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

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



KALI WATSON CHAIRPERSON, HHO

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 COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION HEARING ON JANUARY 30, 2025 AT 9:00AM IN CR 325

HB 879, RELATING TO CESSPOOL CONVERSIONS

January 29, 2025

Aloha Chair Lowen, Vice Chair Perruso, and Members of the Committee:

The Department of Hawaiian Home Lands (DHHL) <u>supports</u> this bill which increases the maximum grant amount for the Cesspool Compliance Pilot Grant Project from \$20,000 to \$30,000 and establishes positions within the Department of Health for the Cesspool Compliance Pilot Grant Project.

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 from \$20,000 to \$30,000 given the increase in costs to cover all upgrade or conversion costs. DHHL also supports providing the Department of Health with the necessary resources to implement the Cesspool Compliance Pilot Grant Project that also serves lessees on Hawaiian Home Lands.

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 from \$20,000 to \$30,000 and establishes positions within the Department of Health for the Cesspool Compliance Pilot Grant Project.

Thank you for your consideration of our testimony.

JOSH GREEN, M.D. GOVERNOR OF HAWAII KE KIA'ĀINA O KA MOKU'ĀINA 'OHAWAI'I



KENNETH S. FINK, M.D., M.G.A, M.P.H DIRECTOR OF HEALTH KA LUNA HO'OKELE

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 RELATING TO CESSPOOL CONVERSIONS

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

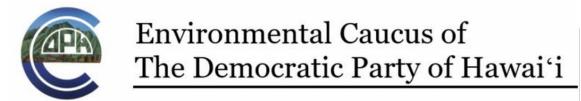
January 30, 2025, 9:00 am, Room Number: 325

- 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 offering proposed amendments.
- 5 **Department Testimony:** The Environmental Management Division (EMD) provides the
- 6 following testimony on behalf of the Department.
- 7 **Offered Amendments:** The Department respectfully suggests the following revisions to the
- 8 proposed measure. Additions appear as underlined and deletions appear as bracketed
- 9 strikeouts.
- SECTION 1, Page 2, lines 1-4:
- "(2) Establish positions within the department of health for the cesspool compliance pilot grant project;[-and]
- 13 (3) Appropriate funds for the cesspool compliance pilot grant project [-]; and

1	(4) Disburse a maximum grant of \$10,000 to eligible grant recipients, who have had or
2	will have eligible cesspool conversion costs paid to the licensed engineer and licensed
3	contractor beyond the maximum grant amount of \$20,000 disbursed by Act 153 that took
4	effect on July 1, 2022."
5 6 7	SECTION 2, Page 2, lines 11-14: "(1) The cesspool is located in an area identified as priority level 1 or 2 in the University of Hawaii's [2021] 2022 Hawaii cesspool [hazard assessment and] prioritization tool;"
8 9	SECTION 2, Page 2, after line 19: Insert new section 3 as follows: "3. By amending subsection (e) to read:
10 11	(e) The owner or lessee shall provide the department of health with the following before a grant may be awarded:
12	(1) Design plans prepared by a licensed engineer for a wastewater system that complies
13	with chapter 11-62, Hawaii Administrative Rules;
14 15 16	(2) A licensed engineer's final construction inspection report with photos and as built plans and certification that the system was constructed in accordance with the design plans approved by the director of health;
17 18	(3) A copy of an approval to use letter of the wastewater system issued by the director of health; and
19 20 21	(4) Receipts of payment made to the licensed engineer, licensed contractor, and wastewater and plumbing supply companies registered with the Hawai'i State Department of Commerce and Consumer Affairs.
22	SECTION 2, Page 2, line 20 – Page 3, line 6: "[2.]3. By amending subsection (f) to read:
23 24 25 26	"(f) The department of health shall grant awards not to exceed [\$20,000] \$30,000 based on receipts of payment submitted under subsection (e)(4)[; provided that cesspools that have been upgraded or converted to a director of health-approved wastewater system before the passing of this Act shall not be eligible for this grant].""
27	SECTION 2, Page 3, Line 7: "[3-]4. By amending subsection (h) to read:"

SECTION 3, Page 3, lines 13-21: "SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of [\$151,000]\$160,000 or so much thereof as may be necessary for fiscal year 2025-2026 and the same sum or so much thereof as may be necessary for fiscal year 2026-2027 to establish one full-time equivalent (1.0 FTE) permanent [program specialist V]engineer III position and one full-time equivalent (1.0 FTE) permanent [planner IV]accountant IV position within department of health for the cesspool compliance pilot grant project."

Thank you for the opportunity to testify on this measure.



January 28, 2025

Testimony in Support of HB879: Relating to Cesspool Conversions

Aloha Chair Lowen, Vice Chair Perruso, and Members of the Committee on Energy and Environmental Protection.

We, Melodie Aduja and Alan Burdick, are testifying on behalf of the Environmental Caucus of the Democratic Party of Hawaii in strong support of HB879, which aims to increase the maximum grant amount for the Cesspool Compliance Pilot Grant Project from \$20,000 to \$30,000. This bill also establishes positions within the Department of Health for the Cesspool Compliance Pilot Grant Project and appropriates funds for these positions.

Key Points of Support:

- 1. **Increased Financial Assistance**: HB879 will provide greater financial assistance to homeowners by increasing the maximum grant amount for cesspool conversions. This will make it more affordable for homeowners to upgrade their cesspools and comply with environmental regulations.
- 2. **Environmental Protection**: By facilitating the conversion of cesspools, this bill will help protect Hawaii's natural resources by reducing pollution from cesspools. Cesspools discharge millions of gallons of wastewater into the state's groundwater daily, harming public health, drinking water, and marine ecosystems.
- 3. **Public Health**: The conversion of cesspools will improve public health by reducing the contamination of drinking water sources and lowering the risk of waterborne diseases.
- 4. **Support for Homeowners**: The establishment of positions within the Department of Health for the Cesspool Compliance Pilot Grant Project will provide the necessary support and resources to assist homeowners in the conversion process. This will ensure that homeowners have access to the information and assistance they need to successfully upgrade their cesspools.

In conclusion, the Environmental Caucus of the Democratic Party of Hawaii strongly supports HB879 and urges the committee to pass this important legislation. By increasing financial assistance and providing support for cesspool conversions, we can ensure a cleaner, healthier, and more sustainable future for Hawaii.

Mahalo for the opportunity to testify in support of this critical bill.

Sincerely,

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



TO: House Committee on Energy & Environmental Protection Representative Nicole E. Lowen, Chair Representative Amy A. Perruso, Vice Chair

House Committee on Water & Land Representative Mark J. Hashem, Chair Representative Rachele F. Lamosao, Vice Chair

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

DATE: Thursday, Jan 30, 2025

TIME: 9:00 AM

PLACE: Conference Room 325 & Videoconference

Re: HB 879

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 support efforts that protect our coral reefs.

We <u>support</u> 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. Act 153 (2022) provided grants of up to \$20,000 for qualifying low- and moderate-income homeowners, and the demand for these grants was overwhelming, with funds being fully subscribed within weeks. However, funding under that law has since expired, leaving many homeowners unable to afford upgrades.

HB 879 builds on the success of Act 153 by increasing the maximum grant amount to \$30,000 to reflect rising costs and by allocating \$5 million annually for the next two fiscal years. 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



To: The Honorable Representative Nicole Lowen, Chair, the Honorable Amy Perruso, Vice Chair, and Members of the Committee on Energy and Environmental Protection.

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

Re: Hearing HB879 RELATING TO CESSPOOL CONVERSIONS

Hearing: Thursday, January 30, 2025, 9:00 a.m. CR325

Aloha Chair Lowen, Vice Chair Perruso, and Energy and Environmental Protection Committee Members:

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!

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 of \$5m per year 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)





January 30, 2025

The Honorable Nicole E. Lowen, Chair

House Committee on Energy & Environmental Protection State Capitol, Conference Room 325 & Videoconference

RE: House Bill 879, Relating to Cesspool Conversions

HEARING: Thursday, January 30, 2025, at 9:00 a.m.

Aloha Chair Lowen, Vice Chair Perusso, 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, which increases the maximum grant amount for the Cesspool Compliance Pilot Grant Project from \$20,000 to \$30,000. Establishes positions within the Department of Health for the Cesspool Compliance Pilot Grant Project. Appropriates funds.

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/2023/07/06/83-000hawaii-homes-dispose-of-sewage-in-cesspools--rising-sea-levels-will-make-them-more-of-a-mess





808-733-7060





convert without assistance. Additionally, the higher grant amount of \$30,000 will 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.





Date: January 29, 2025

Chair Lowen, Vice Chair Perruso, and members of the House Committee on Energy To: & Environmental Protection of the Hawai'i State Legislature

Re: HB 879, Relating to Cesspools

> Thursday January 30, 2025 VIA VIDEOCONFERENCE Conference Room 325

State Capitol

415 South Beretania Street

From: Erica Perez- Program Manager and Head of Sanitation

eperez@coral.org

Coral Reef Alliance (CORAL)

Subject: Testimony in SUPPORT of HB 879, Relating to Cesspools

I am testifying in Support of HB 879 relating to cesspools on behalf of the Coral Reef Alliance (CORAL) and a concerned citizen of Moku o Keawe. This bill increases the maximum grant amount for the Cesspool Compliance Pilot Grant Project from \$20,000 to \$30,000. Establishes positions within the Department of Health for the Cesspool Compliance Pilot Grant Project. Appropriates funds. CORAL and The Ocean Legislative Task Force advocate for cesspool conversion as part of our kuleana to care for the oceans that sustain us.

CORAL has been working to remove cesspools across Hawaii for over ten years. We watch as communities like Puako, Kahalu'u, Hana, and Keaukaha, invest millions of dollars and countless hours to identify solutions for these outdated systems, only to be stalled due to lack of available funding and capacity at the State and County levels. Cesspool upgrades are expensive. We need to try to find ways to make them affordable to homeowners and governments.

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. Funding under that law has now expired. HB879 increases the maximum grant to



\$30,000 based on recent experience. The bill provides funding of \$5m per year 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.

Our coral reefs and oceans are vital to Hawaii's identity and future. By addressing this pressing issue, we protect ecosystems that define our islands and ensure the health of our waters for future generations. The time to act is now—our oceans cannot wait. We are a member of The Ocean Legislative Task Force, a group of over 100 individuals from diverse environmental organizations, working together to safeguard marine ecosystems. Our collective expertise allows us to craft impactful strategies to protect Hawaii's waters.

In closing, CORAL Supports HB 879. Mahalo for the opportunity to testify on this important measure,

Sincerely,

Jucanterez

Erica Perez
Program Manager and Head of Sanitation
eperez@coral.org
Coral Reef Alliance



To: Nicole E. Lowen, Chair Committee on Energy & Environmental Protection

Re: HB 879 Relating to Cesspool Conversions

Thursday, January 30, 2025 9:00AM

VIA VIDEOCONFERENCE

Conference Room 325

State Capitol

415 South Beretania Street

From: Hanna Puentes- Project Coordinator (Hawai'i)

info@hawaiiwaiola.com

Hawai'i Wai Ola

Subject: I am testifying in Support of HB 879 Relating to Cesspool Conversions.

I am testifying in Support of HB 879 relating to Cesspool Conversions on behalf of Hawai'i Wai Ola (HWO) and as a concerned community member of Moku o Keawe. HWO is a Hawai'i Island based multi-organization initiative that produces quality assured, publicly-available nearshore water quality data. Since 2018, HWO has collected, analyzed, and reported on water quality throughout Hawaii County, the leading contributor of cesspools across the State, to safeguard our communities and marine ecosystems from sewage contamination. As an advocate for clean water initiatives, I can attest to the challenges of cesspool conversions, including high costs for homeowners and the technical hurdles faced in remote areas. Any actions that reduce costs and provide practical solutions without compromising water quality will greatly support HWO's mission.

The task of reviewing wastewater rules and identifying cost-saving measures is critical to mitigating cesspool pollution, which impacts groundwater and nearshore ecosystems. To achieve this, sufficient funding should be allocated to enable continued collaboration among local experts, agencies, and community stakeholders.

In closing, HWO Supports HB 879 Thank you for the opportunity to provide this testimony.

Sincerely,

Hanna Puentes, Project Coordinator (Hawai'i) info@hawaiiwaiola.com

iiiio@iiawaiiwaioia.coiii

Hawaii Wai Ola



Jan., 28, 2025

In Support of **HB879 Relating to the Environment**House Committee on Energy & Environmental Protection (EEP)
Hearing on Jan. 30, 2025, 9:00am, CR325

Aloha, Chair Lowen, Vice-Chair 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 tsunami's.

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

<u>HB-879</u> Submitted on: 1/28/2025 12:07:43 PM Testimony for EEP on 1/30/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Lisa Bishop	Individual	Support	Written Testimony Only

Comments:

I support!

HB-879

Submitted on: 1/28/2025 12:41:59 PM

Testimony for EEP on 1/30/2025 9:00:00 AM

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

Comments:

Last year's pilot program proved that Hawaii property owners will upgrade their cesspools if they are offered financial help to make that very expensive conversion more affordable. Demand for these grants far outstripped supply, indicating that a new & larger program is called for. Without this kind of support, Hawaii will never meet its cesspool conversion deadline. Please pass HB879.

HB-879

Submitted on: 1/28/2025 10:54:44 PM

Testimony for EEP on 1/30/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Sherry Pollack	Individual	Support	Written Testimony Only

Comments:

I support HB879 that increases the maximum grant amount for the Cesspool Compliance Pilot Grant Project from \$20,000 to \$30,000. Cesspool upgrades are expensive. We need to try to find ways to make them affordable to homeowners and governments. Please pass this important measure.

Testimony in Support of HB879 Hearing Date: January 30, 2025

Dear Members of the Hawaii State of Representatives,

I strongly support **HB879**, which increases the maximum grant amount for the cesspool compliance pilot grant project and provides additional funding to assist homeowners in upgrading or converting their cesspools.

As someone currently living in a family house with a cesspool, we are working toward upgrading to a septic tank system. However, the financial burden associated with this conversion is significant. The additional funding this bill provides would be highly beneficial in helping homeowners achieve compliance while ensuring that we can make these necessary improvements without excessive financial strain.

Hawaii's transition away from cesspools is crucial for protecting our water resources and environment, but the cost remains a significant barrier for many homeowners. By increasing the grant amount and ensuring continued funding, this bill makes compliance more accessible and realistic for residents who want to do their part in upgrading their wastewater systems.

I respectfully urge you to **pass this bill** to support homeowners, protect public health, and improve Hawaii's environmental sustainability.

Thank you for the opportunity to submit testimony.

Peterson W. Grom