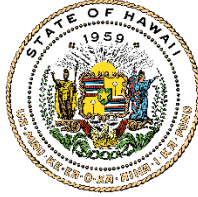


JOSH GREEN, M.D.
GOVERNOR | KE KIA'ĀINA

SYLVIA LUKE
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAII'
DEPARTMENT OF LAND AND NATURAL RESOURCES
KA 'OIHANA KUMUWAIWAI 'ĀINA

P.O. BOX 621
HONOLULU, HAWAII 96809

DAWN N.S. CHANG
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE
MANAGEMENT
RYAN K.P. KANAKA'OLE
FIRST DEPUTY
DEAN D. UYENO
ACTING 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
DAWN N.S. CHANG
Chairperson

Before the Senate Committees on
WATER AND LAND
and
ENERGY, ECONOMIC DEVELOPMENT AND TOURISM

Monday, Monday 18, 2024
1:45 PM

State Capitol, Conference Room 229, Via Videoconference

In consideration of
HOUSE BILL 2263, HOUSE DRAFT 2
RELATING TO THE EAST KAUA'I IRRIGATION SYSTEM

House Bill 2263, House Draft 2 proposes to appropriate funds to the Agribusiness Development Corporation (ADC) to establish positions to maintain and improve the East Kaua'i Irrigation System and for maintenance of and improvements to the system. **The Department of Land and Natural Resources (Department) supports this measure.**

The East Kaua'i Irrigation System was formerly under the management of the East Kaua'i Water Users Cooperative (EKWUC) via a month to month revocable permit. On September 3, 2019, the EKWUC voted against the continuation of their revocable permit which expired on December 31, 2019. The irrigation system, including the reservoir, has since reverted to the Department's management beginning January 1, 2020. The Department's current oversight of the irrigation system is focused on addressing public health and safety and preserving the viability of the irrigation system for future use, but not for the continued delivery of water to various users. As an interim measure, the Department has used its limited operating funds to hire a contractor to operate and maintain the system on a limited basis to address public health and safety issues.

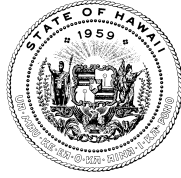
The Department's primary objective has been to identify an appropriate agency that can assume management and operation of the system as had previously been done by EKWUC. Working toward this goal, the Department has had discussions with ADC regarding transferring the system to ADC for operation and management. The Department understands that ADC would need

financial and staffing support and believes this measure would satisfy that objective, thus ensuring the ongoing operation of the irrigation system by ADC in support of local agriculture. Furthermore, the Department does not have the resources and expertise to function as a water delivery provider, which would be inconsistent with the Department's mission of natural, cultural, recreational and historical resource management and protection.

Thank you for the opportunity to testify on this measure.

JOSH GREEN, M.D.
GOVERNOR
STATE OF HAWAII
*Ke Kia'āina o ka Moku'āina 'o
Hawai'i*

SYLVIA J. LUKE
LT. GOVERNOR
STATE OF HAWAII
*Ka Hope Kia'āina o ka Moku'āina
'o Hawai'i*



KALI WATSON
CHAIRMAN, HHC
Ka Luna Ho'okele

KATIE L. DUCATT
DEPUTY TO THE CHAIRMAN
Ka Hope Luna Ho'okele

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS15
Ka 'Oihana 'Āina Ho'opulapula Hawai'i

P. O. BOX 1879
HONOLULU, HAWAII 96805

TESTIMONY OF KALI WATSON, CHAIRMAN
HAWAIIAN HOMES COMMISSION
BEFORE THE SENATE COMMITTEE ON WATER AND LAND AND
THE SENATE COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT, AND
TOURISM
HEARING ON MARCH 18, 2024 AT 1:45PM IN CR 229

HB 2263, HD 2, RELATING TO THE EAST KAUAI IRRIGATION SYSTEM

March 18, 2024

Aloha Chairs Inouye and DeCoite, Vice Chairs Elefante and Wakai, and Members of the Committees:

The Department of Hawaiian Home Lands (DHHL) **supports with amendments** this bill, which appropriates funds to the Agribusiness Development Corporation to establish positions to maintain and improve the East Kauai irrigation system and for maintenance of and improvements to the system – effective 7/1/3000.

The DHHL appreciates the intent of this bill and the inclusion of Hawaiian Home Lands (HHL) in the purposes section of the bill. Kaua'i includes over 20,000 acres of HHL, with approximately 526 acres in the Wailua area which once was and again could be served by the East Kauai Irrigation System.

Water in Hawai'i is held as a public trust resource, a status which derives from laws in the Hawaiian Kingdom as well as common law, case law, and State Constitutional provisions. A number of laws and policies at the State level have been enacted and / or ruled on which, at least in black letter law, provide mechanisms for addressing the water needs of native Hawaiians on HHL. However, the challenges we face in water access and management are very significant. The DHHL supports this measure as a step in the right direction.

DHHL would encourage the Committees to consider amending the bill to make the intent to help serve DHHL lands explicit in the funding mechanism on page 4 with part (l) of Section 1 of the bill to read: "Appropriating funds to the agribusiness development corporation for maintenance of and improvements to the east Kauai irrigation system **including design, construction and maintenance of improvements**

Department of Hawaiian Home Lands
March 18, 2024
Page 2

to the system that will ensure water delivery to the Department of Hawaiian Home Land's Wailua lands."

Thank you for your consideration of our testimony.

JOSH GREEN, M.D.
Governor

SYLVIA LUKE
Lt. Governor



WENDY L. GADY
Executive Director

STATE OF HAWAII
AGRIBUSINESS DEVELOPMENT CORPORATION

235 S. Beretania Street, Suite 205
Honolulu, HI 96813
Phone: (808) 586-0186 Fax: (808) 586-0189

TESTIMONY OF WENDY L. GADY
EXECUTIVE DIRECTOR
AGRIBUSINESS DEVELOPMENT CORPORATION

BEFORE THE SENATE COMMITTEES ON WATER AND LAND
& ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM

Monday, March 18, 2024
1:45 p.m.
Conference Room 229 & Videoconference

HOUSE BILL NO. 2263 HD2
RELATING TO EAST KAUAI IRRIGATION SYSTEM

Chairs Inouye and DeCoite, Vice Chairs Elefante and Wakai, and Members of the joint Committees:

Thank you for the opportunity to testify in support of House Bill No. 2263 HD2, which appropriates funds to the Agribusiness Development Corporation (ADC) to establish positions to maintain and improve the East Kauai irrigation system and for maintenance of and improvements to the system.

The East Kauai Irrigation System (EKIS) includes the Hanamaulu Ditch, a branch of the system, that provides irrigation water to ADC tenants for their operations. At its peak, EKIS consists of 51 miles of ditch, 18 diversions, and delivered 80-100 million gallons of water per day to the surrounding plantation lands. In recent years, following the departure of Lihue Plantation and the dissolution of the East Kauai Water Users' Co-op, the Hanamaulu Ditch has fallen into disrepair resulting in loss of water to affected ADC farmers and

ranchers. In many cases, ADC's tenants themselves have been doing minor repairs and maintenance to restore water access.

ADC is seeking funding and positions to preserve the EKIS, which could potentially provide thousands of acres of state and private land with access to irrigation water. Additionally, the funding will be used to ensure the associated reservoir spillways are compliant with all relevant dam safety requirements. These are critical safety issues that need to be addressed immediately.

ADC believes these investments will ensure the system can deliver a reliable source of water for another hundred years. Furthermore, ADC will be able to attract and support agribusinesses and producers to promote agriculture and preserve the region's rural character.

We support this bill provided that its passage does not replace or adversely impact priorities indicated in our Executive Budget. Thank you for your consideration of our testimony.

OFFICE OF ECONOMIC DEVELOPMENT

NALANI BRUN, DIRECTOR



DEREK S.K. KAWAKAMI, MAYOR
REIKO MATSUYAMA, MANAGING DIRECTOR

Testimony of Nalani Kaaui Brun

Director, Office of Economic Development- County of Kaua'i

Before the

Senate Committee on Water and Land

And

Senate Committee on Energy, Economic Development, and Tourism

March 18, 2024, at 1:45 PM

Room 229 & Via Videoconference

In consideration of

House Bill 2263 HD2

Relating to the East Kauai Irrigation System

Honorable Chairs Inouye and DeCoite, Vice-Chairs Elefante and Wakai, and Members of the Committees:

The County of Kauai Office of Economic Development is in **strong support of HB2263 HD2**, which appropriates funds to the Agribusiness Development Corporation to establish positions to maintain and improve the East Kauai Irrigation System (EKIS) and for maintenance and improvements to the system.

The EKIS has long been a vital lifeline for agricultural production on Kauai's eastside. For many years, this irrigation system allowed thousands of acres of land to be utilized for profitable agricultural production. After Lihue Plantation shut its doors, the irrigation system's future remained unclear.

Formed in the early 2000s, the East Kauai Water Users Coop (EKWUC) assumed management of the state-owned irrigation system after the Department of Land and Natural Resources (DLNR) indicated that they intended to do something other than operate the system. With previous support from the legislature and the County of Kauai, the EKWUC successfully operated the system for 18 years. In 2020, due to financial and workforce capacity limits, EKWUC forfeited attempts to obtain a long-term license required by DLNR. Since then, the system has fallen into disrepair, and thousands of acres of agricultural land with production potential continue to be impacted and underutilized due in part to the lack of an adequate and dependable irrigation source.

The EKIS has the potential to serve many functions, not the least of which is the production of agricultural products, more specifically, food. Investments made to the EKIS will secure irrigation resources for current and future farmers and ranchers on ADC and private lands and could secure water access to the Department of Hawaiian Home Lands Wailua Region. Supporting appropriations to the ADC to manage the EKIS effectively will enhance Kauai's resilience in natural disasters, contribute to Hawaii's food security, and support economic diversification.

Thank you for considering this testimony in support of HB 2263 HD2.

OFFICE OF THE MAYOR

DEREK S.K. KAWAKAMI, MAYOR

REIKO MATSUYAMA, MANAGING DIRECTOR



Testimony of Derek S.K. Kawakami

Mayor, County of Kaua'i

LATE

Before the

Senate Committee on Water and Land

Senate Committee on Energy, Economic Development, and Tourism

March 18, 2024; 1:45 PM

Conference Room 229 & Videoconference

In consideration of

House Bill 2263 HD2 Relating to the East Kaua'i Irrigation System

Honorable Chair Inouye, Honorable Chair DeCoite, and Members of the Committees:

The County of Kaua'i is in **strong support** of HB 2263 HD2 which appropriates funds to the Agribusiness Development Corporation to establish positions to maintain and improve the East Kaua'i irrigation system and for maintenance of and improvements to the system.

Historically, the East Kaua'i Water Users' Cooperative managed the twenty-two-mile ditch system and two State-owned reservoirs in the Kapa'a and Kalepa area for eighteen years; more recently, East Kaua'i Irrigation has supported the operation and maintenance of the system.

This irrigation system is not only crucial in maintaining our storm water but also in allowing our small farms and ranches to increase local food production and provide food security.

Additionally, the system is a critical source of water for land held by the Department of Hawaiian Home Lands.

The County of Kaua'i strongly supports appropriating funds to the Agribusiness Development Corporation to maintain and improve this critical infrastructure. The creation and funding of three positions to support this endeavor is necessary for the success of our farmers and ranchers, and for the development of a plan to deliver water to land held by the Department of Hawaiian Home Lands.

Mahalo for the opportunity to testify in **strong support** of this important measure.



**Testimony Before the House Committees on
Water & Land and
Energy, Economic Development, & Tourism.**

Monday, March 18, 2024; 1:45 pm
Conference Room 308 & Via Videoconference
State Capitol, 415 South Beretania Street, Honolulu, HI 96813

Subject: Support for HB2263 HD2

Dear Chairs Inouye and DeCoite, Vice Chairs Elefante and Wakai and distinguished Members of the Committee:

On behalf of the Kaua'i Chamber, I extend our unwavering support for HB2263 HD2. This bill represents a pivotal step towards ensuring the sustainable development and prosperity of Kauai's agricultural sector, an essential component of our local economy and community well-being.

In alignment with our support for earlier versions of this bill, the Kaua'i Chamber emphasizes the importance of this legislation in:

Promoting Diversified Agriculture: By securing the required funding for the East Kaua'i Irrigation System, we can ensure the continued support and expansion of diversified agricultural practices, crucial for our island's economic and environmental health.

Enhancing Environmental Stewardship: The maintenance and improvement of the irrigation system are key to conserving water resources and protecting our natural landscapes, aligning with our commitment to sustainable growth and environmental preservation.

Supporting Community Resilience: The East Kaua'i Irrigation System is integral to the well-being of our community, providing essential resources for agriculture and contributing to our collective resilience against environmental challenges.

Fulfilling State Obligations: This bill aligns with the state mandates to protect and promote agricultural lands, conserve natural resources, and support the needs of its people.

The Kaua'i Chamber commends the Legislature for its dedication to addressing these critical issues through HB2263 HD2. We urge the Committees to recognize the indispensable value of this legislation to Kauai's future and to support its passage.

Thank you for considering our testimony.

Sincerely,

Mark Perriello
President & CEO

LARRY JEFTS FARMS, LLC
PO BOX 27
KUNIA, HAWAII 96759
(808) 688-2892

HB2263hd2, Relating to The East Kauai Irrigation System
Senate WTL/EET Hearing – 1:45 PM
Monday, March 18, 2024

Testimony By: Larry Jeffs
Position: Support

Chair Inouye, Chair DeCoite, Vice Chair Elefante, Vice Chair Wakai and Members of the Senate WTL/EET Committee:

I am Larry Jeffs, owner and operator of Larry Jeffs Farms, LLC. We have more than 42 years of Hawaii farm experience on Molokai and Oahu. Our family farms grow about 1 million pounds of import replacement produce weekly. I am a volunteer director, serving as Chair of the West Oahu Soil and Water Conservation District (SWCD). I have been an officer of the Hawaii Farm Bureau for many years.

Water is the lifeblood of all farmers, and without affordable and accessible water, there will be no farming. No farming, no locally grown produce and livestock.

This measure provides appropriations to the ADC for maintaining and improving the East Kauai Irrigation System. This century-old system needs repair, renovation, and other improvements. The alternative to no funding is decommissioning, which directly impacts 5,920 acres of agricultural land. Further, successful maintenance and improvements to the system have the potential to serve as much as 300 acres of additional farmland.

Thank you for the opportunity to present testimony.



SENATE COMMITTEE ON WATER AND LAND
SENATE COMMITTEE ON ENERGY, ECONOMIC
DEVELOPMENT, AND TOURISM
Monday, March 18, 2024 – 1:45 P.M.
Conference Room 229 & Videoconference

HB 2263 HD2 – RELATING TO THE EAST KAUAI IRRIGATION SYSTEM

SUPPORT

Hawai'i Aquaculture &
Aquaponics Association
Hawai'i Cattlemen's Council
Hawai'i Farm Bureau
Federation
Hawai'i Farmers' Union
United
Hawai'i Food Industry
Association
Hawai'i Food
Manufacturers Association
Kohala Center
Land Use Research
Foundation of Hawai'i
Maui Farm to School
Network (Maui F2SN)
Ulupono Initiative
College of Tropical
Agriculture and Human
Resources - University of
Hawai'i at Manoa

Aloha Chairs Inouye and DeCoite, Vice Chairs Elefante and Wakai,
and Members of the Committees:

The Local Food Coalition **SUPPORTS** HB 2263 HD2, which appropriates funds to the Agribusiness Development Corporation to establish positions to maintain and improve the East Kauai irrigation system and for maintenance of and improvements to the system.

Water is a vital and necessary resource for the agricultural industry. Without water, farmers and ranchers will not be able to grow food and raise cattle to help the state reach its goal of increasing local food production and reduce our reliance on imports.

The East Kauai irrigation system has provided water to farmers and ranchers for many years. It is important to maintain and improve this resource to ensure that it will be available to support our agricultural producers now and in the future.

The Local Food Coalition is an organization comprised of farmers, ranchers, livestock producers, investors and other organizations working to provide Hawaii's food supply.

Thank you for the opportunity to submit testimony in support of HB 2263 HD2.



Email: communications@ulupono.com

SENATE COMMITTEES ON WATER & LAND AND ENERGY, ECONOMIC DEVELOPMENT &
TOURISM
Monday, March 18, 2024 — 1:45 p.m.

Ulupono Initiative supports HB 2263 HD2, Relating to the East Kaua‘i Irrigation System.

Dear Chair Inouye, Chair DeCoite, and Members of the Committees:

My name is Micah Munekata, and I am the Director of Government Affairs at Ulupono Initiative. We are a Hawai‘i-focused impact investment firm that strives to improve the quality of life throughout the islands by helping our communities become more resilient and self-sufficient through locally produced food, renewable energy, clean transportation choices, and better management of freshwater resources.

Ulupono supports HB 2263 HD2, which appropriates funds to the Agribusiness Development Corporation to establish positions to maintain and improve the East Kaua‘i Irrigation System and for maintenance of and improvements to the system.

Ulupono supports the affordable access to water resources for local food producers across the State. The East Kaua‘i Irrigation System is critical for local farmers on the island and directly supports Hawai‘i’s food production goals. Without access to water, agriculture does not exist. It is important for the State to support the operation and maintenance of irrigation systems statewide in order to meet Hawai‘i’s food security and sustainability goals.

Thank you for the opportunity to testify.

Respectfully,

Micah Munekata
Director of Government Affairs

Investing in a Sustainable Hawai‘i



Hawaii Cattlemen's Council, Inc.

LATE

COMMITTEE ON WATER AND LAND
Senator Lorraine R. Inouye, Chair
Senator Brandon J.C. Elefante, Vice Chair

COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM
Senator Lynn DeCoite, Chair
Senator Glenn Wakai, Vice Chair

HB2263 HD2
RELATING TO EAST KAUAI IRRIGATION SYSTEM

Monday, March 18, 2024, 1:45 pm
Conference Room 229 & Videoconference

Chair Yamashita, Vice Chair Kitagawa, and Members of the Committee,

The Hawaii Cattlemen's Council **supports HB2263 HD2** which appropriates funds to the Agribusiness Development Corporation to establish positions to maintain and improve the East Kauai irrigation system and for maintenance of and improvements to the system.

Water systems require funding to ensure that these assets continue to remain usable for current and future Hawaii ag producers. Rancher and farmers rely on water to grow our food, and it is paramount that we maintain the systems we have in place. While we advocate for our priority of keeping agricultural land in agricultural production, we must also recognize the needs that producers need to stay in business – the vital being land and water.

Thank you for the opportunity to testify. The Hawaii Cattlemen's Council (HCC) is the Statewide umbrella organization comprised of the four county-level Cattlemen's Associations. Our member ranchers represent over 60,000 head of beef cows; more than 75% of all the beef cows in the State. Ranchers are the stewards of over 750 thousand acres of land in Hawaii, or 20% of the State's total land mass. We represent the interests of Hawaii's cattle producers.

Nicole Galase
Hawaii Cattlemen's Council
Managing Director



HB-2263-HD-2

Submitted on: 3/14/2024 1:11:08 PM

Testimony for WTL on 3/18/2024 1:45:00 PM

Submitted By	Organization	Testifier Position	Testify
Michael Curtis	Individual	Support	Written Testimony Only

Comments:

Under all is the land. For it to have useful value, water is needed. That's where life starts.

DLNR and CWRMS haven't the resources or political leadership to state and implement a water use plan for each island. There's memories of how it worked before.

The East Kauai irrigation system is critical to use of those lands

HB-2263-HD-2

Submitted on: 3/15/2024 2:51:01 PM

Testimony for WTL on 3/18/2024 1:45:00 PM

Submitted By	Organization	Testifier Position	Testify
Lyle Roe	Individual	Support	Written Testimony Only

Comments:

In *strong* support.

HB-2263-HD-2

Submitted on: 3/17/2024 12:30:12 PM

Testimony for WTL on 3/18/2024 1:45:00 PM

Submitted By	Organization	Testifier Position	Testify
J Ashman	Individual	Support	Written Testimony Only

Comments:

I strongly support HB 2263 HD2 that would authorize and fund the ADC to manage the East Kauai Irrigation system that includes reservoirs and miles of ditch to provide water for thousands of acres of State and private lands. The East Kauai Water Users' Cooperative took on this gargantuan task for many years but due to increased bureaucratic requirements and costs, it became unfeasible for it and local farmers and ranchers to continue to maintain the water flow in the ditch.

The loss of this asset would be in the hundreds of millions of dollars and would be a severe blow to Hawaii's goal of a diversified agricultural industry on each island. DLNR believes that it is not within its mission to provide this service; however, ADC is willing to manage this system, with the appropriate funding and staff. It would be a shame to lose this irrigation system and the agricultural production it supports. Please pass this bill. Thank you.