



**STATE OF HAWAII**  
**DEPARTMENT OF HEALTH**  
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**Testimony in SUPPORT of HB2151 HD1  
RELATING TO CESSPOOL CONVERSION**

REPRESENTATIVE SYLVIA LUKE, CHAIR  
HOUSE COMMITTEE ON FINANCE

Hearing Date: 2/24/2020

Room Number: CR 308

1 **Fiscal Implications:** This measure may impact the priorities identified in the Governor's  
2 Executive Budget Request for the Department of Health's (Department) appropriations and  
3 personnel priorities. The Department would need resources to establish the pilot grant program.

4 **Department Testimony:** The Department supports the measure which involves providing  
5 grants to assist low- and moderate- income property owners with converting their failing  
6 cesspools. Act 132, Session Laws of Hawaii (SLH) 2018 established a Cesspool Conversion  
7 Working Group (CCWG) tha is administered by the Department, to develop a long-range,  
8 comprehensive plan for cesspool conversion statewide of all cesspools by 2050. Identifying  
9 solutions for providing financial assistance to low- and moderate- income property owners is an  
10 important aspect of the plan. The development of a pilot grant program would support the work  
11 of the CCWG and could be a potential solution for providing financial assistance to homeowners  
12 that do not have the resources to upgrade their cesspools.

13 **Offered Amendments:** None.

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

DAVID Y. IGE  
GOVERNOR

JOSH GREEN M.D.  
LT. GOVERNOR



STATE OF HAWAII  
**DEPARTMENT OF TAXATION**  
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RONA M. SUZUKI  
DIRECTOR OF TAXATION

DAMIEN A. ELEFANTE  
DEPUTY DIRECTOR

To: The Honorable Sylvia Luke, Chair;  
The Honorable Ty J.K. Cullen, Vice Chair;  
and Members of the House Committee on Finance

From: Rona M. Suzuki, Director  
Department of Taxation

Re: **H.B. 2151, H.D. 1, Relating to Cesspool Conversion**

Date: Monday, February 24, 2020

Time: 1:00 P.M.

Place: Conference Room 308, State Capitol

The Department of Taxation (Department) appreciates the intent of H.B. 2151, H.D. 1, and provides the following comments.

H.B. 2151, H.D. 1, establishes a cesspool conversion pilot grant project to assist low and moderate-income property owners with the costs of upgrading or converting a cesspool identified by the Department of Health (DOH) as failing. H.B. 2151, H.D. 1, has a defective effective date of July 1, 2050.

The bill provides grants to taxpayers below an unspecified amount of Hawaii adjusted gross income. Due to confidentiality provisions, the Department is unable to provide the DOH with any tax information without express legal authority or the authorization of the taxpayer. The Department suggests inserting a provision into the measure requiring the taxpayer to consent to disclosure of tax information to DOH in order to participate in the grant program.

The Department also notes that Hawaii adjusted gross income may not necessarily be the best indicator of need. Hawaii does not tax certain sources of income, including Social Security and pension income where the taxpayer did not contribute to the pension costs. If the income thresholds are intended to measure the taxpayer's actual income status, the Department **suggests using federal adjusted gross income**. In addition, the Department **suggests specifying which year(s) tax returns be used to verify that the income requirements are met**. For example, subsection (c) could specify that the income will be verified on the tax return of the most recent taxable year that is closed.

Thank you for the opportunity to provide comments.

Harry Kim  
Mayor



Roy Takemoto  
Managing Director

Barbara J. Kossow  
Deputy Managing Director

## County of Hawai'i Office of the Mayor

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February 21, 2020

Representative Sylvia Luke, Chair  
Representative Ty J.K. Cullen, Vice Chair  
Committee on Finance

Dear Chair Luke, Vice Chair Cullen, and Committee Members:

**RE: HB 2151, HD1 Relating to Cesspool Conversion**

Cesspool conversion is going to be an enormous problem, and I thank this Legislature for recognizing and addressing an issue that might otherwise be ignored until the 2050 deadline for conversion is much closer.

I urge as much funding and assistance as can be made available for the numerous property owners who will find conversion to be unaffordable. Having said that, however, it is not clear to me that the focus can only be on cesspools identified as "failing." For one thing, "failing" is not defined; is it the intention to leave it to the Department of Health to define the word in its rules? Second, while I can understand that a failing cesspool should have a high priority for action, does HB 2151, HD1 create an incentive to allow one's cesspool to fall into disrepair so that it will be eligible for a grant?

It would seem that a broad program is called for, but perhaps it can be made up of "subprograms" such as the one called for in HB 2151, HD1.

Again, thank you for searching for solutions.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Harry Kim".

Harry Kim  
MAYOR



# Environmental Caucus of The Democratic Party of Hawai'i

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Monday, February 24, 2020

House Bill 2151, HD 1  
Testifying in Strong Support

Aloha Chair Luke; Vice Chair Cullen; and Members of the Committee on Finance:

The Environmental Caucus of the Democratic Party of Hawaii stands in **STRONG SUPPORT** of HB 2151, HD 1. This measure establishes a cesspool compliance pilot grant project to assist low- and moderate-income property owners with the costs of upgrading or converting a cesspool identified as failing by the Department of Health; and appropriates funds.

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, we urge you to vote favorably on this bill which establishes a cesspool compliance pilot grant project to assist low- and moderate-income property owners with the costs of upgrading or converting a cesspool identified as failing by the Department of Health; and appropriates funds.

Mahalo for the opportunity to testify,

/s/ Melodie Aduja

Environmental Caucus  
Democratic Party of Hawai`i



February 23, 2020

To: The Honorable Sylvia Luke, Chair,  
The Honorable Ty J.K. Cullen, Vice Chair, and Members  
House Committee on Finance

Re: **HB 2151, HD1– relating to cesspools (pilot program for conversions)**  
Hearing: Monday, February 24, 2020, 1:00 p.m. Room 308  
Position: **Strong Support**

Aloha, Chair Luke, Vice Chair Cullen, 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 funding of a pilot program for grants to assist low and moderate income property owners with cesspools found to be failing in upgrading their cesspools.

Hawaii needs to address its worsening problem of sewage pollution running off into drinking waters and nearshore waters. Please restore a reasonable sum for an appropriation plus an early effective date, and pass this bill. Thank you for the opportunity to testify.

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

**HB-2151-HD-1**

Submitted on: 2/23/2020 2:30:18 PM

Testimony for FIN on 2/24/2020 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Alexandra Kahn	Surfrider Oahu	Support	No

Comments:



**HB-2151-HD-1**

Submitted on: 2/23/2020 2:31:34 PM

Testimony for FIN on 2/24/2020 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Marvin Heskett	Individual	Support	No

Comments:

Aloha,

Please support this important bill to help improve and protect our coastal water quality.

Thank You,

Marvin Heskett



**LATE**

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

HOUSE COMMITTEE ON FINANCE  
Monday, February 24, 2020 — 1:00 p.m. — Room 308

**Ulupono Initiative supports HB 2151 HD 1, Relating to Cesspool Conversion.**

Dear Chair Luke 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 2151 HD 1**, which establishes a cesspool conversion pilot project to assist low- and moderate-income property owners with the costs of upgrading or converting a cesspool that has been identified by the Department of Health as failing.

Ulupono supports statewide cesspool conversion working toward a more sustainable and environmentally-sound approach to waste management. Hawai'i has over 88,000 cesspools statewide that discharge more than 53 million gallons of untreated sewage into the State's waters each day. This poses major health and environmental risks to our drinking water, groundwater, streams, and shore waters. Allowing for low- to moderate-income families to take advantage of a grant program 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*



**WAI** WASTEWATER  
ALTERNATIVES AND  
INNOVATIONS

**LATE**

Feb. 24, 2020

In Support of **HB2151 HD1** Relating to Environmental Protection  
House Committees on Finance (FIN))  
Feb. 24, 1:00pm, Room 308

Aloha, Chair Luke, Vice Chair Cullen and Members of the Finance Committee:

On behalf of the non-profit WAI: Wastewater Alternatives & Innovations, I am writing in **strong support of HB2151 HD1**, which would establish a pilot grant project to assist low- and moderate-income property owners with the costs of upgrading or converting their cesspools. This is an important equity issue because many homeowners in high-priority areas will not be able to afford the conversions.

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 DOH to help fund pilot projects that can demonstrate multiple strategies for upgrading cesspools. These strategies can include more traditional like ATU's (Aerobic Treatment Units), while also testing new technology like the Gates Foundation's Reinvented Toilets. These and other innovative circular systems separate liquids and solids, burn the solids as fuel and then pasteurize the water, producing pathogen-free biochar and clean, recycled water.

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. With cesspool conversions averaging at least \$20,000 each, this bill will provide critical funding for low- and moderate-income families. 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

WAI: Wastewater Alternatives & Innovations \* 2927 Hibiscus Pl. \* Honolulu, HI 96815  
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**WAI** WASTEWATER  
ALTERNATIVES AND  
INNOVATIONS

Stuart H. Coleman