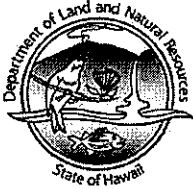


SB2667

Establishes a joint legislative committee to delineate the meaning of water security and establish benchmarks.

NEIL ABERCROMBIE
GOVERNOR OF HAWAII



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

POST OFFICE BOX 621
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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
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

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

**Before the Senate Committee on
WATER, LAND & HOUSING**

**Friday, February 9, 2012
1:15 P.M.
State Capitol, Conference Room 225**

**In consideration of
SENATE BILL 2667
RELATING TO WATER**

Senate Bill 2667 establishes a joint legislative committee to delineate the meaning of water security and establish benchmarks to track improvements in water security in order to provide for reliable, adequate, and sustainable water systems to meet current and future agricultural and population needs. The Commission on Water Resource Management (Commission) and the Department of Land and Natural Resources (Department) appreciate the intent of this measure; however, the Department believes the measure is unnecessary for the following reasons.

The Commission and State Water Code were established pursuant to the Hawaii State Constitution to expressly accomplish what this measure seeks to achieve, that is to ensure the long-term protection and sustainability of our State's water resources while also seeking to obtain maximum beneficial use for purposes such as domestic, agricultural, commercial, and industrial uses. The Commission achieves these objectives through a comprehensive program of water resource monitoring and data collection, long-range planning, and regulatory controls.

To carry out these programs, the Commission maintains a staff of experts, including hydrologists, geologists, engineers, and planners that cooperate and collaborate with federal agencies, other state agencies, the counties, and any other public and private agencies that have an interest in the utilization and conservation of water resources. The outcome of this collaboration and consultation is the establishment of policies that guide water resource management decision-making by the Commission.

For example, in the case of ground water, the Commission has delineated aquifer systems and established sustainable yields statewide. Sustainable yields define the upper limit for withdrawal of ground waters to ensure that withdrawals do not exceed recharge (i.e., withdrawals are limited to the amount that will be naturally replenished through precipitation). When existing and

planned withdrawals reach 90% of an aquifer's sustainable yield, the Commission may designate an area as a water management area, which results in additional regulation through a water use permitting system. Once an area has been designated a water management area, the Commission may only issue permits up to the sustainable yield limit. In this way, the long-term reliability, adequacy, and sustainability of ground water resources is ensured. Similarly, in the case of surface water, the Commission has established interim instream flow standards (IIFS) for every stream statewide. The IIFS serves to protect instream uses and ensures the sustainability of surface water resources, while allowing the diversion of stream water for beneficial offstream uses.

Water resource policies such as sustainable yields and instream flow standards are established in the Water Resource Protection Plan, one of five components of the Hawaii Water Plan, a long-range, comprehensive water planning document that is mandated under the Water Code. The other four components of the Hawaii Water Plan are:

- 1) Water Quality Plan, prepared by the Department of Health to protect the public health and sensitive ecological systems by preserving, protecting, restoring and enhancing the quality of ground and surface waters throughout the State;
- 2) State Water Projects Plan, prepared by the Department's Engineering Division to provide a framework for planning and implementation of water development programs to meet projected water demands for state projects;
- 3) Agricultural Water Use and Development Plan, prepared by the Department of Agriculture to develop a long-range management plan that assesses state and private agricultural water use, supply, and irrigation water system maintenance and repair; and
- 4) County Water Use and Development Plans, prepared by each of the four counties, to set forth the allocation of water to land use within each county.

The Hawaii Water Plan seeks to integrate land use and water planning and to coordinate the development of water resources within the protection framework established by the Water Resource Protection and Water Quality Plans. The implications of land use policies on water resources are examined over a 20-year time frame to identify the future needs of various water use sectors. Each county is charged with developing a coordinated source development plan to meet current and future demands based on inputs from the State Water Projects Plan and Agricultural Water Use and Development Plan.

Through the State Water Code, the Legislature has already devised a means to address water resource security and develop coordinated long-term allocation strategies. The Commission's implementation of the State Water Code is an appropriate mechanism for addressing the need for water resource sustainability and ensuring sufficient quantities of water are available to meet the needs of current and future generations.

Thank you for the opportunity to comment.



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

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February 9, 2012

HEARING BEFORE THE
SENATE COMMITTEE ON WATER LAND AND HOUSING

TESTIMONY ON SB 2667
RELATING TO WATER

Room 322255
1:15 AM

Chair Dela Cruz, Vice Chair Solomon, and Members of the Committee:

I am Dean Okimoto, President of 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.

Hawaii Farm Bureau Federation is in strong support of this measure with suggested amendments.

Changing weather conditions make water one of the most important risks facing farmers and ranchers. As Hawaii moves towards increased self sufficiency and sustainability, efforts must be taken to reduce risks borne by farms and ranches. When borne alone, farm and ranch viability is reduced to points in which farmers and ranchers must make the hard decision of whether their enterprise can support their families or survive as a business.

This year, the Hawaii Farm Bureau Federation has introduced a number of measures – all of which address various issues associated with increasing farm and ranch viability. Water is among the most important. Agriculture is not asking for a priority. We are asking that it be recognized as a public trust interest consistent with the State's goal of increased sustainability and self sufficiency, as highlighted in the State Constitution.

We appreciate this opportunity to discuss this important matter. HFBB respectfully requests your consideration of this measure as a means to reduce farm and ranch risks. We want to keep our farmers and ranchers in the field growing crops and raising livestock – not in courtrooms defending their right to their most critical resource. Agriculture is the entity that is needed to provide for Hawaii's self sufficiency and sustainability and therefore is a public trust interest.

We respectfully request that a policy statement about the importance of water and agriculture be included in State statute.

Thank you.



Hawaii Cattlemen's Council, Inc.

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SENATE COMMITTEE ON WATER, LAND & HOUSING

Thursday February 9, 2012 9:15 am Room 225

SB 2667 RELATING TO WATER

Chairman Dela Cruz, Vice Chair Solomon and Members of the Committee:

My name is Alan Gottlieb, and I am a rancher and the Government Affairs Chair for the Hawaii Cattlemen's Council. The Hawaii Cattlemen's Council, Inc. (HCC) is the Statewide umbrella organization comprised of the five county level Cattlemen's Associations. Our 130+ member ranchers represent over 60,000 head of beef cows; more than 75% of all the beef cows in the State. Ranchers are the stewards of approximately 25% of the State's total land mass.

The Hawaii Cattlemen's Council **strongly supports** SB 2667 with the amendments as proposed by the Hawaii Farm Bureau Federation:

(b) It shall be a policy of the State, through its programs, authorities, and resources to make adequate provision of water resources for agricultural activities in furtherance of the State's self-sufficiency and sustainability, and water for such agricultural activities shall be deemed a public trust use.

Agriculture's long term success is dependent upon water. Farmers and ranchers need assurance about their access to water otherwise they cannot and will not invest in their businesses which help feed the people of our state. As they say "No water, no farmers. Any Questions?"

Thank you for giving me the opportunity to testify in favor of this very important issue.

**SB 2667
RELATING TO WATER**

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

FEBRUARY 9, 2012

Chair Dela Cruz and Members of the Senate Committee on Water, Land & Housing:

I am Paul Oshiro, testifying on behalf of Alexander & Baldwin, Inc. (A&B) and its agricultural company Hawaiian Commercial & Sugar Company on SB 2667, "A BILL FOR AN ACT RELATING TO WATER." We support this bill.

Hawaiian Commercial & Sugar Company (HC&S) has been in operation for over 125 years and is Hawaii's last remaining sugar plantation. HC&S has approximately 34,000 acres in active cultivation and employs about 800 Maui residents. While Hawaii's many other sugar companies have shut down over the years, HC&S has been fortunate, through significant investments in our agricultural infrastructure and operations and the implementation of our diversified bio-production program, to have sustained our operations and continue as a major employer in the State of Hawaii. Despite a current up tick in sugar prices, history has proven that commodity sugar prices will remain relatively flat, as they have over the last few decades, despite increasing production costs. Thus, HC&S has for a number of years been pursuing, and investing in, a transition from a primary producer of commodity sugar to the production of specialty sugar and bio-based products. In addition to being the main

supplier of Sugar In The Raw, the little brown packets of sugar seen at restaurants and coffee shops across the nation, HC&S is also expanding production and sales of our specialty Maui Brand Sugar.

HC&S also generates biomass produced electricity for its sugar milling, irrigation pumping, and other internal operations and provides electricity to Maui Electric Company (MECO) for general community use. The source of fuel for this biomass electricity is bagasse, the residual fiber of the sugar cane plant. Not only does HC&S provide approximately 6% of MECO's total electricity, HC&S is a firm power source to MECO (i.e. committed power delivery, not on an 'as available' basis), and has played a significant role in the restoration of MECO's electrical service during power outages.

In addition, HC&S is currently participating in significant new Hawaii-based research initiatives on biofuels, closely working with the University of Hawaii and various Federal agencies on energy crop development, energy conversion technologies, and long term resource requirements for biomass production. HC&S also provides water (through the County) to approximately 35,000 Upcountry Maui residents and to the Kula Agricultural Park.

This bill establishes a joint legislative committee to unify the efforts of State Agencies, County Agencies, and other stakeholders in developing water security strategies. Water is the basic natural resource that may directly determine the success or failure of an agricultural operation. We believe that the establishment of a water policy that provides crops and livestock with a dependable source of affordable water will provide an opportunity for sustaining agricultural operations in Hawaii.

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



Big Island Farm Bureau

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SENATE COMMITTEE ON WATER, LAND & HOUSING
Thursday February 9, 2012 9:15 am Room 225

SB 2667 RELATING TO WATER

Chairman Dela Cruz, Vice Chair Solomon and Members of the Committee:

My name is Lorie Farrell; I am the Executive Director for the Big Island Farm Bureau (BIFB); We are the largest general agriculture organization on Hawaii Island; striving to be the Voice of Agriculture and represent over 600 agricultural members & producers on the Island of Hawaii. We are unique in representing all agricultural commodities & utilize our diverse membership base to direct our policies. The Big Island Farm Bureau is directly related to the Hawaii Farm Bureau Federation and affiliated with the American Farm Bureau Federation.

The Big Island Farm Bureau **Strongly Supports** SB 2667 with the amendments as proposed by the Hawaii Farm Bureau Federation:

(b) It shall be a policy of the State, through its programs, authorities, and resources to make adequate provision of water resources for agricultural activities in furtherance of the State's self-sufficiency and sustainability, and water for such agricultural activities shall be deemed a public trust use.

Agriculture's long term success is dependent upon water. Farmers and ranchers need assurance about their access to water otherwise they cannot and will not invest in their businesses which help feed the people of our state and contribute to our sustainably and our economy.

Thank you for giving me the opportunity to testify in **SUPPORT** of this very important issue.

We respectfully ask that you **Support** this bill. Thank you for this opportunity to submit testimony. Please contact me via email or phone at (808) 885-8015.

*Mahalo,
Lorie Farrell*

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 09, 2012 3:21 AM
To: WLH Testimony
Cc: darakawa@lurf.org
Subject: Testimony for SB2667 on 2/9/2012 1:15:00 PM

Testimony for WLH 2/9/2012 1:15:00 PM SB2667

Conference room: 225
Testifier position: Support
Testifier will be present: No
Submitted by: David Arakawa
Organization: Land Use Research Foundation of Hawaii
E-mail: darakawa@lurf.org
Submitted on: 2/9/2012

Comments: