DAVID Y. IGE GOVERNOR OF HAWAII





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

KEKOA KALUHIWA

JEFFERY T. PEARSON, P.E. DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES BOATING AND OCEAN RECREATION BUREAU OF CONVEY ANCES COMMISSION ON WATER RESOURCE MANAGEMENT CONSERVATION AND RESOURCE SENFORCEMENT ENGINEERING FORESTRY AND WILDLIFE HISTORIC PRESERVATION KAHOOLAWE ISLAND RESERVE COMMISSION LAND STATE PARKS

STATE OF HAWAII DEPARTMENT OF LAND AND NATURAL RESOURCES

POST OFFICE BOX 621 HONOLULU, HAWAII 96809

Testimony of SUZANNE D. CASE Chairperson

Before the Senate Committee on WAYAS AND MEANS

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

In consideration of HOUSE BILL 2059, HOUSE DRAFT 2, SENATE DRAFT 2 RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR KEHALANI OFFSITE RETENTION BASIN

House Bill 2059, House Draft 2, Senate Draft 2 proposes to authorize the issuance of special purpose revenue bonds to assist the owner of the Kehalani Offsite Retention Basin (Basin), make safety improvements to the facility which would benefit the public's health, safety and general welfare. The Department of Land and Natural Resources supports this measure as it would assist the dam owner with an economic means to bring their facilities in compliance with current safety standards and reduce the risk of a dam failure to the surrounding community.

The Basin is located in Central Maui and is a regulated dam under Hawaii Revised Statutes Chapter 179D, (Hawaii Dam Safety Act of 2007). Construction on the dam and retention basin began in 2003 and is still not completed. The Basin serves as a storm retention basin for the Kehalani Subdivision and does receive mauka offsite flows in addition to those from the subdivision. The dam has a height of 30 feet and maximum storage area in excess of 490 acre feet (approx. 160 million gallons). Land use in the downstream drainage includes new residential construction and existing residential development in the town of Wailuku. Due to its location, the Basin is classified as a high hazard structure. A high hazard structure is defined as a dam or reservoir whose failure will result in probable loss of human life.

Thank you for the opportunity to testify on this measure.

WESLEY K. MACHIDA DIRECTOR

RODERICK K. BECKER DEPUTY DIRECTOR

ADMINISTRATIVE AND RESEARCH OFFICE BUDGET, PROGRAM PLANNING AND MANAGEMENT DIVISION FINANCIAL ADMINISTRATION DIVISION OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

EMPLOYEES' RETIREMENT SYSTEM HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND OFFICE OF THE PUBLIC DEFENDER

> TESTIMONY BY WESLEY K. MACHIDA DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE TO THE SENATE COMMITTEE WAYS AND MEANS ON HOUSE BILL NO. 2059, H.D. 2, S.D. 1

> > March 28, 2016 9:15 A.M.

RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR KEHALANI OFFSITE RETENTION BASIN

House Bill No. 2059, H.D. 2, S.D. 1, authorizes the issuance of Special Purpose

Revenue Bonds (SPRB) up to \$5,570,250 to provide financing to assist RCFC Kehalani,

LLC, with Kehalani offsite retention basin improvement work 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.



STATE OF HAWAII

DEPARTMENT OF BUDGET AND FINANCE

P.O. BOX 150 HONOLULU, HAWAII 96810-0150

<u>HB2059</u>

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 because it would provide financial assistane to the owner of the dam to make essential repairs and maintenance for the continued use of the dam. ASCE has supported 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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