

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
FAX: (808) 587-0600

Statement of
DEAN MINAKAMI

Hawaii Housing Finance and Development Corporation
Before the

SENATE COMMITTEE ON WAYS AND MEANS

February 19, 2025 at 10:02 a.m.
State Capitol, Room 211

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

Chair Dela Cruz, Vice Chair Moriwaki, and members of the Committee.

HHFDC **supports** 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.

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
MANAGEMENT

RYAN K.P. KANAKA'OLE
FIRST DEPUTY

CIARA W.K. KAHAHANE
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE
MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES
ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

Testimony of
DAWN N. S. CHANG
Chairperson

Before the Senate Committee on
WAYS AND MEANS

Wednesday, February 19, 2025
10:02 AM

State Capitol, Conference Room 211 & Videoconference

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

Senate Bill 1602 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.

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 \$163,000 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.

**Testimony to the Senate Committee on Ways and Means
Senator Donovan M. Dela Cruz, Chair
Senator Sharon Y. Moriwaki, Vice Chair**

**Tuesday, February 18, 2025, at 10:01AM
Conference Room 211 & Videoconference**

RE: SB1602 Relating to Value-Added Products

Aloha e Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee:

My name is Sherry Menor, President and CEO of the Chamber of Commerce Hawaii ("The Chamber"). The Chamber supports Senate Bill 1602 (SB1602), 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.

SB1602 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.

To expand affordable housing and address Hawaii's housing crisis, the state is launching a multi-year pilot program to improve access to reliable water in the Keauhou Aquifer System. Led by the Department of Land and Natural Resources, this initiative will monitor groundwater levels and test water quality to ensure sustainability. The Commission on Water Resource Management will oversee new monitoring wells, assess groundwater conditions, and detect contaminants. To maintain transparency, the Department will report findings to the legislature every six months.

The state has allocated \$163,000 annually for two years to install two monitoring wells, with funds managed by the Department of Land and Natural Resources. Ensuring long-term clean water access, this initiative, effective July 1, 2025, supports housing development while protecting Hawaii's water resources. The Chamber backs this effort, recognizing that reliable water infrastructure is key to expanding housing, driving economic growth, and securing a sustainable future for communities statewide.

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. Thank you for the opportunity to testify.

SB-1602

Submitted on: 2/15/2025 2:35:53 PM

Testimony for WAM on 2/19/2025 10:02:00 AM

Submitted By	Organization	Testifier Position	Testify
Douglas Perrine	Individual	Support	Written Testimony Only

Comments:

The Keauhou aquifer, from which much of my own drinking water is drawn, is already compromised and partly brackish. Monitoring wells will provide data that will hopefully guide the State in remediating this situation which affects the health of both residents and the natural environment. Please pass SB1602.

SB-1602

Submitted on: 2/17/2025 8:37:39 PM

Testimony for WAM on 2/19/2025 10:02:00 AM

Submitted By	Organization	Testifier Position	Testify
Tasman Kekai Mattox	Individual	Support	Written Testimony Only

Comments:

I support this measure. Support and protect our wai!



NATURAL ENERGY LABORATORY OF HAWAII AUTHORITY



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

Statement of
Laurence Sombardier
Deputy Director

Natural Energy Laboratory of Hawaii Authority
before the

LATE

SENATE COMMITTEE ON WATER AND LAND

Wednesday, February 19, 2025
10:02 am
State Capitol, Conference Room 211 & Videoconference

SB 1602 RELATING TO THE KEAHOHU AQUIFER SYSTEM.

The Natural Energy Laboratory of Hawaii Authority (NELHA) is pleased to support SB 1602 which establishes the Keahou 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.