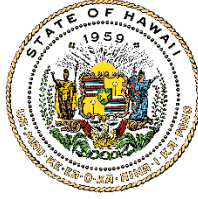


JOSH GREEN, M.D.
GOVERNOR | KE KIA'ĀINA

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
KAHOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

Testimony of
DAWN N.S. CHANG
Chairperson

Before the House Committee on
WATER AND LAND

Thursday, March 14, 2024
10:00 AM

State Capitol, Conference Room 430, Via Videoconference

In consideration of
SENATE BILL 2951, SENATE DRAFT 1
RELATING TO THE EAST KAUA'I IRRIGATION SYSTEM

Senate Bill 2951, Senate Draft 1 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

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 HOUSE COMMITTEE ON WATER & LAND

Thursday, March 14, 2024
10:00 a.m.
Conference Room 430 & Videoconference

**SENATE BILL NO. 2951, SD1
RELATING TO THE EAST KAUAI IRRIGATION SYSTEM**

Chair Ichiyama, Vice Chair Poepoe and Members of the Committee:

Thank you for the opportunity to testify in support of Senate Bill No. 2951 SD1, 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.

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.

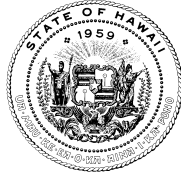
ADC is seeking funding and positions to preserve the EKIS, which could potentially provide thousands of acres of state and private land with access to irrigation water. Additionally, the funding will be used to ensure the associated reservoir spillways are compliant with all relevant dam safety requirements.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

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

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



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 Hawaii'i

P. O. BOX 1879
HONOLULU, HAWAII 96805

TESTIMONY OF KALI WATSON, CHAIRMAN
HAWAIIAN HOMES COMMISSION
BEFORE THE HOUSE COMMITTEE ON WATER AND LAND
HEARING ON MARCH 14, 2024 AT 10:00AM IN CR 430

SB 2951, SD1, RELATING TO THE EAST KAUAI IRRIGATION SYSTEM

March 14, 2024

Aloha Chair Ichiyama, Vice Chair Poepoe, and Members of the Committee:

The Department of Hawaiian Home Lands (DHHL) **supports with amendments** this bill which 1) 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; 2) declares that the general fund expenditure ceiling is exceeded; and 3) takes effect 1/1/2060.

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 Committee 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 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.

OFFICE OF THE MAYOR

DEREK S.K. KAWAKAMI, MAYOR

REIKO MATSUYAMA, MANAGING DIRECTOR



Testimony of Derek S.K. Kawakami

Mayor, County of Kaua'i

Before the

House Committee on Water & Land

March 14, 2024; 10:00 AM

Conference Room 430 & Videoconference

In consideration of

Senate Bill 2951 SD 1 Relating to the East Kaua'i Irrigation System

Honorable Chair Ichiyama, Vice Chair Poepoe, and Members of the Committee:

The County of Kaua'i is in **strong support** of SB 2951 SD1 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.

OFFICE OF ECONOMIC DEVELOPMENT

NALANI BRUN, DIRECTOR



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

Testimony of Nalani Kaauwai Brun

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

Before the

House Committee on Water and Land

March 14, 2024, at 10:00 AM

Room 430 & Via Videoconference

In consideration of

Senate Bill 2951 SD1

Relating to the East Kauai Irrigation System

Honorable Chair Ichiyama, Vice-Chair Poepoe and Committee Members:

The County of Kauai Office of Economic Development is in **strong support of SB2951 SD1**, 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 strong support of **SB2951 SD1**.

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

SB2951sd1, Relating to The East Kauai Irrigation System
House WAL Hearing – 10:00 AM
Thursday, March 14, 2024

Testimony By: Larry Jeffs
Position: Support

Chair Ichiyama and Vice Chair Poepoe and Members of the House WAL 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.



Email: communications@ulupono.com

HOUSE COMMITTEE ON WATER & LAND
Thursday, March 14, 2024 — 10:00 a.m.

Ulupono Initiative supports SB 2951 SD1, Relating to the East Kaua‘i Irrigation System.

Dear Chair Ichiyama and Members of the Committee:

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 SB 2951 SD1, 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.

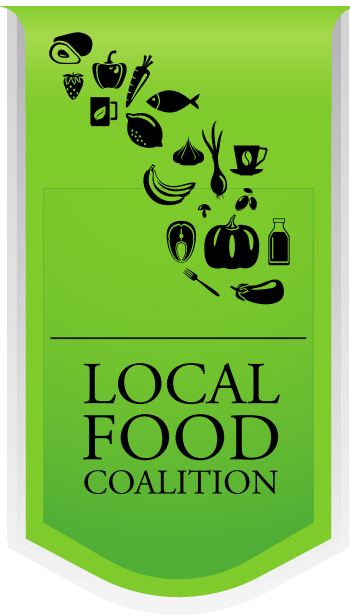
Ulupono supports the affordable access to water resources for local food producers across the State. The East Kaua‘i Irrigation System is critical for local farmers on the island and directly supports Hawai‘i’s food production goals. Without access to water, agriculture does not exist. It is important 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



- 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

HOUSE COMMITTEE ON WATER & LAND
 Thursday, March 14, 2024 – 10 a.m.
 Conference Room 430 & Videoconference

**SB 2951 SD1– RELATING TO THE EAST KAUAI
 IRRIGATION SYSTEM**

SUPPORT

Aloha Chair Ichiyama, Vice Chair Poepoe, and Members of the Committee:

The Local Food Coalition **SUPPORTS** SB 2951 SD1, 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 SB 2951 SD1.



Hawaii Cattlemen's Council, Inc.

COMMITTEE ON WATER & LAND

Rep. Linda Ichiyama, Chair

Rep. Mahina Poepoe, Vice Chair

SB2951 SD1

RELATING TO EAST KAUAI IRRIGATION SYSTEM

Thursday, March 14, 2024, 10:00am
Conference Room 430 & Videoconference

Chair Ichiyama, Vice Chair Poepoe, and Members of the Committee,

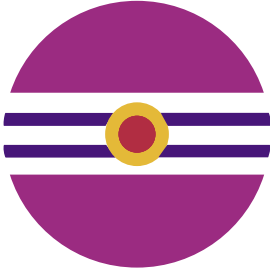
The Hawaii Cattlemen's Council **supports SB2951 SD1** which appropriates funds to the Agribusiness Development Corporation to establish positions to maintain and improve the East Kauai irrigation system and for maintenance of and improvements to the system.

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





Saiva Siddhanta Church

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

March 12, 2024

Committee on Water and Land
Rev. Linda Ichiyama, Chair
Rep. Mahina Peepoe, Vice Chair

Testimony on SB2951, SD1 Relating to the East Kauai Irrigation System March 14, 10:00AM, Conference Room 430

Chairperson Ichiyama and Members of Committee:

We are writing today to **support SB2951, SD1**. We were a founder member of the East Kauai Water Users' Cooperative Board of Directors and understand the vital importance of these ditch systems for agriculture in each part of Kauai. The Coop closed down at the beginning of 2020, unable to afford the cost of applying for a long-term license as required by BLNR. It was clear to us at the time that only a State agency could manage the system and were greatly encouraged when ADC expressed strong interest in doing so.

The water supplied by the system is important to the Church for both its 70 acres of fee-simple land in Wailua Homesteads just below Wailua Reservoir and its 300+ acres on Kalepa lands now held by the Church under a 35-year license agreement with ADC. Lateral One ditch from Wailua Reservoir supplies water to the Church's land and is used for our veggie growing and by our cows. In addition, the water flow is a major asset to the property, for beauty, as a sanctuary for various birds and plants and as a sacred meditation garden for over 15,000 Hindu pilgrims each year.

The agriculture industry remains an essential component of Hawaii's economic landscape and is only possible with a reliable supply of water. The East Kauai system can irrigate 4,000 acres of productive farm land which has in past years produced millions of dollars worth of sugar cane. Its multiple reservoirs and 30 plus miles of ditch are an irreplaceable State-owned resource valued by experts at hundreds of millions of dollars.

We urge your committee to back the community's grass roots efforts to preserve and operate this system through the Agribusiness Development Corporation.

Saiva Siddhanta Church

Acharya Arumuganathaswami

Acharya Arumuganathaswami
Farm Manager



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

March 14, 2024

HEARING BEFORE THE
HOUSE COMMITTEE ON WATER & LAND

TESTIMONY ON SB 2951, SD1
RELATING TO THE EAST KAUAI IRRIGATION SYSTEM

Conference Room 430 & Videoconference
10:00 AM

Aloha Chair Ichiyama, Vice-Chair Poepoe, and Members of the Committee:

I am Brian Miyamoto, Executive Director of the Hawai'i Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,800 farm family members statewide and serves as Hawai'i's voice of agriculture to protect, advocate and advance the social, economic, and educational interests of our diverse agricultural community.

The Hawai'i Farm Bureau supports SB 2951, SD1, 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.

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 Ka'u, cracks in tunnels created enough losses that there was no longer a significant flow of water. The Legislature continues to advocate for increased self-sufficiency, sustainability, and food security. Agriculture will play a key role in achieving these goals, and for there to be agriculture, water is critical.

The East Kauai Irrigation System previously serviced 12,500 acres of agricultural land on Kauai. The repair and maintenance of this 21-mile irrigation system are critical for Kauai's farmers, who depend on the East Kauai Irrigation System for their operations. Water availability is a basic necessity for farmers and ranchers to maintain and expand their production, particularly during drought. Access to a reliable and affordable water supply is a key factor when Hawai'i's farmers and ranchers decide to start new or expand existing operations.

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



**East Kauai
Water Users' Cooperative (closed as of Jan 1, 2020)**

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

March 12, 2024

TO: Committee on Water and Land
Rev. Linda Ichiyama, Chair
Rep. Mahina Peepoe, Vice Chair

RE: **Testimony on SB2951, SD1 Relating to the East Kauai Irrigation System
March 14, 10:00AM, Conference Room 430**

Chairperson Ichiyama and Members of Committee:

My name is Jerry Ornellas and I **support SB2951, SD1**. I was the president of the East Kauai Water Users' Cooperative which managed the State-owned reservoir and ditch system in the Kapaa/Kalepa area from 2001 to 2020 under a year-to-year revocable permit from the Department of Land and Natural Resources.

Before I recount the history of the Water Coop, I'd like to comment on the 2006 Koloko dam disaster which pushed DLNR to the unreasonable and impractical solution of decommissioning all earthen dams in the State—some 50. The 2007 report by Hawaii's Special Deputy Attorney General, Robert Carson Godbey, goes into great detail on the many lapses in government management which preceded the disaster which killed seven people. Few of those lapses regarding dam safety have been addressed—a much simpler administrative problem to solve than actually decommissioning fifty dams at a cost of tens in not hundreds of millions of dollars. Decommissioning would also take decades of work.

The East Kauai system is one of the few in the State which saw major improvements costing millions of dollars to its three main reservoirs to meet the report's recommended standards. Now there stands a State agency, ADC, willing to take on the management of this upgraded system at what is a bargain price compared to actually decommissioning the three recently upgraded reservoirs: Wailua, Upper Kapahi and Reservoir 21.

By way of historical context, 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 included an Environmental Impact Statement—alone beyond our monetary resources to pay for—as well as other complex requirements. Even if we had the monetary resources 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 expired at the beginning of 2020, DLNR no longer could legally renew the system's revocable permit, the Coop ceased operation. The irrigation system, including the recently renovated reservoirs, reverted to DLNR

control (including dam safety oversight). DLNR has minimally managed the north side of the system since.

Our system includes three 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 500 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 provided these farms with water through Hanamaulu Ditch.

These Kalepa lands in particular are in a precarious position. Technically, the Hanamaulu Ditch remains under DLNR control, while the surrounding land has been transferred by executive order to ADC. Since the water Coop shut down, there has been no formal permit or license issue to operate the ditch, and no formal management. Grove Farm continues to supply South Fork water to the ditch, and the local farmers and ranchers maintain the water flow in the ditch. The ditch also supplies the Hawaiian Homelands mauka of Kalepa ridge from Reservoir 21. This, again, is being done on an informal, permit-less basis.

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 of, or could be, productive agricultural lands, such as my own farm.

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 SB2951, SD1 allowing the East Kauai system be taken over by the Agribusiness Development Corporation. 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 statute recommends development of new water facilities, what to say of preserving the ones we already have.

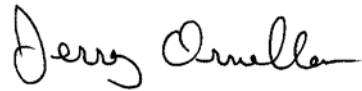
In 2003, the Department of Agriculture released its comprehensive *Agricultural Water Use and Development Plan* which analyzed the development and present status of State’s plantation-developed irrigation systems and concluded that the East Kauai

System was among five State systems “important and viable to Hawaii’s growing diversified agricultural industry.”

The Agribusiness Development Corporation 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 style with a large, prominent initial "J".

Jerry Ornellas, Former President



Kalepa Koalition

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

March 12, 2024

TO: Committee on Water and Land
Rev. Linda Ichiyama, Chair
Rep. Mahina Peepoe, Vice Chair

**RE: Testimony on SB2951, SD1 Relating to the East Kauai Irrigation System
March 14, 10:00AM, Conference Room 430**

Chairperson Ichiyama and Members of Committee:

My name is Les Milnes and I **SB2951, SD1**. I am the president of the Kalepa Koalition, an 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 Irrigation System services a large portion of the Kalepa lands; most of the farmers, ranches and the huge Mahipapa LLC (formerly Green Energy Team) biomass project on a 1,000 acres utilize the system through Hanamaulu Ditch or off the Upper and Lower Aahoaka Reservoirs. A large parcel of Hawaiian Home Lands is serviced by the east side of the system. Also, the system can delivery water to some 2,000 agriculture acres north of the Kalepa lands behind Kapaa.

The system was previously managed by the East Kauai Water Users Cooperative, of which I was an integral part. However, following the Maui water use decision cancelling the ability of DLNR to issue year-to-year revocable permits for water, it simply became impossible for the Coop to finance the very high cost of obtaining a long term lease. Indeed, even well funded businesses, such as KIUC, have been unable to obtain longterm licenses, despite decades of effort. These State-owned water systems can only be managed by State agencies, in this case ADC which has come forward to take over the system. Their efforts to take over the system are in line with the State's declared intention to provide water for agriculture. ADC sees the need to protect this immense and irreplaceable resource absolutely essential for the present needs and future development of Kauai's farmers and ranchers.

I respectfully request that this bill be passed.

A handwritten signature in black ink, appearing to read "Les Milnes".

Leslie P. Milnes, President
Kalepa Koalition

SB-2951-SD-1

Submitted on: 3/13/2024 1:26:39 PM

Testimony for WAL on 3/14/2024 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Stephanie Iona for Kekaha Agriculture	Kekaha Agriculture Association	Support	Written Testimony Only

Comments:

*Representing Kekaha Agriculture Association members in full support. As the managing organization of the Westside ADC farms our leadership has maintained all the ditch systems for our community for years , and brings valuable knowledge on how to care for these valuable water resources so important to East Kauai.
we ask for your kind support of ADC's request being outlined in this SB2951.*

Mahalo,

Stephanie Iona Civil Engagement Manager