

DAVID Y. IGE
Governor

DOUGLAS S. CHIN
Lt. Governor



State of Hawaii
DEPARTMENT OF AGRICULTURE
1428 South King Street
Honolulu, Hawaii 96814-2512
Phone: (808) 973-9600 FAX: (808) 973-9613

SCOTT E. ENRIGHT
Chairperson, Board of Agriculture

PHYLLIS SHIMABUKURO-GEISER
Deputy to the Chairperson

**TESTIMONY OF SCOTT E. ENRIGHT
CHAIRPERSON, BOARD OF AGRICULTURE**

BEFORE THE HOUSE COMMITTEE ON FINANCE

**APRIL 4, 2018
2:30 P.M.
CONFERENCE ROOM 308**

**SENATE BILL NO. 2846 SD2 HD2
RELATING TO IRRIGATION**

Chairperson Luke and Members of the Committee:

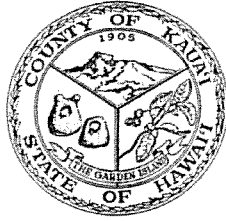
Thank you for the opportunity to testify on Senate Bill No. 2846 SD2 HD2 relating to irrigation. This bill transfers operation authority over the portions of the east Kauai irrigation system to the Department of Agriculture, establishes positions, and makes an appropriation. The Department supports this measure provided it does not impact the Department's priorities listed in the Executive Budget and respectfully requests the following establishment of positions and appropriation amounts within the measure:

1. SECTION 1, line 4: One full-time equivalent (1.0 FTE)
2. SECTION 1, line 6: Three full-time equivalent (3.0 FTE)
3. SECTION 1, line 8: One full-time equivalent (1.0 FTE)
4. SECTION 3, line 10: \$2,000,000;
5. SECTION 3, lines 17-20: \$1,997,000 for planning, and \$1,000 for design, \$1,000 for land acquisition, and \$1,000 for equipment.
6. SECTION 5, line 10: \$500,000.
7. SECTION 5, line 15: One full-time equivalent (1.0 FTE)
8. SECTION 5, line 18: Three full-time equivalent (3.0 FTE)
9. SECTION 5, line 1: One full-time equivalent (1.0 FTE)

Thank you for the opportunity to testify on this measure.



Bernard P. Carvalho Jr.
Mayor



Wallace G. Rezentes Jr.
Managing Director

OFFICE OF THE MAYOR
County of Kaua'i, State of Hawai'i
4444 Rice Street, Suite 235, Līhu'e, Hawai'i 96766
TEL (808) 241-4900 FAX (808) 241-6877

April 2, 2018

HEARING BEFORE THE HOUSE COMMITTEE ON FINANCE
TESTIMONY ON SB 2846 SD2 HD2
RELATING TO IRRIGATION


Aloha Chair Luke, Vice Chair Cullen, and Members of the Committee:

My name is Bernard Carvalho Jr., Mayor of the County of Kauai and Niihau. **I strongly support SB 2846 SD2 HD2.**

We have been working through the Office of Economic Development to support the East Kauai Water Users Cooperative for many of the past 17 years that they have managed this very large system. However, it is clear moving forward that the system needs to be managed by the Department of Agriculture due to additional and costly requirements of an environmental impact statement and water license.

Our farming and ranching community needs a clear path forward with an agency that has the resources and know how necessary to properly manage the system, will ensure the long-term viability of the system and subsequently the farmlands served by the system. This is critical to many farmers and ranchers on east Kauai.

Respectfully,



Bernard P Carvalho Jr.
Mayor
County of Kauai



**East Kauai
Water Users' Cooperative**

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

April 2, 2018

TO: **COMMITTEE ON FINANCE**
Rep. Sylvia Luke, Chair
Rep. Ty J.K. Cullen, Vice Chair

RE: **Testimony on SB 2846, SD2, HD2 Relating to Irrigation
April 4, Conference Room 308, 2:30 PM**

Chairperson Luke and Members of the Committee:

My name is Jerry Ornellas and **I strongly support SB 2846 SD2 HD2**. I am the president of the East Kauai Water Users' Cooperative which has managed the State-owned reservoir and ditch system in the Kapaa/Kalepa area for the past 17 years under a year-to-year revocable permit from the Department of Land and Natural Resources. On September 20, 2016, the Cooperative was informed by DLNR that as a consequence of the East Maui irrigation decision we would have to seek a long-term water lease. We were given three years to complete the application process which includes an Environmental Impact Statement which alone beyond our monetary resources to pay for, as well as other complex requirements. Even if we had the resources to pay to meet the requirements, we could only bid on the system at public auction with no guarantee that we would ultimately be awarded a lease for the system.

Once the three years expires, DLNR will no longer renew the system's revocable permit, the Coop will cease operation, the irrigation system, including the recently renovated Wailua and Upper Kapahi Reservoirs, will revert to DLNR control (including dam safety oversight) and most likely be abandoned. In 2001, ITC Water Management, hired by the State to evaluate the East Kauai system, estimated the cost to build it in 2001 to be in excess of \$200 million. We are talking about the potential loss of a substantial and irreplaceable State asset.

We are therefore in favor of SB 2846 SD2 HD2 allowing the East Kauai system be taken over by the Department of Agriculture. This is in keeping with the mandate of Article XI, Section 3, of the State Constitution: "The state shall conserve and protect agricultural lands, promote diversified agriculture, increase agricultural self-sufficiency and assure the availability of agriculturally suitable lands."

In 2003, the Department of Agriculture released its comprehensive Agricultural Water Use and Development Plan which analyzed the development and present status of State's plantation-developed irrigation systems and concluded that the East Kauai System was among five State systems "important and viable to Hawaii's growing diversified agricultural industry."

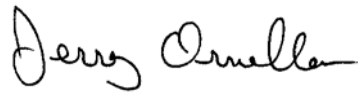
Our system includes two reservoirs and 22 miles of ditch which has historically serviced thousands of acres of State and private lands. In particular, it can supply irrigation water to more than 1,000 acres of the State Kalepa lands located between Kapaa and Lihue, and a similar amount of private former cane lands mauka of Kapaa town. When first taken out of sugar cane in 2001, the Kalepa lands had gone into pasture, but in the last few years, through the good action of the Agribusiness Development Corporation, nearly 300 acres to date has been leased to farmers who are actively developing their crops, including ginger, bananas, noni and sweet potatoes. This is only possible because the Coop can provide these farms with water.

Aside from the State lands and private Kapaa parcel, the Coop system can service thousands of acres of so-called “marginal lands”—those not taken by the cane companies and now privately owned. These are located throughout Kapaa and are or could be productive agricultural lands, such as my own farm.

The Department of Agriculture is the natural State agency to manage this public water system, as is the pattern in most other states in the country. It is also the only long-term, permanent way to manage the system for the benefit of our citizens.

I respectfully ask that you pass this bill.

East Kauai Water Users' Cooperative

A handwritten signature in cursive script that reads "Jerry Ornellas". The signature is written in black ink and is positioned below the organization's name.

Jerry Ornellas, President



P.O. Box 253, Kunia, Hawai'i 96759
Phone: (808) 848-2074; Fax: (808) 848-1921
e-mail info@hfbf.org; www.hfbf.org

April 4, 2018

HEARING BEFORE THE
HOUSE COMMITTEE ON FINANCE

TESTIMONY ON SB 2846, SD2, HD2
RELATING TO IRRIGATION

Room 308
2:30 PM

Aloha Chair Luke, Vice Chair Cullen, and Members of the Committee:

I am Randy Cabral, President of the Hawaii Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,900 farm family members statewide, and serves as Hawaii's voice of agriculture to protect, advocate and advance the social, economic and educational interests of our diverse agricultural community.

The Hawaii Farm Bureau strongly supports SB 2846, SD2, HD2, which transfers operational authority over the portions of the east Kauai irrigation system operated and maintained by the east Kauai water users' cooperative to the department of agriculture, establishes positions within the agricultural resource management division, and authorizes GO bonds for plans, designs, land acquisition, and equipment.

Since the demise of plantation operations across the islands, irrigation systems have fallen into disrepair. Ditches that carried water developed major leaks, and in some cases such as in Kau, cracks in tunnels created losses so that there is no longer significant water flow. The Governor, the legislature, and the public all support increased self-sufficiency and sustainability, but without adequate water supply, agriculture in Hawaii cannot remain viable, much less grow.

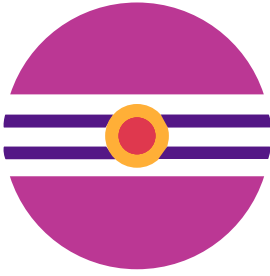
The East Kauai Irrigation System services more than 12,500 acres of agricultural land on Kauai. The repair and maintenance of this 2 reservoir, 22-mile irrigation system is critical for Kauai's farmers who depend on it for their operations. Water availability is a basic necessity for farmers and ranchers to maintain and expand their production, particularly in times of drought. A reliable water supply is a key factor when Hawaii's farmers and ranchers are considering whether to start new farms or expand existing ones.

For the past 17 years, the East Kauai Water Users' Cooperative has managed the State-owned reservoir and ditch system in the Kapaa/Kalepa area via a year-to-year DLNR revocable permit. This entity has served to keep the system functioning so that it

can supply water to the many Kauai farms that rely on it for irrigation, and future local farms that will also need the water.

However, the Co-op does not have the means to continue to maintain the system and to meet the new requirements mandated by the State, including a costly EIS, to secure a long-term water lease. We support this bill that would allow the system to be managed by the Department of Agriculture, which is the appropriate entity to undertake these responsibilities.

Thank you for the opportunity to provide our opinion on this important matter.



Saiva Siddhanta Church

Kauai's Hindu Monastery
107 Kaholalele Road
Kapaa, Hawaii 96746-9304•USA
Phone: (808) 822-3012

April 2, 2018

COMMITTEE ON FINANCE

Rep. Sylvia Luke, Chair
Rep. Ty J.K. Cullen, Vice Chair

Testimony on SB 2846, SD2, HD2 Relating to Irrigation April 4, Conference Room 308, 2:30 PM

Chairperson Luke and Members of the Committee:

We **strongly support SB2846 SD2 HD2**. We are a founder member of the East Kauai Water Users' Cooperative Board of Directors which maintains 22 miles of ditch and several reservoirs in and around Kapaa. It also service more than 1,000 acres of State lands located in Kalepa and potentially could service nearly the entire 6,500 acres of Kalepa.

We urgently request the committee to approve this legislation. On September 20, 2016, the East Kauai Water Users Cooperative was given three years by the Department of Land and Natural Resources to apply for and receive a water license for the system. The application process requires an environmental impact statement, the cost of which is far beyond the Coop's means. Once the three years passes, the system will revert to DLNR who most likely will abandon it. Therefore, this bill is urgent. The logical department to manage this state-owned system is the Department of Agriculture, who are willing to do so.

This will ensure the long-term preservation of this valuable system—estimated by State consultants to be worth “more than two hundred million dollars”—in service of local farmers and ranchers.

Saiva Siddhanta Church

Sadasivanatha Palaniswami
Vice-President, Saiva Siddhanta Church



Kalepa Koalition

5868 Kini Place
Kapaa, Hawaii 96746
Phone/Fax: 808-639-0152

April 2, 2018

TO: **COMMITTEE ON FINANCE**
Rep. Sylvia Luke, Chair
Rep. Ty J.K. Cullen, Vice Chair

**Testimony on SB 2846, SD2, HD2 Relating to Irrigation
April 4, Conference Room 308, 2:30 PM**

RE: Chairperson Luke and Members of the Committee:

We **support SB2846 SD2 HD2**. The Kalepa Koalition is a Hawaii agricultural cooperative of the farmers and ranchers who hold long-term licenses on 6,500 acres of State land behind Kalepa Ridge on Kauai and under the administration of ADC.

The East Kauai Water Users Cooperative System can presently service more than 1,000 acres of the Kalepa lands. In just the last few years, ADC has converted nearly 300 acres of irrigable land from ranching to farming, and has more prospective farmers under consideration.

We believe the Department of Agriculture is the logical agency to manage this State-owned system.

We respectfully request that this bill be passed.

A handwritten signature in black ink that reads "Leslie P. Milnes".

Leslie P. Milnes, President
Kalepa Koalition

A handwritten signature in blue ink that reads "Acharya Arumugaswami".

Acharya Arumugaswami
Member, Board of Directors

To Whom It May Concern:

This letter is sent in support of SB 2846.

This irrigation bill will help preserve one of our most precious resources here on Kauai: water!

Funding this bill is essential to maintaining an invaluable waterway for ourselves and future generations. Yours is a crossroads decision providing finances toward our goals of sustainability in agriculture while maintaining the beauty and aesthetics of our 'aina.

With Kauai's claims to the 'Wettest Spot on Earth' we need to be mindful of the value inherent in controlling and maintaining our historic waterways and manmade tunnels that help all benefit from the control and safety these provide.

During periods of torrential rain it is a blessing to have gates and conduits that help us manage the flow of water to help prevent loss of life and property. When we have our occasions of drought, the ability to access reservoirs to continue to moderate water flow is invaluable.

Please act as the good stewards of our lands and our funds that we know you to be and fund this important bill.

Mahalo, and Aloha,

Phillip and Linda Greene

The Greene Island Farm

6745 Kawaihau Road

Kapaa, HI 96746

Smith's
Motor Boat
Service, Inc.



Smith's
Tropical
Paradise

April 3, 2018

Committee on Finance

Rep. Sylvia Luke, Chair

Rep. Ty J.K. Cullen, Vice Chair

**Testimony on SB 2846, SD2, HD2 Relating to Irrigation
April 4, Conference Room 308, 2:30PM**

Chairperson Luke and Members of the Committee:

On behalf of Smith's Motor Boat Service, Inc. and myself Charlotte Smith Kauai, we strongly support of SB2846. As we all know, the access to water is vital to life! Besides the cattle and agricultural industry, we, in the tourism industry depend on this irrigation to feed reservoir 21, which is the water source that keeps the ferns at the Fern Grotto alive! Without this water, these ferns will be gone forever. Therefore, we at Smith's Motor Boat Service depend on this irreplaceable resource of water to keep these ferns and our business alive. To date, Smith's Motor Boat Service, Inc. has been in service for 75 years to date.

We respectfully ask that you pass this bill.

Mahalo for all your time and efforts!

SMITH'S MOTOR BOAT SERVICE, INC.

Sincerely,

A handwritten signature in black ink that reads "Charlotte Smith Kauai".

Charlotte Smith Kauai, Treasurer
Smith's Motor Boat Service, Inc.
174 Wailua Road
Kapaa, HI 96746
Phone: 808-821-6873

174 WAILUA ROAD • KAPAA, KAUAI, HAWAII 96746

Motor Boat • (808) 821-6892 • 821-6893 • 821-6880 • Fax 822-4520 Tropical Paradise • (808) 821-6895 • 821-6896 • Fax 822-4520
E-mail: smiths@aloha.net



To the House Finance Committee

From: Laurie Ho, ADC Licensee & owner Kalepa Ulu

4133 Kawili Street, Lihue, HI 96766-1449

Subject: SB-2846 ~ strongly support

Aloha and Mahalo for letting me testify on SB-2826 via email messaging,

I strongly urge the House Finance Committee to support the transfer of management of the East Kauai Water Users Cooperative irrigation water system to the State Department of Agriculture. This is the most logical State agency to manage and preserve this State owned resource. No Water, no Agriculture, without Agriculture there would be no food!

Respectfully submitted,

Laurie Ho,

Kalepa Ulu

35 year Long term ADC licensee

Member of the Kalepa Koalition

LATE

SB-2846-HD-2

Submitted on: 4/3/2018 2:26:06 PM

Testimony for FIN on 4/4/2018 2:30:00 PM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|--|---------------------------|---------------------------|
| Melodie Aduja | the Oahu County Committee on Legislative Priorities of the Democratic Party of Hawai'i | Support | No |

Comments:

LATE

SB-2846-HD-2

Submitted on: 4/3/2018 7:37:57 PM

Testimony for FIN on 4/4/2018 2:30:00 PM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------------|---------------------------|---------------------------|
| Dale Sandlin | Hawaii Cattlemens Council | Support | No |

Comments:

LATE

SB-2846-HD-2

Submitted on: 4/3/2018 7:37:57 PM

Testimony for FIN on 4/4/2018 2:30:00 PM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------------|---------------------------|---------------------------|
| Dale Sandlin | Hawaii Cattlemens Council | Support | No |

Comments: