

NEIL ABERCROMBIE  
Governor



RUSSELL S. KOKUBUN  
Chairperson, Board of Agriculture

SCOTT E. ENRIGHT  
Deputy to the Chairperson

State of Hawaii  
DEPARTMENT OF AGRICULTURE  
1428 South King Street  
Honolulu, Hawaii 96814-2512  
Phone: (808) 973-9600 FAX: (808) 973-9613

**LATE TESTIMONY**

TESTIMONY OF RUSSELL S. KOKUBUN  
CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE HOUSE COMMITTEE ON FINANCE  
THURSDAY, FEBRUARY 23, 2012  
12:00 p.m.  
Room 308

HOUSE BILL NO. 2595, HOUSE DRAFT 1  
RELATING TO SPECIAL PURPOSE REVENUE BONDS TO ASSIST DAM AND  
RESERVOIR OWNERS

Chairperson Oshiro and Members of the Committee:

Thank you for the opportunity to testify on House Bill No.2595, House Draft 1 that authorizes the State to issue special purpose revenue bonds and use the proceeds from the bonds to assist owners of dams and reservoirs who undertake implementation of improvements necessary to meet safety standards. In turn, this promotes the retention of these dams and reservoirs for agricultural irrigation and other beneficial uses. The Department of Agriculture strongly supports this measure as many dams and reservoirs are facilities critical to maintaining a reliable and sufficient supply of irrigation water for agricultural production on agricultural lands and, in turn, supports the State's efforts to achieve food security.

Thank you, again, for the opportunity to testify on this measure.



**Ka'u Farm Bureau  
PO Box 1109  
Naalehu Hawaii 96772  
808-929-9550**

# **LATE TESTIMONY**

**HEARING BEFORE THE  
COMMITTEE ON FINANCE**

Thursday, February 23, 2012  
12:00 P.M.  
Conference Room 308

**TESTIMONY ON HB2595  
"RELATING TO SPECIAL PURPOSE REVENUE BONDS TO ASSIST DAM AND  
RESERVOIR OWNERS."**

Aloha Chair Oshiro, Vice Chair Lee, and Members of the Committee:

**Ka'u Farm Bureau supports the aforementioned measure.**

While dam and reservoir safety rules represent an important public safety initiative, the rules codified in HRS chapter 179D will have an adverse effect by reducing water storage capacity across the state. At a time when changing weather patterns have demonstrated alternating periods of drought punctuated by significant storm events, coupled with the noble goal of achieving food security for our island state, water storage is more critical than ever. The new rules, once enacted, will discourage new dam and reservoir construction, and in many cases cause dam and reservoir owners and to minimize the capacity or decommission existing storage capability.

Many of the reservoirs – built in an era of plantation agriculture—no longer generate enough revenue to be economically sustainable. But they are needed in ways few people have yet imagined. The issue of how to pay for the upgrading and maintenance of this critical infrastructure is now gaining more attention as the state's budget comes into focus.

Dams and reservoirs are the key not just to a future of sustainable agricultural system in Hawaii, but to the entire water and environmental health of the State. In addition to the conventional benefits of storing and delivering reliable water for agriculture in dry times, flood control during large storms, erosion control and the reduction of sediment loading on our near shore ocean reefs, reservoirs also ensure a supply of potable drinking water (after treatment).

Reservoirs also help recharge our ground water aquifers by capturing storm water (for later release) that would otherwise rush to the ocean. There is growing evidence is that there will be a pattern of fewer, but larger storms separated by longer intervals of drought. If the large rainfall flows are not captured, overall ground water recharge may be significantly reduced. Groundwater is our primary source of drinking water and demand is relentlessly rising. We already face declining groundwater recharge every time we place hard impermeable surfaces (e.g. concrete) over previously open ground (agriculture).

The new Dam and Reservoir Safety rules will levy an additional burden on reservoir owners and Hawaii farmers. Fuel, labor, equipment, transportation, and other expenses are already higher in Hawaii than on the mainland, placing locally grown products at a competitive disadvantage. Inevitably, increased costs will be passed on to consumers and are counterproductive to efforts to grow more food in Hawaii. Some landowners will simply decommission their dams, abandon their reservoir systems and decide what to do with their now fallow lands when agriculture is no longer viable.

The issuance of Special Purpose Revenue Bonds will help owners and operators comply with the laws without placing undue burden on the already stressed state budget. Please lend your support for HB 2595.

Mahalo,

Chris Manfredi  
President



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

**LATE TESTIMONY**

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

February 23, 2012

HEARING BEFORE THE  
HOUSE COMMITTEE ON FINANCE

TESTIMONY ON HB 2595, HD1  
RELATING TO SPECIAL PURPOSE REVENUE BONDS TO ASSIST DAM AND  
RESERVOIR OWNERS.

Room 308  
12:00 PM

Chair Oshiro, Vice Lee, 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 2595, HD1, which provides special purpose revenue bonds to assist owners of dams and reservoirs.

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.