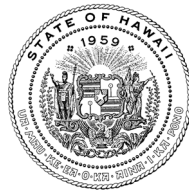


JOSH GREEN, M.D.
GOVERNOR



LUIS P. SALAVERIA
DIRECTOR

SABRINA NASIR
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
Ka 'Oihana Mālama Mo'ohelu a Kālā
P.O. BOX 150
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT

WRITTEN ONLY

TESTIMONY BY LUIS P. SALAVERIA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEE ON WAYS AND MEANS
ON
SENATE BILL NO. 1153, S.D. 1

February 28, 2023
10:00 a.m.
Room 211 and Videoconference

RELATING TO HONOLUA BAY

The Department of Budget and Finance (B&F) offers comments on this bill.

Senate Bill (S.B.) No. 1153, S.D. 1: 1) creates a seven-member Honolua Bay Advisory Board to oversee conservation efforts at Honolua Bay; 2) establishes a new Honolua Bay Special Fund; 3) requires that Honolua Bay be included in the State Parks Division's online reservation system; 4) establishes a permit structure for access to Honolua Bay; and 5) appropriates an unspecified sum of general funds for FY 24 and FY 25 for deposit into the special fund and an unspecified sum of special funds for FY 24 and FY 25 for conservation at Lipoa Point. The Honolua Bay Special Fund would be used for maintenance of Lipoa Point and would derive revenues through legislative and county appropriations, federal funds, gifts, donations, grants, and interest earnings.

As a matter of general policy, B&F does not support the creation of any special fund which does not meet the requirements of Section 37-52.3, HRS. Special funds should: 1) serve a need as demonstrated by the purpose, scope of work and an explanation why the program cannot be implemented successfully under the general

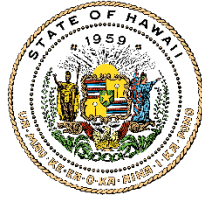
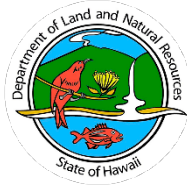
fund appropriation process; 2) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries or a clear link between the program and the sources of revenue; 3) provide an appropriate means of financing for the program or activity; and 4) demonstrate the capacity to be financially self-sustaining. Regarding S.B. No. 1153, S.D. 1, it is difficult to determine whether the proposed special fund would be self-sustaining.

In addition, B&F does not support the deposit of federal funds into any special fund as federal funds should be kept separate for compliance and reporting purposes. Further, the purpose of the federal grant may not be totally aligned with statutory uses of the special fund.

Thank you for your consideration of our comments.

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

SYLVIA LUKE
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA



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

P.O. BOX 621
HONOLULU, HAWAII 96809

DAWN N.S. CHANG
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE
MANAGEMENT
LAURA H.E. KAAKUA
FIRST DEPUTY
M. KALEO MANUEL
DEPUTY DIRECTOR - WATER
AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE
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CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES
ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

Testimony of
DAWN N. S. CHANG
Chairperson

Before the Senate Committee on
WAYS AND MEANS

Tuesday, February 28, 2023
10:00 AM
State Capitol, Conference Room 211

In consideration of
SENATE BILL 1153, SENATE DRAFT 1
RELATING TO HONOLUA BAY

Senate Bill 1153, Senate Draft 1 proposes to establish the Honolua Bay Special Fund for conservation purposes and the upkeep and maintenance of Līpoa Point. It also establishes a Honolua Bay Advisory Board to administer the Honolua Bay Special Fund and oversee the conservation of Honolua Bay. Finally, it requires the Department of Land and Natural Resources (Department) to include and incorporate Honolua Bay into the Department's Division of State Parks' (State Parks) online reservation system and provides for an appropriation. **The Department appreciates the intent of this measure but has serious concerns as currently drafted as it is premature given current planning actions. The Department offers the following comments, and proposed amendments that address the Department's concerns, would support enhanced management in the near term, and would allow the current planning effort to conclude and start to be implemented.**

The Department acknowledges that at the time this testimony is being written, all eyes are on Honolua Bay as the Department urgently works to remove a grounded yacht within Honolua Bay while prioritizing public safety and the health of the marine environment. The Department wants to work closely with area representatives and the legislature to provide adequate funding support and on-the-ground and in-the-water management of Līpoa Point, Honolua-Mokulē'ia Marine Life Conservation District, and surrounding lands and waters in the Honolua ahupua'a, on the northwestern coast of Maui.

Background

The area is rich in cultural, marine and scenic resources and is a world-renowned surfing and snorkeling destination. The rugged Līpoa Point coastline is also popular for pole fishing for leisure and sustenance.

In 2014, the State of Hawai‘i acquired the lands at Honolua Bay and Līpoa Point from Maui Land and Pineapple, following a tremendous effort by the Save Honolua Coalition, the State’s political leaders and others to prevent development of the agricultural lands surrounding Honolua Bay and preserve open space values. In 2016, the Hawai‘i State Legislature appropriated \$500,000 of CIP funds: \$375,000 for planning and \$125,000 for construction of safety and security improvements including signage and tree hazard removal. However, there was no additional management funding or positions provided to the Department associated with the acquisition of 244 acres of new public land. The dominant land use zoning is Agriculture and Conservation. The landscape is now vastly composed of the remnants of abandoned pineapple cultivation now re-naturalizing, coupled with stunning coastal vistas and Honolua Bay, which is part of the Honolua-Mokulē‘ia Marine Life Conservation District.

To augment existing planning and stewardship efforts in safeguarding this unique and special landmark, the Department commissioned the preparation of a scoping plan at a cost of \$160,000 which was the first of a two-phase project to develop a management plan for the area, and address hazards from overgrown trees and high cliffs.

Then the Department completed the Draft Honolua to Honokōhau Management Plan in June 2021. The project’s scoping plan and subsequent Draft Honolua to Honokōhau Management Plan address the significant management challenges related to the natural environment, cultural resources, public health and safety, and stewardship. The Final Honolua to Honokōhau Management Plan will be completed once a Finding of No Significant Impact (FONSI) determination is made for the Final Environmental Assessment (FEA). The Draft Environmental Assessment (DEA) will be completed by June 2023 and the FEA by December 31, 2023.

The contract cost for the development of the management plan and Environmental Assessment is approximately \$611,819.00 and will expire on December 31, 2024. The final deliverables will comprise of a Final Honolua to Honokōhau Management Plan and a final Environmental Assessment. The current schedule for the final deliverables is December 31, 2023.

In developing the management plan, the Department has done significant community outreach with a series of facilitated stakeholder meetings composed of design charrettes that included: community residents, marine resource users, lineal descendants, Aha Moku representatives, consultants, and the Department’s multiple Division’s staff from: Land, Forestry and Wildlife, Conservation and Resources Enforcement, State Historic Preservation, Aquatic Resources, Boating and Ocean Recreation and State Parks. There has been a community open house with 86 participants, representing a broad spectrum of the community: lineal descendants, cultural practitioners, fishers, surfers, community members, political leaders, and the Department staff. A stakeholder vetting of draft recommendations included four working group meetings with an average 15 attendees, represented by community residents, lineal descendants, surfers, watershed management interests, Hawai‘i Land Trust, and Save Honolua Coalition. Another meeting of approximately 52 participants representing a broad spectrum of the community participated in a virtual open house for review of the draft plan. Environmental Assessment preparation and pre-consultation outreach is anticipated in February-March of 2023, with formal agency and stakeholder consultation in Spring 2023.

Recommendations

- 1) The Department does not think it follows sound fiscal policy to create a new special fund absent a reliable annual source of revenue. The Management Plan has not been finalized and therefore a plan for generating reliable annual revenue for stewardship has not been finalized. It would be premature and against fiscal policy to create such a special fund. The Department is appreciative of this measure’s intent to set aside funding for the improved stewardship of Honolua and Lipoa,

and **recommends the appropriate way to allocated funds to Lipoa-Honolua stewardship is to appropriate funds to the Department's Special Land and Development Fund with directions to the Department to establish a separate account to hold all funds appropriated specifically for Honolua and Lipoa.** This methodology has been used in the past with success. There has never been an appropriation of management funds for Lipoa, and the Department needs funds for management triage on access road condition and repair, monthly fees for the portable toilets, and other urgent management needs.

In the future, if the Honolua Bay trail and shoreline, and possibly other sections of the Department property are set aside to the Division of State Parks, the State Parks Special Fund could be used to collect fees for targeted management. If the Final Honolua to Honokōhau Management Plan recommends crafting a reservation system and collecting fees, this will take time to do properly. The property is currently unencumbered land with no infrastructure and no dedicated staff. Factors that must be calculated and created prior to standing up a reservation system are: sufficient staff, trusted onsite contracted vendor, parking with predetermined capacity, expected length of stay of visitors to inform reasonable time slots for patronage, completion of the EIS for the entitlement for improvements. All 10 State Parks with fee collection and reservation systems have dedicated staff, contracted private sector or community-based fee collection at the entrance, paved access roads with delineated parking stalls for capacity management, comfort stations or portable toilets, and most importantly – a single access point for controlled fee collection and ensuring payment and capacity.

Another option that has come up in the management planning process is management of some or all of the property by the Department's Division of Forestry and Wildlife (DOFAW). The Honolua to Honokōhau Management Plan identifies certain coastal areas with high value habitat to be considered for transfer to DOFAW. Designation as a Natural Area Reserve (NAR) is one option to achieve community desire to protect and restore the native ecosystem. If NARS designation is what the community wants, the designation process would require further public consultation because Hawaii Revised Statutes Chapter 195 requires the NARS Committee and Board of Land and Natural Resources approval and a public hearing. This measure does not allow for these options.

- 2) **The Department recommends against establishing a new advisory board** to administer management funds, as it would be cumbersome, add another layer of bureaucracy, and result in delays to expending funds. An advisory board needs to follow Sunshine Law and often similar advisory boards don't have quorum and then experience delays in needing to reschedule and post their agendas publicly a full week in advance of the rescheduled meeting.

Instead of a legislatively requiring a formal advisory board, the Department prefers to find an ongoing community engagement and partnership structure through the management planning process. Ideas that have come up thus far include advisory councils; regular meetings with Department staff and Honolua lineal and cultural descendants; entering into a stewardship agreement with one or more community groups for particular areas, or stewardship and education functions; and entering into a partnership and funding contract with Hawaii Land Trust (HILT) whereby HILT would hire a dedicated Honolua-Lipoa Steward and Educator to provide direct stewardship, management and education, and help the Department coordinate community engagement.

- 3) To address urgent management issues such as possible violations at Lipoa and Honolua until the management plan can be finalized and recommended actions in the plan be implemented, **the Department requests that this measure be amended to include:**
- A) **Two (2) FTE additional Maui Division of Conservation and Resources Enforcement Officers to increase land and marine enforcement capacity;**
 - B) **\$270,000 in equipment to equip the two (2) FTE additional Conservation and Resources Enforcement Officers;**
 - C) **One (1) FTE Park Caretaker for the Division of State Parks;**
 - D) **One (1) FTE District Land Agent for the Land Division;**
 - E) **One (1) FTE Natural Area Reserve Specialist for the Division of Forestry and Wildlife;**
 - F) **Additional cost for equipment and vehicles to service these new staff that need to be calculated; and**
 - G) **Additionally, due to the remote location of this parcel, a small departmental base yard needs to be considered for the secure storage of equipment – cost to be determined.**

As many community members and organizations have given their time and thoughtful guidance to the management plan, it is important to the Department to honor their contribution and not deviate from the planning process. The Department requests immediate support as provided in the recommendations above, and welcomes future support to implement the community-driven Final Honolua to Honokōhau Management Plan once complete by December 31, 2023. If there are changes that the community and legislature would like to see to better protect and steward the important natural and cultural resources of Honolua, the Department asks that all these great ideas be brought forward within the management planning process. The Department will also follow suit and raise any new ideas for improved management within the management planning process so that the community has an opportunity for discussion and feedback.

Mahalo for the opportunity to provide comments and proposed amendments on this measure.



LATE



Ka Moku'aina 'O Hawai'i Aha Moku O Pae'Aina

State of Hawai'i Aha Moku

P. O. Box 621

Honolulu, Hawaii 96809

Testimony of the Hawaii State Aha Moku
Before the Senate Committee on Ways and Means

Tuesday, February 28, 2023

10:00 A.M.

Conference Room 211 & Videoconference

IN SUPPORT of Senate Bill 1153 SD 1

Relating to Honolulu Bay

Senate Bill 1153 SD 1 establishes the Honolulu Bay Special Fund for conservation purposes and the upkeep and maintenance of Lipoa Point. It establishes a Honolulu Bay Advisory Board to administer the Honolulu Bay Special Fund and oversee the conservation of Honolulu Bay. It requires the Department of Land and Natural Resources (DLNR) to include and incorporate Honolulu Bay into the Division of State Parks' online reservation system and makes an appropriation.

The Hawaii State Aha Moku (Aha Moku) strongly supports this measure with amendments.

Honolua Bay, Mokule'ia Bay and Lipoa Point are part of the Honolua, Honokohau and Honokahua ahupua'a, Moku of Ka'anapali, Mokupuni o Piilani (Island of Maui). They are primarily known for surfing and snorkeling. Honolua Bay is a marine conservation district – no fishing or taking of any marine life. Essentially a tourist spot, Honolua Bay is a popular destination place.

Lipoa Point was officially conveyed to the state on October 16, 2014 by Maui Land & Pineapple Co. and encompassed 250 coastal acres stretching from Honolua to Honokohau. These lands hold weighty historical and archaeological sites.

However, no serious work to conserve Lipoa Point happened until 2017 when a threat of the development of 40 homes and a golf course along the pristine shoreline was imminent. While there was a strong push from environmentalists, surfers, marine biologists, snorkelers and open space advocates, there was a stronger push from the generational and lineal descendants of Honolua, Honokohau and Honokahua ahupua'a to protect the numerous culturally significant places associated with these Ahupua'a. All three ahupua'a have a strong history with Honolua Bay which should be noted and protected. A *huaka'i* (journey) was undertaken with DLNR and direct descendants so important *mo'olelo* (history) of the place as it relates to Lipoa Point could be shared. The purpose of this journey was to identify areas that are culturally significant to the native Hawaiians.

Those efforts seem to have taken a back seat to the importance of this place to the visitor industry and surfing enthusiasts. To alleviate that, **Aha Moku makes a recommendation to Section 2. § 171-A, Advisory Board (b) to add (6) One member who is a generational and lineal descendant of the Honolua ahupua'a; (7) One member who is a generational and lineal descendant of the Honokohau ahupua'a. New language is in bold and underscored. These members will be identified by the Kupuna of each ahupua'a.**

It is important to understand that the pristine condition of the bay is part of the entire ahupua'a. What happens mauka is critical to the health of makai. Generational descendants know this and will be a crucial part of this Advisory Board. They hold the history of the natural and cultural resources of Lipoa Point.

Pae'Aina: Moku O Keawe, Moku O Piilani, Moku O Kanaloa, Nana'i Kaula, Moloka'i Pule O'o, Moku O Kakuhihewa, Manokalanipo, Ka'Aina O Kawelonakala

Thank you for any consideration you may render to the Native Hawaiian generational and lineal descendants of Honolua, Honokohau and Honokahua Ahupua'a. We strongly support this measure with these added amendments and ask that this committee adopt them.

Respectfully,

Drusilla (Silla) Kaina, Honolua Ahupua'a Representative

Hawaii State Aha Moku

808-669-8191

kainareal@yahoo.com

Robert Kalei Luuwai

Po'o O Moku O Piilani

Aha Moku Advisory Committee

Hawaii State Aha Moku

808-870-9040

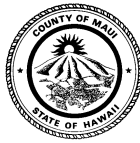
rluwai@gmail.com

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Director of Council Services
Traci N. T. Fujita, Esq.

Deputy Director of Council Services
David M. Raatz, Jr., Esq.

COUNTY COUNCIL
COUNTY OF MAUI
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.MauiCounty.us

February 24, 2023

TO: The Honorable Donovan M. Dela Cruz, Chair, and
Members of the Senate, Committee on Ways and Means

FROM: Alice L. Lee
Council Chair

A handwritten signature in cursive script, appearing to read "Alice L. Lee", is written over the printed name and title.

SUBJECT: **HEARING OF FEBRUARY 28, 2023; TESTIMONY IN SUPPORT OF
SB 1153, SD1, RELATING TO HONOLUA BAY**

Thank you for the opportunity to testify in **support** of this important measure. The measure's purpose is to establish the Honolua Bay Special Fund and Honolua Bay Advisory Board for conservation of Lipoa Point.

The Maui County Council has not had the opportunity to take a formal position on this measure. Therefore, I am providing this testimony in my capacity as an individual member of the Maui County Council.

I **support** this measure for the following reasons:

1. This measure is consistent with the West Maui Community Plan's Policy 3.4.2. "Development at Lipoa Point must respect the area's cultural and scenic resources and historic significance, and uses must be limited to open space and low-intensity recreation."
2. The Maui County Council has long supported the preservation of Honolua area, Lipoa Point, and adjacent shoreline areas in perpetuity. This measure would expand on Act 241 (2013), which was supported by Councilmembers and established the State's commitment to preserve the area.
3. Honolua Bay is part of the Marine Life Conservation District in Honolua-Mokuleia. Therefore, it is imperative to protect and preserve the area for future use.

For the foregoing reasons, I **support** this measure.

Bryan Y.Y. Ho

Attorney At Law, A Law Corporation
Suite 909, Davies Pacific Center
841 Bishop Street
Honolulu, Hawaii 96813

Telephone:(808) 864-4071

bryanho@admiraltyattys.com

February 27, 2023

HONORABLE DONAVAN M. DELA CRUZ

Chair

Committee on Ways & Means

Hawaii State Capitol, Room 208

Honolulu, Hawaii, 96813

Re: Ways & Means Hearing on SB1153
February 28, 2023 @ 10:00 a.m.
Our File No. 1504.0306

Chair Dela Cruz, Vice Chair Keith-Agaran, and other Members of WAM,

I submit the following ***COMMENTS AND PROPOSED MODIFICATIONS*** to SB1153, relating to the Honolua Marine Life Conservation District (“MLCD”), on behalf of Kapalua Kai Sailing, Inc. (“KCSI”), Crystal Seahorse, Ltd. (“CSL”), and their owners, Peter Wood and Inca Robbin. KCSI and CSL each own/operate a commercial passenger catamaran that conducts snorkel and scuba diving tours in the Honolua MLCD pursuant to commercial use permits issued by the DLNR, Division of Boating & Ocean Recreation (“DOBOR”).

As a general matter, Peter and Inca strongly support all efforts to protect and preserve the pristine beauty of Honolua Bay, however, for the reasons outlined below, they are equally strong in opposing many of the strategies/policies outlined in SB1153 to accomplish needed protections because they are off target and unfairly impose unnecessary restrictions, responsibilities, burdens and hurdles on commercial vessel tour operators.

A. ***PROPOSED RESERVATION SYSTEM***

Peter and Inca oppose any plan to make a commercial tour boat’s right to access Honolua subject to an online reservation system. This is an unnecessary measure that serves no purpose other than adversely impact commercial tour boat companies.

There are three established moorings in Honolua Bay that the larger tour boats operate from. Peter/Inca and the other vessel operators have worked cooperatively to develop a schedule so that the number of large commercial catamarans operating in the Bay simultaneously at any given time is limited and staggered over the course of the day. Tour boat operations do not contribute to the over taxing of this resource because, due to the distance of the moorings from

shore, they operate in a completely different area of the Bay than persons entering the ocean from shore. In addition to safety procedures, customers are educated on eco friendly practices (reef friendly sun screen, how to observe marine wildlife, prohibiting the taking of shells, live rock, coral, use on board trash receptacles and lavatories, etc.). All of the boats leave virtually no footprint because everyone packs out everything they bring in. These practices, in combination, serves to minimize any impact commercial operations might have on the Bay. All of the threats to Honolua MLCDC identified in SB1153 (i.e. soil erosion, illegal dumping, crime, over tourism and the proliferation of invasive noxious plants) are solely attributable to visitors accessing the resource from shore. That is where the remedial effects of this measure should be focused. Peter and Inca propose the opening sentence to the draft language of HRS §171-C(b), depicted in lines 4-8 on page 6 of SB1153, be modified as follows:

*(b) The Honolua advisory board, in consultation with the department of land and natural resources, shall establish a permit structure for **all visitors and tour operators accessing** ~~access to~~ Honolua bay **from shore**, to be modeled after the existing Wainapanapa state park entry and parking reservation system.*

(b) **APPOINTMENT OF ADVISORY BOARD MEMBERS**

Peter and Inca support the establishment of an advisory board comprised of interested federal and state agencies, as well as, representatives of environmental/conservation groups, ocean industry/tourism business and other stakeholders. As currently drafted SB1153 does not provide sufficient direction to ensure persons with the responsibility of appointing voting members to the Board use their authority in manner that results in balanced representation of all interested stakeholders to ensure there is, “meaningful participation of many community members and other groups.” *See*: Page 2, lines 13-15, SB1153. The Water & Land Committee took initial steps to resolve this ambiguity by specifically identifying two stakeholders for inclusion on the board. Peter and Inca propose to modify SB1153 to also specifically identify a representative of the commercial tour boat operators as an advisory board member. The change would be reflected by adding the following language:

(8) One member who is a representative for the commercial tour vessel industry.¹

¹ The number of voting members identified in Section (b) on page 4 line 3 of SB1153, should also be amended from “seven” to “eight”.

HONORABLE DONAVAN M. DELA CRUZ

February 27, 2023

Page 3

If you have any questions, please do not hesitate to contact me.

Sincerely,

/s/ Bryan Y.Y. Ho

cc: Hon. Gilbert S.C. Keith-Agaran, Vice Chair
Hon. Henry J.C. Aquino
Hon. Lynne DeCoite
Hon. Lorraine R. Inouye
Hon. Dru Mamo Kanuha
Hon. Michelle N. Kidani
Hon. Donna Mercado Kim
Hon. Chris Lee
Hon. Sharon Y. Moriwaki
Hon. Maile S.L. Shimabukuro
Hon. Glenn Wakai
Hon. Kurt Fevella
Peter & Inca Wood (via e-mail)