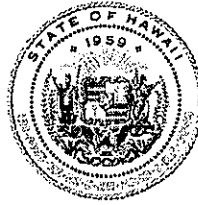
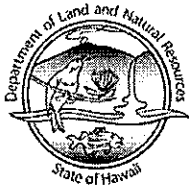


TESTIMONY
SCR 77 / SR 33

LINDA LINGLE
GOVERNOR OF HAWAII



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

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

**Testimony of
LAURA H. THIELEN
Chairperson**

**Before the Senate Committee on
WATER, LAND, AGRICULTURE AND HAWAIIAN AFFAIRS**

**Wednesday, March 3, 2010
3:15 PM
State Capitol, Conference Room 229**

**In consideration of
SENATE CONCURRENT RESOLUTION 77/SENATE RESOLUTION 33
REQUESTING THE AUDITOR TO CONDUCT A FOLLOW-UP AUDIT OF THE
MANAGEMENT OF STATE BOATING FACILITIES BY THE DIVISION OF
BOATING AND OCEAN RECREATION OF THE DEPARTMENT OF LAND AND
NATURAL RESOURCES**

Senate Concurrent Resolution (SCR) 77/Senate Resolution (SR) 33 authorize the Legislative Auditor to conduct a follow-up audit of the Division of Boating and Ocean Recreation (DOBOR) of the Department of Land and Natural Resources (Department). The Department does not believe that an audit is necessary as DOBOR was already the subject of a legislative financial audit in 2006 and management audits in 2001, 1998, and 1995.

DOBOR has proceeded to implement strategies of the Department's Recreational Renaissance Plan to improve its facilities, including the recent amendment to the mooring fees and offering of fast lands for long term leases. The Department notes that boaters and the Board of Land and Natural Resources have asked DOBOR to develop an accounting to segregate the new revenues developed under the Recreational Renaissance Plan so that they can document amounts received and the specific expenditures. The Department recommends the Legislature amend these resolutions to direct DOBOR to do the same, and to report that accounting system back to the Legislature next year. In the event the report is unsatisfactory, the Legislature could then move forward with a management audit at that time. The Department is concerned that an audit at this juncture will take valuable time away from DOBOR's limited staff, already decimated by furloughs.

DOBOR has worked diligently to utilize legislative funding to improve the conditions of its facilities and has implemented many of the recommendations from those audits and substantial

LAURA H. THIELEN
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

RUSSELL Y. TSUJI
FIRST DEPUTY

KEN C. KAWAHARA
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

improvements have been made to the internal processes. DOBOR, with the help of the Legislature, is addressing the over \$300 million in deferred Capitol Improvement Program (CIP) projects at its harbors and ramps, and has utilized over \$70 million in CIP funding over the last eight years.

The following are examples of the various harbor projects that DOBOR has completed in the last eight years:

<u>Project</u>	<u>Location</u>	<u>Completion Date</u>	<u>Amount</u>
Ferry System Improvements	Manele	November 2006	\$11,995,401
Replaced B, C, D Docks	Ala Wai	May 2009	\$2,850,750
Replacement of Docks	Waianae	Various	\$2,022,485
New Docks and Imp.	Haleiwa	Various	\$1,300,000
Sewer Improvements	Keehi	February 2007	\$1,294,230
New Comfort Station	Lahaina	September 2006	\$1,086,235
Replaced G Dock	Ala Wai	April 2004	\$1,035,100
Replaced F Dock	Ala Wai	August 2007	\$935,000

The following are examples of CIP projects for ramps in the last eight years:

Ramp Dredging	Waikaea	April, 2008	\$1,537,190
Maintenance Dredging	Wailoa	June 2007	\$1,210,675
Ramp Improvements	Pohoiki	December 2008	\$964,587
Ramp Improvements	Kahului	Various	\$905,228
Ramp Dredging	Mala	August 2008	\$778,575
Ramp Dredging	Kihei	September 2007	\$570,780

The following are projects that will be completed within the next year:

Replacement of Docks	Keehi	July 2011	\$5,000,000
Replacement of Docks	Lahaina	July 2011	\$2,500,000

From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 01, 2010 6:11 PM
To: WTLTestimony
Cc: siestarace@yahoo.com
Subject: Testimony for SCR77 on 3/3/2010 3:15:00 PM

Testimony for WTL 3/3/2010 3:15:00 PM SCR77

Conference room: 229
Testifier position: oppose
Testifier will be present: No
Submitted by: curtis collins
Organization: Individual
Address: 1741 Ala wai #64 Honolulu Hawaii
Phone: 808-286-5202
E-mail: siestarace@yahoo.com
Submitted on: 3/1/2010

Comments:

Curtis Collins
1741 Ala Moana #64
Honolulu Hi 96815
808-286-5202
Slip 805 Live aboard for 25+ years and very active in boating in Hawaii

But just sick of the BS Extortion tactics, Bulling There is NO Aloha in the State DLNR.

Do NOT pass this bill SCR77 it is wrong in many ways

1. The state has a Commercial harbor in Kawalo basin. And they can not fill that as is 2. The Ala Wai and Keehi small boat Harbors are deeded for the public NOT Commercial.
3. STOP Gross Miss management from the Ed Underwood Top management down to the desk clerks.
4. STOP the Extortion from DLNR top Management to the live boards is commercial 5. STOP Laura Thielen She wants to just sell all lands she can to make her self a few \$\$\$\$\$. She says that commercializing the Ala wai will bring more money to the harbor Bye (That is a wedding chapel.)

6. DLNR has closed the only Haul out faculty the Ala Wai harbor had and is given the bid to a wedding Chapel (How the hell does that help boating in Hawaii?)

7. I do not mind a slip fee increases if the mooneyes stay in the Harbors Not sent to pay the staff of DOCARE (who is never working on the weekends and never there when you call to report a crime They say call HPD.

8. Extortion of the live a boards is the last thing the state should be doing. The live a boards are the one that make the calls to protect the boat owners.

9. The example is this past weekend. Where was DLNR? They where suppose to work. But the office was never open. Did any one from Harbor's call the boat owners Hell No! It was the live a boards throw out the harbor knocking on boats helping get the boats out to sea to be safe.

There was NO DOCARE ,NO DLNR. It was the boat owners

10. Stop the Back room lies the State is telling the Yacht clubs Get behind us and May be the state will give the clubs slips and parking. That is wrong and we all Know better the State will never live up to there back room deals.

Just fill the slips DLNR has and fix the one's that are left to dis arary.
Do this and fill them I am sure there is money to pay the bills but do not put is on throws of us that have stayed and fight the state to JUST DO there JOBS Fill the slips do not make it take a year to fill one slip.

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 02, 2010 7:28 AM
To: WTLTestimony
Cc: jm.marine@hotmail.com
Subject: Testimony for SCR77 on 3/3/2010 3:15:00 PM

Testimony for WTL 3/3/2010 3:15:00 PM SCR77

Conference room: 229
Testifier position: comments only
Testifier will be present: No
Submitted by: John Morton
Organization: Individual
Address:
Phone:
E-mail: jm.marine@hotmail.com
Submitted on: 3/2/2010

Comments:
This needs to be amended to include a financial audit as well.

From: Noa Napoleon [freeoceanaxs@yahoo.com]
Sent: Tuesday, March 02, 2010 8:10 AM
To: WTLTestimony
Subject: Fw: SR 33 DOBOR Audit

Chair: Senator Clayton Hee
(Committee on WTL)

hearing date:
Wednesday March 3, 2010
Rm 229
Time: 3:15

Testimony in Support of SR 33

My comments are directed towards DOBOR's blue card program. The permits issued to surf schools by DOBOR are being improperly issued in my view. For what ever reasons the so called blue card permits do not come with clear conditions, nor has DOBOR been vigilant in monitoring permit holders for compliance. It is my belief that DOBOR staff is unwilling to hear or act on tips relating to violations by Blue Card holders (permittees). The Courts moreover are confused by cases brought to them by DOBOR, resulting in no fines and a problematic situation with regard to abuse.

I feel that DLNR should be required to re-vamp the blue card program along the lines of the city and county's program, who's permit process is very efficient and without the sort of confusion that plagues the DOBOR program. The problem in a nut shell is that the blue card permits are issued without clear performance conditions and or rules. The so called grey areas in the rules are responsible for the loop holes because they are easy to violate and operators are never held accountable. There are numerous individuals including myself who have documented DOBOR's failure to act on complaints. I have been trying for several years to get boating Administrators and enforcement officers at DOCARE to not only investigate problems we report on but to properly outfit surf schools with rules they can enforce. I'm aware of many incidents that should have warranted investigations and or permit revocations. I'm referring now to surf schools who are in the habit of knowingly breaking the law (abusing their permits). Typically when we have attempted to bring these sorts of violations to their attention, DOBOR's reaction is always the same, "don't call us call DOCARE"! If we tell them DOCARE won't respond, they will simply say that they are unable to investigate blue card violations because of "staff shortages." Without staff to adequately monitor or enforce violations committed by those they issue permits to, the public has no reassurance that our natural resources are being protected. Moreover this is forcing some to encounter the violators themselves, often resulting in threats from surf school owners. The Boating division should therefore be forced to discontinue the program until it can craft clear rules which spell out clear permit conditions! (I have ides on how DOBOR should approach this subject if anyone wants to hear them).

In addition to the blue card problem there are at least 7 hotels along the Waikiki shoreline who are using the public portion of the beach for personal enrichment in violation of state law regarding commercialism on public beaches, specifically, the 1928 Beach Agreement that prohibits the hotels

from engaging in commercial activity on Waikiki beach. DLNR must require the hotels to apply for commercial permits since they are using up beach space with commercial equipment way beyond their property lines in violation of the law. I challenge Senators to disprove me on the Waikiki beach commercial restriction. Anyone in state government feel I'm wrong on this? Please state your position and I will offer my response to you in writing. My contention is that DOBOR does not understand even the most basic rules governing permits, procurement, public vetting etc. The Land Board should no longer be allowed to rubber stamp DOBOR when they do things totally backwards as in issuing commercial permits before they do rules, before public hearings, and before they consult the HRS, i.e., their governing charters.

Noa Napoleon

Sam Monet would like to testify on SCR77 Wed. Mar 3 @3:15 in support of this bill.

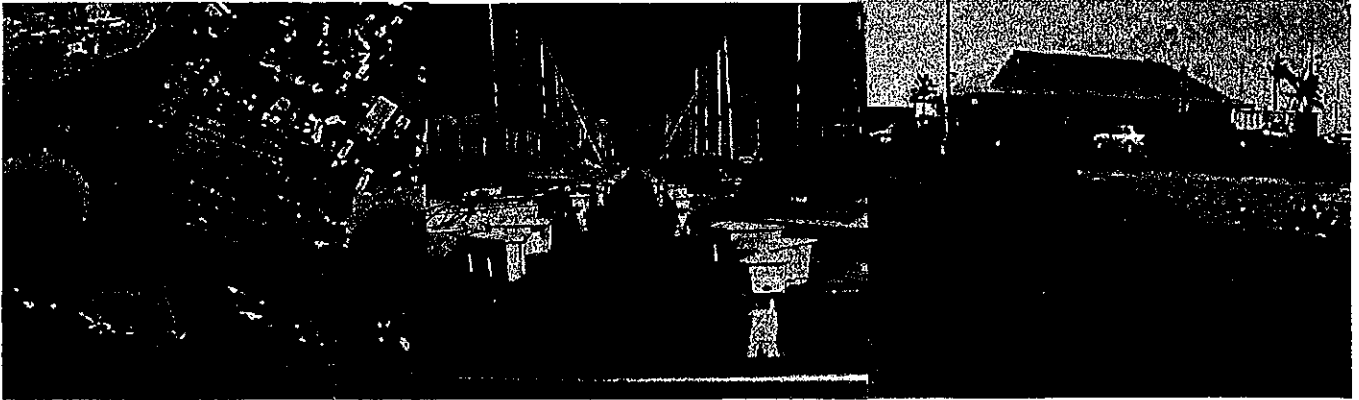
Testimony as follows:

Landboard Chair Thielen testified before the house and alleged that Ala Wai Yacht Harbor did not have positive cash flow. She deliberately misled the public and the representatives. In 2009 Ala Wai Harbor had a net of over 900,000 dollars. Either Ms. Thielen lied or she was misinformed. An audit will confirm the facts. In addition, poor management practice has burdened employees with additional(new)responsibilities rendering them unable to handle the excess load with reduced staff and hours. I support this bill and wish to testify @hearing.

Sam Monet

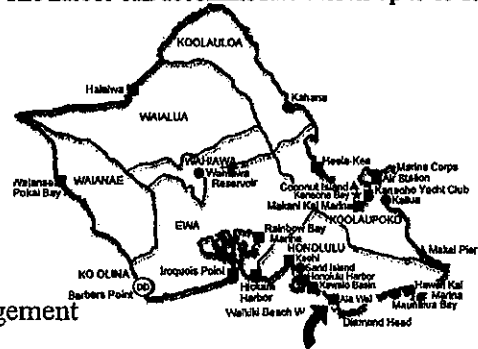
ALA WAI HARBOR

1651 Ala Moana Blvd., Honolulu, Hawaii 96815
Ph: (808) 973-9727 Fax: (808) 973-9739



Located on the south shore of Oahu between Waikiki and Ala Moana beaches with views of Diamond Head. The harbor includes areas used by Hawaii Yacht Club, Waikiki Yacht and Royal Hawaiian Ocean Racing Club. The harbor can accommodate vessels up to 85 feet in length.

- 699 berths with dock (120 currently out of service)
- 66 moorings
- 1 ramp
- 22 dry storage spaces
- vessel washdown
- MSD pumpout
- fuel dock
- harbor office, restrooms and showers



Profit/Loss under State Management

	2004				2003				2002			
	Location	District Overhead Allocation	State Overhead Allocation	Total	Location	District Overhead Allocation	State Overhead Allocation	Total	Location	District Overhead Allocation	State Overhead Allocation	Total
Allocation of District & District's Share of Statewide Income & Expenses 42.355%												
Income												
Commercial Percentage Rent	0	0	0	0	0	0	65	65	0	0	29	29
Federal Aid, Fish Restoration	0	0	0	0	0	0	0	0	0	0	0	0
Liquid Fuel Taxes	0	0	303,578	303,578	0	0	283,990	283,990	0	0	288,554	288,554
Investment Pool Interest	0	0	17,571	17,571	0	0	23,920	23,920	0	0	19,418	19,418
Parking Meter Collection	104,557	0	0	104,557	102,428	0	0	102,428	124,356	0	0	124,356
Boat Safety Act	0	0	194,107	194,107	0	0	242,309	242,309	0	0	285,810	285,810
Ramp Permit Fees	275	0	61,698	61,971	75	0	73,871	73,746	1,630	32	68,256	69,918
Facility Use Fees	1,581,487	0	16,439	1,597,928	1,847,837	0	2,098	1,649,933	1,489,781	171	1,723	1,491,676
Commercial Permits	848	0	169	1,017	4,542	0	460	5,002	2,757	0	237	2,994
Rental of Land & Wharf	833,737	0	0	833,737	774,505	0	0	774,505	844,853	21	0	844,874
Miscellaneous Income	43,193	950	1,155	45,298	107,193	17	2,318	109,528	49,861	2,039	3,070	54,970
Water	4,377	0	0	4,377	0	0	0	0	0	0	0	0
Boat Registration	19,275	4	46,247	65,527	1,485	0	44,663	46,148	785	19	42,436	43,240
OHA Ceded	0	0	0	0	0	0	0	0	0	0	0	0
Temporary Deposits	40,984	0	848	41,832	58,350	0	848	57,198	38,128	4	7	38,139
	0	0	0	0	0	0	0	0	0	0	0	0
Total Income	2,628,733	954	641,810	3,271,497	2,694,416	17	674,340	3,368,773	2,551,951	2,298	689,539	3,243,778
Expenses												
Payroll	210,087	126,546	226,382	563,015	235,210	140,675	243,724	619,609	274,438	102,966	205,837	583,242
Services Performed by Other State Agencies	49,239	1,465	14,624	65,328	2,852	8,777	32,257	41,886	15,797	7,244	37,561	60,601
Office Supplies and Expenses	9,366	1,171	21,639	32,177	42,781	8,400	33,057	84,238	28,837	15,487	25,074	69,399
Travel and Advertisement	85	88	6,524	6,706	639	1,547	8,401	10,588	0	453	7,242	7,695
Utilities	137,815	2,698	5,395	145,708	139,168	6	3	139,178	124,429	69	28	124,527
Rental Expenses	5,999	20,007	21,498	47,504	1,215	20,790	24,205	46,210	1,553	18,414	22,596	42,564
Repairs and Maintenance	151,184	11,666	4,130	166,960	177,951	13,619	1,811	193,382	224,808	2,813	21,739	249,260
GO Bond Principal and Interest	0	0	255,374	255,374	0	0	308,465	308,465	0	0	348,712	348,712
Budget and Finance Assessment	0	0	237,900	237,900	0	0	130,209	130,209	0	0	97,205	97,205
OHA Assessment	0	0	46,280	46,280	0	0	131,125	131,125	0	0	0	0
Service on a Fee Basis	79,610	4,208	2,839	86,658	115,667	1,385	15,679	132,732	71,340	2,182	21,288	94,790
Miscellaneous Expenses	3,838	244	376	4,459	37,463	592	510	38,565	7,053	395	868	8,316
Machinery and Equipment	16,505	4,431	2,917	23,853	74	2,009	5,023	7,106	687	331	2,279	3,287
DOCARE	0	0	281,589	281,589	0	0	264,539	264,539	0	0	178,209	178,209
Security Deposit Refunds	40,543	0	0	40,543	38,458	0	0	38,458	36,926	0	0	36,926
	0	0	0	0	0	0	0	0	0	0	0	0
Total Expenses	704,060	172,524	1,107,468	1,984,052	791,279	195,800	1,199,009	2,186,088	785,969	150,154	968,619	1,904,741
Income (Loss)	1,924,673	(171,570)	(465,657)	1,287,445	1,903,137	(195,783)	(524,669)	1,182,685	1,785,982	(147,868)	(279,090)	1,339,034

Kate Johnson is in support of SCR77 being heard Wed. Mar 3 @ 3:15 p.m.

Testimony as follows: Let the numbers be the determinant factor in passing this bill. The buying and selling of maladjusted facts, numbers and personal preferences need to be re-tabulated and/or confirmed(or disarmed) to portray the actual financial model of Ala Wai boat Harbor. Thank you.

From: Eddy Conway [eddyconway@yahoo.com]
Sent: Tuesday, March 02, 2010 12:44 PM
To: WTLTestimony
Cc: EddyConway@yahoo.com
Subject: Amend SCR77 to add financial audit

Senators,

Please amend resolution SCR77 to include a financial audit of the Division of Boating and Ocean Recreation (DOBOR).

We in the boating community have been told so many conflicting stories by state employees about harbor revenues and costs, over the years, that claims by government officials no longer are credible.

About 700 boaters in Ala Wai harbor, as well as other users, make monthly payments to the agency, yet its officials say it has no money to do basic maintenance or to execute needed capital projects. Routine pier replacement is taking a decade.

Funds that are supposed to be dedicated to Ala Wai harbor are misreported or are diverted.

A hui hou,

Eddy Conway

25 years in systems development
The Waikiki Software Works
Mathematics - software - networks
1741 Ala Moana Boulevard, Unit 54
Waikiki, Hawaii, 96815
(808) 218-3602
EddyConway@yahoo.com

TESTIMONY
SCR 72 & SR 33
(END)