

DAVID Y. IGE
GOVERNOR OF HAWAII



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

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**Testimony of
SUZANNE D. CASE
Chairperson**

**Before the Senate Committee on
WAYS AND MEANS**

**Tuesday, April 4, 2017
9:40 A.M.
State Capitol, Conference Room 211**

**In consideration of
SENATE CONCURRENT RESOLUTION 174 / SENATE RESOLUTION 88
REQUESTING THE DEPARTMENT OF LAND AND NATURAL RESOURCES TO
ASSIST THE OFFICE OF HAWAIIAN AFFAIRS IN PROVIDING AN EASEMENT TO
THE AGRIBUSINESS DEVELOPMENT CORPORATION FOR WATER IRRIGATION
INFRASTRUCTURE**

Senate Concurrent Resolution 174 / Senate Resolution 88 request the Department of Land and Natural Resources (Department) to assist the Office of Hawaiian Affairs (OHA) in providing an easement to the Agribusiness Development Corporation (ADC) for water irrigation infrastructure over certain parcels owned by OHA and located in Wahiawa. **The Department of Land and Natural Resources respectfully opposes these measures.**

The parcels at issue are OHA's fee-owned lands and not public lands as defined under Chapter 171, Hawaii Revised Statutes (HRS). The Board of Land and Natural Resources (Board) has no jurisdiction or control over OHA's fee-owned lands. In addition, ADC's lands, whether fee-owned, or acquired through the Board by easement, lease or Governor's executive order, are excluded from the definition of public lands under Section 171-2, HRS. Accordingly, there is no connection to the Board for any easement ADC may require over OHA's fee-owned, non-public lands.

Further, ADC has been granted vast special powers such as acquiring and holding title to lands, and has exercised such powers in the past. The Department believes that ADC is quite competent to negotiate the acquisition of an easement over the OHA lands without the involvement of the Department. OHA also has experienced land management staff who are highly capable of negotiating this conveyance. There is no compelling justification for the Department to dedicate its limited staff resources to assist in this matter outside its jurisdiction.

Thank you for the opportunity to comment on these measures.

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

KEKOA KALUHIWA
FIRST DEPUTY

JEFFREY T. PEARSON, P.E.
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ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
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DAVID Y. IGE
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SHAN S. TSUTSUI
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JAMES J. NAKATANI
Executive Director

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TESTIMONY OF JAMES J. NAKATANI
EXECUTIVE DIRECTOR
AGRIBUSINESS DEVELOPMENT CORPORATION

BEFORE THE COMMITTEE ON WAYS AND MEANS
Tuesday, April 4, 2017
9:40 a.m.

SENATE CONCURRENT RESOLUTION NO. 174, and
SENATE RESOLUTION 88
REQUESTING THE DEPARTMENT OF LAND AND NATURAL RESOURCES TO
ASSIST THE OFFICE OF HAWAIIAN AFFAIRS IN PROVIDING AN
EASEMENT TO THE AGRIBUSINESS DEVELOPMENT FOR
WATER IRRIGATION INFRASTRUCTURE

Chairperson Tokuda and Members of the Committee:

My name is James Nakatani, Executive Director of the Agribusiness Development Corporation ("ADC"). The ADC supports the intent of Senate Concurrent Resolution No. 174 and Senate Resolution 88 which requests that the Department of Land and Natural Resources assist the Office of Hawaiian Affairs ("OHA") in providing an easement to the Agribusiness Development Corporation for water irrigation infrastructure on property owned by the Office of Hawaiian Affairs.

The ADC informed OHA of five (5) potential routes for the recycled water from the Wahiawa Wastewater Treatment Plant to the Galbraith Agricultural Lands. Of these five potential routes, two (2) are sited across OHA lands. ADC continues to work with its design consultants on all possible routes to select the route with optimum benefit to the State.

Thank you for the opportunity to testify.



SCR174/SR88

REQUESTING THE DEPARTMENT OF LAND AND NATURAL RESOURCES TO ASSIST THE OFFICE OF HAWAIIAN AFFAIRS IN PROVIDING AN EASEMENT TO THE AGRIBUSINESS DEVELOPMENT CORPORATION FOR WATER IRRIGATION INFRASTRUCTURE

Senate Committee on Ways and Means

April 4, 2017

9:40 a.m.

Room 211

The Office of Hawaiian Affairs (OHA) provides the following **COMMENTS** on SCR174/SR88, which requests the Department of Land and Natural Resources to assist OHA in providing an easement to the Agribusiness Development Corporation (ADC) for water irrigation infrastructure.

OHA is one of the signatories to the Aloha+ Challenge, a statewide commitment to achieve six interconnected sustainability targets by 2030. One of the targets in the Declaration of Commitment is to work to at least double local food production. Currently, Hawaii Green Growth estimates that Hawai'i's agricultural production only accounts for about 20 to 30% of our food consumption. As such, as a signatory, OHA is committed to taking measures to increase food production through diversified agriculture, and is committed to the development of compatible agricultural uses on its property to contribute to Hawai'i's food self-sufficiency. This commitment was highlighted in 2015, when OHA's Board of Trustees approved a Conceptual Direction for planning at Kūkaniloko, which contained a substantial agricultural component.

To support agriculture, access to water and related infrastructure is necessary, including for lands owned by OHA and ADC. **With this understanding, OHA is committed to continuing to work to establish cooperative agreements with ADC, including necessary easements where feasible, to achieve this goal.**

On May 24, 2016, OHA staff met with ADC Director, James Nakatani, and his team with the desire to collaborate on water supply and infrastructure needs for the former Galbraith Estate lands. During this meeting, both parties discussed the status of their plans for their respective agricultural lands, including ADC's potential pipeline routes to transport R-1 effluent from the Wahiawā Waste Water Treatment Plant. OHA was provided with a map depicting five pipeline options, two of which ran through OHA's property. OHA informed ADC that we are interested in working together to consider potential pipeline routes through OHA property.

ADC sent a letter to OHA, dated May 9, 2016, as a follow-up from the May 24, 2016 meeting. OHA responded by letter, dated June 20, 2016, stating that “ADC should consider irrigation routes that cross over OHA land as such routes may be acceptable to OHA” and that “OHA is willing to engage in discussions with ADC that would provide symbiotic solutions as it relates to providing irrigable water to our respective lands.” OHA’s June 20, 2016 letter also requested that ADC provide OHA a proposal detailing the irrigation project and a draft agreement, including related easements, to execute such a proposal.

Although ADC has yet to provide OHA with a proposal regarding the R1 pipeline(s), OHA remains committed to working with ADC on this initiative to meet the goals of both organizations, including through the resolution of questions relating to pipeline location, maintenance protocols, and water allocation.

In a separate but related matter, OHA notes that ADC has already provided OHA with a draft agreement for the transport of well water from ADC’s well, through an existing pipeline that crosses OHA’s property. OHA’s counsel is currently reviewing the agreement, and OHA is hopeful that we will reach a mutually beneficial arrangement.

Mahalo for the opportunity to testify on this important issue.