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DEPARTMENT OF BUDGET AND FINANCE
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ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY

TESTIMONY BY WESLEY K. MACHIDA

DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE

TO THE HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

ON HOUSE BILL NO. 1355

February 14, 2017

8:30 A.M.

Room 325

RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST MAUI ALL NATURAL ALTERNATIVE, LLC.

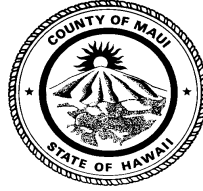
House Bill No. 1355 authorizes the issuance of Special Purpose Revenue Bonds (SPRB) up to \$20,000,000 to assist Maui All Natural Alternative, LLC, with the development of a project to provide municipal sludge processing and renewable energy at the Wailuku-Kahului wastewater reclamation facility on Maui pursuant to Part V, Chapter 39A, Hawaii Revised Statutes.

The Department is providing comments only to advise the Legislature and prospective SPRB parties that should the legislation be approved, approval of the SPRB issuance and conduit loan will require further review of the financing proposal to ensure compliance with all federal, state and credit underwriting requirements. For additional information, please consult our FAQ located at the following link:

<http://budget.hawaii.gov/wp-content/uploads/2012/11/SPRB-FAQ.pdf>.

Thank you for your consideration of our comments.

ALAN M. ARAKAWA
MAYOR



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OFFICE OF THE MAYOR
Ke`ena O Ka Meia
COUNTY OF MAUI – Kalana O Maui

February 13, 2017

TESTIMONY OF ALAN M ARAKAWA
MAYOR
COUNTY OF MAUI

BEFORE THE HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

Tuesday, February 14, 2017
8:30AM, Conference Room 325

HB 1355 RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST MAUI ALL NATURAL ALTERNATIVE, LLC.

Honorable Chris Lee, Chair
Honorable Nicole E. Lowen, Vice Chair
Honorable Members of the House Committee on Energy & Environmental Protection.k

Thank you for this opportunity to testify in **SUPPORT** of HB1355.

This bill allows for the issuance of special purpose revenue bonds to assist Maui All Natural Alternative, LLC (MANA) with the development of a project to provide municipal sludge processing and renewable energy at the Wailuku-Kahului wastewater reclamation facility on Maui.

This is a public purpose project that combines beneficial use of municipal sludge, demonstrates on a commercial scale, firm renewable energy produced from energy crops harvested on Maui, and promotes environmental sustainability and agricultural diversification on former plantation lands. The project funded through private funds addresses many state and local mandates and in addition provides pathways for larger scale agriculture in Hawaii, which is badly needed due to departure of pineapple and sugar plantations over a period of time.

Therefore, I strongly urge the passage of this bill.

Sincerely,

Alan M. Arakawa
Mayor, County of Maui



State House
Committee on Energy and Environmental Protection

Tuesday, February 14, 2017
8:30am, Conference Room 325

HB 1355 RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST MAUI ALL NATURAL ALTERNATIVE, LLC

Representative Chris Lee, Chair and Members of the Committee on Energy and Environmental Protection:

My name is Jeff Walsh, Project Development Manager for Maui All Natural Alternative LLC (MANA). Through our partnerships we are positioned as a global leader in offering sustainable solutions for the generation of renewable energy and the conversion of waste to resources and a technology leader in recovering value from waste for the municipal, industrial, and agriculture sectors.

I am here testifying in **SUPPORT** of HB 1355, which authorizes the issuance of special purpose revenue bonds to assist MANA with the development of a project to provide municipal sludge processing and renewable energy at the Wailuku-Kahului wastewater reclamation facility on Maui.

MANA with local interests and relationships is involved with the promotion of renewable energy and environmental sustainability for the County of Maui and the State of Hawaii including the following project attributes:

1. The project delivers renewable energy and diversion of solid waste.
2. The project has no public funds at risk.
3. The project is in the public interest.

Thank you for the opportunity to provide information and we look forward to your passage of this measure.

EEPtestimony

From: Jeff Rebugio <jeff@kaanapaliland.com>
Sent: Monday, February 13, 2017 12:00 PM
To: EEPtestimony
Subject: HB 1355 RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST MAUI ALL NATURAL ALTERNATIVE, LLC

Dear Rep. Chris Lee, Chair, Rep. Nicole Lowen, Vice Chair, and Members of the Energy & Environmental Protection:

I ask that you consider the subject bill to support the use of special purpose revenue bond(s) to assist Maui All Natural Alternative, LLC (MANA) with the development of a project to provide municipal sludge processing and renewable energy at the Wailuku-Kahului wastewater reclamation facility on Maui. I understand this is a public purpose project that combines beneficial use of municipal sludge, demonstrates on a commercial scale, firm renewable energy produced from energy crops harvested on Maui, and promotes environmental sustainability and agricultural diversification on former plantation lands. This will hopefully set a model to encourage and enable private funds to invest into many state and local mandates and in addition provides pathways for larger scale agriculture in Hawaii, which is badly needed due to departure of pineapple and sugar (especially on Maui).

Thank you for the opportunity to provide information and we look forward to your passage of this measure.

--Jeff
Jeffrey Rebugio
VP, Kaanapali Land Management Corp

**HB 1355
RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO
ASSIST MAUI ALL NATURAL ALTERNATIVE, LLC**

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

FEBRUARY 14, 2017

Chair Lee and Members of the House Committee on Energy & Environmental
Protection:

I am Paul Oshiro, testifying on behalf of Alexander & Baldwin, Inc. (A&B) on HB 1355, “RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST MAUI ALL NATURAL ALTERNATIVE, LLC.” We support this bill.

The purpose of this bill is to authorize the issuance of special purpose revenue bonds to assist Maui All Natural Alternative, LLC (MANA) with the development of a project to provide municipal sludge processing and renewable energy at the Wailuku-Kahului wastewater reclamation facility on Maui.

As a tax exempt means of financing qualified projects in the interest of the general public, we understand that the special purpose revenue bonds authorized in this bill will provide important financial support to MANA to develop and construct a commercial-scale bioenergy facility on Maui. The planned facility is expected to generate biomethane from the anaerobic digestion of purpose grown energy crops that will be cultivated on former HC&S sugar cane lands in Central Maui. The approval of this bill will provide valuable State assistance to enable MANA to pursue this public

purpose project, advance the commercialization of crop-to-renewable energy pathways in Hawaii, and assist in keeping former Central Maui sugar cane lands in active agricultural production.

Based on the aforementioned, we respectfully request your favorable consideration on this bill. Thank you for the opportunity to testify.



Email: communications@uluponoinitiative.com

HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION
Tuesday, February 14, 2017 – 8:30 a.m. – Room 325

Ulupono Initiative Strongly Supports HB 1355, Relating to the Issuance of Special Purpose Revenue Bonds to Assist Maui All Natural Alternative, LLC.

Dear Chair Lee, Vice Chair Lowen, and Members of the Committee:

My name is Murray Clay and I am Managing 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 produced food; increase affordable, clean, renewable energy; and reduce waste. Ulupono believes that self-sufficiency is essential to our future prosperity and will help shape a future where economic progress and mission-focused impact can work hand in hand.

Ulupono strongly supports HB 1355, which authorizes the issuance of special purpose revenue bonds to assist Maui All Natural Alternative, LLC (MANA) with the development of a project to provide municipal sludge processing and renewable energy at the Wailuku-Kahului wastewater reclamation facility on Maui. This is a public purpose project that combines beneficial use of municipal sludge, demonstrates on a commercial scale, firm renewable energy produced from energy crops harvested on Maui, and promotes environmental sustainability and agricultural diversification on former plantation lands. It will help provide pathways for larger scale agriculture in Hawai'i, which is needed due to the departure of pineapple and sugar plantations in our state's recent history. This project, which will continue to be funded through private sources, helps to address many of the state's and counties' sustainability goals.

Thank you for this opportunity to testify.

Respectfully,

Murray Clay
Managing Partner

Investing in a Sustainable Hawai'i