

DAVID Y. IGE  
GOVERNOR



WESLEY K. MACHIDA  
DIRECTOR

LAUREL A. JOHNSTON  
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM  
HAWAII EMPLOYER UNION HEALTH BENEFITS TRUST FUND  
OFFICE OF THE PUBLIC DEFENDER

**STATE OF HAWAII**  
**DEPARTMENT OF BUDGET AND FINANCE**  
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HONOLULU, HAWAII 96810-0150

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 SENATE COMMITTEE ON WAYS AND MEANS  
ON SENATE BILL NO. 1104

**February 24, 2017**

**1:30 P.M.**

**Room 211**

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

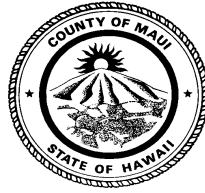
Senate Bill No. 1104 authorizes the issuance of Special Purpose Revenue Bonds (SPRB) up to \$20,000,000 to assist Maui All Natural Alternative, LLC, with the development of a project to provide municipal sludge processing and renewable energy at the Wailuku-Kahului wastewater reclamation facility on 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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Wailuku, Maui, Hawai'i 96793-2155  
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**OFFICE OF THE MAYOR**  
Ke`ena O Ka Meia  
COUNTY OF MAUI – Kalana O Maui

February 23, 2017

TESTIMONY OF ALAN M ARAKAWA  
MAYOR  
COUNTY OF MAUI

BEFORE THE SENATE COMMITTEE ON WAYS AND MEANS

Friday, February 24, 2017  
1:30 PM, Conference Room 211

SB 1104 RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST MAUI ALL NATURAL ALTERNATIVE, LLC.

Senator Jill N. Tokuda, Chair  
Senator Donovan M. Dela Cruz, Vice Chair  
Honorable Members of the Senate Committee on Ways & Means  
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Thank you for this opportunity to testify in SUPPORT of SB1104.

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



Email: [communications@uluponoinitiative.com](mailto:communications@uluponoinitiative.com)

SENATE COMMITTEE ON WAYS & MEANS  
Friday, February 24, 2017 – 12:30 p.m. – Room 308

**Ulupono Initiative Strongly Supports SB 1104, Relating to the Issuance of Special Purpose Revenue Bonds to Assist Maui All Natural Alternative, LLC.**

Dear Chair Tokuda, Vice Chair Dela Cruz, 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 SB 1104**, 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*

**SB 1104  
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 24, 2017**

Chair Tokuda and Members of the Senate Committee on Ways & Means:

I am Paul Oshiro, testifying on behalf of Alexander & Baldwin, Inc. (A&B) on SB 1104, “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.



State Senate  
Committee on Ways and Means

Friday, February 24<sup>th</sup>, 2017  
1:15pm, Conference Room 221

SB 1104 RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST MAUI ALL NATURAL ALTERNATIVE, LLC

Senator Jill Tokuda, Chair, Senator Donovan M. Dela Cruz, Vice Chair and Members of the Committee on Ways and Means:

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 submitting written testimony in **SUPPORT** of SB 1104, 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.

**LATE**

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Friday, February 24, 2017 9:03 AM  
**To:** WAM Testimony  
**Cc:** kaalab@gmail.com  
**Subject:** Submitted testimony for SB1104 on Feb 24, 2017 13:30PM

**SB1104**

Submitted on: 2/24/2017

Testimony for WAM on Feb 24, 2017 13:30PM in Conference Room 211

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Kaala	Individual	Support	No

Comments: I support the bill on behalf of the County of Maui Parks and Recreation Department. Kaala Buenconsejo Director of Parks and Recreation

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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