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February 1, 2011

Testimony

RE: HB1228 RELATING TO WATER

Chair Chang, Chair Tsuji, and Members of the Committees:

Hawaii Farm Bureau Federation on behalf of commercial farm and ranch families and organizations supports with comments HB1228, developing a Water Development Study.

The State Water Code requires a Hawaii Water Plan that addresses current and future needs of water in the State. In 1998, as large water systems were abandoned with the closure of plantations, the Legislature included the Agricultural Water Use and Development Plan as part of the State Water Plan. The intent of the measure was "to develop a long-range management plan that assesses **state and private** agricultural water use, supply and irrigation water systems." (quote from Commission on Water Resource and Management with emphasis added).

Since passage, attempts have been made to complete the Plan. Todate, it remains incomplete and the Water Commission is faced with decision making responsibilities that need this information. Past reports emphasized State systems and while they are important, they are not the only systems in the State. Many areas depend on private systems.

A new section as suggested in this measure is not required. Funding to complete the Plan as defined in HRS 174C-31 (e) 3 and 4 is needed. This information will assist the Commission in making decisions on the various needs identified in the Water Code.

We respectfully request your passage of this measure, amending it to address funding for HRS174c-31(e)3 and 4. We appreciate this opportunity to provide our opinion on this matter. If there are any questions, please contact Warren Watanabe at 2819718.

TESTIMONY BY KALBERT K. YOUNG
INTERIM DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE HOUSE COMMITTEES ON AGRICULTURE AND WATER, LAND,
AND OCEAN RESOURCES
ON
HOUSE BILL NO. 1228

February 2, 2011

RELATING TO WATER

House Bill No. 1228 establishes: the water development study special fund in the Department of Agriculture; appropriates an unspecified amount in general funds in fiscal year 2011-2012 and fiscal year 2012-2013 to be deposited into the water development study special fund; and directs the Department of Agriculture to conduct and do what is necessary to prepare a statewide water development study for agricultural uses in the State using the funds appropriated from the water development study special funds.

As a matter of general policy, the Department of Budget and Finance does not support the creation of any special fund which does not meet the requirements of Section 37-52.3 of the Hawaii Revised Statutes. Special or revolving funds should: 1) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries of the program; 2) provide an appropriate means of financing for the program or activity; and 3) demonstrate the capacity to be financially self-sustaining. In regards to House Bill No. 1228, it is difficult to determine whether the fund will be self-sustaining.