

**SB 2488**

LINDA LINGLE  
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TESTIMONY OF SANDRA LEE KUNIMOTO  
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BEFORE THE SENATE COMMITTEES ON  
AGRICULTURE AND HAWAIIAN AFFAIRS  
AND  
WATER AND LAND

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

SENATE BILL NO. 2488  
RELATING TO WATER SYSTEMS

Chairpersons Tokuda and Hee and Members of the Committees:

Thank you for the opportunity to comment on Senate Bill No. 2488. The purpose of this bill is to create individual irrigation system accounts within the irrigation system revolving fund for each irrigation system. The department offers the following comments on this bill.

The program learned in late 2006 that the accounting system could now handle "activity codes". These codes allow most revenue and expenses to be traced back to the irrigation system that it should be attributed to. There are special circumstances where revenue or expenses are not allocated to a specific irrigation system. Examples of revenue that are not assigned to a specific system include general fund supplements, budget and finance transfers for emergencies, and emergency grants from civil defense. Examples of expenses that are not assigned to a specific system are administrative

salaries, equipment, bills, and bulk purchases. Revenue and expenses of these types represent "umbrella" activities that are shared by two or more systems and/or programs. All businesses have overhead expenses that are paid for by revenue generating programs. This arrangement provides businesses and the division with maximum flexibility to move funds as necessary to support any particular system without the danger of any particular system running out of funds at any given time. As such, the department feels the creation of these accounts is unnecessary and detrimental from a fiscal and operational perspective to the program.