

## BOARD OF WATER SUPPLY

CITY AND COUNTY OF HONOLULU  
630 SOUTH BERETANIA STREET  
HONOLULU, HI 96843  
www.boardofwatersupply.com



February 21, 2019

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Deputy Manager and Chief Engineer 

The Honorable Donovan M. Dela Cruz, Chair  
and Members  
Committee on Ways and Means  
Hawaii State Capitol, Room 211  
Honolulu, Hawaii 96813

Dear Chair Dela Cruz and Members:

Subject: Senate Bill 1542, Senate Draft 1, Relating to an Appropriation  
for a Kunia Wells IV Exploratory Well

The Honolulu Board of Water Supply (BWS) supports Senate Bill (SB) 1542, Senate Draft (SD) 1. This bill appropriates funds for the design and construction of one of four exploratory water wells for the proposed Kunia Wells IV pump station to meet future potable water requirements for diversified agriculture.

Due to new federal Food Safety Modernization Act rules, farmers have informed the BWS they will need greater access to irrigation and potable water; the latter is required for crop washing of leafy vegetable crops. In several areas of Oahu, access to the BWS municipal system is the only source of potable irrigation supply.

The appropriated funds will help to offset some of the capacity impact fees for new farmers to support the agricultural industry on Oahu. BWS is prepared to pass the benefits of these appropriated funds to farmers throughout the municipal water system in the form of affordable water system impact fees for new or larger water meters to support the agriculture industry on Oahu.

Thank you for your consideration of our testimony on SB 1542, SD 1.

Very truly yours,



ERNEST Y. W. LAU, P.E.  
Manager and Chief Engineer

**SB-1542-SD-1**

Submitted on: 2/20/2019 1:11:48 AM

Testimony for WAM on 2/21/2019 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Melodie Aduja	Testifying for O`ahu County Committee on Legislative Priorities of the Democratic Party of Hawai`i	Support	No

Comments:

**DAVID Y. IGE**  
Governor

**JOSH GREEN**  
Lt. Governor



**JAMES J. NAKATANI**  
Executive Director

STATE OF HAWAII  
**AGRIBUSINESS DEVELOPMENT CORPORATION**

235 S. Beretania Street, Room 205  
Honolulu, HI 96813  
Phone: (808) 586-0186 Fax: (808) 586-0189

TESTIMONY OF JAMES J. NAKATANI  
EXECUTIVE DIRECTOR  
AGRIBUSINESS DEVELOPMENT CORPORATION

BEFORE THE COMMITTEES ON WAYS AND MEANS  
Thursday, February 21, 2019  
10:00 a.m.

SENATE BILL NO. 1542 SD1  
RELATING TO AN APPROPRIATION FOR A KUNIA WELLS IV EXPLORATORY WELL

Chairperson Dela Cruz and Members of the Committee:

My name is James Nakatani, Executive Director of the Agribusiness Development Corporation (“ADC”). The ADC supports Senate Bill No. 1542 SD1, which appropriates funds to the Department of Land and Natural Resources (LNR141) for the design and construction of one exploratory well to meet future potable water requirements for diversified agriculture.

Available, economical, and clean irrigation water is the lifeblood of commercial agriculture on Oahu. Proper irrigation systems can support uninterrupted agriculture operations by enhancing production and productivity of agriculture land. However, as competition for fresh water increases, new potable water sources must be identified and individual farmers are unable to bear the cost of exploration. The proposed State-funded well is key to long-term planning for agriculture in the Oahu Central Plain.

Thank you for the opportunity to testify, and for your consideration of this bill.

DAVID Y. IGE  
GOVERNOR OF  
HAWAII



**STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES**

POST OFFICE BOX 621  
HONOLULU, HAWAII 96809

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

**ROBERT K. MASUDA**  
FIRST DEPUTY

**M. KALEO MANUEL**  
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES  
BOATING AND OCEAN RECREATION  
BUREAU OF CONVEYANCES  
COMMISSION ON WATER RESOURCE MANAGEMENT  
CONSERVATION AND COASTAL LANDS  
CONSERVATION AND RESOURCES ENFORCEMENT  
ENGINEERING  
FORESTRY AND WILDLIFE  
HISTORIC PRESERVATION  
KAHOOLAWE ISLAND RESERVE COMMISSION  
LAND  
STATE PARKS

**Testimony of  
SUZANNE D. CASE  
Chairperson**

**Before the Senate Committee on  
WAYS AND MEANS**

**Thursday, February 21, 2019  
10:00 A.M.  
State Capitol, Conference Room 211**

**In consideration of  
SENATE BILL 1542, SENATE DRAFT 1  
RELATING TO AN APPROPRIATION  
FOR A KUNIA WELLS IV EXPLORATORY WELL**

Senate Bill 1542, Senate Draft 1 proposes to appropriate \$1,000,000 in general obligation bond funds to the Department of Land and Natural Resources (Department) for the design and construction of a Kunia Wells IV exploratory well to provide additional water supply within the Honolulu Board of Water Supply (BWS) system for growth, including diversified agriculture. In turn, the BWS would pass the benefits of this well by offsetting impact fees for new farmers to support the agriculture industry on Oahu. **The Department supports this measure provided that its passage does not replace or adversely impact priorities indicated in the Executive Budget request.**

The Department's Water and Land Development program (LNR 141) is authorized to coordinate and implement water source and water system projects to support of the overall economy of the State. This project is consistent with LNR 141's objectives.

Thank you for the opportunity to comment on this measure.





February 19, 2019

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

**Comments in Support of SB 1542, SD1 Relating to Kunia Wells IV Pump Station; Exploratory Well (Appropriates funds to the Department of Land and Natural Resources [DLNR] for the City and County of Honolulu Board of Water Supply [BWS] to offset the design and construction costs for one of four exploratory wells proposed by the BWS for the Kunia wells IV pump station to meet future potable water requirements for growth, including diversified agriculture.)**

**Thursday, February 21, 2019 at 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 SB 1542, SD1** 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 in Hawaii. This bill articulates the need to provide alternative water sources to help offset costs that Oahu farmers are required to pay to start up or expand their capacity for diversified agriculture using water from the BWS.

**SB 1542, SD1.** The purpose of this bill is to appropriate funds to the DLNR for the BWS to offset the design and construction costs for one of four exploratory water wells proposed by the BWS for the proposed Kunia wells IV pump station, which will provide additional water supply for growth, including diversified agriculture. If the funds are used for the design or construction of one of four exploratory wells, the BWS is willing to pass the benefits of this well to offset the impact fees for new farmers to support the agriculture industry on Oahu.

**LURF's Position.** Since large amounts of prime agricultural lands and irrigation systems became available for conversion to diversified agriculture as a result of 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.

Many Oahu farmers depend on discounted water rates from the BWS and will likely need greater access to potable water for irrigation and crop washing to comply with new Food Safety Modernization Act rules. It is difficult, however, for the BWS to maintain its agricultural discount which is in effect, a subsidy by BWS' commercial and residential customers. The appropriation proposed in SB 1542, SD1 would assist BWS with the cost of locating and developing new water resources and will help relieve the competition for water, thus allowing BWS to offset the impact fees for new farmers and maintain lower rates.

Local farmers and ranchers who rely on water infrastructure systems to service their agricultural lands consider such assistance critical to conduct their agricultural operations and to sustain their businesses. These agricultural stakeholders believe measures such as SB 1542, SD1 which involve cooperation and support from the business and economic community will greatly help by providing funding necessary to develop and improve water infrastructure systems for the long-term betterment of the State's agricultural industry, and depend on legislation such as this to allow them to 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 SB 1542, SD1** and respectfully urges your favorable consideration.

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

**SB-1542-SD-1**

Submitted on: 2/19/2019 8:29:33 PM

Testimony for WAM on 2/21/2019 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Genevieve N Neumann	Testifying for Lokoea Farms	Support	No

Comments:

**SB-1542-SD-1**

Submitted on: 2/19/2019 11:28:40 PM

Testimony for WAM on 2/21/2019 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Suellen Barton	Testifying for Maui Farmers Union United	Support	No

Comments:



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

February 21, 2019

HEARING BEFORE THE  
SENATE COMMITTEE ON WAYS AND MEANS

**TESTIMONY ON SB 1542, SD1**  
RELATING TO AN APPROPRIATION FOR A KUNIA WELLS IV EXPLORATORY WELL

Room 211  
10:00 AM

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

I am Brian Miyamoto, Executive Director 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 supports SB 1542, SD1**, which appropriates funds to the Department of Land and Natural Resources for the Board of Water Supply to offset the design and construction costs for one of four exploratory wells proposed by the Board of Water Supply for the proposed Kunia wells IV pump station to meet future potable water requirements for growth, including diversified agriculture.

Affordable and reliable waters for irrigation is a basic requirement for sustainable agriculture. Across the country, irrigation systems are heavily subsidized. Currently, new infrastructure investments are occurring in the West to ensure water will be available for agriculture. Hawaii's farmers face expenses far beyond that of their continental or foreign counterparts due to input costs, utility costs, and water. There is no doubt that water infrastructure development has lagged the needs of population growth across the State. In addition to new development, repair and maintenance of aging infrastructure also need to be addressed. In addition to those meeting potable water needs, there is an equal need to address irrigation and other water requirements associated with agriculture.

HFB appreciates the support by the legislature in our past efforts to help Hawaii's farmers achieve compliance with the FDA Food Safety and Modernization Act. As the actual rule has been rolled out by FDA the immensity of the task is becoming evident. Basic requirements for water quality are clear. Untreated water that was considered the norm for agriculture may no longer be acceptable in certain cases based on the requirements of the Food Safety Modernization Act or FSMA. Nonpotable systems will require farmers to take additional measures that will increase costs.

Thank you for this opportunity to testify in support of this measure.



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Joshua Uyehara  
Warren Mayberry

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Alan Takemoto

Executive Director  
Bennette Misalucha

## TESTIMONY FROM BENNETTE MISALUCHA, EXECUTIVE DIRECTOR

In Support of SB1542, SD1  
Relating to Water Infrastructure and Development

SENATE COMMITTEE ON WAYS AND MEANS  
February 21, 2019, 10:00 a.m.  
Conference Room 211



Chair Dela Cruz and members of the committee:

The Hawaii Crop Improvement Association (HCIA) supports SB1542, SD1, which appropriates funds to the Department of Land and Natural Resources for the design and construction of one exploratory well to meet future potable water requirements for diversified agriculture.

Access to potable water for irrigation and crop washing is vital to Hawaii agriculture and given the new federal Food Safety Modernization Act rules, this may become costlier and more difficult for Oahu farmers. The proposed funding assistance to provide alternative water sources would offset some of the costs to farmers to start up or expand their capacity for diversified agriculture using water from the Board of Water Supply.

Please vote in support of SB1542, SD1. Mahalo for your time and consideration.

Respectfully,

Bennette Misalucha  
Executive Director, Hawaii Crop Improvement Association

*The Hawaii Crop Improvement Association is a Hawaii-based non-profit organization that promotes modern agriculture to help farmers and communities succeed. Through education, collaboration, and advocacy, we work to ensure a safe and sustainable food supply, support responsible farming practices, and build a healthy economy.*

**LATE**

**SB-1542-SD-1**

Submitted on: 2/20/2019 10:23:55 AM

Testimony for WAM on 2/21/2019 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Karen Winslow	Testifying for Hawaii Farmers Union	Support	No

Comments:

**SB-1542-SD-1**

Submitted on: 2/19/2019 5:33:55 PM

Testimony for WAM on 2/21/2019 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Keith Ranney	Individual	Support	No

Comments:

**SB-1542-SD-1**

Submitted on: 2/19/2019 5:47:09 PM

Testimony for WAM on 2/21/2019 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Barbara Best	Individual	Support	No

Comments:

**SB-1542-SD-1**

Submitted on: 2/19/2019 6:08:56 PM

Testimony for WAM on 2/21/2019 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Ken Stover	Individual	Support	No

Comments:

**SB-1542-SD-1**

Submitted on: 2/19/2019 6:59:39 PM

Testimony for WAM on 2/21/2019 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Dennis F Lokmer	Individual	Support	No

Comments:

**SB-1542-SD-1**

Submitted on: 2/19/2019 8:30:19 PM

Testimony for WAM on 2/21/2019 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Patrick Harley Simmons	Individual	Support	No

Comments:

**SB-1542-SD-1**

Submitted on: 2/19/2019 11:38:24 PM

Testimony for WAM on 2/21/2019 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Steven Forman	Individual	Support	No

Comments:

**SB-1542-SD-1**

Submitted on: 2/20/2019 6:38:53 AM

Testimony for WAM on 2/21/2019 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Eloise Engman	Individual	Support	No

Comments:

**SB-1542-SD-1**

Submitted on: 2/20/2019 9:41:34 AM

Testimony for WAM on 2/21/2019 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Dylan P. Armstrong	Individual	Support	No

Comments:

**SB-1542-SD-1**

Submitted on: 2/20/2019 7:22:20 AM

Testimony for WAM on 2/21/2019 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Jo Kimm	Individual	Support	No

Comments:

**Multiple Testifiers**

**Dean Okimoto**

**Donald R Gerbig**

**Mark Phillipson**

**Brent Gillis**

**Winifred Marcos**

**Joni Kamiya**

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran, and members of the committee,

I strongly support SB 1542, SD 1, which appropriates funds to the Department of Land and Natural Resources (LNR141) for the design and construction of one exploratory well to meet future potable water requirements for diversified agriculture.

Farmers are liable for greater access to potable water for irrigation and crop washing because of the new Food Safety Modernization Act (FSMA) rules, but it is difficult for the Board of Water Supply (BWS) to maintain its agricultural discount, which is essentially a subsidy by BWS' commercial and residential customers. Assisting BWS with the cost of locating and developing new water resources will help relieve the competition for water and will allow BWS to maintain lower rates for farmers.

Thank you for this opportunity to testify on this matter.

**LATE**

**SB-1542-SD-1**

Submitted on: 2/20/2019 8:36:49 PM

Testimony for WAM on 2/21/2019 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Dale Sandlin	Testifying for Hawaii Cattlemens Council	Support	No

Comments:

**LATE**

**SB-1542-SD-1**

Submitted on: 2/20/2019 8:51:52 PM

Testimony for WAM on 2/21/2019 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Harriet Witt	Individual	Support	No

Comments:

We need this if we are to free ourselves from dependence on the mainland for food.

**LATE**

**SB-1542-SD-1**

Submitted on: 2/21/2019 7:35:19 PM

Testimony for WAM on 2/21/2019 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Jacqueline S. Ambrose	Testifying for HFUU	Support	No

Comments: