

HB 2059,  
HD2

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  
WATER, LAND, AND AGRICULTURE**

**Monday, March 14, 2016  
2:45 P.M.  
State Capitol, Conference Room 224**

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

House Bill 2059, House 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.

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

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LAND  
STATE PARKS

DAVID Y. IGE  
GOVERNOR



WRITTEN ONLY

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DIRECTOR

RODERICK K. BECKER  
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM  
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
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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 WATER, LAND, AND AGRICULTURE  
ON  
HOUSE BILL NO. 2059, H.D. 2**

March 14, 2016  
2:45 P.M.

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

House Bill No. 2059, H.D. 2, authorizes the issuance of Special Purpose Revenue Bonds (SPRB) 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.