

JOSH GREEN, M.D.
Governor

SYLVIA LUKE
Lt. Governor



WENDY L. GADY
Executive Director

STATE OF HAWAII
AGRIBUSINESS DEVELOPMENT CORPORATION
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TESTIMONY OF WENDY L. GADY
EXECUTIVE DIRECTOR
AGRIBUSINESS DEVELOPMENT CORPORATION

BEFORE THE HOUSE COMMITTEE ON WATER & LAND

Thursday, March 14, 2024
10:00 a.m.
Conference Room 430 & Videoconference

SENATE BILL NO. 3153 SD2
RELATING TO THE DAM APPURTENANCE IMPROVEMENT
OR REMOVAL GRANT PROGRAM

Chair Ichiyama, Vice Chair Poepoe, and Members of the Committee:

Thank you for the opportunity to testify in support of Senate Bill No. 3153 SD2, which establish the Dam and Appurtenance Improvement or Removal Grant Program Special Fund to receive moneys for the Dam and Appurtenance Improvement or Removal Grant Program and appropriates funds for the Dam and Appurtenance Improvement or Removal Grant Program.

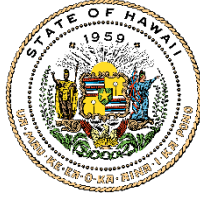
The Agribusiness Development Corporation (ADC) supports this measure, which provides funding to landowners to keep their high hazard dams and appurtenances properly maintained. In addition to meeting the water security need of an agricultural operation, reservoirs increase the storage capacity of an irrigation system and provide stormwater and sediment retention to address fire mitigation, drought conditions, flooding, and climate change.

As the demand for ground water increases, the state needs to preserve existing water systems that utilize alternative water sources such as surface water, which is more accessible than groundwater and does not strain the aquifer. ADC believes providing funds to repair and maintain high hazard dams and appurtenances will incentivize landowners to bring their reservoirs into compliance with all relevant dam safety requirements and preserve them for future use.

Thank you for your consideration of our testimony.

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

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DAWN N.S. CHANG
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BOATING AND OCEAN RECREATION
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HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

Testimony of
DAWN N.S. CHANG
Chairperson

Before the House Committee on
WATER & LAND

Thursday, March 14, 2024
10:00 AM
State Capitol, Conference Room 430

In consideration of
SENATE BILL 3153, SENATE DRAFT 2
RELATING TO THE DAM AND APPURTENANCE IMPROVEMENT OR REMOVAL
GRANT PROGRAM

Senate Bill 3153, Senate Draft 2 proposes to establish a special fund to receive funds for the dam and appurtenance improvement or removal grant program and to reappropriate funds for the dam and appurtenance improvement or removal grant program. **The Department of Land and Natural Resources (Department) strongly supports this measure and offers the following comments.**

Act 134, Session Laws of Hawai'i 2023 (Act 134), established a dam and appurtenance improvement or removal grant program and appropriated \$10,000,000 in seed funding to financially assist private dam owners to maintain and bring their dams into compliance with current safety standards. Act 134 also appropriated \$220,000 for operating expenses and the establishment of two permanent positions in the Department, however, this funding was not appropriated as recurring. The Senate Committee on Water and Land passed this measure and noted in the committee report that the positions for the dam and appurtenance improvement or removal grant program must be recurring for the Department to have the staffing resources necessary to administer the program.

To enable the Department to implement this program, the creation of a dam and appurtenance improvement or removal grant program special fund and reappropriation of \$10,000,000 in general funds to be utilized as initial seed funding is necessary.

The Department recognizes that dams provide many beneficial uses, and ensuring dams are safe will best serve the public's interest. Currently, there are 86 privately owned dams in the State of Hawai'i. Depending on the extent of each dam's deficiencies, the total cost to bring a single dam into

compliance could easily run in the millions of dollars. Due to the high cost and to ensure the grant program can be sustainable, the Department recommends that the Legislature provide an annual recurring general fund appropriation into this special fund.

The Department is currently working on establishing the procedures, administrative framework, and the criteria that will be used in evaluating, ranking, selecting, and awarding grants to applicants in fiscal year 2025 and beyond.

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



March 11, 2024

Representative Linda Ichiyama, Chair
Representative Mahina Poepoe, Vice Chair
House Committee on Water & Land

Testimony in Support of SB 3153, S.D. 2, Relating to Dam and Appurtenance Improvement or Removal Grant Program (Establishes the Dam and Appurtenance Improvement or Removal Grant Program Special Fund to receive moneys for the Dam and Appurtenance Improvement or Removal Grant Program. Appropriates funds for the Dam and Appurtenance Improvement or Removal Grant Program. Declares that the general fund expenditure ceiling is exceeded.)

**Thursday, March 14, 2024 at 10:00 a.m.; State Capitol,
Conference Room 430, 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 3153, S.D. 2. The purpose of this bill is to establish a special fund to receive funds for the Dam and Appurtenance Improvement or Removal Grant Program (the "Program") established in 2023 through Act 134, Session Laws of Hawaii 2023, and to reappropriate funds for the Program. The Program was established to provide private dam and appurtenance owners with funds to assist with 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) to ensure and enhance the continued availability and operation of dams and appurtenant improvements in Hawaii, and to support their role in the maintenance of dependable water supply.

Act 134 appropriated \$10,000,000 of general revenues as one time seeding for the Program, however, did not establish a special fund dedicated to receiving Program funding. The establishment of a special fund to operate as a receptacle into which Program funding may be deposited and remain available for the purposes of Act 134 is now critical in order that the DLNR can complete its rulemaking and establish grant application criteria and processes prior to the lapse of unused general funds for the Program.

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 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 Program established by Act 134 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 3153, S.D. 2**, and respectfully requests this Committee's favorable consideration of this measure.

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



HAWAII CROP IMPROVEMENT ASSOCIATION

SB3153 SD2 – In Support
Relating to the Dam and Appurtenance Improvement or Removal Grant Program
Senate Committee on Ways and Means

Date: Thursday, March 14, 2024

Time: 10:00 AM

Place: Conference Room 430

Aloha Chair Ichiyama, Vice Chair Poepoe, and Members of the Committee:

The Hawaii Crop Improvement Association (HCIA) appreciates the opportunity to provide testimony **in support of SB3153 SD2** which establishes the Dam and Appurtenance Improvement or Removal Grant Program Special Fund to receive moneys for the Dam and Appurtenance Improvement or Removal Grant Program.

The recent Dam and Reservoir Safety Rules have led to additional burdens upon landowners and farmers. This just adds to the already difficult conditions to work in Hawaii's agriculture industry. The availability of these grants will help landowners and operators to comply with these rules and regulations. Please note that dams and reservoirs are vital pieces of infrastructure that's function is necessary not only to farmers during dry periods, but they also supply drinking water to the residents of our state.

Mahalo for the opportunity to testify in support of this measure.

The Hawaii Crop Improvement Association is a Hawaii-based non-profit organization that promotes modern agriculture to help farmers and communities succeed. Through education, collaboration, and advocacy, we work to ensure a safe and sustainable food supply, support responsible farming practices, and build a healthy economy.



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March 14, 2024

HEARING BEFORE THE
HOUSE COMMITTEE ON WATER & LAND

TESTIMONY ON SB 3153, SD2
RELATING TO THE DAM AND APPURTENANCE IMPROVEMENT OR REMOVAL
GRANT PROGRAM

Conference Room 430 & Videoconference
10:00 AM

Aloha Chair Ichiyama, Vice-Chair Poepoe, 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 3153, SD2, which establishes a Dam and Appurtenance Improvement or Removal Grant Program Special Fund to receive moneys for the Dam and Appurtenance Improvement or Removal Grant Program and appropriates funds for the Dam and Appurtenance Improvement or Removal Grant Program.

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 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 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 whenever we place hard impermeable surfaces (e.g. concrete) over previously open ground (agriculture).

Recent Dam and Reservoir Safety rules levy additional burdens 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 through the Dam and Appurtenance Improvement or Removal Grant Program 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.