



**STATE OF HAWAII**  
**DEPARTMENT OF HEALTH**  
P. O. Box 3378  
Honolulu, HI 96801-3378  
doh.testimony@doh.hawaii.gov

**Testimony in SUPPORT of HB1723**  
**RELATING TO CESSPOOLS**

REPRESENTATIVE NICOLE E. LOWEN, CHAIR  
HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

Hearing Date: 2/11/2020

Room Number: CR 325

1 **Fiscal Implications:** None.

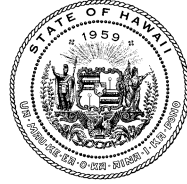
2 **Department Testimony:** The Department of Health (Department) supports this measure with  
3 comments. Cesspools are a major source of pollution to Hawaii's waters. There are  
4 approximately 88,000 cesspools in the State, discharging approximately 53 million gallons of  
5 untreated sewage into the groundwater every day. There is an urgent need to protect the public  
6 health and environment with cesspool upgrades as soon as feasible. These upgrades can be to  
7 sewer or individual wastewater systems that comply with the Department's Chapter 11-62,  
8 Hawaii Administrative Rules.

9 The cost of upgrades will be high, averaging \$20,000 to \$30,000. The Department is open to  
10 various forms of financial support for homeowners who upgrade. This measure appears to  
11 extend the income tax credit program for another five years, but as written, it appears to limit the  
12 income tax credit to large capacity cesspools and cesspools certified by a county or private sewer  
13 company to be appropriate for connection to its existing sewer system. The Department  
14 recommends amending the measure to include all cesspools in the State of Hawaii as qualified  
15 cesspools, if that was the intent of the bill.

16 **Offered Amendments:** Revise the measure to include all cesspools in the State of Hawaii as  
17 qualified cesspools that would be eligible for the income tax credit.

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

**DAVID Y. IGE**  
GOVERNOR  
**JOSH GREEN M.D.**  
LT. GOVERNOR



**RONA M. SUZUKI**  
DIRECTOR OF TAXATION  
**DAMIEN A. ELEFANTE**  
DEPUTY DIRECTOR

STATE OF HAWAII  
**DEPARTMENT OF TAXATION**  
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To: The Honorable Nicole E. Lowen, Chair;  
The Honorable Tina Wildberger, Vice Chair;  
and Members of the House Committee on Energy & Environmental Protection

From: Rona M. Suzuki, Director  
Department of Taxation

Re: **H.B. 1723, Relating to Cesspools**  
Date: Tuesday, February 11, 2020  
Time: 9:15 A.M.  
Place: Conference Room 325, State Capitol

The Department of Taxation (Department) appreciates the intent of this measure and provides the following comments regarding H.B. 1723.

H.B. 1723 extends the repeal date of the tax credit for the upgrade, conversion, or connection of a qualified cesspool to a sewer system until December 31, 2025, and eliminates the geographical limitations for qualified cesspools. The measure is effective upon approval

The Department is able to administer this measure with its current effective date.

Thank you for the opportunity to provide comments.

**COUNTY COUNCIL**

Arryl Kaneshiro, Chair  
Ross Kagawa, Vice Chair  
Arthur Brun  
Mason K. Chock  
Felicia Cowden  
Luke A. Evslin  
KipuKai Kualii



**OFFICE OF THE COUNTY CLERK**

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**Council Services Division**  
4396 Rice Street, Suite 209  
Lihu'e, Kaua'i, Hawai'i 96766

February 06, 2020

**TESTIMONY OF ROSS KAGAWA**  
**VICE CHAIR, KAUAI COUNTY COUNCIL**  
**ON**  
**HB 1723, RELATING TO CESSPOOLS**  
House Committee on Energy & Environmental Protection  
Tuesday, February 11, 2020  
9:15 a.m.  
Conference Room 325

Dear Chair Lowen and Members of the Committee:

Thank you for this opportunity to provide testimony in support of HB 1723, Relating to Cesspools. My testimony is submitted in my individual capacity as Vice Chair of the Kaua'i County Council and as Vice President of the Hawai'i State Association of Counties (HSAC).

HB 1723 is included in the 2020 HSAC Legislative Package. The purpose of HB 1723 is to extend the tax credits for cesspool upgrades, conversion, or connection to a sewer system for cesspools that are located more than 500 feet of a shoreline, perennial stream, or wetland, or a source of a water assessment area, that is shown to impact drinking water supplies or recreational waters, or are large capacity cesspools. HB 1723 is essential to meet the goal of Act 125 (2017), which requires every cesspool in Hawai'i to be upgraded or converted to a septic system or aerobic treatment system, or connected to a sewerage system, by January 1, 2050.

Thank you again for this opportunity to provide testimony in support of HB 1723. Should you have any questions, please feel free to contact me or Council Services Staff at (808) 241-4188.

Sincerely,

ROSS KAGAWA  
Council Vice Chair, Kaua'i County Council

AMK:mn

**COUNTY COUNCIL**

Arryl Kaneshiro, Chair  
Ross Kagawa, Vice Chair  
Arthur Brun  
Mason K. Chock  
Felicia Cowden  
Luke A. Evslin  
KipuKai Kualii



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**Council Services Division**  
4396 Rice Street, Suite 209  
Lihu'e, Kaua'i, Hawai'i 96766

February 6, 2020

**TESTIMONY OF KIPUKAI KUALII**  
**COUNCILMEMBER, KAUAI COUNTY COUNCIL**  
**ON**  
**HB 1723, RELATING TO CESSPOOLS**  
House Committee on Energy & Environmental Protection  
Tuesday, February 11, 2020  
9:15 a.m.  
Conference Room 325

Dear Chair Lowen and Members of the Committee:

Thank you for this opportunity to provide testimony in support of HB 1723, Relating to Cesspools. My testimony is submitted in my individual capacity as a Member of the Kaua'i County Council.

HB 1723, Relating to Cesspools, is a measure included in the Hawai'i State Association of Counties Legislative Package. Extending the tax credit for upgrading, converting, or connecting cesspools to a sewer system, as well as eliminating the geographic limitations is a huge incentive for encouraging cesspool conversions.

Thank you again for this opportunity to provide testimony in support of HB 1723. Should you have any questions, please feel free to contact me or Council Services Staff at (808) 241-4188.

Sincerely,

A handwritten signature in cursive script that reads 'KipuKai Kualii'.

**KIPUKAI KUALII**  
Councilmember, Kaua'i County Council

AMK:lc

**COUNTY COUNCIL**

Arryl Kaneshiro, Chair  
Ross Kagawa, Vice Chair  
Arthur Brun  
Mason K. Chock  
Felicia Cowden  
Luke A. Evslin  
KipuKai Kualii



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**Council Services Division**  
4396 Rice Street, Suite 209  
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February 7, 2020

**TESTIMONY OF FELICIA COWDEN**  
**COUNCILMEMBER, KAUAI COUNTY COUNCIL**  
**ON**  
**HB 1723, RELATING TO CESSPOOLS**  
House Committee on Energy & Environmental Protection  
Tuesday, February 11, 2020  
9:15 a.m.  
Conference Room 325

Dear Chair Lowen and Members of the Committee:

Thank you for this opportunity to provide testimony in support of HB 1723, Relating to Cesspools. My testimony is submitted in my individual capacity as a Member of the Kaua'i County Council.

HB 1723, Relating to Cesspools, is a measure included in the Hawai'i State Association of Counties Legislative Package. Extending the tax credit for upgrading, converting, or connecting cesspools to a sewer system, as well as eliminating the geographic limitations is a huge incentive for more conversions of cesspools to occur.

Thank you again for this opportunity to provide testimony in support of HB 1723. Should you have any questions, please feel free to contact me or Council Services Staff at (808) 241-4188.

Sincerely,

FELICIA COWDEN  
Councilmember, Kaua'i County Council

AMK:lc

Council Chair  
Alice L. Lee

Vice-Chair  
Keani N.W. Rawlins-Fernandez

Presiding Officer Pro Tempore  
Tasha Kama

Councilmembers  
Riki Hokama  
Kelly Takaya King  
Michael J. Molina  
Tamara Paltin  
Shane M. Sinenci  
Yuki Lei K. Sugimura



Director of Council Services  
Traci N. T. Fujita, Esq.

**COUNTY COUNCIL**  
COUNTY OF MAUI  
200 S. HIGH STREET  
WAILUKU, MAUI, HAWAII 96793  
[www.MauiCounty.us](http://www.MauiCounty.us)

February 7, 2020

TO: The Honorable Nicole E. Lowen, Chair  
The Honorable Tina Wildberger, Vice Chair  
House Committee on Energy & Environment

FROM: Kelly Takaya King  
Councilmember

SUBJECT: **HEARING OF FEBRUARY 11, 2020; TESTIMONY IN SUPPORT OF HB 1723, RELATING TO CESSPOOLS**

Thank you for the opportunity to testify in **support** of this important measure. The purpose of this measure is to extend tax credits for the upgrade, conversion, or connection of a qualified cesspool to a sewer system, and eliminate the geographical limitations for qualified cesspools.

**This measure is in the Hawaii State Association of Counties Legislative Package.** I offer this testimony in my capacity as an individual member of the Maui County Council.

I support this measure for the following reasons:

1. In 2005, the EPA banned large-capacity cesspools under the Safe Drinking Water Act. The Legislature found in 2015 when enacting Act 120, that cesspools are holes in the ground that contaminate groundwater, drinking water sources, streams, and the ocean, by releasing millions of gallons of untreated sewage into the ground every day.
2. In 2017, the legislature enacted Act 125, requiring every cesspool on Hawaii, by January 1, 2050, to be upgraded or converted to a septic system or aerobic treatment system, or connected to a sewage system.
3. We need to extend the tax credits for all cesspool upgrades, conversions, or connections to a sewer system to not just those cesspools located more than 500 feet of a shoreline, perennial stream, or wetland. This will help tremendously to meeting the goal of Act 125 to protect our waters.

For the foregoing reasons, I **support** this measure



Email: [communications@ulupono.com](mailto:communications@ulupono.com)

HOUSE COMMITTEE ON ENERGY AND ENVIRONMENTAL PROTECTION  
Tuesday, February 11, 2020 — 9:15 a.m. — Room 325

**Ulupono Initiative supports HB 1723, Relating to Cesspools.**

Dear Chair Lowen and Members of the Committee:

My name is Amy Hennessey, and I am the Senior Vice President of Communications & External Affairs at Ulupono Initiative. We are a Hawai'i-based impact investment firm that strives to improve our community's quality of life by creating more locally produced food; increasing affordable clean renewable energy and transportation options; and better managing waste and fresh water resources.

**Ulupono supports HB 1723**, which extends tax credits for the upgrade, conversion, or connection of a qualified cesspool to a sewer system, and eliminates the geographical limitations for qualified cesspools.

Ulupono supports statewide cesspool conversion supporting a more sustainable and environmentally sound approach to waste management. Hawai'i has over 88,000 cesspools island wide that discharge more than 53 million gallons of untreated sewage into the State's waters each day. This poses a major health and environmental risk to our drinking water, groundwater, streams, and shore waters. Allowing for local families to take advantage of a tax credit to initiate cesspool conversion is extremely important for a clean and resilient Hawai'i.

Thank you for this opportunity to testify.

Respectfully,

Amy Hennessey, APR  
Senior Vice President, Communications & External Affairs

*Investing in a Sustainable Hawai'i*



February 9, 2020

To: The Honorable Nicole E. Lowen, Chair,  
The Honorable Tina Wildberger, Vice Chair, and Members of the HOUSE  
COMMITTEE ON ENERGY AND ENVIRONMENTAL PROTECTION

Re: **HB 1723– relating to cesspools (tax credits)**

Hearing: Tuesday, February 11, 2020, 9:15 a.m. Room 325

Position: **Comment: Support in Part / Oppose in Part**

Aloha, Chair Lowen, Vice Chair Wildberger, and Members of the Committee,

The HAWAI'I REEF AND OCEAN COALITION – HIROC – was formed in 2017 by coral reef scientists, educators, local Hawaii environmental organizations, elected officials, and others to address a crisis facing Hawaii's coral reefs and ocean – namely, the pollution of our near-shore environment by sunscreens that are literally killing our marine life. We are currently asking the Legislature to pass a handful of very important bills to save our coral reefs – they are bills relating to sunscreens, plus bills on cesspools, plastic marine debris, the climate crisis and sea level rise.

HIROC strongly supports the extension of the tax credit for cesspool upgrades through 2025. It is in the public interest to provide tax credits to encourage cesspool upgrades.

HIROC strongly opposes the bill's other provision, limiting the qualification for the tax credit to large capacity cesspools and cesspools replaced by sewer connections. Currently, cesspools located within 500 feet of waters or near drinking water sources also qualify for the credit. They are among the most important cesspools to replace soon because they may have the greatest impact on waters, so eliminating the tax credit for such cesspools would be a big step backwards in protecting the environment and human health. Please pass an amended bill that continues the tax credit through 2025 but continues to allow tax credits for cesspools located within 500 feet of waters or near drinking water sources. Mahalo!



Hawaii needs to address its worsening problem of sewage pollution running off into drinking waters and nearshore waters. Please pass this bill, **with amendments**, to help address this problem. Thank you for the opportunity to testify!

Alan B. Burdick, for HIROC  
[Burdick808@gmail.com](mailto:Burdick808@gmail.com) 486-1018



**MAUI**  
CHAMBER OF COMMERCE  
VOICE OF BUSINESS

**LATE**

**HEARING BEFORE THE HOUSE COMMITTEE ON  
ENERGY & ENVIRONMENTAL PROTECTION  
HAWAII STATE CAPITOL, HOUSE CONFERENCE ROOM 325  
TUESDAY, FEBRUARY 11, 2020 AT 9:15 A.M.**

To The Honorable Nicole E. Lowen, Chair;  
The Honorable Tina Wildberger, Vice Chair; and  
Members of the Committee on Energy & Environmental Protection;

**TESTIMONY IN SUPPORT OF HB1723 RELATING TO CESSPOOLS**

Aloha, my name is Pamela Tumpap and I am the President of the Maui Chamber of Commerce, with approximately 650 members. I am writing share our support of HB1723.

There are significant challenges in our community with cesspools as they are an environmental hazard, but also very costly to convert. We support this bill to grant a tax credit extension and expansion as we want to help offset the costs and encourage residents to convert their cesspools.

We appreciate the opportunity to testify on this matter and ask that this bill be passed.

Sincerely,

*Pamela Tumpap*

Pamela Tumpap  
President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.



**WAI** WASTEWATER  
ALTERNATIVES AND  
INNOVATIONS

Feb. 10, 2020

**LATE**

In Support of **HB1723** Relating to Cesspools  
House Committee on Energy & Environmental Protection (EEP)  
Tue., Feb. 11, 9:15am, Room 325

Aloha, Chair Lowen, Vice Chair Wildberger and Members of the Committee:

On behalf of the non-profit WAI: Wastewater Alternatives & Innovations, I am writing in **support of HB1723**, which would extend tax credits for the upgrade or conversion of cesspools or connection to a sewer line. This is an important economic incentive because many homeowners can't afford the conversions or won't do them without funding to help pay for the costs. Unfortunately, not many property owners have taken advantage of the existing tax credit; so eliminating the requirements for the cesspools (within 500' of a stream or surface water) may increase their being used more.

I serve on the Cesspool Conversion Working Group, and this bill would help us fund better and more affordable solutions to our serious wastewater management problem. Hawaii has more than 88,000 cesspools across the state, and these substandard systems discharge 53 million gallons of raw sewage each day into Hawaii's waters. That's like a massive sewage spill every day! Although most of us don't see the effects, this sewage pollution poses serious risks to water quality, human health and the resilience of our coral reefs.

WAI: Wastewater Alternatives & Innovations is dedicated to protecting our waters and near-shore ecosystems by reducing sewage pollution from cesspools and failing septic systems. Our goal is to help communities and homeowners find more innovative, affordable and eco-friendly solutions to wastewater management. Better sanitation systems reduce sewage pollution and makes properties more valuable, while also protecting our groundwater, streams and the health of our coral reefs and coastal areas.

This bill will help encourage homeowners to upgrade their cesspools. But like the solar tax credits, I would suggest amending the bill so that wastewater companies can pool the tax credits so they can help homeowners with the process. The mandate to convert all cesspools is 2050, but with 30-year mortgages, we need to start funding and testing new solutions now, especially in Priority 1 areas like Kahalu'u and Upcountry Maui and other Priority 2 & 3 zones. This bill will provide critical funding for low- and moderate-income families, and it will also provide information for the Cesspool Conversion Working Group to help us in selecting the best new sanitation technologies for the state.

Mahalo for your leadership on this issue and consideration of this bill. Please let me know if you have any questions or concerns.

Aloha,  
**Stuart Coleman**  
Stuart H. Coleman

WAI: Wastewater Alternatives & Innovations \* 2927 Hibiscus Pl. \* Honolulu, HI 96815  
808-381-6220 \* [stuart@waicleanwater.org](mailto:stuart@waicleanwater.org) \* [www.WaiCleanWater.org](http://www.WaiCleanWater.org)

**HB-1723**

Submitted on: 2/8/2020 12:52:59 PM

Testimony for EEP on 2/11/2020 9:15:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Andrea Quinn	Individual	Support	No

Comments:

Dear Honorable Committee Members:

Please support HB1723 to protect Hawaii's fragile marine ecosystem.

Thank you for the opportunity to present my testimony.

Andrea Quinn

Kihei



**HUMAN ENVIRONMENTAL IMPACTS COMMITTEE  
ENVIRONMENTAL CAUCUS**

Tuesday, February 11, 2020

**LATE**

**House Bill 1723  
Testifying in STRONG SUPPORT**

Aloha Chair Lowen, Vice Chair Wildberger, and Members of the Committee on Energy & Environmental Protection:

The Human Environmental Impacts Committee, Environmental Caucus of the Democratic Party of Hawai`i, stands in **STRONG SUPPORT** of HB1723. This measure extends the tax credits for the upgrade, conversion, or connection of a qualified cesspool to a sewer system from December 31, 2020 to December 31, 2025, and eliminates the geographical limitation for qualified cesspools.

This measure is reasonable and justifiable considering the 88,000 existing cesspools within the State of Hawai`i making Hawai`i the number one state in the nation with the greatest number of cesspools per capita than any other state in the Union. This measure is necessary to assist in meeting the legally mandated cesspool conversion requirement by 2050.

In May 5, 2018, at the O`ahu County Democrats Convention, out of dire concern for the continuous environmental damage and immediate future risk to the environment, to human life, and to wildlife and marine life, as already witnessed by the environmental demise of Kane`ohe Bay, and illnesses and sores suffered by individuals who live, swim, play, fish, pick limu, and boat in Kane`ohe Bay through staphylococcus aureus and other bacterial skin infections, and MRSA, the Methicillin-resistant Staphylococcus aureus (resistant to many antibiotics); and in Upcountry Maui, where its drinking water aquifer is at-risk of fecal coliform bacteria contamination from human sewage, the following OCC Resolution was adopted:

**OC 2018-5. Urging Cesspool Abatement Measures**

Whereas, Thousands of cesspools throughout the islands are threatening drinking water supplies, coral reefs and the health of the people who swim, surf, and consume the marine life in popular places; and

Whereas, This is a serious public safety issue, environmental problem and economic danger that is exacerbated by the effects of climate change; and

Whereas, The impact to coral reefs affects the state's economy, shoreline protection, recreation and habitat for important marine life; and

Whereas, Coral reefs around the state, including Kahalu'u Lagoon and Diamond Head on O'ahu, are threatened as cesspools overload nearby waters with nutrients - nitrogen and phosphorous - that cause algae to smother new growth; and

Whereas, The State Department of Health estimates \$1.75 billion is needed to replace all 88,000 cesspools around Hawai'i, with upgrades required urgently for about half of them; and

Whereas, Approximately 53 million gallons of raw sewage are being discharged each day into cesspools which are basically holes in the ground for wastewater; and

Whereas, One of highest priority area is in upcountry Maui, where 7,400 cesspools have caused nitrate levels in well water to spike dangerously close to safe-drinking limits; and

Whereas, The other area of the highest priority is in Kahalu'u, on the east side of O'ahu, where there have been incidents of skin infections consistent with sewage-contaminated surface water; and

Whereas, The risk of disease is expected to increase as cesspools deteriorate and become more prone to flooding as sea level rises and storms intensify as a result of Climate Change; and

Whereas, Hawai'i depends on wells for more than 90 percent of its drinking water and the vast majority of homes are near the ocean subject to sea level and water table rise causing an increase in wastewater contamination on healthy sources; and

Whereas, Both cesspools and septic tank upgrades still allow for effluent to leach into the ground into groundwater and into the ocean; and

Whereas, Connecting to local wastewater systems is best; and

Whereas, All cesspools are banned by 2050; now, therefore, be it

*Resolved*, That the O'ahu County Democrats of the Democratic Party of Hawai'i urge the Hawai'i State Legislature, in collaboration with the County of Honolulu, to seek cesspools abatement measures such as connecting to the local wastewater systems to totally eliminate the problem of leaching, coral damage, and wastewater contamination; and be it

*Ordered*, That copies of this resolution be transmitted to the members of the Hawai'i Congressional Delegation, the Governor of the State of Hawai'i, the Lt. Governor of the State of Hawai'i, Hawai'i Legislators who are members of the Democratic Party; the Mayor of the City

and County of Honolulu; and Members of the City Council of the County of Honolulu, and the 2018 convention resolutions committee of the Democratic Party of Hawai'i.

For these reasons, the Human Environmental Impacts Committee of the Environmental Caucus, Democratic Party of Hawai'i, supports the passage of this measure to extend the tax credits for upgrading, converting, or connecting of a qualified cesspool to a sewer system from December 31, 2020 to December 31, 2025, and eliminates the geographical limitation for qualified cesspools.

Mahalo for the opportunity to testify,

/s/ Melodie Aduja

Chair, Human Environmental Impacts Committee  
Environmental Caucus  
Democratic Party of Hawai'i