

Setting the Molokai Irrigation System Water Rate

July 1, 2007-June 30, 2008

In the fiscal year ending June 30, 2007, the combination of MIS users' payments of acreage assessments and water tolls and the rental income from Kaluakoi LLC enabled the MIS to cover its expenditures and produce a surplus.

As a result of the surplus generated by the MIS in the prior fiscal year, the Agricultural Resource Management (ARM) division requested a credit to the MIS water rates for a one year period from the Board of Agriculture. The Board's authority to provide the credit is found in Chapter 4-157-21 (1)(B) HAR, which states:

(1) The board may temporarily waive the collection of water tolls or acreage assessments, or both, and may provide credits if the board finds that total irrigation system revenue is sufficient to meet the expenditures necessary to administer the program for the current fiscal year. In the event that a grant is received to offset a system or group water rates, the minimum charge per thousand gallons shall be no less than 25 cents. The board may adjust this minimum charge each fiscal year. Any excess shall be applied to the subsequent year or until the original grant is exhausted. (For the complete rule, please see: <http://www.hawaii.gov/hdoa/admin-rules>. Chapter 157).

For the current fiscal year, from July 1, 2007-June 30, 2008, the Agricultural Resource Management division recommended, and the Board of Agriculture approved on June 26, 2007, that the MIS water rate continue at .335/1000 gallons. In making the recommendation to the Board, ARM cited Chapter 4-157-21 (1)(B) as stated above, and the Board approved the credit accordingly.