

NEIL ABERCROMBIE
Governor



RUSSELL S. KOKUBUN
Chairperson, Board of Agriculture

JAMES J. NAKATANI
Deputy to the Chairperson

State of Hawaii
DEPARTMENT OF AGRICULTURE
1428 South King Street
Honolulu, Hawaii 96814-2512

LATE

TESTIMONY OF RUSSELL S. KOKUBUN
CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE SENATE COMMITTEE
ON
WAYS AND MEANS

TUESDAY, MARCH 1, 2011
9:20 A.M.
CONFERENCE ROOM 211

SENATE BILL NO. 1209
MAKING AN APPROPRIATION FOR THE OPERATION AND MAINTENANCE
OF THE EAST KAUAI IRRIGATION SYSTEM

Chairperson Ige and Members of the Committee:

Thank you for the opportunity to testify on Senate Bill No. 1209. The purpose of this bill is to appropriate operation and maintenance funds for the East Kauai Irrigation System (EKIS). The department supports the intent of this bill.

The EKIS is currently being maintained by the East Kauai Water Users Cooperative. A majority of the intakes, reservoirs, tunnels, and transmission ditches are located on State owned lands. A significant portion of the service area is also on State owned land. In recognition of the State's interest in keeping this area viable in agriculture, the State Legislature and/or Agribusiness Development Corporation has contributed funding to assist in the maintenance of the system. The Department of Agriculture has also provided assistance to the continuation of this system by designing and contracting improvements to the Wailua and Upper Kapahi Reservoirs and



replacing the upper Kapahi and Wailua flumes. In return, members of the cooperative have matched the funds with countless hours of volunteer time and effort. The continuation of this system is important to the State's goal of food security to the maximum intent possible.

Thank you for the opportunity to testify on this measure.

Kauai County Farm Bureau

Affiliated with Hawaii Farm Bureau Federation

P.O. Box 3895 • Lihue HI 96766

808-337-9944 (phone/fax) 808-652-3217 (cell)

kcfb@hawaiiantel.net

The Voice of Kauai's Agriculture

LATE



February 28, 2011

ATTN: Senate Committee on Ways & Means
Sen. David Y. Ige (Chair), Sen. Michelle Kidani (Vice Chair)
and Members of the Committee

RE: SB1209 Relating to the East Kauai Irrigation System
Testimony of Kauai County Farm Bureau in SUPPORT
Roy Oyama, President

HEARING DATE: March 1, 2011, 9:20am, Room 211 – WAM Committee Hearing

Kauai County Farm Bureau on behalf of our member farm and ranch families, and affiliated with Hawaii Farm Bureau Federation, **requests your support of SB1209**, requesting an appropriation to support operations and maintenance of the East Kauai Irrigation System.

It is a stated goal of our government to work together to provide for a sustainable and prosperous future for our state and its diverse communities, with greater food security. Maintaining water infrastructure and strategically upgrading it is critical to promoting the growth of diversified agriculture on Kauai and we therefore ask for your renewed support.

This state owned system serving State and private land in Kapaa and Kalepa has been managed and maintained by the East Kauai Water Users' Cooperative over the past nine years through a combination of State and County grants and with volunteer assistance and support. The state has invested \$2.8 million in capital improvements, which when completed and maintained will ensure these reservoirs and ditches are in excellent operating condition.

This request has been identified as a top shared priority across agricultural commodities on Kauai. The Kauai County Farm Bureau Commodity Groups Committee currently includes members of Kauai County Farm Bureau, Kauai Cattleman's Association, Kauai Taro Growers Association, Kauai Landscape Industry Council, Kauai Coffee growers, Hawaii Tropical Fruit Growers, Hawaii Crop Improvement Association and Hawaii Tropical Flower & Foliage Association/Hawaii Floriculture & Nursery Association. The Committee works closely in partnership with Government Affairs to gather input on specific commodity needs and identify shared Kauai issues, of which water infrastructure and specifically this project has been identified as a priority in 2011.

Please lend your support to SB1209. Mahalo for your consideration.

Sincerely,

Roy Oyama
President – Kauai County Farm Bureau
Oyama_farm@yahoo.com

CC: Melissa McFerrin
Executive Administrator – Kauai County Farm Bureau
kcfb@hawaiiantel.net



**East Kauai
Water Users' Cooperative**

4334 Rice Street, Suite 202
Lihue, Kauai Hawaii 96766
Phone: 808-246-6962
Fax: 808-245-3277

LATE

TO: Senator Donna Mercado Kim, Chairperson
Ways and Means
WAMtestimony@capitol.hawaii.gov

March 1, 2011

RE: Testimony on SB 1209 Relating to the East Kauai Irrigation System

Chairperson Kim:

My name is Jerry Ornellas. I am the president of the East Kauai Water Users' Cooperative. I am testifying in favor of SB 1209.

Amfac sugar company announced in 2001 that it was ceasing operation of its ditch system comprising 30 miles of ditch and two reservoirs serving a total of 4,000 acres—2,000 acres of State and private land in Kapaa and 2,000 acres of State land in the Kalepa area. The Cooperative was formed in 2001, took over **management** of the State-owned system in 2002, and is about to enter its ninth year of successful operation. The Cooperative is faced with this problem for operations and maintenance: large portions of the land served by the ditch and recently sold by the sugar company or leased out by the State remain fallow or, in the case of the Kalepa area, are occupied by ranchers or farmers just developing the land.

Income from the users is today insufficient to pay the normal operations and maintenance expenses on the system. In 2010, the Coop was operated on a cash budget of \$72,960. \$20,460 was paid in by members, the balance from State and County grants. Volunteer in-kind contributions totaled \$130,000 for the year. Membership has remained the same this past year, and water is being delivered in an efficient and reliable manner.

Over the past several years, the State has invested about \$2.6 million in **capital improvements** to the system. When the work is complete, the system will be in excellent operating condition. One consequence of the upgrades, however, is increased maintenance work on the part of the Coop, for example, on the faces of the reservoir dams. These are being cleaned of trees and brush under the CIP program and have to be kept clear by the Coop on a regular basis—a new expense.

The East Kauai irrigation system is the only system in the State run by the community. It is an excellent example of State/citizen cooperation, in that the citizens benefit from the use of the system and the State benefits directly by the continued existence of Fern Grotto and Wailua Reservoir. In the case of **Fern Grotto**, the health of the ferns are directly dependent upon the supply of water to the grotto from Reservoir 21 of our system which sits directly above the grotto. When Amfac let this reservoir dry up a few years ago, the ferns started to die off. When the Coop restored water, the ferns rejuvenated, and with them the prospects of the many businesses dependent upon the grotto. If the State were to operate the irrigation system itself to feed Reservoir 21, it would be prohibitively expensive.

Second, the State has plans to develop a Public Fishing Area, a campground and an educational center at **Wailua Reservoir**. These will be excellent additions to our island, enhancing both the tourist experience and the education of our children. Again, the reservoir is maintained by the Coop and the State avoids the considerable expense of maintaining this artificial body of water.

Third, the Coop controls the water system in the 6,500 acres of "**Kalepa**" **State lands** near Hanamaulu. This water system is essential for the development of agriculture on these lands, which are some of the few remaining areas available for ag development on State land.

I respectfully ask for your support and passage of this bill.

East Kauai Water Users' Cooperative

A handwritten signature in cursive script that reads "Jerry Ornellas".

Jerry Ornellas, President

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 01, 2011 8:23 AM
To: WAM Testimony
Cc: gordines@kauaiflowers.com
Subject: Testimony for SB1209 on 3/1/2011 9:20:00 AM

LATE

Testimony for WAM 3/1/2011 9:20:00 AM SB1209

Conference room: 211
Testifier position: support
Testifier will be present: No
Submitted by: John R. Gordines
Organization: Hawaii Tropical Flowers & Foliage Association- Kauai Chapter
Address:
Phone:
E-mail: gordines@kauaiflowers.com
Submitted on: 3/1/2011

Comments:

Hawaii Tropical Flowers and Foliage Association-Kauai Chapter requests your support of SB1209, requesting an appropriation to support operations and maintenance of the East Kauai Irrigation System in the amount of \$100,000.

Maintaining water infrastructure and strategically upgrading it is critical to promoting the growth of diversified agriculture on Kauai and we therefore ask for your renewed support. Many of our members are end-users of the East Kauai Irrigation System and the maintenance of the system is critical to the future of our commodity as well as the entire structure of Kauai's Agricultural community.

Please lend your support to SB1209. Mahalo for your consideration.

Sincerely,
John R. Gordines
President
Hawaii Tropical Flowers & Foliage Association gordines@kauaiflowers.com

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 01, 2011 8:28 AM
To: WAM Testimony
Cc: ashman.janet@gmail.com
Subject: Testimony for SB1209 on 3/1/2011 9:20:00 AM

Testimony for WAM 3/1/2011 9:20:00 AM SB1209

LATE

Conference room: 211
Testifier position: support
Testifier will be present: Yes
Submitted by: Hawaii Farm Bureau Federation
Organization: Hawaii Farm Bureau Federation
Address:
Phone:
E-mail: ashman.janet@gmail.com
Submitted on: 3/1/2011

Comments:
Strong support for this matter of great importance to agriculture in Hawaii.