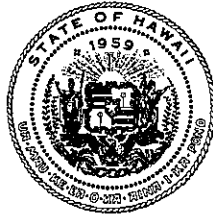
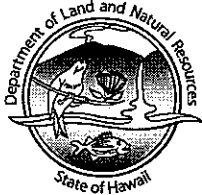


SB 2485

LINDA LINGLE  
GOVERNOR OF HAWAII



**STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES**

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ENGINEERING  
FORESTRY AND WILDLIFE  
HISTORIC PRESERVATION  
KAHOOLAWE ISLAND RESERVE COMMISSION  
LAND  
STATE PARKS

**TESTIMONY OF THE CHAIRPERSON  
OF THE BOARD OF LAND AND NATURAL RESOURCES**

**ON**

**Senate Bill 2485– RELATING TO WATER**

**BEFORE THE SENATE COMMITTEES ON  
WATER AND LAND  
AND  
AGRICULTURE AND HAWAIIAN AFFAIRS**

**February 12, 2008**

Senate Bill 2485 proposes to establish a special fund for water systems on public lands that are used for domestic and agricultural uses. The Department of Land and Natural Resources (Department) opposed this measure as being unnecessary.

The Department's water and land management programs do not include the role of being a water purveyor and therefore do not generate any revenues from such activities to sustain or justify the creation of a special fund. The limited revenues that are generated by the Department's leases and permits are currently deposited in the Special Land Development Fund and used by the Department's Commission of Water Resource Management for the statewide protection, planning, management, and regulation of water resources – which include water and irrigation systems.

Additionally, the primary responsibility and authority for irrigation systems that are mainly used for agricultural purposes rests with the Department of Agriculture (DOA) and the Agribusiness Development Corporation (ADC). The DOA and ADC already have the following revolving and special funds to service irrigation systems for agricultural and, as may be needed, domestic purposes: Irrigation System Revolving Fund (Section 167-22, Hawaii Revised Statutes (HRS)); Irrigation Water Development Special Fund (Section 167-22.5, HRS); and Irrigation Repair and Maintenance Special Fund (Section 167-24, HRS).

WRITTEN ONLY

TESTIMONY BY GEORGINA K. KAWAMURA  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE SENATE COMMITTEES ON AGRICULTURE AND HAWAIIAN AFFAIRS  
AND WATER AND LAND  
ON  
SENATE BILL NO. 2485

February 12, 2008

RELATING TO WATER

Senate Bill No. 2485 establishes a special fund for a water system to benefit domestic and agricultural users on public lands. This bill does not specify how the special fund will be funded.

As a matter of general policy, this department does not support the creation of any special or revolving fund which does not meet the requirements of Section 37-52.3 of the Hawaii Revised Statutes. Special or revolving funds should: 1) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries of the program; 2) provide an appropriate means of financing for the program or activity; and 3) demonstrate the capacity to be financially self-sustaining. It is difficult to determine whether the proposed fund meets any of the above criteria.