

NEIL ABERCROMBIE
Governor



State of Hawaii
DEPARTMENT OF AGRICULTURE
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RUSSELL S. KOKUBUN
Chairperson, Board of Agriculture

JAMES J. NAKATANI
Deputy to the Chairperson

**TESTIMONY OF RUSSELL S. KOKUBUN
CHAIRPERSON, BOARD OF AGRICULTURE**

**BEFORE THE HOUSE COMMITTEE
ON
AGRICULTURE**

**FRIDAY, MARCH 18, 2011
10:30 A.M.
CONFERENCE ROOM 325**

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

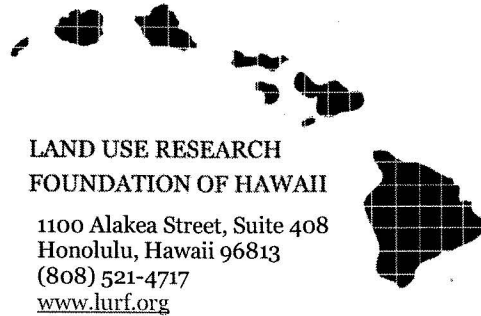
Chairperson Tsuji and Members of the Committee:

Thank you for the opportunity to testify on Senate Bill No. 14, S.D. 2. 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.

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.





March 18, 2011

Representative Clift Tsuji, Chair and Representative Mark J. Hashem, Vice Chair
House Committee on Agriculture
Representative Jerry L. Chang, Chair and Representative Sharon E. Har, Vice Chair
House Committee on Water, Land and Ocean Resources

Support of SB 14, SD 2, 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.)

Friday, March 18, 2011 at 10:30 a.m. in CR 325

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**, 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. This bill proposes to expand 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. Language is also being added to the statutory provision to provide that investigative studies to identify and assess said necessary improvements be included as well.

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 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 these Committees 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.

Additionally, to address significant concerns and potential issues relating to public health, food safety and security, LURF suggests that consideration be given to expressly include "water quality testing and improvements" as a stated purpose for which funding under SB 14, SD 2 may be expended.

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

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

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, March 17, 2011 10:34 AM
To: AGRtestimonv
Cc:
Subject: Testimony for SB14 on 3/18/2011 10:30:00 AM

Testimony for AGR/WLO 3/18/2011 10:30:00 AM SB14

Conference room: 325
Testifier position: support
Testifier will be present: No
Submitted by: Daniel Nellis
Organization: Dole Food Company Hawaii
Address:
Phone:
E-mail: _____
Submitted on: 3/17/2011

Comments:

Dole Food Company Hawaii strongly supports SB14. Availability to matching funds from the Ag.Development & Food Security Special Fund 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.

**SB 14 SD2
RELATING TO AGRICULTURAL DEVELOPMENT**

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

MARCH 18, 2011

Chair Tsuji, Chair Chang, and Members of the House Committees on Agriculture and 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 SB 14 SD2, “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.