SB 3027 S.D.1
RELATING TO AGRICULTURE

Senate Committee on
Ways and Means

Public Hearing - February 25, 1998
8:30 A.M., Room 211, State Capitol

By
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SB 3027 S.D.1 would amend Chapter 163D, HRS to provide the necessary statutory authorization and appropriations to acquire the Waiahole Irrigation Company and to continue operation of the Waiahole Ditch water system through an acquired corporation.

Our statement on this measure is compiled from voluntarily submitted opinions of the listed academic reviewers and does not constitute an institutional position of the University of Hawaii.

The current lease of water in the Waiahole Irrigation system expires in the year 2000. Up until that time, AMFAC is obligated to operate the system. Given the fiscal constraints facing the State, delay of an expenditure of this magnitude makes sound financial sense.

There remain numerous questions which may be considered in the interim. For instance, prior to entering into any purchase agreement, the State must evaluate existing obligations to landowners whose property the system crosses. Easements and agreements, many unrecorded, entered into in perpetuity between AMFAC and these landowners need to be publicly disclosed, and equitable allocations of present and future responsibilities need to be made.

Also, questions have arisen concerning deferred maintenance on the system, and these costs need to be further evaluated prior to entering into any purchase agreement.