

ACT 172

H.B. NO. 2040

A Bill for an Act Relating to Water Security.

*Be It Enacted by the Legislature of the State of Hawaii:*

PART I

SECTION 1. The 2016 Hawaii-hosted World Conservation Congress presents an opportunity for Hawaii to demonstrate international leadership in investing in natural capital that supports economic growth and protects the quality of life. The challenge of managing the State's limited natural resources such as watersheds, marine habitat, and fresh water supply while fostering community resilience is too large a task for a single actor or sector to address alone. New and innovative partnerships are needed to catalyze large-scale investment in Hawaii's sustainable development. The Aloha+ Natural Capital Investment Partnership is a joint public-private conservation commitment that will dem-

onstrate Hawaii's commitment to natural resources management with a special focus on climate resilience at the World Conservation Congress and beyond.

To provide reliable long-term funding needed to meet the State's Aloha+ Challenge conservation targets by 2030, partners from multiple sectors, including county, state, and federal governments as well as private philanthropic and corporate entities, must work together to leverage funds and provide matching opportunities.

The purpose of this Act is to establish a two-year pilot program for a water security advisory group to enable public-private partnerships that increase water security by providing matching state funds for projects and programs that:

- (1) Increase the recharge of groundwater resources;
- (2) Encourage the reuse of water and reduce the use of potable water for landscaping irrigation; and
- (3) Improve the efficiency of potable and agricultural water use.

## PART II

SECTION 2. The department of land and natural resources shall establish a two-year pilot program for a water security advisory group to enable public-private partnerships that increase water security by providing matching state funds for projects and programs that:

- (1) Increase the recharge of groundwater resources;
- (2) Encourage the reuse of water and reduce the use of potable water for landscaping irrigation; and
- (3) Improve the efficiency of potable and agricultural water use.

SECTION 3. The department of land and natural resources may establish an account or fund pursuant to section 37-52.5, Hawaii Revised Statutes, into which shall be deposited:

- (1) All moneys appropriated by the legislature;
- (2) Gifts, grants, and other private funds; and
- (3) Federal funds.

The moneys in the fund shall be used to fund priority projects and programs to increase water security recommended by the water security advisory group, provided that state funds are matched on a one-for-one matching basis by the public or private agency or organization that submitted the relevant proposal for a project or program to increase water security.

SECTION 4. The department of land and natural resources may contract with an independent non-profit entity to carry out the duties and activities associated with this Act.

SECTION 5. The department of land and natural resources shall establish a water security advisory group, not subject to section 26-34, Hawaii Revised Statutes, which shall consist of:

- (1) The manager and chief engineer of the board of water supply of each county or each manager and chief engineer's designee;
- (2) The deputy director for water resource management of the department of land and natural resources;
- (3) A member with knowledge of agricultural water storage and delivery systems selected by the chairperson of the board of land and natural resources;

- (4) A member from a private landowning entity that actively partners with a watershed partnership selected by the chairperson of the board of land and natural resources;
- (5) A member with knowledge, experience, and expertise in the area of Hawaiian cultural practices selected by the chairperson of the board of land and natural resources; and
- (6) A member representing a conservation organization selected by the chairperson of the board of land and natural resources.

The water security advisory group shall elect a chairperson from among its members. Any action of the advisory group shall be by a simple majority of its members. Five members shall constitute a quorum.

SECTION 6. There is appropriated out of the general revenues of the State of Hawaii the sum of \$750,000 or so much thereof as may be necessary for fiscal year 2016–2017 to carry out the purposes of this Act.

The sum appropriated shall be expended by the department of land and natural resources.

### PART III

SECTION 7. (a) The water security advisory group shall advise the department of land and natural resources on the priority of all proposals for projects or programs submitted by public or private agencies or organizations to increase water security in the State and recommend high-priority programs for the award of matching funds through the pilot program established pursuant to this Act.

The water security advisory group shall:

- (1) Establish criteria for the evaluation of proposals and assignment of priority to proposals;
  - (2) Evaluate proposals based on the established criteria;
  - (3) Assign priorities to each proposal submitted; and
  - (4) Advise the department on its evaluation of and assignment of priority to each proposal submitted.
- (b) In advising the department on the priorities for matching fund grants for projects and programs to increase water security, the water security advisory group shall consider projects and programs that:
- (1) Establish new areas or increase existing areas for the recharge of groundwater resources;
  - (2) Reduce the use of potable water for landscape irrigation and encourage the reuse of water; and
  - (3) Improve the efficiency of potable domestic water or agricultural irrigation use.
- (c) All projects and programs recommended for approval by the advisory group shall be required to track and report on the amount of water conserved, recharged, or reused by the projects and programs.

SECTION 8. The department of land and natural resources shall submit an annual report on the pilot program established pursuant to this Act to the governor and the legislature at least twenty days prior to the convening of the 2017 and 2018 regular legislative sessions. The annual reports shall include:

- (1) A summary of all the projects and programs approved to increase water security by improving recharge of groundwater, reducing the use of potable water for irrigation, or encouraging reuse of water;

- (2) Proposals for future projects and programs;
- (3) A financial report for the preceding fiscal year; and
- (4) Objectives and budget projections for the following fiscal year.

SECTION 9. Members of the water security advisory group shall serve without compensation. All necessary expenses of each member, including travel expenses, shall be paid by the agency, organization, or department which the member represents. No member shall be made subject to chapter 84, Hawaii Revised Statutes, solely because of that member's participation as a member of the advisory group.

SECTION 10. The last contract for a project or program recommended for approval by the water security advisory group shall be executed before June 30, 2018.

#### PART IV

SECTION 11. Upon the repeal of this Act as provided in section 12:

- (1) All contracts, agreements, permits, or other documents executed or entered into by the department of land and natural resources pursuant to this Act shall remain in full force and effect until terminated pursuant to the terms of the relevant contract, agreement, permit, or document; and
- (2) All unexpended and unencumbered moneys remaining in an account or fund established pursuant to section 3 and deemed to be in excess of the moneys necessary to carry out the purposes of this Act shall lapse to the credit of the general fund.

SECTION 12. This Act shall take effect on July 1, 2016, and shall be repealed on June 30, 2018.

(Approved June 30, 2016.)