

March 28, 2012

Senator David Y. Ige, Chair Senator Michelle N. Kidani, Vice Chair Senate Committee on Ways and Means

Support of HB 2594, H.D. 2, S.D. 1, Relating to Special Purpose Revenue Bonds; Constitutional Amendment; Dams and Reservoirs. (Proposes a constitutional amendment to authorize the State to issue special purpose revenue bonds and use the proceeds from the bonds to assist dam and reservoir owners.)

Thursday, March 29, 2012, 9:00 a.m., in Conference Room 211

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 testimony <u>in support</u> of HB 2594, H.D. 2, S.D. 1, and to offer comments.

<u>HB 2594, H.D. 2, S.D. 1</u>. The purpose of this bill is to propose an amendment to article VII, section 12, of the Hawaii State Constitution, to authorize the State to issue special purpose revenue bonds and use the proceeds from the bonds to assist dam and reservoir owners.

LURF's Position. LURF members include private property owners, farmers and ranchers who own, maintain, and utilize dams and reservoirs, and who consider such resources critical to conduct their agricultural operations and to sustain their businesses. These land owners and agricultural stakeholders believe HB 2594, H.D. 2, S.D. 1 will greatly assist with costs which must be incurred to bring their facilities to current safety standards, including 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 presently considered untenable.

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 are proving to be potentially counterproductive to the long-term objective of preserving these facilities as valuable water resources.

Senate Committee on Ways and Means March 28, 2012 Page 2

As potential issues relating to public health, and food safety and security continue to be a significant concern of agricultural stakeholders, LURF and its members appreciate this measure being taken to assist dam and reservoir owners, and the acknowledgement of dams and reservoirs being vital water resources for the State, and the need for consistent maintenance and operation of the systems in a safe and feasible manner

For the reasons stated above, LURF is in <u>support</u> of HB 2594, H.D. 2, S.D. 1, and respectfully urges your favorable consideration of this bill.



2343 Rose Street • Honolulu, Hawaii 96819 Phone: (808) 848-2074 • Neighbor-Islands: (800) 482-1272 Fax: (808) 848-1921 • Email: <u>info@hfbf.org</u> www.hfbf.org

March 29, 2012

HEARING BEFORE THE SENATE COMMITTEE ON WAYS AND MEANS

TESTIMONY ON HB 2594, HD2, SD1
PROPOSING AN AMENDMENT TO ARTICLE VII, SECTION 12, OF THE HAWAII
STATE CONSTITUTION TO ASSIST DAM AND RESERVOIR OWNERS.

Room 211 9:00 AM

Chair Ige, Vice Chair Kidani, and Members of the Committee:

I am Brian Miyamoto, Chief Operating Officer and Government Affairs Liaison for the Hawaii Farm Bureau Federation (HFBF). Organized since 1948, the HFBF is comprised of 1,800 farm family members statewide, and serves as Hawaii's voice of agriculture to protect, advocate and advance the social, economic and educational interest of our diverse agricultural community.

HFBF strongly supports HB 2594, HD2, SD1, which proposes a constitutional amendment authorizing the issuance of special purpose revenue bonds to assist dam and reservoirs owners.

Reliable and affordable water is the key to viable farms and ranches. Ranches and irrigated areas across the state depend on reservoirs and dams to carry them through times of little or no rainfall. Since the passage of the Dam and Reservoir Safety Law, owners and users of these structures have worked with DLNR to seek practical implementation measures while meeting the goal of safety. While the rules are one issue, the classification of the reservoirs continues to be a concern and we are working with staff to review the current status of the dams and reservoirs. This will determine how much work is needed.

In the case of high risk reservoirs, 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 reduce the premature decommissioning of dams and reservoirs. Testimony will be received by this

bid from farms and ranches across the state providing unique examples of impacts of this measure.

HFBF respectfully requests 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.

I can be reached at (808) 848-2074 if you have any questions. Thank you for the opportunity to testify on this matter.