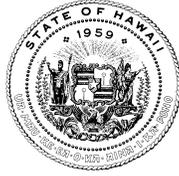


JOSH GREEN, M.D.
GOVERNOR
STATE OF HAWAII
*Ke Kia'āina o ka Moku'āina 'o
Hawai'i*

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



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 Hawai'i

P. O. BOX 1879
HONOLULU, HAWAII 96805

**TESTIMONY OF KALI WATSON, CHAIR
HAWAIIAN HOMES COMMISSION
BEFORE THE HOUSE COMMITTEES ON WATER & LAND
AND
ENERGY & ENVIRONMENTAL PROTECTION
HEARING ON FEBRUARY 11, 2025 AT 10:00AM IN CR 411**

HB 879, HD 1, RELATING TO CESSPOOL CONVERSIONS

February 10, 2025

Aloha Chairs Hashem and Lowen, Vice Chairs Lamosao and Perruso, 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.



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

Testimony in SUPPORT of HB0879 HD1
RELATING TO CESSPOOL CONVERSIONS

REPRESENTATIVE MARK J. HASHEM, CHAIR
HOUSE COMMITTEE ON WATER & LAND

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

February 11, 2025; 10:00 am; Room Number: 411

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 are passed because three (3) additional full-time equivalent (3.0 FTE) positions within
9 the Department’s Wastewater Branch are required to implement this cesspool compliance pilot
10 grant project.

11 **Offered Amendments:** None.

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



To: The Honorable Mark Hashem, Chair, the Honorable Rachele Lamosao, Vice Chair, and Members of the Committee on Water and Land.

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

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

Hearing: Tuesday, February 11, 2025, 10:00 a.m. CR325

Aloha Chair Hashem, Vice Chair Lamosao, and Energy and Members of the Committee on Water and Land.

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.

The Hawai'i Reef and Ocean Coalition STRONGLY SUPPORTS HB879 HD1!

There are about 83,000 cesspools in Hawaii that are dumping about 50 million gallons every day into Hawaii'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 Hawaii'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.

At a time when many residents of Hawaii are struggling to make ends meet, our State has an excellent opportunity to **save some low and moderate income owners money by approving this grant program**. 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.

This bill increases the maximum grant to \$30,000 based on recent experience. The bill provides funding in each of the next two fiscal years.

This bill would enable a sizable number of low and moderate income owners to upgrade their cesspools.

Please pass this bill to enable these low and moderate income owners to upgrade their cesspools!

Mahalo!

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

February 11, 2025

The Honorable Mark J. Hashem, Chair

House Committee on Water & Land
State Capitol, Conference Room 411 & Videoconference

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

HEARING: Tuesday, February 11, 2025, at 10:00 a.m.

Aloha Chair Hashem, Vice Chair Lamosao, and Members of the 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 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 3,192 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 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

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>

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



 808-733-7060

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 1259 A'ala Street, Suite 300
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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.





Feb. 10, 2025

In Support of **HB879 Relating to the Environment**
House Committees on Water & Land (WAL) and Energy & Environmental Protection (EEP)
Hearing on Tue., Feb. 11, 2025, 10:00am, CR411

Aloha, Chairs Hashem & Lowen, Vice-Chairs Lamosao & Peruso and Committee Members:

On behalf of the non-profit WAI: Wastewater Alternatives & Innovations, I am writing in **support of HB879**. 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 add positions to the Department of Health to manage the program and appropriate funds.

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 require denitrification for newly installed systems near the coast and provide needed protections for our coral reefs when upgrading cesspools. Mahalo for your leadership on this issue and support of this bill.

Aloha,

Stuart Coleman

Stuart H. Coleman, Executive Director

HB-879-HD-1

Submitted on: 2/8/2025 7:56:21 AM

Testimony for WAL on 2/11/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Hilary Smith	Individual	Support	Written Testimony Only

Comments:

As a Hawaii resident who enjoys snorkeling among the coral reef, I strongly support increasing the maximum grant amount for cesspool conversion since the current funding level leaves many families struggling to afford this mandatory environmental upgrade that can cost upwards of \$30,000. By providing more robust financial assistance, this bill will help ensure that working families and fixed-income seniors aren't forced to choose between converting their cesspool and meeting other essential needs. The increased grant amount represents a smart investment in protecting Hawaii's groundwater and coastal ecosystems while making these critical conversions more financially feasible for local residents.

HB-879-HD-1

Submitted on: 2/8/2025 9:48:37 AM

Testimony for WAL on 2/11/2025 10:00:00 AM

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

Comments:

Current law requires homeowners to convert cesspools by 2050, and we would like to accomplish that much sooner, but many cannot afford the cost. Please pass HB879 to provide financial assistance to those who need it in high prority cesspool conversion zones. This funding helps protect the health of all who use the ocean, not just those who receive the grants. Mahalo.

HB-879-HD-1

Submitted on: 2/10/2025 12:33:34 PM

Testimony for WAL on 2/11/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
robin knox	Individual	Support	Written Testimony Only

Comments:

Increased funding is necessary to complete the mandated replacement of cesspools. This is urgent in order to protect human health and the environment