



Monday, April 22, 2019 |  82°

## HAWAII NEWS

# Senate panel defers decision on water bill

By [Sophie Cocke](#) • April 3, 2019

Members of the state Senate deferred making a decision until Thursday on whether to advance a bill that would give an assortment of large landowners, agricultural concerns and electrical utilities more time to meet stricter requirements for using public water after hearing more than five hours of public testimony that was overwhelmingly against the measure.

[House Bill 1326](#), which has emerged as one of the most contentious issues this legislative session, would give Alexander & Baldwin and others another seven years to complete a process that includes environmental reviews, consultations with Native Hawaiians about water needs, appraisals and, for most, a public auction. In some cases Hawaii's Department of Land and Natural Resources, which oversees the process, might first have to establish how much water needs to remain in streams to protect the environment and public trust uses.

Senators are considering amending the bill to only allow for an additional three years. But critics of the measure say they don't want any version to pass and argue that the measure primarily serves as protection for Alexander & Baldwin. The company is on the hook for [paying out as much as \\$62 million](#) to Mahi Pono LLC, the farming venture that bought A&B's vast Maui holdings in December, if it can't deliver on 30 million gallons of water a day for more than a year over the next seven years, according to the sales agreement.

"I think the way that the community is seeing this bill is that it is corrupt, and they don't believe that A&B should get a bailout. I don't, either," Kauai Pratt-Aquino, a local attorney, told members of the Senate Committee on Water and Land and Senate Committee on Ways and Means.

Alexander & Baldwin in a statement called the rebate issue a "red herring."

"The intent of the rebate in our contract with Mahi Pono was to acknowledge the diminished value of the Central Maui agricultural lands if surface water resources were no longer available for irrigation," said Darren Pai, a spokesman for Alexander & Baldwin, in a statement to the Honolulu Star-Advertiser. "The rebate does not hinge solely on this legislation and the failure to pass this bill will not cost A&B \$31 million or \$62 million as inferred by many. These permits are just one step in the long process of securing long-term access to water, which remains critical to agricultural interests and renewable energy production across the state."

For years and sometimes decades, Hawaii's Board of Land and Natural Resources, which oversees the department, has allowed companies to use millions of gallons of water annually for sugar cane fields, hydroelectric plants, cattle operations and other purposes under temporary permits that don't entail the more stringent requirements for obtaining a lease. That practice looked like it was coming to an end three years ago when a judge ruled that the Land Board shouldn't have been extending for years temporary permits that allowed A&B to divert stream water. The ruling, which is being appealed, was narrowly focused on A&B but had legal implications for all of the water permit holders.

In 2016 A&B and other water users successfully lobbied legislators to pass Act 126, which gave them three years to convert their water permits to leases. But none of the permit holders has successfully obtained a lease as the end-of-the-year deadline fast approaches.

BLNR Chairwoman Suzanne Case told senators that she didn't know how long it would take for water users to complete the process, though said it would likely be several years.

