

JOSH GREEN, M.D.  
GOVERNOR

SYLVIA LUKE  
LT. GOVERNOR



WENDY GADY  
EXECUTIVE DIRECTOR

STATE OF HAWAII  
**AGRIBUSINESS DEVELOPMENT CORPORATION**  
HUI HO'OU LU AINA MAHIAI

TESTIMONY OF WENDY L. GADY  
EXECUTIVE DIRECTOR  
AGRIBUSINESS DEVELOPMENT CORPORATION

BEFORE THE SENATE COMMITTEE ON ECONOMIC DEVELOPMENT  
AND TOURISM  
February 11, 2025  
1:00 p.m.  
Conference Room 415 & Videoconference

SENATE BILL NO. 1539  
RELATING TO THE AGRIBUSINESS DEVELOPMENT CORPORATION

Chairperson DeCoite, Vice Chair Wakai, and Members of the Committee:

The Agribusiness Development Corporation (ADC) **supports** Senate Bill No. 1539, which appropriates funds to offset the debt for the Waiahole Water System (WWS).

WWS plays an essential role in supporting agriculture on O'ahu, particularly in Central and Leeward regions where water availability is a significant constraint. By delivering a reliable source of irrigation water, the system sustains local farming operations, promotes diversified agriculture, and contributes to Hawai'i's efforts to achieve food security and reduce dependence on imported goods.

To maximize the impact of the suggested appropriation, we recommend on utilizing the following:

- **Regular Maintenance Schedules:** Establish a comprehensive maintenance and inspection schedule to ensure the system remains operational and avoids future disruptions.

- **Stakeholder Collaboration:** Engage with farmers, community organizations, and water resource experts to prioritize repairs and upgrades that address the most urgent needs.
- **Transparent Reporting:** Require periodic reporting on the use of funds and the progress of repairs to ensure accountability and public trust in the management of the system.
- **Explore Future Upgrades:** Consider incorporating advanced water management technologies and sustainability measures to further enhance the efficiency and environmental benefits of the system.

For clarity, we would also like to request an amendment on page 2, in Section 3, at the end of line 16, by inserting the words, “for the Waiahole water system.”

SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of \$426,370 or so much thereof as may be necessary for fiscal year 2025-2026 and the sum of \$427,172 or so much thereof as may be necessary for fiscal year 2026-2027 for the reimbursement to the state general fund of debt service on reimbursable general obligation bonds, including ongoing expenses related to the issuance of the bonds, for the Waiahole water systems.

We support this bill provided that its passage does not replace or adversely impact priorities indicated in our Executive Budget. Senate Bill 1539 is a critical investment in Hawai'i's agricultural infrastructure and future food security. By funding bond debt service and necessary repairs for WWS, this measure will sustain the essential water resources that our farmers and communities rely upon. Mahalo for the opportunity to testify on this important measure.



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February 11, 2025

HEARING BEFORE THE  
SENATE COMMITTEE ON ECONOMIC DEVELOPMENT AND TOURISM

**TESTIMONY ON SB 1539**  
RELATING TO THE AGRIBUSINESS DEVELOPMENT CORPORATION

Conference Room 229 & Videoconference  
1:00 PM

Aloha Chair DeCoite, Vice-Chair Wakai, 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 1539**, which appropriates funds to offset the debt for the Waiahole Water 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 significant leaks in the system and cracks in tunnels creating enough losses that there is no longer a 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 essential.

The Waiahole Irrigation System was built about 100 years ago and continues to be a critical infrastructure system that provides water to thousands of acres of prime agricultural lands in central O'ahu. The central plains of O'ahu are one of the most highly productive and diversified agricultural regions in the State.

The State Agribusiness Development Corporation (ADC), recognizing the system's importance to the State's future sustainability, purchased the Waiahole Irrigation in 1989. Supporting the bond debt service for the Waiahole Water System ensures its financial sustainability and reinforces the state's commitment to maintaining this essential resource for agricultural use.

Thank you for the opportunity to share our comments and for your continued support of Hawai'i's agricultural community.



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Kaua'i

Aloha Chair Decoite, Vice Chair Wakai, and Members of the Senate Economic Development and Tourism Committee,

The Hawai'i Farmers Union is a 501(c)(5) agricultural advocacy nonprofit representing a network of over 2,500 family farmers and their supporters across the Hawaiian Islands. **HFU supports SB1539.**

Debt relief for farmers is an essential measure to ensure the sustainability and growth of Hawaii's agricultural sector. Farmers have already repaid more than the original bond amount, yet the burden of ongoing debt service fees continues to weigh heavily on them. Paying off the remaining \$4.5 million in bond debt will provide direct economic relief to farmers, enabling them to reinvest in their operations rather than making excessive payments on outdated debt. This financial reprieve can lead to enhanced productivity and innovation, ultimately benefiting both farmers and consumers alike.

Supporting this initiative will also result in lower costs for consumers. Currently, the high expenses associated with irrigation—often necessary for maintaining crop yields and quality—are inevitably reflected in the price of locally grown food. By alleviating the financial pressure on farmers, the bill will help make nutritious, locally-produced food more accessible and affordable for the community. Furthermore, by reducing the economic strain on farmers, the bill plays a crucial role in keeping land in active agricultural production, thus preventing farm closures or the conversion of farmland to non-agricultural uses.

Mahalo for the opportunity to testify.

Hunter Heavilin  
Advocacy Director  
Hawai'i Farmers Union



February 7, 2025

Senator Lynn DeCoite, Chair  
Senator Glenn Wakai, Vice Chair  
Senate Committee on Economic Development and Tourism

**Support of SB 1539, Relating to the Agribusiness Development Corporation  
(Appropriates funds to offset the debt for the Waiahole Water System.)**

**Tuesday, February 11, 2025, at 1:00 p.m.  
State Capitol, Conference Room 229 & Videoconference**

The Land Use Research Foundation of Hawaii (LURF) is a private, non-profit research and trade association whose members include major Hawaii landowners, developers, and utility companies. LURF's mission is to advocate for reasonable, rational, and equitable land use planning, legislation and regulations that encourage well-planned economic growth and development, while safeguarding Hawaii's significant natural and cultural resources, and public health and safety.

LURF appreciates the opportunity to express its **support of SB 1539**, and of the various agricultural stakeholder groups who defend the goals of viable agricultural operations and the conservation and protection of agriculture, including important agricultural lands in Hawaii.

**SB 1539.** The purpose of this bill is to appropriate funds to the agribusiness development corporation to offset the financial burden of reimbursement of debt service for the Waiahole Water System.

**LURF's Position.** Since large amounts of prime agricultural lands and irrigation systems became available for conversion to diversified agriculture due to the plantation closures in the 1990s, the State has had the opportunity to strengthen and expand Hawaii's diversified agriculture industry. Agricultural lands, however, require significant quantities of water to support and maintain productivity. To ensure that local agricultural producers may continue to receive a dependable supply of water for crops, as well as research and development operations, sufficient funding is necessary to improve, repair and maintain Hawaii's irrigation and water systems.

The Waiahole irrigation system, one of Hawaii's most important irrigation systems, is over a hundred years old, 23.5 miles long, and services thousands of acres of productive agricultural lands in central Oahu. The system is one of many irrigation systems throughout the State which are vital to Hawaii's agricultural industry.

Local farmers and ranchers who rely on irrigation systems to service their agricultural lands consider such resources critical to conduct their agricultural operations and to sustain their businesses. These agricultural stakeholders confirm that SB 1539 will greatly assist by providing funding necessary to offset the financial burden of reimbursement of the debt service which was incurred by the agribusiness development corporation to procure and make improvements to the Waiahole Water System in order to protect a vital natural resource and to ensure the expansion of diversified agriculture in Hawaii. Such action is critical to support and promote the long-term betterment of the State's agricultural industry; promote the agricultural self-sufficiency of the State; and to protect water as an important resource.

For the above reasons, LURF **supports SB 1539**, and respectfully urges your favorable consideration.

Thank you for the opportunity to provide comments in support of this matter.



February 9.2025

RE: Testimony in Strong Support of HB912 – Appropriating Funds to Offset the Debt for the Waiahole Water System

Aloha Chairperson DeCoite, Vice Chairperson Wakai, and House Members of the Economic Development and Tourism

I am submitting testimony in **strong support of SB 1539**, which appropriates funds to offset the debt for the Waiahole Water System. This bill is essential to ensuring the continued operation and sustainability of the Waiahole Water System, a critical resource for local farmers and agricultural operations that depend on reliable and equitable access to water.

Water is a fundamental resource for Hawai'i's agricultural sector, and the Waiahole Water System plays a key role in providing irrigation for farming communities. However, the financial burden associated with maintaining and operating this system has been a challenge. Offsetting this debt will:

- Support Local Farmers – Ensuring that farmers, particularly small-scale and diversified agricultural operations, have continued access to affordable irrigation water.
- Preserve Food Security – Agriculture in Hawai'i is already vulnerable to high operational costs and supply chain disruptions. Reliable access to water is a necessity for local food production.
- Prevent the Privatization of Water Resources – By addressing the debt burden, we reduce the risk of water systems being sold to private interests, ensuring that water remains a public trust resource rather than a commodity.
- Encourage Sustainable Agriculture – Farmers who depend on the Waiahole Water System often practice diversified and regenerative farming, contributing to long-term environmental sustainability.

The Waiahole Ditch System was originally constructed between 1913 and 1916 to divert water from Oahu's windward side to its drier leeward regions, primarily to support sugar cane plantations such as the Oahu Sugar Company. This extensive infrastructure included tunnels through the Ko'olau Mountains, enabling gravity-fed water transport to plantation fields.

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**The Food+ Policy internship** develops student advocates who learn work skills while increasing civic engagement to become emerging leaders. We focus on good food systems policy because we see the importance and potential of the food system in combating climate change and increasing the health, equity, and resiliency of Hawai'i communities.

In 2025, the cohort of interns are undergraduate and graduate students and young professionals working in the food system. They are a mix of traditional and nontraditional students, including parents and veterans, who have backgrounds in education, farming, public health, nutrition, and Hawaiian culture.



As sugar plantations declined and ceased operations, the system's management transitioned towards supporting diversified agriculture. However, maintaining and upgrading this aging infrastructure has led to significant financial obligations, contributing to the debt burden the system faces today. Addressing this debt is critical to ensuring that the system remains functional and continues serving local farmers rather than falling into disrepair or privatization.

The burden of this debt does not just exist on paper—it has real consequences for the farmers, workers, and families who depend on affordable water for their livelihoods. Without proper funding, the cost of maintaining the Waiahole Water System will fall on the shoulders of those who can least afford it. Increased water rates would force small farmers—many of whom are already struggling with rising land costs, operational expenses, and unpredictable weather patterns—to cut back on production or even shut down entirely. This could have devastating effects on Hawai'i's already fragile food system, increasing dependence on imported food and threatening local food security.

Furthermore, deferred maintenance due to financial constraints could lead to leaks, inefficiencies, and eventual system failure. If the system deteriorates beyond repair, it could invite private interests to step in, converting a public resource into a for-profit venture that prioritizes corporate gains over community needs. We have already seen how privatization of natural resources often leads to higher costs and reduced access—this must not be the fate of the Waiahole Water System.

Wai is life. It is the foundation of our food, our environment, and our cultural traditions. The Waiahole Water System is not just an infrastructure project; it is a lifeline for farmers, a pillar of Hawai'i's agricultural heritage, and a public trust resource that must be protected.

**I strongly urge the legislature to pass HB912** to relieve the financial strain on the Waiahole Water System and ensure that Hawai'i's farmers continue to have equitable access to this essential resource. By doing so, we invest in a resilient food system, environmental sustainability, and water justice for future generations.

Mahalo for your time and consideration.

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**HAWAI'I  
FOOD+  
POLICY**

Honolulu, HI 96813  
food@purplemaia.org

Respectfully submitted,

Lea iaea & the Food + Policy Team  
#fixourfoodsystem

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LARRY JEFTS FARMS, LLC  
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SB1539, Relating to The Agribusiness Development Corporation  
Senate EDT Hearing – 1:00 PM  
Tuesday, February 11, 2025

Testimony By: Larry Jeffs  
Position: Support

Chair DeCoite, Vice Chair Wakai, and Members of the Senate EDT 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 weekly of import replacement produce. I am a volunteer director, serving as Chair of the West Oahu Soil and Water Conservation District (SWCD). I have also served as an officer of the Hawaii Farm Bureau for many years.

Funding to pay off the bond debt is a high priority for Central and Leeward Oahu agriculture, of which the Waiahole Water system provides irrigation water to 5,866 acres. Relief from the bond debt costs helps mitigate the cost of water to farmers.

Consistent access to affordable water is vital; water is the lifeblood of my farms. Without such access, there would be no farms.

Your favorable consideration of SB1539 is appreciated. Thank you for the opportunity to testify on this bill.



**LATE**

## **Hawaii Agriculture Research Center**

*94-340 Kunia Road, Waipahu, HI 96797*

*Ph: 808-621-1350/Fax: 808-621-1359*

### **TESTIMONY BEFORE THE COMMITTEE ON ECONOMIC DEVELOPMENT AND TOURISM**

#### **SENATE BILL NO. 1539**

#### **- RELATING TO THE AGRIBUSINESS DEVELOPMENT CORPORATION**

**TUESDAY FEBRUARY 11, 2025**

Chair DeCoite, Vice Chair Wakai and Members of the Committee:

My name is Robbie Melton. I am Executive Director of the Hawaii Agriculture Research Center (HARC). I am testifying today on behalf of the center and our research and support staff.

#### **HARC strongly supports Senate Bill 1539 relating to the Agribusiness Development Center and the Waiahole Water System**

HARC is a non-profit organization whose mission is to support agriculture in Hawaii through research and infrastructure preservation. HARC provides critical research to improve crop production, developing new crop varieties, disease resistance and higher productivity that will benefit Hawaii's producers. Our research outcomes are shared with local producers on new farming techniques and transfer new varieties of crops to strengthen their productivity and viability. The Kunia Experiment Station sits on 108 acres and currently has 43 active research projects and provides farm plots to eight UH Go Farm graduates and agricultural organizations.

HARC's Kunia experiment station relies on the Waiahole Irrigation System. It is the only source of agricultural water for HARC. The Board of Water Supply limited the use of potable water to domestic use on this parcel and where available to other agricultural operations in the area. Without water there can be no viable agricultural activity on this land as it receives very little rainfall.

As a user of this system, we feel it is appropriate and of value to the state to pay off this burdensome debt on the farmers in this region. The costs and savings of this action are well reported in the body of this proposed bill. HARC is a non-profit organization and does not have the financial means to support an alternative water system.

Paying off this debt as proposed in this bill will support local agricultural production and ease the financial burden of Hawaii's farmers.

Thank you for the opportunity to testify in support of Hawaii's agricultural needs.



**LATE**

## Food+ Policy Internship 2025

[food@purplemaia.org](mailto:food@purplemaia.org)

February 10, 2025

Subject: SB 1539, RELATING TO THE AGRIBUSINESS DEVELOPMENT CORPORATION.

Aloha ‘Awakea Council,

Hawaii Food+ Policy stands in SUPPORT for SB1539. This bill addresses the issues of the illegal privatization of a public commodity of wai and therefore the reimbursement to the agriculture development community in the Windward side. This bill will further continue as an investment into the domestication of agriculture here in Hawai‘i, rehabilitation of ecosystems, and support for local farmers through financial funding.

According to the USDA, “Small and mid-sized farmers and ranchers working in rural areas with high persistent poverty often need extra support.” Costs as a farmer are higher than ever before being “The average total expenditure for a crop farm is \$298,071” (USDA 2023). The responsibility of the state and council here today is to ensure the wellness of the people of Hawai‘i and preservation for future generations. SB1539 is not only reimbursements for illegal oversight on water by the state, but also an investment into local and future farmers, food sovereignty in Hawai‘i, and increased agricultural development.

This step will further create a healthier pai‘aina with modern economy and preservation of Hawai‘i. Mahalo for your time and care. We hope you consider voting AYE for the future of our home.

Aloha,

Hawaii Food+ Policy

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In 2025, the cohort of interns are undergrads and graduate students from throughout the UH System. They are a mix of traditional and nontraditional students, including parents and veterans, who have backgrounds in education, farming, public health, nutrition, and Hawaiian culture.

**SB-1539**

Submitted on: 2/10/2025 11:21:49 AM

Testimony for EDT on 2/11/2025 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Baylee Goeas Galdeira	Individual	Support	Written Testimony Only

## Comments:

Aloha Chair Lynn DeCoite, Vice Chair Glenn Wakai, and Senate Members of the Economic Development and Tourism Committee,

My name is Baylee Goeas Galdeira, and I am a resident of Kāneʻohe, Oʻahu and I am writing to express my support for SB 1539, which seeks appropriate funds to offset the debt for the Waiāhole Water System.

Access to water is vital within this valley as it provides many local farmers with access to a necessary resource in order to keep their production ongoing. The history of the Waiāhole farmers' battle to acquire sufficient water supply and stop the diversion of water from this area has been going on since the late 1900's, and still to this day many farmers are facing the harsh repercussions of having their water diverted from them so many years ago. However, the approval of this bill will greatly support the farmers' recovery as it will ensure that water remains a public commodity and does not become subjected in the hands of a few. Appropriating funds to offset the debt for the Waiāhole Water System is a vital step toward supporting agricultural sustainability in the region. By providing secure funding to alleviate this debt, the system can continue to supply reliable, affordable water to farmers, ensuring they have the resources needed.

As someone who has spent a lot of my childhood working on agricultural land in Waiāhole Valley, specifically in lo'i, I feel personally connected to the land in which this bill will greatly affect. Being surrounded by some of the movement's biggest leaders, such as the Reppun brothers, has given me firsthand experience and knowledge of the importance of access to water conservation; and more importantly that water is the main source of life. Water connects us to our past, provides for our future and ensures the longevity of our 'āina for years to come.

I strongly urge the legislature to pass SB1539 as a means to ensure farmers' access to this valuable resource as well as to alleviate them from the historical burdens of having this basic commodity stripped from them. By passing this bill, we will ensure environmental sustainability and a resilient food system.

Mahalo nui for your consideration and review,

Baylee Goeas Galdeira

