

DAVID Y. IGE
GOVERNOR OF HAWAII



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

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

**Testimony of
SUZANNE D. CASE
Chairperson**

**Before the House Committee on
WATER & LAND**

**Monday, February 8, 2016
9:00 A.M.
State Capitol, Conference Room 325**

**In consideration of
HOUSE BILL 2058
RELATING TO SPECIAL PURPOSE REVENUE BONDS**

House Bill 2058 proposes to amend Hawaii Revised Statutes Chapter 39A to provide the statutory framework for the issuance of special purpose revenue bonds to assist dam and reservoir owners. **The Department of Land and Natural Resources (Department) strongly supports this measure as it could assist dam and reservoir owners by providing an economic means to bring their facilities up to current safety standards and continued public benefit from these valuable resources.**

The Department notes that the constitutional amendment to authorize the State to issue special purpose revenue bonds and use the proceeds to offer loans to assist dam and reservoir owners to improve their facilities to protect public safety and provide significant benefits to the general public as important water sources, as proposed by Senate Bill 2876 Senate Draft 2 House Draft 2, was passed by the 2014 Legislature and ratified by the electorate in 2014.

The Dam and Reservoir Safety Act of 2007 mandates dam and reservoir owners to bring their dams and reservoirs into compliance. Over 80 per cent of the dams in Hawaii were constructed before 1940 to support the sugarcane plantations. Due to the age of these facilities and deferred maintenance due to demise of the sugar industry, without needed safety improvements, many dams could pose risks to life and property due to dam failures. Depending on the extent of the required improvements, many dam owners may not have the necessary resources. Dams and reservoirs provide many public benefits that our State depends on such as a resource for agriculture, water supply, recharge, flood control, hydropower and other beneficial uses.

Thank you for the opportunity to testify on this measure.

SUZANNE D. CASE
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

KEKOA KALUHIWA
FIRST DEPUTY

JEFFERY T. PEARSON, P.E.
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 BY WESLEY K. MACHIDA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE HOUSE COMMITTEE ON WATER & LAND
ON
HOUSE BILL NO. 2058

February 8, 2016
9:00 A.M.

RELATING TO SPECIAL PURPOSE REVENUE BONDS

House Bill No. 2058 authorizes the issuance of special purpose revenue bonds for certain dam and reservoir projects that improve facilities to protect public safety and provide significant benefits to the general public as important water resources.

This bill appears duplicative as Act 147, Session Laws Hawaii, 2012, amended Chapter 39A, Hawaii Revised Statutes, by adding a new part designating Special Purpose Revenue Bonds entitled "Assisting Dam and Reservoir Owners". We note that while the proposed language in House Bill No. 2058 is very similar to the language enacted by Act 147, SLH 2012, there are differences in verbiage.

We believe that House Bill No. 2058 may not be necessary, however, we are willing to work with the Committee if it is determined that language as proposed in the bill is necessary to allow for the issuance of Special Purpose Revenue Bonds to assist dam and reservoir owners.

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



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

February 8, 2016

HEARING BEFORE THE
HOUSE COMMITTEE ON WATER AND LAND

TESTIMONY ON
HB 2058: RELATING TO SPECIAL PURPOSE REVENUE BONDS

Room 325
9:00 AM

Aloha Chair Yamane, Vice Chair Cullen, and Members of the Committee:

I am Randy Cabral, President of the Hawaii Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,900 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.

The Hawaii Farm Bureau strongly supports HB 2058, authorizing the issuance of special purpose revenue bonds for certain dam and reservoir projects that improve facilities to protect public safety and provide significant benefits to the general public as important water resources.

An unintended consequence of the Dam and Reservoir Safety program has been the decommissioning of reservoirs as landowners found the cost of inspection and maintenance excessive, especially in cases where active agriculture was no longer occurring. This does not mean agriculture may not start again in the future, but the absence of beneficial use of the reservoir resulted in the maintenance viewed as just an expense. This has been disturbing as new agricultural ventures will be difficult to start as water sources may no longer be readily available. In addition reservoirs serve as critical water storage for use during wildfires and other similar emergencies. When we live during a time of prolonged droughts, these sources may be extremely critical.

We therefore commend this measure and hope that it will forestall the decommissioning of reservoirs.

We request your **support of HB2058**, recognizing existing dams and reservoirs as important water resources for Hawaii. Thank you.

From: mailinglist@capitol.hawaii.gov
Sent: Saturday, February 06, 2016 11:28 PM
To: waltestimony
Cc: warrenmcfb@gmail.com
Subject: *Submitted testimony for HB2058 on Feb 8, 2016 09:00AM*

HB2058

Submitted on: 2/6/2016

Testimony for WAL on Feb 8, 2016 09:00AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Warren Watanabe	Maui County Farm Bureau	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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From: mailinglist@capitol.hawaii.gov
Sent: Saturday, February 06, 2016 6:52 PM
To: waltestimony
Cc: dale@hicattle.org
Subject: *Submitted testimony for HB2058 on Feb 8, 2016 09:00AM*

HB2058

Submitted on: 2/6/2016

Testimony for WAL on Feb 8, 2016 09:00AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Dale Sandlin	Hawaii Cattlemens Council	Support	Yes

Comments:

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Paul R. Cassidy Jr.
Trustee, Mary N. Lucas Estate

1029 Iiwi Street.
Honolulu, Hawaii
U.S.A. 96816

(808) 291-4407 cell
rcassiday@me.com

February 6, 2016

To: House Committee on Water & Land
Testimony in support of HB 2058

My name is Paul Cassidy Jr. (Ricky), and I am one of the two trustees for the Mary Lucas Trust. I am writing in that capacity to show my support of HB 2058, a bill that authorizes the issuance of special purpose revenue bonds for certain dam and reservoir projects that improve facilities to protect public safety and provide significant benefits to the general public as important water resources.

I know first hand the importance of the twin benefits the bill intends to secure: public safety and water resources.

In the case of the later benefit, the importance of public safety was brought home by the catastrophic failure of the Kaloko dam some ten years that resulted in a significant loss of life and property.

In the case of the former benefit, the utility of securing such a water resource in my community is apparent – the manifestation of this is that one of the local farmers is a significant grower of organic ginger and turmeric. He exports his crop largely to the mainland, at a meaningful profit. He thus is able to employ a number of workers, increase the local tax base, support the local business and participate constructively in growing the local farming community.

My hope here is that you at the legislature consider these benefits in determining whether to give your support a bill that, in my opinion, will contribute to growing the public safety and farming resources in our community.

Thank you for your consideration,



Paul R Cassidy Jr.
TRUSTEE, MARY N. LUCAS ESTATE

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 07, 2016 1:01 PM
To: waltestimony
Cc: mnakahata@gmail.com
Subject: *Submitted testimony for HB2058 on Feb 8, 2016 09:00AM*

HB2058

Submitted on: 2/7/2016

Testimony for WAL on Feb 8, 2016 09:00AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Mae Nakahata	Individual	Support	No

Comments:

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DAVID Y. IGE
Governor

SHAN S. TSUTSUI
Lt. Governor



State of Hawaii
DEPARTMENT OF AGRICULTURE
1428 South King Street
Honolulu, Hawaii 96814-2512
Phone: (808) 973-9600 FAX: (808) 973-9613

SCOTT E. ENRIGHT
Chairperson, Board of Agriculture

PHYLLIS SHIMABUKURO-GEISER
Deputy to the Chairperson

LATE

TESTIMONY OF SCOTT E. ENRIGHT
CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE HOUSE COMMITTEE ON WATER AND LAND

FEBRUARY 8, 2016
9:00 A.M.
CONFERENCE ROOM 325

HOUSE BILL NO. 2058
RELATING TO SPECIAL PURPOSE REVENUE BONDS

Chairperson Yamane and Members of the Committee:

Thank you for the opportunity to testify on House Bill No. 2058. The purpose of this measure is to authorize the issuance of special purpose revenue bonds for certain dam and reservoir projects that improve facilities to protect public safety and provide significant benefits to the general public as important water resources. The Department of Agriculture supports the intent of this bill provided that it does not impact the priorities established in the Department's executive biennium budget.

Dams and reservoirs can serve as a critical component of an irrigation system. The safe operation and maintenance of these facilities provides assurances for farmers of a consistent supply of irrigation water allowing them to plan and plant more efficiently. This effort is costly and due to the thin margins of farming, can present a situation that leads to the either the decommissioning of the reservoir or in a worst case scenario, the abandonment of the structure. An affordable source of funding for reservoir owners to utilize, with a reasonable payback arrangement could provide the necessary piece that keeps these important structures operational.

Thank you for the opportunity to testify on this measure.





Wai Maoli

HAWAII FRESH WATER INITIATIVE

827 Fort Street Mall | Honolulu, HI 96813 | (808) 537-6333
HawaiiCommunityFoundation.org

LATE

Fresh Water Council Members

William Aila

Stephen Anthony*

Michael Buck

Suzanne Case

Reginald Castanares

Meredith Ching

Derek Chow

Ka'eo Duarte

Sumner Erdman

Mark Fox

Thomas Giambelluca

Timothy Johns

Howard Killian

Patrick Kobayashi

Ernest Lau

Keith Okamoto

Jerry Ornellas

Monty Richards

Kapua Sproat

David Taylor

Dennis Teranishi

Barry Usagawa

*US Geological Survey
Liaison/Scientific Advisor to HCF

**Testimony of the
Hawai'i Fresh Water Initiative
on
H.B. 2058
Relating to Special Purpose Revenue Bonds
House Committee on Water & Land
Monday, February 8, 2016
Conference Room 325**

The Hawaii Fresh Water Initiative strongly supports H.B. 2058, which authorizes the issuance of special purpose revenue bonds for certain dam and reservoir projects that improve facilities to protect public safety and provide significant benefits to the general public as important water resources.

The Hawaii Fresh Water Initiative was launched in 2013 to bring many diverse parties together to develop a forward-thinking and consensus-based strategy to increase water security for Hawaii. A blue ribbon panel of water stakeholders drawn from multiple perspectives came together to jointly and unanimously recommend key strategies and policies that will increase Hawaii's water security in the face of declining rainfall levels and climate change.

The Council identified a single goal for Hawaii: to create 100 million gallons per day (mgd) in additional, fresh water capacity for our islands by 2030. One of the key strategies to achieve this statewide goal is to increase water recharge by 30 mgd and water conservation by 40 mgd over the next 15 years.

The Council believes that improving and upgrading our water storage infrastructure is an important step towards a more secure fresh water future. Improved dam and reservoir facilities can capture more of the precipitation that falls on our islands, prevent runoff, and store and transport water with less water losses.

For these reasons, we strongly support H.B. 2058 and urge its passage.

Our company is the Managing Agent for Waikapu Gardens Association. Our association has been paying the permit fees and care and maintenance for Wailuku Reservoir No. 6. Even though the reservoir is empty, it is classified as a high risk dam. We did a Hydrology and Hydraulics Study in 2014 at a high cost to the members of the association. This study pointed out two options, leave as a dam and do the upgrades or take out of dam status. Both options have a starting price tag of \$500,000.00. This is money the homeowners of this affordable subdivision cannot afford.

The original entity leasing the dam site, stopped using the reservoir and the homeowners are now stuck with a dry six acre hole in the ground.

Please take the time to consider our situation, as over 400 homeowners are just working class people on Maui.

Joe Blackburn, Managing Agent for Waikapu Gardens. Ph. 808.442.3063 or email at mlb@mauiproperty4you.com

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