

HB2689, HD1

LINDA LINGLE
Governor



ALFREDO A. LEE
Executive Director

STATE OF HAWAII
AGRIBUSINESS DEVELOPMENT CORPORATION
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**TESTIMONY OF ALFREDO LEE
EXECUTIVE DIRECTOR
AGRIBUSINESS DEVELOPMENT CORPORATION**

**BEFORE THE SENATE COMMITTEES ON
WATER, LAND, AGRICULTURE AND HAWAIIAN AFFAIRS
AND
TRANSPORTATION, INTERNATIONAL AND
INTERGOVERNMENTAL AFFAIRS**

Friday, March 12, 2010
1:15 p.m.
Room 224

**HOUSE BILL NO. 2689, HD 1
RELATING TO AGRICULTURAL WATER SYSTEMS**

Chairpersons Hee, English and Members of the Committees:

Thank you for the opportunity to testify on House Bill 2689, HD 1. The Agribusiness Development Corporation (ADC) has comments regarding this bill and defers to the counties regarding subdivision requirements.

The bill as written does not address the potential liabilities and costs to the state by accepting deteriorated water systems. Many of these irrigation systems are old and in need of serious repair in order to maintain proper conveyance of water. In addition, these systems often come with substandard or poorly maintained dams and reservoirs. Dam and reservoir rehabilitation may cost millions of dollars.

LINDA LINGLE
Governor



SANDRA LEE KUNIMOTO
Chairperson, Board of Agriculture

DUANE K. OKAMOTO
Deputy to the Chairperson

State of Hawaii
DEPARTMENT OF AGRICULTURE
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**TESTIMONY OF SANDRA LEE KUNIMOTO
CHAIRPERSON, BOARD OF AGRICULTURE**

**BEFORE THE SENATE COMMITTEES ON
WATER, LAND, AGRICULTURE, AND HAWAIIAN AFFAIRS
AND
TRANSPORTATION, INTERNATIONAL AND INTERGOVERNMENTAL AFFAIRS
FRIDAY, MARCH 12, 2010
1:15 P.M.
ROOM 224**

**HOUSE BILL NO. 2689, H.D. 1
RELATING TO AGRICULTURAL WATER SYSTEMS**

Chairpersons Hee and English, and Members of the Committees:

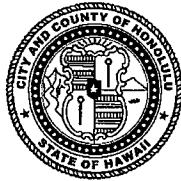
Thank you for the opportunity to testify on House Bill No. 2689, H.D. 1. The purpose of this bill is to allow the conveyance of an agricultural water system to the Board of Agriculture without complying with county subdivision rules. The department has concerns with this bill though we see its potential to benefit the agricultural industry in certain instances.

We recommend that the bill include language that requires that the lands served by the gifted water system remain in agriculture for the long term, either through voluntary declaration as Important Agricultural Lands or by placing an agricultural easement on the irrigated lands. If the irrigated lands are not the property of the water system owner, then the system owner would have to obtain a similar commitment from the owner(s) of the irrigated lands.

Also, the department is concerned that this gift could complicate future transactions of the parent parcel (and the irrigation system parcel for that matter). If there is an unsubdivided interest on the land, and the owner of the parent parcel or the state were to attempt to sell, transfer, or exchange their interest, they may have problems with title insurance as clear title may be difficult to establish thereby decreasing the value of the land or prevent the transaction altogether.

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

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MUFI HANNEMANN
MAYOR

DAVID K. TANOUE
DIRECTOR
ROBERT M. SUMITOMO
DEPUTY DIRECTOR

March 12, 2010

The Honorable Clayton Hee, Chair
and Members of the Committee on Water, Land,
Agriculture, and Hawaiian Affairs
The Honorable J. Kalani English, Chair
and Members of the Committee on Transportation,
International and Intergovernmental Affairs
State Senate
State Capitol
Honolulu, Hawaii 96813

Dear Chairs Hee, English and Members:

**Subject: House Bill No. 2689 HD1
Relating to Agricultural Water Systems**

The Department of Planning and Permitting **disagrees** with House Bill No. 2689 HD1, which exempts state acquisition of private agricultural water systems from the requirements of the county subdivision regulations.

As with the original version of the bill, we reiterate that this measure, as written, appears to be flawed since land being divided to create property boundaries for a water system would likely create additional remainder lots that are cause for concern.

Our concern is based on two reasons. First, the purpose of the county subdivision regulations is to ensure that any lots that are subdivided will be provided with adequate access, and the necessary utilities for the intended use or development. Additionally, the proposed lots must be shown to be suitable and not prone to flooding, poor drainage, slides, rockfall, or other conditions likely to be harmful or dangerous to health, safety or welfare of residents or the surrounding community. Without review for compliance with these county subdivision requirements, lands may be subdivided in ways that do not meet the preceding criteria and may become a liability to the state. Also, once subdivided without county approval, the remainder portions of lands retained by the private owner or grantor may be further developed or sold without the facilities necessary to support such development and without mitigating or rectifying conditions likely to be harmful to health, safety or welfare.

Secondly, lots that are subdivided and recorded without county approval will lack an official record with the county and cannot be recognized. The HD1 version of the bill, although providing for notice to the county of the conveyance, would not substitute the official subdivision

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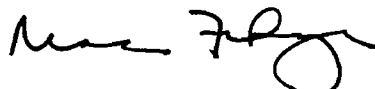
approval record of the county which will hinder the issuance of future building or other development permits on the remainder lots.

Although the justification for this bill is that "the process of obtaining county, state, and land court approval of subdivision and easement maps is relatively time-consuming and often requires more than one year to complete," we note that the HD1 version of the bill does not at all reduce the time (several months) the land court takes to accept for filing and recording all the instruments and maps pertaining to the conveyance.

Accordingly, we respectfully request that House Bill No. 2689 HD1 be filed.

Thank you for the opportunity to testify.

Very truly yours,



for David K. Tanoue, Director
Department of Planning and Permitting

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KAMEHAMEHA SCHOOLS

TESTIMONY TO THE SENATE COMMITTEE ON WATER, LAND, AGRICULTURE, AND HAWAIIAN AFFAIRS AND THE SENATE COMMITTEE ON TRANSPORTATION, INTERNATIONAL AND INTERGOVERNMENTAL AFFAIRS

Hearing Date: Friday, March 12, 2010
1:15 p.m., Conference Room 224

Dear Chair Hee; Chair English; Vice Chair Tokuda and Vice Chair Gabbard:

Testimony in Support of House Bill No. 2689 HD 1 Relating to Agricultural Water Systems

I am Kapu C. Smith, Senior Land Asset Manager for Kamehameha Schools' Kawaihoa Plantation in Waialua, Oahu. I am here to testify in support of H.B. 2689 HD 1 because passage of this bill will do the following:

- Provide the Department of Agriculture (DOA) with the ability but not the requirement to accept agricultural water systems without the costly step of subdivision.
- Allows DOA to decide what it will accept and what it will not. As such, there is no requirement to take on systems with substantial repairs or portions of an agricultural water system.
- Provides DOA with a tool for obtaining agricultural water systems which are required to preserve agricultural use.

In regard to the Wahiawa Irrigation System (WIS) which provides water service to Kawaihoa Plantation the passage of this bill would:

- Remove a roadblock to the potential conveyance of WIS - The cost and time of completing subdivision for each parcel over which WIS runs would make the conveyance unlikely (the system consists of over 25 miles of open ditches, tunnels and 14 siphons).
- Recognize the need to preserve the operation of WIS as the primary irrigation source for agricultural lands on the North Shore - In 1906, the Wahiawa Irrigation System was built to provide irrigation water to 12,000 acres of sugarcane and 5,000 acres of pineapple by Waialua Sugar Company with a 50 million gallon per day capacity. It currently supplies an estimated 10 million gallons per day of irrigation water to 6,400 acres of diversified crops and the remaining pineapple crops. Of the 22 farmers who currently use WIS, 18 have no backup irrigation source (rainfall is inadequate) and cannot continue farming without the continued operation of WIS (Source: Wahiawa Irrigation System Impact Study by Hawaii Department of Agriculture dated November 21, 2008).
- Acknowledge the value of WIS to agricultural production on Oahu and statewide - It was estimated by DOA that during 2007, \$37.66 million of agricultural crops were produced and sold from the lands serviced by WIS and provided jobs for 569 full-time and part time workers (Source: Wahiawa Irrigation System Impact Study by Hawaii Department of Agriculture dated November 21, 2008).

As such, we hope that you too will support H.B. 2689 HD 1. Thank you for the opportunity to express our views.

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