

NEIL ABERCROMBIE  
Governor



RUSSELL S. KOKUBUN  
Chairperson, Board of Agriculture

JAMES J. NAKATANI  
Deputy to the Chairperson

State of Hawaii  
DEPARTMENT OF AGRICULTURE  
1428 South King Street  
Honolulu, Hawaii 96814-2512

TESTIMONY OF RUSSELL S. KOKUBUN  
CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE HOUSE COMMITTEE  
ON  
FINANCE

WEDNESDAY, APRIL 6, 2011  
5:00 P.M.  
CONFERENCE ROOM 308

SENATE BILL NO. 14, S.D. 2, H.D. 1  
RELATING TO AGRICULTURAL DEVELOPMENT

Chairperson Oshiro and Members of the Committee:

Thank you for the opportunity to testify on Senate Bill No. 14, S.D. 2, H.D. 1. The purpose of this bill is to expand the authorized uses of the agricultural development and food security special fund to include improvements and investigative studies of dams and reservoirs and to fund these projects through an appropriation from General Obligation Bonds. The Department supports the intent of Senate Bill 14, S.D. 2, H.D. 1.

The addition of language to possibly fund activities for dams and reservoirs from G.O. Bonds spotlights the importance of these structures as they are a critical component in functioning irrigation systems. Access by private interests to matching funds to make necessary improvements may provide the necessary incentive to the owner to rehabilitate the structure instead of abandoning it.

Thank you for the opportunity to testify on this measure.





**Hawaii Farm Bureau**  
F E D E R A T I O N

2343 Rose Street, Honolulu, HI 96819  
Phone: (808) 848-2074; Neighbor Islands: 1-800-482-1272  
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April 5, 2011

**Testimony**  
**RE: SB14 HD1 Relating To Agricultural Development**

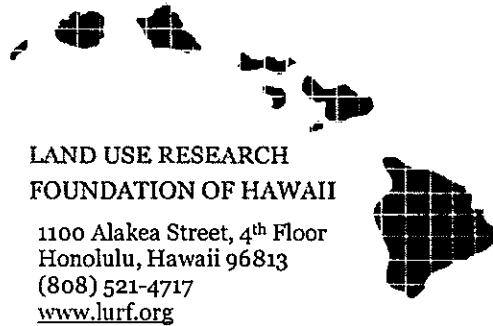
Chair Oshiro and Members of the Committee:

Hawaii Farm Bureau Federation on behalf of our commercial farm and ranch families and organizations across the State, strongly supports SB14HD1, expanding the use of the Agriculture Development and Food Security Special Fund.

The Ag Development and Food Security Special Fund was created to accelerate the renovation and development of agricultural infrastructure across the State. Currently we have a situation in which existing infrastructure is at risk. Safety certification requirements that were not on our radar screen at the time of enactment of this fund are now threatening the existence of many agricultural water storage facilities.

Extensive engineering studies followed by corrective actions are placing extreme economic burdens on our farmers and ranchers. They all want to do the right thing. Safety is of utmost concern. At the same time, it is not the intent of the Dam And Reservoir safety law to put farmers and ranchers out of business as they try to comply with the measure. This bill provides a mechanism to leverage private spending with assistance using fund resources. Testimonies will be received by this body from farms and ranches across the State providing unique examples of impacts of this measure.

We respectfully request your assistance in passing this measure to protect our critical agricultural water infrastructure while complying with safety requirements. Thank you for this opportunity to provide our opinion on this important matter. If there are questions, please contact Warren Watanabe at 2819718.



LAND USE RESEARCH  
FOUNDATION OF HAWAII

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April 4, 2011

Representative Marcus R. Oshiro, Chair and Representative Marilyn B. Lee, Vice Chair  
House Committee on Finance

**Support of SB 14, SD 2, HD 1, Relating to Agricultural Development.**  
**(Expands authorized uses of the agricultural development and food security special fund to include the improvement and investigative studies of dams and reservoirs.)**

**Wednesday, April 6, 2011 at 5:00 p.m. in CR 308**

My name is Dave Arakawa, and I am the Executive Director of the Land Use Research Foundation of Hawaii (LURF), a private, non-profit research and trade association whose members include major Hawaii landowners, developers and a utility company. One of LURF's missions is to advocate for reasonable, rational and equitable land use planning, legislation and regulations that encourage well-planned economic growth and development, while safeguarding Hawaii's significant natural and cultural resources and public health and safety.

LURF appreciates the opportunity to provide our testimony **in support of SB 14, SD 2, HD 1**, which expands the authorized uses of the agricultural development and food security special fund to apply to **dams and reservoirs**, as well as investigative studies to identify and assess necessary improvements thereto.

**SB 14, SD 2, HD 1.** This bill proposes to enhance public safety and address needed infrastructure improvements by expanding the present language of Section 141-10(c)(3), Hawaii Revised Statutes (HRS) to include **dams and reservoirs** amongst the "real property, irrigation systems and transportation networks," toward which agricultural development and food security special funds may be expended for purposes of necessary improvements, as well as investigative studies to identify and assess said improvements. The bill also includes water quality testing and improvements to the list of permitted uses for the special funds.

**LURF's Position.** While HRS Section 141-10(c)(3), by its context, clearly contemplated the inclusion of dams and reservoirs as part of the "real property, irrigation systems, and transportation networks necessary to promote agricultural production or processing activity," it would be well to expressly add the terms, "**dams and reservoirs**" as well as accompanying language which would include

investigative studies to identify and assess necessary improvements thereto, to the statutory provision for purposes of clarification, and to make the intent of the statute explicitly clear so as to leave no doubt that special fund monies may be expended for such purposes.

LURF members include private property owners, farmers and ranchers who own, maintain, and utilize dams and reservoirs, and consider such resources critical to conduct their agricultural operations and to sustain their businesses. These land owners and agricultural stakeholders believe SB 14, SD 2, HD 1 will greatly assist with costs which must be incurred to comply with requirements of the dam and reservoir safety program administered by the DLNR, particularly new safety requirements for dams and reservoirs imposed by the program, as well as costs which must be incurred for maintenance and upgrade of structures which are currently considered untenable by those responsible for complying with the requirements. As this Committee may already be aware, the unsustainable costs cast upon land owners and agricultural stakeholders by the safety program are a serious concern, as the enactment of overly burdensome regulations relating to maintenance and operation of dams and reservoirs may potentially be counterproductive to the long-term objective of preserving these facilities as valuable water resources.

And as potential issues relating to public health, food safety and security, continue to be a significant concern of agricultural stakeholders, LURF especially appreciates and supports the inclusion of "water quality testing and improvements" as a stated purpose for which special funding under SB 14, SD 2, HD 1 may be expended.

For the reasons stated above, LURF is in **support of SB 14, SD 2, HD 1**, and respectfully urges your favorable consideration of this bill.

Thank you for the opportunity to present testimony regarding this matter.

**SB 14 HD1  
RELATING TO AGRICULTURAL DEVELOPMENT**

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

**APRIL 6, 2011**

Chair Marcus Oshiro and Members of the House Committee on Finance:

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 SB 14 HD1, "A BILL FOR AN ACT RELATING TO AGRICULTURAL DEVELOPMENT." 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.

We understand that DLNR has overseen the implementation of Phase I investigative studies and inspections for all regulated dams and reservoirs in the State

of Hawaii. As a result of these Phase I investigative studies and inspections, several additional dam and reservoir safety requirements, many with significant cost implications, have been recently levied upon owners of dams and reservoirs. These additional requirements include various geotechnical/stability studies, hydraulic/hydrology studies, upstream control valve studies, spillway improvements, and other miscellaneous construction items.

The additional costs required to meet dam and reservoir safety regulatory requirements may create an undue financial burden for dam and reservoir owners, the majority of whom are farmers or agricultural operations that rely on these facilities for their livelihood. Smaller farmers and agricultural operations who utilize water from dams owned by others may be negatively impacted should the dam owner decide to permanently breach their facilities because of the undue increase in operating and capital expenses prompted by regulatory expenses and requirements of DLNR's dam and reservoir safety program. Owners of multiple dams, will be particularly hard hit.

This bill will broaden the scope of the Agriculture Development and Food Security Special Fund to enable the funds, with a private sector matching requirement, to be used for dam and reservoir safety investigative studies and capital improvements. We believe that this bill will greatly assist dam and reservoir owners as they grapple with financing the significant additional costs to upgrade their dams and reservoirs so that they can meet regulatory requirements. This bill is a cooperative approach to what is really a broader community issue. By providing dam owners with a financial incentive to improve their facilities, the likelihood that more of these facilities will be kept in continued operation, and fewer decommissioned due to the cost of complying with the

new regulations, will be increased. We believe that with the assistance of this fund, dams and reservoirs can continue to serve as a valuable water resource for Hawaii's agricultural industry and its communities.

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



Via Capitol Website

April 5, 2011

**House Committee on Finance**  
**Hearing Date: Wednesday, April 6, 2011**  
**House Conference Room 308 at 5:00 p.m.**

**Testimony in Support of SB 14 SD2 HD 1 –**  
**Relating to Agricultural Development**

Honorable Chair Representative Marcus Oshiro, and Representative Marilyn B. Lee, Vice Chair and members of the House Committee on Finance:

My name is Michael Tresler, and I am the Senior Vice President of Grove Farm Company, Inc. Grove Farm owns approximately 40,000 acres of land on Kauai, making us one of Kauai's largest private landowners. We focus on agricultural, economic, and community development. A vast majority of our lands are leased out for diversified agriculture and ranching.

Grove Farm appreciates this opportunity to testify and is **in strong support** of SB 14, SD 2, HD 1, which expands the authorized uses of the agricultural development and food security special fund to include the improvement and investigative studies of dams and reservoirs, while also authorizes the Director of Finance to issue general obligation bonds for the special fund.

**Grove Farm's Position.** We are responsible for numerous reservoirs and irrigation ditch systems on our property which are critical not only to our agricultural needs, but to the neighboring agricultural community as well. In addition to its critical role to support agriculture, our reservoirs and irrigation ditch systems provide a viable source of drinking water. We developed a surface water treatment plant in conjunction with the County of Kauai's Department of Water at the Kapaia Reservoir. It currently provides up to 3,000,000 gallons per day of drinking water and is capable of being expanded to provide several more millions of gallons. The use of surface water is necessary as the water aquifers in the area continue to diminish. In addition, the reservoirs itself hold the surface water and allow it to percolate into the ground and recharge the aquifers.

As stated in the bill, dams and reservoirs are important water resources that provide significant public benefits. It is as important to understand that their continued maintenance and operation must be feasible in order to perpetuate their use. This bill will aid both the State and landowners in the preservation of these valuable resources.

Grove Farm is in **strong support to SB14, SD 2, HD 1.**

Thank you for the opportunity to express our support for this matter.

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TESTIMONY BEFORE THE  
HOUSE COMMITTEE ON FINANCE

April 6, 2011

TESTIMONY ON SB 14, SD 2, HD 1  
RELATING TO AGRICULTURE

Aloha Chair Oshiro and members of the committee:

My name is Alan Takemoto, Community Affairs Manager for Monsanto Hawaii. Thank you for allowing us to testify in support of SB 14, SD 2, HD 1.

We believe this bill will greatly assist dam and reservoir owners as they attempt to finance the costs to upgrade their dams and reservoirs so that they can meet regulatory safety requirements. This bill is a collaborative approach to what is really a broader community issue. Dams and reservoirs is a critical component to the agricultural industry in addressing and managing the efficient use of a very valuable water resource. We cannot afford not to maintain our dams and reservoirs, especially when we are trying to move towards food sustainability. Farmers and ranchers rely on the dams and reservoirs to capture and reuse water for irrigation. Severe drought conditions continue to hamper our State year round and the need to store water for agriculture is paramount.

By providing dam owners with a financial incentive to meet additional dam regulations, the landowners will be encouraged to keep their dams operating efficiently and safely. We believe that with the assistance of this bill, dams and reservoirs can continue to serve as a valuable water resource for Hawaii's agricultural industry and its communities.

We urge your favorable consideration. Thank you.

## FINTestimony

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, April 05, 2011 4:45 PM  
**To:** FINTestimony  
**Cc:** dan.nellis@dole.com  
**Subject:** Testimony for SB14 on 4/6/2011 5:00:00 PM

Testimony for FIN 4/6/2011 5:00:00 PM SB14

Conference room: 308  
Testifier position: support  
Testifier will be present: No  
Submitted by: Daniel Nellis  
Organization: Dole Food Company Hawaii  
Address:  
Phone:  
E-mail: [dan.nellis@dole.com](mailto:dan.nellis@dole.com)  
Submitted on: 4/5/2011

**Comments:**

Dole Food Company Hawaii strongly supports SB14. Availability to matching funds from the Ag.Development and Food Security Special Funds for dam safety studies and capital improvements will promote better dam safety programs and private investment in agricultural irrigation systems that are vital to Hawaii's food security.

## FINTestimony

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, April 05, 2011 4:58 PM  
**To:** FINTestimony  
**Cc:** gottlieb@hawaii.rr.com  
**Subject:** Testimony for SB14 on 4/6/2011 5:00:00 PM

Testimony for FIN 4/6/2011 5:00:00 PM SB14

Conference room: 308  
Testifier position: support  
Testifier will be present: No  
Submitted by: Alan Gottlieb  
Organization: Hawaii Cattlemen's Council  
Address:  
Phone:  
E-mail: [gottlieb@hawaii.rr.com](mailto:gottlieb@hawaii.rr.com)  
Submitted on: 4/5/2011

Comments: