

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
Engineering Division
Honolulu, Hawaii 96813

January 22, 2021

Board of Land and Natural Resources
State of Hawaii
Honolulu, Hawaii

REQUEST AUTHORIZATION FOR THE CHAIRPERSON TO NEGOTIATE AND ENTER INTO A MEMORANDUM OF AGREEMENT (MOA) WITH THE CITY & COUNTY OF HONOLULU, BOARD OF WATER SUPPLY, TO TRANSFER CAPITAL IMPROVEMENT PROJECT FUNDING FOR THE KUNIA WELLS IV EXPLORATORY WELL PROJECT, EWA, OAHU , HAWAII, TAX MAP KEY: (1) 9-4-003: 010

BACKGROUND:

The 2011 Food Safety Modernization Act implements several rules that regulate the way foods are grown, harvested and processed. Due to these rules, farmers increasingly need access to potable water for irrigation and crop washing. These stringent water quality standards may require an increased reliance on potable water supplies, which makes existing untreated surface water supplies unusable. These rules have a direct impact to Hawaii farmers and their water suppliers.

During the 2019 Hawaii State Legislature, representatives from the Hawaii Farm Bureau, Local Food Coalition, Land Use Research Foundation of Hawaii, Hawaii Crop Improvement Association, and farmers advocated for funding assistance to provide alternative potable water sources for irrigation and crop washing. Local farmers and ranchers rely on water infrastructure systems to service their agricultural lands and consider such assistance critical to conduct their agricultural operations and to sustain their business.

The City and County of Honolulu, Board of Water Supply (BWS) testified that State appropriated funds from the legislature would help to offset some of the capacity impact fees for new farmers and to support the agricultural industry on Oahu. BWS is prepared to pass the benefits of these appropriated funds to farmers throughout the municipal water system in the form of affordable water system impact fees for new or larger water meters to support the agriculture industry on Oahu.

ITEM L-1

MEMORANDUM OF AGREEMENT:

The 2019 Hawaii State Legislature appropriated to the Department of Land and Natural Resources (Department) one million dollars (\$1,000,000.00) in Capital Improvement Project (CIP) funds in the General Improvements Act of 2019 (Act 40, Session Laws of Hawaii 2019, Item A-17) for the planning, design, construction, equipment, and appurtenances of an exploratory well in the Ewa district of the island of Oahu, Tax Map Key: (1) 9-4-003: 010. However, since the exploratory well will be incorporated into the BWS potable water system, the Department and BWS have agreed that the planning, design, and construction of the exploratory well (Project) will be performed by BWS. For BWS to obtain and use the funds, a MOA between Department and BWS is necessary to document how the funds will be transferred and used for the Project. This funding shall offset the costs of an exploratory well proposed by BWS, to provide additional water supply within the BWS system for growth, including diversified agriculture. In turn, BWS has agreed they would pass the benefits of this well by offsetting impact fees for new farmers to support the agriculture industry on Oahu.

RECOMMENDATION:

That the Board of Land and Natural Resources:

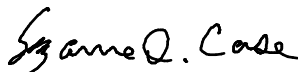
1. Authorize the Chairperson, subject to approval as to form by the Department of the Attorney General, to negotiate and execute a MOA and any amendments between Department and BWS, as needed, to carry out the intent of the MOA.
2. Authorize the Chairperson to negotiate and execute any other agreement(s) or document(s) that is/are related to this MOA, and that is/are deemed necessary to carry out the intent of the MOA, subject to approval as to form by the Department of the Attorney General.

Respectfully Submitted,



CARTY S. CHANG
Chief Engineer

Approved for Submittal:



SUZANNE D. CASE
Chairperson