

Honolulu, Hawaii

FEB 06 2020

RE: S.B. No. 2099
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committee on Agriculture and Environment, to which was referred S.B. No. 2099 entitled:

"A BILL FOR AN ACT RELATING TO IRRIGATION,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish staffing positions within the Department of Agriculture's Agricultural Resource Management Division;
- (2) Transfer portions of the East Kauai Irrigation System operated and maintained by the East Kauai Water Users' Cooperative as of July 1, 2020, to the Department of Agriculture until the adoption of rules is complete or the Chairperson of the Board of Agriculture determines that the system can be appropriately operated and maintained pursuant to chapters 167 and 168, Hawaii Revised Statutes;
- (3) Stipulate that the system will not be governed by chapters 167 and 168, Hawaii Revised Statutes, until it is transferred to the appropriate program;
- (4) Authorize extension of the deadline for the East Kauai Water Users' Cooperative to obtain a stream diversion



works permit from the Department of Land and Natural Resources;

- (5) Authorize the issuance of general obligation bonds for plans, designs, land acquisition, and equipment to increase state irrigation system capacity statewide; and
- (6) Appropriate funds for the operations and maintenance of the East Kauai Irrigation System.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources; Hawaii Cattlemen's Council, Inc.; SR Hawaii; Land Use Research Foundation of Hawaii; Kalepa Koalition; Kūlana Association of Unit Owners; Saiva Siddhanta Church; Hawai'i Farm Bureau; Ulupono Initiative; Kekaha Agriculture Association; one member of the Kaua'i County Council; and ten individuals. Your Committee received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from Department of the Attorney General and Department of Agriculture.

Your Committee finds that the East Kauai Irrigation System services more than 12,500 acres of agricultural land on Kauai. The system includes two reservoirs and twenty-two miles of ditch and has historically serviced thousands of acres of state and private lands. In particular, it services more than 1,000 acres of the state Kalepa lands located between Kapaa and Lihue. In recent years, through the action of the Agribusiness Development Corporation, nearly three hundred acres have been leased to farmers who are actively developing crops, including ginger and sweet potatoes.

Your Committee further finds that the Department of Land and Natural Resources currently has oversight of the irrigation system and is focused on addressing public health and safety and preserving the viability of the irrigation system for future use, not the continued delivery of water to various users. Moving forward, the Department's primary objective is to work collaboratively with Kauai legislators to find an appropriate public or private entity that can assume management and operation of the system as had previously been done by the East Kauai Water Users' Cooperative. Your Committee believes this measure satisfies that objective by ensuring the ongoing operation of the



irrigation system by the Department of Agriculture in support of local agriculture. Your Committee notes that if the primary objective cannot be met, the Department of Land and Natural Resources will pursue shutdown of the irrigation system, including breaching the reservoirs, as a last resort.

Your Committee recommends that the Department of Agriculture coordinate with your Committee on Ways and Means to determine the appropriation amount of the general obligation bonds as may be necessary for the purpose of assisting the Agricultural Resource Management Division with plans, designs, land acquisition, and equipment to increase state irrigation system capacity statewide.

Your Committee has amended this measure by:

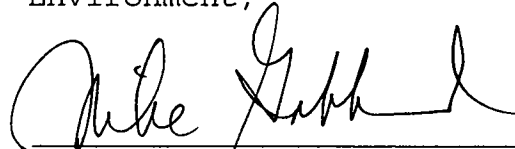
- (1) Clarifying that the Department of Agriculture may contract with the East Kauai Water Users' Cooperative, or any other entity, to bill and collect fees to operate and maintain the system until positions are filled;
- (2) Authorizing the three-year deadline given by the Department of Land and Natural Resources to the East Kauai Water Users' Cooperative to obtain a stream diversion works permit to be extended for no more than three years, until July 1, 2023, rather than two years until July 1, 2022;
- (3) Changing the lapse date of the general obligation bonds from 2023 to 2022;
- (4) Inserting an appropriation amount of \$500,000 for the operations and maintenance of the East Kauai Irrigation System, including the Agricultural Resource Management Division staff salaries; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Agriculture and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2099, as amended herein, and recommends that it pass



Second Reading in the form attached hereto as S.B. No. 2099,
S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Agriculture and
Environment,

A handwritten signature in black ink, appearing to read "Mike Gabbard", written over a horizontal line.

MIKE GABBARD, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Agriculture and Environment
AEN

Bill / Resolution No.:* <div style="font-size: 1.2em; font-family: cursive;">SB 2099</div>	Committee Referral: <div style="font-size: 1.2em; font-family: cursive;">AEN, WAM</div>	Date: <div style="font-size: 1.2em; font-family: cursive;">02/03/2020</div>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;"> <input type="checkbox"/> Pass, unamended 2312 </div> <div style="text-align: center;"> <input checked="" type="checkbox"/> Pass, with amendments 2311 </div> <div style="text-align: center;"> <input type="checkbox"/> Hold 2310 </div> <div style="text-align: center;"> <input type="checkbox"/> Recommit 2313 </div> </div>				
Members	Aye	Aye (WR)	Nay	Excused
GABBARD, Mike (C)	<div style="font-size: 1.5em; font-family: cursive;">X</div>			
RUDERMAN, Russell E. (VC)	<div style="font-size: 1.5em; font-family: cursive;">X</div>			
RHOADS, Karl	<div style="font-size: 1.5em; font-family: cursive;">X</div>			
THIELEN, Laura H.	<div style="font-size: 1.5em; font-family: cursive;">X</div>			
FEVELLA, Kurt	<div style="font-size: 1.5em; font-family: cursive;">X</div>			
TOTAL	<div style="font-size: 1.5em; font-family: cursive;">5</div>	<div style="font-size: 1.5em; font-family: cursive;">0</div>	<div style="font-size: 1.5em; font-family: cursive;">0</div>	<div style="font-size: 1.5em; font-family: cursive;">0</div>
Recommendation: <div style="display: flex; justify-content: space-around; align-items: center;"> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted </div>				
Chair's or Designee's Signature: <div style="font-size: 1.5em; font-family: cursive; text-align: center; margin-top: 10px;"> </div>				
Distribution: <div style="display: flex; justify-content: space-between; font-size: 0.8em;"> <div>Original File with Committee Report</div> <div>Yellow Clerk's Office</div> <div>Pink Drafting Agency</div> <div>Goldenrod Committee File Copy</div> </div>				

*Only one measure per Record of Votes