

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. Reduced staffing through a reduction-in-force of four positions - three Irrigation Service System Worker I positions and one Clerk-Typist II. In addition, we have designated another Clerk-typist II position for elimination upon filling of the Waimea Irrigation System Branch Manager position, which is currently under recruitment. This will reduce the annual payroll costs by approximately \$123,416.
2. The office in Waimanalo has been closed. Both clerical and bookkeeping functions have been consolidated into the responsibilities of a single Clerk-Typist II position in the Division's Administration office in downtown Honolulu. This action has resulted in a consolidated savings of approximately \$12,285.
3. The Division is in the process of conducting an in-house evaluation of the existing irrigation water toll structure to determine whether generated revenues can support current expenditures. Current water tolls are scheduled for planned increases (2 cents per 1,000 gallons per year) through FY 2005. This schedule is now under review to assess whether further increases (over and above) may be required. The study is scheduled for completion by the end of this fiscal year and recommendations will be submitted to the Board of Agriculture for approval and implementation.
4. Also under consideration are 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, etc.
5. The major obstacles facing the program are the current depressed economy and the long 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 Fiscal Year 1999 (normal) and Fiscal Year 2001 (depressed):

<u>Water Use:</u>	<u>FY 1999</u>	<u>FY 2001</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 2001.

<u>Delinquency:</u>	<u>FY 1999</u>	<u>FY 2001</u>
Molokai	\$ 170,701	\$ 323,710
Waimanalo	22,911	25,013
Waimea	<u>14,738</u>	<u>31,095</u>
Total	\$ 208,350	\$ 379,818

This shows an increase in delinquencies of 82% over FY 1999.