

DAVID Y. IGE  
Governor

JOSH GREEN  
Lt. Governor



PHYLLIS SHIMABUKURO-GEISER  
Acting Chairperson  
Board of Agriculture

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

TESTIMONY OF THE DEPARTMENT OF AGRICULTURE  
BEFORE THE HOUSE COMMITTEE ON AGRICULTURE

FEBRUARY 8, 2019  
11:00 A.M.  
CONFERENCE ROOM 312

HOUSE BILL NO. 769  
RELATING TO IRRIGATION

Chairperson Creagan and Members of the Committee:

Thank you for the opportunity to testify on House Bill 769 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 and requests the following dollar amounts and positions counts within the bill:

**Change SECTION 1(a) to read:**

- “(1) One full-time equivalent (1.0 FTE) Irrigation District Manager position (SR21);
- (2) Three full-time equivalent (3.0 FTE) Irrigation System Worker II positions (BC07); and
- (3) One full-time equivalent (1.0 FTE) Office Assistant III position (SR08).”

**Change SECTION 3 to read:**

“SECTION 3. The Director of Finance is authorized to issue general obligation bonds in the sum of \$2,000,000 or so much thereof as may be necessary and the same sum or so much thereof as may be necessary is appropriated for fiscal year 2019-2020 for the purpose of assisting the Department of Agriculture's Agricultural Resource Management Division with plans, designs, land acquisition, and equipment to increase state irrigation system capacity statewide, including:



- (1) \$1,997,000 for planning;
- (2) \$1,000 for design;
- (3) \$1,000 for land acquisition; and
- (4) \$1,000 for equipment.

The sum appropriated shall be expended by the Department of Agriculture for the purposes of this Act.”

**Change SECTION 5 to read:**

“SECTION 5. There is appropriated out of the general revenues of the State of Hawaii the sum of \$500,000 or so much thereof as may be necessary for fiscal year 2019-2020 and the same sum or so much thereof as may be necessary for fiscal year 2020-2021 for the operations and maintenance of the east Kauai irrigation system, including the following Agricultural Resource Management Division staff salaries:

(1) One full-time equivalent (1.0 FTE) Irrigation District Manager position (SR21) established pursuant to this Act;

(2) Three full-time equivalent (3.0 FTE) Irrigation System Worker II positions (BC07) established pursuant to this Act;

(3) One full-time equivalent (1.0 FTE) Office Assistant III position (SR08) established pursuant to this Act;

(4) Fifty per cent of the funding for the Engineering Program Manager position (EM07-PN: 40998), which shall be transferred from the non-agricultural park lands special fund to the general fund; and

(5) Fifty per cent of the funding for the Agricultural Lands Program Manager position (EM05-PN: 122475), which shall be transferred from the agricultural park special fund to the general fund.

The sums appropriated shall be expended by the Department of Agriculture for the purposes of this Act.”

Thank you for the opportunity to testify on this measure.



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

February 8, 2019

HEARING BEFORE THE  
HOUSE COMMITTEE ON AGRICULTURE

**TESTIMONY ON HB 769**  
RELATING TO IRRIGATION

Room 312  
11:00 AM

Aloha Chair Creagan, Vice Chair DeCoite, and Members of the Committee:

I am Brian Miyamoto, Executive Director 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 HB 769**, 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, we have seen the erosion of irrigation systems. Ditches that carried water fell into disrepair with major leaks in the system, and in cases such as Kau, cracks in tunnels created enough losses that there is no longer significant flow of water. The Legislature continues to advocate for increased self-sufficiency and sustainability. Agriculture must play a key role in the process and for there to be agriculture, water is important.

The East Kauai Irrigation System services more than 12,500 acres of agricultural land on Kauai. The repair and maintenance of this 21-mile irrigation systems is critical for Kauai's farmers who depend on the East Kauai Irrigation System for their operations. Water availability is a basic necessity needed by farmers and ranchers to maintain and expand their production, particularly in times of drought. Having a reliable water supply is a key factor when Hawaii's farmers and ranchers are making decisions to start new or to expand existing operations.

Thank you for this opportunity to testify on this important matter.

**HB-769**

Submitted on: 2/6/2019 1:46:26 PM

Testimony for AGR on 2/8/2019 11:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Karen Winslow	Hawaii Farmers Union	Support	No

Comments:



**East Kauai  
Water Users' Cooperative**

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

February 7, 2019

TO: **Committee on Agriculture**  
Rep. Richard P. Creagan, Chair  
Rep. Lynn DeCoite, Vice Chair

RE: **Testimony on HB769, Relating to Irrigation**  
**Friday, February 8, 2019, Conference Room 312**

Chairperson Creagan and Members of the Committee:

My name is Jerry Ornellas and **I strongly support HB769**. 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 is 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 at the beginning of 2020, 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 SB223 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."

Furthermore, Hawaii Revised Statute 167-1, Irrigation Water Development, states: "Findings and declaration of necessity. It is important to the welfare of the people of Hawaii that agricultural production be developed as fully as possible. **It is further found that water presently tapped for irrigation is inadequate for the fullest development of the economy of the State.** It is therefore hereby declared that additional water and water facilities are necessary for the development of agriculture in the State."

*The statue recommends development of new water facilities, what to say of preserving the ones we already have.*

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."

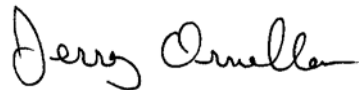
Our system includes two reservoirs and 22 miles of ditch which has historically serviced thousands of acres of State and private lands. In particular, it can supply irrigation water to more than 1,000 acres of the State Kalepa lands located between Kapaa and Lihue, and a similar amount of private former 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 black ink that reads "Jerry Ornellas". The signature is written in a cursive, flowing style.

Jerry Ornellas, President



**Kalepa Koalition**

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

February 7, 2019

TO: **Committee on Agriculture**  
Rep. Richard P. Creagan, Chair  
Rep. Lynn DeCoite, Vice Chair

**Testimony on HB769, Relating to Irrigation**  
**Friday, February 8, 2019, Conference Room 312**

RE: Chairperson Creagan and Members of the Committee:

We **support HB769**. 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.

All this progress toward food self-sufficiency will be reversed if the Coop system is not put under the Department of Agriculture before its Revocable Permit expires in 2020.

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

**HB-769**

Submitted on: 2/7/2019 10:55:52 AM

Testimony for AGR on 2/8/2019 11:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Melodie Aduja	O`ahu County Committee on Legislative Priorities of the Democratic Party of Hawai`i	Support	No

Comments:



**HB-769**

Submitted on: 2/7/2019 3:21:51 PM

Testimony for AGR on 2/8/2019 11:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Laurie Ho	Individual	Support	No

Comments:

Aloha House of Representatives ~ 2019 Committee on Agriculture! Mahalo for this opportunity to submit testimony on line. I am a long term ADC leasee. WE support (HB769) the State Department of Agriculture's proposal to take over management of this valuable State resource. Without WATER, NO agriculture; without agriculture NO FOOD . . . WE hope you work with the State Department of Agriculture to come to resolution and funding to SAVE this State resource! thank you, laurie ho, Kalepa Ulu