

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 FINANCE

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

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

February 26, 2008  
12:00 P.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.

Harry Kim  
*Mayor*



Dixie Kaetsu  
*Managing Director*

Barbara J. Kossow  
*Deputy Managing Director*

## County of Hawai'i

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KONA: 75-5706 Kuakini Highway, Suite 103 • Kailua-Kona, Hawai'i 96740  
(808) 329-5226 • Fax (808) 326-5663

February 25, 2008

The Honorable Marcus Oshiro  
Chair, Committee on Finance  
Honolulu, HI 96813

Dear Chair Oshiro and Committee Members:

Re: HB 2211

The Federal mandate to close all large-capacity cesspools has had a significant impact on the County of Hawai'i. Those closures, along with the need to deal with wastewater in the Kealakehe area of West Hawai'i, have resulted in a major need for capital funds that is difficult for Hawai'i County to meet on its own.

The state has long assisted the counties with wastewater projects through a revolving fund under the Department of Health. However, on this occasion we are informed that all funds have been committed and no further loans are available. Only if the Legislature chooses to increase the revolving fund could this situation be remedied, and if the Legislature did take this step, we believe that Hawai'i County could fulfill all necessary terms and be eligible for loans from the fund. I am aware of the many demands on this legislature for funding this year, and realize that full funding for our needs, along with the needs of other counties, is out of the questions. Nevertheless, I am hopeful that some additional funds can be made available to help us serve out common constituents.

Any assistance you can give us will be appreciated.

Aloha,

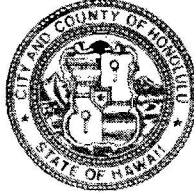
A handwritten signature in black ink, appearing to read "Harry Kim".

Harry Kim  
MAYOR

DEPARTMENT OF ENVIRONMENTAL SERVICES  
**CITY AND COUNTY OF HONOLULU**

1000 ULUOHIA STREET, SUITE 308, KAPOLEI, HAWAII 96707  
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MUFI HANNEMANN  
MAYOR



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 08-75

February 25, 2008

The Honorable Marcus R. Oshiro, Chair  
Committee on Finance  
House of Representatives  
State Capitol, Room 306  
415 South Beretania Street  
Honolulu, Hawaii 96813

Dear Representative Oshiro:

Subject: HB 2211 (HSCR 449-08),  
Making an Appropriation for Wastewater Projects

The Department of Environmental Services, City and County of Honolulu, strongly **supports** HB 2211 (HSCR 449-08) which would appropriate funds to the State of Hawaii Water Pollution Control Revolving Fund for fiscal year 2008-2009.

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. The fiscal year 2009 Federal budget proposes \$550 million nationally to fund the Clean Water State Revolving Fund (Water Pollution Control Revolving Fund), \$134 million below the current federal budget and the lowest level in 20 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.

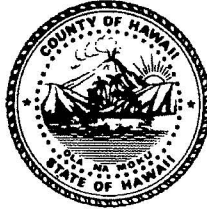
We wish to thank the Committee on Finance for their consideration and support of funding for the Water Pollution Control Revolving Fund, and urge the Committee to pass HB 2211 (HSCR 449-08).

Sincerely,

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

Eric S. Takamura, Ph.D., P.E.  
Director

Harry Kim  
Mayor



Bobby Jean Leithead-Todd  
Director

Nelson Ho  
Deputy Director

**County of Hawai'i**  
**DEPARTMENT OF ENVIRONMENTAL MANAGEMENT**  
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February 25, 2008

The Honorable Marcus R. Oshiro, Chair  
and Members of the Committee on Finance

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

Hearing: Tuesday, February 26, 2008  
Time: 12:00 P.M.  
Place: Conference Room 308  
Agenda #3

**Re: HB 2211 – Making An Appropriation For Wastewater Projects**

Dear Chair Oshiro 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. Our concerns are further exacerbated by proposed cuts by the federal government for future funding.

The EPA mandated closure of all large capacity cesspools throughout the country. 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 has already 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 (additional \$7.2M needed) and Honoka`a (additional \$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. The Na`alehu and Pahala camps were sugar plantation housing that was 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



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

**TO THE HOUSE COMMITTEE  
ON FINANCE**

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

February 26, 2008  
12:00 p.m.

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

**TO THE HONORABLE MARCUS R. OSHIRO, CHAIR, AND MEMBERS OF THE  
COMMITTEE:**

My name is Edward Tschupp, chief of the Wastewater Management Division, Public Works Department, County of Kaua'i (County), testifying in favor of 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. 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.

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

House of Representatives  
Twenty-fourth Legislature  
Regular Session of 2008

COMMITTEE ON FINANCE  
Hearing Agenda #3

Tuesday, February 26, 2008  
12:00 p. m.

Chairperson Oshiro, Vice Chair Lee and Honored Representatives

**Testimony in favor of HB 2211 MAKING AN APPROPRIATION FOR WASTEWATER PROJECTS**

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

On behalf of the Hawai'i County Council, I ask you to pass House Bill 2211. House Bill 2211 appropriates funds for wastewater projects to comply with federal Environmental Protection Agency standards. These funds would replenish the State's revolving fund for wastewater projects. The County of Hawai'i has been informed that all funds in the revolving fund have been committed and no further loans are available until 2010.

County of Hawai'i Environmental Management Director Bobby Jean Leithead Todd has identified urgent needs in the communities of Pahala, Na'alehu, Honoka'a Komohana, Queen Lili'uokalani Village and Kealakehe, all on the island of Hawaii. The wastewater treatment projects for these communities must be completed to comply with federal EPA mandates. The total cost of these projects exceeds \$60.4 million.

We humbly ask that you allocate monies to replenish the State's revolving fund for wastewater projects.

Please pass HB 2211 with an appropriate appropriation.

**FINtestimony**

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**From:** Cyndi Ayonon [cayonon@kauai.gov]  
**Sent:** Tuesday, February 26, 2008 12:01 PM  
**To:** FINtestimony  
**Cc:** Shaylene Carvalho; Mel Rapozo  
**Subject:** 2/26/2008 HB2211 Agenda #3

**LATE**

*House Committee on Finance*

*Subject: SB 2211 Making An Appropriation for Wastewater Projects*

*Date of Hearing: February 26, 2008*

*Time: 12 p.m.*

*Conference Room: 308*

*Dear Chair Oshiro and Members:*

*Thank you for this opportunity to submit testimony in support of <sup>HB</sup>SB 2211 and the testimony that was submitted by Edward Tschupp, Chief of the Wastewater Management Division, Public Works Department, County of Kauai.*

*As the Chair of the Council's Community Assistance Committee, we have experienced concerns relating to the development of affordable housing as they relate to wastewater. The State's water pollution control revolving fund, established pursuant to Section 342D-83, Hawaii Revised Statutes should provide a dedicated source of funds to each county in order to meet compliance with environmental issues and assist the counties in making improvements to their wastewater facilities.*

*Aloha,*

*Shaylene Iseri-Carvalho*

*Councilmember*

*County of Kauai*

*Office of Council Services*

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