



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

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February 28, 2012

HEARING BEFORE THE
SENATE COMMITTEE ON WAYS AND MEANS

TESTIMONY ON SB 2856
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 SB 2856, which proposes a constitutional amendment authorizing the issuance of special purpose revenue bonds to assist dam and reservoir 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.



LAND USE RESEARCH
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February 27 2012

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

Support of SB 2856, 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.)

Tuesday, February 28, 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 **in support of SB 2856, and to offer comments.**

SB 2856. 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 SB 2856 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.

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 **support of SB 2856**, and respectfully urges your favorable consideration of this bill.

SB 2856

**PROPOSING AN AMENDMENT TO ARTICLE VII, SECTION 12, OF THE HAWAII
STATE CONSTITUTION TO ASSIST DAM AND RESERVOIR OWNERS**

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

FEBRUARY 28, 2012

Chair Ige and Members of the Senate Committee on Ways & Means:

I am Paul Oshiro, testifying on behalf of Alexander & Baldwin, Inc. (A&B) and Hawaiian Commercial & Sugar Company (a division of A&B) on SB 2856, “PROPOSING AN AMENDMENT TO ARTICLE VII, SECTION 12, OF THE HAWAII STATE CONSTITUTION TO ASSIST DAM AND RESERVOIR OWNERS.” We support this bill.

Alexander & Baldwin and its agricultural company Hawaiian Commercial & Sugar Company (HC&S) have 30 regulated reservoirs on Maui which are in active use by HC&S. 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 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.

In addition to serving as a valuable water resource for Hawaii's agricultural industry, dams and reservoirs also provide several other significant benefits to the general public. Many of these facilities also provide drinking water for residential communities, renewable energy by way of hydropower, and flood control and drainage for public safety.

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, may be 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 proposes an amendment to the State Constitution to authorize the issuance of special purpose revenue bonds and to use the proceeds from the bonds to

assist dam and reservoir owners. 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. 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 these special purpose revenue bonds, 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.

From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: Brenda.Kosky@gmail.com
Subject: Testimony for SB2856 on 2/28/2012 9:00:00 AM
Date: Monday, February 27, 2012 8:13:41 PM

Testimony for WAM 2/28/2012 9:00:00 AM SB2856

Conference room: 211
Testifier position: Oppose
Testifier will be present: No
Submitted by: Brenda Kosky
Organization: Individual
E-mail: Brenda.Kosky@gmail.com
Submitted on: 2/27/2012

Comments:

You know, I can see the State doing things to help gain resources for itself. But I have to say straight out, be accountable. If I were to buy land that had a Dam on it, it would be my own problem to upkeep. To stay to the States codes, to ensure that I took care of every aspect of the land I own, like most people. There are many to help in Hawaii, but why does someone who can afford such land, need the state to help them follow the codes and regulations for their own Dam???