

DAVID Y. IGE
Governor

SHAN S. TSUTSUI
Lt. Governor



State of Hawaii
DEPARTMENT OF AGRICULTURE
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SCOTT E. ENRIGHT
Chairperson, Board of Agriculture

PHYLLIS SHIMABUKURO-GEISER
Deputy to the Chairperson

**TESTIMONY OF SCOTT E. ENRIGHT
CHAIRPERSON, BOARD OF AGRICULTURE**

**BEFORE THE HOUSE COMMITTEES ON AGRICULTURE AND ECONOMIC
DEVELOPMENT AND BUSINESS**

February 10, 2015
8:30 A.M.
CONFERENCE ROOM 312

**HOUSE BILL NO. 502
RELATING TO IRRIGATION**

Chairpersons Tsuji and Kawakami and Members of the Committees:

Thank you for the opportunity to comment on House Bill No. 502. The purpose of this bill is to authorize the director of finance to issue general obligation bonds to finance improvements to various irrigation systems. The Department supports the intent of this bill and respectfully offers the following changes.

Insert \$5,650,000 as the amount on page 1, line 12 and add "... and \$4,800,000 or so much thereof as may be necessary and the same sum or so much thereof as may be necessary is appropriated for fiscal year 2016-2017 for the purposes..." after "...2015-2016..." on page 1, line 14. A breakdown of the proposed projects is attached for your inclusion into the bill.

Thank you for the opportunity to testify on this measure.



TESTIMONY BY WESLEY K. MACHIDA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE HOUSE COMMITTEES ON AGRICULTURE AND
ECONOMIC DEVELOPMENT & BUSINESS
ON
HOUSE BILL NO. 502

February 10, 2015
8:30 A.M.

RELATING TO IRRIGATION.

House Bill No. 502 authorizes the director of finance to issue general obligation bonds to finance capital improvements to various irrigation systems throughout the State.

The Department has technical comments on this bill. Federal tax law requires, among other things, that tax-exempt general obligation bond proceeds be used to finance projects that serve governmental public purposes. It appears that private entities may derive benefit from this legislation. Should any private entity benefit from the improvements made to these irrigation systems, tax-exempt general obligation bonds cannot be used for this purpose. The State would need to issue taxable general obligation bonds at a higher cost in order to allow the department of agriculture to provide financing assistance to private entities.

In addition, to the extent that funding for these projects are not in the proposed Executive Budget, should this bill proceed or pass the Legislature, an amount for the corresponding annual debt service will need to be included in the Legislature's version of the budget.

Thank you for the opportunity to provide our testimony on this bill.



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February 10, 2015

HEARING BEFORE THE
HOUSE COMMITTEE ON AGRICULTURE

TESTIMONY ON HB 502
RELATING TO IRRIGATION

Room 312
8:30 AM

Aloha Chair Tsuji, Vice Chair Onishi, and Members of the Committee:

I am Christopher Manfredi, President of the Hawaii Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,932 farm family members statewide, and serves as Hawaii's voice of agriculture to protect, advocate and advance the social, economic and educational interest of our diverse agricultural community.

HFBF strongly supports HB 502 appropriating funds for irrigation systems across the State. This measure is one of HFB's priority measures and part of a systematic effort to increase access to water for our farmers and ranchers.

Many of these irrigation systems are antiquated and have atrophied over a period of time. Please see our attached request by system. We are pleased to offer further details upon your request. The repair and maintenance of these systems is critical because our farmers and ranchers depend on these irrigation systems for their operations. Water availability is a basic necessity for farmers and ranchers to maintain and expand their production, particularly in times of drought manifested on many islands as a result of a changing climate. Moreover, a reliable water supply is a key factor for Hawaii's farmers and ranchers when making decisions to start new or expand existing operations.

The funds for Hawaii's irrigation systems are directed to the Hawaii Department of Agriculture's Agricultural Resource Management (ARM) Division. We will defer to ARM for final budgetary allocations of what is needed for the various systems at this time.

Thank you for the opportunity to comment on this measure.

Irrigation system maintenance and improvements
TOTAL REQUEST: \$16,635,000

1. **\$10,000 for Pee Ditch Maintenance, Kauai**
2. **\$75,000 for East Kauai Water User's Cooperative Maintenance, Kauai**
3. **\$8,000,000 for Galbraith Irrigation Infrastructure**
4. **\$1,000,000 Lower Hamakua Ditch Watershed Project, Hawaii**
5. **\$2,000,000 Upcountry Maui Watershed Project, Maui**
6. **\$700,000 Waimanalo Irrigation System Improvements, Oahu**
7. **\$1,500,000 for Exploratory well on Molokai**

Exploratory Well, Molokai

Plans	\$150,000
Design	\$150,000
Construction	\$1,200,000
Total	\$1,500,000

8. **\$3,050,000 for Moloaa Well, Kauai**

Land	\$500K
Planning	\$600K
Design	\$200K
Construction	\$1.75m
Total	\$3.05m

9. **\$300,000 for Waimea Irrigation Systems Improvements, Hawaii**

Design	\$30K
Construction	\$270K
Total	\$300K

onishi3 - Timothy

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 08, 2015 5:50 PM
To: AGRtestimony
Cc: gottlieb@hawaii.rr.com
Subject: *Submitted testimony for HB502 on Feb 10, 2015 08:30AM*

HB502

Submitted on: 2/8/2015

Testimony for AGR on Feb 10, 2015 08:30AM in Conference Room 312

Submitted By	Organization	Testifier Position	Present at Hearing
Alan Gottlieb	Hawaii Cattlemen's Council	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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Hawaii Crop Improvement Association

Growing the Future of Worldwide Agriculture in Hawaii

TESTIMONY FROM BENNETTE MISALUCHA, EXECUTIVE DIRECTOR

In Support of HB 502

Authorizes the director of finance to issue general obligation bonds to finance capital improvements to various irrigation systems

HOUSE COMMITTEE ON AGRICULTURE

February 10, 2015, 8:30 AM in House conference room 312

Aloha Chair Tsuji and members of the Committee,

My name is Bennette Misalucha, Executive Director of the Hawaii Crop Improvement Association and we are in support of the intent of HB 502.

Efficient irrigation systems and techniques play a vital role in Hawaii's agricultural sector, given the unpredictable weather conditions like drought. It is therefore, imperative that irrigation systems throughout the state be properly maintained at all times. This bill will provide the State with the resources to achieve this objective and we assert that it will definitely benefit all of Hawaii's farming communities.

We humbly ask for the Committee's support of HB 502.

Mahalo for your kind consideration.

HCIA 2014-2016 Board of Directors

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onishi3 - Timothy

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 08, 2015 1:38 AM
To: AGRtestimony
Cc: legechair@gmail.com
Subject: *Submitted testimony for HB502 on Feb 10, 2015 08:30AM*

HB502

Submitted on: 2/8/2015

Testimony for AGR on Feb 10, 2015 08:30AM in Conference Room 312

Submitted By	Organization	Testifier Position	Present at Hearing
Simon Russell	Hawaii Farmers Union United	Support	No

Comments:

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From: mailinglist@capitol.hawaii.gov
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To: AGRtestimony
Cc: swhalen@harc-hspa.com
Subject: Submitted testimony for HB502 on Feb 10, 2015 08:30AM



HB502

Submitted on: 2/9/2015

Testimony for AGR on Feb 10, 2015 08:30AM in Conference Room 312

Submitted By	Organization	Testifier Position	Present at Hearing
Stephanie A Whalen	HARC	Support	No

Comments: Dear Representatives Please support this request supporting the irrigation systems of Hawaii. The legislature has been generously supporting this area for many years. As you may know the irrigation system on the mainland were supported mainly by a public agency, the Bureau of Reclamation. This Agency did not and has not included Hawaii in its irrigation system support. This state has recognized its need to support its agriculture through public support of its remaining irrigation systems. Thank you for this opportunity to request your support.

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