

PROGRESS REPORT
ON
STATE IRRIGATION PROGRAM'S
SELF-SUFFICIENCY

As mandated by Act 259, Section 6, Session Laws of Hawaii 2001

Submitted by Department of Agriculture

Progress Report on State Irrigation Program's Self-Sufficiency

As mandated by Act 259, Session Laws of Hawaii 2001, Section 6, the Department of Agriculture submits the following status report on efforts made toward the program's self-sufficiency:

1. Staff reductions occurred in FY 2001 through a reduction-in-force of four positions - three Irrigation System Service Worker I positions and one Clerk-Typist II position. A second Clerk-Typist II position was eliminated in March 2002 upon the filling of the Waimea Irrigation District Manager's position. Total annual payroll costs were reduced by \$123,416.
2. The consolidation of clerical and bookkeeping functions into a single Clerk-Typist II position in the Division's Administration office in downtown Honolulu has resulted in savings of approximately \$12,285.
3. The Division conducted an in-house evaluation of the existing irrigation water toll structure to determine whether generated revenues can support current expenditures. The water tolls are scheduled for planned increases (2 cents per 1,000 gallons) per year through FY 2005. Our evaluation indicates that expenditures will continue to exceed projected revenues by approximately 13% or \$123,921 for FY 2003. The Division is currently in the process of developing a water toll structure to meet projected expenditures over the next biennium.
4. The Division continues to consider long-term improvements to the irrigation system operations for better efficiency and elimination of water losses that impact the amount of water available for sale. This matter will require funding, coordination from the irrigation system's water customers, and cooperation and support from the community impacted by the improvements, which involve development of resources such as stream diversions, ground water sources, etc.
5. The major obstacles facing the program continue to be a depressed economy and a prolonged period of drought. Farming activity has been curtailed, and as a result, a decline in farm income has impacted both water use and delinquency rates. Until these conditions improve or are resolved, the systems will experience difficulty in achieving self-sufficiency. Shown below are specific details on this point:

Note: Comparison is between FY1999 (normal) and FY 2002 (depressed):

<u>Water Use:</u>	<u>FY 1999</u>	<u>FY 2002</u>
Molokai	1,896,644,000 gals.	1,429,377,000 gals.
Waimanalo	151,045,000 "	149,565,000 "
Waimea	<u>410,934,000 "</u>	<u>448,463,000 "</u>
Total	2,458,623,000 gals.	2,027,405,000 gals.

This calculates out to a 17.5% water use reduction in FY 2002.

<u>Delinquency:</u>	<u>FY 1999</u>	<u>FY 2002</u>
Molokai	\$ 170,701	\$ 223,310
Waimanalo	22,911	22,859
Waimea	<u>14,738</u>	<u>28,085</u>
Total	\$ 208,350	\$ 274,254

This shows an increase in delinquencies of 31.6% over FY 1999.