

SB 2247



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

TESTIMONY OF SANDRA LEE KUNIMOTO
CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE SENATE COMMITTEES
ON
AGRICULTURE AND HAWAIIAN AFFAIRS
AND
WATER AND LAND

FEBRUARY 12, 2008, 2:45 P.M.

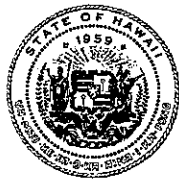
SENATE BILL NO. 2247
RELATING TO THE MOLOKA'I IRRIGATION SYSTEM

Chairpersons Tokuda and Hee and Members of the Committees:

Thank you for the opportunity to comment on Senate Bill No. 2247. This bill makes an appropriation to the department of agriculture to purchase equipment to maintain the Moloka'i irrigation system (MIS). The department supports the intent of this bill provided that its passage does not replace or adversely impact priorities as indicated in our Executive Biennium Budget.

The department has made a commitment to the MIS Water Users Advisory Board to purchase needed equipment by earmarking excess funds generated by MIS revenues that are currently deposited into the Irrigation System revolving fund. We are currently in the process of ordering prioritized equipment and tools.

LINDA LINGLE
GOVERNOR
STATE OF HAWAII



MICAH A. KANE
CHAIRMAN
HAWAIIAN HOMES COMMISSION

BEN HENDERSON
DEPUTY TO THE CHAIRMAN

KAULANA H. PARK
EXECUTIVE ASSISTANT

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

P.O. BOX 1879
HONOLULU, HAWAII 96805

TESTIMONY OF MICAH A. KANE, CHAIRMAN
HAWAIIAN HOMES COMMISSION

BEFORE THE JOINT SENATE COMMITTEE ON AGRICULTURE & HAWAIIAN
AFFAIRS AND WATER & LAND

ON S. B. 2247
RELATING TO THE MOLOKA'I IRRIGATION SYSTEM

February 12, 2007

Chair Tokuda, Chair Hee and Members of the Joint Senate
Committees:

Thank you for the opportunity to testify on S.B. 2247 relating to the Moloka'i Irrigation System. The purpose of this bill is to make an appropriation to the Department of Agriculture for the repair and maintenance of the Moloka'i Irrigation System (MIS).

The Department of Hawaiian Home Lands (DHHL) supports the intent of this bill provided it does not conflict with the Administration's priorities as reflected in the Executive Supplemental Budget.

DHHL has homestead farmers on Molokai who depend on water from the irrigation system to support their farming operations. These farmers would benefit from improvements in the operations

Testimony On S.B. 2247

Senate Committees On Agriculture & Hawaiian Affairs and Water &
Land

Page 2

and management of these systems. Thank you for the opportunity
to testify on this measure.

Puakala Farms

Producers of Quality Fruits and Vegetables

P.O. Box 261, Kualapuu, Molokai, HI 96757

Senate Committees on Agriculture and Hawaiian Affairs, and Water and Land

Testimony in SUPPORT of SB 3224 and SB 2247

Relating to Molokai Irrigation System

Aloha Senators,

My name is Glenn Ioane Teves and I'm a Hawaiian Homestead farmer. Along with my wife Jane, who is a fifth generation Hoolehua homestead farmer, we grow Apple Bananas in Hoolehua, and have supplied the local market through the major retail outlets in Kaunakakai for the last 20 years. I have been actively involved in the MIS for over 25 years, and we depend on the Molokai Irrigation System for our existence.

The MIS is falling into disrepair due to poor management first by DLNR, and since 1989. Its been estimated that we will need about \$12 million to complete all repairs. The MIS has been the Cinderella of the state irrigation systems in that it generates over 60% of all revenues from the five state systems combined. The problem has been that all of these revenues are deposited into a State Irrigation Special Fund, and is expended based on need.

As a result, the MIS has been subsidizing the other systems for decades. Now, we have to approach the legislature to help us keep our system operational. This money is owed us from the DOA for all the years that we have paid for our cost of operation, and actually generated a profit. Due to this mismanagement, the users, especially the homesteaders must be given more power to manage the MIS, including making key decisions of budget and expenditures.

The second issue is representation on the MIS Users Advisory. Hawaiian Homesteaders gave up some of their rights to the water on Molokai to allow for the construction of the Molokai Irrigation System with Federal and State funds. The original Hawaiian Homes Act stated that homesteaders had prior right to all the government owned water on the

island of Molokai. The Act was amended as a condition to constructing the Molokai Irrigation System. Today, the homesteaders have only 2/3's right to the water, with the remaining 1/3's right set aside for non-homestead farmers, specifically lessees of the Molokai Agricultural Park.

Since we have 2/3's prior rights to the water under the Hawaiian Homes Act, it is only fair that we as homestead farmers have 2/3's of the seats. And this means being nominated by our fellow homestead farmers whom we represent. This is not the case today. The MIS Users Advisory was created to give farmers a say in the operations of the system since there were major problems in the mismanagement of the MIS, first by DLNR and more recently by DOA. Although DOA has recognized the homesteaders 2/3's right, they have failed to take the next step.

Up to recently, homesteaders had a say on the selection of their one representative. Like the other seats, the respective organizations would nominate their representative, and the Governor's office would rubber stamp. Instead of allowing input from the homesteaders, the Governor has put a friend of hers in the homesteaders seat on the MIS Users Advisory.

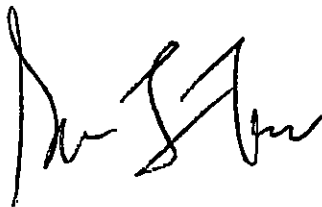
Unfortunately, Mr. Adolph Helm has not been involved in homestead farming nor is he in open communication with the homestead farmers. Instead, he's the president of the Hawaii Crop Improvement Association, the lobbying group for the corn seed companies and a major supporter of GMO technology. He's also an employee of Mycogen Seed Company, a subsidiary of Dow Chemical, and seed corn grower on Molokai.

Mr. Helm is in conflict of interest since the seed companies are the largest users of water from the MIS. Last year, Mr Helm even asked one of the Molokai legislators to kill the DOA audit bill that was introduced by the homestead farmers. Mr. Helm has been working in opposition to the homesteaders, and I'm sure he will oppose a bill that gives homesteaders 2/3's of the seats. He cannot continue to be our representative when he hasn't represented us in a way we expect. In the meantime, there are three members of the MIS advisory working for the seed companies. Although two of them are homesteaders, the fact remains that they represent the corn companies and were not selected by the homestead farmers. This is not

right and will create more tensions between homestead and non-homestead farmers.

Recently, DOA imposed a moratorium on the issuance of water meters, and this was prompted by a water shortage in the MIS due to long-term drought. DOA and the MIS advisory allowed Monsanto, another corn seed company access to water to over 1200 acres of additional seed corn acreage. The total daily water allotment from the MIS covers a total of over 2200 acres of cropland, and it's believed we're near our maximum in what can be extracted by the MIS.

The question remains, although homesteaders use only 20% of the water from the MIS now, when the homesteaders need the water, who will cutback on their water? There will be a battle, and it will be political, and it will bring into question jobs being created by the non-homestead farmers; it won't be about who has first rights to the water. The only way we can prevent this from happening is to assure that homesteaders have a say in the operation of the system, and that they occupy 2/3's of seats on the MIS Users Advisory. Hawaiian homesteaders need to decide the future of their water. Mahalo.

A handwritten signature in black ink, appearing to be 'D. S. ...' or similar, written in a cursive style.

Senate Committee Water and Hawaiian Affairs
Testimony in SUPPORT of SB 3224 and SB 2247
Relating to Molokai Irrigation System

Aloha Senators,

We are Hoolehua homestead farmers and we depend on the Molokai Irrigation System as the lifeline to the homestead farming community. The MIS is falling into disrepair due to poor management first by DLNR, and since 1989. It's been estimated that we will need about \$12 million to complete all repairs. The MIS has been the Cinderella of the state irrigation systems in that it generates over 60% of all revenues from the five state systems combined. The problem has been that all of these revenues are deposited into a State Irrigation Special Fund, and is expended based on need.

As a result, the MIS has been subsidizing the other systems for decades. Now, we have to approach the legislature to help us keep our system operational. This money is owed us from the DOA for all the years that we have paid for our cost of operation, and actually generated a profit. Due to this mismanagement, the users, especially the homesteaders must be given more power to manage the MIS, including making key decisions of budget and expenditures.

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Since we have 2/3's prior rights to the water under the Hawaiian Homes Act, shouldn't we have 2/3's of the seats nominated by our fellow homestead farmers whom we represent? This is not the case today. The MIS Users Advisory was created to give farmers a say in the operations of the system since there were major problems in the mismanagement of the MIS, first by DLNR and more recently by DOA. Although DOA has recognized the homesteaders 2/3's right, they have failed to take the next step.

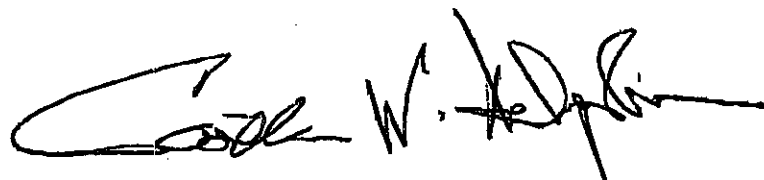
Recently, things have gone from bad to worse. Up to recently, homesteaders had a say on the selection of their one representative. Like the other seats, the respective organizations would nominate their representative, and the Governor's office would rubber stamp. Instead of allowing input from the homesteaders, the Governor has put a friend of hers in the homesteaders seat on the MIS Users Advisory. Unfortunately, Mr. Adolph Helm has not been

involved in homestead farming nor is he in open communication with the homestead farmers. Instead, he's the president of the Hawaii Crop Improvement Association, the lobbying group for the corn seed companies and a major supporter of GMO technology. He's also an employee of Mycogen Seed company, a subsidiary of Dow Chemical.

Mr. Helm is in conflict since the seed companies are the largest users of water from the MIS and compete with the homesteaders for this limited resource. Last year, Mr Helm even asked one of the Molokai legislators to kill the DOA audit bill that was introduced by the homestead farmers. Mr. Helm has been working in opposition to the homesteaders and will probably do the same with this bill. He cannot continue to be our representative when he doesn't represent us. He cannot wear two hats. In the meantime, there are three members of the MIS advisory working for the seed companies. Although two of them are homesteaders, the fact remains that they represent the corn companies and were not selected by the homestead farmers. This is not right and will create more tensions between homestead and non-homestead farmers.

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Castle W. Adolpho

Potted Beauties
Producing Potted Plants for Pleasure
P. O. box 481, Hoolehua, Molokai, Hawaii 96729

**Senate Committee water and Hawaiian Affairs and Water and Land
Testimony in support of SB 3224 and SB 2247
Regarding the Molokai Irrigation System**

Aloha Senators,

My name is Rogerene K. M. Arce but, better known as Kali Arce. My husband, Thomas and I are homesteaders with an agricultural lot in Hoolehua. Thomas' parents, Esteban Arce and Anita Naeole Arce were farmers and the original homesteaders. Of the 40 acres they had, they farmed the detached five acres with their seven children over 20 years even during the pineapple days. In 1998, the 35 acres was signed over to us.

We always knew we would one day use it to farm but, never had the means or time to start. By 2006, we made up our minds that we wanted to start a small plant nursery on our lot and eventually farm. We applied for a Molokai Agriculture Development Program (MADP) grant to help us realize this dream. We were ecstatic that we were awarded. We applied for an MIS meter in December 2006. In January 2007, upon inquiry, Tom was verbally told by an MIS employee that our meter was denied. The next day, I attended the MIS Advisory meeting and verbally inquired if that was true since we did not yet receive a letter stating this was so. Randy Teruya of the DOA MIS said that it was denied because they were not allowing any more meters to be installed. Soon after, he said that DOA was mistaken and there was a misunderstanding. He explained that DOA thought our land was a non-homestead parcel for which the moratorium was for. Our meter was finally installed in June of 2007.

As a result, our MADP project was behind by six months. Without the water, the rest of the steps to setting up the nursery couldn't occur, such as, planting the windbreaks, planting the stock plants necessary for future seed and plant material sources, planting the plants for the nursery, and establishing the nursery. With no water on our lot, we couldn't accomplish anything. In an effort to meet our grant proposal objectives before our project contract ended in September of 2007, we ended up establishing our nursery at our residence in Kalae. The big disadvantage is that space is very limited and the price of water is higher than that of MIS.

Since the meter installation, I began paying the acreage assessment fees thinking that we would be installing the water lines during the summer of 2007 but, business picked up with our nursery. Between the months of July and October of 2007 we had the highest sales of potted flowers and herbs since we started our business. By fall, there was rainy weather and we couldn't install the water lines. It's now February 2008 and the weather is more accommodating. We are hoping to install our lines. Wouldn't it have been nice to have been paying MIS fees than County fees for water?

02/11/2008 16:53
FROM: LITHAK-LES-58667334
MOLOKAI

FAX NO. :5676933

Feb. 11 2008 04:03PM P2

As Hawaiians with the desire to use our homestead for its intended purpose of farming, were unable to do so in the desired time frame because of DOA's "oversight". If we were better represented by the MIS Advisory Board with 2/3's of the seat held by homesteaders, I am sure that my homestead representatives would have not let our situation happen. On another note, through the years, MIS has fallen in disrepair. As a now agriculture producer, a homesteader, and Extension Agent, I believe the appropriated money is necessary to maintain the MIS which provides water to our Hooletua farming community of which our ohana will be part of very soon.

Kali Mee

2/11/08

To The Senate Committee Water and Hawaiian Affairs:

RE: Testimony in Support of SB 3224 and SB 2247 Relating to Molokai Irrigation System

My name is Daniel Kuhn. I am the Plantation Manager of Coffees of Hawaii, LLC. I have been in the agriculture business on Molokai for over 30 years.

Over the years, I have noticed that the MIS System has never been up to speed with maintenance. For that reason, the system has fallen drastically for the worse. Based on DOA promises to Molokai farmers, they have not lived up to the capabilities of the irrigation system. They have allowed it to fall in almost disrepair. If not for all the constant concern from the farmers and legislative help, the audit would not be happening today.

I also support the Molokai Homestead farmers to have the two-thirds voting on the MIS Advisory Board. For those reasons, I support Senate Bill #3224 and #2247. It is about time for changes to take place.

Mahalo,

Daniel Kuhn
Coffees of Hawaii, LLC
Plantation Manager

LATE

**Senate Committee Water and Hawaiian Affairs
Testimony in SUPPORT of SB 3224 and SB 2247
Relating to Molokai Irrigation System**

Aloha Senators,

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Recently, things have gone from bad to worse. Up to recently, homesteaders had a say on the selection of their one representative. Like the other seats, the respective organizations would nominate their representative, and the Governor's office would rubber stamp. Instead of allowing input from the homesteaders, the Governor has put a friend of hers in the homesteaders seat on the MIS Users Advisory Board. In the meantime, there are three members of the MIS advisory board working for the seed companies – total is now 4.

Although two of them are homesteaders, the fact remains that they represent the corn companies and were not selected by the homestead farmers. This is not right and will create more tensions between homestead and non-homestead farmers.

Recently, DOA imposed a moratorium on the issuance of water meters, and this was prompted by a water shortage in the MIS due to long-term drought. DOA and the MIS advisory board allowed Monsanto, another corn seed company, access to water over 1200 acres of additional seed corn cropland. The present total use of water from the MIS covers over 2200 acres, and it's believed we're near our maximum in what can be extracted by the MIS.

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GEORGE MOKUAU FARMS
P.O BOX 185 HOOLEHUA, HI 96729 PH: 808-567-6077

LATE

Senate Committee Water and Hawaiian Affairs
Testimony in Support of SB 3224 and SB 2247
Relating to Molokai Irrigation System

Dears Senators,

My name is George Mokuau and I am a Homestead Farmer. I have been farming for over 30 years. I farm sweetpotatoes on Molokai, I am in support of SB 3224 and SB 2247. Throughout my years of farming I have witnessed many changes not for the good of the system or its users. I am convinced that the mismanagement of DOA is solely their fault. Without the constant complaining of many of us and asking for legislative assistance I do not believe that DOA would be conducting and audit. For those reasons alone I feel the need to support these bills in the best interest of the farming community. I am not one to come forward and say much but just neglecting a state of the art facility is heart wrenching to me. Our communication with the DOA as well as the advisory board has fallen on deaf ears. I believe its time for a change.

I also believe that the MIS advisory board needs to consist of 2/ 3 homestead farmers for the sole reason of their 2/3 water rights. My explanation to that is if you were to own 40% shares in any company shouldn't it be that you also own 40 % of the voting rights. Those rights belong to homestead farmers and it should be that way. I ask for your support on these bills of SB 3224 and SB 2247.

Mahalo,


George Mokuau, Homestead Farmer

LATE

**TESTIMONY of
AHUPUA`A O MOLOKA`I
THE SOVEREIGN COUNCIL OF HAWAIIAN HOMELANDS ASSEMBLY
HO`OLEHUA HOMESTEAD AGRICULTURE ASSOCIATION**

**THE SENATE
COMMITTEE ON WATER, LAND, AGRICULTURE, AND HAWAIIAN AFFAIRS**

**SB2247 and SB3224 – Relating to the Moloka`i Irrigation System
2:45 p.m. Tuesday, February 12, 2008**

The island of Moloka`i was the initial homestead pilot program for the Hawaiian Home Commission of 1920. Our ancestors pioneered the arid land of Molokai, they sacrificed, and they endured hardships for the expansion of Hawaiian Homelands program. Since 1923, the lack of water was critical, the homesteaders prayed for water. In the 1960's the Molokai Irrigation System (MIS) was built with the primary intent to irrigate the agriculture lands in Ho`olehua. It is now 2008, and the waters transmitted through the MIS are still a serious concern to the Ho`olehua homestead farmer. The mandate to secure the 2/3 native water rights §167-C, and the maintenance to operate the MIS has been neglected for years. Originally, the DHHL was to manage the MIS, they surrendered their responsibility to the Department of Land and Natural Resources (DLNR) and then to the Department of Agriculture (DoA), of which both agencies have mismanaged the MIS.

The homestead farmers expect the DoA to do a better job in managing the MIS, if this is not possible, allow the Moloka`i irrigation system water users board the opportunity to operate their agriculture water system.

I support the proposed SB3224, the Moloka`i Irrigation System Water Users Board.

I support the proposed SB2247, the Moloka`i Irrigation System Maintenance; Appropriation (\$)

Humbly submitted by Kammy Purdy
President of the Ahupua`a o Moloka`i (represents 5 Moloka`i homestead associations)
Executive Secretary and Mokupuni President for the SCHHA
Treasurer of the Ho`olehua Homestead Agriculture Assn.