

ON THE FOLLOWING MEASURE: S.B. NO. 2426, RELATING TO CESSPOOLS.

BEFORE THE: SENATE COMMITTEES ON AGRICULTURE AND ENVIRONMENT AND ON HEALTH AND HUMAN SERVICES

DATE:	Friday, February 9, 2024	TIME:	1:00 p.m.
LOCATION:	State Capitol, Room 224 and Video	confere	nce
TESTIFIER(S): Anne E. Lopez, Attorney Gen Joanna Yeh, Deputy Attorney	•	ıl

Chairs Gabbard and San Buenaventura and Members of the Committees:

The Department of the Attorney General provides the following comments.

This bill is entitled "Relating to Cesspools." Section 8 of the bill, however, would eliminate the auditing requirement on tax credits for organically produced agricultural products.

This bill may be subject to challenge as violating the single subject requirement of section 14 of article III of the State Constitution, which provides that "[e]ach law shall embrace but one subject, which shall be expressed in its title." The subject expressed in this bill's title is "cesspools," but section 8 of this bill proposes to amend section 23-94(c), Hawaii Revised Statutes (HRS), to delete the Auditor's requirement to audit the tax credits relating to organically produced agricultural products (see page 12, lines 13-14), which appears to be beyond the scope of the subject of this bill, "cesspools." To address this possible constitutional concern, the Department recommends that either: (1) section 8 of this bill, which amends section 23-94(c), HRS, be deleted; or (2) wording be added to section 1 of this bill to explain how the repeal of the Auditor's statutorily required review of the income tax credit for organically produced agricultural products is related to the subject of cesspools.

Thank you for the opportunity to provide comments on the bill.

SYLVIA LUKE LT. GOVERNOR



GARY S. SUGANUMA DIRECTOR

KRISTEN M.R. SAKAMOTO DEPUTY DIRECTOR

STATE OF HAWAI'I DEPARTMENT OF TAXATION Ka 'Oihana 'Auhau P.O. BOX 259 HONOLULU, HAWAI'I 96809 PHONE NO: (808) 587-1540 FAX NO: (808) 587-1560

TESTIMONY OF GARY S. SUGANUMA, DIRECTOR OF TAXATION

TESTIMONY ON THE FOLLOWING MEASURE:

S.B. No. 2426, Relating to Cesspools.

BEFORE THE:

Senate Committees on Agriculture and Environment, and Health and Human Services

DATE:	Friday, February 9, 2024
TIME:	1:00 p.m.
LOCATION:	State Capitol, Room 224

Chairs Gabbard and San Buenaventura, Vice-Chairs Richards and Aquino, and Members of the Committees:

The Department of Taxation ("Department") offers the following <u>comments</u> regarding S.B. 2426 for your consideration.

Part IV, section 6 of the bill, beginning on page 6, 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 unspecified aggregate cap. The measure is effective upon approval, with the new credit applying to taxable years beginning after December 31, 2023.

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

The Department further requests that this measure be amended so that the new tax credit in section 6 shall apply to taxable years beginning after December 31, 2024. This will provide sufficient time for the Department to make the various necessary form,

Department of Taxation Testimony S.B. 2426 February 9, 2024 Page 2 of 2

instruction, computer system, and administrative changes that this proposal contemplates, as well as provide taxpayer education about the credit .

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

JOSH GREEN, M.D. GOVERNOR OF HAWAI'I KE KIA'ĂINA O KA MOKU'ĂINA 'O HAWAI'I



KENNETH S. FINK, MD, MGA, MPH DIRECTOR OF HEALTH KA LUNA HO'OKELE

> In reply, please refer to: File:

STATE OF HAWAI'I DEPARTMENT OF HEALTH KA 'OIHANA OLAKINO P. O. BOX 3378 HONOLULU, HI 96801-3378 doh.testimony@doh.hawaii.gov

Testimony in SUPPORT of SB2426 RELATING TO CESSPOOLS

SENATOR MIKE GABBARD, CHAIR SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT

SENTATOR JOY A. SAN BUENAVENTURA, CHAIR SENATE COMMITTEE ON HEALTH AND HUMAN SERVICES Hearing Date: 2/9/2024 Room Number: 224

1	Fiscal Implications:	This measure may	impact the	priorities i	dentified in th	e Governor's
	1	5	1	1		

2 Executive Budget Request for the Department of Health's (Department) appropriations and

3 personnel priorities.

4 **Department Testimony:** The Department supports this measure. The Department concurs with

5 the recommendation of the cesspool conversion working group to accelerate the dates for

6 required upgrades, conversion, and connections to sewers for cesspools located in priority 1 and

7 2 areas according to the University of Hawai'i's Hawai'i cesspool prioritization tool¹. The

8 Department supports the appropriation of funds to provide financing assistance via the cesspool

9 compliance pilot grant project established pursuant to Act 153, Session Laws of Hawaii 2022.

10 The Department concurs with the exemption criteria and the ability to provide extensions that are

11 provided in the measure.

12 The Department supports the re-establishment of the cesspool upgrade, conversion, or

13 connection income tax credit program. The Department recognizes that there is a need to

14 provide a variety of financing options to assist residents for cesspool conversions in addition to

15 the program that was established by Act 153, Session Laws of Hawaii 2022.

16 Offered Amendments: None.

17 Thank you for the opportunity to testify.

¹ <u>https://seagrant.soest.hawaii.edu/cesspools-tool/</u>

JOSH GREEN, M.D. GOVERNOR

SYLVIA LUKE



Hawaii Green Infrastructure Authority

An Agency of the State of Hawaii

JAMES KUNANE TOKIOKA CHAIR

GWEN S YAMAMOTO LAU EXECUTIVE DIRECTOR

Testimony of Gwen Yamamoto Lau Executive Director Hawaii Green Infrastructure Authority before the SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT and SENATE COMMITTEE ON HEALTH AND HUMAN SERVICES Friday, February 9, 2024, 1:00 PM State Capitol, Conference Room 224 in consideration of SENATE BILL NO. 2426 RELATING TO CESSPOOLS

Chairs Gabbard and San Buenaventura, Vice Chairs Richards and Aquino, and Members of the Committees:

Thank you for the opportunity to testify and provide comments on Senate Bill No. 2426 relating to cesspools. The Hawai'i Green Infrastructure Authority (HGIA) **strongly supports** this bill which provides for staggered deadlines to upgrade priority level 1 and level 2 cesspools ahead of the existing 2050 deadline.

Prioritizing and accelerating conversion dates for systems with the most severe impacts will not only provide more timely protection of our groundwater sources, but it will also provide a sense of urgency while allowing the industry to gear up for increased demand to convert some 13,800 cesspools between 2024 to 2035; 12,400 cesspool conversions between 2036 to 2040, and the remaining 56,800 cesspool conversions between 2041 to 2050.

Providing grants and tax credits on qualified cesspool conversion upgrades, up to a maximum of \$10,000, will help offset the cost of complying with this statute.

Thank you for this opportunity to testify and provide comments on Senate Bill No. 2426.



STATE OF HAWAI'I

HAWAI'I CLIMATE CHANGE MITIGATION & ADAPTATION

COMMISSION

POST OFFICE BOX 621 HONOLULU, HAWAII 96809 **Co-Chairs:** Chair, DLNR Director, OPSD

Commissioners: Chair, Senate AEN Chair, Senate WTL Chair, House EEP Chair, House WAL Chairperson, DTA Chairperson, DOA CEO, OHA Chairperson, DOH Director, DBEDT Director, DBEDT Director, DOH Chairperson, DOE Director, C+C DPP Director, Kaua'i DP Director, Kaua'i DP Director, Kaua'i DP The Adjutant General Manager, CZM

Testimony of Manager, CZM Leah Laramee Coordinator, Hawai'i Climate Change Mitigation and Adaptation Commission

Before the Senate Committees on AGRICULTURE AND ENVIRONMENT AND HEALTH AND HUMAN SERVICES

Friday February 9, 2024 1:00 PM State Capitol, Via Videoconference, Conference Room 224

In support of Senate Bill 2426 RELATING TO CESSPOOLS

Senate Bill 2426 requires certain priority level 1 cesspools to be upgraded, converted, or connected before 1/1/2035, and priority level 2 cesspools to be upgraded, converted, or connected before 1/1/2045, rather than before 1/1/2050 and appropriates funds to implement the cesspool compliance pilot grant project established pursuant to Act 153, Session Laws of Hawai'i 2022. The bill also 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. The Hawai'i Climate Change Mitigation and Adaptation Commission (Commission) supports this measure.

The Commission consists of a multi-jurisdictional effort between 20 different departments, committees, and counties. Removal of cesspools for all properties within the Sea Level Rise Exposure Area (SLR-XA), is imperative to the health of nearshore waters and for members of the public accessing coastal resources. Removal may not be achievable by 2050 as directed by state law without viable alternatives for replacement. Cesspools on the shoreline and in the coastal zone will be an increasing source of nonpoint source pollution as groundwater rises and coastal erosion accelerates. The Commission's 2022 update to the *Sea Level Rise Vulnerability and Adaptation Report* Recommended Action 6.4 counsels that the State should expand policy directives beyond the existing income tax credits and requirement for removal by 2050. Accelerating the conversion of cesspools of any kind would ensure a more resilient future and safer reefs and waters for kama'āina and visitors alike.

Mahalo for the opportunity to testify in support of this measure.



808-737-4977



February 9, 2024

The Honorable Mike Gabbard, Chair

Senate Committee on Agriculture and Environment

The Honorable Joy A. San Buenaventura, Chair

Senate Committee on Health and Human Services State Capitol, Conference Room 224 & Videoconference

RE: Senate Bill 2426, Relating to Cesspools

HEARING: Friday, February 9, 2024, at 1:00 p.m.

Aloha Chair Gabbard, Chair San Buenaventura, and Members of the Joint Committees:

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 provides **comments** on Senate Bill 2426, which Part II: Requires certain priority level 1 cesspools to be upgraded, converted, or connected before 1/1/2035, and priority level 2 cesspools to be upgraded, converted, or connected before 1/1/2045, rather than before 1/1/2050. Part III: Appropriates funds to implement the cesspool compliance pilot grant project established pursuant to Act 153, Session Laws of Hawaii 2022. Part IV: 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.

Hawai'i 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. According to the Cesspool Working Group Final Report¹, there are 13,821 cesspools categorized as Priority Level 1 and 12,367 cesspools categorized as Priority Level 2. To convert Priority Level 1 and 2 cesspools by 2045 **1,878 cesspools would need to be converted per year** (see table below.) Additionally, to convert the remaining Priority Level 2 cesspools would be an additional 727 conversions per year over the subsequent 10 years. This of course is not including the 55,237 Priority Level 3 cesspools until after 2045, there will be 5 years left to convert them all which averages to 11,047 conversions a year.

Year:	Priority Level 1	Priority Level 2	Convert Per Year
2024	1,151	727	1,878
2025	1,151	727	1,878
2026	1,151	727	1,878

¹ Cesspool Conversion Working Group. (2022). *Final Report to the 2023 Regular Session Legislature*. State of Hawai'i Department of Health. <u>https://health.hawaii.gov/opppd/files/2022/12/Act-170-SLH-2019-Nov-2022.pdf</u>

REALTOR[®] is a registered collective membership mark which may be used only by real estate professionals who are members of the NATIONAL ASSOCIATION OF REALTORS[®] and subscribe to its strict Code of Ethics.





808-737-4977

2027	1,151	727	1,878
2028	1,151	727	1,878
2029	1,151	727	1,878
2030	1,151	727	1,878
2031		727	727
2032		727	727
2033		727	727
2034		727	727
2035		727	727
2036		727	727
2037		727	727
2038		727	727
2039		727	727
2040		727	727

While it may vary greatly depending on existing infrastructure and property location, it can take 8 to 9 months or longer for a homeowner to convert their cesspool to a Department of Health ('DOH") approved wastewater system. Steps include but are not limited to, architects drawing up site plans, civil engineers drawing up and submitting the proposed system, obtaining DOH preliminary approval, engaging a contractor, obtaining permits, construction, and engineers getting final approval from DOH. As such, 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 and in rural areas.

Moreover, moving up the mandate does not solve the financial dilemma for homeowners. The Cesspool Conversion Working Group conducted an affordability analysis² for homeowners. Based on the analysis, **97% of homeowners would be financially burdened by cesspool conversion costs.** Equally concerning, even with a \$10,000 rebate 82% of homeowners would still be financially burdened. Most homeowners will not be able to afford to do this alone.

As such, the focus should be on efforts to aid communities and homeowners with cesspool conversion, which includes financial assistance in addition to wastewater infrastructure planning and development. We believe the income tax credit and cesspool compliance pilot grant project can help homeowners who may be financially burdened to convert their cesspools to a DOH wastewater system or connect to a sewerage system.

Thank you for your consideration of our comments. Mahalo for the opportunity to testify.



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

KINGDOM PATHWAYS

Re: IN OPPOSITON OF SB2426



Aloha Kakou respected committee members,

My name is Carmen Guzman-Simpliciano, and I am a lifelong resident of Wai'anae Moku, on the leeward coast of O'ahu. I wish to express my apprehension towards the expedited deadlines for mandatory upgrades for priority 1 and 2. I am testifying **against SB2426** and believe that the expectations should remain unchanged as implementing such a demanding change without clear guidance, funding resources, or outreach is premature. Furthermore, the lack of quantified data or information creates confusion and leaves many questions unanswered, as you will read in my following statement below.

The Cesspool Conversion Working Group, which only included one public representative, has neglected to consider communities like mine, which are amongst the most underserved on O'ahu. Notably, my community has the highest concentration of Native Hawaiians, with a poverty rate of 27% and the lowest income. In addition, multigenerational homes with multiple incomes that may appear too high to qualify for assistance, Kupuna's on fixed incomes, DHHL leasees that the mandatory upgrades have made the situation particularly burdensome.

In terms of the Pilot Grant Project, how many individuals have benefited from the the funds allocated before the previous program stopped accepting applications? Furthermore, what is the amount of funding that will be allocated through this bill to make a substantial impact?

Prior to connecting to a WWTP or undergoing conversion, was an evaluation conducted to determine the capacity of the current treatment plants to accommodate additional waste, aging pipes and coral lining, as well as the current level of treatment, which is usually primary in communities like mine.

KINGDOM PATHWAYS



Re: IN OPPOSITON OF SB2426

What happens if a homeowner cannot afford the cesspool conversion? Noncompliance with the regulations will it result in a lien being placed on their home?

It appears that conversions are primarily geared towards residents, but what about businesses, city and state buildings? What steps are they taking to address this issue and what are the necessary requirements?

Has the possibility of obtaining a 1% or low-interest loan, or VA services been explored? Do you have sufficient consultants and engineers to handle the workload? Have you factored in the cost of materials, as well as the potential for price gouging due to a surge in demand?

Kingdom Pathways has recently partnered with the DOH to conduct a thorough investigation into the water quality in our community and watershed. As our area is classified as a Priority #1 zone for cesspools to be converted, this has raised a number of crucial questions. The Environmental Finance Center West recently hosted a community meeting to address these concerns, urging the State of Hawaii, City and County of Hawaii, the Department of Health, other regulatory agencies, Realtors, Department of Hawaiian Homelands, Banks, Veteran's Affairs, and Community Outreach to prioritize these aforementioned issues in order to take action before mandatory implementation becomes necessary for the public.

Respectfully,

Carmen Auzman-Simpliciano

Director of Kingdom Pathways Email: kingdompathways.info@gmail.com Website: www.kingdompathways.info





To: The Honorable Senators Mike Gabbard and Joy San Buenaventura, Chairs, the Honorable Tim Richards, III, and Henry Aquino, Vice Chairs, and Members of the Committees on Agriculture and Environment and Health and Human Services.

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

Re: Hearing SB2426 RELATING TO CESSPOOLS

Hearing: Friday February 9, 2024 1:00 p.m.

Aloha Chairs Gabbard and San Buenaventura, Vice Chairs Richards and Aquino, and Members of the Committees on Agriculture and Environment and Health and Human Services:

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. HIROC is deeply concerned about polluted runoff, particularly nutrients, running into the ocean from cesspools, especially the ones that cause the most pollution, those in Priority Levels 1 and 2.

The Climate Protectors Hawai'i seeks to educate and engage the local community in climate change action, to help Hawai'i show the world the way back to a safe and stable climate. The Climate Protectors Hawai'i is very concerned that the current cesspool wastewater pollution is contributing unnecessarily to greenhouse gas emissions and climate warming.

The Hawai'i Reef and Ocean Coalition and Climate Protectors Hawai'i STRONGLY SUPPORT SB24261!

This bill is needed now because the health of Hawaii's people and quality of Hawaii's waters and aquatic life including coral reefs are being harmed by pollution from cesspools.

Hawai'i has over 80,000 cesspools that discharge about 50 million gallons of raw sewage into our groundwater every day! Cesspools are antiquated, substandard systems that damage public health, pollute drinking water, and lower water quality in streams, ground waters, nearshore marine areas, and the ocean. 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 precious coral reefs that are essential to protecting our shorelines, nurturing our fisheries and native species, 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 cesspool conversion working group (working group) was established pursuant to Act 132 of 2018 to develop a long-range, comprehensive plan for conversion of cesspools statewide by 2050 and consider and recommend means by which the Department of Health can ensure that cesspools are converted to more environmentally-responsible waste treatment systems or connected to sewer systems.

In its final report at the end of 2022, the working group indicated that over the past four years, it had gathered and considered new scientific and policy data, studies by wastewater experts, activities in other jurisdictions, owners' ability to pay, financing mechanisms, and the latest technologies for treating wastewater. Based on this work, **the working group recommended ways to facilitate the upgrading of cesspools in Hawaii.**

This bill would implement the most important recommendation of the working group. The working group recommended staggering the timing of upgrades of cesspools and prioritizing them based on updated information about their pollution impacts. It makes sense to stagger the cesspool conversions, starting with the highest pollution impact first. This will both ensure reductions in the pollution to waters, thereby reducing harm to precious coral reefs stressed by ocean warming, and facilitate implementation of the large number of wastewater system installations in a timely fashion.

The Hawai'i cesspool hazard assessment and prioritization tool was developed for the working group and applied to determine which cesspools should be upgraded first.

This bill implements the working group's recommendation to accelerate the dates for required upgrades, conversions, or connections of priority level 1 cesspools and priority level 2 cesspools, but provides an extra five years.

Priority level 1 cesspools are those that represent the greatest contamination hazard. The report categorized 13,821 cesspools in the State as priority level 1 and recommended that they be upgraded, converted, or connected to sewers by 2030. This bill provides an extra five years until 2035.

Priority level 2 cesspools are those cesspools that cause the next greatest amount of pollution and represent a significant contamination hazard. The report categorized 12,367 cesspools in the State as priority level 2 and recommended that they be upgraded, converted, or connected to sewers by 2035. This bill provides an extra five years until 2040.

Note that the bill's description contains a typographical error; it says Priority 2 cesspools shall be upgraded by 2045, when the bill in fact says 2040.

The working group recommended that the remaining cesspools categorized as priority level 3 (55,237, or approximately **sixty-nine per cent of the total) not be required to upgrade until 2050**, pursuant to existing law.

The bill authorizes the Director of Health to grant **exemptions** for homeowners who show it is infeasible to upgrade, convert or connect their cesspools. Legitimate reasons it is infeasible include **small lot size, steep topography, poor**

soils, or accessibility issues. The bill also includes exemptions where there is a planned development of sewerage upgrades to cesspools. It authorizes the Director of Health to grant extensions of up to five years at a time based on a demonstration of financial inability to pay or finance a cesspool upgrade, conversion, or sewer connection and to adopt rules necessary to grant those extensions.

The bill also appropriates funds to implement the **cesspool compliance pilot grant project** established pursuant to Act 153, Session Laws of Hawaii 2022. It also 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.

This important bill will begin to address Hawaii's serious cesspool pollution problem in a reasonable and feasible way. The **Hawai'i Reef and Ocean Coalition and Climate Protectors Hawai'i STRONGLY SUPPORT SB24261** and ask the committee to pass it.

Mahalo!

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

LEGISLATIVE TAX BILL SERVICE

TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 305

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: INCOME TAX, Tax Credit for Cesspool Upgrade, Conversion, or Connection

BILL NUMBER: HB 1892, SB 2426

INTRODUCED BY: HB by LOWEN, EVSLIN, KAHALOA, KITAGAWA, MARTEN, MATAYOSHI, NAKAMURA, PERRUSO, TARNAS, TODD; SB by GABBARD

EXECUTIVE SUMMARY: Part II: Requires priority level 1 cesspools to be upgraded, converted, or connected before 1/1/2035, and priority level 2 cesspools to be upgraded, converted, or connected before 1/1/2040, rather than before 1/1/2050. Part III: Appropriates funds to implement the cesspool compliance pilot grant project established pursuant to Act 153, Session Laws of Hawai'i 2022. Part IV: 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.

SYNOPSIS: As it relates to taxation, part IV of the bill adds a new section to chapter 235, HRS, allowing a nonrefundable income tax credit for a cesspool upgrade, conversion, or connection equal to 100% of qualified expenses of the taxpayer. The maximum credit is \$10,000 and a maximum of one cesspool upgrade, conversion, or connection income tax credit per qualified cesspool.

Qualified expenses are defined as costs that are necessary and directly incurred for upgrading or converting a qualified cesspool to a director of health-approved wastewater system, or connecting a qualified cesspool to a sewerage system, and that are certified as such by the department of health.

The Department of Health (department) is tasked with the responsibility of certifying claims for the credit. The department shall discontinue certifying credits if, in any year, the annual amount reaches \$_____ in the aggregate. Taxpayers whose credit claims are disallowed because of the cap may claim the credit in the following year.

The Director of Taxation shall prepare forms and adopt necessary rules.

If the tax credit exceeds the taxpayer's income tax liability, the excess of the credit over liability may be used as a credit against the taxpayer's income tax liability in subsequent years until exhausted. All claims for the tax credit under this section, including amended claims, shall be filed on or before the end of the twelfth month following the close of the taxable year for which the credit may be claimed. Failure to do so waives the right to the credit.

Definitions for cesspool, qualified cesspool, qualified expenses, residential large capacity cesspool, sewerage system, and wastewater are provided.

Re: HB 1892, SB 2426 Page 2

Amends section 23-92 HRS, section 23-94, HRS and section 23-95, HRS, which mandate periodic review of credits by the State Auditor.

EFFECTIVE DATE: Part IV (income tax credits) shall be applicable to taxable years beginning after December 31, 2023.

STAFF COMMENTS: Act 120, SLH 2015, enacted a temporary income tax credit, expiring on December 31, 2020, for 100% of the qualified costs of a cesspool upgrade, conversion, or connection, up to \$10,000. Act 182, SLH 2016, made clarifying amendments.

This measure means to reinstate the nonrefundable credit, which is an extension of the current effort to mitigate the public health hazards caused by cesspools, which release millions of gallons of untreated sewage into the ground. Many houses, especially in rural areas, still have them. Converting them is expensive, hence the credit to encourage homeowners to do so.

Lawmakers need to keep in mind two things. First, the tax system is the device that raises the money that they, lawmakers, like to spend. Using the tax system to shape social policy merely throws the revenue raising system out of whack, making the system less than reliable as there is no way to determine how many taxpayers will avail themselves of the credit and in what amount.

The second point to remember about tax credits is that they are nothing more than the expenditure of public dollars, but out the back door. If, in fact, these dollars were subject to the appropriation process, would taxpayers be as generous about the expenditure of these funds when there isn't enough money for social service programs, funding is needed for wildfire relief, or our state hospitals are on the verge of collapse?

If lawmakers want to subsidize the conversion of cesspools, then a direct appropriation would be more accountable and transparent.

Furthermore, the additional credit would require changes to tax forms and instructions, reprogramming, staff training, and other costs that could be massive in amount. A direct appropriation may be a far less costly method to accomplish the same thing.

As drafted, the income tax credit is "available only for the taxable year in which the taxpayer's qualified expenses are certified by the department of health." Though unusual in that most credits based on expenses need to be claimed in the return for the taxable year in which the expenses are incurred, this approach makes sense and does solve the problem of what to do about expenses straddling taxable years.

Digested: 2/7/2024



Environmental Caucus of The Democratic Party of Hawaiʻi

Thursday, February 8, 2024

То:	Senate Committee on Agriculture and the Environment Hon. Mike Gabbard, Chair Hon. Herbert M. "Tim" Richards, III, Vice Chair
	Senate Committee on Health and Human Services Hon. Joy A. San Buenaventura, Chair, Hon. Henry J.C. Aquino, Vice Chair.
Re:	SB 2426 relating to Cesspool Conversions
Hearing:	Friday, February 9, 2024, 1:00 p.m., Room 224 & videoconference
Position:	Strong support

Aloha, Chairs Gabbard and San Buenaventura, Vice Chairs Richards and Aquino, and Members of the Committees on Agriculture and Environment and Health and Human Services:

The Environmental Caucus of the Democratic Party of Hawai'i, which has over 7,500 active members statewide, strongly supports SB 2426 because conversions of the State's 80,000 cesspools are long overdue. This bill would advance the deadlines for conversions by short periods and provide much needed financial incentives. These are helpful.

Marine scientists have advised us that <u>the coral reefs will die before 2050 if the</u> <u>bombardment of pollution by cesspools on them is not abated before then. We have run</u> <u>out of time.</u> The public has taken advantage of the generous lead time previously provided by the law to remediate the cesspool pollution problem, and basically, they have done nothing. Now, we must catch up by advancing the deadlines.

Hawaii faces significant environmental challenges due to its approximately 83,000 cesspools, which is more than any other U.S. state. There are severe and oftentimes irreversible dangers associated with cesspools:

1.Groundwater Contamination. Cesspools are untreated and contain pathogens, bacteria, and viruses that can spread diseases. The effluent from cesspools also contains nutrients like nitrogen and phosphorus. When these pollutants infiltrate the groundwater, they can harm the sensitive ecosystems of Hawaii, including nearshore coral reefs as we have seen in the deterioration of the once pristine Kaneohe Bay, once the home of many ancient Hawaiian fishponds, such the He`eia Fishpond, dating back 800 years.

Kahalu`u Fishpond: Historically known as Kohouna Fishpond on Kane`ohe Bay is one of only four surviving ancient Hawaiian fishponds on O`ahu that are still in use today. At one point in time, there were around 100 fishponds around the island.

- 2. Coastal Impact: Many of these cesspools are located close to the shoreline. Rising sea levels due to climate change are eroding Hawaii's coast near homes with cesspools. As the island's groundwater rises, it allows the cesspool effluent to mix with the water tale and flow into the ocean. Coastal erosion can remove sand surrounding cesspools, pulling sewage out to sea. Inland cesspools near aquifers can also contaminate groundwater, affecting springs beaches, and the ocean.
- 3. Coral Reef Damage. The toxic mixture of waste, pharmaceuticals, and other contaminants from cesspools seep into the groundwater and often ends up in the ocean. These harms nearshore coral reefs and can sicken swimmers. Hawai'i's coral reefs are essential for the economy, shoreline protection, recreation, fisheries, and native species, making cesspool pollution a critical concern.

While efforts are underway to address these issues, the task of removing all cesspools by 2050 is daunting, costly, and way too late. Measures must be taken much earlier to preserve and let the environment recover from the pollution damage that it has already sustained. This bill assists in this recovery by advancing the applicable deadlines.

It is also crucial to find sustainable solutions to protect Hawai`i's environment and public health. Some approaches to protect the environment and public health include:

- 1. Wastewater Treatment Upgrades:
 - **a. Replace Cesspools**: Gradually phase out cesspools by replacing them with modern wastewater treatment systems. These systems treat sewage more effectively, removing harmful pathogens ans pollutants before discharge.
 - **b.** Septic System Improvements. For areas where cesspool replacement is challenging, upgrade existing septic systems to meet higher standards. Regula maintenance and proper sizing are essential.
- 2. Advanced On-Site Systems:
 - a. Aerobic Treatment Units (ATUs): These compact systems use oxygen to break down organic matter, producing cleaner effluent. ATUs can be a viable alternative to cesspools.
 - b. **Constructed Wetlands**: Create natural wetland areas that filter and treat wastewater. Wetland plants absorb nutrients and purify water, benefiting both the environment and public health.

3. Incentives and Regulations:

- **a. Financial Incentives:** Offer financial assistance or tax breaks to homeowners who voluntarily upgrade their wastewater systems. Encourage adoption of eco-friendly alternatives.
- **b.** Stricter Regulations: Enforce regulations that limit new cesspool installations and encourage transition to better systems. Regular inspection can ensure compliance.

4. Ocean-Friendly Practices:

- **a.** Ocean Outfalls: Consider ocean outfalls for treated wastewater. Properly designed and monitored outfalls can disperse treated effluent far from sensitive coastal areas.
- **b. Reef-Friendly Products**: Promote the use of reef-safe cleaning products and discourage harmful chemicals that can end up in cesspools.

By advancing the cesspool conversion deadlines according to Priority 1 and 2 designations, implementing sustainable practices under the cesspool compliance pilot grant project, and establishing an income tax credit for the cost of upgrading or converting a qualified cesspool to a DOH-approved wastewater system or connecting to a sewage system, Hawai`i can safeguard its unique environment and the well-being of its residents.

Thank you for the opportunity to testify on this very important measure.

Melodie Aduja legislativepriorities@gmail.com Alan B. Burdick burdick808@gmail.com

Co-Chairs, Environmental Caucus of the Democratic Party of Hawaiʻi



Feb. 8, 2024

In Support of **SB2426** Relating to Cesspools Senate Committees on Agriculture & Enviro. (AEN) and Housing & Human Services (HHS) Hearing on Feb. 8, 1:00pm, Rm. 229

Aloha, Chairs Gabbard & Buenaventura, Vice-Chairs Richards & Aquino, and Committee Members:

On behalf of the non-profit WAI: Wastewater Alternatives & Innovations and the Cesspool Legislative Task Force, I am writing in **strong support of SB2426.** This practical and needed bill would do three very important things: 1. create earlier deadlines for cesspool conversions in Priority Areas 1 (2035) and 2 (2045) to help the state meet its mandate under Act 125; 2. extend the successful funding support program under Act 153 (to assist low-moderate income homeowners with the costs of cesspool conversion); and 3. Establish an income tax credit for those converting their cesspools to an approved system.

Under Act 125 (2017), all cesspools are mandated to be converted by 2050. The only way to accomplish this mandate is to stagger the phases of conversion and create earlier deadlines for the most polluting cesspools in Priority Areas 1 & 2. Cesspools in these areas pose serious threats to drinking water supplies, coral reefs and water quality in nearshore areas. To help homeowners with financing these conversions, the bill would create rebates of up to \$20,000 for low-income households and then tax breaks to higher income households to help defray the costs.

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! Along with threats to public health and drinking water resources, new research in *Nature* shows that this polluted wastewater poses significant harm to coral reefs and the near-shore environment. The people of Hawaii need this law to make sure their wastewater systems aren't polluting the groundwater or nearby surface waters. This pollution threatens our environment, public health and our economy, damaging Hawaii's reputation as a world class destination with pristine waters.

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 and help homeowners with the conversion process. 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. This bill will provide the necessary deadlines and funding needed 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

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

<u>SB-2426</u> Submitted on: 2/6/2024 5:02:10 PM Testimony for AEN on 2/9/2024 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Lisa Bishop	Testifying for Friends of Hanauma Bay	Support	Written Testimony Only

Comments:

Aloha Chair Gabbard, Chair San Buenaventura, and Members of the AEN and HHS Committees,

Mahalo for the opportunity to testify in strong support of this bill that has such clear and far reaching benefit to both our fragile marine environments and public health that have been endangered for way too long by cesspools in our State. This is a measured, common sense step to meeting the statutory goals of converting all cesspools by 2050 - so let's get going. Please don't kick the can down the road yet again. No more studies or working groups are needed. It's time for action. Please pass this bill!

With Aloha,

Lisa Bishop I President

Friends of Hanauma Bay



FROM: Lynn Miyahira representing Public Access to SunScreens (PASS) Coalition DATE: Friday, Feb 9, 2024 TIME: 1:00 PM PLACE: Conference Room 224 & Videoconference

Re: SB 2426

Position: SUPPORT

The <u>Public Access to SunScreens</u> (PASS) Coalition is a multi-stakeholder coalition composed of public health groups, dermatologists, sunscreen manufacturers, and leading advocates for skin cancer patients. We also want to support efforts that protect coral reefs.

We <u>support</u> this measure.

Cesspools are a pressing issue in Hawaii that impacts our health, water quality, and coral reefs. With over 83,000 cesspools in the state, discharging about 50 million gallons of raw sewage every day, immediate action is needed to mitigate their negative impact. Untreated wastewater leaking from cesspools into nearshore waters can cause high levels of nitrogen in the water that leads to algae blooms that suffocate and cover our coral reefs.

SB2426 is needed now because the health of Hawaii's people and quality of Hawaii's waters and aquatic life including coral reefs are being harmed by pollution from cesspools.

Mahalo you for the opportunity to testify.

Sincerely,

Lynn Miyahira Public Access to SunScreens (PASS) Coalition



February 8, 2024

- Dear, Senate Committees on Agriculture & Enviro. (AEN) and Housing & Human Services (HHS)
- Re: SB2426 Relating to Cesspools
- From: Erica Perez- Sr. Program Manager (Hawai'i Island)

eperez@coral.org

Coral Reef Alliance (CORAL)

Subject: In Support of SB2426 Relating to Cesspools

I am testifying in Support of SB2426 on behalf of the Coral Reef Alliance (or CORAL) and myself, a concerned Hawaii resident. I believe that this bill is a critical step towards addressing the impacts of cesspools on Hawaii's coral reefs and community wellbeing.

This practical and needed bill would do three very important things: 1. create earlier deadlines for cesspool conversions in Priority Areas 1 (2035) and 2 (2045) to help the state meet its mandate under Act 125; 2. extend the successful funding support program under Act 153 (to assist low-moderate income homeowners with the costs of cesspool conversion); and 3. Establish an income tax credit for those converting their cesspools to an approved system.

Under Act 125 (2017), all cesspools are mandated to be converted by 2050. The only way to accomplish this mandate is to stagger the phases of conversion and create earlier deadlines for the most polluting cesspools in Priority Areas 1 & 2. Cesspools in these areas pose serious threats to drinking water supplies, coral reefs and water quality in nearshore areas. To help homeowners with financing these conversions, the bill would create rebates of up to \$20,000 for low-income households and then tax breaks to higher income households to help defray the costs.

I firmly believe that the passage of SB2426 will create the needed conditions and urgency to address cesspool impacts and improve the quality of Hawaii's water and community resilience. Thank you for supporting SB426 to expedite the transition of cesspool conversion. Let us embrace this opportunity to safeguard our future, preserve our natural resources, and create a thriving, sustainable community for generations to come.



Coral Reef Alliance has been working to provide clean water for reefs for 30 years! The Coral Reef Alliance (CORAL) is on a mission to save the world's coral reefs. We use a science-based, holistic approach in supporting resilient coastal communities, reducing sources of water pollution, and promoting sustainable fisheries to ensure that coral reefs adapt in the face of global climate change. In Hawaii, CORAL works alongside local communities and partners to make lasting and effective conservation solutions to save precious coral reef ecosystems.

Sincerely,

Ericanterez

Erica Perez, Sr. Program Manager (Hawaiʻi Island) Coral Reef Alliance - <u>coral.org</u> HC 1 Box 5519 Keaau, HI 96749 (808) 756 - 1786 eperez@coral.org



Testimony Before The Senate Committee on Agriculture and Environment (AEN) Senate Committe on Health and Human Services (HHS) <u>IN SUPPORT OF SB2426</u> February 9, 2024, 1:00PM, Room 224 and Via Zoom

We are Olan Leimomi Fisher and Kevin Chang, Kuaʻāina Advocate and Executive Director, respectively, testifying on behalf of <u>Kuaʻāina Ulu 'Auamo (or KUA).</u> "Kuaʻāina Ulu 'Auamo" stands for "grassroots growing through shared responsibility," and our acronym "KUA" means "backbone." **Our mission is to connect and empower communities to improve their quality of life through the collective care for their biocultural (natural and cultural) heritage, serving as a "backbone organization" that supports creative and community-driven solutions to problems stemming from environmental degradation.** Hawai'i's biocultural resources continue to be negatively impacted by political, economic, and social changes, and the increasing dangers of climate change make fostering and empowering resilient communities acutely critical.

Currently KUA supports three major networks of: (1) almost 40 mālama 'āina (caring for our 'āina or "that which feeds") community groups collectively referred to as E Alu Pū (moving forward together); (2) over 60 loko i'a (fishpond aquaculture systems unique to Hawai'i) and wai 'ōpae (anchialine pool systems) sites in varying stages of restoration and development, with numerous caretakers, stakeholders, and volunteers known as the Hui Mālama Loko I'a ("caretakers of fishponds"); and (3) the Limu Hui made up of over 50 loea (traditional experts) and practitioners in all things "limu" or locally-grown "seaweed." Our shared vision is to once again experience what our kūpuna (ancestors) referred to as **'āina momona** – abundant and healthy ecological systems that sustain our community resilience and well-being.

KUA supports SB2426 as an incremental step towards 'āina momona.

This bill would require certain priority level 1 and 2 level cesspools to be upgraded, converted, or connected before 2035 and 2045, respectively, instead of before 2050. SB2426 would also implement a Cesspool Compliance Pilot Grant Project pursuant to Act 153 (2022). This bill and others like it are part of an urgent need to deal with cesspool pollution in our state.

The health and well-being of all people, plants, and animals in Hawai'i are threatened by the increasing dangers and disastrous effects of our aging cesspool systems, with over 80,000 that continue to discharge roughly 50 million gallons of wastewater every day. These systems have the serious potential to pollute our drinking water and beaches, affecting everything from our basic needs for water to decreasing fish populations, and hindering recreational use and enjoyment of our nearshore resources. The communities we work with are committed to ensuring the long-term health of our biocultural resources that they have cared for and depended on for generations since time immemorial.

We believe our environment, the foundation of our very existence, is about long-term investment and a vision of 'āina momona. Tackling the problems of cesspools head on is a major step toward ensuring 'āina momona today and into the future. Passing this bill out of your committee supports reaching our goal to once again realize the abundant and thriving ecological balance in Hawai'i today and for future generations to care for and enjoy.

Mahalo for the opportunity to testify in support. Please **PASS** SB2426.

Aloha 'Āina Momona no nā kau ā kau.



A Community Dedicated to Saving Puakō Reef

Return the reef to its historic 70% coral coverage from its existing 7%. www.puako4reefs.org

- TO: Agriculture and Environment Committee Chair, Mike Gabbard, Vice-Chair, Tim Richards, And members, Lynn De Coite, Karl Rhoads, and Brenton Awa
- TO: Health and Human Services Committee Chair, Joy San Buenaventura Vice-Chair, Henry J.C. Aquino And members, Jarrett Keohokalole, Maile S.L. Shimabokuro, and Brenton Awa
- RE: Senate Bill 2426, Relating to Cesspools. Cesspools; Cesspool Conversion Working Group; Mandatory Upgrade, Conversion, or Connection; Prioritization; Income Tax Credit; Appropriation; Expenditure Ceiling and
- RE: Senate Bill 2425, Relating to Cesspools. Cesspools; DOH; Public Outreach and Education; Real Property; Mandatory Seller Disclosures; Appropriation

Aloha, my name is Barbara Bell, a resident of Puakō, South Kohala and a member of the steering committee of a newly formed 501 (c) 3 organization, Puakō for Reefs. Puakō is a low-lying residential community with the majority of houses having the original cesspools which continue to damage the reef and near-shore waters.

Puako for Reefs is in strong support of both of these Senate Bills, as well as their companions in the House.

As you probably know, wastewater is the primary contributor to degraded water quality. It is not the only factor, but it is the biggest one the community and government have control over. Since tourism, the State's #1 industry, is in large part drawn to the oceans surrounding Puakō, our request is that the State Senate joins us in supporting all the cesspool abandonment bills, as well as financial incentives, loan programs, and the balance of the package the cesspool working group has identified.

Senate Bill 2426, moving the deadline for abandonment of all Priority One cesspools from 2050 to 2035 is a huge step in stopping the damage to the reef and to begin reef regrowth. We are working diligently, as a community, to install a sewer in Puakō to which all homes could connect. This bill helps motivate residents with cesspools to connect to this new sewer.

Senate Bill 2425, providing outreach and seller's disclosures at time of sale, are also important. Many people don't understand the issues, especially when they are new to an area. This bill helps too.

Did you know?

- Dr. Greg Asner determined that in the 1970s coral cover of Puakō reef was 70%. it is now 7%.
- Our last survey showed 75% of Puakō property owners support a major upgrade of our wastewater systems.
- Puakō hosts the largest amount of marine tourism on the Big Island. There are daily dive and snorkel boats, kayak tours, SUP tours, whale watching, and manta ray trips.
- The problem and solution are led by science. The damage to the reef by and solutions to the wastewater problem at Puako have been documented for over 20 years.
- All of the science demonstrates that sewer systems are the only guaranteed way to remove waste and all damaging nutrients from the reef.



A Community Dedicated to Saving Puakō Reef

Return the reef to its historic 70% coral coverage from its existing 7%. www.puako4reefs.org

• Both carrot and stick approaches are needed to inspire people to act. Financial incentives to replace cesspools are an absolutely necessary. To have homeowners abandon cesspools in time to save the reef must also be driven by a deadline. Moving the deadline by 15 years, to 2035 gives the reef, and the entire big island economy, a chance.

Thank you for all your help and for this opportunity to comment.

Sincerely,

barton fill

Barbara Bell
<u>bbellster@gmail.com</u>
808.937.2573

<u>SB-2426</u> Submitted on: 2/7/2024 4:01:06 PM Testimony for AEN on 2/9/2024 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Lisa H. Gibson	Testifying for Indivisible Hawaii	Support	Written Testimony Only

Comments:

Strong support.



UNIVERSITY OF HAWAI'I SYSTEM 'ÕNAEHANA KULANUI O HAWAI'I

Legislative Testimony Hōʻike Manaʻo I Mua O Ka ʻAhaʻōlelo

Testimony Presented Before the Senate Committee on Agriculture and Environment Senate Committee on Health and Human Services Friday, February 9, 2024 at 1:00 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, PhD Provost University of Hawai'i at Mānoa

SB 2426 - RELATING TO CESSPOOLS

Chairs Gabbard and San Buenaventura, Vice Chairs Richards and Aquino, and Members of the Committee:

The University of Hawai'i Sea Grant College Program (Hawai'i Sea Grant) and UH Water Resources Research Center express **support for SB 2426**, a comprehensive bill with the following key provisions:

- It sets deadlines for upgrading, converting, or connecting priority level 1 cesspools by 1/1/2035 and priority level 2 cesspools by 1/1/2045, advancing the previous deadline of 1/1/2050.
- It allocates funds to implement the cesspool compliance pilot grant project established under Act 153, Session Laws of Hawaii 2022.
- It introduces an income tax credit aimed at offsetting expenses related to upgrading or converting a qualified cesspool to a director of health-approved wastewater system or connecting it to a sewerage system.

The Cesspool Conversion Working Group has highlighted that most cesspool owners face financial constraints hindering the upgrade to advanced wastewater treatment systems. Eliminating cesspools promptly is crucial for human and environmental health, necessitating various financial assistance mechanisms for homeowners.

We support hastening the transition away from cesspools and recognize the need for financial support in doing so. While the inclusion of an income tax credit for cesspool transition is crucial, there remains a need to explore additional financial aid options such as subsidies or grants to alleviate the financial burden on homeowners.

Thank you for considering our testimony on this important measure.

COUNTY COUNCIL

Mel Rapozo, Chair KipuKai Kuali'i, Vice Chair Addison Bulosan Bernard P. Carvalho, Jr. Felicia Cowden Bill DeCosta Ross Kagawa



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

February 6, 2024

TESTIMONY OF ADDISON BULOSAN COUNCILMEMBER, KAUA'I COUNTY COUNCIL ON SB 2426, RELATING TO CESSPOOLS AND SB 2425, RELATING TO CESSPOOLS AND SB 2368, RELATING TO THE ENVIRONMENT Senate Committee on Agriculture and Environment Senate Committee on Health and Human Services Friday, February 9, 2024 1:00 p.m. Conference Room 224 Via Videoconference

Dear Chair Gabbard, Chair San Buenaventura, and Members of the Committees:

Thank you for this opportunity to provide testimony in SUPPORT of SB 2426, Relating to Cesspools, SB 2425, Relating to Cesspools, and SB 2368, Relating to the Environment. My testimony is submitted in my individual capacity as a member of the Kaua'i County Council.

I wholeheartedly support the intent of SB 2426, SB 2425, and SB 2368, which would greatly affect the Kaua'i community.

Thank you again for this opportunity to provide testimony in support of SB 2426, SB 2425, and SB 2368. Should you have any questions, please feel free to contact me or Council Services Staff at (808) 241-4188 or via email to cokcouncil@kauai.gov.

Sincerely,

ADDISON BULOSAN Councilmember, Kaua'i County Council

AAO:slr

OFFICE OF THE COUNTY CLERK

Jade K. Fountain-Tanigawa, County Clerk Lyndon M. Yoshioka, Deputy County Clerk

> Telephone: (808) 241-4188 Facsimile: (808) 241-6349 Email: cokcouncil@kauai.gov

<u>SB-2426</u> Submitted on: 2/8/2024 4:33:44 PM Testimony for AEN on 2/9/2024 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Cheryle Kelley	Individual	Support	Written Testimony Only

Comments:

Agree that cesspools are no longer appropriate on Kaua'i. We need to protect our 'Aina and Kaua'i ne!!

<u>SB-2426</u> Submitted on: 2/7/2024 11:13:18 AM Testimony for AEN on 2/9/2024 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Kevin Kelly	Individual	Support	Written Testimony Only

Comments:

Chairs Gabbard and San Buenaventura, Vice Chairs Richards and Aquino, and members of the AEN and HHS Committees,

I support SB-2426 RELATING TO CESSPOOLS, especially the provision providing tax incentives for early adopters of cesspool conversions to septic systems. It is critical that this bill passed with these provisions because many of the priority areas are composed of high value residential properties that did not meet the prior income threshold for financial incentives. Most importantly however is the impact of cesspools on our environment. We cannot continue to reach our human waste into our soil and fresh water much less discharge it untreated into our beautiful near shore waters.

Similar to the early days of rooftop solar, tax credit incentives led to the creation of new jobs and a new industry in Hawaii. The same appears to be true for cesspool conversions.

Thank you for the opportunity to testify on this bill and mahalo in advance for your support.

Sincerely

Kevin Kelly

<u>SB-2426</u> Submitted on: 2/7/2024 12:03:23 PM Testimony for AEN on 2/9/2024 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Betsy Scolnik	Individual	Support	Written Testimony Only

Comments:

I am in favor of this legislation and all related cesspool legislation. I am frustrated by your lack of progress thus far. Please stay focused and get this done!!!!!!!!! We are running out of time before our rivers are just open sewage pipes.

mahalo

<u>SB-2426</u> Submitted on: 2/7/2024 1:18:53 PM Testimony for AEN on 2/9/2024 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Arianna Feinberg	Individual	Support	Written Testimony Only

Comments:

Dear Senators,

Please do everything in your power to eliminate cesspools especially in priority areas as soon as possible. Cesspools are polluting our groundwater, streams, and the ocean. The are detrimental to human health and marine life.

Thanks,

Arianna Feinberg

Makawao, Maui

<u>SB-2426</u> Submitted on: 2/7/2024 9:14:35 PM Testimony for AEN on 2/9/2024 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Daniel Amato	Individual	Support	Written Testimony Only

Comments:

Aloha, I am writing today in support of SB2426. As a marine scientist and water quality professional, I believe that SB2426 is essential to protecting our near shore ecosystems and human health. With over 88,000 cesspools to convert by 2050, we need to an accelerated timeline to address those that pose the most risk. In my academic career, I have personally demonstrated that cesspools impact ocean water and influence reef processes. Please support SB2426. Mahalo – Dr. Daniel Amato

<u>SB-2426</u> Submitted on: 2/8/2024 12:35:43 PM Testimony for AEN on 2/9/2024 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Georjean Adams	Individual	Support	Written Testimony Only

Comments:

I support the legislative recommendations of the 2023 Cesspool Conversion Working Group Final Report. We must begin the conversion effort as soon as possible.

Georjean Adams

<u>SB-2426</u> Submitted on: 2/8/2024 12:54:37 PM Testimony for AEN on 2/9/2024 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Nicolas Vanderzyl	Individual	Support	Written Testimony Only

Comments:

Aloha,

I support SB2426

My name is Nicolas Storie, and I am a Ph.D. candidate at UHM in the Department of Oceanography. My research's central focus is examining water quality in our streams and coastal waters across Hawai'i. It is no news that our state struggles with chronic sewage pollution from cesspools and inundation of coastal domestic and municipal sewage infrastructure during high tides. Our State has some of the highest Methicillin-resistant Staphylococcus aureus (MRSA) infection rates in the state and waterborne illnesses are prevalent across the state. Climate change is going to further exasperate these issues, particularly by increasing the frequency of intense rainfall events and sea level rise. This, in return, will increase the threat to public and environmental health as pulsed rain events and tides bring a flush of pathogens, pharmaceuticals, heavy metals, and antibiotics to our recreational waters. It is essential the State accelerates cesspool update requirements for Priority 1 from 2050 to 2035 and Priority 2 by 2040. This is critical for public health in improving water quality and saving reefs that are stressed by ocean warming and other factors.

Much aloha,

Nicolas Vanderzyl

<u>SB-2426</u> Submitted on: 2/8/2024 3:31:07 PM Testimony for AEN on 2/9/2024 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Maureen Niehaus	Individual	Support	Written Testimony Only

Comments:

I am in agreement with this bill. We need it and also the monetary support.