DAVID Y. IGE Governor

DOUGLAS S. CHIN Lt. Governor



SCOTT E. ENRIGHT
Chairperson, Board of Agriculture

PHYLLIS SHIMABUKURO-GEISER
Deputy to the Chairperson

State of Hawaii
DEPARTMENT OF AGRICULTURE
1428 South King Street
Honolulu, Hawaii 96814-2512
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TESTIMONY OF SCOTT E. ENRIGHT CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE SENATE COMMITTEE ON WAYS & MEANS

APRIL 3, 2018 10:00 A.M. CONFERENCE ROOM 211

HOUSE BILL NO. 1976 HD1 RELATING TO IRRIGATION

Chairperson Dela Cruz and Members of the Committee:

Thank for the opportunity to testify on House Bill No. 1976 HD1 which authorizes general obligation bonds to finance capital improvements to the Waiahole Irrigation System. The Department strongly supports this measure.

Water is the lifeblood of agriculture. Efficient and reliable irrigation systems transport this resource to where it can be effectively used best. The State's irrigation systems are called upon to provide billions of gallons of agricultural water every year. The Waiahole Irrigation System, run by the Agribusiness Development Corporation, services the many agriculturalists in Oahu's central plain. This measure seeks to provide additional vital infrastructure funding for the Waiahole Irrigation System, which was built over a century ago, to ensure water security for Hawaii's local farmers.

Thank you for the opportunity to testify on this measure.



DAVID Y. IGE Governor

DOUGLAS S. CHIN Lt. Governor



SCOTT E. ENRIGHT Chairperson, Board of Agriculture

PHYLLIS SHIMABUKURO-GEISER

Deputy to the Chairperson



Honolulu, Hawaii 96814-2512 Phone: (808) 973-9600 FAX: (808) 973-9613



TESTIMONY OF SCOTT E. ENRIGHT CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE SENATE COMMITTEE ON COMMERCE, CONSUMER PROTECTION & HEALTH

> APRIL 3, 2018 10:00 A.M. **CONFERENCE ROOM 229**

SENATE CONCURRENT RESOLUTION NO. 167/SENATE RESOLUTION NO. 126 REQUESTING THE BOARD OF AGRICULTURE TO SUBMIT A REPORT TO THE LEGISLATURE DETAILING A PLAN TO IMPROVE THE IMPORT PERMIT PROCESS FOR ALL AGRICULTURAL COMMODITIES.

Chairperson Baker and Members of the Committee:

Thank you for the opportunity to testify SCR 167/SR 126 that requests the Board of Agriculture to submit a report to the Legislature detailing a plan to improve the import permit process for all agricultural commodities. The Department of Agriculture offers comments.

First, as to statements in SCR 167/SR 126 of reported failure to timely issue aquaculture import permits, to our knowledge, the Department has complied with the maximum time limit requirements for processing these applications. There may be misunderstanding on the part of some applicants as to how the import review process works. However, the Department believes it has timely issued permits for completed applications that: (a) complied with applicable review procedures; (b) qualified for import of aquaculture species for purposes allowed by the Department's rules: (c) had appropriate permit conditions established by the Board of Agriculture; and (d) were approved by the Board of Agriculture or at the administrative level, as applicable. Permits are not issued if the foregoing requirements are not met.



The Department's administrative rules for non-domestic animal import do set timeframes for permit issuance or disapproval relative to the date a completed application is accepted. Those timeframes were met as to applications for aquaculture import that complied with the requirements described above. For instance, for aquaculture import requests which otherwise qualify and for which permit conditions have already been approved by the Board review process, the timeframe requirement is within 90 days of acceptance of a completed application. The Department's Plant Quarantine Branch normally issues these kinds of permits within two to three weeks from acceptance of a completed application, if not sooner.

For import of the first species of its kind into the State or for a new purpose or using a new technology, or that otherwise raises risk issues, the Board of Agriculture's three-tiered review process comes into play and this review will take longer. The risk and mitigation issues are identified and analyzed by the Board's advisory technical experts who have relevant scientific expertise and they make recommendations to address the risks associated with the requested import, recommendations that can include requiring facility biosecurity modifications or procedures, best management practices, or other mitigative measures through permit conditions. If the Board approves the import permit application, the Board must establish appropriate permit conditions before the permit can be issued. As a result, the applicant's initial effort with the Plant Quarantine Branch in proceeding through the Board review process is well worth the time to protect Hawaii's environment and affected industries and will allow quick administrative approval of the applicant's future import permit requests for the same item, as well as other applicants' requests if they are essentially the same. Essentially, the review that is conducted is a risk assessment that is specific to the applicant, their facility, species and proposed use.

Although the review process can be lengthy, especially where scientific issues may be in dispute, the process is designed to protect Hawaii's environment and its affected industries, through conscientious scientific screening, from the potential risks of importing alien pest species. The Plant Quarantine Branch is aware that approving import of desired aquaculture species may result in potentially significant economic benefits to the State, and may represent an important step toward achieving the State's

local food production and sustainability goals. However, unregulated or less than careful import of these aquaculture species would be a risky proposition for the aquaculture industry in terms of the disease threat, and for Hawaii's environment, native species, and natural resources in terms of the potential threat of invasive species.

We note that the Penaeid Shrimp industry has worked with the Department to develop, implement, and maintain appropriate permitting standards and to establish and maintain strict biosecurity protocols to ensure that the industry is protected from the introduction and intrastate spread of potentially devastating diseases. As a result, there are no delays to import permit issuance for Penaeid Shrimp, and the industry is able to safely and properly import the stock needed to maintain disease-free production.

The Department recognizes that there was concern over the length of time it took to process a rule amendment requested by some aquaculture businesses to allow import of the Nile Tilapia, *Oreochromis niloticus*, for commercial production. Much of the delay is attributed to the Reduction in Force (RIF) in 2010, which resulted in several retirements and vacancies in key positions that were responsible for handling the requested Nile Tilapia rule amendment. These vacant positions were not permanently filled until December of 2016. Despite these challenges, the Nile Tilapia rule amendment is currently being prepared for the Governor's signature, and after the rule amendment takes effect, import permit applications for Nile Tilapia for commercial production can be received and processed. The Plant Quarantine Branch has made much needed strides toward filling vacancies throughout the Branch, especially in the Inspection and Compliance Section, which oversees import permit issuance.

The Plant Quarantine Branch continues to update administrative rules, including expanding the Quarantine for Coffee Berry Borer, addition of a new subchapter to address Rapid Ohia Death, and most recently, the list changes to Nile Tilapia, House Cricket and assorted housekeeping measures. The Branch intends to continue this effort.

If, as these Senate Resolutions request, require the implementation of risk-based assessments for all import categories, it will eliminate the specificity in the review process and could impose unnecessary restrictions on certain users because they may be placed into a category that imposes restrictions that may not be specific to their site

or practices. The use of a risk based framework for list placement of species would still require adhering to the requirements of chapter 91 and would not necessarily speed up the listing process, and depending on the risk assessment used, could automatically make certain desirable species ineligible for commercial use. By mandating specific best management practices, many smaller farmers may be unable to meet the predetermined requirements that will be needed to address proper biosecurity practices for the specific species proposed for import and would preclude the use of additional or alternative best management practices. The current Board review process is already risk based and fluid enough to address non-domestic animal, plant and microorganism importation and the various uses of these organisms within the State, with permits being issued and completed in a timely fashion. Additionally, current permit conditions already include language that allows applicants to utilize facility-specific best management practices to address biosecurity risks based on the species and proposed use of that species.

Thank you for the opportunity to comment on these resolutions.



March 28, 2018

Senator Donovan M. Dela Cruz, Chair Senator Gilbert S.C. Keith-Agaran, Vice-Chair Senate Committee on Ways and Means

Support of HB 1976, H.D. 1, Relating to Irrigation (Authorizes the issuance of general obligation bonds and appropriates funds to finance capital improvements to the Waiahole Irrigation System.)

Tuesday, April 3, 2018, 10:00 a.m., in Conference Room 211

The Land Use Research Foundation of Hawaii (LURF) is a private, non-profit research and trade association whose members include major Hawaii landowners, developers and a utility company. LURF's mission is to advocate for reasonable, rational and equitable land use planning, legislation and regulations that encourage well-planned economic growth and development, while safeguarding Hawaii's significant natural and cultural resources, and public health and safety.

LURF appreciates the opportunity to express its **support of HB 1976**, **H.D. 1** and of the various agricultural stakeholder groups who defend the goals of viable agricultural operations and the conservation and protection of agriculture, including important agricultural lands (IAL) in Hawaii.

HB 1976, **H.D. 1**. The purpose of this bill is to provide additional funding for improvements to the Waiahole irrigation system.

<u>LURF's Position</u>. Since large amounts of prime agricultural lands and irrigation systems became available for conversion to diversified agriculture due to the plantation closures in the 1990s, the State has had the opportunity to strengthen and expand Hawaii's diversified agriculture industry. Agricultural lands, however, require significant quantities of water to support and maintain productivity. To ensure that local agricultural producers may continue to receive a dependable supply of water for crops, as well as research and development operations, sufficient funding is necessary to improve, repair and maintain Hawaii's irrigation systems.

Senate Committee on Ways and Means March 28, 2018 Page 2

The Waiahole irrigation system, one of Hawaii's most important irrigation systems, is over a hundred years old, 23.5 miles long, and services thousands of acres of productive agricultural lands in central Oahu. The system is one of many irrigation systems throughout the State which are vital to Hawaii's agricultural industry.

Local farmers and ranchers who rely on irrigation systems to service their agricultural lands consider such resources critical to conduct their agricultural operations and to sustain their businesses. These agricultural stakeholders believe measures such as HB 1976, H.D. 1 will greatly assist by providing funding necessary to make improvements to the Waiahole irrigation system for the long-term betterment of the State's agricultural industry and look to legislation like this to help them work toward the expansion of diversified agriculture; promote the agricultural self-sufficiency of the State; and to protect water as an important resource.

For the above reasons, LURF **supports HB 1976**, **H.D. 1**, and respectfully urges your favorable consideration.

Thank you for the opportunity to provide comments in support of this matter.



SENATE COMMITTEE ON WAYS AND MEANS Tuesday, April 3, 2018 – 10:00 AM - Room 211

RE: HB 1976 HD1 - Relating to Irrigation – In Support

4 Ag Hawai'i

Hawai'i Aquaculture & Aquaponics Association

Hawai'i Association of Independent Schools

Hawai'i Cattlemen's Council

Hawai'i Farm Bureau Federation

Hawai'i Farmers' Union United

Hawai'i Food Industry Association

Hawai'i Food Manufacturers Association

Kohala Center

Malama Kaua'i

Maui School Garden Network

Ulupono Initiative

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran and Members of the Committee:

The Local Food Coalition is in strong support of HB 1976 HD1, which authorizes the issuance of general obligation bonds and appropriates funds to finance capital improvements to the Waiahole Irrigation System.

The Local Food Coalition is an organization comprising of farmers, ranchers, livestock producers, investors and other organizations working to provide Hawai'i's food supply.

The Waiahole Irrigation System is vital for many agricultural operations in central Oahu. There is a need to reduce water loss, increase water storage and secure a backup well in case of a failure in the system.

We ask for your favorable consideration of this measure. Thank you for the opportunity to provide comments in support.

Lori Lum 808-544-8343 llum@wik.com



P.O. Box 253, Kunia, Hawai'i 96759 Phone: (808) 848-2074; Fax: (808) 848-1921 e-mail info@hfbf.org; www.hfbf.org

April 3, 2018

HEARING BEFORE THE SENATE COMMITTEE ON WAYS AND MEANS

TESTIMONY ON HB 1976, HD 1 RELATING TO IRRIGATION

Room 211 10:00 AM

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee:

I am Randy Cabral, President of the Hawaii Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,900 farm family members statewide, and serves as Hawaii's voice of agriculture to protect, advocate and advance the social, economic and educational interests of our diverse agricultural community.

The Hawaii Farm Bureau strongly supports HB 1976, HD 1, which authorizes the Director of Finance to issue general obligation bonds to finance capital improvements to the Waiahole Irrigation System.

Since the demise of plantation operations across the islands, we have seen the erosion of irrigation systems. Ditches that carried water fell into disrepair with major leaks in the system, and in cases such as Kau', cracks in tunnels created enough losses that there is no longer significant flow of water. The Legislature continues to advocate for increased self-sufficiency and sustainability. Agriculture must play a key role in the process and for there to be agriculture, water is important.

The Waiahole Irrigation System was built about 100 years ago and continues to be a critical infrastructure system that provides water to thousands of acres of prime agricultural lands in central Oahu. The central plains of Oahu are one of the most highly productive and diversified agricultural region in the State.

The State Agribusiness Development Corporation (ADC) recognized the importance of the system to the State's future sustainability and now owns and operates the Waiahole Irrigation system. Being that the system is aging and needs constant repairs and maintenance, additional funds will allow ADC to improve the irrigation system by adding more reservoirs that will increase storage capacity and a back-up well for emergency situations when and if the system is ever compromised during a natural disaster.

We appreciate the ADC's forward thinking approach to ensure the long term sustainability of agriculture in the central Oahu region. Farmers and their crops cannot afford to wait until there's a problem before trying to fix it.

Thank you for this opportunity to provide our opinion on this important matter.

LARRY JEFTS FARMS, LLC PO BOX 27 KUNIA, HAWAII 96759 (808) 688-2892

HB1976hd1, Relating to Irrigation Senate WAM Decision Making Hearing Tuesday, April 3, 2018 10:00am - Conference Room 211

Testimony by: Larry Jefts Position: Support

Chair Dela Cruz, and Members of the Senate WAM Committee:

I am Larry Jefts, owner and operator of Larry Jefts Farms, LLC, which is part of our family-run business of farms on Oahu and Molokai, under the administrative umbrella of Sugarland Growers, Inc. We have more than 35 years of Hawaii farm experience on Molokai and Oahu.

Your support of additional funding for improvements to Waiahole Irrigation System is much needed and appreciated. As the State seeks to grow food production in the Central Plains of Oahu, farmers need to be assured of consistent water supply. ADC's plan to build water storage capacity and backup well system will help offset droughts or potential system failure. With the demise of the plantation system, it is up to government to maintain, repair and advance irrigation systems like Waiahole.

Thank you for the opportunity to present testimony

<u>HB-1976-HD-1</u> Submitted on: 3/30/2018 10:50:19 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Warren Watanabe	Testifying for Maui County Farm Bureau	Support	No

Comments:

HB-1976-HD-1

Submitted on: 3/31/2018 3:07:34 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Melodie Aduja	Testifying for Oahu County Committee on Legislative Priorities of the Democratic Party of Hawai'i	Support	No

Comments:

RE: Testimony in Support of HB1976 HD1: RELATING TO IRRIGATION

To the Honorable Donovan M. Dela Cruz, Chair; the Honorable Gilbert S.C.. Keith-Agaran, Vice-Chair and Members of the Committee on Ways and Means:

Good morning. My name is Melodie Aduja. I serve as Chair of the Oahu County Committee ("OCC") on Legislative Priorities of the Democratic Party of Hawaii. Thank you for the opportunity to provide written testimony on HB1976 HD1 relating to the Waiahole Irrigation System; General Obligation Bonds; and an appropriation.

The OCC on Legislative Priorities is in favor of **HB1976 HD1** and supports its passage.

HB1976 HD1 is in accord with the Platform of the Democratic Party of Hawai'i ("DPH"), 2016, as it authorizes the issuance of general obligation bonds and appropriates funds to finance capital improvements to the Waiahole Irrigation System.

The Platform of the Democratic Party of Hawi'i, 2016, provides that "[a]griculture in our state must be preserved and its future strengthened. Sufficient prime agricultural lands must be maintained for the health, economic well-being and sustenance of the people. We believe in an integrated approach to agricultural innovation and sustainability.

This approach includes, but is not limited to, the adoption of the native Hawaiian concept of ahupua'a, an integrated approach to land management. This could also include development of economic, land and ocean use policies that foster sustainable crops both for local consumption and for export, policies to foster agriculture-related infrastructure at shipping points, and increased inspection to protect against invasive species and to encourage reduced holding times. (Platform of DPH, P. 2, Lines 76-78, 82-86 (2016)).

To ensure wise use and equitable distribution of our precious water, we must stress water conservation and alternative patterns of water treatment and consumption such as the use of recycled water for irrigation, water storage reservoirs, and the use of catchment systems by the public.

As an island state, securing affordable food for all is a priority. We support healthy sustainable, diversified local food production, and "Buy Local" strategies to assure greater food security and food safety.

We recognize the essential link between the availability of adequate and affordable water and low-cost electrical power as essential components of viable agricultural businesses. (Platform of DPH, P. 2, Lines 93-102 (2016)).

Given that **HB1976 HD1** authorizes the issuance of general obligation bonds and appropriates funds to finance capital improvements to the Waiahole Irrigation System, it is the position of the OCC on Legislative Priorities to support this measure.

Thank you very much for your kind consideration.

Sincerely yours,

/s/ Melodie Aduja

Melodie Aduja, Chair, OCC on Legislative Priorities

Email: legislativepriorities@gmail.com, Text/Tel.: (808) 258-8889

<u>HB-1976-HD-1</u> Submitted on: 3/30/2018 10:08:55 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Joshua Uyehara	Testifying for Hartung Brothers Hawaii	Support	No

Comments:

From: Frederick Mencher
To: WAM Testimony

Subject: I SUPPORT HB 1976, HD1

Date: Monday, April 2, 2018 12:44:54 AM

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee,

I strongly support HB 1976, HD1, which authorizes the Director of Finance to issue general obligation bonds to finance capital improvements to the Waiahole Irrigation System.

Thank you for this opportunity to provide testimony on this matter.

Mahalo!

From: Richard Ogoshi
To: WAM Testimony

Subject: I SUPPORT HB 1976, HD1

Date: Monday, April 2, 2018 8:43:33 AM

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee,

I strongly support HB 1976, HD1, which authorizes the Director of Finance to issue general obligation bonds to finance capital improvements to the Waiahole Irrigation System.

Thank you for this opportunity to provide testimony on this matter.

Mahalo!

 From:
 Carolyn Lum

 To:
 WAM Testimony

Subject: I SUPPORT HB 1976, HD1

Date: Monday, April 2, 2018 9:22:48 AM

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee,

I strongly support HB 1976, HD1, which authorizes the Director of Finance to issue general obligation bonds to finance capital improvements to the Waiahole Irrigation System.

Thank you for this opportunity to provide testimony on this matter.

Mahalo!