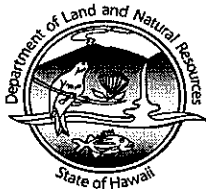


NEIL ABERCROMBIE
GOVERNOR OF HAWAII



**STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES**

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

**Testimony of
WILLIAM J. AILA, JR.
Chairperson**

**Before the House Committee on
LEGISLATIVE MANAGEMENT**

**Friday, March 30, 2012
2:05 P.M.
State Capitol, Conference Room 423**

**In consideration of
HOUSE CONCURRENT RESOLUTION 36
REQUESTING THE AUDITOR TO CONDUCT A FOLLOW-UP
AUDIT OF THE MANAGEMENT OF STATE BOATING
FACILITIES BY THE DIVISION OF BOATING AND OCEAN
RECREATION OF THE DEPARTMENT OF LAND AND
NATURAL RESOURCES**

House Concurrent Resolution 36 requests that the Auditor conduct a follow-up audit of the management of State Boating facilities particularly in regards to the Ala Wai Small Boat Harbor. Although the Department of Land and Natural Resources (Department) welcomes an audit of its Division of Boating and Ocean Recreation (DOBOR), it does not see the need to have a follow-up audit as it is still in the process of implementing the recommendations of the 1993, 1998, and 2001 Legislative audits as well as the 2006 Legislative financial audit. Further, DOBOR is also audited annually as a part of the Department's financial audit.

Statewide, DOBOR has completed over \$113 million in Capitol Improvement Projects (CIP) statewide since 2001. In regards to the Ala Wai Small Boat Harbor, DOBOR has completed over \$7 million in CIP and renovated or replaced over 60% of all slips at the Ala Wai Small Boat Harbor within the past ten years. CIP included replacing aging sewer, water and utility lines, building a new sewer lift station, building transient docks and ensuring that the harbor is Americans with Disability Act of 1990 (ADA) compliant. DOBOR is currently replacing docks on the 700 row and expects to replace all of the 700 row docks in early 2013.

WILLIAM J. AILA, JR.
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

GUY H. KAULUKUKUI
FIRST DEPUTY

WILLIAM M. TAM
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAIHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

000007



March 29, 2012

P.O. Box 1554
Kailua Kona, HI 96745
www.hawaiiifishingandboating.com

COMMITTEE ON LEGISLATIVE MANAGEMENT

Rep. Kyle T. Yamashita, Chair

Rep. James Kunane Tokioka, Vice Chair

HEARING on HCR 36

DATE: Friday, March 30, 2012

TIME: 2:05pm

PLACE: Conference Room 423

Support for HCR 36

Even a cursory review of DLNR BORs annual profit and loss analyses raises numerous questions about fiscal mismanagement and ineptitude, and with several DOBOR employees suspected of, or being charged with million dollar malfeasance it is time for a through legislative audit of the DOBOR.

Concerns:

- 1) DOBOR's new enterprise software has been a colossal failure that has cost the Division hundreds of thousands of dollars in lost employee time, duplicative paperwork and lost revenues;
- 2) hundreds of thousand of dollars worth of water are being wasted at small boat harbors all over the state due to failing infrastructure, yet there is no planning being undertaken to repair and replace leaky pipes and fittings;
- 3) inept, non-responsive and obstructive management of commercial activities and DOBOR lands has cost the Division millions of dollars in lost revenues;
- 4) One DOBOR employee on Oahu has been convicted of theft and apparently two employees on Maui are being investigated for financial improprieties. Does it stop there or is this epidemic?

These are just some of the examples of failed management and fiscal concerns. It is time for the Legislature to investigate with a follow-up audit.

Mahalo,

Rick Gaffney, Government Relations Liaison

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Comments:

Boaters can not get any response from DLNR Please review of DLNR BORs annual profit and loss analyses I feel this would raise numerous questions about fiscal mismanagement and ineptitude, and with several DOBOR employees suspected of, or being charged with million dollar malfeasance it is time for a through legislative audit of the DOBOR.

Concerns:

- 1) DOBOR's new enterprise software has been not worked from day one other than, making duplicative paperwork and lost revenues;
- 2) Hundreds of thousand of dollars worth of water is being wasted at small boat harbors all over the state due to failing infrastructure, yet there is no planning being undertaken to repair and replace leaky pipes and fittings;
- 3) Inept, non-responsive and obstructive management allowing illegal activities in harbors and DOBOR lands has cost the Division millions of dollars in lost revenues;
- 4) One DOBOR employee on Oahu has been indicted for theft and apparently two employees on Maui are being investigated for financial improprieties. Does it stop there or is this epidemic?
- 5) Harbor master at the Ala wai turns blind eyes to **non-paying and non permit boats** in slips & slip deals and boats that do not even pass as a sea worthy. Are passed. I HAVE BEEN ASKING FOR HELP FOR WEEKS ON A MATTER THAT IS NOW IN THE COURTS system Because of a DO NOTHING mangment.
- 6) In addition there is an alarming increase in unauthorized traffic and illegal activity along the 800 & 700 piers of the Alawai. I have witnessed fights, drug activity, illegal occupancy; HPD has said their hands are tied do to DLNR so nothing ever gets done.

These are just some of the examples of failed management and fiscal concerns. It is time for the Legislature to investigate.

Curtis Collins

SV siesta slip 805



Holy Grail, Inc.

your 51' private luxury charter sailboat

March 28, 2012

House Committee on Legislative Management
Representative Kyle T. Yamashita, Chair
Representative James Kunane Tokioka, Vice Chair
Representative Joey Manahan
Representative Gene Ward

RE: STRONG SUPPORT FOR HCR 36

Aloha Chairperson Yamashita, and Committee members,

There could not be a more crucial time for the State Auditor to revisit the two previous audits of DOBOR. As a charter captain operating a sail boat in Honokohau Harbor for nearly five years, I am in the harbor almost every day, and I see neglected maintenance, filthy rest rooms, unsafe docks, overflowing trash, wasted water left running into the harbor and other issues that can and should be corrected by attentive management. What I never see is harbor management walking the facilities so they can see these failures for themselves.

Two years ago, the District Manager hastily called a meeting of harbor permit holders and other stakeholders to announce that Pay Parking would be instituted within two weeks. Can you imagine Pay Parking on unpaved, unmarked dirt lots which were 90% empty – lots on a dead end road, in a rural setting where no other businesses or residences competed for the space, lots that that are so unimproved, they will not qualify for ADA – Pay Parking to raise revenue, while water hoses are left running into the harbor because the high pressure would not permit nozzles without bursting them. This is a thumbnail sketch of DOBOR harbor management.

On the day of the meeting, stakeholders began talking and organized the Hawaii Fishing & Boating Association, of which I am a founding member, and former Director and Secretary. Today there are about 2350 members, all dedicated to improving harbor conditions, which must start with acquiring new management. Hawaii's Small Boat Harbor program has been failing since I have been observing them in 1964. There is a Bill before the Legislature, HB 2398, to create a Honokohau Marina development District which goes to the core of providing a new management paradigm for this all all small boat harbors in Hawaii.

The results of a new State audit would support progress throughout the entire system and demonstrate the urgent need to bring enhanced revenues into the state through vigorous boater programs. Hawaii has the lowest percentage of boat registrations per capita of any of the fifty states, lower than Kansas, Nebraska, Oklahoma or any other dry inland state, and it is because the boating facilities are grossly mismanaged.

Please vote in favor of HCR 36 and send it on to the Finance Committee. In addition, I respectfully request that each of you support the Bill when it comes to a vote on the floor.

Respectfully,

Howard R. Conant

Amy Luke

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 28, 2012 5:47 PM
To: LMGtestimony
Cc: chiripa@hawaiiantel.net
Subject: Testimony for HCR36 on 3/30/2012 2:05:00 PM

Testimony for LMG 3/30/2012 2:05:00 PM HCR36

Conference room: 423
Testifier position: Support
Testifier will be present: No
Submitted by: William Crawford
Organization:
E-mail: chiripa@hawaiiantel.net
Submitted on: 3/28/2012

Comments:

The Boating Piublic in the Hawaiian Islands has been Fighting for a fare shake for 40 Years.We pay for Everything and Get Nothing except Ignored...Pass HCR36 might be a way to find out where our Money Goes.Thank You for passing this...

Amy Luke

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, March 29, 2012 6:21 AM
To: LMGtestimony
Cc: costbenefit@hawaii.rr.com
Subject: Testimony for HCR36 on 3/30/2012 2:05:00 PM

Testimony for LMG 3/30/2012 2:05:00 PM HCR36

Conference room: 423
Testifier position: Support
Testifier will be present: No
Submitted by: Diana Cummings
Organization: Individual
E-mail: costbenefit@hawaii.rr.com
Submitted on: 3/29/2012

Comments:

Amy Luke

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 28, 2012 4:00 PM
To: LMGtestimony
Cc: kappahi@earthlink.net
Subject: Testimony for HCR36 on 3/30/2012 2:05:00 PM

Testimony for LMG 3/30/2012 2:05:00 PM HCR36

Conference room: 423
Testifier position: Support
Testifier will be present: No
Submitted by: Robert Duerr
Organization: Individual
E-mail: kappahi@earthlink.net
Submitted on: 3/28/2012

Comments:
Audit DBOR. Why not?

Testimony in *Support* of

HCR36- REQUESTING THE AUDITOR TO CONDUCT A FOLLOW-UP AUDIT OF THE MANAGEMENT OF STATE BOATING FACILITIES BY THE DIVISION OF BOATING AND OCEAN RECREATION OF THE DEPARTMENT OF LAND AND NATURAL RESOURCES.

Testimony provided by David Foote, PO Box 743, Volcano, HI 96785 dfoote808@gmail.com

For the consideration of the COMMITTEE ON LEGISLATIVE MANAGEMENT

HOUSE OF REPRESENTATIVES, THE TWENTY-SIXTH LEGISLATURE, REGULAR SESSION OF 2012

Rep. Kyle T. Yamashita, Chair

Rep. James Kunane Tokioka, Vice Chair

Rep. Robert Herkes, representing my district

DATE: Friday, March 30, 2012

TIME: 2:05pm

PLACE: Conference Room 423, State Capitol, 415 South Beretania Street, Honolulu, Hawaii

Dear Representative Yamashita and honorable Committee Members,

I am writing to express my support of HBR36 ([HSCR963-12](#)) requesting the auditor to conduct a follow-up audit of the management of the boating facilities operated by the Hawaii Department of Land and Natural Resources Division of Boating and Ocean Recreation (DOBOR). Since the last comprehensive audit of DOBOR there has been a decline in the level of service provided to East Hawaii and the state's second largest port, in Hilo. At the time of the previous audit, DOBOR employed a full-time harbor master and administrative assistant in Hilo to oversee and provide services to boaters in Hilo Bay. Currently there is no staff with full time duty station in Hilo. There has been a staffing reduction in East Hawaii of at least 50%, despite Hilo Bay offering exception opportunities for residents and visiting boaters. This has been coupled with a loss of public parking at the Wailoa Small Boat Harbor (drive by any day and count the number of vacant "permit only" stalls). At the time of the previous audit, boaters widely criticized the state for reducing rather than expanding services in Hilo Bay, including the loss of state haul-out and storage facilities. Internationally recognized experts on boating facilities at that time commented on the lack of facilities available in Hilo Bay (see any of 5 editions of Earl Hinz's Landfalls of Paradise <http://www.amazon.com/Landfalls-Paradise-Cruising-Pacific->

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Latitude/dp/0824830377). This issue has been recently restated in a January 2012 letter to the editor of the Hawaii Tribune Herald by Mr. John Luchau (see "Make Bay a Priority" January 24th, <http://hawaiitribune-herald.com/sections/commentary/your-views/your-views-jan-24.html>).

Meanwhile, in addition to staffing reductions in Hilo by DOBOR, their business practices have recently been called into question by local news media (see "Contractor's license questioned..." in the December 7, 2011 issue of West Hawaii Today, <http://kona.westhawaii.com/sections/news/local-news/contractors-license-questioned-harbor-work.html>).

From the perspective of a long-term boater on the Big Island, there is ample reason to have concern over the fiscal management of DOBOR and how it sets its priorities (if the state is saving funds by hiring unlicensed contractors, where are those savings going?). Boaters in East Hawaii need accountability and an explanation for why services continue to erode away in Hilo Bay.

Respectfully submitted by

David Foote

Amy Luke

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, March 29, 2012 8:25 AM
To: LMGtestimony
Cc: bhaywood@mauijim.com
Subject: Testimony for HCR36 on 3/30/2012 2:05:00 PM

Testimony for LMG 3/30/2012 2:05:00 PM HCR36

Conference room: 423
Testifier position: Support
Testifier will be present: No
Submitted by: William Haywood
Organization: Individual
E-mail: bhaywood@mauijim.com
Submitted on: 3/29/2012

Comments:

Follow the money and you will find the truth. You will never get there without a real audit.

Amy Luke

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 28, 2012 4:22 PM
To: LMGtestimony
Cc: lilley.j@gmail.com
Subject: Testimony for HCR36 on 3/30/2012 2:05:00 PM

Testimony for LMG 3/30/2012 2:05:00 PM HCR36

Conference room: 423
Testifier position: Support
Testifier will be present: No
Submitted by: Jeff Lilley
Organization: Individual
E-mail: lilley.j@gmail.com
Submitted on: 3/28/2012

Comments:

There is simply NO question that DOBOR and its related operations are in need of an outside audit. The idea that the audit is not needed because they are still working through the recommendations of audits from the 1990s is evidence in itself of the need for more oversight.

It seems clear to me as a voter that our legislative body would want to look into any division that has seen such blatant mismanagement and convictions of employees for theft of funds.

Please do not allow DOBOR to convince you to look the other way. If they are doing a great job, the audit will show it. If they are not, the audit can be used to improve management and services. This should not be a hard decision.

Amy Luke

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 28, 2012 7:03 PM
To: LMGtestimony
Cc: robesbierto@gmail.com
Subject: Testimony for HCR36 on 3/30/2012 2:05:00 PM

Testimony for LMG 3/30/2012 2:05:00 PM HCR36

Conference room: 423
Testifier position: Support
Testifier will be present: No
Submitted by: Robert O'Conner
Organization: Individual
E-mail: robesbierto@gmail.com
Submitted on: 3/28/2012

Comments:

As a registered boat owner and holder of a mooring permit in the State of Hawaii I support HCR36 and believe there should be an audit.

Amy Luke

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, March 29, 2012 10:33 AM
To: LMGtestimony
Cc: susan.d.oliver@gmail.com
Subject: Testimony for HCR36 on 3/30/2012 2:05:00 PM

Testimony for LMG 3/30/2012 2:05:00 PM HCR36

Conference room: 423
Testifier position: Support
Testifier will be present: No
Submitted by: Susan Oliver
Organization: Individual
E-mail: susan.d.oliver@gmail.com
Submitted on: 3/29/2012

Comments:

The incredible and easily observed decay and mismanagement of Hawaii State harbors and boating facilities drives boaters away from our islands. In Southeast Asia, where I have recently sailed (Malaysia, Thailand, and surrounding country Cambodia) word is out that it is best to avoid Hawaii as a stop when sailing transpacific. The consensus is: Hawaii has unfriendly harbors and no where to berth, even after 1000s of miles at sea. What a shame to have this reputation in the sailing world. What revenue we miss as those potential sailors avoid the area could make the difference in how the residents of this state enjoy and use the harbors. They are a mess, fees are paid, where are the improvements? Now DLNR/DOBOR want to charge more for the harbors that can barely be called harbors! An audit will reveal what is not being done. We need a new management there. I am a pleasure boater, had a slip in Honokohau and was evicted over unclear rules and ambiguous instruction from harbor personal. Let's all get on the same team. Let's get on the water, accommodate everyone that wants to enjoy our Hawaiian heritage, have a safe and relevant harbor that welcomes all. Aloha.

Amy Luke

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, March 29, 2012 1:37 PM
To: LMGtestimony
Cc: cascadesunrise@hotmail.com
Subject: Testimony for HCR36 on 3/30/2012 2:05:00 PM

Testimony for LMG 3/30/2012 2:05:00 PM HCR36

Conference room: 423
Testifier position: Support
Testifier will be present: Yes
Submitted by: Les Parsons
Organization: Individual
E-mail: cascadesunrise@hotmail.com
Submitted on: 3/29/2012

Comments:

Dear Representative Yamashita and members of the House Legislative Management Committee.

Thank you for this opportunity to testify.
I have been an Ala Wai Harbor tenant for over 10 years.

I and others were very apprehensive this Resolution might die this session. We believe It's very, very important that it clear this and other Committees. We hope you will agree!

"Management" is a part of the name of this committee, and should members read (or even just scan) previous reports issued by the Office of the Auditor you'd see the unflattering and regrettable term "MISmanagement" prominent in the text.

Boaters throughout the state could cite numerous examples of the failings and ineptitude of DOBOR personnel at all levels of this entrenched bureaucracy.
They presume to be our overlords, and harbor tenants are seen as mere subjects who need not be listened to or consulted.

Bothersome to me personally are instances of stunning rudeness and dismissiveness on the part of certain DOBOR officials.


Why? Because I've at times said things they don't want to hear? Or submitted critical testimony in numerous Legislative hearings?

I'm not going to stop now.

I hope to be allowed to bring up but one topic in oral testimony. I'll try to be brief and to the point.

Another audit of DOBOR is very much needed...please approve this measure which received wide support in the WLO Committee as well as in the written testimony received by WLO.
The Resolution text speaks for itself, and a recent criminal prosecution and conviction would seemingly amplify the calls for further investigation.

Thank you for your attention, and Aloha.

Les Parsons
Ala Wai Boat Harbor


Amy Luke

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 28, 2012 5:54 PM
To: LMGtestimony
Cc: grobb@hawaii.rr.com
Subject: Testimony for HCR36 on 3/30/2012 2:05:00 PM

Testimony for LMG 3/30/2012 2:05:00 PM HCR36

Conference room: 423
Testifier position: Comments Only
Testifier will be present: No
Submitted by: Gary
Organization: Individual
E-mail: grobb@hawaii.rr.com
Submitted on: 3/28/2012

Comments:
please pass this legislation.

Amy Luke

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, March 29, 2012 8:08 AM
To: LMGtestimony
Cc: gwsheehan@gmail.com
Subject: Testimony for HCR36 on 3/30/2012 2:05:00 PM

Testimony for LMG 3/30/2012 2:05:00 PM HCR36

Conference room: 423
Testifier position: Support
Testifier will be present: No
Submitted by: gary sheehan
Organization: Individual
E-mail: gwsheehan@gmail.com
Submitted on: 3/29/2012

Comments:

Please pass this Bill- accountability is important and needed

Amy Luke

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, March 29, 2012 9:55 AM
To: LMGtestimony
Cc: kmsmargaret@hawaiiantel.net
Subject: Testimony for HCR36 on 3/30/2012 2:05:00 PM

Testimony for LMG 3/30/2012 2:05:00 PM HCR36

Conference room: 423
Testifier position: Support
Testifier will be present: No
Submitted by: Margaret Smith Piere
Organization: Individual
E-mail: kmsmargaret@hawaiiantel.net
Submitted on: 3/29/2012

Comments:

i SUPPORT THE MEASURE FOR A FOLLOW UP AUDIT OF THE MANAGEMENT OF STATE BOATING FACILITIES.
I DAILY SEE THE ADVERSE RESULTS OF WHAT I CONSIDER GROSS MISMANAGEMENT OF THESE FACILITIES.

Amy Luke

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 28, 2012 4:05 PM
To: LMGtestimony
Cc: concernedboater@hawaii.rr.com
Subject: Testimony for HCR36 on 3/30/2012 2:05:00 PM

Testimony for LMG 3/30/2012 2:05:00 PM HCR36

Conference room: 423
Testifier position: Oppose
Testifier will be present: No
Submitted by: Bob Winter
Organization: Individual
E-mail: concernedboater@hawaii.rr.com
Submitted on: 3/28/2012

Comments:

Aloha,

I strongly support and audit of DOBOR.

Given numerous examples of fiscal mismanagement including, 10 -15% vacancy rates while waiting lists extend for 5 years or longer, steadily increasing fees with steadily diminishing services, and outright theft; I believe it is imperative that the residents of Hawaii have a clear understanding of how their fees and taxes are spent.

A properly managed division would have no need to resist the idea of an audit. Any testimony trying to prevent an audit should be considered a clear indicator of the need for such an audit.

Thank you for your consideration.

Bob Winter

Amy Luke

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 28, 2012 3:21 PM
To: LMGtestimony
Cc: gwood.inja@gmail.com
Subject: Testimony for HCR36 on 3/30/2012 2:05:00 PM

Testimony for LMG 3/30/2012 2:05:00 PM HCR36

Conference room: 423
Testifier position: Support
Testifier will be present: No
Submitted by: Gordon Wood
Organization: Individual
E-mail: gwood.inja@gmail.com
Submitted on: 3/28/2012

Comments:

As a taxpayer, employer, citizen and avid boater and DOBOR client, I strongly support a follow-up audit of DOBOR. The Director's statement that DOBOR is still pursuing compliance with findings of past audits points out the need for extraordinary oversight of this failed agency.