
HOUSE CONCURRENT RESOLUTION

REQUESTING THE AUDITOR TO CONDUCT A FINANCIAL AND MANAGEMENT
AUDIT OF THE DEPARTMENT OF AGRICULTURE'S MANAGEMENT OF THE
MOLOKAI IRRIGATION SYSTEM.

1 WHEREAS, the Board of Agriculture and the Department of
2 Agriculture are charged with the maintenance and operation of
3 the Molokai irrigation system, including, pursuant to section
4 167-11, Hawaii Revised Statutes, the setting of all rates and
5 charges; and

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7 WHEREAS, section 167-11, Hawaii Revised Statutes, grants
8 the Board of Agriculture the power to fix and adjust rates and
9 charges so the revenues derived therefrom shall be sufficient to
10 cover the cost of operation, maintenance, replacement, any bond
11 debt service, and other charges necessary to cover the capital
12 cost of the system; and

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14 WHEREAS, those rates and charges for the Molokai irrigation
15 system are set forth in section 4-152-22, Hawaii Administrative
16 Rules (Department of Agriculture); and

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18 Whereas, the Department of Agriculture may be diverting
19 some of the revenues it derives from the Molokai irrigation
20 system to manage and maintain other irrigation systems it has
21 under its jurisdiction or to support other department
22 operations; and

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24 WHEREAS, the homesteaders and farmers who are users of the
25 Molokai irrigation system are concerned that rates and charges
26 for irrigation water that they are paying are being diverted to
27 other uses when the Molokai irrigations system itself is in need
28 of many capital and operational improvements; now, therefore,

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30 BE IT RESOLVED by the House of Representatives of the
31 Twenty-fourth Legislature of the State of Hawaii, Regular



1 Session of 2007, the Senate concurring, that the Auditor is
2 requested to conduct a financial and management audit of the
3 Department of Agriculture's operation of the Molokai irrigation
4 system; and

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6 BE IT FURTHER RESOLVED that the Auditor is requested to
7 determine the following:

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9 (1) The total annual revenues of the Molokai irrigation
10 system for the last five years and projected revenues
11 for the next three years;

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13 (2) The total costs of operating and maintaining the
14 Molokai irrigation system for the last five years and
15 the projected costs for operation and maintenance for
16 the next three years;

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18 (3) The total capital improvement costs made for the
19 Molokai irrigation system in the last five years and
20 the projected or anticipated capital improvement costs
21 that may be required in the next three years; and

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23 (4) If any revenues from rates and charges charged to
24 users of the Molokai irrigation system have been
25 diverted to uses other than the operation and
26 maintenance of the Molokai irrigation system; and

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28 BE IT FURTHER RESOLVED that the Auditor is requested to
29 submit findings and recommendations, including any proposed
30 legislation, to the Legislature not later than twenty days prior
31 to the convening of the Regular Session of 2008; and

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33 BE IT FURTHER RESOLVED that certified copies of this
34 Concurrent Resolution be transmitted to the Auditor, the
35 Chairperson of the Board of Agriculture, and the Chairperson of
36 the Molokai Irrigation System Water Users Advisory Board.

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OFFERED BY: Melie Carroll

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