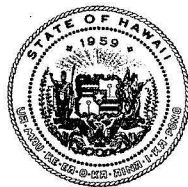


LINDA LINGLE
GOVERNOR OF HAWAII



CHIYOME LEINAALA FUKINO, M.D.
DIRECTOR OF HEALTH

STATE OF HAWAII
DEPARTMENT OF HEALTH
P.O. Box 3378
HONOLULU, HAWAII 96801-3378

In reply, please refer to:
File:

HOUSE COMMITTEE ON ENERGY AND ENVIRONMENTAL PROTECTION

H.B. 2211, MAKING AN APPROPRIATION FOR WASTEWATER PROJECTS

**Testimony of Chiyome Leinaala Fukino, M.D.
Director of Health**

**January 24, 2008
8:30 a.m.**

1 **Department's Position:** The Department of Health supports the concept of providing additional
2 monies to the water pollution control state revolving fund (SRF) that enables the counties to obtain loans
3 for wastewater projects but respectfully opposes this measure because it would adversely impact
4 priorities as set forth in the Executive Supplemental Budget.

5 **Fiscal Implications:** The measure appropriates an unspecified amount of general funds to the
6 Department of Health.

7 **Purpose and Justification:** H.B. 2211 requests appropriation out of the general revenues of the State of
8 Hawaii for fiscal year 2008-2009 for the SRF water pollution control state revolving fund. The SRF
9 fund is largely exhausted and needs to be replenished to meet the wastewater infrastructures needs of the
10 counties. The most pressing need is the replacement of large-capacity cesspools in accordance with the
11 mandates imposed by the federal Environmental Protection Agency.

12 The Department is sympathetic with the intent of this measure to provide additional funds to the
13 SRF program, but this measure is not part of the two-year financial plan. If the legislature were to pass
14 this measure, this bill would have to be accommodated in the budget, and its impact on the budget may

1 result in reduced funding for other similarly worthy causes. Therefore, the Department cannot support
2 the bill at this time.

3 Thank you for the opportunity to testify on this measure.

DEPARTMENT OF ENVIRONMENTAL SERVICES
CITY AND COUNTY OF HONOLULU

1000 ULUOHIA STREET, SUITE 308, KAPOLEI, HAWAII 96707
TELEPHONE: (808) 768-3486 • FAX: (808) 768-3487 • WEBSITE: <http://www.co.honolulu.gov>

MUFI HANNEMANN
MAYOR



January 22, 2008

ERIC S. TAKAMURA, Ph.D., P.E.
DIRECTOR

KENNETH A. SHIMIZU
DEPUTY DIRECTOR

ROSS S. TANIMOTO, P.E.
DEPUTY DIRECTOR

IN REPLY REFER TO:
WAS 08-49

Representative Hermina M. Morita, Chair
Committee on Energy & Environmental Protection
State House of Representatives
State Capitol, Room 312
415 South Beretania Street
Honolulu, Hawaii 96813

Dear Representative Morita:

Subject: HB 2211, Making an Appropriation for Wastewater Projects

The Department of Environmental Services, City and County of Honolulu, strongly **supports** HB 2211 which would appropriate funds to the State of Hawaii Water Pollution Control Revolving Fund for fiscal year 2008-2009.

As the bill indicates, the Water Pollution Control Revolving Fund is largely exhausted and additional funding is needed to allow loans to support various wastewater needs throughout the State to improve the quality and service provided by the various county wastewater systems and to assist in the replacement of large-capacity cesspools. It is our understanding that the fund will be unable to grant any additional loans to the City and County until 2011.

It is important to understand that the Water Pollution Control Revolving Fund is funded in part by Federal Grants through the U.S. Environmental Protection Agency, however, federal funding has been continuously reduced over the past several years. State support is important in keeping this low interest loan option available to assist in making proper wastewater service available to our communities at this most reasonable cost.

We wish to thank the Committee on Energy & Environmental Protection for their consideration and support of funding for the Water Pollution Control Revolving Fund, and urge the Committee to pass SB 2350.

Sincerely,

A handwritten signature in cursive script that reads "Eric S. Takamura".

Dr. Eric S. Takamura, P.E.
Director

**TESTIMONY OF THE
COUNTY OF KAUA`I
PUBLIC WORKS DEPARTMENT, WASTEWATER DIVISION**

**TO THE HOUSE COMMITTEE
ON ENERGY & ENVIRONMENTAL PROTECTION**

**TWENTY-FOURTH LEGISLATURE
REGULAR SESSION OF 2008**

January 24, 2008
8:30 a.m.

**TESTIMONY ON HOUSE BILL NO. 2211, MAKING AN APPROPRIATION FOR
WASTEWATER PROJECTS**

**TO THE HONORABLE HERMINA M. MORITA, CHAIR, AND MEMBERS OF THE
COMMITTEE:**

My name is Edward Tschupp. I am the Chief of the Wastewater Division, Department of Public Works, and am testifying on behalf of the County of Kaua`i (County).

The County supports House Bill No. 2211.

The Bill makes an appropriation for fiscal year 2008-2009 to replenish the water pollution control revolving fund, established pursuant to section 342D-83, Hawaii Revised Statutes. Federal funds are also earmarked for the water pollution control revolving fund, and in order for the Federal funds to be applied, it is necessary for the State to appropriate the required matching funds.

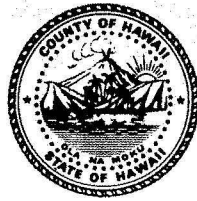
Low interest loans made from the revolving fund have historically been the primary source of funds used by Kaua`i County to pay for Capital Improvements for County wastewater facilities. If replenished, the fund would provide a needed source of funds to improve the County's wastewater facilities. These improvements are essential to develop affordable housing, maintain adequate service levels, and comply with environmental mandates and concerns.

Failure to make the appropriation could result in the loss of Federal funds to the State, and will reduce the availability of funds for much needed wastewater facility improvements.

We thank the Committee for the opportunity to present testimony on this matter.

BOB JACOBSON
Councilmember

Chair, Environmental Management Committee
Vice-Chair, Finance Committee
Vice-President Hawai'i State Association of Counties



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HAWAI'I COUNTY COUNCIL

County of Hawai'i

January 22, 2008

Rep. Hermina M. Morita, Chair
Rep. Mele Carroll, Vice Chair
And Members
Committee on Energy & Environmental Protection

Hearing Scheduled for Thursday, January 24, 2008, 8:30 AM
Conference Room 312
State Capitol
415 South Beretania Street
Honolulu, HI

Re: HB 2211 MAKING AN APPROPRIATION FOR WASTEWATER PROJECTS

I wholeheartedly support HB 2211. I believe that this appropriation is necessary for the County of Hawaii to comply with our federally mandated clean water rules.

Currently the revolving fund is empty due to Oahu's trouble with their sewer lines and no funds are available until 2010. Being that most wastewater projects are federally mandated, these projects can not wait until 2010. With the appropriation of funds the State Revolving Fund, all four Counties would be able to borrow money to successfully complete these much needed sewer projects to protect our clean water.

I urge you to pass HB 2211.

Aloha,

Bob Jacobson

Harry Kim
Mayor



Bobby Jean Leithead-Todd
Director

Nelson Ho
Deputy Director

County of Hawai'i
DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
25 Aupuni Street • Hilo, Hawai'i 96720
(808) 961-8083 • Fax (808) 961-8086
http://co.Hawai'i.hi.us/directory/dir_envmng.htm

January 24, 2008

The Honorable Hermina Morita, Chair
and Members of the House Committee
Energy and Environmental Protection

Hawai'i State Capitol
415 South Beretania Street
Honolulu, HI 96813

Hearing: Thursday, January 24, 2008
Time: 8:30 a.m.
Place: Conference Room 312
State Capitol
415 South Beretania Street

Re: HB 2211 – Making An Appropriation For Wastewater Projects

Dear Chair Morita and Members,

The County of Hawai'i Department of Environmental Management supports HB 2211 which would make an appropriation to the state revolving fund for wastewater projects. The County was informed by the Department of Health that all funds in the revolving fund have been committed and no further loans are available until 2010.

The County of Hawai'i and its residents have been struggling to comply with the Environmental Protection Agency (EPA) rule change that required the closure of large capacity cesspools (LCC) as well as the need to upgrade our other wastewater facilities.

The EPA mandated closure of all large capacity cesspools throughout the country. For the vast majority of the United States such closures were not a problem. However, in the County of Hawai'i this posed major problems. Most County facilities such as base yards and parks were on large capacity cesspools. The County closed 104 such cesspools at substantial cost. The remaining County projects involve the closure of large capacity cesspools in the towns of Na`alehu and Pahala (approximately \$7.2M

needed) and Honoka`a (needs approximately \$3.5M) as well as 2 subdivisions, Komohana Heights in Hilo (\$700,000) and Queen Lili`uokalani Village (QLV) in Kona (\$16.5M). While the Komohana and QLV cesspools were dedicated to the County and are part of its wastewater system, Na`alehu, Pahala and Honoka`a are projects geared to help both County and State agencies, residents and businesses.

Na`alehu and Pahala

The Na`alehu and Pahala camps were constructed over 100 years ago with sewer service currently being provided by C. Brewer Ltd. (C. Brewer). Approximately 165 lots in Na`alehu and 114 lots in Pahala are currently serviced by the C. Brewer sewer systems. Both the Na`alehu and Pahala systems currently discharge into LCC's. As a result, closing sugar operations in the Ka`u District, the Na`alehu and Pahala camps were subdivided and sold as fee simple lots to the plantation workers with C. Brewer maintaining operation and maintenance of the existing sewer system.

Due to the impending dissolution of C. Brewer, Ltd., there are very limited options for residents currently served by the Na`alehu and Pahala sewer system and the County entered into an agreement with C. Brewer to take over the sewer systems in an effort to assist the communities. While no County facilities will be served by the new sewer systems, the new wastewater treatment system in Pahala will be designed to accommodate additional flows from the business community as well as wastewater from the Kau High and Elementary Schools. The County has been advised by the State Department of Health (DOH) and the State Department of Education (DOE) that limited options are available for the Ka`u schools with closure of their existing LCC's. It has been determined that there are multiple large lava tubes underlying the schools and that the lava tubes are currently used as the schools' current means of wastewater disposal.

Honoka`a

The County of Hawai`i conducted a study in accordance with House Resolution (HR) No. 84, H.D.1 to examine the feasibility of installing a wastewater treatment system in Honoka`a, Hawai`i to serve County and State facilities as well as residents and businesses in order to develop a community wide solution to wastewater disposal in Honoka`a. The proposed system would allow both the County and State to close LCC's in accordance with the EPA mandate and also allow the disconnection of existing systems that are currently disposing of wastewater into lava tubes in the area.

The Honoka`a project would serve numerous State facilities (Honoka`a State Library, DOH facilities at the Honoka`a Civic Center, Judicial Courthouse at the Honoka`a Civic Center, DOE facilities at Honoka`a Elementary, Intermediate and High School and a Hawai`i Housing Authority Elderly Housing project). The project would also allow numerous businesses to connect to the system. These businesses have few options available for closure of LCC's due the configuration of their lots and could face closure of their businesses as a result.

Queen Lili`uokalani Village

The Queen Lili`uokalani Village Subdivision was constructed pursuant to Act 108, SLH 1970 (Experimental and Demonstration Housing Projects) as an Affordable Housing Project in the 1970's with the County responsible for the wastewater system. Twenty-nine (29) LCC's were installed within the subdivision in order to service the housing units due to difficult topography of the area and as a cost-saving measure. Connection of the subdivision to the Kealakehe Wastewater Treatment Plant will provide secondary wastewater treatment in accordance with DOH regulations.

Costs for the upgrade include replacement of the existing sewer collection system that is substandard due to the exemptions provided under Act 108, SLH 1970. Upgrade of the collection system is also required since the system within the subdivision was not designed for future connection to the Kealakehe wastewater system due to cost considerations. The estimated cost of the project is about \$16.5M.

Kealakehe Wastewater Treatment Plant Projects

The Kealakehe Wastewater Treatment Plant (KWWTP) was constructed in 1993 in accordance with the 1991 Keahole to Kailua Development Plan (K to K Plan) to serve the future planned developments in the area. While it was originally intended that an Effluent Reuse program be utilized as the primary means of effluent disposal from the facility, the County was unable to utilize the planned Kealakehe Golf Course as the means of effluent disposal due to economic and legal complications associated with the Kealakehe Golf Course. As a result, only a very limited amount of effluent (average of 20,000 gpd) is utilized for reuse and the majority of the effluent is disposed of via an infiltration. The plan is to install sewer and reuse infrastructure in the Queen Kaahumanu Highway conjunction with the State Department of Transportation's (DOT) Queen Kaahumanu Highway Widening Project – Phase II (DOT Queen K - Phase II Project).

Installation of the sewer and effluent reuse infrastructure is required in order to serve planned development of the area and will also be a major step in implementation of an effective effluent reuse program that will serve to protect State Waters on the Kona Coast as well as save potable water supplies in the area. Dovetailing of the project with the DOT Queen K – Phase II Project will result in significant cost savings associated with installation of the sewer and reuse infrastructure and will prevent tremendous negative impacts to traffic flow in the area in the event that the infrastructure is required to be installed after completion of the DOT Queen K – Phase II Project. This project needs approximately \$13.3M.

The KWWTP was constructed in 1993 with an initial design capacity of 2.8 MGD (million gallons per day). During the construction phase, the plant capacity was increased to 5.1 MGD in accordance with an agreement with the State of Hawai`i Housing and Finance Development Corporation whereby State funds were contributed to ensure a reserve capacity of 1.6 MGD for future State housing developments in the area.

Accumulated sludge in the lagoon treatment system has reduced the KWWTP plant capacity and is required to be removed in order to help restore capacity.

The KWWTP was originally designed to accommodate domestic strength sewage from the area served by the Kona Sewer System. As a result of State requirements implemented after construction of the KWWTP that now require that septic tanks be utilized for Individual Wastewater Systems (IWS's) in the majority of cases, the KWWTP has been forced to accommodate high-strength septage loads (40-50 times normal strength) from West Hawai'i septic tanks in areas not currently serviced by the Kona Sewer System. Additionally, the KWWTP has also been required to accept large sludge loads from State and private WWTP's such as the Keahole Airport facility that were not required by DOH to have sludge dewatering capabilities and therefore utilize the KWWTP as their means of sludge disposal.

The recent EPA mandate requiring closure of all LCC's has exacerbated the problem since many LCC's have been converted to Large Capacity Septic Systems (LCSS's) that also dispose of large volumes of high-strength septage at the KWWTP. This project needs approximately \$4.6M.

Other projects related to the KWWTP require an additional \$7.2M. The total funding amount for these projects is about \$53M. However, because of the current fiscal situation, the State has taken the position that funds should be limited to construction so the funding amount would be about a total of \$42.5M.

The department recognizes that this is a significant request and that there are unmet needs for all 4 counties. We would appreciate any additional funding that could be provided whether by way of grant or loans.

We respectfully request your consideration of the above testimony.

Sincerely,

Bobby Jean Leithead Todd
DIRECTOR

cc: Harry Kim, Mayor
Dora Beck, TSS Chief
Bert Saito, WWD Chief
Robin Bauman, DEM Business Manager

House of Representatives
Committee on energy & Environmental Protection
Hearing on: January 24, 2008 at 8:30 AM, Conference Room 312

Testimony from: Ralph C. Boyea, Legislative Advocate, Hawai'i County Council

Regarding: HB 2211 MAKING AN APPROPRIATION FOR WASTEWATER PROJECTS

Testimony in favor of HB 2211.

Chairperson Hermina M. Morita and honored Representatives,

On behalf of the Hawaii County Council, I urge you to pass HB 2211.

Hawaii County is faced with this unfunded mandate imposed by the federal Environmental Protection Agency.

The State's revolving fund that enables the counties to obtain loans for wastewater projects has been depleted. Additional funds must be made available to allow the counties to comply with the federally mandated clean water rules.

We thank you for your support of this much needed legislation.

Testimony from Alfred Lardizabal
Director of Government & Community Relations
Laborer's Union Local 368

In Support of

HB2211
MAKING AN APPROPRIATION FOR WASTEWATER PROJECTS

To

House Committee on Energy & Environmental Protection
Thursday, January 24, 2008
8:30 a.m.
State Capitol Room 312

Honorable Representative Hermina M. Morita, Chair, Representative Mele Carroll, Vice Chair, and members of the Committee on Energy & Environmental Protection.

The passage of HB2211 will assist the counties in implementing wastewater projects to meet federal EPA standards. The neighbor islands face a tremendous challenge in replacing cesspools, particularly large capacity cesspools. The replenishment of the water pollution control revolving fund will allow counties to obtain loans for badly needed wastewater projects.

Thank you for the opportunity to submit this testimony in support of HB2211.