



Hawaii Farm Bureau

F E D E R A T I O N

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February 7, 2011

TESTIMONY

**Re: HB 585 RELATING TO MAKING AN APPROPRIATION TO THE DEPARTMENT
OF LAND AND NATURAL RESOURCES**

Chair Chang and Members of the Committee:

Hawaii Farm Bureau Federation on behalf of commercial farm and ranch families and organizations in the State **strongly supports** HB585 restoring general funds to the Department of Land and Natural Resources Dam Safety Office.

Over the past few years, numerous paper and television news segments have been devoted to drought impacts to agriculture across the State. These incidents reflect the “flashy” nature of rainfall events in Hawaii. Even areas such as the Big Island that have largely been rainfall dependent, now find themselves in need to find sources of water during the dry periods.

This need for water must be addressed while meeting the safety needs of the people of Hawaii. The Dam Safety Office bears the responsibility of balancing such needs. We do not question the need for safety. However, safety alone, without balancing other needs will not be in the interest of the people of Hawaii.

During the budget cutbacks and RIFs of the past years, this department has borne severe impacts. Yet, remaining personnel, recognize the job must be done. This left special funds, associated with annual fees for owners of dams and reservoirs as the solution. The unintended consequence of this measure is excessive costs to these owners. We do not believe it was the intent of the Dam and Reservoir Safety program to result in the demise of this critical infrastructure due to regulatory costs.

Many of these reservoirs not only provide for agriculture ...and industry critical to Hawaii’s self sufficiency, but also provide drinking water for the public as well as water during brushfires to protect public safety. Many of the reservoirs are important to the public.

We believe there is an opportunity for balance. Owners of dams and reservoirs will need to bear some of the costs. But, it should be a shared responsibility and restoration of these funds will be a step in that direction. It will send a message to us in agriculture that the State recognizes that growing of crops and livestock is important. It also recognizes the role our farmers and ranchers quietly play to contribute to the public welfare of the people of Hawaii.

We respectfully request your strong support in passage of this measure, restoring much needed funds to the Dam Safety office of DLNR. We appreciate this opportunity to provide our opinion on this important matter. If there are questions, please contact Warren Watanabe at 2819718. Thank you.



Feb 7, 2011

Testimony

RE: HB585 RELATING TO MAKING AN APPROPRIATION TO THE DEPARTMENT OF LAND AND NATURAL RESOURCES

Chair Chang and Members of the Committee:

Maui County Farm Bureau on behalf of our commercial farm and ranch families and organizations on the island strongly supports HB585, restoring funds to the Dam Safety office in DLNR.

We recognize the importance of dam and reservoir safety and commend the Dam Safety office to seek ways to carry out their responsibilities despite all of the budget cuts that have occurred. Now is the time for the rest of us to identify alternatives and for this body to balance the various needs in the interest of the people of Hawaii.

Dams and reservoirs in Hawaii not only serve agriculture, providing a basic resource to grow crops and raise livestock to help with Hawaii's self sufficiency but also provides for public welfare and safety. Upcountry Maui's drinking water comes from dams and reservoirs. During forest fires, helicopters get water from agricultural reservoirs to put out the fires. They are part of the critical infrastructure for all of us.

The same economic downturn that resulted in cuts to the Dam Safety office is also threatening the viability of our farms and ranches. Many are barely hanging on. The surprise of the price tag associated with their critical infrastructure has sent shockwaves through the industry. Majority do not own the reservoirs but are dependent on landowners or the State that does. What these owners do will impact them ..whether it be by passing on costs or shutting them down.

Passage of this measure will assist keeping these reservoirs, addressing safety and help maintain agriculture. We respectfully request your strong support towards passage of this measure.

Thank you for this opportunity to provide our opinion on this important matter. If there are questions, please contact Warren Watanabe, Executive Director of MCFB at 2819718.

**HB 585
RELATING TO MAKING AN APPROPRIATION TO THE DEPARTMENT OF LAND
AND NATURAL RESOURCES**

**PAUL OSHIRO
MANAGER – GOVERNMENT RELATIONS
ALEXANDER & BALDWIN, INC.**

FEBRUARY 7, 2011

Chair Chang and Members of the House Committee on Water, Land & Ocean

Resources:

I am Paul Oshiro, testifying on behalf of Alexander & Baldwin, Inc. (A&B), Hawaiian Commercial & Sugar Company (a division of A&B) and Kauai Coffee Company (a subsidiary of A&B), on HB 585, "A BILL FOR AN ACT RELATING TO MAKING AN APPROPRIATION TO THE DEPARTMENT OF LAND AND NATURAL RESOURCES." We support this bill.

Alexander & Baldwin and its agricultural companies Hawaiian Commercial & Sugar Company (HC&S) and Kauai Coffee Company, have 18 regulated reservoirs on Kauai and 30 on Maui, the majority of which are in active use by HC&S and Kauai Coffee Company. Because these dams and reservoirs are a vital part of our agricultural operations; they are operated, monitored, and maintained on an on-going basis. These facilities enable the storage of water so that HC&S and Kauai Coffee can better weather periods of drought. These facilities also enable us to make optimum use of water resources—by capturing waters during heavy rainfall periods, less has to be used from surface water sources and wells during other times. They are absolutely integral to our ability to continue to keep tens of thousands of acres in agriculture in this state.

In addition to serving as a valuable water resource for Hawaii's agricultural industry, dams and reservoirs also provide several other significant benefits to the general public. Many of these facilities also provide drinking water for residential communities, renewable energy by way of hydropower, and flood control and drainage for public safety.

The Department of Land & Natural Resources has indicated that in 2009, general fund appropriations for personnel and other operating expenses for their Dam Safety Office were deleted from the State Budget, and that this office must presently rely on special funds to finance its operations. Premised upon the need to raise the revenue necessary to run this office, DLNR proposed in 2010 the establishment of a new Annual Fee in the amount of \$500 plus \$110 per foot of height of the dam for all regulated dams throughout the State. This fee, which averaged \$4,375 per regulated dam, would be a recurring annual fee that owners of dams would need to bear over and above other costs and expenditures required to upgrade their dams and reservoirs to meet regulatory and other requirements.

While we recognize that the elimination of general funds from the DLNR's operating budget is prompting their proposal to assess higher fees to fund this mandated program, to essentially require Hawaii's agricultural industry to shoulder a majority of the costs of a program that is there to protect the health and safety of the larger public appears unfair--and untenable by the agricultural industry, an industry that is not largely profitable, yet provides significant benefits to the broader community and economy. Many of Hawaii's communities, particularly on the neighbor islands, sprung up around pre-existing agricultural operations, often sharing in their infrastructure, co-

existing with the agricultural surroundings. For this reason, and because the preservation of Hawaii's agricultural industry is a priority of this state, we believe that the costs to operate, oversee and implement Hawaii's Dam Safety Program warrants funding from the broader community.

This bill, which proposes to restore general fund appropriations for personnel and other operating expenses for the Dam Safety Office, will provide a broad based source of revenue to fund the operations of this office. This bill will also greatly assist in lessening the total amount needed to be raised by the proposed Annual Fee to finance departmental operations.

Based on the aforementioned, we respectfully request your favorable consideration on this bill. Thank you for the opportunity to testify.



Hawaii Cattlemen's Council, Inc.

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COMMITTEE ON WATER, LAND, & OCEAN RESOURCES
Monday February 7, 2011 9:00 a.m. Room 325

HB 585 MAKING AN APPROPRIATION TO THE DEPARTMENT OF LAND AND NATURAL RESOURCES

Appropriates funds to the department of land and natural resources to be used for the dam safety office's staffing and operating expenses.

Chairman Chang and Members of the Committee:

My name is Alan Gottlieb, and I am a rancher and the Government Affairs Chair for the Hawaii Cattlemen's Council. The Hawaii Cattlemen's Council, Inc. (HCC) is the Statewide umbrella organization comprised of the five county level Cattlemen's Associations. Our 130+ member ranchers represent over 60,000 head of beef cows; more than 75% of all the beef cows in the State. Ranchers are the stewards of approximately 25% of the State's total land mass.

The Hawaii Cattlemen's Council **strongly supports** HB 585.

After the tragedy at Kaloko, this legislature passed new laws to improve the safety of our State's Dams and Reservoirs. Prior to Kaloko, it is our understanding, the State had but one inspector for all of the State's Dams and Reservoirs. After the new legislation was passed, the legislature did appropriate funds to run DLNR's Dam Safety office, but we understand those funds were raided in recent years. We also understand that the annual budget to run that DLNR Safety office is in excess of \$1 million per year. Late last year, the Board of Land & Natural Resources approved new regulations which in part would make annual fees for public and private dams and reservoirs in this state unaffordable for their operators. So far, The governor has wisely not signed the new rules, regulations and fees into law. We do not believe that the intent of the Dam and Reservoir safety law is to put farmers and ranchers out of business with annual fees, but that is exactly what might happen. We believe these new rules and fees would lead to the closure of many dams and reservoirs, the opposite of what we need in this State if we want to increase our agricultural self sufficiency and improve our food security. Providing funds to the Dam Safety Office, as proposed by this bill, would greatly assist the agricultural industry by limiting the crippling fees proposed in the new rules and regulations.

Thank you for giving me the opportunity to testify in favor of this very important issue.