

Honolulu, Hawaii

FEB 16, 2024

RE: H.B. No. 2743
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committees on Energy & Environmental Protection and
Water & Land, to which was referred H.B. No. 2743 entitled:

"A BILL FOR AN ACT RELATING TO WASTEWATER,"

beg leave to report as follows:

The purpose of this measure is to:

- (1) Require each county to develop and maintain a wastewater management plan;
- (2) Authorize the Director of Health to exempt a county from creating a wastewater management plan under certain conditions;
- (3) Require the counties to identify priority areas in which the sewerage system or other centralized treatment system will be expanded or constructed to reduce or eliminate cesspools before January 1, 2050, and provide for the designation of these areas as sewer improvement districts;
- (4) Authorize each county to assess a monthly cesspool pollution fee beginning on July 1, 2025;



- (5) Authorize the counties to use cesspool pollution fee revenues for certain activities that eliminate, reduce, or mitigate the impacts of cesspools, including the expansion of county sewerage systems and the issuance of grants and low-interest loans to property owners; and
- (6) Appropriate funds.

Your Committees received testimony in support of this measure from the Department of Health; University of Hawai'i Sea Grant College Program and Water Resources Research Center; Department of Environmental Management of the County of Hawai'i; one member of the Hawai'i County Council; Hawai'i Reef and Ocean Coalition; Public Access to SunScreens Coalition; Hawai'i Association of REALTORS; The Nature Conservancy; Wastewater Alternatives & Innovations; Maui Chamber of Commerce; and numerous individuals. Your Committees received comments on this measure from the Department of Budget and Finance and Tax Foundation of Hawaii.

Your Committees find that the State has approximately eighty-three thousand cesspools that discharge untreated sewage into groundwater and that the upgrade, conversion, or connection of these cesspools is costly. Your Committees further find that the counties are not required to develop plans for the management of wastewater. This measure would require the counties to develop and maintain wastewater management plans and authorize the counties to assess a monthly cesspool pollution fee and use fee revenues to fund certain initiatives to reduce and mitigate the impacts of cesspools.

Your Committees have amended this measure by:

- (1) Adding definitions for "centralized treatment system", "community-scale package wastewater treatment system", and "sewage";
- (2) Requiring counties to receive approval from the Department of Health (Department) to pilot or use areas identified in the program element of a wastewater management plan as suitable for new alternative treatment processes;
- (3) Deleting the requirement for the Department to issue guidelines for the development of county plans;



- (4) Specifying that community-scale package wastewater treatment systems must meet standards established by the Department, rather than the Environmental Protection Agency, in order to qualify for payment of associated costs from the Cesspool Closure and Mitigation Special Fund and from county grants and loans;
- (5) Amending eligibility requirements for county grants and loans;
- (6) Changing the reporting deadline for counties that assess a cesspool pollution fee from November 1 to September 30 of each year;
- (7) Changing the positions to be established and funded by this measure;
- (8) Adding an additional appropriation for one full-time equivalent permanent accountant IV (SR-24) position;
- (9) Changing all appropriations to unspecified amounts;
- (10) Changing the effective date to July 1, 3000, to encourage furth discussion; and
- (11) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committees respectfully request your Committee on Finance, should it deliberate on this measure, to consider the following appropriation amounts:

- (1) \$89,500 to establish one full-time equivalent (1.0 FTE) permanent Engineer V (SR-26) position;
- (2) \$82,700 to establish one full-time equivalent (1.0 FTE) permanent Engineer IV (SR-24) position; and
- (3) \$76,800 to establish one full-time equivalent (1.0 FTE) permanent Accountant IV (SR-24) position.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Water & Land



that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2743, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2743, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on behalf of the members of the Committees on Energy & Environmental Protection and Water & Land,


LINDA ICHIYAMA, Chair


NICOLE E. LOWEN, Chair



