

**HAWAII FARM BUREAU FEDERATION  
2343 ROSE STREET  
HONOLULU, HI 96819**

MARCH 28, 2008

HEARING BEFORE THE  
SENATE COMMITTEE ON WAYS & MEANS

TESTIMONY ON HB 2965, HD 2, SD 1  
RELATING TO AGRICULTURAL WATER SECURITY

Chair Baker and committee members:

My name is Alan Takemoto, Executive Director, of the Hawaii Farm Bureau Federation, which is the largest non-profit general agriculture organization representing approximately 1,600 farm and ranch family members statewide.

The Hawaii Farm Bureau Federation supports HB 2965, HD2, SD 1, which allows the negotiation of agreements for the production of emergency power for agricultural water systems following a disaster declared by the Governor. Provides that independent power producers shall not become subject to the jurisdiction of the PUC as the result of an agreement entered into pursuant to this Act.

It is extremely critical that the State have a plan to address natural disaster that impact some of your basic necessities of water and power. This measure provides this flexibility and ability to negotiate an agreement that will expedite getting power to farmers and ranchers who cannot afford any disruption in providing power to pump irrigation water.

The October 15, 2008 earthquake was a wake up call to the State and the agricultural industry of how important it is to ensure that we have a natural disaster plan in all aspects of health, safety, and for economic viability.

Thank you.

March 26, 2008

Senator Rosalyn H. Baker, Chair  
Committee on Ways and Means

HB 2965

*Attn: Sergeant - At - Arms Office  
Testimony to Committee on  
Ways + Means*

*March 28, 2008 9:30 AM*

I am writing to request additional emergency funding to continue the repairs on the historic Kohala Ditch.

As a small farm owner in Hawi, I depend on the ditch for the continuing operation of my bamboo nursery as well as water for both sheep and cattle. Most of the farmers, ranchers, and nurseries in North Kohala depend on the agricultural water provided by the Kohala Ditch System.

I, and I believe most landowners here, just dealt with the private damages caused by the earthquake of October 2006 ourselves because most farmers are fairly self reliant. However, even with considerable local effort toward ditch restoration, it's dramatically clear that it requires government backing.

I urge you to assist our community in retaining its strong agricultural base with your consideration and support of completing the restoration of our ditch system.

Respectfully,



Katharine Clark  
P.O. Box 1431  
Kapaau HI 96755

Attn: Senate Sergeant-At-Arms Office  
800-586-6659

*Testimony to Committee on Ways + Means*

*March 28, 2008*

March 24, 2008

*9:30 AM*

Senator Rosalyn H. Baker, Chair  
Committee on Ways and Means

HB 2965

I'm writing to request additional funding to complete work on the Kohala Ditch. I'm one of the farmers who has utilized the ditch for over 10 years. I also own a contracting company (Kohala Underground) installing underground utilities, and I know the Kohala Ditch System is absolutely priceless and irreplaceable if it were to be abandoned due to the cost of re-creating such a long involved ditch system through the remote Kohala mountains today.

Since North Kohala will have a substantial population increase in future years, this historic infrastructure, value & use, will become even more critical to our district.

I, and I believe most landowners here, just dealt with the private damages caused by the earthquake of October 2006 ourselves because most farmers are fairly self reliant. However, even with considerable local effort toward ditch restoration, it's dramatically clear that it requires government backing.

I have donated time, equipment, & manpower to assist in the restoration.

I strongly urge your consideration and support to complete this project.

Respectfully,



Jeff Allen  
P.O. Box 190570  
Hawi, HI 96719

## Island Resources Ltd.

"Resource management with imagination"

Water Land Energy

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March 27, 2008

**RE: House Bill 2965, S.D.1, Relating to Agricultural Water Security  
Conference Room 211 – Friday, March 28, 2008; 9:30 a.m.**

Dear Senator Baker and Members of the Committee on Ways and Means:

A major drawback to Hawaii's agricultural production is adequate and inexpensive water for irrigation. Our present system lacks the cohesiveness in water supply of our former major agribusiness – sugar. We have abundant water resources and no way to pump the water for agriculture inexpensively as sugar did using biomass (bagasse). Today we must buy our power from the electric monopolies at retail prices. After a momentous natural disaster such as the October 2006 Kiholo earthquake, many farmers in North Kohala and Hamakua experienced an immediate – and still continuing -- crisis.

In late 2006, North Kohala farmers and ranchers scrambled to erect a pipeline from a new well, rent a pump and massive generator, and establish a funding stream for expensive diesel fuel to pump a minimal amount of water to their farms. They then endured a severe drought throughout much of 2007. As of the date of this testimony, the estimated completion date of repairs to the Kohala Ditch is October, 2008, fully two years after the earthquake. Meanwhile, ongoing pumping costs range as high as \$17,000/month.

H.B. 2965 was introduced to provide a better solution than the costly interim measures we have mustered to date. Its initial purpose and language pointed to the idle, surplus generating capacity of many Independent Power Producers (IPPs). It recognized that wind farms, geothermal wells, solar power, wave energy, hydroelectric and other sources of power are or will be available but remain idle much of the time. They can be made more efficient and more valuable. In Hawaii, we have a 10.5MW wind farm within eyesight of many suffering farms. In Hamakua, the Hamakua Energy Partners facility stands ready to pump water while repairs to the Hamakua Ditch proceed. Nonetheless, we have been unable to bring these resources into play.

The Kiholo earthquake caused many agricultural gravity ditch systems to fail at a critical time in our agricultural future. Expensive pumping of wells using fossil fuels is the only way we could survive. All this while nearby IPP generating power plants were idle. Another recent example: Last year, the output of Maui's Kaheawa wind farm exceeded 125,000 megawatt hours, more than its contractual obligations to Maui Electric Company. Yet the surplus power does nothing for agriculture. This is wrong.

HB 2965 begins to address this issue. Without a sure, secure and adequate low cost water supply, Hawaii's agriculture is neither sustainable nor competitive. According to USDA statistics, California pays an average of \$79/acre/year for irrigation water. In Hawaii the average cost is \$175/acre. We are neither affordable nor competitive. We cannot have Important Ag. Lands, nor can we have sustainable agriculture without addressing this fundamental.

# Island Resources Ltd.

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**Water Land Energy**

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**Stephen P. Bowles**

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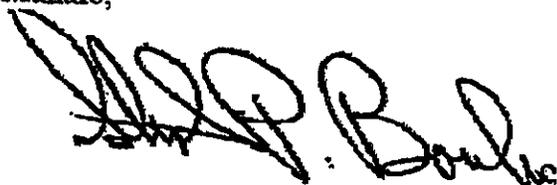
*Fax (808) 885-7851*

Buying subsidized water from operating potable water utilities is wrong and diverts attention from the real farming needs of the future.

I urge you to pass House Bill 2965 quickly. Passage of this bill will enable immediate discussions and agreements to hasten solutions in our present emergency. Within that framework, we seek allowance for renewable IPPs to divert uncommitted power directly to the support of sustainable agriculture at costs equal to or less than the avoided cost values of power sold to the electric monopolies.

Thank you for considering this testimony in support of H.B. 2965.

Mahalo,



LINDA LINGLE  
Governor



SANDRA LEE KUNIMOTO  
Chairperson, Board of Agriculture

DUANE K. OKAMOTO  
Deputy to the Chairperson

State of Hawaii  
DEPARTMENT OF AGRICULTURE  
1428 South King Street  
Honolulu, Hawaii 96814-2512  
Phone: (808) 973-9600 Fax: (808) 973-9613

TESTIMONY OF SANDRA LEE KUNIMOTO  
CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE SENATE COMMITTEE ON WAYS AND MEANS  
FRIDAY, MARCH 28, 2008, 9:30 A.M.  
ROOM 211

HOUSE BILL NO. 2965, HD2, SD1  
RELATING TO AGRICULTURAL WATER SECURITY

Chairperson Baker and Members of the Committee:

Thank you for the opportunity to comment on House Bill No. 2965, HD2, SD1. This bill proposes to ensure the security of the agricultural water supply by authorizing emergency measures to be taken in response to damages caused by natural disasters, such as the damage to the Waimea and Hamakua agricultural water systems. The Department of Agriculture (HDOA) supports this bill.

Following the October 15, 2006 Kiholo earthquake, incoming water for the Waimea irrigation system and the Hamakua irrigation systems ceased. A back-up pump for the Waimea irrigation system was activated, resulting in unexpected and unbudgeted power bills of over \$40,000 for the months that HDOA had to run the pump. HDOA held discussions with HELCO regarding a discount for emergency purposes, but were advised that the rates were set by the PUC and could not be changed. In addition, the standby charge has significantly increased as it is calculated on maximum past use, even though we have not used the pump for months. Allowing the department to negotiate a power price during a disaster period would greatly assist the affected parties in recovery.