

JOSH GREEN, M.D.
Governor

SYLVIA LUKE
Lt. Governor



SHARON HURD
Chairperson, Board of Agriculture

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TESTIMONY OF SHARON HURD
CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE COMMITTEE ON AGRICULTURE AND FOOD SYSTEMS

APRIL 11, 2025
10:30 AM
CONFERENCE ROOM 325

SENATE CONCURRENT RESOLUTION 90
REQUESTING THE AGRIBUSINESS DEVELOPMENT CORPORATION TO ASSUME
RESPONSIBILITY FOR THE ROUTINE MAINTENANCE AND REPAIR OF THE
KOHALA DITCH.

Chair Kahaloa, Vice Chair Kusch, and Members of the Committee:

Thank you for the opportunity to testify on Senate Concurrent Resolution 90, SD1. SCR94, SD1 requesting the Agribusiness Development Corporation (ADC) to assume responsibility for the routine maintenance and repair of the Kohala ditch.

The Department of Agriculture (Department) understands the importance of the irrigation system for agricultural users in the Kohala area. The Department anticipates that cost to repair the aging system will be very significant and recommends that a feasibility study be done to determine the issues, costs and benefits before proceeding. The Department defers to ADC in this matter.

Thank you for the opportunity to testify on this measure.



JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR



WENDY GADY
EXECUTIVE DIRECTOR

STATE OF HAWAII
AGRIBUSINESS DEVELOPMENT CORPORATION
HUI HO'OULU AINA MAHIAI

TESTIMONY OF WENDY L. GADY
EXECUTIVE DIRECTOR
AGRIBUSINESS DEVELOPMENT CORPORATION

BEFORE THE HOUSE COMMITTEE ON
AGRICULTURE & FOOD SYSTEMS

April 11, 2025

10:30 a.m.

Conference Room 325 & Videoconference

SENATE CONCURRENT RESOLUTION 90

REQUESTING THE AGRIBUSINESS DEVELOPMENT CORPORATION TO
ASSUME RESPONSIBILITY FOR THE ROUTINE MAINTENANCE AND
REPAIR OF THE KOHALA DITCH.

Chairperson Kahaloe, Vice Chair Kusch, and Members of the Committee:

Thank you for the opportunity to testify in support of the intent of Senate Concurrent Resolution 90, requesting the Agribusiness Development Corporation (ADC) to assume responsibility for the routine maintenance and repair of the Kohala ditch. The Kohala ranchers and farmers depend on water from this system. Investing in the region's aging plantation era infrastructure is of critical importance not only because of the impact on the production of livestock and crops, but also because of the economic impact on the community. Making these investments will ensure the infrastructure can support agriculture production for centuries to come.

In 2021, a rockslide damaged a critical flume of the system and stopped water flow. The State Legislature provided \$10MM through ACT164 SLH2023 to department of Agriculture, as a grant pursuant to Chapter 42F HRS, because the Legislature finds and

declared the appropriation is in the public interest. Various reasons caused the funding to not be used, and the repairs have not progressed. The ADC will request the \$10MM in funding be restored and ADC will work with system stakeholders to evaluate and proceed on repairs. ADC will need to evaluate the system and determine estimates on long term operational costs. The following is a draft high level estimate of a path forward based on operations of similar systems.

1. Restore \$10MM appropriation, ADC would likely need these funds to perform the repairs and improvements.
2. ADC estimated needs to operate the system
 - a. Clarify with the systems various users and landowners of state control of the system.
 - b. Determine if the Kohala Ditch CO-OP is a functioning entity and work with the group.
 - I. If the Kohala Ditch CO-OP is functioning as the operator. The ADC may establish a contract or has operating agreement with a user association (Kohala Ditch CO-OP).
 - II. If it is determined that the Kohala Ditch CO-OP is not able to operate the system. ADC will need to hire a contractor or hire employees to manage the system. The East Kauai Irrigation systems costs may be similar and are listed below.

ADC annual operating cost estimate:

- \$870K ADC will operate total initial annual cost.
- \$370K ADC ongoing annual cost not including CIP requests for major repairs.

Annual Cost Breakdown:

1. \$250K Personnel Services, (3) Water Workers
2. \$120K salary (1) water system manager
3. \$500K OCE, vehicles, equipment (non-recurring).
4. \$10MM to be used for plan and designs, materials and construction of repairs.

Thank you for your consideration of our testimony.

SCR-90

Submitted on: 4/10/2025 11:23:41 AM

Testimony for AGR on 4/11/2025 10:30:00 AM

| Submitted By | Organization | Testifier Position | Testify |
|----------------|--------------------|--------------------|---------------------------|
| Brian Miyamoto | Hawaii Farm Bureau | Support | Written Testimony Only |

Comments:

No Water, No Ag. No Ag, No Food.