

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

**Testimony in SUPPORT of HB2195 HD1
RELATING TO CESSPOOLS**

REPRESENTATIVE AARON LING JOHANSON, CHAIR
HOUSE COMMITTEE ON CONSUMER, PROTECTION & COMMERCE
Hearing Date: 2/16/2022 Room Number: 329

1 **Fiscal Implications:** The Department of Health (Department) would need at least one full-time
2 temporary position to implement the proposed cesspool compliance pilot project. This measure
3 may impact the priorities identified in the Governor's Executive Budget Request for the
4 Department's appropriations and personnel priorities.

5 **Department Testimony:** The Department supports this measure as long as it does not impact
6 the priorities requested in the Executive Budget. The Department would also prefer that a tax
7 credit is offered instead of a grant. The Department is unsure how we would be able to
8 administer a grant program to the general public if this measure is passed.

9 Cesspools are a major source of pollution to Hawaii's waters. There are approximately
10 88,000 cesspools in the State, discharging millions of gallons of untreated sewage into the
11 groundwater every day. The sewage polluted groundwater flows into drinking water sources,
12 streams and the ocean, harming public health and the environment, including beaches and coral
13 reefs. Ninety-five percent of all drinking water in Hawaii comes from groundwater sources.
14 Cesspools should be phased out to eliminate threats to drinking water and recreational waters.

15 The Department believes the pilot project should focus on low and moderate-income
16 homeowners. The 2017 legislature report should not be referenced because the Department is
17 working on updating the report. The measure also uses an owner's federal adjusted gross income
18 cap for individuals. It does not contemplate the fact that some property owners are entities, not
19 individuals. It also does not consider whether the property in question is a second-home or

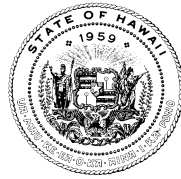
1 rental/investment property. The Department supports the concept of the pilot project, however,
2 the bill needs to be amended to ensure that it will be eligible for only low and moderate-income
3 homeowners.

4 **Offered Amendments:** The proposed amendment to §342D- (a)(1), “Upgrading or converting a
5 failing cesspool to a director-approved wastewater system;”. Wastewater systems are approved
6 by the Director of Health and not the Department.

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

DAVID Y. IGE
GOVERNOR
STATE OF HAWAII

JOSH GREEN
LT. GOVERNOR
STATE OF HAWAII



WILLIAM J. AILA, JR.
CHAIRMAN
HAWAIIAN HOMES COMMISSION

TYLER I. GOMES
DEPUTY TO THE CHAIRMAN

**STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS**

P. O. BOX 1879
HONOLULU, HAWAII 96805

TESTIMONY OF WILLIAM J. AILA, JR, CHAIRMAN
HAWAIIAN HOMES COMMISSION
BEFORE THE HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE
HEARING ON FEBRUARY 16, 2022 AT 2:00PM VIA VIDEOCONFERENCE

HB 2195, HD1, RELATING TO CESSPOOLS

February 16, 2022

Aloha Chair Johnason, Vice Chair Kitagawa, and members of the Committee:

The Department of Hawaiian Home Lands (DHHL) supports this bill establishing a cesspool compliance pilot grant project to assist low- and moderate-income property owners, including lessees on Hawaiian home lands, with the costs of upgrading, converting, or connecting a cesspool identified as failing by the Department of Health.

DHHL is especially supportive of the inclusion of low- and moderate-income lessees on Hawaiian Home Lands to access funding through this pilot grant project. Lessees are experiencing increased costs because of septic system requirements and given limited financing options on Hawaiian Home Lands, this measure provides a much needed resource. The Hawaiian Homes Commission in the past two years approved a measure establishing a low-interest loan program to offer financial assistance for lessees on Hawaiian Home Lands with cesspools to be ungraded or converted to septic systems or aerobic treatment unit systems or connected to existing sewer systems or any other wastewater treatment systems approved by the Department of Health, but DHHL hasn't been able to design the appropriate mechanism to accomplish the result.

Thank you for your consideration of our testimony.

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
DIRECTOR

GLORIA CHANG
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
P.O. BOX 150
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY
TESTIMONY BY CRAIG K. HIRAI
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE
ON
HOUSE BILL NO. 2195, H.D. 1

February 16, 2022
2:00 p.m.
Room 329 and Videoconference

RELATING TO CESSPOOLS

The Department of Budget and Finance (B&F) offers comments on this bill.

House Bill No. 2195, H.D. 1:

- Establishes the cesspool compliance pilot grant project (CCPGP) in the Department of Health (DOH) to assist property owners, including lessees on Hawaiian home lands, with upgrading, converting, or connecting a cesspool that DOH has identified as failing.
- Requires DOH to adopt rules as necessary to carry out the CCPGP, provided that the rules shall include a method of calculating a sliding scale grant amount based upon the federal adjusted gross income of the owner of the property with a failing cesspool.
- Appropriates an unspecified amount of general funds in FY 23 to DOH to implement the CCPGP.

B&F notes that, with respect to the general fund appropriation in this bill, the federal Coronavirus Response and Relief Supplemental Appropriations Act requires that

states receiving Elementary and Secondary School Emergency Relief (ESSER) II funds and Governor's Emergency Education Relief II funds must maintain state support for:

- Elementary and secondary education in FY 22 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

Further, the federal American Rescue Plan (ARP) Act requires that states receiving ARP ESSER funds must maintain state support for:

- Elementary and secondary education in FY 22 and FY 23 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 and FY 23 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

The U.S. Department of Education has issued rules governing how these maintenance of effort (MOE) requirements are to be administered. B&F will be working with the money committees of the Legislature to ensure that the State of Hawai'i complies with these ESSER MOE requirements.

Thank you for your consideration of our comments.



KAHALU'U NEIGHBORHOOD BOARD NO. 29

(He'eia Kea, 'Āhuimanu, Kahalu'u, Waihe'e, Ka'alaea, Waiāhole, Waikāne, Hakipu'u, Kualoa)

C/o Neighborhood Commission Office ♦ 925 Dillingham Boulevard, Suite 160 ♦ Honolulu, Hawaii 96817
PHONE (808) 768-3710 ☎ FAX (808) 768-3711 ☎ INTERNET: <http://www.honolulu.gov/nco>

"LET US NOT EVER HAVE AN UNHAPPY MINORITY; RATHER, LET US BUILD A COMMUNITY CONSENSUS."

House Committee on Consumer Protection & Commerce
Wednesday, February 16, 2022, at 2 p.m.
Via Videoconference
Conf. Rm. 329
State Capitol

RE: HB 2195, HD1 Relating to Cesspools

Aloha e ka Luna Ho'omalua Johanson, ka Hope Luna Ho'omalua Kitagawa, a me nā lālā o kēia Kōmike o ka Hale o nā Lunamaka'āinana,

In our regular board meeting on February 9, 2022, the Kahalu'u Neighborhood Board #29 (KNB #29) voted unanimously to **support the concepts** of HB 2195, HD1, which establishes a cesspool compliance pilot grant project to assist low- and moderate-income property owners, including lessees on Hawaiian home lands, with the costs of upgrading, converting, or connecting a cesspool and also applies to cesspools identified as failing by the Department of Health. This measure also appropriates funds.

Mahalo for this opportunity to offer testimony and please do advance this measure.

Me ka ha'aha'a,

A handwritten signature in blue ink, appearing to read "Ka'ano'i Walk".

Ka'ano'i Walk, Chair
Kahalu'u Neighborhood Board #29

HB-2195-HD-1

Submitted on: 2/15/2022 9:34:11 AM

Testimony for CPC on 2/16/2022 2:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Mark Wolfendale	Rotary Club Hanelie Bay	Support	No

Comments:

The Hanalei community has over 200 cesspools, many of which drain directly into Hanalei Bay with each tide change. Many of these homes are owned by longterm residents who understand the importance of proper sewage treatment but do not have the financial resources to pay for conversion. This pilot project is an essential first step towards returning Hanalei Bay to a healthy recreation and fishing resource for our state.

February 16, 2022

The Honorable Aaron Ling Johanson, Chair

House Committee on Consumer Protection and Commerce
Via Videoconference

RE: H.B. 2195, HD1, Relating to Cesspools

HEARING: Wednesday, February 16, 2022, at 2:00 p.m.

Aloha Chair Johanson, Vice Chair Kitagawa, and Members of the Committee,

I am Ken Hiraki, Director of Government Affairs, testifying on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawai'i, and its over 10,800 members. HAR **strongly opposes** House Bill 2195, HD1, which establishes a cesspool compliance pilot grant project to assist low- and moderate-income property owners, including lessees on Hawaiian home lands, with the costs of upgrading, converting, or connecting a cesspool. Applies to cesspools identified as failing by the Department of Health. Appropriates funds. Effective 7/1/2100.

Act 132, Session Laws of Hawai'i 2018, created a Cesspool Conversion Working group comprised of various government and industry partners, including Hawai'i REALTORS®. The work of the Working Group is not finalized and as such HAR believes that this measure is premature until a comprehensive plan is finalized.

Mahalo for the opportunity to testify.



Feb. 15, 2022

In Support of **HB1805 HD1** Relating to Cesspools
House Committee on Consumer Protection and Commerce (CPC)
Hearing on Feb. 16, 2:00pm

Aloha, Chair Johanson, Vice-Chair Kitagawa and Members of the Committee:

On behalf of the non-profit WAI: Wastewater Alternatives & Innovations, I am writing in **strong support of HB2195**. This bill would help homeowners with the costs of replacing their cesspools and other essential upgrades by creating a pilot grant project to assist low- and moderate-income homeowners with the cost of converting their cesspools or connecting them to sewer.

Hawaii has more than 88,000 cesspools across the state, discharging 53 million gallons of raw sewage each day into Hawaii's waters. That's similar to a massive sewage spill every day! Homeowners across the state need this law to make sure their wastewater systems aren't polluting the groundwater or nearby surface waters. As a member of the State's Cesspool Conversion Working Group, I believe this bill provides an important economic tool for the state to fulfill its mandate under Act 125 to convert all cesspools by 2050.

WAI is 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. Better sanitation systems reduce sewage pollution and make properties more valuable, while also protecting our groundwater, streams, and the health of our coral reefs and coastal areas. Converting cesspools will also improve water quality for locals and visitors alike and help protect our environment and promote Hawaii as a world-class destination.

Hawaii is struggling with serious sewage pollution problems and needs to meet the mandate to convert all cesspools in the next three decades. Most homeowners don't have enough money to convert their individual cesspools, but this law will help homeowners by creating grants to help low- and moderate-income homeowners with the cost of converting their cesspools. Similar grant programs in New York and Rhode Island have increased the rate of conversions.

Based on successful bills in other states, this bill creates a practical and expedient way to convert cesspools with state grants. It will also help homeowners, the counties and the state meet the mandate to convert all cesspools by 2050. Mahalo for your leadership on this issue and support of common sense policies like this one to help the people of Hawaii.

Aloha,
Stuart Coleman
Stuart H. Coleman, Executive Director

HB-2195-HD-1

Submitted on: 2/15/2022 12:30:44 PM

Testimony for CPC on 2/16/2022 2:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Ted Bohlen	Hawai'i Reef and Ocean Coalition (HIROC)	Support	Yes

Comments:

To: The Honorable Aaron Ling Johanson, Chair, the Honorable Lisa Kitagawa, Vice Chair, and members of the House Consumer Protection and Commerce Committee

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

Re: Hearing HB2195 HD1 RELATING TO CESSPOOLS.

Wednesday February 16, 2022, 2:00 p.m., by videoconference

Aloha Chair Johanson, Vice Chair Kitagawa, and members of the House Consumer Protection and Commerce Committee:

Position: **Hawai'i Reef and Ocean Coalition (HIROC) STRONGLY SUPPORTS HB2195 HD1!**

Cesspools need to be phased out in order to protect Hawaii's drinking waters, surface water quality, and coral reefs and other aquatic life!

This bill would establish a cesspool compliance pilot grant program to help some low and moderate income property owners, including some lessees on Hawaiian homelands, afford the costs of upgrading, converting or connecting a cesspool. Similar grant programs in New York and Rhode Island have increased the rate of conversions.

This bill would help remove some water pollution from the environment and help some low and moderate income property owners and Hawaiian homelands lessees financially. Please pass this bill!

Mahalo!

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

HB-2195-HD-1

Submitted on: 2/14/2022 11:01:50 PM

Testimony for CPC on 2/16/2022 2:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Andrea Nandoskar	Individual	Support	No

Comments:

Strongly support!

Mahalo for your consideration.

HB-2195-HD-1

Submitted on: 2/15/2022 9:41:57 AM

Testimony for CPC on 2/16/2022 2:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Douglas Perrine	Individual	Support	No

Comments:

Any measure that helps residents to upgrade their cesspools is welcome.

HB-2195-HD-1

Submitted on: 2/15/2022 1:30:08 PM

Testimony for CPC on 2/16/2022 2:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Christina Comfort	Individual	Support	No

Comments:

Cesspools do not treat household wastewater and instead release it untreated. This is known to pollute drinking water and coastal oceans, causing public health hazards and environmental damage. There is a mandate to convert all cesspools by 2050, but the costs of conversion pose a financial burden to low and mid-income homeowners.

The pilot Cesspool Grant Program would provide a way for qualifying homeowners to access financial assistance to make this important conversion. With a focus on Hawaiian Home Lands, this grant program helps to address the environmental equity issues of cesspool pollution, including pollution of fishponds, lo'i, and degraded nearshore habitat and subsistence fisheries.

Please support this important bill to make cesspools conversions more affordable. With over 88,000 cesspools to convert in the coming decades, financial assistance mechanisms are desperately needed to support homeowners and reduce pollution to our unique coral reef ecosystems.

Mahalo for your support,

Christina Comfort

Oceanographer, UH Manoa

Resident, Pupukea, Oahu

HB-2195-HD-1

Submitted on: 2/15/2022 11:47:35 AM

Testimony for CPC on 2/16/2022 2:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Flora Obayashi	Individual	Support	No

Comments:

Aloha,

I am a resident of Kahalu‘u. The Department of Health has declared Kahalu‘u Lagoon and streams a priority 1 area needing effective action for public safety and health, as it is the most polluted waterway on O‘ahu. Over 700 old cesspools have leaked into Kahalu‘u Stream over many decades stopping the use of Kahalu‘u Lagoon as a designated recreational area. The model boats club have stopped using the area to stage their races. The Keahiakahoe Canoe Club has to protect their bodies from contact with the waters in order to prevent open sores. Lacking financial means and resources, many long-time landowners are unable to upgrade to septic tanks. This bill will provide the monies needed for upgrade and to mediate the public health risk in our area.



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

LATE

Testimony Presented Before the
House Committee on Consumer Protection & Commerce
Wednesday, February 16, 2022 at 2:00 p.m.

By

Darren T. Lerner, PhD
Director, Sea Grant College Program,
School of Ocean and Earth Science and Technology

And

Michael Bruno, PhD
Provost
University of Hawai'i at Mānoa

HB 2195 HD1 – RELATING TO CESSPOOLS

Chair Johanson, Vice Chair Kitagawa, and members of the committee:

The University of Hawai'i Sea Grant College Program (Hawai'i Sea Grant) supports HB 2195 HD1. This legislation would create a cesspool compliance pilot grant project to assist low-and moderate-income property owners, including lessees on Hawaiian home lands, with the costs of upgrading, converting, or connecting a cesspool to the sewer system. In particular, this bill applies to cesspools identified as failing by the Department of Health (DOH), which stand to disproportionately contribute to the negative impacts of nonpoint source pollution occurring daily, statewide.

One of the primary impediments to cesspool conversion is the cost to individual families, particularly those property owners with low-and moderate-incomes. This bill would provide financial relief to the owners of cesspools who need it most, and would allow for the expedited conversion of systems already identified as failing. The legislation proposed by this bill would enhance the state's capacity to fulfill its mandate under Act 125, which requires the conversion of all cesspools by 2050.

Hawai'i Sea Grant supports HB 2195 HD1, which will help low-and moderate-income homeowners with the costs of replacing their cesspools with more appropriate waste management systems.

Thank you for the opportunity to testify on this measure.

HB-2195-HD-1

Submitted on: 2/16/2022 4:34:52 PM

Testimony for CPC on 2/16/2022 2:00:00 PM



Submitted By	Organization	Testifier Position	Remote Testimony Requested
Manuel Mejia	CORAL (Coral Reef Alliance)	Support	No

Comments:

Thank you for supporting this bill HB 2195 HD1. There are many hurdles to this massive problem but I applaud this bold solution to provide a way for qualifying homeowners to access financial assistance to make this important conversion possible. Cesspools pollute our waters and is a serious public health hazard and negatively impacts our economy in various ways. This grants program, with a focus on Hawaiian Home Lands, also helps to address the environmental equity issues of cesspool pollution, including pollution to fishponds, lo'i, and degraded nearshore habitat and nearshore fisheries, which a lot of families depend upon.

LATE

HB-2195-HD-1

Submitted on: 2/15/2022 2:26:52 PM

Testimony for CPC on 2/16/2022 2:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Cara Oba	Individual	Support	No

Comments:

I am all for supporting those that need assistance to upgrade and convert their cesspools. I support this bill. It benefits all of us.

LATE

HB-2195-HD-1

Submitted on: 2/15/2022 3:32:05 PM

Testimony for CPC on 2/16/2022 2:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Kosta Stamoulis	Individual	Support	No

Comments:

I support this bill.

LATE

HB-2195-HD-1

Submitted on: 2/15/2022 4:03:10 PM

Testimony for CPC on 2/16/2022 2:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Gerard Silva	Individual	Oppose	No

Comments:

This needs to be TERMINATED . We need cess pools we do not need you people.

Stop Trying to Ripp the people Off!!!