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OFFICE OF THE PUBLIC DEFENDER

**STATE OF HAWAII**  
**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 FINANCE  
ON  
SENATE BILL NO. 1104, H.D. 1

**April 4, 2017**

**3:00 P.M.**

**Room 308**

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

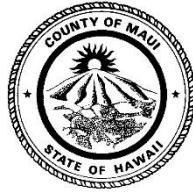
Senate Bill No. 1104, H.D. 1, authorizes the issuance of Special Purpose Revenue Bonds (SPRB) up to \$20,000,000 to assist Maui All Natural Alternative, LLC, with the development of a project to provide municipal sludge processing and renewable energy at the Wailuku-Kahului wastewater reclamation facility 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

April 3, 2017

TESTIMONY OF ALAN M ARAKAWA  
MAYOR  
COUNTY OF MAUI

BEFORE THE HOUSE COMMITTEE ON FINANCE

Tuesday, April 4, 2017  
3:00PM Conference Room 308

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

Honorable Sylvia Luke, Chair  
Honorable Ty J.K. Cullen, Vice Chair  
Honorable Members of the House Committee on Finance

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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.

Respectfully yours,

Alan M Arakawa  
Mayor



State House  
Committee on Finance

Tuesday, April 4<sup>th</sup>, 2017  
3:00 pm, Conference Room 308

**SB 1104 HD1 RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST MAUI ALL NATURAL ALTERNATIVE, LLC**

Representative Sylvia Luke, Chair and Members of the Committee on Finance:

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 **SB 1104 HD1**, 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.

**SB 1104 HD1  
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.**

**APRIL 4, 2017**

Chair Luke and Members of the House Committee on Finance:

I am Paul Oshiro, testifying on behalf of Alexander & Baldwin, Inc. (A&B) on SB 1104 HD1, “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](mailto:communications@uluponoinitiative.com)

HOUSE COMMITTEE ON FINANCE  
Tuesday, April 4, 2017 – 3:00 p.m. – Room 308

**Ulupono Initiative Strongly Supports SB 1104 HD 1, Relating to the Issuance of Special Purpose Revenue Bonds to Assist Maui All Natural Alternative, LLC.**

Dear Chair Luke, Vice Chair Cullen, 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 HD 1**, 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*