

1 § -2 **Disposition of fees.** All fees collected under this
2 chapter shall be paid into the water security fund established
3 by section 174C-E."

4 SECTION 2. Chapter 174C, Hawaii Revised Statutes, is
5 amended by adding a new part to be appropriately designated and
6 to read as follows:

7 **"PART . WATER SECURITY FINANCING**

8 **§174C-A Definitions.** As used in this part, unless the
9 context otherwise requires:

10 "Eligible party" means a county agency, state agency,
11 private person, or organization able to provide matching funds
12 in an equal amount for water security projects.

13 "Fund" means the water security fund established by section
14 174C-D.

15 "Water security projects" means projects or activities
16 described in section 174C-D.

17 **§174C-B Declaration of policy.** The State's policy is to
18 promote water security by matching grants for water security
19 projects of eligible parties.

20 **§174C-C Powers and duties.** (a) In addition to any other
21 power or duty prescribed by law, the commission shall:



1 (1) Establish fiscal controls and accounting procedures
2 sufficient to, at minimum, assure proper accounting
3 for appropriate accounting periods of payments,
4 disbursements, revenues, and fees received and made
5 for fund balances at the beginning and end of the
6 accounting period;

7 (2) No later than twenty days prior to the convening of
8 each regular session of the legislature, submit to the
9 legislature a financial report addressing the
10 operations of the fund during the most recently
11 completed fiscal year.

12 (b) The commission may make a grant to an eligible party
13 for the improvement of water security in the State; provided the
14 eligible party provides matching funds in an equal amount.

15 **§174C-D Water security fund; establishment, purposes,**
16 **coordination.** (a) There is established in the state treasury a
17 fund to be known as the water security fund to be administered
18 by the commission.

19 (b) The purpose of the fund is to provide matching grants
20 to eligible parties for water security projects, which are
21 projects or activities to:



- 1 (1) Increase the recharge of groundwater resources;
- 2 (2) Encourage the reuse of water and reduce the use of
- 3 potable water for landscaping irrigation;
- 4 (3) Improve the efficiency of potable and agricultural
- 5 water use;
- 6 (4) Enable eligible parties to recapture stormwater or
- 7 subsurface drainage water; or
- 8 (5) Enable eligible parties to develop and implement
- 9 watershed protection projects.

10 **§174C-E Water security fund; deposits.** The following
11 shall be deposited into the fund:

- 12 (1) Federal grant funds or appropriations;
- 13 (2) Appropriations by the legislature;
- 14 (3) All fees collected under this chapter;
- 15 (4) All interest attributable to investment of moneys
- 16 deposited in the fund; and
- 17 (5) All moneys allotted or directed to the fund from other
- 18 sources.

19 **§174C-F Water security advisory group.** (a) The
20 commission shall establish a water security advisory group,
21 which shall be composed of the following members:



- 1 (1) The deputy to the chairperson of the commission;
- 2 (2) The manager and chief engineer of the board of water
- 3 supply of each county or their designee;
- 4 (3) One private landowner that actively partners with a
- 5 watershed partnership;
- 6 (4) One member with knowledge of agricultural water
- 7 storage and delivery systems;
- 8 (5) One member with knowledge, experience, and expertise
- 9 in the area of Hawaiian cultural practices; and
- 10 (6) One member representing a conservation organization.

11 Public members of the water security advisory group shall
12 be appointed by the governor as provided in section 26-34. The
13 water security advisory group shall select a chairperson from
14 among its members. Any action of the advisory group shall be by
15 a simple majority of its members. Five members shall constitute
16 a quorum. The members shall serve without compensation but
17 shall be reimbursed for expenses, including travel expenses,
18 necessary for the performance of their duties.

19 (b) The water security advisory group shall advise the
20 commission on the priority of all proposals for water security
21 projects submitted by eligible parties and recommend high-



1 priority water security projects for the award of matching
2 grants.

3 (c) The water security advisory group shall:

4 (1) Establish criteria for the evaluation of water
5 security project proposals and assignment of priority
6 to proposals;

7 (2) Evaluate proposals based on the established criteria;

8 (3) Assign priorities to each proposal submitted; and

9 (4) Advise the commission on its evaluation of and
10 assignment of priority to each proposal submitted.

11 (d) In advising the commission on the priorities for water
12 security projects, the water security advisory group shall
13 consider water security projects that:

14 (1) Establish new areas or increase existing areas for the
15 recharge of groundwater resources;

16 (2) Reduce the use of potable water for landscape
17 irrigation and encourage the reuse of water; and

18 (3) Improve the efficiency of potable domestic water or
19 agricultural irrigation use.

20 (e) All water security projects recommended for approval
21 by the water security advisory group shall be required to track



1 and report on the amount of water conserved, recharged, or
2 reused by the projects.

3 **§174C-G Annual report.** The commission shall submit to the
4 Legislature an annual report on the water security projects
5 approved by the commission at least twenty days prior to the
6 convening of each regular session. The annual report shall
7 include:

- 8 (1) A summary of all the water security projects approved
9 by the commission;
- 10 (2) A financial report for the most recently completed
11 fiscal year; and
- 12 (3) The objectives and budget projections for the
13 following fiscal year."

14 SECTION 3. Pursuant to article VIII, section 5, of the
15 Hawaii State Constitution, the State shall share in the cost
16 incurred by the county boards of water supply in the collection
17 of the water security fee established under chapter ,
18 Hawaii Revised Statutes.

19 SECTION 4. In codifying the new sections added by section
20 2 of this Act, the revisor of statutes shall substitute



1 appropriate section numbers for the letters used in designating
2 the new sections in this Act.

3 SECTION 5. This Act shall take effect on January 1, 2018.

4

INTRODUCED BY: Kal Rhoads



S.B. NO. 633

Report Title:

Water Security Fund; Water Security Fee; Water Security Advisory Group

Description:

Establishes a water security fund for the purpose of providing matching grants for projects related to water security; establishes eligible grantees and designates what moneys shall be deposited into the fund; imposes new water security fee. Creates a water security advisory group to advise the commission on which water security projects to select for grants. Requires annual report to legislature. Effective on 1/1/18.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

