

COUNCIL OF THE COUNTY OF MAUI
WATER RESOURCES COMMITTEE

March 19, 2010

Committee
Report No. _____

Honorable Chair and Members
of the County Council
County of Maui
Wailuku, Maui, Hawaii

Chair and Members:

Your Water Resources Committee, having met on November 17, 2009, February 16, 2010, and March 2, 2010, makes reference to County Communication No. 05-46, from former Councilmember Michelle Anderson, relating to the rules and governing policies of the Department of Water Supply (Department).

By correspondence dated October 29, 2009, the Department of the Corporation Counsel transmitted a proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING SECTION 14.01.040, MAUI COUNTY CODE, TO ADD A DEFINITION FOR AGRICULTURAL CONSUMER". The purpose of the proposed bill is to add a definition for "agricultural consumer" to the County Water Code.

Your Committee notes that agricultural water rates are lower than residential water rates. Only agricultural consumers, as defined in the proposed bill, would qualify for the reduced water rate.

Your Committee stressed the importance of establishing a definition that appropriately considers large commercial agricultural operations while concomitantly encouraging agricultural pursuits for small farms. Your Committee also recognized that County's agricultural regulations are not limited to water rates. Therefore, your Committee considered comments and recommendations from the Department of Water Supply, the Department of Planning, the Department of Finance, the Office of Economic Development, and the Maui County Farm Bureau.

As submitted, the proposed bill sets a \$5,000 minimum annual gross income for agricultural activities. Your Committee considered suggestions for minimum income requirements ranging from \$1,000 to \$35,000 per year, and the respective consequences of such a mandate. To encourage commercial agricultural operations, and to prevent non-farming consumers from inappropriately benefitting from agricultural water rates, your Committee voted to revise the proposed bill to include a minimum annual agricultural income amount of \$10,000.

COUNCIL OF THE COUNTY OF MAUI
WATER RESOURCES COMMITTEE

March 19, 2010
Page 2

Committee
Report No. _____

Your Committee was concerned that the proposed definition could be interpreted as precluding water consumers engaged in the operation of flower farms, nurseries, forestries, and biofuel-production farms from qualifying for agricultural water rates, which would be contrary to your Committee's legislative intent. After consultation with a Deputy Corporation Counsel, your Committee voted to further revise the proposed bill to delete "food".

Your Committee also revised the date of the proposed bill to 2010.

Your Committee voted 7-0 to recommend passage of the revised proposed bill on first reading. Committee Chair Victorino, Vice-Chair Pontanilla, and members Baisa, Kaho`ohalahala, Mateo, Medeiros, and Molina voted "aye".

Your Committee is in receipt of a revised proposed bill, approved as to form and legality by the Department of the Corporation Counsel, incorporating your Committee's recommended revisions.

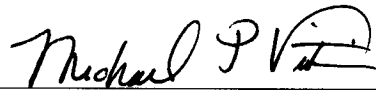
Your Water Resources Committee RECOMMENDS that Bill No. _____ (2010), attached hereto, entitled "A BILL FOR AN ORDINANCE AMENDING SECTION 14.01.040, MAUI COUNTY CODE, TO ADD A DEFINITION FOR AGRICULTURAL CONSUMER" be PASSED ON FIRST READING and be ORDERED TO PRINT.

COUNCIL OF THE COUNTY OF MAUI
WATER RESOURCES COMMITTEE

March 19, 2010
Page 3

Committee
Report No. _____

This report is submitted in accordance with Rule 7 of the Rules of the Council.



MICHAEL P. VICTORINO, Chair

wr:cr:10001(1)aa:kcw

ORDINANCE NO. _____

BILL NO. _____ (2010)

A BILL FOR AN ORDINANCE AMENDING SECTION 14.01.040, MAUI COUNTY CODE, TO ADD A DEFINITION FOR AGRICULTURAL CONSUMER

BE IT ORDAINED BY THE PEOPLE OF THE COUNTY OF MAUI:

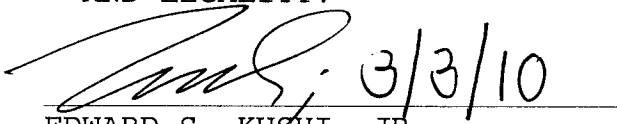
SECTION 1. Section 14.01.040, Maui County Code, is amended by adding a new definition to be appropriately inserted and to read as follows:

"Agricultural consumer" means a consumer that actively engages in crop production, livestock raising, dairy farming, or aquaculture, for commercial production, and whose minimum gross annual income from such activities is \$10,000."

SECTION 2. New material is underscored. In printing this bill, the County Clerk need not include the underscoring.

SECTION 3. This ordinance shall take effect upon its approval.

APPROVED AS TO FORM
AND LEGALITY:



EDWARD S. KUSHI, JR.
Deputy Corporation Counsel
County of Maui