

SB2294
Testimony

TESTIMONY BY KALBERT K. YOUNG
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE SENATE COMMITTEE ON AGRICULTURE
ON
SENATE BILL NO. 2294

January 28, 2014

RELATING TO IRRIGATION.

Senate Bill No. 2294 authorizes the director of finance to issue general obligation bonds to finance capital improvements for 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 funding for these projects were not in the proposed Executive Budget, the annual debt service related to this proposed authorization of general obligation bonds should also be included in the Legislature's budget.

From a policy perspective, the Legislature should seriously consider the implications of using public funds to benefit private entities or private property owners especially for what is the appropriate threshold of public benefit for such appropriations.

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

From: mailinglist@capitol.hawaii.gov
To: [AGL Testimony](#)
Cc: legechair@gmail.com
Subject: Submitted testimony for SB2294 on Jan 28, 2014 14:45PM
Date: Saturday, January 25, 2014 8:14:57 PM

SB2294

Submitted on: 1/25/2014

Testimony for AGL on Jan 28, 2014 14:45PM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Simon Russell	Hawaii Farmers Union United	Support	No

Comments: There is a distinct possibility that agricultural water will be used for development, the bill should specify that these bonds are only for agricultural irrigation improvements, as the water supply is finite, and must be preserved for the agricultural usage that must be available in perpetuity.

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P.O. Box 253, Kunia, Hawai'i 96759
Phone: (808) 848-2074; Fax: (808) 848-1921
e-mail info@hfbf.org; www.hfbf.org

January 28, 2014

HEARING BEFORE THE
SENATE COMMITTEE ON AGRICULTURE

TESTIMONY ON SB 2294
RELATING TO IRRIGATION

Room 229
2:45 PM

Aloha Chair Nishihara, Vice Chair Kouchi, and Members of the Committee:

I am Christopher Manfredi, President of the Hawaii Farm Bureau Federation (HFBF). Organized since 1948, the HFBF is comprised of 1,832 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 2294 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 for our farmers and ranchers.

Many of these irrigation systems are antiquated and have atrophied over 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 availability is a basic necessity for farmers and ranchers to maintain and expand their production, particularly in times or drought manifested on many islands as a result of a changing climate. Moreover the reliability of water is a key factor for our farmers and ranchers when deciding to expand their operations.

The funds for Hawaii's irrigation systems are directed to the Hawaii Department of Agriculture's Agricultural Resource Management (ARM) 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 comment on this measure.

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To: [AGL Testimony](#)
Cc: gottlieb@hawaii.rr.com
Subject: *Submitted testimony for SB2294 on Jan 28, 2014 14:45PM*
Date: Monday, January 27, 2014 2:39:39 PM

SB2294

Submitted on: 1/27/2014

Testimony for AGL on Jan 28, 2014 14:45PM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Alan Gottlieb	Hawaii Cattlemen's Council	Support	No

Comments:

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STATE OF HAWAII
AGRIBUSINESS DEVELOPMENT CORPORATION

235 S. Beretania Street, Room 205
Honolulu, HI 96813
Phone: (808) 586-0186 Fax: (808) 586-0189

TESTIMONY OF JAMES J. NAKATANI
EXECUTIVE DIRECTOR
AGRIBUSINESS DEVELOPMENT CORPORATION

BEFORE THE SENATE
COMMITTEE ON AGRICULTURE

Tuesday, January 28, 2014
2:45 p.m.
State Capitol
Conference Room 229

SENATE BILL NO. 2294
RELATING TO IRRIGATION

Chairperson Nishihara and Members of the Committee:

Thank you for the opportunity to testify on Senate Bill No. 2294 relating to irrigation. This measure seeks to provide funding for improvements to various irrigation systems by allowing the director of finance to issue general obligation bonds. The Agribusiness Development Corporation (ADC) supports the intent of this bill.

To ensure that Hawaii's agricultural crops receive a reliable source of water, it is imperative to provide sufficient funding to maintain and improve our State's irrigation systems. With the recent acquisition of 1,723-acres of Galbraith land in Wahiawa, ADC has the added responsibility to provide irrigation to the farmers at a cost estimated to be around \$8 million dollars. Further, ongoing droughts and

deferred maintenance have only emphasized the need for the repair of the irrigation systems in Hawaii. The Waiahole Water System four steel siphons which ADC maintains built over 100 years ago requires corrective maintenance to address leaks along the system. An additional \$5 million dollars is required to cover the construction cost for the siphon repairs. The cost to the Black pipe siphon rehabilitation project in Kekaha, Kauai will also require an additional \$1 million dollars as well. This bill would provide the additional funding needed for enhancements and maintenance to certain irrigation systems. ADC respectfully requests that the Committee pass this bill.

Thank you.

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Cc: cocolafo@gmail.com
Subject: *Submitted testimony for SB2294 on Jan 28, 2014 14:45PM*
Date: Sunday, January 26, 2014 8:20:40 PM

SB2294

Submitted on: 1/26/2014

Testimony for AGL on Jan 28, 2014 14:45PM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
behrendt sara	Individual	Support	No

Comments:

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Subject: Submitted testimony for SB2294 on Jan 28, 2014 14:45PM
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SB2294

Submitted on: 1/24/2014

Testimony for AGL on Jan 28, 2014 14:45PM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Brad Parsons	Individual	Support	No

Comments: Senators: Having gone up into the mountains and looked at the terrible condition of many of the irrigation ditches around Hawaii, I have thought for a number of years that this should be a vital capital improvement project that needs to be done. If it takes bond financing to do it, then I support this bill SB2294 for that purpose. I notice that your first draft of the bill leaves blank the amount of general obligation bonds that might be authorized. I happen to have put pencil to paper on this a couple years ago and I can tell you it will not be cheap. I would recommend a modest first authorization of at least \$50 million dollars for this statewide. Would hope that BLNR/DLNR gives you testimony on this, but I can see a thoroughly done project like this eventually costing \$100 million or more statewide. Brad Parsons, Aloha Analytics

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Date: Sunday, January 26, 2014 12:52:45 PM

SB2294

Submitted on: 1/26/2014

Testimony for AGL on Jan 28, 2014 14:45PM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
John NAYLOR	Individual	Support	No

Comments:

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SB2294

Submitted on: 1/26/2014

Testimony for AGL on Jan 28, 2014 14:45PM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Michelle Kwik	Individual	Comments Only	No

Comments: I went to a great talk last week by a man with the last name of Dougherty? at Maui College. He was working in Australia where there is intense drought and temps up to 120 degrees. They use all rain catchment believe it or not. In Maui there needs to be a way to collect rain water more, I just bought land at Peahi land subdivision and they have swells to collect and eliminate the rain. It would be so much wiser to catch the rain and store it in each subdivision so it can be used during dry periods right where it is collected. We need more collection and storage facilities for this reason. Mahalo for caring to save water:)

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SB2294

Submitted on: 1/26/2014

Testimony for AGL on Jan 28, 2014 14:45PM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Christine L. Andrews, J.D.	Individual	Support	No

Comments:

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SB2294

Submitted on: 1/26/2014

Testimony for AGL on Jan 28, 2014 14:45PM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Rob Tarver	Individual	Support	No

Comments:

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