STAND. COM. REP. NO. 35

Honolulu, Hawaii

FEB 0 6 2007

RE: S.B. No. 848

S.D. 1

Honorable Colleen Hanabusa President of the Senate Twenty-Fourth State Legislature Regular Session of 2007 State of Hawaii

Madam:

Your Committee on Water, Land, Agriculture, and Hawaiian Affairs, to which was referred S.B. No. 848 entitled:

"A BILL FOR AN ACT RELATING TO THE EAST KAUAI IRRIGATION SYSTEM,"

begs leave to report as follows:

The purpose of this measure is to address the potential crisis that is developing at the East Kauai irrigation system by appropriating funds to cover operation and maintenance expenses of the irrigation system.

Testimony in support of this measure was submitted by the Agribusiness Development Corporation; the Department of Water, County of Kauai; East Kauai Water Users' Cooperative; Hawaii Farm Bureau Federation; Kauai County Farm Bureau; Hawaii Crop Improvement Association; and Saiva Siddhanta Church.

The East Kauai irrigation system is the only system in the State that is run by the community. In 2001, Amfac Sugar Company announced that it was ceasing operations of its ditch system, which irrigated four thousand acres of land in the Kapaa area. The East Kauai Water Users' Cooperative received a revocable permit from the State to operate the East Kauai irrigation system and took over operations in 2002.

Currently, the East Kauai Water Users' Cooperative faces a serious funding shortfall to cover operation and maintenance expenses. Large portions of the land served by the ditch remain

2007-1298 SSCR SMA-1.doc

fallow or are occupied by ranchers or farmers who have only begun to develop the land. The income generated from users is insufficient to cover the normal operations and maintenance expenses of the irrigation system. Your Committee finds that appropriating funds for the operation and maintenance of the East Kauai irrigation system will allow the irrigation system to continue to provide water for agricultural producers and its other users.

Your Committee has amended this measure by:

- (1) Adopting the suggestion made by the Agribusiness
 Development Corporation and adding language to clarify
 that the East Kauai Water Users' Cooperative will
 receive funds for the operation and maintenance of the
 East Kauai irrigation system, and the amounts received
 will not supplant any other funds appropriated to the
 Cooperative; and
- (2) Making technical, nonsubstantive changes for the purposes of style and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 848, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 848, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on behalf of the members of the Committee on Water, Land, Agriculture, and Hawaiian Affairs,

RUSSELL S. KOKUBUN, Chair

The Senate Twenty-Fourth Legislature State of Hawaii

Record of Votes Committee on Water, Land, Agriculture and Hawaiian Affairs WAH

Bill / Resolution No.:* SB 848	Committee WAH		Da	ite: JAN- タリ,	2007
The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to:					
The Recommendation is:					
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313					
Members		Aye	Aye (WR)	Nay	Excused
KOKUBUN, Russell S. (C)		X			
TOKUDA, JIII N. (VC)		X			
FUKUNAGA, Carol		X			
HEE, Clayton					X
SLOM, Sam		X			
TOTAL		4		† 	***
Recommendation: Adopted Not Adopted					
Chair's or Designee's Signature:					
Distribution: Original Yellow Pink File with Committee Report Clerk's Office Drafting Agency					

*Only one measure per Record of Votes