

STATE OF HAWAII  
DEPARTMENT OF HEALTH  
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In reply, please refer to:  
File:

**Testimony in SUPPORT of HB1396 HD2  
RELATING TO CESSPOOLS**

SENATOR MIKE GABBARD, CHAIR  
SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT  
SENATOR GLENN WAKAI, CHAIR  
SENATE COMMITTEE ON PUBLIC SAFETY AND INTERGOVERNMENTAL AND  
MILITARY

Hearing Date: 3/15/2023

Room Number: 224

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 measure establishes and appropriates general funds for two new  
4 full-time (2 FTE) permanent positions in fiscal year 2023-2024 and two additional full-time (2  
5 FTE) permanent positions in fiscal year 2024-2025.

6 **Department Testimony:** The Department strongly supports this measure that involves creating  
7 a pilot program that provides upfront planning funds to counties to identify the most feasible  
8 areas to connect to an existing or future wastewater treatment plant, engage communities in the  
9 discussion, conduct preliminary engineering, estimate upfront and ongoing costs for  
10 implementation, and allowance for contracting of the work to establish and implement the  
11 proposed pilot program. The Department supports Part II of this measure that creates a new  
12 cesspool conversion section and establishes four (4) new positions within the Department's  
13 Wastewater Branch that will be dedicated to facilitating the conversion of cesspools within the  
14 State. The Department acknowledges that additional staff will be needed to support the cesspool  
15 conversions in the State.

16 The Department also supports Part III of this measure that proposes the re-establishment  
17 of the cesspool upgrade, conversion, or connection income tax credit program. The Department  
18 recognizes that there is a need to provide a variety of financing options to assist residents for  
19 cesspool conversions in addition to the program that was established by Act 153, Session Laws

1 of Hawaii 2022. The Department also supports the mandatory seller disclosures in real estate  
2 transactions to include whether a property has a cesspool, including the date by which state law  
3 mandates that the cesspool be upgraded, converted or connected to a sewer system.

4 Thank you for the opportunity to testify.

5 **Offered Amendments:** None.

JOSH GREEN M.D.  
GOVERNOR

SYLVIA LUKE  
LT. GOVERNOR



STATE OF HAWAII  
**DEPARTMENT OF TAXATION**

Ka 'Oihana 'Auhau  
P.O. BOX 259

HONOLULU, HAWAII 96809  
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GARY S. SUGANUMA  
DIRECTOR

KRISTEN M.R. SAKAMOTO  
DEPUTY DIRECTOR

**TESTIMONY OF  
GARY S. SUGANUMA, DIRECTOR OF TAXATION**

**TESTIMONY ON THE FOLLOWING MEASURE:**

H.B. No. 1396, H.D.2, Relating to Cesspools

**BEFORE THE:**

Senate Committee on Agriculture and Environment and  
Senate Committee on Public Safety and Intergovernmental and Military Affairs

**DATE:** Wednesday, March 15, 2023

**TIME:** 1:30 p.m.

**LOCATION:** State Capitol, Room 224

Chairs Gabbard and Wakai, Vice-Chairs Richards III and Elefante, and Members of the Committees:

The Department of Taxation ("Department") offers the following comments regarding H.B. 1396, H.D.2, for your consideration.

Section 9 of H.B. 1396, H.D.2, beginning on page 11, adds a new section to chapter 235, Hawaii Revised Statutes (HRS), which reinstates a nonrefundable income tax credit equal to the qualified expenses of the taxpayer, up to a maximum of \$10,000, for the upgrade or conversion of a qualified cesspool to a wastewater system approved by the Director of Health or connection to a sewerage system. The credit will be certified by the Department of Health (DOH) and has an aggregate cap of an unspecified amount. This measure has a defective effective date of June 30, 3000.

The Department defers to the DOH on its ability to certify this credit and administer its aggregate cap, but requests that a third-party certification be maintained, as the Department lacks the subject-matter expertise to determine eligibility for and to administer this credit.

The Department further requests that this measure be amended so that section 9 shall apply to taxable years beginning after December 31, 2023.

Thank you for the opportunity to provide comments on this measure.



# UNIVERSITY OF HAWAII SYSTEM

## ‘ŌNAEHANA KULANUI O HAWAII

### Legislative Testimony

### Hō'ike Mana'o I Mua O Ka 'Aha'ōlelo

Testimony Presented Before the  
Senate Committee on Agriculture and Environment  
Senate Committee on Public Safety and Intergovernmental and Military Affairs  
Wednesday, March 15, 2023 at 1:30 p.m.

By

Darren T. Lerner, PhD

Director, University of Hawai'i (UH) Sea Grant College Program,  
School of Ocean and Earth Science and Technology

And

Thomas Giambelluca

Director, UH Water Resources Research Center

And

Michael Bruno, Provost

University of Hawai'i at Mānoa

#### HB 1396 HD2 – RELATING TO CESSPOOLS

Chairs Gabbard and Wakai, Vice Chairs Richards and Elefante, and Members of the Committees:

The University of Hawai'i Sea Grant College Program (Hawai'i Sea Grant) and UH Water Resources Research Center **strongly support** HB 1396 HD2.

This bill would advance multiple important efforts that would benefit community and environmental health.

Part I of the bill seeks to create an innovative pilot program within the Department of Health Environmental Management Division that provides funding for wastewater planning and management specific to cesspool conversion via connection to sewer or other centralized systems. This program would incentivize county-level action and promote partnerships and information sharing between the state and county wastewater management programs. Importantly, the bill not only provides planning support but also includes stakeholder outreach and implementation funding. Implementation of this measure could allow for the connection of existing cesspools to sewer or other centralized systems that would not have occurred otherwise, and would likely alleviate financial hardships on those selected to participate in the pilot programs within each county.

Part II of this bill would provide a critical expansion of capacity for the Department of Health by establishing and staffing a Cesspool Conversion section within the Wastewater Branch of the department. The Cesspool Conversion section would create

a centralized resource to assist with the multifaceted nature of cesspool conversion and upgrades, including, financing, public outreach and education, providing consistent information to homeowners, managing grants, securing federal funding, and facilitating partnerships. Currently, these tasks are either not being completed or have been divided in a piecemeal way among entities without standardization or leadership. The Cesspool Conversion section at the Department of Health would be an invaluable resource to ensure the state meets its goals for cesspool conversion and upgrades. Hawai'i Sea Grant and UH Water Resources Research Center defer to the Department of Health on the number of positions needed to fulfill their cesspool-related responsibilities.

Hawai'i Sea Grant and UH Water Resources Research Center further support Part III, the disclosure of a cesspool's presence on a property during a real estate transaction. This disclosure would motivate conversion prior to the sale of the property, accelerating the statewide conversion and upgrade of cesspools. It would also prevent new buyers from the undue burden of conversion without their knowledge and explicit understanding. The new responsibilities for the Department of Health required under this section make the allocation of their new personnel as discussed above even more important.

Finally, we support re-issuing an income tax credit to offset the financial difficulties of cesspool conversion and upgrades. The Cesspool Conversion Working Group recently reported that the vast majority of cesspool owners cannot afford the upgrade of their cesspool to an advanced form of wastewater treatment. Because it is critical to both human and environmental health that the state's cesspools be eliminated as soon as possible, it is important that a multitude of mechanisms for financial assistance be created for homeowners.

Thank you for the opportunity to testify on this measure.

# OFFICE OF THE MAYOR

DEREK S.K. KAWAKAMI, MAYOR

MICHAEL A. DAHLIG, MANAGING DIRECTOR

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Testimony of

**Michael A. Dahilig**

Managing Director, County of Kaua'i

Before the

**Senate Committee on Agriculture and Environment**

**Senate Committee on Public Safety and Intergovernmental and Military Affairs**

March 15, 2023 at 1:30 p.m.

Room 224 and Via Videoconference

In consideration of

**HB 1396 HD2**

**Relating to Cesspools**

Honorable Chair Gabbard, Honorable Chair Wakai, and Members of the Committees:

The County of Kaua'i is in **support** of HB 1396 HD2 which establishes and appropriates funds for a pilot program within the environmental management division of the Department of Health to work with each county to identify a priority area to expand the county sewage system or other centralized treatment system to connect individual properties in the priority area and reduce or eliminate cesspools in the identified area.

Our Department of Public Works Wastewater Division has been working to maintain and upgrade our aging sewage collection systems. We look forward to the possibility of working with the Department of Health with this proposal to assist meeting the State requirement of all cesspool conversion by 2050, and recognize the need for commitment by legislation from our county council requiring mandatory connection.

Creating a Cesspool Conversion Section within the Department of Health's Wastewater Branch and establishing positions; re-establishing the Cesspool Upgrade, Conversion, or Connection Income Tax Credit; and requiring disclosure of cesspool information in mandatory seller disclosures for real property transactions are important elements in supporting the state's conversion mandate.

We appreciate the Legislature's efforts in addressing this issue affecting all our islands and working to improve the quality of life for our residents and our impact on the environment.

Thank you for the opportunity to testify in **support** of HB1396 HD2.



*Dedicated to the conservation of coastal and marine environments,  
emphasizing stewardship of the natural resources of Hanauma Bay*

COMMITTEE ON AGRICULTURE AND ENVIRONMENT (AEN)

Senator Mike Gabbard, Chair

Senator Herbert M. "Tim" Richards, III, Vice Chair

COMMITTEE ON PUBLIC SAFETY AND INTERGOVERNMENTAL AND  
MILITARY AFFAIRS (PSM)

Senator Glenn Wakai, Chair Senator Brandon J.C. Elefante, Vice Chair

NOTICE OF HEARING

Wednesday, March 15, 2023

1:30 PM

Conference Room 224 & Videoconference

From: Friends of Hanauma Bay

Aloha AEN Chair Gabbard, PSM Chair Wakai, AEN Vice Chair Richards, PSM Vice Chair Elefante, and Members of both Committees,

**Friends of Hanauma Bay STRONGLY SUPPORTS HB1396 HD2!**

Hawai'i has a significant public health and environmental problem with water pollution from cesspools. We have over 80,000 cesspools that discharge about 50 million gallons of raw sewage into our groundwater every day! This discharge exposes people to sewage pathogens that can make them sick. The release of nutrients from cesspools causes algae growth, which can smother the corals that are essential to protecting our shorelines, nurturing our fisheries, and enabling our lucrative recreational economy. Sea level rise will further exacerbate the public health and environmental problems as it will cause more cesspools to overflow onto the surface. The recent report of the legislatively-appointed Cesspool Conversion Working Group recommended that Hawai'i upgrade the cesspools that cause the most pollution (Priority Level 1) by 2030.



*Dedicated to the conservation of coastal and marine environments,  
emphasizing stewardship of the natural resources of Hanauma Bay*

A good way to eliminate some cesspools is to connect them to extended county or other central sewer systems (located relatively near to the cesspools). This bill would provide funding (amount as yet unspecified) for pilot programs within DOH, working with each county, to eliminate cesspools by identifying a priority area to connect cesspool properties to expanded county or other centralized sewer systems. This bill would enhance public health and water quality by improving State-county coordination, planning, and preparation to eliminate some cesspools by expanding sewers.

This bill also would help facilitate conversion of cesspools in three other ways:

- By appropriating funds (amount not yet specified) to create a Cesspool Conversion Section within the DOH Wastewater Branch (as recommended by the Cesspool Conversion Working Group) with an as-yet unspecified number of FTE positions;
- Re-establishing the expired cesspool conversion State income tax credit; and
- Requiring that sellers of properties with cesspools disclose material facts about the cesspool(s) to home buyers, including when the cesspool(s) must be upgraded, converted or connected by law, and the priority level of the cesspool(s) according to the Hawai'i Cesspool Hazard Assessment and Prioritization Tool.

**Friends of Hanauma Bay urges the AEN/PSM Joint Committee to:**

- 1. Amend the bill by appropriating funds for the DOH to establish the pilot programs, working with each county, to prioritize where to expand the municipal or other central sewer in each county (the original bill included \$10,000,000 per year for this); and**
- 2. Establish two full-time equivalent (FTE) positions within the DOH Cesspool Conversion Section for fiscal year 2023-2024 and two additional FTEs for fiscal year 2024-2025 and appropriate the necessary funding.**

Mahalo for hearing and passing this important bill with suggested amendments!

With Aloha,  
Lisa Bishop  
President



March 15, 2023

**The Honorable Mike Gabbard, Chair**

Senate Committee on Agriculture and Environment

**The Honorable Glenn Wakai, Chair**

Senate Committee on Public Safety and Intergovernmental and Military Affairs  
State Capitol, Conference Room 224 & Videoconference

**RE: House Bill 1396, HD2, Relating to Cesspools**

**HEARING: Wednesday, March 15, 2023, at 1:30 p.m.**

Aloha Chair Gabbard, Chair Wakai, and Members of the Joint Committee:

My name is Lyndsey Garcia, Director of Advocacy, testifying on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawai'i and its over 11,000 members. HAR **supports** House Bill 1396, HD2, which Part I: establishes and appropriates funds for a county cesspool pilot program in DOH to work with each county to identify a priority area to expand the county sewage system or other centralized treatment system to connect individual properties in the priority area and reduce or eliminate cesspools in the identified area. Part II: Creates a cesspool conversion section in DOH to facilitate the conversion of cesspools within the State. Establishes and appropriates funds for positions. Part III: Establishes an income tax credit for the cost of upgrading or converting a qualified cesspool to a director of health-approved wastewater system or connecting to a sewerage system. Requires certain information regarding cesspools on real property to be included in seller mandatory disclosures for real property transactions. Effective 6/30/3000.

Hawai'i Association of REALTORS® supports the goal of protecting our drinking water, streams, ground water, and ocean resources. We recognize that cesspool conversion is important to preserve our environment. There are approximately 83,000 cesspools divided into three priorities<sup>1</sup> across the state (48,596 on Hawai'i Island; 14,300 on Kauai; 11,038 on Maui; 1,400 on Molokai; and 7,491 on O'ahu) with only 27 years to meet the state's mandate to convert all cesspools to a Director of Health approved wastewater system. To convert 83,000 cesspools by 2050, at least 3,000 cesspools would need to be converted per year. It is crucial that we properly plan and find ways to assist communities and homeowners as resources and manpower are limited, especially on the neighbor islands.

Undertaking such a massive infrastructure project will require proper planning across various stakeholders and government institutions, including state and local

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<sup>1</sup> University of Hawai'i Sea Grant College Program. *Hawai'i Cesspool Prioritization Tool*.  
<https://seagrant.soest.hawaii.edu/cesspools-tool/>

governments. As such, we applaud the state for taking leadership on this matter through the establishment of this pilot program. We believe it would be extremely beneficial to have the Department of Health work with the counties to tackle a pilot infrastructure project on an identified priority area, collaborate with stakeholders and homeowners, and provide much needed funding to convert cesspools. This pilot project can also serve as a template for future initiatives involving cesspool conversion efforts. We also support funding and positions within the Department of Health to assist with cesspool conversion efforts more broadly.

Affordability and financial planning are key. The Cesspool Conversion Working Group conducted an affordability analysis for homeowners. Based on the analysis, **97% of homeowners would be financially burdened by cesspool conversion costs.**<sup>2</sup> Equally concerning, even with a \$10,000 rebate 82% of homeowners would still be financially burdened. Costs will vary greatly depending on resources, labor, permitting delays, property terrain, and other variables. Most homeowners will not be able to afford to do this alone. While we support the intent of the income tax credit, it may not be enough to cover costs for homeowners and communities.

We also appreciate the amendments made in the House Health Committee regarding the seller's disclosure requirements in Section 12 of this bill; however, we respectfully request an **effective date of November 1<sup>st</sup> for the seller's disclosure requirements section only.** Our organization generates Standard Forms utilized by the real estate industry. A November effective date will allow our organization time to update our *Seller's Real Property Disclosure Statement* form and educate our members on the required changes.

For the foregoing reasons, Hawai'i Association of REALTORS® supports this measure. Mahalo for the opportunity to testify.

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<sup>2</sup> Cesspool Conversion Working Group. (2022). *Final Report to the 2023 Regular Session Legislature.* State of Hawai'i Department of Health. <https://health.hawaii.gov/opppd/files/2022/12/Act-170-SLH-2019-Nov-2022.pdf>



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

SENATE COMMITTEES ON AGRICULTURE & ENVIRONMENT AND PUBLIC SAFETY &  
INTERGOVERNMENTAL & MILITARY AFFAIRS  
Wednesday, March 15, 2023 — 1:30 P.m.

**Ulupono Initiative supports HB 1396 HD2, Relating to Cesspools.**

Dear Chair Gabbard, Chair Wakai, and Members of the Committees:

My name is Micah Munekata, and I am the Director of Government Affairs at Ulupono Initiative. We are a Hawai'i-focused impact investment firm that strives to improve the quality of life throughout the islands by helping our communities become more resilient and self-sufficient through locally produced food, renewable energy and clean transportation choices, and better management of freshwater resources.

**Ulupono supports HB 1396 HD2**, which establishes and appropriates funds for a pilot program within the Department of Health to work with each county to identify a priority area to expand the county sewage system or other centralized treatment system to connect individual properties in the priority area and reduce or eliminate cesspools in the identified area; creates a cesspool conversion section in DOH to facilitate the conversion of cesspools within the State and establishes and appropriates funds for positions; establishes an income tax credit for the cost of upgrading or converting a qualified cesspool to a director of health-approved wastewater system or connecting to a sewerage system; and, requires certain information regarding cesspools on real property to be included in seller mandatory disclosures for real property transactions.

Ulupono supports statewide cesspool conversion, working toward a more sustainable and environmentally sound approach to waste management and water security. Hawai'i has more than 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.

The State, working closely with each county, can pilot the effectiveness of a decentralized system to support the conversion of cesspools across our communities. Strategic planning and dedicated resources will need to go hand in hand in order to meet our 2050 goal of converting all cesspools. As this bill states, pilot projects will be helpful when determining a statewide conversion rollout. Additionally, this bill provides many helpful mechanisms, such as dedicated state resources, community incentives, and fair & transparent disclosures to new property owners, to further support our cesspool conversion goal.

Thank you for the opportunity to testify.

Respectfully,

Micah Munekata  
Director of Government Affairs

*Investing in a Sustainable Hawai'i*



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

SENATE COMMITTEES ON AGRICULTURE & ENVIRONMENT AND ENERGY, ECONOMIC  
DEVELOPMENT, & TOURISM  
Wednesday, March 15, 2023 — 1:00 p.m.

**Ulupono Initiative supports HB 1384 HD1, Relating to Manufacturing.**

Dear Chair Gabbard, Chair DeCoite, and Members of the Committees:

My name is Micah Munekata, and I am the Director of Government Affairs at Ulupono Initiative. We are a Hawai'i-focused impact investment firm that strives to improve the quality of life throughout the islands by helping our communities become more resilient and self-sufficient through locally produced food, renewable energy and clean transportation choices, and better management of freshwater resources.

**Ulupono supports HB 1384 HD1**, which creates an income tax credit to incentivize the food manufacturing industry in the State.

Ulupono supports local food manufacturing as it provides market options for local farmers and ranchers to bring products to consumers. We hope this measure may explicitly support manufacturing of local products grown and raised in the state.

By processing various fruits, vegetables, meats, or dairy products into value-added goods, farmers and ranchers can utilize all of their products, some of which may have previously been considered food waste, and diversify their revenue streams. This tax incentive will help grow local production and influence future investments in food manufacturing.

Thank you for the opportunity to testify.

Respectfully,

Micah Munekata  
Director of Government Affairs

*Investing in a Sustainable Hawai'i*



## Environmental Caucus of The Democratic Party of Hawai'i

To: The Honorable Mike Gabbard, Chair  
The Honorable Herbert M. "Tim" Richards, III, Vice Chair  
Members of the Committee on Agriculture and Environment

The Honorable Glenn Wakai, Chair  
The Honorable Brandon J.C. Elefante, Vice Chair  
Members of the Committee on Public Safety and Intergovernmental and Military Affairs

Re: **HB 1396, HD2 – RELATING TO CESSPOOLS**

Hearing: Wednesday, March 15, 2023, 1:30p.m., Conference Room 224 and via Videoconference

Position: **Strong support**

Aloha, Chairs Gabbard and Wakai, Vice Chairs Richards and Elefante, and Members of the Committee on Agriculture and Environment and Committee on Public Safety and Intergovernmental and Military Affairs:

The Environmental Caucus of the Democratic Party of Hawai'i and its 7,200 stand in strong support of HB 1396, HD2. This measure would provide in Part I: Establish and appropriate funds for a county cesspool pilot program in DOH to work with each county to identify a priority area to expand the county sewage system or other centralized treatment system to connect individual properties in the priority area and reduce or eliminate cesspools in the identified area. In Part II, this measure would Create a cesspool conversion section in DOH to facilitate the conversion of cesspools within the State and establish and appropriate funds for positions. In Part III, this measure would establish an income tax credit for the cost of upgrading or converting a qualified cesspool to a director of health-approved wastewater system or connecting to a sewerage system and it would require certain information regarding cesspools on real property to be included in seller mandatory disclosures for real property transactions.

The Democratic Party of Hawai'i Platform plank on the environment provides that its members are to "protect and preserve Hawai'i's environment and achieve energy sustainability, advance measures to re-establish a healthy climate and environment for humans and fellow species, including actions to urgently address climate change, and work towards 100% renewable energy goals.

We believe that all people have the right to live in a clean, healthy and safe environment. We believe that the preservation of our natural environment and its ecological well-being is essential to ensuring a safe, healthy, bountiful life for future generations in Hawai'i. We support policies that create a more sustainable society. We support the restoration, preservation, and protection of native ecosystems.

We believe in the resource management principles outlined in the Public Trust doctrine of [Article XI, Section 1 of] the Hawai'i State Constitution." [OUR PLATFORM | DPH \(hawaiidemocrats.org\)](https://www.hawaiidemocrats.org)

Hawaii currently has an official goal to replace all its cesspools with better sewage treatment systems that cause less harm to the local environment and public health by 2050; however, as many as 83,000 cesspools release about 53 million gallons of untreated sewage into the islands' soil, streams and nearshore waters daily making the 2050 deadline too late to prevent substantial harm.



March 15, 2023  
Page 2

In the Report of the [Cesspool Conversion Working Group](#), nearly 14,000 of the worst Hawaii cesspools – the ones that would potentially cause the most damage based on their location – are to be removed by 2030; followed by more than 12,000 “priority two” cesspools to be removed by 2035; and the remaining “priority three” 55,000 cesspools are to be removed by the original 2050 deadline.

“There are no benefits to human health or the environment if homeowners wait or postpone conversion until closer to the 2050 ... deadline,” the 17-member task force of scientists, public health officials, private industry representatives, elected leaders and environmental advocates wrote in a new 1,182-page report to the Legislature. [Microsoft Word - Cesspool Conversion Plan Draft Final-copy-blue wave-FINAL use this one \(hawaii.gov\)](#)

(A) Establishing and appropriating funds for a county cesspool pilot program in DOH to work with each county to identify a priority area to expand the county sewage system or other centralized treatment system to connect individual properties in the priority area and reduce or eliminate cesspools in the identified area; (B) creating a cesspool conversion section in DOH to facilitate the conversion of cesspools within the State and establish and appropriate funds for positions; (C) establishing an income tax credit for the cost of upgrading or converting a qualified cesspool to a director of health-approved wastewater system or connecting to a sewerage system; and (D) requiring certain information regarding cesspools on real property to be included in seller mandatory disclosures for real property transactions are consistent with the state and counties’ duties under the Public Trust Doctrine and the DPH Platform environmental plank to restore, preserve, and protect our native ecosystem.

Please support and pass this bill.

Mahalo for the opportunity to testify on this measure.

/s/ Melodie Aduja and Alan Burdick  
Co-Chairs, Environmental Caucus of the Democratic Party of Hawai'i



To: The Honorable Chairs Mike Gabbard and Glenn Wakai, the Honorable Vice Chairs Tim Richards, III, and Brandon Elefante, and Members of the Committees on Agriculture and Environment and Public Safety and Intergovernmental and Military Affairs

From: Hawai'i Reef and Ocean Coalition (by Ted Bohlen)

Re: **Hearing HB1396 HD2 RELATING TO CESSPOOLS.**

Hearing: Wednesday March 15, 2023, 1:30 p.m., room 224

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Aloha Chairs Gabbard and Wakai, Vice Chairs Richards and Elefante, and Members of the Committees on Agriculture and Environment and Public Safety and Intergovernmental and Military Affairs:

The Hawai'i Reef and Ocean Coalition (HIROC) is a group of scientists, educators, filmmakers and environmental advocates who have been working since 2017 to protect Hawaii's coral reefs and ocean.

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**The Hawai'i Reef and Ocean Coalition STRONGLY SUPPORTS HB1396 HD2 and proposes amendments to add outreach and education!**

Hawai'i has a significant public health and environmental problem with water pollution from cesspools. We have over 80,000 cesspools that discharge about 50 million gallons of raw sewage into our groundwater every day! This discharge exposes people to sewage pathogens that can make them sick. The release of nutrients from cesspools causes algae growth, which can smother the corals that



are essential to protecting our shorelines, nurturing our fisheries, and enabling our lucrative recreational economy. Sea level rise will further exacerbate the public health and environmental problems as it will cause more cesspools to overflow onto the surface. The recent report of the legislatively-appointed Cesspool Conversion Working Group recommended that Hawai'i upgrade the cesspools that cause the most pollution (Priority Level 1) by 2030.

This bill as drafted would:

- Establish and appropriate funds for a county cesspool pilot program in the Department of Health (DOH) to work with each county to identify a priority area to expand the county sewerage system or other centralized treatment system to connect individual properties in the priority area and reduce or eliminate cesspools in the identified area;
- Create a cesspool conversion section in DOH to facilitate the conversion of cesspools within the State and establish and appropriate funds for positions;
- Establish an income tax credit for the cost of upgrading or converting a qualified cesspool to a director of health-approved wastewater system or connecting to a sewerage system; and
- Require certain information regarding cesspools on real property to be included in seller mandatory disclosures for real property transactions.

The Cesspool Conversion Working Group report also stated that outreach and education are essential; other jurisdictions have found that a robust public outreach was necessary for success. **The Hawai'i Reef and Ocean Coalition proposes the following amendments to this bill to incorporate an outreach and education program:**

"SECTION 8. Section 342D-59, Hawaii Revised Statutes, is amended to read as follows:

**" [{}§342D-59 [{}]** **Research, educational, and training programs.** The director may:

(1) Conduct and supervise research programs for the purpose of determining the causes, effects, and hazards of water pollution, the quality of the receiving water and



the means to monitor the quality of water, or to effect the proper disposal of sewage, drainage, and waste;

(2) With the approval of the governor, cooperate with, and receive money from the federal government, or any political subdivision of the State or from private sources for the study and control of water pollution; ~~and~~

(3) Conduct and supervise state educational and training programs on water pollution prevention, control, and abatement, including the preparation and distribution of information relating to water pollution ~~[-]; and~~

(4) Retain experts who shall, in consultation with counties, nonprofit organizations, and wastewater industry professionals:

(A) Identify necessary resources and tools for public outreach and education, including necessary funding and timelines, to meet the requirements of section 342D-72;

(B) Develop a comprehensive public outreach strategy for the State and counties to educate homeowners on cesspool conversion options and resources; and

(C) Develop a website to educate homeowners on why cesspools need to be converted, when conversions are required, options and resources available to help with the conversions, and other relevant information."

SECTION 9. Notwithstanding section 342D-83, Hawaii Revised Statutes, or any other law to the contrary, there

is appropriated out of the water pollution control revolving fund the sum of:

\$ \_\_\_\_\_ or so much thereof as may be necessary for fiscal year 2023-2024 and the same sum or so much thereof as may be necessary for fiscal year 2024-2025 for the department of health to retain experts to identify necessary public outreach and education resources and tools and develop a comprehensive public outreach strategy and website to provide necessary information to educate homeowners to meet the State's cesspool conversion deadlines.

The sums appropriated shall be expended by the department of health for the purposes of this Act."

SECTION ~~8~~10

SECTION ~~9~~11

SECTION ~~10~~12

SECTION ~~11~~13

SECTION ~~12~~14

SECTION ~~13~~15

SECTION ~~14~~16

Mahalo to the Committees for hearing this important bill! Please pass this bill with the above outreach and education amendments!

Hawai'i Reef and Ocean Coalition (by Ted Bohlen)

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March 14, 2023

In Support of **HB1396 HD2** Relating to Cesspools  
Senate Committees AEN and PSM  
Hearing on March 15, 1:30pm, Rm. 224

Aloha, Chairs Gabbard & Wakai, Vice-Chairs Richards & Elefante and Members of the Committees:

On behalf of the non-profit WAI: Wastewater Alternatives & Innovations, I am writing in **support of HB1396 HD2**. Part I of this bill will establish a pilot program within the Dept. Of Health (DOH) to work with each county to identify a priority area and fund pilot projects to expand the county sewage system or create a decentralized treatment system to connect individual properties in the priority area and reduce or eliminate cesspools in the identified area. Part II of the bill will appropriate funds to DOH to create a new Cesspool Conversion section in the Wastewater Branch. Part III will create a tax credit to help homeowners with the cost of converting their cesspools. Each of these Parts of the bill represent the top priorities of the Cesspool Conversion Working Group.

Hawaii has more than 83,000 cesspools across the state, discharging 52 million gallons of raw sewage each day into Hawaii's waters. That's similar to a massive sewage spill every day! The people of Hawaii need this law to make sure their wastewater systems aren't polluting the groundwater or nearby surface waters.

As a member of the State's Cesspool Conversion Working Group over the last four years, we believe that this bill's three parts represent our top priorities in helping the state and counties be successful in fulfilling the mandate under Act 125 to convert all cesspools. Hawaii was the last state to ban these substandard systems by more than three decades.

WAI is an environmental non-profit dedicated to protecting our drinking water, groundwater and near-shore ecosystems by reducing sewage pollution from cesspools and failing septic systems. Our goal is to help find more innovative, affordable, and eco-friendly solutions to wastewater management. Better sanitation systems reduce sewage and nutrient pollution and make properties more valuable, while also protecting public health and valuable natural resources like groundwater, streams, coral reefs and coastal areas.

Hawaii is struggling with serious sewage pollution problems, and the state has a mandate to make sure all cesspools are converted in the next three decades. WAI is working with federal, state and county groups and innovative sanitation companies from across the country to introduce more efficient and affordable alternatives for wastewater management. This bill will provide the necessary planning and funding to create the kind of community-scale pilot projects to convert cesspools across the state. Mahalo for your leadership on this issue and support of this bill.

Aloha,  
*Stuart Coleman*  
Stuart H. Coleman, Executive Director

**HB-1396-HD-2**

Submitted on: 3/10/2023 9:14:50 PM

Testimony for AEN on 3/15/2023 1:30:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Dana Keawe	Individual	Support	Written Testimony Only

Comments:

support

**HB-1396-HD-2**

Submitted on: 3/11/2023 2:20:07 PM

Testimony for AEN on 3/15/2023 1:30:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Victoria Anderson	Individual	Support	Written Testimony Only

Comments:

Please pass this important bill, to keep our 'aina and waters safe and clean.

Mahalo,

Victoria Anderson



TO: Senate Committee on Ag & Environment  
Sen. Mike Gabbard, Chair  
Sen. Tim Richards, Vice Chair

Senate Committee on Public Safety & Intergovernmental & Military Affairs  
Sen. Glenn Wakai, Chair  
Sen. Brandon Elefante, Vice Chair

FROM: Lynn Miyahira representing Public Access to SunScreens (PASS) Coalition  
DATE: March 15, 2023

**Position: SUPPORT for HB 1396 HD2**

The [Public Access to SunScreens](#) (PASS) Coalition is a multi-stakeholder coalition composed of public health groups, dermatologists, sunscreen manufacturers, and leading advocates for skin cancer patients.

We stand in **support of HB 1396 HD2**, which establishes and appropriates funds for a pilot program within the environmental management division of the Department of Health (DOH) to work with each county to identify a priority area to expand the county sewage system or create a decentralized treatment system to connect individual properties in the priority area and reduce or eliminate cesspools in the identified area.

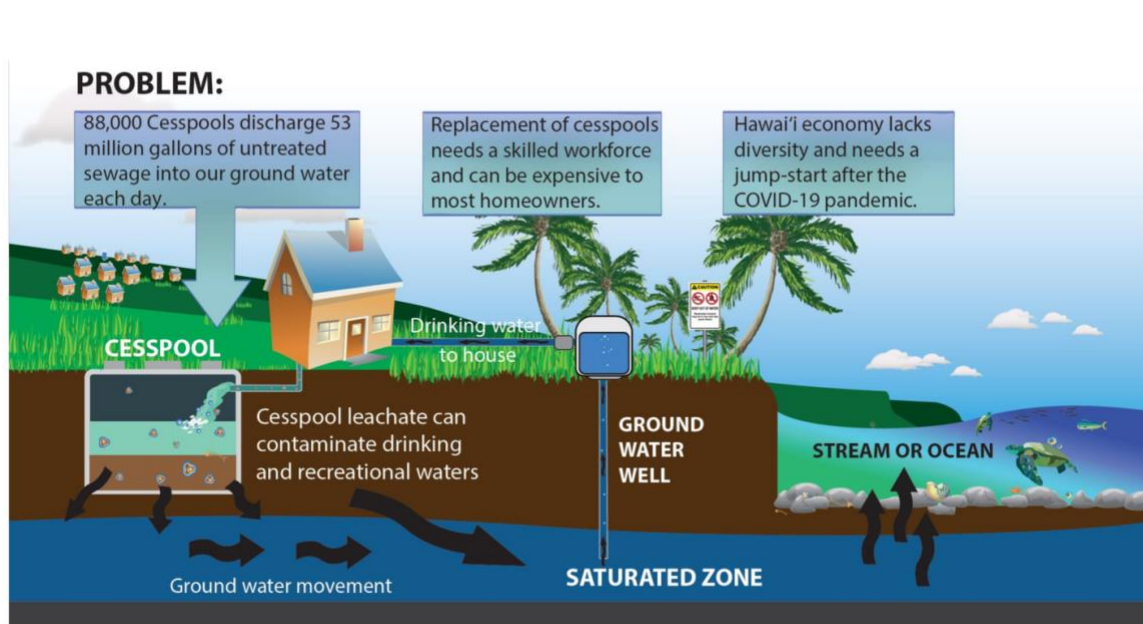
Cesspools are a pressing issue in Hawaii and impacts our health, water quality, and coral reefs. With over 80,000 cesspools in the state, discharging about 50 million gallons of wastewater every day, immediate action is needed to mitigate their negative impact. Untreated wastewater leaking from cesspools into nearshore waters is causing high levels of nitrogen in the water (also known as eutrophication). This leads to algae blooms that suffocate and cover our coral reefs.

Focusing on efforts to significantly reduce the number of cesspools leaking untreated wastewater into our oceans, would have a much greater impact on our coral reefs than lesser impacts, such as sunscreen, which has not been shown in the overall scientific literature to damage reefs and have not been substantiated in the ocean (only in a lab).

We also encourage the state to look for meaningful ways to help homeowners mitigate the financial burden associated with converting cesspools to more advanced forms of wastewater treatment. Grants, tax incentives, rebates and other programs should be implemented with preference going to households in priority areas.

The state must also support workforce development programs, such as the [Workforce-4-Water \(W4W\) program](#), which is a collaborative program with Wastewater Alternatives and Innovation, the University of Hawaii and PICHTR, to ensure that Hawaii has enough skilled workers to complete all the necessary cesspool conversions. The wastewater industry has the potential to create much needed steady, professional jobs – especially on the neighbor islands – with promising career pathways to help develop an entire industry of skilled workers.

Below is an easy to understand graphic to explain the damage cesspools are doing to our groundwater, oceans and coral reefs.



Source: <https://waicleanwater.org/workforce4water>

Mahalo you for the opportunity to testify.

Sincerely,  
Lynn Miyahira  
Public Access to SunScreens (PASS) Coalition

**HB-1396-HD-2**

Submitted on: 3/14/2023 10:52:25 AM

Testimony for AEN on 3/15/2023 1:30:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Marion K A Kapuniaia	Individual	Support	Written Testimony Only

Comments:

Appears to be a promising strategy to meet the challenge!

Thank you, M Kapuniaia