



Hawaii Aquaculture Association

To:

THE SENATE
THE TWENTY-FOURTH LEGISLATURE
REGULAR SESSION OF 2008

COMMITTEE ON WAYS AND MEANS
Senator Rosalyn H. Baker, Chair
Senator Shan S. Tsutsui, Vice Chair

HEARING

DATE: Friday, April 4, 2008
TIME: 10:05 a.m.
PLACE: Conference Room 211, State Capitol
415 South Beretania Street

From: Ronald P. Weidenbach, President, Hawaii Aquaculture Association
Cell: 429-3147, Email: hawaiiifish@gmail.com

Re: SCR 96 SD1 REQUESTING THE STATE AUDITOR TO CONDUCT A
PROGRAM, PERFORMANCE, AND FINANCIAL AUDIT OF THE
NATURAL ENERGY LABORATORY OF HAWAII AUTHORITY.

Chair Baker, Vice-Chair Tsutsui, and Members of the Committee:

The Hawaii Aquaculture Association (HAA) **strongly supports the intent of SCR 96 SD1** requesting the State auditor to conduct a program, performance and financial audit of the Natural Energy Laboratory of Hawaii Authority and its deep sea water pumping system.

Aquaculture is one of the fastest growing segments of diversified agriculture in the State, exceeding \$21M in wholesale product value in 2006. The largest portion of statewide aquaculture production is generated by the aquaculture tenants at NELHA, who in turn provide the majority of NELHA's revenues.

Over the years, the State of Hawaii has advertised and solicited for aquaculture tenants from around the world, and more recently water bottling companies, to come to NELHA to build their companies and in the process to help further Hawaii's economic development efforts. Attractive lease and water rates were offered to prospective businesses to attract them to come and invest at NELHA. Many companies responded

and private investment has now far exceeded State investment. Unfortunately, in recent years, the NELHA BOD has chosen to impose a series of substantial water rate increases seriously undermining the profitability of existing aquaculture businesses at NELHA and deterring further planned investment at NELHA.

The HAA strongly supports SCR 96 SD1 requesting the auditor to conduct a program, performance, and financial audit of NELHA and its deep sea water pumping system, and to establish a reasonable water rate structure.

Thank you for the opportunity to testify.