

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

Testimony in SUPPORT of HB0879 HD1
RELATING TO CESSPOOL CONVERSIONS.

SENATOR JOY A. SAN BUENAVENTURA, CHAIR
SENATE COMMITTEE ON HEALTH AND HUMAN SERVICES

SENATOR MIKE GABBARD, CHAIR
SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT

March 12, 2025; 1:00 pm; Room Number: 225

1 **Fiscal Implications:** The Department of Health (“Department”) requests that this measure be
2 considered as a vehicle to provide this needed funding so long as it does not supplant the
3 priorities and requests outlined in the Governors executive budget request.

4 **Department Position:** The Department supports this measure with comments.

5 **Department Testimony:** The Environmental Management Division Wastewater Branch
6 (EMD-WWB) provides the following testimony on behalf of the Department.

7 The Department is supportive of this proposed measure as long as either HB0749 or
8 SB0675 is passed because three (3) additional full-time equivalent (3.0 FTE) positions within the
9 Department’s Wastewater Branch are required to implement this cesspool compliance pilot
10 grant project. The duties and responsibilities of these positions for the cesspool compliance
11 pilot grant program include, but are not limited to:

- 12 1) Developing program and outreach material before the launch of the program
13 (e.g., revised application, revised website, revised information flyers);
14 2) Conducting outreach with the public before the launch of the program;

- 1 3) Intaking questions via phone and email and responding with answers;
- 2 4) Intaking of applications;
- 3 5) Reviewing applications, tax returns, property ownership documents, and files and
- 4 determining eligibility;
- 5 6) Issuing eligibility letters;
- 6 7) Issuing waiting list emails;
- 7 8) Issuing denial emails;
- 8 9) Managing progress of projects and keeping applicants/grantees on schedule;
- 9 10) Intaking receipts, tax forms, and other financial documents;
- 10 11) Drafting, routing, and issuing grant agreements;
- 11 12) Reviewing receipts,. licensed engineers, licensed contractor, licensed
- 12 supply/equipment/materials companies; and
- 13 13) Processing purchase orders.

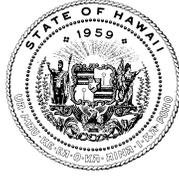
14 The Department received many inquiries about whether the grant award is tax exempt.
15 The Department requested approval in December 2023 from the U.S. Secretary of Agriculture
16 and U.S. Secretary of the Treasury to approve the Hawai'i Cesspool Compliance Pilot Grant
17 Program as a tax-exempt incentive program, but has not received confirmation of federal
18 approval from either Secretary. It is the Department's understanding that the Hawai'i
19 Department of Taxation is waiting for the federal Secretaries to make a determination before
20 making a State-level determination.

21 **Offered Amendments:** None.

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

JOSH GREEN, M.D.
GOVERNOR
STATE OF HAWAII
*Ke Kia'āina o ka Moku'āina 'o
Hawaii*

SYLVIA J. LUKE
LT. GOVERNOR
STATE OF HAWAII
*Ka Hope Kia'āina o ka Moku'āina
'o Hawaii*



KALI WATSON
CHAIRPERSON, HHC
Ka Luna Ho'okele

KATIE L. LAMBERT
DEPUTY TO THE CHAIR
Ka Hope Luna Ho'okele

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS
Ka 'Oihana 'Āina Ho'opulapula Hawaii'i

P. O. BOX 1879
HONOLULU, HAWAII 96805

TESTIMONY OF KALI WATSON, CHAIR
HAWAIIAN HOMES COMMISSION
BEFORE THE SENATE COMMITTEES ON HEALTH & HUMAN SERVICES
AND AGRICULTURE & ENVIRONMENT
HEARING ON MARCH 12, 2025 AT 1:00PM IN CR 225

HB 879, HD 1, RELATING TO CESSPOOL CONVERSIONS

March 11, 2025

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

The Department of Hawaiian Home Lands (DHHL) **supports** this bill which 1) increases the maximum grant amount for the Cesspool Compliance Pilot Grant Project and 2) appropriates funds.

Approximately 2,500 cesspools exist on Hawaiian Home Lands and majority of which are ranked as priority level 1 or priority level 2 cesspools to be upgraded, converted, or connected to a sewerage system. DHHL understands the urgency to complete these conversions and connections before the year 2050.

DHHL supports increasing the maximum grant amount, given the increase in costs to cover all upgrade or conversion costs. DHHL also supports providing funds for the cesspool compliance pilot grant project.

DHHL understands that there is no simple, one method fits all ahupua'a (land division) solution toward addressing the cesspool conversion and wastewater needs of the State of Hawaii and we support this measure that increases the maximum grant amount for the Cesspool Compliance Pilot Grant Project and appropriates funds for the cesspool compliance pilot grant project.

Thank you for your consideration of our testimony



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

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

Re: **Hearing HB879 HD1 RELATING TO CESSPOOL CONVERSIONS**

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

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 Hawai'i's coral reefs and ocean.

The Hawai'i Reef and Ocean Coalition STRONGLY SUPPORTS HB879 HD1 and proposes an amendment on page 4 line 2 to correct the reporting years!

There are about 83,000 cesspools in Hawai'i that are dumping about 50 million gallons every day into Hawai'i's groundwater, drinking water, streams, and ocean and harming our coral reefs. By law (the mandate of section 342D-72, Hawaii Revised Statutes), all 83,000 cesspools must be upgraded to a system approved by the Department by 2050.

Cesspool upgrades are expensive. The cost depends on site-specific conditions, but the cost to convert a cesspool to a septic system or an aerobic treatment unit system is often over \$30,000. We need to try to find ways to **make upgrades more affordable** to homeowners and governments.

The Legislature has recognized that the requirement to upgrade or convert a cesspool imposes a financial burden on low- and moderate-income families. In Act 153, session laws of 2022, the legislature established in the department of health a **pilot grant project to assist with conversion costs for low- and moderate-income property owners**, including lessees on Hawaiian home lands, located in an area identified as priority level 1 or 2 in the University of Hawai'i's 2021 Hawaii cesspool hazard assessment and prioritization tool. Act 153 (2022) provided grants up to \$20,000 to qualifying low- and moderate-income homeowners. The demand was high for these grants, and it was fully subscribed within weeks. The appropriation under Act 153 lapsed as of June 30, 2024.

Hawai'i has an excellent opportunity to **save some low- and moderate-income owners money by approving this grant program**, at a time when many residents are struggling to make ends meet. This bill would appropriate funding for grants under the program established in Act 153, session laws of 2022, to assist with conversion costs for certain low- and moderate-income property owners.

Most importantly, the bill provides needed funding for the grant program in each of the next two fiscal years.

This bill increases the maximum grant to a blank amount. Hawai'i Reef and Ocean Coalition recommends **a maximum grant of \$30,000** based on recent experience.

The bill requires reports before the 2024 and 2026 sessions. Please amend this to the “sessions of 2024 [-] and 2026 and 2027.”

Please pass this bill to enable a sizable number of low- and moderate-income owners to upgrade their cesspools!

Mahalo!

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

**Testimony of The Nature Conservancy
Supporting HB879 HD1, Relating to Cesspool Conversions.
Committee on Health and Human Services
Committee on Agriculture and Environment
March 12, 2025 at 1:00 pm**

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

The Nature Conservancy (TNC), Hawai'i and Palmyra supports HB879 HD1, which would appropriate funds to and increase the maximum grant amount for the Cesspool Compliance Pilot Grant Project.

Science conducted by TNC and partners has shown that wastewater, particularly cesspools, are detrimental to the coral reefs which protect our coastlines and underpin our economy. Without clean coastal waters reef ecosystems are put at even greater risk in the face of growing global stressors including climate change.

Cesspools cause harm to water quality within adjacent groundwater, anchialine, coral reef systems and fisheries by introducing elevated amounts of organic nitrogen and phosphorus, pathogens, and other contaminants. Contaminants emitted from cesspools can harm aquatic ecosystems by encouraging excess algal and bacterial growth and can also pose a threat to human health. Our research in He'eia, Maunalua, Olowalu, Hana and South Kohala has shown direct evidence of cesspool contamination in streams and coastal waters using a variety of bioindicators and chemical signatures.

Effectively upgrading cesspools to technologies that can remove nutrients and contaminants that are harmful to reefs is critical for their long-term health. However, our state faces major barriers to adopting these technologies. One of the primary limitations for cesspool upgrade, conversion or connection at scale is the high-cost of conversion property owners, especially those that are low- and moderate-income. HB879 HD1 is one possible avenue to provide valuable financing options.

Mahalo again for the opportunity to provide comments on HB879 HD1.

Guided by science, TNC is a non-profit organization dedicated to the preservation of the lands and waters upon which all life depends. The Conservancy has helped protect more than 200,000 acres of natural lands in Hawai'i and Palmyra Atoll. We manage 40,000 acres in 13 nature preserves and have supported over 50 coastal communities to help protect and restore the nearshore reefs and fisheries of the main Hawaiian Islands.

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March 11, 2025

In Support of **HB734 HD1 Relating to Wastewater Systems**
Senate Committees on Health & Human Serv. (HHS) & Agriculture & the Environ. (AEN)
Hearing on Wed., March 12, 2025, 1:00pm, CR308

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

On behalf of the non-profit WAI: Wastewater Alternatives & Innovations, I am writing in **support of HB879 HD1**. This bill would expand on the successful pilot program under Act 153 to help eligible homeowners by providing grants of \$30,000 to help pay the cost of converting their cesspools. The bill would also allot appropriate funding to the Department of Health to manage the program and the grants to homeowners.

Cesspool conversions can be costly, and we need to try to find ways to make upgrades more **affordable** while also making them **effective**. Under Act 125, all cesspools need to be converted by 2050, and the price of conversion is only getting more expensive with time. With prices ranging from \$25k to \$50k (depending on site conditions, soil types, etc.), the amount of these grants need to be raised from \$20k to \$30k to help homeowners in Priority Areas 1 & 2. Because many people can't afford the upfront costs or wait to be reimbursed, I would suggest that the rebates be done as grants that can be paid in installments so they can pay engineers and contractors.

Hawaii has more than 83,000 cesspools across the state, discharging 52 million gallons of raw sewage each day into Hawaii's waters. Along with threats to public health and drinking water resources, new research shows that 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. Many places like Puako in Hawaii County and Ma'alaea in Maui have lost most of their coral reefs. Degraded reefs are not only bad for the environment, but they are bad for tourism, the economy and the protection of the Islands from storms, floods, hurricanes and tsunamis.

WAI is an environmental non-profit dedicated to protecting our water resources by reducing sewage pollution from cesspools. We support more innovative, affordable, and eco-friendly solutions to wastewater management. Better sanitation systems protect public health and valuable natural resources like groundwater, streams, coral reefs and coastal areas.

Hawaii is struggling with serious sewage pollution, and the state has a mandate to make sure all cesspools are converted in the next two decades. This bill would build on a successful pilot program and allow the Department of Health to give grants to eligible homeowners and help them with the cost of converting their cesspools. Mahalo for your leadership on this issue and support of this bill.

Aloha,

Stuart Coleman

Stuart H. Coleman, Executive Director

March 12, 2025

The Honorable Joy A. San Buenaventura, Chair

Senate Committee on Health and Human Services

The Honorable Mike Gabbard, Chair

Senate Committee on Agriculture and Environment
State Capitol, Conference Room 225 & Videoconference

RE: House Bill 879, HD1, Relating to Cesspool Conversions

HEARING: Wednesday, March 12, 2025, at 1:00 p.m.

Aloha Chair San Buenaventura, Chair Gabbard, 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 Hawaii and its over 10,000 members. HAR **supports** House Bill 879, HD1, which increases the maximum grant amount for the Cesspool Compliance Pilot Grant Project. Appropriates funds. Effective 7/1/3000.

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. There are approximately 83,000 cesspools divided into three priorities¹ across the State and to convert 83,000 cesspools by 2050, at least 3,320 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. Costs will vary greatly depending on resources, labor, permitting delays, property terrain, and other variables. According to the Cesspool Conversions Finance Research Report prepared for the Department of Health, "historical costs of cesspool upgrades to approved systems range widely from approximately \$9,000 to \$60,000 or more depending on the wastewater system capacity (based on bedroom count), technology, and location or site constraints."²

In 2022, the Legislature passed Act 153 to offer rebates of up to \$20,000 to help homeowners with the costs of conversion. Demand was so great that that \$5 million in

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

² Carollo. (January 21, 2021). *Cesspool Conversion Finance Research Report*.
<https://health.hawaii.gov/wastewater/files/2021/02/financefinalreportr.pdf>



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grants ran out in just two weeks.³ With the high demand of Act 153, HAR supports reestablishing a pilot grant project to help homeowners who are unable to afford to convert without assistance. Additionally, a higher grant amount can help address rising costs of cesspool conversion.

HAR would also note that the grant money received would be considered income and homeowners would be taxed on that amount.

Mahalo for the opportunity to testify on this measure.

³ Spectrum News Hawaii. (July 6, 2023). 83,000 Hawaii Homes Dispose of Sewage in Cesspools. Rising Sea Levels Will Make Them More of a Mess. spectrumlocalnews.com/hi/hawaii/news/2023/07/06/83-000-hawaii-homes-dispose-of-sewage-in-cesspools--rising-sea-levels-will-make-them-more-of-a-mess





Environmental Caucus of The Democratic Party of Hawai'i

March 8, 2025

Testimony in Support of HB879, HD1 – Relating to Cesspool Conversions

To: Chairs Joy A. San Buenaventura and Mike Gabbard; Vice Chairs Henry J.C. Aquino and Herbert M. "Tim" Richards, III; and Members of the Committees on Health and Human Services and Agriculture and Environment

From: The Environmental Caucus of the Democratic Party of Hawaii

Date: March 12, 2025, 1:00 p.m.

Location: Conference Room 225 & Videoconference

Re: HB879, HD1 – Relating to Cesspool Conversions

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

The Environmental Caucus of the Democratic Party of Hawaii strongly supports HB879, HD1, which increases the maximum grant amount for the Cesspool Compliance Pilot Grant Project and appropriates funds for its implementation. This measure is a critical step in addressing Hawaii's longstanding cesspool challenges by providing the financial support necessary to transition to environmentally sustainable solutions.

Key Points in Support:

1. **Facilitating Cesspool Compliance:** By increasing the grant amount, HB879, HD1 ensures that more homeowners and businesses can afford to upgrade their cesspools to meet compliance standards. This measure reduces financial burdens and accelerates progress toward the state's cesspool conversion goals.
2. **Protecting Public Health and Water Resources:** Cesspools are a major source of water pollution, posing risks to public health and the environment. By making compliance more financially feasible, this bill supports efforts to protect Hawaii's precious water resources and safeguard community health.
3. **Advancing Environmental Sustainability:** Addressing cesspools is essential to Hawaii's broader environmental goals. By enabling faster and more widespread compliance, HB879, HD1 reinforces Hawaii's commitment to sustainability and resilience.
4. **Appropriation of Funds:** The appropriation of funds highlights the Legislature's dedication to solving this critical issue. Adequate funding is essential to ensure the

success of the Cesspool Compliance Pilot Grant Project and its positive impact on the community.

We commend the Legislature for recognizing the urgent need to address cesspool compliance and support this vital initiative through HB879, HD1. We respectfully urge the Committees to pass this measure to promote public health, protect the environment, and strengthen Hawaii's sustainability efforts.

Thank you for the opportunity to testify in support of this important legislation.

Sincerely, Melodie Aduja and Alan Burdick
Co-Chairs, Environmental Caucus of the Democratic Party of Hawaii



TO: Senate Committees HHS/AEN

FROM: Lynn Miyahira representing Public Access to SunScreens (PASS) Coalition

DATE: March 11, 2025

Re: HB 879 HD1

Position: SUPPORT

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 also support efforts that protect our coral reefs.

We support this measure.

Hawaii faces a severe cesspool pollution problem, with over 83,000 cesspools discharging approximately 50 million gallons of raw sewage daily into our groundwater, streams, and oceans. This not only threatens our drinking water but also harms coral reefs that are vital to Hawaii's ecosystem and tourism economy.

Cesspool upgrades are expensive, and we must find ways to make them more affordable for homeowners and governments. This bill would increase grants for qualifying low- and moderate-income homeowners. Past demand for these grants was overwhelming, with funds being fully subscribed within weeks.

HB 879 builds on the success of Act 153 by increasing the maximum grant amount to reflect rising costs of cesspool upgrades. This bill would provide critical financial support to a sizable number of low- and moderate-income homeowners, enabling them to afford cesspool upgrades and helping the state make meaningful progress in addressing this crisis.

This investment is essential to protect Hawaii's water quality, public health, and environment. By increasing grant amounts and ensuring funding availability, HB 879 empowers residents to be part of the solution while reducing the financial burden on families and advancing the state's efforts to combat cesspool pollution. We urge your strong support for this critical legislation.

Mahalo you for the opportunity to testify.

Sincerely,

Lynn Miyahira
Public Access to SunScreens (PASS) Coalition

LATE

HB-879-HD-1

Submitted on: 3/11/2025 7:35:23 PM

Testimony for HHS on 3/12/2025 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Eileen Hilton	Testifying for Windward Coalition	Support	Written Testimony Only

Comments:

03/11/25

RE: HB 879

Aloha Chairs Buenaventura, Gabbard and committee members,

The Windward Coalition strongly supports HB 879.

Improving water quality is one of our key missions and we collect bimonthly water samples in conjunction with the Blue Water Taskforce. As you may know the contamination of nearshore waters has been alarming.

The increased funding for cesspool compliance should improve water quality and assist homeowners in meeting regulatory requirements for cesspool upgrades. That said, the Coalition would much prefer a plan to provide sewer lines to these communities.

Mahalo,

Eileen Hilton MD

President, Windward Coalition

HB-879-HD-1

Submitted on: 3/7/2025 6:47:10 PM

Testimony for HHS on 3/12/2025 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Douglas Perrine	Individual	Support	Written Testimony Only

Comments:

The grants are a proven way of motivating cesspool conversions. I strongly support HB879 to continue and increase the grants.

HB-879-HD-1

Submitted on: 3/7/2025 9:32:45 PM

Testimony for HHS on 3/12/2025 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Nancy Taylor	Individual	Support	Written Testimony Only

Comments:

I strongly support HB879 . People will have a REALLY hard time trying to figure out how in the world they can afford to do this. People are really really really worried about this. They have not prepared for what is going to be an ENORMOUS expense that they can't afford.

Thank you for your consideration of my strong support for HB879.

HB-879-HD-1

Submitted on: 3/10/2025 9:13:33 AM

Testimony for HHS on 3/12/2025 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Michael Becker	Individual	Support	Written Testimony Only

Comments:

I fully support this bill.

HB-879-HD-1

Submitted on: 3/10/2025 8:37:20 AM

Testimony for HHS on 3/12/2025 1:00:00 PM

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

Comments:

URGENT AND A PRIORITY FOR OUR HEALTH AND OUR AGRICULTURE

HB-879-HD-1

Submitted on: 3/9/2025 12:47:45 PM

Testimony for HHS on 3/12/2025 1:00:00 PM

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

Comments:

I support this measure

HB-879-HD-1

Submitted on: 3/11/2025 9:54:26 AM

Testimony for HHS on 3/12/2025 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Christina Comfort	Individual	Support	Written Testimony Only

Comments:

Cesspool conversions are essential to protect our coral reefs, nearshore ecosystems, and public health of swimmers. Most people cannot afford the high price of a conversion (~\$40-50k), which must be completed by 2050, so I support this bill to increase maximum grant amounts.

LATE

Aloha mai kākou,

My name is Mariko Quinn and I am testifying in **strong support** of HB 879. Cesspools are a major environmental threat to our ‘āina and waters and it is imperative that they are upgraded in order to better protect the places we live in.

While previous laws have allotted money to help fund the upgrading of these systems, many of the grants are not large enough to cover this upgrade for lower and middle class households. Homeowners, especially those who have lived in homes for generations, should not have to bear the brunt of the financial burden for upgrading these systems. Similarly, cost must not be a barrier to people trying to do the right thing for the ‘āina they live on.

This bill would greatly support more families and homeowners taking the steps necessary to upgrade their homes and systems. Making this process more accessible and possible for all people is a critical step to protecting Hawai‘i’s people and land.

I strongly urge you to pass this bill.

Thank you for your time,
Mariko Quinn