STAND. COM. REP. NO. 1242-20

Honolulu, Hawaii

, 2020

JUN 30

RE: H.R. No. 127

Honorable Scott K. Saiki Speaker, House of Representatives Thirtieth State Legislature Regular Session of 2020 State of Hawaii

Sir:

Your Committee on Water, Land, & Hawaiian Affairs, to which was referred H.R. No. 127 entitled:

"HOUSE RESOLUTION URGING THE BOARD OF LAND AND NATURAL RESOURCES TO DISPOSE OF THE LONG-TERM WATER RIGHTS LEASES FOR HAWAIIAN ELECTRIC'S NON-CONSUMPTIVE WATER USE ALONG THE WAILUKU RIVER BY DIRECT NEGOTIATION AND PROVIDE GUIDANCE ON DETERMINING THE VALUE OF THE ANNUAL WATER LEASE RENT,"

begs leave to report as follows:

The purpose of this measure is to urge the Board of Land and Natural Resources to dispose of the long-term water leases for Hawaiian Electric's non-consumptive water use along the Wailuku River by direct negotiation and provide guidance on determining the value of the annual water lease rent.

Your Committee received testimony in support of this measure from Hawaiian Electric Company, Inc. Your Committee received comments on this measure from the Department of Land and Natural Resources and Department of Hawaiian Home Lands.

Your Committee finds that although the Department of Land and Natural Resources' Revocable Permit Task Force recommended the conversion of revocable permits to water leases by the end of 2019, no conversion has been made at this time, and it is difficult for the Board of Land and Natural Resources to dispose of long-term water rights because the lease process has not yet

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been fully defined. Your Committee further finds that Hawaiian Electric manages Puueo Hydro and Waiau Hydro, which are hydroelectric generating plants along the Wailuku River; that its use of that water is non-consumptive; and that Hawaiian Electric is the only entity qualified to bid on a water lease to increase the capacity of Waiau Hydro. Disposing of Hawaiian Electric's non-consumptive long-term water leases by direct negotiation and clarifying the lease process will enable Hawaiian Electric to make necessary repairs and upgrades to its hydroelectric facilities.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 127 and recommends that it be referred to your Committee on Finance.

Respectfully submitted on behalf of the members of the Committee on Water, Land, & Hawaiian Affairs,

YAN YAMANE, Chair

State of Hawaii

House of Representatives The THIRTIETH Legislature HSCR 1242-20

Record of Votes of the Committee on Water, Land, & Hawaiian Affairs

Bill/Resolution No.: HR 127	Committee Referral: WLH, FIN Date: 06/29/20		20	
☐ The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)				
WLH Members	Ayes	Ayes (WR)	Nays	Excused
1. YAMANE, Ryan I. (C)	V			
2. TODD, Chris (VC)				
3. HAR, Sharon E.				
4. LOWEN, Nicole E.		lade i i italitakan kaliferik eta 1	And a second	V
5. TARNAS, David A.				
6. WILDBERGER, Tina				
7. WARD, Gene				
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TOTAL (7)		0	0	3
The recommendation is: Adopted Not Adopted If joint referral, did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				