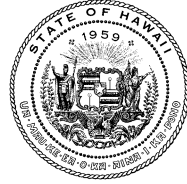


DAVID Y. IGE
GOVERNOR
JOSH GREEN M.D.
LT. GOVERNOR



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

STATE OF HAWAII
DEPARTMENT OF TAXATION
P.O. BOX 259
HONOLULU, HAWAII 96809
PHONE NO: (808) 587-1540
FAX NO: (808) 587-1560

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. 2151, Relating to Cesspool Conversion**

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 H.B. 2151 and provides the following comments.

H.B. 2151 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. The measure is effective on July 1, 2020.

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.



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

Testimony in SUPPORT of HB2151
RELATING TO CESSPOOL CONVERSION

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

Hearing Date: 2/11/2020

Room Number: CR 325

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 with comments. The
5 Department supports the general concept of providing grants to homeowners for cesspool
6 conversions, but does not have the resources to issue grants to the general public. It would
7 probably be more efficient if the grant program was developed and implemented by a consultant
8 or non-profit agency through a contract with the Department. The measure should be amended
9 to provide flexibility for the Department to hire a contractor to establish and implement the pilot
10 grant program. In addition, funding should also be provided to fund the work of the contractor to
11 establish and implement the program.

12 **Offered Amendments:** Amend measure to allow the Department to hire a contractor to
13 establish and implement the pilot grant program. Funding also should be provided to pay for the
14 contractor's service.

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

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

Jade K. Fountain-Tanigawa, County Clerk
Scott K. Sato, Deputy County Clerk

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E-mail: cokcouncil@kauai.gov

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 2151, RELATING TO CESSPOOL CONVERSION
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 2151, Relating to Cesspool Conversion. My testimony is submitted in my individual capacity as a Member of the Kaua'i County Council.

I support the pilot grant project to assist low- and moderate-income property owners with the costs of upgrading or converting a cesspool. Many of these property owners do not have the fiscal ability to convert a cesspool, and providing financial assistance, such as proposed in HB 2151, is the right step towards protecting Hawai'i's environment and fragile ecosystems.

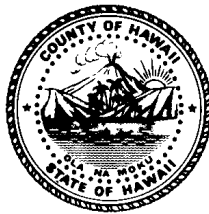
Thank you again for this opportunity to provide testimony in support of HB 2151. Should you have any questions, please feel free to contact me or Council Services Staff at (808) 241-4188.

Sincerely,

KIPUKAI KUALII
Councilmember, Kaua'i County Council

AMK:mn

REBECCA VILLEGAS
Council Member
District 7, Central Kona



PHONE: (808) 323-4267
FAX: (808) 323-4786
EMAIL: Rebecca.villegas@hawaiicounty.gov

HAWAI'I COUNTY COUNCIL

*West Hawai'i Civic Center, Bldg. A
74-5044 Ane Keohokalole Hwy.
Kailua-Kona, Hawai'i 96740*

February 6, 2020

TESTIMONY OF REBECCA VILLEGAS
COUNCIL MEMBER, HAWAI'I COUNTY COUNCIL
ON HB 2151, RELATING TO CESSPOOL CONVERSION
Committee on Energy & Environmental Protection
Tuesday, February 11, 2020
9:15 a.m.
Conference Room 325


Aloha Chair Lowen, and Members of the Committee:

I thank you for the opportunity to testify in support of HB 2151, relating to cesspool conversion. My testimony is submitted in my individual capacity as a member of the Hawai'i County Council and the Chair of the Hawai'i County Council Public Safety Committee.

The purpose of this measure is to assist low and moderate income property owners with converting their failing cesspools to more environmentally appropriate systems by creating a pilot grant project to assist with conversion costs. Failing cesspools are contaminating the State's groundwater, streams, and coastal ecosystems. There are approximately 43,000 cesspools that are categorized at level 1, 2, or 3. The requirement to upgrade or convert a cesspool imposes a financial burden to low and moderate income families. Creating a pilot grant program to assist these specific families will assist with the State's goal to convert all cesspools by 2050. Without this pilot grant program many families will not be able to afford to convert their systems or it will cause drastic financial harm to them. By assisting with expenses related to the costs of cesspool conversion we will be able to protect our environment and provide further protection to public health.

For the reasons stated above I urge the Committee on Energy & Environmental Protection to support this measure as well. Should you have any questions, please feel free to contact me at (808) 323-4267.

Mahalo for your consideration.


Rebecca Villegas
Council Member, Hawai'i County Council

Hawai'i County is an Equal Opportunity Provider and Employer.

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

Jade K. Fountain-Tanigawa, County Clerk
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Council Services Division
4396 Rice Street, Suite 209
Lihu'e, Kaua'i, Hawai'i 96766

February 7, 2020

TESTIMONY OF FELICIA COWDEN
COUNCILMEMBER, KAUAI COUNTY COUNCIL
ON
HB 2151, RELATING TO CESSPOOL CONVERSION
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 2151, Relating to Cesspool Conversion. My testimony is submitted in my individual capacity as a Member of the Kaua'i County Council.

I support the pilot grant project to assist low- and moderate-income property owners with the costs of upgrading or converting a cesspool, which is an obstacle for families already struggling to afford daily necessities. HB 2151 will provide these families the opportunity to help protect Hawai'i's environment.

Thank you again for this opportunity to provide testimony in support of HB 2151. 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



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 2151– relating to cesspools (pilot program for conversions)**

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

Position: **Strong Support**

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 funding of a demonstration 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 pass this bill to help address this problem. Thank you for the opportunity to testify!

Alan B. Burdick, for HIROC
Burdick808@gmail.com 486-1018

HB-2151

Submitted on: 2/9/2020 2:16:50 PM

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

Submitted By	Organization	Testifier Position	Present at Hearing
Lisa Bishop	Friends of Hanauma Bay	Support	No

Comments:



Email: communications@ulupono.com

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

Ulupono Initiative supports HB 2151, Relating to Cesspool Conversion.

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 2151, which establishes a cesspool conversion pilot project to assist low- and moderate-income property owners with the costs of upgrading or converting a cesspool, for those cesspools identified by the Department of Health as failing.

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 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



MAUI
CHAMBER OF COMMERCE
VOICE OF BUSINESS

**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;

LATE

TESTIMONY IN SUPPORT OF HB2151 RELATING TO CESSPOOL CONVERSION

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 HB2151.

According to the State Department of Health, there are approximately 88,000 cesspools in Hawaii, with over 12,000 on Maui. Many of these cesspools pose a risk to our water resources and need to be converted to sewer or septic systems. However, it is expensive to convert a cesspool and cost may deter some residents from completing this needed process. Therefore, we appreciate and support the bill to provide a grant project to assist low- and moderate-income property owners in upgrading or converting their cesspool.

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

LATE

Feb. 10, 2020

In Support of **HB2151** Relating to Cesspool Conversion
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 **strong support of HB2151**, 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. 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

WAI: Wastewater Alternatives & Innovations * 2927 Hibiscus Pl. * Honolulu, HI 96815
808-381-6220 * stuart@waicleanwater.org * www.WaiCleanWater.org



WAI WASTEWATER
ALTERNATIVES AND
INNOVATIONS

Stuart H. Coleman



**HUMAN ENVIRONMENTAL IMPACTS COMMITTEE
ENVIRONMENTAL CAUCUS**

Tuesday, February 11, 2020

LATE

**House Bill 2151
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 HB2151. This measure establishes a cesspool conversion grant program to assist low- and moderate-income property owners with the costs of upgrading or converting cesspools identified as failing by the Department of Health. This measure appropriates \$750,000 for fiscal year 2020-2021 for this purpose.

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 establish a cesspool conversion grant program to assist low- and moderate-income property owners with the costs of upgrading or converting cesspools identified as failing by the Department of Health and appropriate \$750,000 for fiscal year 2020-2021 for this purpose.

Mahalo for the opportunity to testify,

/s/ Melodie Aduja

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

HB-2151

Submitted on: 2/8/2020 12:51:56 PM

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

Submitted By	Organization	Testifier Position	Present at Hearing
Andrea Quinn	Individual	Support	No

Comments:

Dear Honorable Committee Members:

Please support HB2151 to protect Hawaii's fragile marine ecosystem.

Thank you for the opportunity to present my testimony.

Andrea Quinn

Kihei