

DAVID Y. IGE
GOVERNOR OF HAWAII



**STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES**

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**Testimony of
SUZANNE D. CASE
Chairperson**

**Before the Senate Committee on
WAYS AND MEANS**

**Monday, March 28, 2016
9:15 A.M.
State Capitol, Conference Room 211**

**In consideration of
HOUSE BILL 2198, HOUSE DRAFT 2, SENATE DRAFT 1
RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS
FOR UKUMEHAME RESERVOIRS**

House Bill 2198, House Draft 2, Senate Draft 1 proposes to authorize the issuance of special purpose revenue bonds to provide financing to assist West Maui Investors, LLC with two (2) Ukumehame Reservoirs. **The Department of Land and Natural Resources (Department) supports this measure as it will assist the dam and reservoir owners by providing an economic means to bring their facilities up to current safety standards and reduce the risk of a dam failure.**

Ukumehame Reservoir Numbers 2 and 3 are located at the downstream end of the Ukumehame Gulch watershed, approximately 8.5 miles southeast of Lahaina, on the Island of Maui. Ukumehame Reservoir Nos. 2 and 3 are earthen embankment dams constructed side-by-side along the bottom of the western slope of the Ukumehame Gulch and are regulated as one dam/reservoir facility by the Department. The Reservoirs receive water from a small diversion off of the stream in the Ukumehame Gulch and which has historically been utilized for agricultural water in the nearby area.

Following the discovery of a major leak from Ukumehame Reservoir No.3 in 2008, the water level in both Reservoir Nos. 2 and 3 were drawn down to minimize the risk of failure. The owners modified portions of the water system to bypass Ukumehame Reservoirs Nos. 2 and 3, however, has yet to implement any remediation work that would address public safety.

Thank you for the opportunity to testify on this measure.

SUZANNE D. CASE
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

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**STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE**

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FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

**TESTIMONY BY WESLEY K. MACHIDA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEE ON WAYS AND MEANS
ON
HOUSE BILL NO. 2198, H.D. 2, S.D. 1**

March 28, 2016
9:15 A.M.

**RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR
UKUMEHAME RESERVOIRS**

House Bill No. 2198, H.D. 2, S.D. 1, authorizes the issuance of Special Purpose Revenue Bonds (SPRB) up to \$850,285 to provide financing to assist West Maui Investors, LLC, with two Ukumehame reservoirs pursuant to Act 147, Session Laws of Hawaii 2012.

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 will require further discussion and satisfactory credit underwriting review of the financing components with respect to any proposed financing.

Thank you for the opportunity to provide testimony on this measure.

From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: owen@hawaii.edu
Subject: Submitted testimony for HB2198 on Mar 28, 2016 09:15AM
Date: Friday, March 25, 2016 8:56:44 PM

HB2198

Submitted on: 3/25/2016

Testimony for WAM on Mar 28, 2016 09:15AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Owen Miyamoto	American Society of Civil Engineers	Support	No

Comments: The Hawaii Section of the American Society of Civil Engineers supports the measure because it would provide financial assistance to the owner of the dam to make essential repairs and maintenance for the continued use of the dam. ASCE has supported repairs for dams through its Infrastructure Score Card that reports on the condition of dams throughout Hawaii.

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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