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#### September 4, 2024

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OFFICE OF THE COUNTY COUNCIL

MEMO TO: GREAT-27(2) File

F R O M: Nohelani U'u-Hodgins, Chair Muh

Government Relations, Ethics, and Transparency Committee

SUBJECT: TRANSMITTAL OF LEGISLATIVE PROPOSAL RELATING TO RESOLUTION 24-130, APPROVING FOR INCLUSION IN THE 2025 HAWAII STATE ASSOCIATION OF COUNTIES LEGISLATIVE PACKAGE A STATE BILL RELATING TO THE COMMISSION ON WATER RESOURCE MANAGEMENT

(GREAT-27(2))

The attached legislative proposal pertains to Item 27(2) on the Committee's agenda.

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Attachment

# Resolution

**No.** 24-130, CD1

APPROVING FOR INCLUSION IN THE 2025
HAWAII STATE ASSOCIATION OF COUNTIES
LEGISLATIVE PACKAGE A STATE BILL
RELATING TO THE COMMISSION ON WATER
RESOURCE MANAGEMENT

WHEREAS, amendments to the State Water Code are necessary to enable the Commission on Water Resource Management to more effectively carry out its mandate under Article XI, Section 7, of the Hawai'i State Constitution; and

WHEREAS, further clarification of the Commission on Water Resource Management's purpose, including its leadership structure and composition, will provide greater accountability and protection of the State's water from third parties; and

WHEREAS, the August 8, 2023, Maui wildfires demonstrated the need for the Commission to be able to declare an emergency and take the necessary actions to address the emergency; and

WHEREAS, the Commission must be able to effectively regulate ground and surface water standards, as these will be crucial during the rebuilding of Lahaina to ensure there will be adequate water for years to come; now, therefore,

### BE IT RESOLVED by the Council of the County of Maui:

- 1. That the proposed State bill attached as Exhibit "A," relating to the Commission on Water Resource Management be included in the 2025 Hawai'i State Association of Counties Legislative Package; and
- 2. That certified copies of this Resolution be transmitted to the Hawai'i State Association of Counties Executive Committee.

INTRODUCED BY:

Jamana A.M. Pattin

TAMARA PALTIN

HOUSE OF REPRESENTATIVES THIRTY-THIRD LEGISLATURE, 2025 STATE OF HAWAII

### H.B. NO.

## A BILL FOR AN ACT

RELATING TO WATER

#### BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1	SECTION 1. The legislature finds that effective and
2	efficient water resource management requires continuous and
3	experienced leadership, especially given the climate crisis and
4	urgent need to properly steward water resources to meet the
5	affordable housing needs of local residents. On December 28,
6	1994, the review commission on the state water code submitted
7	its final report to the legislature pursuant to Act 45, Session
8	Laws of Hawaii 1987. The review commission determined that
9	amendments to the state water code were necessary to enable the
10	commission on water resource management to more effectively
11	carry out its mandate pursuant to article XI, section 7, of the
12	Hawaii State Constitution to "set overall water conservation,
13	quality and use policies; define beneficial and reasonable uses;
14	protect ground and surface water resources, watersheds and
15	natural stream environments; establish criteria for water use
16	priorities while assuring appurtenant rights and existing

- 1 correlative and riparian uses and establish procedures for
- 2 regulating all uses of Hawaii's water resources." Therefore,
- 3 further clarification of the commission on water resource
- 4 management's purpose, including its leadership structure and
- 5 composition of the board, will provide greater accountability
- 6 and protection of the State's waters.
- 7 The purpose of this Act is to:
- 8 (1) Define the public trust responsibilities of the9 Commission on Water Resource Management and require
- 10 the Commission, in acting upon water use permit
- applications, to prioritize applications for public
- 12 trust purposes;
- (2) Allow the commission to retain independent legalcounsel;
- 15 (3) Amend the scope of the commission on water resource
  16 management to include declaration of emergencies;
- 17 (4) Repeal the deputy to the chairperson of the commission
  18 on water resource management and establish the
  19 executive director of the commission on water resource
  20 management;
- 21 (5) Amend the composition of the commission on water
  22 resource management;

- (6) Authorize entities to challenge an emergency order of
   the commission on water resource management under
- 3 certain conditions; and
- 4 (7) Establish fines for certain water use offenses.
- 5 SECTION 2. Chapter 174C, Hawaii Revised Statutes, is
- 6 amended by adding a new section to part IV to be appropriately
- 7 designated and to read as follows:
- 8 "§174C- Public trust purpose. The commission shall act
- 9 upon water use permit applications, filed in accordance with
- 10 sections 174C-51, 174C-52, and 174C-53, for both existing and
- 11 new public trust purposes before acting upon water use permit
- 12 applications for other existing or new uses, or both, filed in
- accordance with sections 174C-51, 174C-52, and 174C-
- 14 53. Proceedings for applications for public trust purposes
- 15 shall be held first and separate from proceedings for all other
- 16 applications filed in accordance with sections 174C-51, 174C-52,
- **17** and 174C-53."
- 18 SECTION 3. Section 28-8.3, Hawaii Revised Statutes, is
- 19 amended as follows:
- 20 1. By amending subsection (a) to read:
- "(a) No department of the State other than the attorney
- 22 general may employ or retain any attorney, by contract or
- 23 otherwise, for the purpose of representing the State or the
- 24 department in any litigation, rendering legal counsel to the

- 1 department, or drafting legal documents for the department;
- 2 provided that the foregoing provision shall not apply to the
- 3 employment or retention of attorneys:
- 4 (1) By the public utilities commission, the labor and industrial relations appeals board, and the Hawaii labor relations board;
- 7 (2) By any court or judicial or legislative office of the 8 State; provided that if the attorney general is 9 requested to provide representation to a court or **10** judicial office by the chief justice or the chief 11 justice's designee, or to a legislative office by the 12 speaker of the house of representatives and the 13 president of the senate jointly, and the attorney 14 general declines to provide [such] representation on 15 the grounds of conflict of interest, the attorney 16 general shall retain an attorney for the court, 17 judicial, or legislative office, subject to approval 18 by the court, judicial, or legislative office;
  - (3) By the legislative reference bureau;

19

- 20 (4) By any compilation commission that may be constituted21 from time to time;
- 22 (5) By the real estate commission for any action involving the real estate recovery fund;

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1
              By the contractors license board for any action
         (6)
2
               involving the contractors recovery fund;
              By the office of Hawaiian affairs;
3
         (7)
4
              By the department of commerce and consumer affairs for
         (8)
5
              the enforcement of violations of chapters 480 and
6
               485A;
7
         (9)
              As grand jury counsel;
              By the Hawaii health systems corporation, or its
8
         (10)
9
              regional system boards, or any of their facilities;
10
        (11) By the auditor;
11
              By the office of ombudsman;
        (12)
12
              By the insurance division;
        (13)
13
        (14)
              By the University of Hawaii;
14
              By the Kahoolawe island reserve commission;
        (15)
15
              By the division of consumer advocacy;
        (16)
16
              By the office of elections;
        (17)
17
        (18)
              By the campaign spending commission;
18
              By the Hawaii tourism authority, as provided in
        (19)
              section 201B-2.5;
19
20
              By the division of financial institutions;
        (20)
21
              By the office of information practices;
        (21)
22
              By the school facilities authority;
        (22)
23
              By the Mauna Kea stewardship and oversight authority;
        (23)
24
               [<del>or</del>]
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1
        (24) By the commission on water resource management; or
2
       [\frac{(24)}{(25)}] (25) By a department, if the attorney general, for
3
              reasons deemed by the attorney general to be good and
4
              sufficient, declines to employ or retain an attorney
5
              for a department; provided that the governor waives
6
              the provision of this section."
7
         2. By amending subsection (c) to read:
8
         "(c) Every attorney employed by any department on a full-
9
    time basis, except an attorney employed by the public utilities
10
    commission, the labor and industrial relations appeals board,
11
    the Hawaii labor relations board, the office of Hawaiian
12
    affairs, the Hawaii health systems corporation or its regional
13
    system boards, the department of commerce and consumer affairs
14
    in prosecution of consumer complaints, insurance division, the
15
    division of consumer advocacy, the University of Hawaii, the
16
    Hawaii tourism authority as provided in section 201B-2.5, the
17
    Mauna Kea stewardship and oversight authority, the commission on
18
    water resource management, the office of information practices,
19
    or as grand jury counsel, shall be a deputy attorney general."
20
         SECTION 4. Section 84-18, Hawaii Revised Statutes, is
21
    amended to read as follows:
22
         "(e) Subject to the restrictions imposed in subsections
23
    (a) through (d), the following individuals shall not represent
24
    any person or business for a fee or other consideration
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1 regarding any legislative action or administrative action, as
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- 2 defined in section 97-1, for twelve months after termination
- 3 from their respective positions:
- 4 (1) The governor;
- 5 (2) The lieutenant governor;
- **6** (3) The administrative director of the State;
- 7 (4) The attorney general;
- **8** (5) The comptroller;
- 9 (6) The chairperson of the board of agriculture;
- 10 (7) The director of corrections and rehabilitation;
- 11 (8) The director of finance;
- 12 (9) The director of business, economic development, and
- 13 tourism;
- 14 (10) The director of commerce and consumer affairs;
- 15 (11) The adjutant general;
- 16 (12) The superintendent of education;
- 17 (13) The chairperson of the Hawaiian homes commission;
- 18 (14) The director of health;
- 19 (15) The director of human resources development;
- 20 (16) The director of human services;
- 21 (17) The director of labor and industrial relations;
- 22 (18) The chairperson of the board of land and natural
- resources;
- 24 (19) The director of law enforcement;

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1
              The director of taxation;
        (20)
2
        (21)
              The director of transportation;
3
        (22)
              The president of the University of Hawaii;
4
              The executive administrator of the board of regents of
        (23)
5
              the University of Hawaii;
6
        (24)
              The administrator of the office of Hawaiian affairs;
7
        (25)
              The chief information officer;
8
              The executive director of the agribusiness development
        (26)
9
              corporation;
10
        (27) The executive director of the campaign spending
11
              commission;
12
              The executive director of the Hawaii community
        (28)
13
              development authority;
14
        (29)
              The executive director of the Hawaii housing finance
15
              and development corporation;
16
              The president and chief executive officer of the
        (30)
17
              Hawaii tourism authority;
18
        (31)
              The executive officer of the public utilities
19
              commission;
20
        (32) The state auditor;
21
              The director of the legislative reference bureau;
        (33)
22
        (34)
              The ombudsman;
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1
        (35)
              The permanent employees of the legislature, other than
2
              persons employed in clerical, secretarial, or similar
3
              positions;
4
        (36)
              The administrative director of the courts;
              The executive director of the state ethics commission;
5
        (37)
6
        (38)
              The executive officer of the state land use
7
              commission;
              The executive director of the natural energy
8
        (39)
9
              laboratory of Hawaii authority;
10
              The executive director of the Hawaii public housing
        (40)
11
              authority; and
12
              The [first deputy to the chairperson] executive
        (41)
13
              director of the commission on water resource
14
              management;
    provided that this subsection shall not apply to any person who
15
    has held one of the positions listed above only on an interim or
16
17
    acting basis and for a period of less than one hundred eighty-
18
    one days."
19
         SECTION 5. Section 174C-5, Hawaii Revised Statutes, is
20
    amended to read as follows:
21
         "§174C-5 General powers and duties. The general
22
    administration of the state water code shall rest with the
23
    commission on water resource management. In addition to its
24
    other powers and duties, the commission:
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- (1) Shall carry out topographic surveys, research, and
   investigations into all aspects of water use and water
   quality;
- 4 (2) Shall designate water management areas for regulation 5 under this chapter where the commission, after the 6 research and investigations mentioned in paragraph 7 (1), shall consult with the appropriate county council 8 and county water agency, and after public hearing and 9 published notice, finds that the water resources of **10** the areas are being threatened by existing or proposed 11 withdrawals of water;

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- (3) Shall establish an instream use protection program designed to protect, enhance, and reestablish, where practicable, beneficial instream uses of water in the State;
- (4) May contract and cooperate with the various agencies of the federal government and with state and local administrative and governmental agencies or private persons;
- (5) May enter, after obtaining the consent of the property owner, at all reasonable times upon any property other than dwelling places for the purposes of conducting investigations and studies or enforcing any of the provisions of this code, being liable, however, for

- 1 actual damage done. If consent cannot be obtained,
  2 reasonable notice shall be given prior to entry;
- 3 Shall cooperate with federal agencies, other state (6) 4 agencies, county or other local governmental 5 organizations, and all other public and private 6 agencies created for the purpose of utilizing and 7 conserving the waters of the State, and assist these 8 organizations and agencies in coordinating the use of 9 their facilities and participate in the exchange of **10** ideas, knowledge, and data with these organizations 11 and agencies. For this purpose the commission shall 12 maintain an advisory staff of experts;

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- (7) Shall prepare, publish, and issue printed pamphlets and bulletins as the commission deems necessary for the dissemination of information to the public concerning its activities;
- (8) May appoint and remove agents, including hearings officers and consultants, necessary to carry out the purposes of this chapter, who may be engaged by the commission without regard to the requirements of chapter 76 and section 78-1;
- (9) May hire employees in accordance with chapter 76;
- (10) May appoint and dismiss attorneys as may be necessary,
   who shall be exempt from chapter 76;

 $[\frac{(10)}{(11)}]$  (11) May acquire, lease, and dispose of real and 1 2 personal property as may be necessary in the performance of its functions, including the 3 4 acquisition of real property for the purpose of 5 conserving and protecting water and water related 6 resources as provided in section 174C-14; 7  $[\frac{(11)}{(12)}]$  (12) Shall identify, by continuing study, those areas 8 of the State where salt water intrusion is a threat to 9 fresh water resources and report its findings to the 10 appropriate county mayor and council and the public; 11  $\left[\frac{(12)}{(13)}\right]$  (13) Shall provide coordination, cooperation, or 12 approval necessary to the effectuation of any plan or 13 project of the federal government in connection with 14 or concerning the waters of the State. The commission 15 shall approve or disapprove any federal plans or 16 projects on behalf of the State. No other agency or 17 department of the State shall assume the duties 18 delegated to the commission under this paragraph; 19 except that the department of health shall continue to 20 exercise the powers vested in it with respect to water 21 quality, and except that the department of business, 22 economic development, and tourism shall continue to 23 carry out its duties and responsibilities under 24 chapter 205A;

1	[ <del>(13)</del> ]	(14) Shall plan and coordinate programs for the
2		development, conservation, protection, control, and
3		regulation of water resources, based upon the best
4		available information, and in cooperation with federal
5		agencies, other state agencies, county or other local
6		governmental organizations, and other public and
7		private agencies created for the utilization and
8		conservation of water;
9	[ <del>(14)</del> ]	(15) Shall catalog and maintain an inventory of all
10		water uses and water resources; [and]
11	[ <del>(15)</del> ]	(16) Shall determine appurtenant water rights,
12		including but not limited to the quantification of the
13		amount of water and the specification of the water
14		course or the means of access and delivery entitled to
15		by that right, which determination shall be valid for
16		purposes of this chapter [-]; and
17	(17)	May declare an emergency if the commission determines,
18		in consultation with the governor, the appropriate
19		county, and the department of health, that there is an
20		absence of sufficient quantity and quality of water in
21		any area, whether within or outside of a water
22		management area, that immediately threatens the public
23		health, safety, and welfare. The commission may issue
24		orders reciting the existence of the emergency and

1	requiring those actions as the commission deems
2	necessary to address the emergency be taken, including
3	but not limited to apportioning, rotating, limiting,
4	or prohibiting the use of water resources of the area;
5	provided that an emergency order shall expire no later
6	than one year after issuance by the commission;
7	provided further that the order may be extended by a
8	separate or supplementary order."
9	SECTION 6. Section 174C-6, Hawaii Revised Statutes, is
10	amended to read as follows:
11	"§174C-6 [ <del>Deputy to the chairperson</del> ] Executive director of
12	the commission on water resource management. (a) There shall
13	be [a first deputy to the chairperson] an executive director of
14	the commission on water resource management [("deputy for water
15	resource management") who shall be in addition to any other
16	first deputy to the chairperson as the chairperson of the board
17	of land and natural resources. The deputy], who shall have
18	experience in the area of water resources and shall be appointed
19	by [the chairperson with the approval of a majority of] the
20	$\operatorname{commission}[-]$ who serves at the pleasure of the commission.
21	(b) The duties of the [deputy] executive director for
22	water resource management shall be to administer and implement,
23	
	under the direction of the commission, the state water code [and

- 1 therewith] adopted by the commission. Nothing in this
- 2 [provision] section shall be construed as limiting the authority
- 3 of the commission as to matters regarding water resources.
- 4 (c) The position of [deputy] executive director for water
- 5 resource management [is not] shall not be subject to chapter 76.
- 6 (d) The salary of the [deputy] executive director for
- 7 water resource management shall be [as provided in section 26-53
- 8 for first deputies or first assistants to the head of any
- 9 department.] set by the board and the executive director shall
- 10 be included in any benefit program generally applicable to the
- 11 officers and employees of the State.
- 12 (e) The commission shall develop and document annual goals
- 13 and performance measures for the executive director that
- 14 authorize the commission to annually evaluate the executive
- 15 director's work to ensure compliance by the commission with
- 16 statutory and constitutional requirements and achievement of its
- 17 statutory and constitutional purposes.
- 18 (f) The commission shall evaluate and document the
- 19 evaluation of the executive director's performance annually, or
- 20 more frequently upon the request of at least four members of the
- 21 commission, based on annual goals, performance measures, and
- 22 other relevant criteria.
- 23 (g) The position of Red Hill Water Alliance Initiative
- 24 policy coordinator, established pursuant to section -2, Hawaii

- 1 Revised Statutes, shall be placed within the office of the
- 2 executive director."
- 3 SECTION 7. Section 174C-7, Hawaii Revised Statutes, is
- 4 amended to read as follows:
- 5 "\$174C-7 Commission on water resource management. (a)
- 6 There is established within the department a commission on water
- 7 resource management consisting of seven members which shall have
- 8 exclusive jurisdiction and final authority in all matters
- 9 relating to implementation and administration of the state water
- 10 code, except as otherwise specifically provided in this
- 11 chapter. The commission shall be attached to the department of
- 12 land and natural resources for administrative purposes only.
- (b) Five members shall be appointed by the governor
- 14 subject to confirmation by the senate in the manner prescribed
- in subsection  $[\frac{d}{d}]$  (e). Each member shall have substantial
- 16 experience in the area of water resource management; provided
- 17 that at least one member shall have substantial experience or
- 18 expertise in traditional Hawaiian water resource management
- 19 techniques and in traditional Hawaiian riparian usage such as
- 20 those preserved by section 174C-101. Each of the members shall
- 21 be eligible to serve as the chairperson of the commission upon
- 22 election by a majority of the commission members.
- (c) The chairperson of the board of land and natural
- 24 resources [shall be the chairperson of the commission. The] and

- 1 the director of health or the director's designee shall serve as
- 2 [an] ex officio[+],[+] voting [members, but shall be
- 3 ineligible to serve as chairperson of the commission.
- 4  $\left[\frac{(c)}{(c)}\right]$  (d) The members of the commission shall serve
- 5 without compensation but shall be reimbursed for expenses,
- 6 including travel expenses, necessary for the performance of
- 7 their duties.
- 8 [ $\frac{d}{d}$ ] (e) In appointing a member to the commission, the
- 9 governor shall select from a list submitted by a nominating
- 10 committee. The nominating committee shall be composed of
- 11 [four] five individuals chosen as follows: two persons
- 12 appointed by the governor; one person appointed by the president
- 13 of the senate; one person appointed by the speaker of the
- 14 house [-]; and one person appointed by the chief executive
- 15 officer of the office of Hawaiian affairs. The committee shall
- 16 solicit applications and send to the governor the names of at
- 17 least three individuals for each open position.
- 18 [<del>(e)</del>] (f) Except as otherwise provided in this chapter,
- 19 the commission shall be subject to sections 26-34, 26-35, and
- **20** 26-36."
- 21 SECTION 8. Section 174C-7(d), Hawaii Revised Statute, is
- 22 amended to read as follows:
- "(d) In appointing a member to the commission, the
- 24 governor shall select from a list submitted by a nominating

- 1 committee. The nominating committee shall be composed of [four]
- 2 five individuals chosen as follows: two persons appointed by
- 3 the governor; one person appointed by the president of the
- 4 senate; [and] one person appointed by the speaker of the
- 5 house [-]; and one person appointed by the executive director of
- $\mathbf{6}$  the Office of Hawaiian Affairs. The committee shall solicit
- 7 applications and send to the governor the names of at least
- 8 three individuals for each open position."
- 9 SECTION 9. Section 174C-9, Hawaii Revised Statutes, is
- 10 amended to include a new subsection as follows:
- "[+]\$174C-9[+] Proceedings before the commission
- 12 concerning water resources. (a) All proceedings before the
- 13 commission concerning the enforcement or application of any
- 14 provision of this chapter or any rule adopted pursuant thereto,
- 15 or the issuance, modification, or revocation of any permit or
- 16 license under this code by the commission, shall be conducted in
- 17 accordance with chapter 91. Hearings regarding particular water
- 18 resources shall be conducted on the island where those water
- 19 resources are located.
- 20 (b) Any party to whom an emergency order is directed may
- 21 challenge that order but shall immediately comply with the order
- 22 pending disposition of the party's challenge. The commission
- 23 shall give precedence to a hearing on the challenge over all
- 24 other pending matters."

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1
         SECTION 10. Section 174C-15, Hawaii Revised Statutes, is
2
    amended to read as follows:
3
         "§174C-15 Penalties and common law remedies.
                                                       (a)
                                                             The
4
    commission may enforce its rules and orders adopted pursuant to
5
    this chapter by suit for injunction or for damages or both.
6
         (b)
              Any person who [violates any]:
7
              Violates any provision of this chapter[, or any];
         (1)
              Violates any rule adopted pursuant to this chapter [\tau]
8
         (2)
9
              may];
10
              Violates any order of the commission;
         (3)
11
              Fails to obtain a permit when a permit is required
         (4)
12
              pursuant to this chapter;
13
         (5)
              Fails to comply with permit conditions; or
14
         (6) Fails to comply with standardized water audit
15
              requirements pursuant to Act 169, Session Laws of
16
              Hawaii 2016,
17
    shall be subject to a fine imposed by the commission. [Such] The
18
    fine shall be not less than $50 and shall not exceed [\$5,000.
19
    For a continuing offense, each day during which the offense is
20
    committed is a separate violation. [$60,000 per violation. Each
21
    day that a violation exists or continues to exist shall
22
    constitute a separate offense. Penalties for continuing
23
    violations shall be assessed from the earliest known date of the
24
    violation. The earliest known date of a violation shall be
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- 1 determined by the commission by a preponderance of the evidence;
- 2 provided that if the earliest known date cannot be determined by
- 3 a preponderance of evidence, penalties for continuing violations
- 4 shall be assessed from the earliest date the commission is made
- 5 aware of the violation.
- 6 (c) When imposing a penalty, the commission shall consider
- 7 the following factors, which shall include but not be limited
- 8 to:
- 9 (1) The nature, circumstances, extent, gravity, and
- 10 history of the violation and of any prior violations;
- 11 (2) The economic benefit to the violator, or anticipated
- by the violator, resulting from the violation;
- 13 (3) The opportunity, difficulty, and history of corrective
- 14 action;
- 15 (4) Good faith efforts to comply;
- 16 (5) Degree of culpability; and
- 17 (6) Other matters as justice may require.
- 18 [<del>(c)</del>] (d) No provision of this chapter shall bar the right
- 19 of any injured person to seek other legal or equitable relief
- 20 against a violator of this chapter.
- $[\frac{d}{d}]$  (e) Except as otherwise provided by law, the
- 22 commission or its authorized representative by proper delegation
- 23 [may] shall set, charge, and collect administrative fines [or];
- 24 may bring legal action to recover administrative fees and costs

- 1 as documented by receipts or affidavit, including [attorneys']
- 2 attorney's fees and costs; [or] and may bring legal action to
- 3 recover administrative fines, fees, and costs, including
- 4 [attorneys'] attorney's fees and costs, or payment for damages
- 5 resulting from a violation of this chapter or any rule adopted
- 6 pursuant to this chapter."
- 7 SECTION 11. Section 174C-62, Hawaii Revised Statutes, is
- 8 amended to read as follows:
- 9 "[+]\$174C-62[<math>+] Declaration of water shortage. (a) The
- 10 commission shall formulate a statewide plan for implementation
- 11 during periods of water shortage. As a part of the plan, the
- 12 commission shall adopt a reasonable system of permit
- 13 classification according to source of water supply, method of
- 14 extraction or diversion, use of water, or a combination thereof.
- 15 (b) The commission, by rule, may declare that a water
- 16 shortage exists within all or part of an area, whether within or
- 17 outside of a water management area, when insufficient water is
- 18 available to meet the requirements of the permit system or when
- 19 conditions [are such as to] require a temporary reduction in
- 20 total water use within the area to protect water resources from
- 21 serious harm. The commission shall publish a set of criteria
- 22 for determining when a water shortage exists [-], including but
- 23 not limited to impacts and effects of the climate crisis.

- 1 (c) In accordance with the plan adopted under subsection
- 2 (a), the commission may impose [such] restrictions on one or
- 3 more classes of permits and outside of management areas on well
- 4 and stream diversion owners and operators as may be necessary to
- 5 protect the water resources of the area from serious harm and to
- 6 restore them to their previous water quantity or chloride
- 7 level condition.
- **8** (d) A declaration of water shortage and any measures
- 9 adopted pursuant thereto may be rescinded by rule by the
- 10 commission.
- 11 (e) When a water shortage is declared, the commission
- 12 shall cause a notice [thereof] of the water shortage to be
- 13 published in a prominent place in a newspaper of general
- 14 circulation throughout the area[-] and on the commission's
- 15 website. The notice shall be published each day for the first
- 16 week of the shortage and once a week [thereafter] for four
- 17 months, followed by monthly publications until the declaration
- 18 is rescinded. Publication of [such] the notice shall serve as
- 19 notice to all water users in the area of the condition of water
- 20 shortage.
- 21 (f) The commission shall cause each permittee in the area
- 22 to be notified by regular and electronic mail of any change in
- 23 the conditions of the permittee's permit, any suspension
- 24 [thereof,] of the permittee's permit, or of any other

- 1 restriction on the use of water for the duration of the water
- 2 shortage.
- 3 (g) If an emergency condition arises due to a water
- 4 shortage within any area, whether within or outside of a water
- 5 management area, and if the commission finds that the
- 6 restrictions imposed under subsection (c) are not sufficient to
- 7 protect the public health, safety, or welfare, or the health of
- 8 animals, fish, or aquatic life, or a public water supply, or
- 9 recreational, municipal, agricultural, or other reasonable uses,
- 10 the commission may issue orders reciting the existence of such
- 11 an emergency and requiring that such actions as the commission
- 12 deems necessary to meet the emergency be taken, including but
- 13 not limited to apportioning, rotating, limiting, or prohibiting
- 14 the use of the water resources of the area. Any party to whom
- 15 an emergency order is directed may challenge such an order but
- 16 shall immediately comply with the order, pending disposition of
- 17 the party's challenge. The commission shall give precedence to
- 18 a hearing on such challenge over all other pending matters."
- 19 SECTION 12. If any provision of this Act, or the
- 20 application thereof to any person or circumstance, is held
- 21 invalid, the invalidity does not affect other provisions or
- 22 applications of the Act that can be given effect without the
- 23 invalid provision or application, and to this end the provisions
- 24 of this Act are severable.

- 1 SECTION 13. This Act does not affect rights and duties
- 2 that matured, penalties that were incurred, and proceedings that
- 3 were begun before its effective date.
- 4 SECTION 14. Statutory material to be repealed is bracketed
- 5 and stricken. New statutory material is underscored.
- 6 SECTION 15. This Act shall take effect on July 1, 2025.