessary to develop the remaining 200 + acres within the park to accommodate additional projects and assist in diversifying the West Hawaii economy by developing innovative technologies in accordance with HRS 227D.

Over the past decade, NELHA has partnered with various State agencies, County, and local community and other stakeholders to develop the OTA well with the aim of providing freshwater for housing as well as economic development activities. The efforts have been stalled due to significant push back and agreement has not yet been arrived at regarding well permit conditions. Establishing a monitoring program which is managed by the DLNR/CWRM will assist in making data driven decisions with respect to permit conditions and assist with addressing concerns expressed by the West Hawaii community regarding the development of the OTA well and other wells currently contemplated for West Hawaii.

Thank you for the opportunity to offer these comments and express its support.

March 17, 2025

RE: SB 1602 SD1 Relating to the Keauhou Aquifer System

Dear Chair Lowen, Vice Chair Perruso, members of the House Committee on Energy & Environmental Protection, Chair Hashem, Vice Chair Lamosao, and members of the House Committee on Water & Land,

Since our establishment in 1968, the Kona-Kohala Chamber of Commerce has worked to enhance the quality of life for our community through a strong, sustainable economy on Hawai'i Island. With over 460 member businesses and organizations, our mission is to provide leadership and advocacy for a successful business environment in West Hawai'i.

The Kona-Kohala Chamber of Commerce **strongly supports** SB 1602 SD1 Relating to the Keauhou Aquifer System.

Water development is a top priority for the Kona-Kohala Chamber and our region. We strongly support freshwater resource development, maintenance, and protection in West Hawai'i. New freshwater development on the west side of Hawai'i Island provides critical infrastructure to support housing, another top priority for our members and the entire community.

This bill establishes a Keauhou aquifer system monitoring pilot program within the Department of Land and Natural Resources (DLNR). The Commission on Water Resource Management shall manage installed monitoring wells, monitor groundwater levels, and conduct water quality tests in the Keauhou aquifer system. DLNR will submit reports detailing groundwater levels and water quality to the legislature every six months.

We are confident the steps outlined in this pilot program will provide progress on this long-standing issue. Developing new freshwater resources will promote the well-being of our community, improve business opportunities, and strengthen our local economy.

We ask you to pass SB 1602 SD1 Relating to the Keauhou Aquifer System.

Sincerely,



Wendy J. Laros, President and CEO  
Kona-Kohala Chamber of Commerce

**SB-1602-SD-1**

Submitted on: 3/17/2025 7:35:19 AM

Testimony for EEP on 3/18/2025 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Glen Kagamida	Individual	Support	Written Testimony Only

Comments:

Good idea and something that's needed. Mahalo!

**SB-1602-SD-1**

Submitted on: 3/17/2025 6:42:43 PM

Testimony for EEP on 3/18/2025 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Lei Fisher	Individual	Support	Written Testimony Only

Comments:

I **strongly support** this measure, please **PASS** it.

Me ke aloha,

Lei Fisher