
A BILL FOR AN ACT

AUTHORIZING THE ISSUANCE AND APPROPRIATION OF GENERAL OBLIGATION
BONDS FOR AGRICULTURE DEVELOPMENT.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that in the near future
2 climate change will intensify severe weather events, including
3 both droughts and intense rainfall events. These weather events
4 will have a significant impact on crop production in Hawaii,
5 nationally, and globally. Over the past decade, the State's
6 agriculture water supply has been depleted by political climate,
7 economic issues, drought, aging infrastructure, competing water
8 uses, and increased water demand requirements for in-stream flow
9 restoration. In addition, forecast weather patterns have
10 indicated the potential for long-term drought conditions and
11 other severe water events.

12 Global climate change has affected national and global
13 agricultural growing areas for commodities imported into Hawaii.
14 One of the State's primary sources of imported agricultural
15 commodities, that is, the food consumed in the State, is
16 California, which has been experiencing a multi-year drought.



1 The drought has significantly affected California's crop
2 production.

3 The legislature finds that a sustainable and viable
4 agriculture industry, with various commodities and farm sizes,
5 requires a clean and reliable water supply. However, drought
6 conditions continue to adversely affect the farms and ranches in
7 Hawaii, hampering their ability to produce quality products on a
8 consistent basis throughout the year.

9 The legislature is aware of the significant changes in
10 Hawaii's agriculture industry, including the increase in
11 diversified agriculture; global agricultural demands and
12 competition; demand for Hawaii-grown agricultural commodities;
13 increasing protection of agriculture, the environment, and
14 public health from challenges from invasive pests; increased
15 public awareness of food security; and the importance of
16 maintaining the quality and quantity of perishable commodities
17 and increasing Hawaii-grown biofuel sources.

18 These changes coupled with the loss of large plantations
19 have significantly affected the critical agricultural
20 infrastructure and facilities in the State. Much of the current
21 infrastructure and facilities were constructed in the early-to



1 mid-twentieth century, with certain features being classified as
2 significant historic architectural features or sites. The
3 department of agriculture and agribusiness development
4 corporation have the statewide task of maintaining and upgrading
5 these public and private agriculture systems and facilities. In
6 addition, other private entities have maintained other
7 plantation irrigation systems for the diversified agriculture
8 industry. All of these systems, whether public or private, have
9 challenges such as water supply quantities, water storage
10 capacity, system losses, and aging infrastructure.

11 The legislature recognizes that water infrastructure must
12 be efficient and have adequate system components to effectively
13 deliver the necessary quantity and quality of water where
14 needed, especially during times of drought. Water
15 infrastructure must also be capable of storing water during
16 intense rainfall events. Financial resources are required to
17 restore these aging systems, increase water storage, and provide
18 adequate water during drought conditions to maintain agriculture
19 production. The legislature finds that the State must be
20 proactive to fund these major improvements and assist the system
21 owners in carrying out the much needed improvements. While this



1 will solve only one of many constraints on increasing
2 agriculture productivity, the legislature recognizes that this
3 is a necessary step toward solving drought impacts, meeting the
4 needs and demands of Hawaii's agriculture, and moving toward
5 increased and sustained productivity. These projects, while
6 only the beginning step, will renovate existing water collection
7 systems, renovate and increase water distribution systems,
8 increase water capacity, provide for operational efficiency, and
9 identify and develop new water sources.

10 In addition, the legislature recognizes that with the added
11 responsibilities set forth in this Act, the workload of the
12 State's agricultural resources management division staff and
13 agribusiness development corporation staff will be substantial,
14 especially when coupled with the workload from past allocations
15 for planning, land acquisition, design, and construction
16 projects. However, in order for agriculture to be sustainable
17 with or without normal rainfall patterns, these capital
18 improvement projects must move forward and be implemented in a
19 timely manner.

20 The legislature further finds that while increased staffing
21 will provide needed manpower to implement existing programs, the



1 existing personnel cannot manage all of the consultants and
2 contractors necessary to implement these essential projects as
3 the workload is far too great. It is also recognized that
4 system owners, state agencies, and farmers do not have the time,
5 legal prowess, and funding to implement these water system
6 improvements, therefore funding is required for consulting
7 services to the state agencies, private system owners, and
8 farmers to deal with this water crisis.

9 SECTION 2. The director of finance is authorized to issue
10 general obligation bonds in the sum of \$ or so much
11 thereof as may be necessary, and the same sum, or so much
12 thereof as may be necessary, is appropriated for fiscal year
13 2016-2017 for automated and managed irrigation systems; system
14 optimization; planning, environmental, and legal support;
15 project and construction management; and agriculture water use
16 and development program, phase III, for the projects in the
17 following irrigation systems and statewide projects:

- 18 (1) Kahiliwai - Porter irrigation;
- 19 (2) Anahola irrigation system;
- 20 (3) Kehaka irrigation system;
- 21 (4) Kokee irrigation system;



- 1 (5) Kauai - A&B Lawai ditch;
- 2 (6) Oahu ditch;
- 3 (7) Waiahole ditch;
- 4 (8) Waimanalo ditch;
- 5 (9) Kahuku ditch;
- 6 (10) Upcountry Maui system and Kula source development;
- 7 (11) Molokai irrigation;
- 8 (12) Kehana irrigation system;
- 9 (13) Lower Hamakua irrigation system;
- 10 (14) Waimea irrigation system; and
- 11 (15) Galbraith lands.

12 SECTION 3. The sum appropriated shall be expended, and the
13 bonds authorized shall be issued, by the department of
14 agriculture and the agribusiness development corporation for the
15 purposes of this Act.

16 SECTION 4. The appropriation made for the capital
17 improvement projects authorized by this Act shall not lapse at
18 the end of the fiscal biennium for which the appropriation is
19 made; provided that all moneys from the appropriation
20 unencumbered as of June 30, 2018, shall lapse as of that date.



1 SECTION 5. This Act shall take effect on July 1, 2016.

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INTRODUCED BY:

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H.B. NO. 2595

Report Title:

General Obligation Bonds; Irrigation Systems Improvements

Description:

Authorizes general obligation bonds and appropriates funds for improvements to irrigation systems statewide.

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