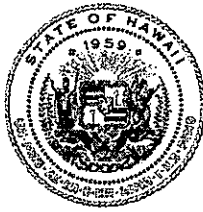


NEIL ABERCROMBIE  
GOVERNOR OF HAWAII



**STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES**

POST OFFICE BOX 621  
HONOLULU, HAWAII 96809

**Testimony of  
WILLIAM J. AILA, JR.  
Chairperson**

**Before the House Committee on  
FINANCE**

**Thursday, February 24, 2011  
11:30 AM  
State Capitol, Conference Room 308**

**In consideration of  
HOUSE BILL 1185, HOUSE DRAFT 1  
MAKING AN APPROPRIATION FOR THE OPERATION AND MAINTENANCE OF  
THE EAST KAUAI IRRIGATION SYSTEM**

House Bill 1185, House Draft 1 would appropriate \$100,000 in each of the next two fiscal years for the operation and the maintenance of the East Kauai Irrigation System. The Department of Land and Natural Resources recognizes the merits of having a planned environmental education facility adjacent to the Wailua Reservoir and anticipates added value to the facility based on proposed activities that involve the Reservoir.

Thank you for this opportunity to provide testimony.

WILLIAM J. AILA, JR.  
INTERIM CHAIRPERSON  
BOARD OF LAND AND NATURAL RESOURCES  
COMMISSION ON WATER RESOURCE MANAGEMENT

GUY H. KAULUKUKUI  
FIRST DEPUTY

WILLIAM M. TAM  
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES  
BOATING AND OCEAN RECREATION  
BUREAU OF CONVEYANCES  
COMMISSION ON WATER RESOURCE MANAGEMENT  
CONSERVATION AND COASTAL LANDS  
CONSERVATION AND RESOURCES ENFORCEMENT  
ENGINEERING  
FORESTRY AND WILDLIFE  
HISTORIC PRESERVATION  
KAHOOLAWE ISLAND RESERVE COMMISSION  
LAND  
STATE PARKS

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

TESTIMONY OF RUSSELL S. KOKUBUN  
CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE HOUSE COMMITTEE  
ON  
FINANCE

THURSDAY, FEBRUARY 24, 2011  
11:30 A.M.  
CONFERENCE ROOM 308

HOUSE BILL NO. 1185, H.D. 1  
MAKING AN APPROPRIATION FOR THE OPERATION AND MAINTENANCE  
OF THE EAST KAUAI IRRIGATION SYSTEM

Chairperson Oshiro and Members of the Committee:

Thank you for the opportunity to testify on House Bill No. 1185, H.D.1. 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 agriculturally, 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 extent possible.



STATE OF HAWAII  
AGRIBUSINESS DEVELOPMENT CORPORATION  
235 S. Beretania Street, Room 205  
Honolulu, HI 96813  
Phone: (808) 586-0186 Fax: (808) 586-0189

TESTIMONY OF ALFREDO LEE  
EXECUTIVE DIRECTOR  
AGRIBUSINESS DEVELOPMENT CORPORATION  
BEFORE THE HOUSE COMMITTEE ON FINANCE

Thursday, February 24, 2011  
11:30am  
CONFERENCE ROOM 308

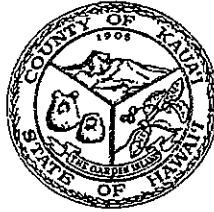
HOUSE BILL NO. 1185, H.D. 1  
MAKING AN APPROPRIATION FOR THE OPERATION AND MAINTENANCE  
OF THE EAST KAUAI IRRIGATION SYSTEM

Chairperson Oshiro and Members of the Committee:

Thank you for the opportunity to testify on House Bill 1185 HD1. The Agribusiness Development Corporation (ADC) supports this bill, which would appropriate to the East Kauai Water Users' Cooperative (Coop) for the next two fiscal years as general funds to be expended by ADC for the operation and maintenance of the East Kauai Irrigation System (EKIS).

The ADC has assisted the financially strained Coop by expending appropriated general funds to maintain the EKIS since 2002. However, no appropriations had been granted to cover the last two years. The need to continually maintain and upgrade the infrastructure is critical because the Coop's operating funds have been limited, and due to the two year lapse in appropriations, now more than ever this support is urgently needed.

**Bernard P. Carvalho, Jr.**  
Mayor



**George K. Costa**  
Director

**Gary K. Heu**  
Managing Director

**OFFICE OF ECONOMIC DEVELOPMENT**

**County of Kaua'i, State of Hawai'i**

4444 Rice Street, Suite 200, Lihu'e, Hawai'i 96766  
TEL (808) 241-4946 FAX (808) 241-6399

February 23, 2011

House Committee on Finance  
Honorable Marcus Oshiro (Chair) and Members of the Committee

**HB1185 Relating to the East Kauai Irrigation System**

Testimony of the Office of Economic Development, County of Kaua'i  
George K. Costa, Director in SUPPORT

HEARING DATE: February 24, 2011 – Committee on Agriculture, Room 308, 11:30am

The Office of Economic Development on behalf of the County of Kaua'i, farmers, ranchers and other agricultural organizations, **requests your support of HB1185**, requesting \$100,000 in funding over two years 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 continued support.

This state owned system serving State and private land in Kapaa and Kalepa regions 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 priority in the Kaua'i Economic Development Plan – Comprehensive Economic Development Strategy (CEDS), and also shared across agricultural commodities on Kauai. The County of Kaua'i works very closely and provides support for other agricultural organizations such as the Kauai County Farm Bureau, Kauai Cattleman's Association, Kauai Taro Growers Association, Kauai Landscape Industry Council, Kauai Coffee growers, and Hawaii Tropical Fruit Growers.

Please lend your support to HB1185. Mahalo for your consideration.

Sincerely,

George K. Costa  
Director – Office of Economic Development, County of Kauai  
gcosta@kauai.gov

xc: Mayor Bernard P. Carvalho, Jr.



**Hawaii Farm Bureau**  
F E D E R A T I O N

2343 Rose Street, Honolulu, HI 96819  
PH: (808)848-2074; Fax: (808) 848-1921

February 24, 2011

**TESTIMONY**

**Re: HB1185 HD1 MAKING AN APPROPRIATION FOR THE OPERATION AND  
MAINTENANCE OF THE EAST KAUAI IRRIGATION SYSTEM**

Chair Oshiro and Members of the Committee:

Hawaii Farm Bureau on behalf of our commercial farmers and ranchers on Kauai, strongly supports HB1185 HD1 appropriating funds for the continued operation and maintenance of the east Kauai Irrigation system.

Irrigation is critical for farming in East Kauai. We support Kauai Farm Bureau's position to assist in this endeavor to ensure the viability of the farmers and ranchers served by the system.

We respectfully request your support in passing this measure, restoring the enactment date to July 2011. We appreciate this opportunity comment on this subject. If there are any questions, please contact Warren Watanabe at 2810718.

Thank you.



## Hawaii Agriculture Research Center

*Administration: P.O. Box 100, Kunia, HI 96759*

*Ph: 808-621-1350/Fax: 808-621-1359*

a member of the  
**Kunia Water Cooperative**

### TESTIMONY BEFORE THE HOUSE COMMITTEE ON FINANCE

#### HOUSE BILL 1185, HD1

#### **Making an Appropriation For the Operation and Maintenance of the East Kauai Irrigation System**

February 24, 2011

Chairman Oshiro and Members of your Committee:

My name is Stephanie Whalen. I am Executive Director of the Hawaii Agriculture Research Center (HARC). I am testifying today on behalf of the center and our research and support staff.

**HARC supports House Bill 1185, HD1 which provides for the continued operation and maintenance of the East Kauai irrigation system.**

It is important that the existing irrigation systems that service land that has significant potential to be put into diversifying agriculture production are supported and maintained. Much of the lands serviced by this system are no longer farmed by the Lihue Plantation Company. Just as in other areas that have been made available for agricultural diversification, it will take time for these lands to be taken up by multiple agricultural enterprises. Farmers already in the area are doing their part to organize, expand operations and contribute financially to the operation of the system. They need assistance until other agricultural businesses get started and contribute to the water delivery operation.

In the long view, it is imperative that surface water continue to be captured and put to efficient and beneficial uses. This is an age old practice throughout the world. If surface water is not available, agriculture in these areas in the future would have to rely on groundwater and compete for its use.

Thank you for this opportunity to testify in support of this measure.





**PIONEER**<sup>®</sup>  
A DUPONT COMPANY

**Pioneer Hi-Bred International, Inc.**  
Cindy Goldstein, Ph. D

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HB 1185 HD1 Relating to Appropriation for East Kauai Irrigation System  
COMMITTEE ON FINANCE  
Thursday February 24, 2011 at 11:30 a.m.  
Conference Room 308

Chairman Oshiro, Vice Chair Lee and members of the Committee on Finance.

My name is Cindy Goldstein, representing Pioneer Hi-Bred International, Inc., with facilities on Oahu and Kauai.

Pioneer Hi-Bred strongly supports HB 1185 appropriating funds for the continued operation and maintenance of the east Kauai irrigation system.

Pioneer Hi-Bred International, Inc. produces corn, soybean and sunflower seed crops in Hawaii, with two locations on Kauai. We carry out research and development at our Waimea Research Center and multiply seed at Kekaha Parent Seed to develop new hybrids and varieties that are more productive for farmers in the US and around the world. Pioneer employs approximately 400 people in a wide range of types of jobs on Oahu and Kauai.

Pioneer strongly supports funding for the ongoing operation and maintenance of the East Kauai Irrigation System for the East Kauai Water Users' Cooperative to operate this state-owned irrigation system. Many agriculture operations rely upon water from aging irrigation systems that require substantial maintenance to continue operating. Sufficient water is needed for agricultural operations to continue thriving. The number of farmers on Kauai is increasing and demands for water from the East Kauai Irrigation System for production of fruits, vegetables, herbs, and other agricultural products will only increase.

Agricultural producers rely on water from this system and others on Kauai benefit as well. Local residents will benefit as water from the Wailua reservoir can allow expanded recreation for public fishing and camping. The Fern Grotto draws many tourists and water from the system is keeping this area green and contributing to business operations that rely on tourist visits.

Users are contributing but funds are not adequate. Pioneer supports state government funding for maintenance of the East Kauai Irrigation system. We respectfully support this bill to meet the needs of agriculture and because of the additional beneficial uses of this water system.

Thank you for the opportunity to provide testimony for this House hearing.

## **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@hawaiiintel.net](mailto:kcfb@hawaiiintel.net)

***The Voice of Kauai's Agriculture***



February 23, 2011

ATTN: Committee on Finance  
Rep. Marcus R. Oshiro (Chair) Rep. Marilyn B. Lee (Vice Chair)  
and Members of the Committee

RE: HB1185 HD1 Relating to the East Kauai Irrigation System  
Testimony of Kauai County Farm Bureau in SUPPORT  
Roy Oyama, President

HEARING DATE: February 24, 2011, 11:30am, Room 308 - FIN 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 HB1185 HD1**, 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 HB1185 HD1. Mahalo for your consideration.

Sincerely,

Roy Oyama  
President - Kauai County Farm Bureau  
[Oyama\\_farm@yahoo.com](mailto:Oyama_farm@yahoo.com)

CC: Melissa McFerrin  
Executive Administrator - Kauai County Farm Bureau  
[kcfb@hawaiiintel.net](mailto:kcfb@hawaiiintel.net)



**East Kauai  
Water Users' Cooperative**

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

TO: Rep. Marcus R. Oshiro, Chairperson  
House Committee on Finance

February 23, 2011

**RE: Testimony on HB 1185 Relating to the East Kauai Irrigation System**

Chairperson Oshiro:

My name is Jerry Ornellas. I am the president of the East Kauai Water Users' Cooperative. I am testifying in favor of HB 1185.

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.

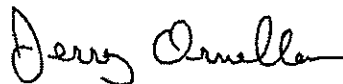
The East Kauai irrigation system is the only system in the State run by the community. It is an excellent example of State/citizen cooperation, in that the citizens benefit from the use of the system and the State benefits directly by the continued existence of Fern Grotto and Wailua Reservoir. In the 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 camp ground 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.

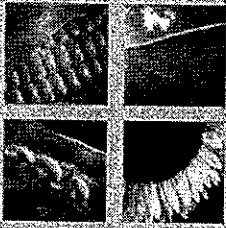
Third, the Coop controls the water system in the 6,500 acres of "**Kalepa**" **State lands** near Hanamaulu. This water system is essential for the development of agriculture on these lands, which are some of the few remaining areas available for ag development on State land.

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



**HCIA 2010-2012  
Board of Directors**

**President**  
Fred Perlak

**Vice President**  
Laurie Goodwin

**Treasurer**  
John Anderson

**Secretary**  
Allka Napier

**Directors At Large**

David Gilliland  
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Steve Lupkes  
Mark Phillipson  
Mark Stouemyer  
Alan Takemoto

**Past President**  
Adolph Helm

**Executive Director**  
Alicia Maluafiti

# Hawaii Crop Improvement Association

*Growing the Future of Worldwide Agriculture in Hawaii*

Testimony By: Alicia Maluafiti

## HB 1185 - MAKING AN APPROPRIATION FOR THE OPERATION AND MAINTENANCE OF THE EAST KAUAI IRRIGATION SYSTEM

The House Committee on Finance  
Thursday, February 24, 2011  
Room 308, 11:30 a.m.

### Position: Strong Support

Aloha Chair Oshiro, Vice Chair Lee, and members of the Committee:

My name is Alicia Maluafiti, Executive Director of the Hawaii Crop Improvement Association, a nonprofit trade association representing the seed industry in Hawaii. HCIA strongly supports HB 1185 HD1 making an appropriation for the operation and maintenance of the East Kauai irrigation system.

Currently, four of five of HCIA's member seed companies maintain operations on the island of Kauai therefore they are vested in the agricultural future of their communities. But like most islands, their 100-year old irrigation system now owned by the state and operated by a Kauai cooperative is in disrepair and facing serious maintenance issues. Any disruption in delivering water to farmers could severely impact their viability as we saw after the earthquake on the big island.

We implore upon the state to approve an appropriation for the continued operation and maintenance of the East Kauai Irrigation system. We also encourage the state take to take a serious look at the irrigation systems on other islands facing similar challenges.

We ask you to please pass HB 1185 HD 1. Mahalo for the opportunity to comment.

91-1012 Kaha'uka Street  
Ewa Beach, HI 96706  
Tel: (808) 224-3648  
director@hciaonline.com  
www.hciaonline.com

## COMMITTEE ON FINANCE

DATE: Wednesday, February 24<sup>th</sup>, 2011

TIME: 11:30 am

PLACE: Conference Room 308

RE: **MAKING AN APPROPRIATION FOR THE OPERATION AND MAINTENANCE OF THE EAST KAUAI IRRIGATION SYSTEM.**

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Aloha Chair Oshiro, Vice Chair Lee and Members of the Committee,

My name is Laurie Goodwin, Hawaii State Affairs Manager with Syngenta Hawaii. **Syngenta Hawaii supports HB 1185** which would appropriate funds for the continued operation and maintenance of the east Kauai irrigation system. These funds are critical to the continued success of existing farming operations and the development of future agricultural operations in East Kauai. Without water and infrastructure to deliver water, farmers cannot survive. The members of the East Kauai Water Users' Cooperative have worked tirelessly for years to maintain the existing infrastructure which provides value not only to farmers but to residents and visitors alike. Please help them continue their efforts to provide this valuable service to the people of Kauai.

Thank you for the opportunity to submit testimony.

Mahalo,

*Laurie Goodwin*

Laurie Goodwin  
Hawaii State Affairs Manager  
Syngenta Hawaii LLC  
7050 Kaunualii Highway | Kekaha, HI 96752  
PO Box 879 | Waimea, HI 96796  
office: 808-337-1408 Ext. 120 | mobile: 808-652-0768  
[laurie.goodwin@syngenta.com](mailto:laurie.goodwin@syngenta.com)



## FINTestimony

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Wednesday, February 23, 2011 4:29 PM  
**To:** FINTestimony  
**Cc:** randall@kauaichamber.org  
**Subject:** Testimony for HB1185 on 2/24/2011 11:30:00 AM

Testimony for FIN 2/24/2011 11:30:00 AM HB1185

Conference room: 308  
Testifier position: support  
Testifier will be present: No  
Submitted by: Randall Francisco  
Organization: Kauai Chamber of Commerce  
Address:  
Phone:  
E-mail: [randall@kauaichamber.org](mailto:randall@kauaichamber.org)  
Submitted on: 2/23/2011

Comments:

## **FINTestimony**

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**From:** mailinglist@capitol.hawaii.gov  
**ent:** Wednesday, February 23, 2011 6:25 PM  
**fo:** FINTestimony  
**Cc:** gottlieb@hawaii.rr.com  
**Subject:** Testimony for HB1185 on 2/24/2011 11:30:00 AM

Testimony for FIN 2/24/2011 11:30:00 AM HB1185

Conference room: 308  
Testifier position: support  
Testifier will be present: No  
Submitted by: Alan Gottlieb  
Organization: Hawaii Cattlemen's Council  
Address:  
Phone:  
E-mail: [gottlieb@hawaii.rr.com](mailto:gottlieb@hawaii.rr.com)  
Submitted on: 2/23/2011

Comments: