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## SENATE RESOLUTION

REQUESTING THAT THE DEPARTMENT OF HAWAIIAN HOME LANDS ADVOCATE FOR THE PROTECTION OF MOLOKAI SURFACE AND GROUND WATER FOR HAWAIIAN HOMESTEADERS.

WHEREAS, the Hawaiian Homes Commission Act, 1920, in its original form, gave the Hawaiian Homes Commission authority to use, free of all charges, government water on the island of Molokai to irrigate any tract of Hawaiian Home Lands; and

WHEREAS, Act 164, Laws of the Territory of Hawaii, Regular Session 1955, amended Chapter 317, Revised Laws of Hawaii 1945, giving the Hawaiian Homes Commission and the lessees of the Hawaiian Homes Commission prior rights, upon actual need shown, to two-thirds of the water developed for the Molokai irrigation and water utilization project by the tunnel development extending to Waikolu valley and ground water developed west of Waikolu valley, upon actual need shown to the authority, as part of an agreement to construct the Molokai irrigation system; and

WHEREAS, Act 166, Session Laws of Hawaii 1961, amended Chapter 87, Revised Laws of Hawaii 1955, to have what is now the Department of Land and Natural Resources administer the Molokai irrigation and water utilization project, in compliance with the two-thirds preference clause described above; and

WHEREAS, the Department of Land and Natural Resources allowed the Molokai irrigation system to fall into disrepair and allowed the Molokai irrigation system to be used to transport water to west Molokai for non-agricultural uses without adequately monitoring the transmission of this water; and

WHEREAS, the contracts allowing the transmission of water to west Molokai through the Molokai irrigation system have been broken on several occasions, but no actions have been taken to enforce these contracts; and

WHEREAS, the Department of Land and Natural Resources was unable to secure sufficient funds to adequately manage the



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system and proposed a water rate increase in 1986 for all state irrigation systems, including the Molokai irrigation system, at a time when the Molokai irrigation system was generating revenues of one hundred forty per cent of the cost of operating the Molokai irrigation system; and

WHEREAS, the prior right of the Hawaiian Homes Commission to water in the Molokai irrigation system continued to be violated by charging Molokai homesteaders more than the cost of transmission of water; and

WHEREAS, management of the Molokai irrigation system was transferred to the Board of Agriculture in 1987; and

WHEREAS, since their purchase of Kukui Molokai, Inc., the developer of the West Molokai Kaluakoi Resort, Molokai Properties, Ltd. (also known as Molokai Ranch) has also violated several provisions of the transmission agreement, and the Department of Agriculture has allowed this contract to be violated with no recourse to other water users of the Molokai irrigation system; and

WHEREAS, each year for the last five years, the system has gotten dangerously close to running out of the water due to system breakdowns; and

WHEREAS, in 2003 the Department of Agriculture ordered a mandatory water use cutback of forty per cent for all users of the Molokai irrigation system due to a water shortage that has had an adverse impact on Hawaiian Home Lands farmers, crop yields, and quality, but no restrictions were imposed on the west Molokai users; and

WHEREAS, Hawaiian Home Lands farmers, despite having a prior right to two-thirds of the water in the Molokai irrigation system, have no decision making power in the management of the Molokai irrigation system; and

WHEREAS, the Board of Agriculture does not have a Molokai representative on its board, leaving Molokai Hawaiian homestead farmers with no voice on this governing body; and

WHEREAS, the Department of Agriculture is proposing a water rate increase that will have an adverse impact on a

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disproportionate number of native Hawaiian farmers and homesteaders who have given up much of their water rights as initially set forth in the original Hawaiian Homes Act in order to construct the Molokai irrigation system water system; and

WHEREAS, the Department of Hawaiian Home Lands has over 7,600 acres in the Molokai irrigation system service area, and Hawaiian homestead farmers will need the entire two-thirds preference in order to make their lands agriculturally productive; and

WHEREAS, the Department of Hawaiian Home Lands has a fiduciary responsibility to uphold the provisions of the Hawaiian Homes Commission Act, 1920, and is in a better position to protect the two-thirds prior right to water for Molokai Hawaiian homesteaders than the homesteaders themselves; and

WHEREAS, the State Water Code states that Hawaiian homesteaders have prior rights to water and these rights are superior to all water users; and

WHEREAS, in the case of *In re Wai'ola O Moloka'i, Inc.*, 103 Hawaii 402 (2004), the Hawaii Supreme Court noted that it has consistently recognized the heightened duty of care owed to native Hawaiians and added that the State's fiduciary duty to uphold native Hawaiian water rights are no exception; and

WHEREAS, the court held that the Department of Hawaiian Home Lands water reservations throughout the State are entitled to the full panoply of constitutional protections afford the other public trusts for the benefit of native Hawaiians; and

WHEREAS, today less than fifteen per cent of the twentyfive thousand acres of the Department of Hawaiian Home Lands farm lands have access to water; and

WHEREAS, six years ago, the Department of Hawaiian Home Lands requested an additional allocation of water from the Kualapuu aquifer to service new homesteads in Hoolehua and Kalamaula but the Commission on Water Resource Management has yet to take action on this request; and

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 WHEREAS, Molokai Properties, Ltd. and Kukui Molokai Inc. opposed the request of the Department of Hawaiian Home Lands for this additional water allocation from Kualapuu; now, therefore,

BE IT RESOLVED by the Senate of the Twenty-third Legislature of the State of Hawaii, Regular Session of 2006, that the Department of Hawaiian Home Lands is requested to actively advocate for the protection of surface and ground water on Molokai for homestead and agricultural use in order to uphold the intent of the Hawaiian Homes Commission Act, 1920, by implementing the following initiatives:

(1) Conducting or contracting for a financial audit of the Molokai irrigation system and a performance audit of the water transmission agreement between Kukui Molokai, Inc., Molokai Properties, Ltd. and the Department of Agriculture;

(2) Initiating the establishment of a community based group of farmers of Hoolehua Hawaiian homestead farmers to work with the Department of Hawaiian Home Lands;

(3) Opposing any request for ground and surface water before the Commission on Water Resource Management or any other regulatory body and opposing any request for increased development before any council, commission, or other regulatory body that may infringe upon the prior rights of the Department of Hawaiian Home Lands or Hawaiian homestead farmers to adequate water on Molokai; and

(4) Implementing the Hawaiian Home Lands Agricultural Task Force report adopted by the Hawaiian Homes Commission in 2000; and

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BE IT FURTHER RESOLVED that certified copies of this Resolution be transmitted to the Governor, the Chairperson of the Hawaiian Homes Commission, and the Chairperson of the Board of Agriculture.

OFFERED BY: