

STAND. COM. REP. NO.

1813

Honolulu, Hawaii

APR 13 2007

RE: S.C.R. No. 176

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred
S.C.R. No. 176 entitled:

"SENATE CONCURRENT RESOLUTION REQUESTING THE AUDITOR TO
CONDUCT A FINANCIAL AND MANAGEMENT AUDIT OF THE DEPARTMENT OF
AGRICULTURE'S OPERATION OF THE MOLOKAI IRRIGATION SYSTEM,"

begs leave to report as follows:

The purpose of this measure is to request that the Auditor
conduct a financial and management audit of the Department of
Agriculture's operation of the Molokai irrigation system.

Your Committee received comments in opposition to this
measure by the Department of Agriculture.

Your Committee finds that the Molokai irrigation system is
the largest irrigation system operated by the Department of
Agriculture and is wholly supported by the revenues that the
Department of Agriculture derives from the irrigation system in
the way of fees and charges to water users of the irrigation
system. However, the water users of the irrigation system are
concerned with the possibility that, while the Molokai irrigation
system is in need of long overdue maintenance and improvement,
some of the revenues generated by the Molokai irrigation system
are being diverted to support other irrigation systems or programs
within the Department of Agriculture.

Accordingly, it is intended that a financial and management
audit of the operation of the Molokai irrigation system produce
information that will determine whether the system's users are

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subsidizing other systems and programs and whether user fees can be reduced while providing needed improvements to the Molokai irrigation system.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 176 and recommends its adoption.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,



ROSALYN H. BAKER, Chair



