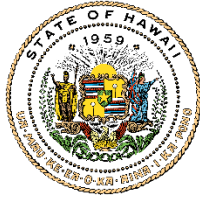


JOSH GREEN, M.D.
GOVERNOR | KE KIA'ĀINA

SYLVIA LUKE
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAII'
DEPARTMENT OF LAND AND NATURAL RESOURCES
KA 'OIHANA KUMUWAIWAI 'ĀINA

P.O. BOX 621
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Testimony of
DAWN N. S. CHANG
Chairperson

Before the House Committee on
FINANCE

Friday, March 31, 2023
2:00 PM
State Capitol, Conference Room 308

In consideration of
SENATE BILL 1064, SENATE DRAFT 2, HOUSE DRAFT 1
RELATING TO DAM AND APPURTENANCE SAFETY

Senate Bill 1064, Senate Draft 2, House Draft 1 proposes to: (1) establish the dam and appurtenance improvement or removal grant program for plans, design, construction, and equipment that is used to improve or remove deficient dams and appurtenances as determined by the Department of Land and Natural Resources (Department); (2) specify eligibility requirement for dam and appurtenance improvement or removal grants; and (3) appropriate funds. **The Department supports this measure and offers the following comments.**

While private dam owners are responsible to bring their dams into compliance, the Department recognizes the intent of this measure is to reduce potential hazards associated with non-compliant dams and to assist private dam owners to finance the repair, removal, or rehabilitation of their dams to meet current standards. Dams provide many beneficial uses, and approximately 70% of the total 126 dams regulated by the Department are fully or partly privately owned.

SECTION 5 of the measure appropriates an unspecified amount of general funds for operating expenses and the establishment of two permanent full time equivalent (2.0 FTE) positions. The Department will require a total annual budget of \$220,000 in recurring funds for these two (2) new full-time positions and necessary operating expenses. Without this funding, the Department could not implement the grant program.

For this grant program to be successful in providing the most opportunity to the widest pool of applicants, the Department recommends a one-time seed funding of \$15,000,000 in general funds into the Dam and Appurtenance Improvement or Removal Grant Program for use as the initial funding source. A provision for recurring deposits into this revolving fund to replenish the balance of the funding should also be included to sustain the program. Depending on the extent of the deficiencies,

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CONSERVATION AND RESOURCES
ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

plans, design, and construction costs to bring a single dam into compliance could run in the millions of dollars.

Mahalo for the opportunity to provide testimony in support of this measure.



March 29, 2023

Representative Kyle T. Yamashita, Chair
Representative Lisa Kitagawa, Vice Chair
House Committee on Finance

Testimony in Support of SB 1064, S.D. 2, H.D. 1, Relating to Dam and Appurtenance Safety (Establishes the dam and appurtenance improvement or removal grant program for plans, design, construction, and equipment that is used to improve or remove deficient dams and appurtenances as determined by the Department of Land and Natural Resources [DLNR]. Specifies eligibility requirements for dam and appurtenance improvement or removal grants. Appropriates funds. Effective 6/30/3000.)

**Friday, March 31, 2023, 2:00 p.m.
State Capitol, Conference Room 308, Via Videoconference**

The Land Use Research Foundation of Hawaii (LURF) is a private, non-profit research and trade association whose members include major Hawaii landowners, developers, and utility companies. LURF's mission is to advocate for reasonable, rational, and equitable land use planning, legislation and regulations that encourage well-planned economic growth and development, while safeguarding Hawaii's significant natural and cultural resources, and public health and safety.

LURF appreciates the opportunity to provide testimony in support of this measure.

SB 1064, S.D. 2, H.D. 1. This bill proposes to establish and appropriate funds for a dam and appurtenance improvement or removal grant program to provide private dam and appurtenance owners with funds for plans, design, construction, and equipment that is used to improve or remove deficient dams and appurtenances, as determined by the DLNR to ensure and enhance the continued availability and operation of dams and appurtenant improvements in Hawaii, and to consider their role in the maintenance of dependable water supply.

LURF's Position.

LURF members include private property owners, farmers and ranchers who own, maintain, and utilize dams and reservoirs, and who consider such resources critical to conduct their agricultural operations and to sustain their businesses.

The State government, departments and agencies recognize that dams, reservoirs, and appurtenant improvements are recognized as being critical to the conduct of agricultural operations and businesses, as well as for their vital contributions to the community such as providing drinking water, renewable energy, and flood control, which are extremely important functions necessary to sustain the State's water resources and to promote public safety.

Large amounts of prime agricultural lands and irrigation systems have been made available for conversion to diversified agriculture as a result of the plantation closures in the 1990s, and the opportunity presently exists to strengthen and expand Hawaii's diversified agriculture industry. Agricultural lands, however, require significant quantities of water to support and maintain productivity. Local farmers are thus relying on State agencies such as DLNR and Department of Agriculture (DOA) to continue working toward expansion of diversified agriculture; promoting the agricultural self-sufficiency of the State; and protecting water as an important resource, which includes and incorporates dam safety.

Landowners and agricultural stakeholders believe the establishment of the grant program proposed by this bill will greatly assist with concerns regarding compliance with current safety standards, including requirements of the dam and reservoir safety program administered by the DLNR, safety requirements for dams and reservoirs imposed by the program, as well as costs which must be incurred for maintenance and upgrade of structures which are presently considered untenable.

Hawaii is already witnessing the local effects of climate change such as rising temperatures; decreased rainfall and stream flow; and increased drought and storms. Such conditions caused by climate change are not only detrimental to local food production but exacerbate the State's excessive reliance on imported food as well. Food security and adaptation to climate change are critical concerns, and irrigation and water storage are increasingly more important to food production.

As this Committee may already be aware, the unsustainable costs cast upon landowners and agricultural stakeholders in connection with dam safety are a serious concern, as are overly burdensome regulations relating to maintenance and operation of dams and reservoirs, which are proving to be potentially counterproductive to the long-term objective of preserving these facilities as valuable water sources.

As potential issues relating to public health, and food safety and security continue to be a significant concern of agricultural stakeholders, LURF and its members appreciate this measure proposed to allow consideration of the interests of dam and reservoir owners, and the acknowledgement of dams, reservoirs and appurtenant improvements being vital water resources for the State, and the need for critical and consistent maintenance and operation of the systems in a safe and feasible manner.

For the reasons set forth above, LURF is in **support of SB 1064, S.D. 2, H.D. 1**, and respectfully requests this Committee's favorable consideration of this measure.

Thank you for the opportunity to present testimony regarding this matter.



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March 31, 2023

HEARING BEFORE THE
HOUSE COMMITTEE ON FINANCE

TESTIMONY ON SB 1064, SD2, HD1
RELATING TO DAM AND APPURTENANCE SAFETY.

Conference Room 308 & Videoconference
3:00 PM

Aloha Chair Yamashita, Vice-Chair Kitagawa, and Members of the Committee:

I am Brian Miyamoto, Executive Director of the Hawai'i Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,800 farm family members statewide and serves as Hawai'i's voice of agriculture to protect, advocate and advance the social, economic, and educational interests of our diverse agricultural community.

The Hawai'i Farm Bureau supports SB 1064, SD2, HD1, which establishes the dam and appurtenance improvement or removal grant program for plans, design, construction, and equipment that is used to improve or remove deficient dams and appurtenances as determined by the Department of Land and Natural Resources and approved by the Board of Land and Natural Resources.

While dam and reservoir safety rules represent an important public safety initiative, the rules codified in HRS chapter 179D are having an adverse effect by reducing water storage capacity across the state. At a time when changing weather patterns have demonstrated alternating periods of drought punctuated by significant storm events, coupled with the noble goal of achieving food security for our island state, water storage is more critical than ever. The new rules will discourage new dam and reservoir construction, and in many cases cause dam and reservoir owners to minimize the capacity or decommission existing storage capability.

Many of the reservoirs – built in an era of plantation agriculture—no longer generate enough revenue to be economically sustainable. But they are needed in ways few people have yet imagined. The issue of how to pay for the upgrading and maintenance of this critical infrastructure is now gaining more attention as the state's budget comes into focus.

Dams and reservoirs are the keys not just to a future of sustainable agricultural system in Hawai'i, but to the entire water and environmental health of the State. In addition to the conventional benefits of storing and delivering reliable water for agriculture in dry times,

wildlife habitats, flood control during large storms, erosion control, and the reduction of sediment loading on our nearshore ocean reefs, reservoirs also ensure a supply of potable drinking water (after treatment) and provide water to help battle wildfires.

Reservoirs also help recharge our groundwater aquifers by capturing stormwater (for later release) that would otherwise rush to the ocean. There is growing evidence that there will be a pattern of fewer, but larger storms separated by longer intervals of drought. If the large rainfall flows are not captured, overall groundwater recharge may be significantly reduced. Groundwater is our primary source of drinking water and demand is relentlessly rising. We already face declining groundwater recharge every time we place hard impermeable surfaces (e.g. concrete) over previously open ground (agriculture).

Recent Dam and Reservoir Safety rules will levy an additional burden on reservoir owners and Hawai'i farmers. Fuel, labor, equipment, transportation, and other expenses are already higher in Hawai'i than on the mainland, placing locally-grown products at a competitive disadvantage. Inevitably, increased costs will be passed on to consumers and are counterproductive to efforts to grow more food in Hawai'i. Some landowners will simply decommission their dams, abandon their reservoir systems and decide what to do with their now-fallow lands when agriculture is no longer viable.

The availability of grants will help owners and operators comply with the laws and regulations.

Thank you for the opportunity to testify on this matter of great importance to the agricultural community.