

TESTIMONY BY KALBERT K. YOUNG
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE HOUSE COMMITTEE ON FINANCE
ON
HOUSE BILL NO. 1263, H.D. 1

February 25, 2013

RELATING TO IRRIGATION.

House Bill No. 1263, H.D. 1, authorizes the director of finance to issue general obligation bonds to finance improvements to various irrigation systems throughout the State.

The Department has technical comments on this bill. Federal tax law requires, among other things, that tax-exempt general obligation bond proceeds be used to finance projects that serve public purposes. As it appears that private entities may derive the benefit from this legislation, tax-exempt general obligation bond proceeds cannot be used for this purpose. The State would need to issue taxable general obligation bonds at a higher cost in order to allow the department of agriculture to provide financing assistance to private entities.

In addition, as public funding for these projects are not in the proposed Executive Budget, the annual debt service of approximately \$470,000 should also be proposed in the Legislature's budget.

Thank you for the opportunity to provide testimony on this measure.



Hawaii Crop Improvement Association

Growing the Future of Worldwide Agriculture in Hawaii

Testimony by Alicia Maluafiti

HB 1263 HD 1 – Relating to Irrigation
The House Committee on Finance

Monday, February 26, 2013
11:00 a.m., Room 308

HCIA 2012-2014 Board of Directors

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Alicia Maluafiti

Position: Support

Aloha Chair Luke, Vice Chairs Nishimoto and Johanson, and members of the Committee:

My name is Alicia Maluafiti, Executive Director of the Hawaii Crop Improvement Association, a nonprofit trade association representing Hawaii seed farmers. We are in strong support of HB 1263 HD 1 which authorizes the Director of Finance to issue GO bonds to finance improvements to various irrigation systems.

HCIA's member seed companies maintain operations on the islands of Kauai, Maui, Molokai and Oahu. They are vested in the agricultural future of this state and have already invested millions into improving the irrigation, buildings and other infrastructure. But our 100-year old irrigation systems owned and maintained by the state are in disrepair and facing serious maintenance issues. Any disruption in delivering water to farmers could severely impact their viability.

HCIA will continue to support bills that appropriate funds to fix Hawaii's failing irrigation systems critical to sustaining our farming and ranching operations statewide. We believe this bill offers a direct approach to addressing these challenges.

Mahalo for the opportunity to testify.

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February 25, 2013

HEARING BEFORE THE
HOUSE COMMITTEE ON FINANCE

TESTIMONY ON HB 1263, HD1
RELATING TO IRRIGATION

Room 308
11:00 AM

Chair Luke, Vice Chair Nishimoto, Vice Chair Johanson, 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 1,950 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 1263, HD1 appropriating funds for irrigation systems across the State. This measure is one of HFBF's priority measures and part of a systematic effort to increase access to water by our farmers and ranchers.

Many of these irrigation systems are old and some have been in disuse for a period of time. The repair and maintenance of these systems is critical because our farmers and ranchers depend on these irrigation systems for their operations. Water is a basic necessity for farmers and ranchers to maintain and expand their production. The reliability of water is a key factor for our farmers and ranchers when decided to expand their operations.

Several systems have been included in this measure. The funds are directed to the Hawaii Department of Agriculture's Agricultural Resource Management Division. We will defer to them for final numbers of what is needed for the systems at this time.

We respectfully request your strong support of this measure.

Thank you for the opportunity to testify.



Local Food Coalition

HOUSE COMMITTEE ON FINANCE
Monday, February 25, 2013 11:00 a.m. Room 308

HB1263, HD1 RELATING TO IRRIGATION

Authorizes the director of finance to issue GO bonds to finance improvements to various irrigation systems.

Chair Luke, Vice Chair Nishimoto, Vice Chair Johanson, and Members of the Committee:

My name is Dean Okimoto, and I represent the Local Food Coalition on this matter.

The Local Food Coalition (LFC) brings together farmers, ranchers, livestock producers, investors and other leading organizations, who collectively manage more than 1 million acres of land, and produce the majority of food in our state. Solving our challenge of increasing the local food supply — putting more local food on local plates — can best be accomplished by bringing people and organizations together who can work on the entire food value chain in a systematic way.

The Local Food Coalition strongly supports HB 1263, HD1.

Many of these irrigation systems are old and some have been in disuse for a period of time. The repair and maintenance of these systems is critical because our farmers and ranchers depend on these irrigation systems for their operations. Water is a basic necessity for farmers and ranchers to maintain and expand their production. The reliability of water is a key factor for our farmers and ranchers when decided to expand their operations.

Several systems have been included in this measure. The funds are directed to the Hawaii Department of Agriculture's Agricultural Resource Management Division. We will defer to them for final numbers of what is needed for the systems at this time.

Thank you for the opportunity to testify in strong support on this matter of great importance to Hawaii's farmers and ranchers.



Email: communications@uluponoinitiative.com

HOUSE COMMITTEE ON FINANCE
Monday, February 25, 2013 — 11 a.m. — Room 308

Ulupono Initiative Strongly Supports HB 1263 HD1, Relating to Irrigation

Chair Luke, Vice Chairs Nishimoto and Johanson, and Members of the Committee:

My name is Kyle Datta and I am General Partner of the Ulupono Initiative, a Hawai'i-based impact investment firm that strives to improve the quality of life for the people of Hawai'i by working toward solutions that create more locally grown food, increase renewable energy, and reduce/recycle waste. Ulupono invests in projects that have the potential to create large-scale, innovative change.

Ulupono supports HB 1263, which appropriates funding for capital improvement projects to various irrigation systems statewide, providing the much-needed water to help diversified agriculture and local food production to continue to grow.

This bill recognizes that all agriculture needs a reliable and water supply for consistent production, as evidenced by prolonged drought conditions and their devastating effects.

This request represents a modest investment with a long-term community good: Kekaha Ditch System (Menehune Ditch), Waimea, Kaua'i = \$45,000; East Kaua'i Irrigation System, Kaua'i = \$75,000; Ka'u Irrigation System, Big Island = \$2.5 million. Wai'ahole Irrigation System, O'ahu = \$3 million.

Ulupono has joined with a diverse group of organizations who have come together for the first time as the Local Food Coalition to support proposals designed to help grow more local food. The coalition brings together farmers, ranchers, livestock producers, investors and other organizations. The idea is that putting more local food on local plates can best be accomplished by bringing people and organizations together who can work on the entire food value chain in a systematic way.

We believe that working together we can help produce more local food, support an economically strong homegrown agriculture industry, which strengthens our community with fresh, healthy food. Thank you for this opportunity to testify.

Respectfully,
Kyle Datta
General Partner



FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Friday, February 22, 2013 10:42 PM
To: FINTestimony
Cc: tabraham08@gmail.com
Subject: *Submitted testimony for HB1263 on Feb 25, 2013 11:00AM*

HB1263

Submitted on: 2/22/2013

Testimony for FIN on Feb 25, 2013 11:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Troy Abraham	Individual	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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