

# OVERVIEW

THE AUDITOR  
STATE OF HAWAII

## Management Audit of the Commission on Water Resource Management

### Summary

In response to the Legislature's request, we evaluated the Commission on Water Resource Management to determine whether: a) the commission is making the most efficient use of its resources and is carrying out the requirements of Chapter 174C, HRS; b) the commission is issuing permits in an equitable, timely, and standardized manner; and, c) the commission's administrative rules and the Hawaii State Water plan fulfill the requirements of Chapter 174C, HRS.

A reliable supply of fresh water is essential for Hawaii's economic growth and stability. All agricultural and commercial enterprises and residential communities are dependent on a reliable supply of water. In 1987, the Legislature, recognizing the importance of regulating water resources, enacted the State Water Code, codified as Chapter 174C, HRS. This water code established the Commission on Water Resource Management. The Commission on Water Resource Management is responsible for the general administration of the water code and has final authority in all matters relating to the implementation and administration of the code.

We found that, while the commission is making some progress in its effort to protect the water resources, it still has serious problems to address. The commission has not fulfilled certain requirements of the State Water Code including issuing certificates of water use, developing an adequate Hawaii Water Plan, or establishing a comprehensive instream use protection program.

We found that the water management designation process is lengthy and can interfere with the commission's ability to protect water resources. In addition, the subsequent issuance of water use permits was slow, poorly managed, and at times delayed due to additional or unclear procedures. Part of this is due to the commission's failure to develop adequate administrative rules. The commission's administrative rules are unclear, incomplete, or outdated. Some of these rules may not be in compliance with Chapters 91 and 92, HRS.

### Recommendations and Response

We recommend that the Commission on Water Resource Management develop a plan to meet specific goals and timeframes for areas that need improvement. The commission should identify the staff resources needed, develop a staffing plan that identifies specific positions and responsibilities, and provide justifications for additional positions. The commission should seek to obtain the resources it



identifies as needed. Once this is done, the commission should establish clear priorities and dedicate the appropriate staff and resources to these priorities.

The commission should revise its administrative rules, and ensure that the rules are updated on a regular basis. The commission should also revise and adopt an amended Hawaii Water Plan, to ensure that revisions are coordinated and developed so that the plan is useful to the staff, the commissioners, and other agencies.

The commission should propose legislation to streamline the regulatory function to minimize the staff time required for these duties. Specifically, the commission should: a) review the water use permitting process and identify areas that could be improved and streamlined, and b) review whether the designation process is necessary and beneficial. It should streamline the process so that it can be implemented in a more timely manner.

The Commission on Water Resource Management generally agreed with our findings that it is making progress in fulfilling some of the requirements of the code, and that, in general, staff and funding limitations have created problems. The commission disagreed with the use of a sampling technique to review the water use permit applications and also disagreed with the results of our systematic sample. The commission also provided additional information which it felt was necessary to clarify several points made in the report. Several of these comments were incorporated in the report. With respect to the audit's recommendations, the commission noted that a staffing requirements study had already been completed.