

SB 1209

nishihara5 - Randy

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 02, 2011 2:18 PM
To: AGL Testimony
Cc: Leslie.Campaniano@hawaii.gov
Subject: Testimony for SB1209 on 2/3/2011 2:45:00 PM
Attachments: SB1209_AGR_2-3-2011_AGL-final.pdf

Follow Up Flag: Follow up
Flag Status: Flagged

Testimony for AGL 2/3/2011 2:45:00 PM SB1209

Conference room: 229
Testifier position:
Testifier will be present: Yes
Submitted by: James Nakatani
Organization: Hawaii Department of Agriculture
Address:
Phone: 973-9552
E-mail: Leslie.Campaniano@hawaii.gov
Submitted on: 2/2/2011

Comments:

NEIL ABERCROMBIE
Governor



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

RUSSELL S. KOKUBUN
Chairperson, Board of Agriculture

JAMES J. NAKATANI
Deputy to the Chairperson

**TESTIMONY OF RUSSELL S. KOKUBUN
CHAIRPERSON, BOARD OF AGRICULTURE**

BEFORE THE SENATE COMMITTEE ON AGRICULTURE

**THURSDAY, FEBRUARY 3, 2011
2:45 P.M.
CONFERENCE ROOM 229**

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

Chairperson Nishihara 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



PAGE 2

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.

nishihara5 - Randy

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 02, 2011 2:20 PM
To: AGL Testimony
Cc: Leslie.Campaniano@hawaii.gov
Subject: Testimony for SB1209 on 2/3/2011 2:45:00 PM
Attachments: SB1209_AGR-ADC_02-03-11_AGL-final.pdf

Follow Up Flag: Follow up
Flag Status: Flagged

Testimony for AGL 2/3/2011 2:45:00 PM SB1209

Conference room: 229
Testifier position:
Testifier will be present: No
Submitted by: Alfredo Lee
Organization: Hawaii Department of Agriculture
Address:
Phone: 973-9552
E-mail: Leslie.Campaniano@hawaii.gov
Submitted on: 2/2/2011

Comments:



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 SENATE COMMITTEE ON AGRICULTURE
THURSDAY, FEBRUARY 3, 2011
2:45 P.M.
CONFERENCE ROOM 229

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

Chairperson Nishihara and Members of the Committee:

Thank you for the opportunity to testify on Senate Bill 1209. The Agribusiness Development Corporation (ADC) supports the intent of this bill, which would appropriate to the East Kauai Water Users' Cooperative (Coop) for the next two fiscal years 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.

nishihara5 - Randy

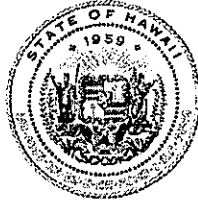
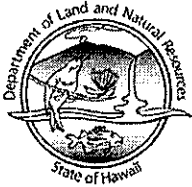
From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 01, 2011 8:50 AM
To: AGL Testimony
Cc: Tracy.S.Oshiro@hawaii.gov
Subject: Testimony for SB1209 on 2/3/2011 2:45:00 PM
Attachments: SB1209_LNR_02-03-11_AGL.pdf

Testimony for AGL 2/3/2011 2:45:00 PM SB1209

Conference room: 229
Testifier position: comments only
Testifier will be present: Yes
Submitted by: Tracy Oshiro
Organization: DLNR
Address: 1151 Punchbowl Street Honolulu, HI 96813
Phone: (808) 587-1495
E-mail: Tracy.S.Oshiro@hawaii.gov
Submitted on: 2/1/2011

Comments:

NEIL ABERCROMBIE
GOVERNOR OF HAWAII



STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

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

Testimony of
WILLIAM J. AILA, JR.
Chairperson

Before the Senate Committee on
AGRICULTURE

Thursday, February 3, 2011
2:45 PM
State Capitol, Conference Room 229

In consideration of
SENATE BILL 1209
MAKING AN APPROPRIATION FOR THE OPERATION AND MAINTENANCE OF
THE EAST KAUAI IRRIGATION SYSTEM

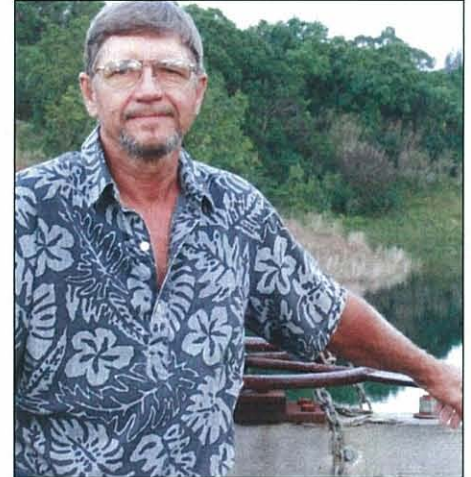
Senate Bill 1209 would appropriate \$100,000 in each of the next two fiscal years for the operation and the maintenance of the East Kauai Irrigation System. The Department of Land and Natural Resources (Department) takes no position on the appropriation proposed in this measure. The Department does recognize 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.

East Kauai Water Users' Cooperative 2011–2012 Legislators' Update

Aloha,

As president of the East Kauai Water Users' Cooperative, I am happy to report that the Cooperative has successfully managed the large State-owned irrigation system in Kapaa and Kalepa since 2002. This system, one of the largest in the State, serves 4,000 acres of State and private land. As of 2011, Several State-financed capital improvements totalling about \$2.6 million, the largest of which is the renovation of Wailua Reservoir, are nearly complete. Under the direction of manager Tony Branco and our field manager, Les Milnes, the system is kept in good operational condition with a team of volunteers and paid workers.



In a December, 2010, meeting with Senator Ron Kouchi, he asked how much volunteer effort went into maintaining the system. Our conservative calculation is \$130,000/year of in-kind voluntary contribution to the system, showing strong community support. The system is today in far better condition than when the Coop took over.

We have prepared for the 2011 Legislature a series of "White Papers" give detailed answers to likely questions about our system and a compelling justification of the State's interest in keeping it functional.

Jerry Arnella



2011 Legislature White Paper #1

The 220-million-gallon Wailua reservoir, crown jewel of the Coop's irrigation system, serves 2,000 acres of farm land through 22 miles of ditch. In 2010 it has undergone extensive renovation. It serves as a tourist-attracting Public Fishing Area, a bird sanctuary and a planned educational center.

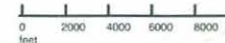


East Kauai Water Users' Cooperative System

MAP OF THE
LIHUE PLANTATION
LIHUE - KAWAIHAU, KAUAI

SCALE - 1 INCH = 2000 FEET
APRIL, 1939
REVISED FEB 1965

- State Diversion
- State Ditch
- Private Ditches



Blue Hole Diversion
(Not part of RP)

Ililiula North Wailua Ditch

Stable Storm Diversion

Stable Storm Ditch

**Upper Kalepa Side: 2,000
Potentially Irrigable Acres
of State Land**

State 6,000 Acres

Wailua Reservoir Diversion

Aahoaka
Diversion

Wailua Reservoir

Hanamalu Ditch

Aahoaka
Reservoir

North
Wailua Ditch
2 & 3

Upper
Kapahi
Reservoir

Kapaa Stream Diversion

**Lower Kalepa Side:
2,000 Irrigable Acres
of State Land**

Laterals
5
6B

8
8A
8B

**Kapaa Side: 2,000
Irrigable Acres of
Private Land**

Wailua
Houselots
Reservoir

Twin Reservoirs
(private)

Kapaa 382

Kapaa 1400

Wailua River

Lihue Airport

Kapaa Town

O
C
E
A
N

Scenes From Our System ...



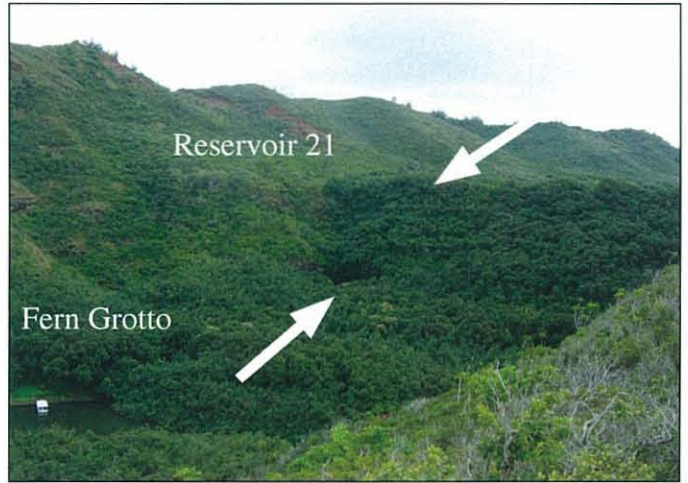
This main transmission line flume suffered serious damage during a flood



The volunteer crew who fixed it until permanent repairs could be made



New catwalk and control gates overlooking a drained Wailua Reservoir under repair



View of Fern Grotto, which sits beneath Reservoir 21 behind Kalepa Ridge



Steel supports installed for a piped replacement of a redwood flume at Kapaa stream



Upper Kapahi Reservoir stores water for use on 2,000 acres of private land in Kapaa

Our Cooperative at Work ...



Seventy-five Kapaa residents who live along the system attended a meeting



Miles of clean and free-flowing ditch serve farmers and enhance our rural environment



November 22 our managers and volunteers repaired a flume on Hanamaulu Ditch



This deteriorated 80-foot redwood flume carrying water from Wailua Reservoir to Kapaa over the deep Opaekaa stream ravine was replaced in a CIP project with a pipe.

Visit our web site ...

<http://www.eastkauaiwater.org>



East Kauai Water Users' Cooperative

P.O. Box 800
Kapaa, Hawaii 96746
Phone/fax: 808-821-2948
E-mail: jerryornalles@gmail.com

Our Current Board of Directors ...



Left to right: Kelly Gooding; Les Milnes; Jerry Ornellas;
Tony Branco; Adam Asquith; Dan Daimond; Lincoln Ching.



**East Kauai
Water Users' Cooperative**
P.O. Box 800
Kapaa, Hawaii 96746
Phone/fax: 808-821-2948
E-mail: jerryornalles@gmail.com

**2011 Legislature
White Paper #2**

Request for System Maintenance Subsidy

Summary

The annual income of the Coop is insufficient to operate the system, in spite of large volunteer contributions-in-kind. A subsidy of \$50,000 each year to date, with the exception of 2004, has been provided by the State through the Agribusiness Development Corporation to make up the shortfall in funding. Without this subsidiary funding, the Coop will be unable to continue operation of this State-owned system.

Explanation

To benefit the East Kauai Water Users' Cooperative, we are requesting a \$100,000 appropriation for 2011-2013 as part of the Agribusiness Development Corporation administration budget (AGR 161). The money would provide supplemental operation and maintenance funds for the East Kauai irrigation system.

Today we have a total of 33 members with an annual billing of \$25,540. We are providing irrigation water to 750 acres of land, out of a total of 4,000 acres that can be irrigated by the system, and several hundred head of cattle. Coop membership is stable, and water is being delivered in an efficient and reliable manner. Volunteer contributions-in-kind are estimated at \$130,000 for 2010 year.

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 supply of water to Fern Grotto and Wailua Reservoir, both dependent on the system. It would cost the State far more than \$50,000/year to operate the system just to preserve Fern Grotto and the Wailua Reservoir.

Action Requested

Provide an allocation of funds by the State legislature of \$100,000 to address deferred maintenance issues on the East Kauai System as part of the Agribusiness Development Corporation administration budget (AGR 161).



**East Kauai
Water Users' Cooperative**
4334 Rice Street, Suite 202
Lihue, Kauai Hawaii 96766
Phone/fax: 808-821-2948
E-mail: jerryornalles@gmail.com

**2011 Legislature
White Paper #3**

Budget Overview and Details

Summary: In 2010, the Coop is operated on a cash budget of \$72,960, detailed on page two. \$20,460 was paid in by members, the balance from State and County grants. Volunteer in-kind contributions totaled \$130,000 for the year.

Explanation: Water assessment for members is \$120/million gallons for the first ten units enrolled, \$80/million thereafter and \$3/head for cattle. The Associate Membership fee is \$120. For 2011, total member contributions is \$25,540. Volunteer in-kind contributions totaled \$130,000 for the year.

The five State-run irrigation systems cost about \$225,000/year to operate. Our system costs \$72,960 cash plus \$130,000 volunteer contribution for a total of \$202,960, comparable to the cost of the State systems.

At its present level of activity, the Coop is dependent upon government grants and volunteer in kind contributions to make ends meet.

The Coop's system has great potential, as yet unrealized. The community wants this system preserved, as seen by the large amount of donated effort. It is in the best interests of the State to continued its assistance.

Action Required:

The Coop needs \$100,000 for 2011-2013 State subsidy to continue operations.

(see other side)

| East Kauai Water Users' Coop Income and Expenses 2010 | |
|---|-----------|
| January 1, 2010 to December 31, 2020 | |
| | |
| Cash Income: | |
| Grant from Agribusiness Development Corporation (used) | \$37,500 |
| Grant from County of Kauai | \$15,000 |
| Paid by Members | \$20,460 |
| (33 members, 751 acre-units, 380 head | |
| Total Income | \$72,960 |
| | |
| Cash Expenses: | |
| Labor, Equipment and Transportation: | \$60,990 |
| (Manager, ditchman and part-time crews under contract to Bronco Construction) | |
| Insurance | \$2,229 |
| DLNR Water System Rent | \$299 |
| LLC Water Delivery Charge | \$1,250 |
| (serving Hanamulu Ditch, Res. 21 and Fern Grotto) | |
| Other (Accounting, office, postage, etc.) | \$7,552 |
| Hawaiian Telcom | \$640 |
| Total Expenses: | \$72,960 |
| | |
| Income less Expenses: | \$0 |
| | |
| Contingency reserve from ADC Grant of \$50,000 | \$12,500 |
| | |
| Volunteer In-Kind Contributions | |
| Labor, technical help, base yard, legal, etc. | \$130,000 |



**East Kauai
Water Users' Cooperative**
P.O. Box 800
Kapaa, Hawaii 96746
Phone/fax: 808-821-2948
E-mail: jerryornalles@gmail.com

**2011 Legislature
White Paper #4**

Coop Volunteer Contributions

Summary

Since its inception, the Coop has been largely run on a volunteer basis. Our volunteers, whose contributions in kind are estimated to be worth \$130,000 for 2010, are the main reason our cash operating expenses (\$73,000 for 2010) are far below those of State-run systems of similar size (average of \$250,000/year).

Explanation

Past and present directors and members of the Coop have contributed thousands of hours to create and sustain the Coop. The initial formation, beginning with a Farm Bureau meeting facilitated by Donna Ching in 2001, led to three years of sustained effort by the Board to work through dozens of agencies at all levels of government until gaining a revocable permit for the system.

Leaving that early effort aside, an analysis of the current amount of volunteer work on the system is \$130,000 for 2010/year. Page two of this white paper contains a detailed breakdown of this estimate.

Volunteer work includes: system management, equipment donations, base yard donation, pro-bono legal representation, and the many individual efforts by members to maintain and improve the ditches that pass through their property.

Action Requested

While volunteer help is critical to the on-going success of the system, and the preservation of this valuable State asset, paid employees are necessary for the upkeep.

(please see other side)

Volunteer Services Provided by Members (yearly value)

| | |
|--|------------------|
| Tony Branco, Coop base yard | \$25,000 |
| Tony Branco, management fees | \$24,000 |
| Les Milnes, Director, hours, 20/month @ \$30/hour | \$7,200 |
| Jerry Ornellas, President, hours, 20/month @\$30/hour | \$7,200 |
| Dan Diamond, Director, Kulana Subdivision ditch maintenance 20/ month @ \$20/hour | \$4,800 |
| Adam Asquith, director, 10 hours/month @ \$20/hour | \$2,400 |
| Hindu Monastery, ditch maintenance 10/month @\$20/hour | \$2,400 |
| Hindu Monastery, office services inc. grants, letters, flyers, etc. | \$5,000 |
| Members own maintenance 33 @ 5 hours/month @\$20/hour | \$39,600 |
| Belles, Grahams, Proudfoot, Wilson and Chun, pro-bono Attorneys | \$12,000 |
| | |
| Total Volunteer Labor | \$129,600 |



**East Kauai
Water Users' Cooperative**
P.O. Box 800
Kapaa, Hawaii 96746
Phone/fax: 808-821-2948
E-mail: jerryornalles@gmail.com

**2011 Legislature
White Paper #5**

State-Run Irrigation System Summary

1. Economics of the State's Five Systems under DOA

The State Department of Agriculture runs five systems, two on Oahu, two on the Big Island and one on Molokai. Each costs about \$225,000 per year to operate and employs three people. In 2002 the systems were (and remain about the same):

| | length (miles) | water capacity (gal/year) | acres served | number of users in 2001 | fees paid |
|-------------------|-------------------|------------------------------|-----------------|----------------------------|-----------|
| Oahu | | | | | |
| Waimanalo | 15 | 150,000,000 | 1,174 | 83 | \$71,838 |
| Kahuku | 3 | 25,000,000 | 445 | 25 | \$12,757 |
| Molokai | | | | | |
| Molokai | 25 | 1,200,000,000 | 3,160 | 180 | \$380,155 |
| Big Island | | | | | |
| Waimea | 15 | 307,200,000 | 566 | 83 | \$121,349 |
| Hamakua | 26 | 503,344,520 | 4,755 | N/A | \$129,150 |

According to Paul Matsuo, former administrator of the Division of Agricultural Resource Management for DOA, from 1988 to 2000, when he administered these five systems, "the two where revenues exceeded expenses were the Molokai and Kahuku systems. However, in 2001, all the system's revenues were not meeting expenses for several reasons, such as prolonged drought, 9/11 disaster deferral of irrigation billing and the start up of several new irrigation systems where there is very little revenue."

According a study done by Paul Matsuo contracted by government agencies, the East Kauai irrigation system was one of five systems (other than the five State systems above) which should be preserved.

(see other side)

2. Why the State Subsidizes Water Systems

Nearly every agricultural irrigation system in the world is subsidized by a government. Why? Because of the large amount of economic activity made possible by the availability of water. The Waimanalo area, for example, has 50 nurseries, most on the system. Several are large concerns generating millions of dollars in sales per year. The Molokai systems serve some of the State's largest farmers. As diversified agriculture continues to develop, system self-sufficiency is possible, especially for the larger systems serving thousands of acres of productive land. For most of a century, these water systems made sugar and pineapple production a main component of Hawaii's economy. Given a chance, diversified agriculture on the same fertile lands can produce substantial income.



**East Kauai
Water Users' Cooperative**

P.O. Box 800
Kapaa, Hawaii 96746
Phone/fax: 808-821-2948
E-mail: jerryornalles@gmail.com

**2011 Legislature
White Paper #6**

Future Potential of East Kauai Irrigation System

Summary

The East Kauai system is a State resource worth hundreds of millions of dollars and capable of irrigating 4,000 acres of prime agricultural land. The State has recently invested \$2.6 million dollar in capital improvements to the system. We believe the prospects of developing this land for diversified agriculture are excellent, and that it will provide a measure of economic independence to many local farmers.

Explanation

The East Kauai Water Users' Cooperative system, one of the largest in the State, can irrigate 4,000 acres of prime agricultural land. Half of the land is State owned (the Kalepa lands currently served by the Hanamaulu ditch and potentially served by a piped system—see White Paper #7), half is private. For the last 80 years the sugar company profitably utilized this land. They, in fact, monopolized all of the area's good agricultural land, relegating farmers to secondary parcels. With this prime land finally available, we are in a time of transition to diversified agriculture. The Coop is optimistic. We see local farmers expanding operations and developing new ones to utilize this land. On a state-wide basis, our system is one of the few not already being used at maximum capacity for irrigation, presenting an opportunity for major growers from other islands to expand here as well. The transfer of the Kalepa State lands to ADC opens up new possibilities for development of agriculture, including a much-needed ag park.

Farming requires three elements: farmers, land and water. The land and water are available. We have to give the farmers and ranchers time to fully utilize them. Irrigation systems on other islands have been abandoned after sugar failed. Those systems are now unrecoverable, as is the economic potential of the land once irrigated. We have worked hard for ten years to keep our system on Kauai working, because we live here and depend on it. We do not want to lose the complex infrastructure or the opportunity for economic development.

Action Requested

Join us in preserving this valuable irrigation system and promoting economic independence and diversity for East Kauai.



**East Kauai
Water Users' Cooperative**

P.O. Box 800
Kapaa, Hawaii 96746
Phone/fax: 808-821-2948
E-mail: jerryornalles@gmail.com

**2011 Legislature
White Paper #7**

Major Potential of Kalepa Land Irrigation

Summary

The likely siting of the new landfill for Kauai on the State Kalepa lands irrigated by the Water Coop has presented a major opportunity. In exchange for removing some 200 acres of irrigated land permanently from farming, the county is open to funding a piped irrigation system to serve all 4,000 acres of Kalepa, greatly increasing the land's farming potential.

Explanation

Kauai is running out of time to develop a new land fill. Of all the sites available on the island, one of the most logical is located on the Kalepa land serviced by the Coop. While it is unfortunate that good irrigated farm land is likely going permanently into a land fill, the Coop is not opposing the plan. The county has responded favorably to a Coop proposal to create a piped irrigation system servicing most of Kalepa. Such a system was identified early on in a study by ITC as a feasible use of the existing Stable Storm Diversion which is part of the Coop's RP. The system, estimate to cost about \$4.5 million, could deliver about three million gallons a day of pressurized water, which would provide drip irrigation for diversified agriculture.

Action

The landfill, despite its urgency, is a long-term project, requiring many permits and agreements at all levels of government. We request cooperation of our legislature with the county's efforts, encouragement for the county to follow through with financing the piped irrigation system and exploration of matching funds when the project is near to implementation.

January 3, 2011



**East Kauai
Water Users' Cooperative**

P.O. Box 800
Kapaa, Hawaii 96746
Phone/fax: 808-821-2948
E-mail: jerryornalles@gmail.com

**2011 Legislature
White Paper #8**

Strengths, Weaknesses, Opportunities and Threats

Strengths

1. State constitutional mandate to provide water for agricultural use at reasonable costs.
2. A large system capable of irrigating 4,000 acres of ag land.
3. The system is under utilized and has great potential for expanded ag activity.
4. The system is essential to the continued health of Fern Grotto, a major tourist attraction, Wailua Reservoir, Upper Kapahi Reservoir and other important features.
5. Continued hydration of perennial streams and esthetic benefit to the community.

Weaknesses

1. The system is under utilized.
2. The system is under a Revocable Permit with a long-term water license remaining in the distant future due to complex, State-level legal issues about water rights.

Opportunities

1. Vast areas of service are available.
2. Development of increased ag activity on the Kalepa lands.
3. Mini-hydroelectric generation.
4. Increased self-sufficiency and food security for Kauai

Threats

1. Loss of government grants.
2. Damage from major hurricanes
3. Legal challenges to the diversion of water



**East Kauai
Water Users' Cooperative**

P.O. Box 800
Kapaa, Hawaii 96746
Phone/fax: 808-821-2948
E-mail: jerryornalles@gmail.com

**2011 Legislature
White Paper #9**

How Does the Coop Benefit Kauai?

1. Provides water service to **33 agricultural producers**.
2. Provides water service to **273 TMK lots** in the Kapaa area, thereby increasing their value.
3. Changes several streams, such as Kainahola, from annual streams dependent upon rainfall to **perennial streams** with water constantly flowing in them, likewise increasing the value of the adjacent lots.
4. Distributes water from the North Fork of the Wailua River and from Kapaa Stream across the greater Kapaa area, providing additional water equivalent to **30 inches of rain** a year.
5. Creates **animal habitats** along its conduits and in the marsh area of the large parcel below Olahena Road which would otherwise periodically dry up.
6. Wailua Reservoir is at a high enough elevation to be piped to Kapaa town and have enough pressure to create **drinking water** through an osmosis filter without pumping. The Kauai department of water engineers consider this an excellent long-term potential.
7. **Wailua Reservoir** is a tourist attraction, prime public fishing area, possible education center and deeply appreciated local resource.
8. **Fern Grotto** is kept wet from the flow of Hanamaulu Ditch which ends just above it. Without the ditch, the grotto would become a dry cave, as happened when Hanamaulu Ditch was shut down in 2001, just before the Water Coop took over the system and restored the flow.
9. The Kalepa lands irrigated by the Coop's system are the largest under utilized State **irrigated agricultural land** in the islands. They are a tremendous resource for the future.
10. The Farm Bureau is developing an incubator project on the Kalepa lands for training papaya farmers and eventually reopening the **papaya** processing plant.
11. The system has some **mini-hydroelectric** potential, especially at Wailua Reservoir.
- 12 Modulates **flood** waters during heavy rain.
13. **Upper Kapahi Reservoir** is a prime attraction of the adjacent lots, increasing their value.

nishihara5 - Randy

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 02, 2011 12:39 PM
To: AGL Testimony
Cc: warrenmcfb@hotmail.com
Subject: Testimony for SB1209 on 2/3/2011 2:45:00 PM
Attachments: SB1209 East Kauai agr.docx

Follow Up Flag: Follow up
Flag Status: Flagged

Testimony for AGL 2/3/2011 2:45:00 PM SB1209

Conference room: 229
Testifier position: support
Testifier will be present: Yes
Submitted by: Warren Watanabe
Organization: Individual
Address:
Phone:
E-mail: warrenmcfb@hotmail.com
Submitted on: 2/2/2011

Comments:



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 1, 2011

TESTIMONY

**Re: SB1209 MAKING AN APPROPRIATION FOR THE OPERATION AND
MAINTENANCE OF THE EAST KAUAI IRRIGATION SYSTEM**

Chair Nishihira and Members of the Committee:

Hawaii Farm Bureau on behalf of our commercial farmers and ranchers on Kauai, strongly supports SB1209 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 appreciate this opportunity comment on this subject. If there are any questions, please contact Warren Watanabe at 2810718.

Thank you.