



# UNIVERSITY OF HAWAII SYSTEM

## ‘ŌNAEHANA KULANUI O HAWAII

### Legislative Testimony

#### Hō'ike Mana'o I Mua O Ka 'Aha'ōlelo

Testimony Presented Before the  
Senate Committee on Ways and Means  
Tuesday, April 4, 2023 at 10:30 a.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, Provost

University of Hawai'i at Mānoa

#### HB 1396 HD2 SD1– RELATING TO CESSPOOLS

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee:

The University of Hawai'i Sea Grant College Program (Hawai'i Sea Grant) and UH Water Resources Research Center **strongly support** HB 1396 HD2 SD1.

This bill would advance multiple important efforts that would benefit community and environmental health.

Part I of the bill seeks to create an innovative pilot program within the Department of Health Environmental Management Division that provides funding for wastewater planning and management specific to cesspool conversion via connection to sewer or other centralized systems. This program would incentivize county-level action and promote partnerships and information sharing between the state and county wastewater management programs. Importantly, the bill not only provides planning support but also includes stakeholder outreach and implementation funding. Implementation of this measure could allow for the connection of existing cesspools to sewer or other centralized systems that would not have occurred otherwise, and would likely alleviate financial hardships on those selected to participate in the pilot programs within each county.

Part II of this bill would provide a critical expansion of capacity for the Department of Health by establishing and staffing a Cesspool Conversion section within the Wastewater Branch of the department. The Cesspool Conversion section would create a centralized resource to assist with the multifaceted nature of cesspool conversion and upgrades, including, financing, public outreach and education, providing consistent information to homeowners, managing grants, securing federal funding, and facilitating partnerships. Currently, these tasks are either not being completed or have been divided in a piecemeal way among

entities without standardization or leadership. The Cesspool Conversion section at the Department of Health would be an invaluable resource to ensure the state meets its goals for cesspool conversion and upgrades. Hawai'i Sea Grant and UH Water Resources Research Center defer to the Department of Health on the number of positions needed to fulfill their cesspool-related responsibilities.

Hawai'i Sea Grant and UH Water Resources Research Center strongly support Part III, which encourages robust public outreach and education efforts. The development of a comprehensive public outreach strategy in particular is a critical next step homeowners to understand their responsibilities regarding cesspool upgrades, conversion, or connection to a sewerage system.

Part IV re-issues an income tax credit to offset the financial difficulties of cesspool conversion and upgrades. Because it is critical to both human and environmental health that the state's cesspools be eliminated as soon as possible, it is important that a multitude of mechanisms for financial assistance be created for homeowners. We support the disclosure of a cesspool's presence on a property during a real estate transaction. This disclosure would motivate conversion prior to the sale of the property, accelerating the statewide conversion and upgrade of cesspools. It would also prevent new buyers from the undue burden of conversion without their knowledge and explicit understanding. The new responsibilities for the Department of Health required under this section make the allocation of their new personnel as discussed above even more important.

Thank you for the opportunity to testify on this measure.

JOSH GREEN M.D.  
GOVERNOR

SYLVIA LUKE  
LT. GOVERNOR



STATE OF HAWAII  
**DEPARTMENT OF TAXATION**

Ka 'Oihana 'Auhau  
P.O. BOX 259

HONOLULU, HAWAII 96809  
PHONE NO: (808) 587-1540  
FAX NO: (808) 587-1560

GARY S. SUGANUMA  
DIRECTOR

KRISTEN M.R. SAKAMOTO  
DEPUTY DIRECTOR

**TESTIMONY OF  
GARY S. SUGANUMA, DIRECTOR OF TAXATION**

**TESTIMONY ON THE FOLLOWING MEASURE:**

H.B. No. 1396, H.D. 2, S.D. 1, Relating to Cesspools

**BEFORE THE:**

Senate Committee on Ways and Means

**DATE:** Tuesday, April 4, 2023  
**TIME:** 10:30 a.m.  
**LOCATION:** State Capitol, Room 211

Chair Dela Cruz, Vice-Chair Keith-Agaran, and Members of the Committees:

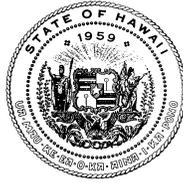
The Department of Taxation ("Department") offers the following comments regarding H.B. 1396, H.D. 2, S.D. 1, for your consideration.

Section 12 of the bill, beginning on page 13, line 17, 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. This measure has a defective effective date of June 30, 3000.

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 determine eligibility for and administration of this credit.

The Department further requests that this measure be amended so that section 12 shall apply to taxable years beginning after December 31, 2023.

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



STATE OF HAWAII  
DEPARTMENT OF HEALTH  
KA 'OIHANA OLAKINO  
P. O. BOX 3378  
HONOLULU, HI 96801-3378  
[doh.testimony@doh.hawaii.gov](mailto:doh.testimony@doh.hawaii.gov)

WRITTEN  
TESTIMONY  
ONLY

In reply, please refer to:  
File:

**Testimony in SUPPORT of HB1396 HD2 SD1  
RELATING TO WASTEWATER SYSTEMS**

SENATOR DONOVAN M. DELA CRUZ, CHAIR  
SENATE COMMITTEE ON WAYS AND MEANS

Hearing Date: 4/4/2023

Room Number: 211

1 **Fiscal Implications:** This measure may impact the priorities identified in the Governor's  
2 Executive Budget Request for the Department of Health's (Department) appropriations and  
3 personnel priorities. The measure establishes and appropriates general funds for two new  
4 full-time (2 FTE) permanent positions in fiscal year 2023-2024 and two additional full-time  
5 (2 FTE) permanent positions in fiscal year 2024-2025.

6 **Department Testimony:** The Department strongly supports this measure that involves creating  
7 a pilot program that provides upfront planning funds to counties to identify the most feasible  
8 areas to connect to an existing or future wastewater treatment plant, engage communities in the  
9 discussion, conduct preliminary engineering, estimate upfront and ongoing costs for  
10 implementation, and allowance for contracting of the work to establish and implement the  
11 proposed pilot program. The Department supports Part II of this measure that creates a new  
12 cesspool conversion section and establishes four (4) new positions within the Department's  
13 Wastewater Branch that will be dedicated to facilitating the conversion of cesspools within the  
14 State. The Department acknowledges that additional staff will be needed to support the cesspool  
15 conversions in the State.

16 The Department has comments to provide for Part III of this measure. The Department  
17 suggests removing the reference to retaining experts that will conduct the necessary public  
18 outreach and education resources and tools for a comprehensive outreach strategy. The  
19 Department should be provided the flexibility to perform this work utilizing existing staff or

1 qualified contractors. In addition, an appropriation from the general revenues should be used to  
2 fund this initiative and not funds from the water pollution control revolving fund.

3 The Department also supports Part IV of this measure that proposes the re-establishment  
4 of the cesspool upgrade, conversion, or connection income tax credit program. The Department  
5 recognizes that there is a need to provide a variety of financing options to assist residents for  
6 cesspool conversions in addition to the program that was established by Act 153, Session Laws  
7 of Hawaii 2022. The Department also supports the mandatory seller disclosures in real estate  
8 transactions to include whether a property has a cesspool, including the date by which state law  
9 mandates that the cesspool be upgraded, converted or connected to a sewer system.

10 Thank you for the opportunity to testify.

11 **Offered Amendments:** The Department respectfully suggests the following revisions to the  
12 measure. Additions appear as underlined and deletions appear as bracketed strikeouts.

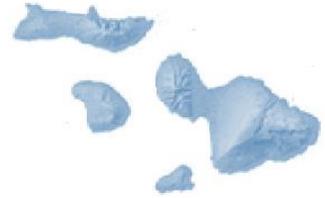
13 Revise SECTION 9. (4), page 10, lines 7-9, “(4) [~~Retain experts who shall, in~~]In  
14 consultation with counties, nonprofit organizations, and wastewater industry professionals:”

15 Revise SECTION 10, page 11, line 3, “... appropriated out of the [~~water pollution control~~  
16 ~~revolving fund~~]general revenues of the State of Hawaii ...”

17 Revise SECTION 10, page 11, line 7, “...health to retain [~~experts~~]qualified consultant(s)  
18 as needed, to identify necessary public outreach...”

**RICHARD T. BISSEN, JR.**  
Mayor

**KEKUHAUPIO R. AKANA**  
Managing Director



**OFFICE OF THE MAYOR**  
COUNTY OF MAUI  
200 SOUTH HIGH STREET  
WAILUKU, MAUI, HAWAII 96793  
[www.mauicounty.gov](http://www.mauicounty.gov)

April 3, 2023

**TO:** Honorable Senator Donovan M. Dela Cruz, Chair  
Honorable Senator Gilbert S.C. Keith-Agaran, Vice Chair  
Senate Committee on Ways and Means

**FROM:** Richard T. Bissen, Jr., Mayor  
Shayne R. Agawa, P.E., Director, Department of Environmental Management

**DATE:** April 3, 2023

**SUBJECT: COMMENTS FOR HB1396, HD2, RELATING TO CESSPOOLS**

We respectfully offer our comments on House Bill 1396, HD2 for your consideration.

**SECTION I:**

This measure places the burden of providing sewer service, including collection system, new wastewater treatment facility, and disposal methods on the respective counties. Consequently, estimated expenses of planning, permitting, and construction may be in the hundreds of millions of dollars, and would require substantial expansion of resources, such as staff, maintenance equipment, etc.

It may also require the County to assist homeowners in converting off of cesspools via other wastewater disposal methods, including individual septic systems, aerobic treatment units that may result in expedient financial burden to the County, and potentially the homeowners as a consequence of higher sewer rates. The average cost for a new septic system for a single-family home is estimated at approximately \$23,000. The average cost for a new ATU for a single-family home is estimated from \$25,000 to \$40,000 depending on on-site existing conditions.

The intention is to expand existing sewer systems to connect homes. Wastewater Reclamation Division (WWRD) reviews these types of projects routinely, and has included several in our 6-year CIP in the past and present. Projects that we have reviewed most recently include:

- Kaiola Place in Kihei is in design, and FY2024 CIP construction is estimated at \$1 million;
- Waiko Road Subdivision Sewer System is in design, and FY2025 CIP construction is estimated at \$2.5 million;
- Upper Waiko Road Sewer Extension is in design, and FY2025 CIP construction is estimated at \$2.5 million;
- Old Wailuku Heights has a FY2027 PER in the schedule, and a preliminary estimate of \$6 million, but needs more study;
- Pakele Place Extension in Waiehu, targeting potentially 7 homes is estimated at \$900,000; and
- Wahikuli in Lahaina, which was reviewed in 2013 would connect 231 homes at an estimated \$10 million, so it was deferred.

We prefer the State take on a larger portion of the financial burden to comply with Section I to alleviate the financial burden on the county. Additionally, it would be preferable to involve the county in choosing a pilot project and evaluating if it is construction ready.

**SECTIONS II and III:**

The County agrees with and supports both Section II and Section III of HB1396.

For those reasons, we respectfully share our concerns for your consideration. If you have any questions, or would like to discuss further, please feel free to contact us.



## Environmental Caucus of The Democratic Party of Hawai'i

To: The Honorable Donovan Dela Cruz, Chair  
The Honorable Gilbert S.C. Keith-Agaran, Vice Chair  
Members of the Committee on Ways and Means

Re: **HB 1396, HD2, SD1– RELATING TO CESSPOOLS**

Hearing: Tuesday, April 4, 2023, 10:30 a.m., Conference Room 221 and via Videoconference

Position: **Strong support**

Aloha, Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee on Ways and Means:

The Environmental Caucus of the Democratic Party of Hawai'i and its 7,200 members stand in strong support of HB 1396, HD2, SD1. This measure would provide in Part I: Establish and appropriate funds for a county cesspool pilot program in Department of Health to work with each county to identify a priority area to expand the county sewage system or other centralized treatment system to connect individual properties in the priority area and reduce or eliminate cesspools in the identified area. Part II: Create a cesspool conversion section in DOH to facilitate the conversion of cesspools within the State. Establishes and appropriates funds for positions. Part III: Require DOH to retain experts to identify necessary public outreach and education resources and tools and develop a comprehensive public outreach strategy and educate homeowners regarding the State's cesspool upgrade, conversion, and connection requirements and deadlines. Part IV: Establish 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 and require certain information regarding cesspools on real property to be included in seller mandatory disclosures for real property transactions.

The Democratic Party of Hawai'i Platform plank on the environment provides that its members are to “protect and preserve Hawai'i's environment and achieve energy sustainability, advance measures to re-establish a healthy climate and environment for humans and fellow species, including actions to urgently address climate change, and work towards 100% renewable energy goals.

We believe that all people have the right to live in a clean, healthy and safe environment. We believe that the preservation of our natural environment and its ecological well-being is essential to ensuring a safe, healthy, bountiful life for future generations in Hawai'i. We support policies that create a more sustainable society. We support the restoration, preservation, and protection of native ecosystems.

We believe in the resource management principles outlined in the Public Trust doctrine of [Article XI, Section 1 of] the Hawai'i State Constitution.” [OUR PLATFORM | DPH \(hawaiidemocrats.org\)](https://www.hawaiidemocrats.org)

Hawaii currently has an official goal to replace all its cesspools with better sewage treatment systems that cause less harm to the local environment and public health by 2050; however, as many as 83,000 cesspools release about 53 million gallons of untreated sewage into the islands' soil, streams and nearshore waters daily making the 2050 deadline too late to prevent substantial harm.



April 4, 2023  
Page 2

In the Report of the [Cesspool Conversion Working Group](#), nearly 14,000 of the worst Hawaii cesspools – the ones that would potentially cause the most damage based on their location – are to be removed by 2030; followed by more than 12,000 “priority two” cesspools to be removed by 2035; and the remaining “priority three” 55,000 cesspools are to be removed by the original 2050 deadline.

“There are no benefits to human health or the environment if homeowners wait or postpone conversion until closer to the 2050 ... deadline,” the 17-member task force of scientists, public health officials, private industry representatives, elected leaders and environmental advocates wrote in a new 1,182-page report to the Legislature. [Microsoft Word - Cesspool Conversion Plan Draft Final-copy-blue wave-FINAL use this one \(hawaii.gov\)](#)

Part I: Establishing and appropriating funds for a county cesspool pilot program in Department of Health to work with each county to identify a priority area to expand the county sewage system or other centralized treatment system to connect individual properties in the priority area and reduce or eliminate cesspools in the identified area. Part II: Creating a cesspool conversion section in DOH to facilitate the conversion of cesspools within the State. Establishes and appropriates funds for positions. Part III: Requiring the DOH to retain experts to identify necessary public outreach and education resources and tools and develop a comprehensive public outreach strategy and educate homeowners regarding the State's cesspool upgrade, conversion, and connection requirements and deadlines. Part IV: Establishing 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 and requiring certain information regarding cesspools on real property to be included in seller mandatory disclosures for real property transactions would all be consistent with the state and counties' duties under the Public Trust Doctrine and the DPH Platform environmental plank to restore, preserve, and protect our native ecosystem.

Please support and pass this bill.

Mahalo for the opportunity to testify on this measure.

/s/ Melodie Aduja and Alan Burdick  
Co-Chairs, Environmental Caucus of the Democratic Party of Hawai'i



Email: [communications@ulupono.com](mailto:communications@ulupono.com)

SENATE COMMITTEE ON WAYS & MEANS

Tuesday, April 4, 2023 — 10:30 a.m.

**Ulupono Initiative supports HB 1396 HD2 SD1, Relating to Cesspools.**

Dear Chair Dela Cruz and Members of the Committee:

My name is Micah Munekata, and I am the Director of Government Affairs at Ulupono Initiative. We are a Hawai'i-focused impact investment firm that strives to improve the quality of life throughout the islands by helping our communities become more resilient and self-sufficient through locally produced food, renewable energy and clean transportation choices, and better management of freshwater resources.

**Ulupono supports HB 1396 HD2 SD1**, which establishes and appropriates funds for a county cesspool pilot program in Department of Health (DOH) to work with each county to identify a priority area to expand the county sewage system or other centralized treatment system to connect individual properties in the priority area and reduce or eliminate cesspools in the identified area; creates a cesspool conversion section in DOH to facilitate the conversion of cesspools within the State; establishes and appropriates funds for positions; requires DOH to retain experts to identify necessary public outreach and education resources and tools, and develop a comprehensive public outreach strategy and educate homeowners regarding the State's cesspool upgrade, conversion, and connection requirements and deadlines; 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; and, requires certain information regarding cesspools on real property to be included in seller mandatory disclosures for real property transactions.

Ulupono supports statewide cesspool conversion, working toward a more sustainable and environmentally sound approach to waste management and water security. Hawai'i has more than 88,000 cesspools statewide that discharge more than 53 million gallons of untreated sewage into the state's waters each day. This poses major health and environmental risks to our drinking water, groundwater, streams, and shore waters.

The State, working closely with each county, can pilot the effectiveness of a decentralized system to support the conversion of cesspools across our communities. Strategic planning and dedicated resources will need to go hand in hand in order to meet our 2050 goal of converting all cesspools. As this bill states, pilot projects will be helpful when determining a statewide conversion rollout. Additionally, this bill provides many helpful mechanisms, such as dedicated state resources, community incentives, and fair & transparent disclosures to new property owners, to further support our cesspool conversion goal.

Thank you for the opportunity to testify.

Respectfully,

Micah Munekata  
Director of Government Affairs

*Investing in a Sustainable Hawai'i*

999 Bishop Street, Suite 1202 | Honolulu, Hawai'i 96813 ☎ 808.544.8960 📠 808.432.9695 | [www.ulupono.com](http://www.ulupono.com)

April 4, 2023

**The Honorable Donovan M. Dela Cruz, Chair**

Senate Committee on Ways and Means  
State Capitol, Conference Room 224 & Videoconference

**RE: House Bill 1396, HD2, SD1, Relating to Cesspools**

**HEARING: Tuesday, April 4, 2023, at 10:30 a.m.**

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran, 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 Hawai'i and its over 11,000 members. HAR **supports** House Bill 1396, HD2, SD1, which Part I: Establishes and appropriates funds for a county cesspool pilot program in Department of Health to work with each county to identify a priority area to expand the county sewage system or other centralized treatment system to connect individual properties in the priority area and reduce or eliminate cesspools in the identified area. Part II: Creates a cesspool conversion section in DOH to facilitate the conversion of cesspools within the State. Establishes and appropriates funds for positions. Part III: Requires DOH to retain experts to identify necessary public outreach and education resources and tools, and develop a comprehensive public outreach strategy and educate homeowners regarding the State's cesspool upgrade, conversion, and connection requirements and deadlines. 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. Requires certain information regarding cesspools on real property to be included in seller mandatory disclosures for real property transactions. Effective 6/30/3000.

Hawai'i Association of 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 priorities<sup>1</sup> across the state (48,596 on Hawai'i Island; 14,300 on Kauai; 11,038 on Maui; 1,400 on Molokai; and 7,491 on O'ahu) with only 27 years to meet the state's mandate to convert all cesspools to a Director of Health approved wastewater system. To convert 83,000 cesspools by 2050, at least 3,000 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.

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

Undertaking such a massive infrastructure project will require proper planning across various stakeholders and government institutions, including state and local governments. As such, we applaud the state for taking leadership on this matter through the establishment of this pilot program. We believe it would be extremely beneficial to have the Department of Health work with the counties to tackle a pilot infrastructure project on an identified priority area, collaborate with stakeholders and homeowners, and provide much needed funding to convert cesspools. This pilot project can also serve as a template for future initiatives involving cesspool conversion efforts. We also support funding and positions within the Department of Health to assist with cesspool conversion efforts more broadly.

Affordability and financial planning are key. The Cesspool Conversion Working Group conducted an affordability analysis for homeowners. Based on the analysis, **97% of homeowners would be financially burdened by cesspool conversion costs.**<sup>2</sup> Equally concerning, even with a \$10,000 rebate 82% of homeowners would still be financially burdened. Costs will vary greatly depending on resources, labor, permitting delays, property terrain, and other variables. Most homeowners will not be able to afford to do this alone. While we support the intent of the income tax credit, it may not be enough to cover costs for homeowners and communities.

We also appreciate the amendments made in the House Health Committee regarding the seller's disclosure requirements in Section 12 of this bill; however, we respectfully request an **effective date of November 1<sup>st</sup> for the seller's disclosure requirements section only.** Our organization generates Standard Forms utilized by the real estate industry. A November effective date will allow our organization time to update our *Seller's Real Property Disclosure Statement* form and educate our members on the required changes.

For the foregoing reasons, Hawai'i Association of REALTORS® supports this measure. Mahalo for the opportunity to testify.

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

**Testimony of The Nature Conservancy  
Supporting HB 1396 HD2 SD1, Relating to Cesspools.**

**Committee on Ways and Means  
April 4, 2023, 10:30 am  
Conference Room 211 and via Videoconference**

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee:

**The Nature Conservancy (TNC) supports HB 1396 HD2 SD1, Relating to Cesspools**, which would establish and appropriate funds for a county cesspool pilot program in the Department of Health (DOH) to work with each county to identify a priority area to expand the county sewage system or other centralized treatment system to connect individual properties in the priority area and reduce or eliminate cesspools in the identified area; creates a cesspool conversion section in DOH to facilitate the conversion of cesspools within the State; requires DOH to retain experts to identify necessary public outreach and education resources and tools, and develop a comprehensive public outreach strategy and educate homeowners regarding the State's cesspool upgrade, conversion, and connection requirements and deadlines; establishes an income tax credit for the cost of upgrading or converting a qualified cesspool to a DOH-approved wastewater system or connecting to a sewerage system; and requires certain information regarding cesspools on real property to be included in seller mandatory disclosures for real property transactions.

Clean coastal waters are critical for our reef ecosystems health. Cesspools can 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, and south Kohala has shown direct evidence of cesspool contamination in streams and coastal waters using a variety of bioindicators and chemical signatures. Areas with concentrated cesspools that are close to important water bodies show higher amounts of pharmaceuticals like ibuprofen and carbamazepine that degrade quickly and cannot be attributed to wastewater distribution systems or agricultural or landscaping inputs. While areas that have lots of groundwater flow do dilute the signal, the impact of millions of gallons of untreated wastewater into our important coastal waters is measurable and shows evidence of impact on coastal systems.

HB1396 HD2 SD1 is one of the most important recommendations of the Cesspool Working Group, in that it would provide capacity to DOH in order support counties, provide tax credits to individuals, and develop an outreach plan to guide residents on cesspool upgrades.

**BOARD OF TRUSTEES**

Duke E. Ah Moo Paul D. Alston Kris Billeter Dr. C. Tana Burkert Anne S. Carter (Chair) Ka'iulani de Silva Dave Eadie  
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Science conducted by TNC and partners has shown that cesspools are detrimental to coastal water quality and ecosystems. The actions authorized under HB 1396 HD2 SD1 will help to reduce the impacts to these vital resources so that the reefs and coasts can support our communities for generations to come.

Mahalo for the opportunity to provide testimony supporting HB 1396 HD2 SD1.

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*The Nature Conservancy of Hawai'i and Palmyra 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 work with over 50 coastal communities to help protect and restore the nearshore reefs and fisheries of the main Hawaiian Islands. We forge partnerships with government, private parties, and communities to protect forests and coral reefs for their ecological values and for the many benefits they provide to people.*

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April 3, 2023

In Support of **HB1396 HD2 SD1** Relating to Cesspools  
Senate Committee on Finance  
Hearing on April 4, 10:30am, Rm. 211

Aloha, Chair Dela Cruz, Vice-Chair Keith-Agaran and Members of the Committees:

On behalf of the non-profit WAI: Wastewater Alternatives & Innovations, I am writing in **strong support of HB1396 HD2**. Part I of this bill will establish a pilot program within the Dept. Of Health (DOH) to work with each county to identify a priority area and fund pilot projects to expand the county sewage system or create a decentralized treatment system to connect individual properties in the priority area and reduce or eliminate cesspools in the identified area. Part II of the bill will appropriate funds to DOH to create a new Cesspool Conversion section in the Wastewater Branch. Part III will require DOH to recruit experts for public outreach and education; and Part IV will create a tax credit to help homeowners with the cost of converting their cesspools. Each of these Parts of the bill represent the top priorities of the Cesspool Conversion Working Group.

As a member of the State's Cesspool Conversion Working Group over the last four years, we believe that this bill's four parts represent our top priorities in helping the state and counties be successful in fulfilling the mandate under Act 125 to convert all cesspools. Hawaii was the last state to ban these substandard systems by more than three decades.

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! The people of Hawaii need this law to make sure their wastewater systems aren't polluting the groundwater or nearby surface 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. WAI is working with federal, state and county groups and innovative sanitation companies from across the country to introduce more efficient and affordable alternatives for wastewater management. This bill will provide the necessary planning and funding to create the kind of community-scale pilot projects 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 Pl. \* Honolulu, HI 96815  
808-381-6220 \* [info@waicleanwater.org](mailto:info@waicleanwater.org) \* [www.WaiCleanWater.org](http://www.WaiCleanWater.org)



**LATE**

April 3, 2023

TESTIMONY in SUPPORT OF HB1396 HD2 SD1

Aloha Senator Dela Cruz and the Ways and Means Committee,

I am writing on behalf of the Coral Reef Alliance (CORAL), in support of HB1396 HD2 SD1. There are approximately eighty-eight thousand cesspools in the State, which collectively release more than fifty-three million gallons of untreated sewage into the ground each day and enters our fragile ecosystem. Hawaii relies on groundwater for ninety per cent of its drinking water and our nearshore waters that receive this pollution provide vast economic benefits to Hawaii's residents and visitors alike through vital ecosystem services.

The financing of home improvements such as converting cesspool systems is a huge hurdle and finding a creative solution will benefit both our environment and public health. Innovative bills like HB1396 HD2 SD1 provides a way to establish a county cesspool pilot program within DOH to work with each county to identify and prioritize and expand wastewater treatment, facilitate conversion of cesspools, and appropriates funds for positions. 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, and requires certain information regarding cesspools on real property to be included in seller mandatory disclosures for real property transactions. This bill represents the top priorities from the Cesspool Conversion Working Group in helping the state and counties be successful in fulfilling the mandate under Act 125 and will provide the necessary support in planning and funding to create community-scale pilot projects to convert cesspools statewide.

Now, more than ever, we need to restore public trust and confidence by taking care of both our waters and people's health and well-being. Our beloved island home needs this. Thank you for your bold and innovative and strong leadership in supporting HB1396 HD2 SD1, and for all that you do in protecting our island home.

Sincerely,

A handwritten signature in black ink that reads "Manuel Mejia".

Manuel Mejia

Regional Program Director  
Hawaii Islands Program (CORAL)  
[mmejia@coral.org](mailto:mmejia@coral.org)

**HB-1396-SD-1**

Submitted on: 3/31/2023 1:04:10 PM

Testimony for WAM on 4/4/2023 10:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Douglas Perrine	Individual	Support	Written Testimony Only

Comments:

I strongly support HB1396. It is long past time for us to stop swimming in our own s..t, and the counties desperately need some help to move past the cesspool system of human waste disposal, which, at least in Hawaii County, translates to "into the lava tube and direct to the ocean!"

**HB-1396-SD-1**

Submitted on: 3/31/2023 4:05:34 PM

Testimony for WAM on 4/4/2023 10:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Lisa Diaz	Individual	Support	Written Testimony Only

Comments:

Aloha WAM Commitee:

I support HB1386:

RELATING TO CESSPOOLS. Part I: Establishes and appropriates funds for a county cesspool pilot program in Department of Health to work with each county to identify a priority area to expand the county sewage system or other centralized treatment system to connect individual properties in the priority area and reduce or eliminate cesspools in the identified area. Part II: Creates a cesspool conversion section in DOH to facilitate the conversion of cesspools within the State. Establishes and appropriates funds for positions. Part III: Requires DOH to retain experts to identify necessary public outreach and education resources and tools, and develop a comprehensive public outreach strategy and educate homeowners regarding the State's cesspool upgrade, conversion, and connection requirements and deadlines. 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. Requires certain information regarding cesspools on real property to be included in seller mandatory disclosures for real property transactions. Effective 6/30/3000. (SD1)

**IMPORTANT: HB 1386 NEEDS TO MANDATE THAT THIS PILOT PROGRAM MUST FOCUS ON CESSPOOLS LOCATED IN NEAR SHORE AREAS AS A PRIORITY. CESSPOOLS NEAR SHORE POSE A HUMAN HEATLH RISK AND ENVIRONMENTAL RISK TO OUR REEFS PROTECTING OUR ISLANDS FROM STORM ERROSION. HB1386 SHOULD ALSO DISTRIBUTE RESOURCES TO ALL COUNTIES PRIORITIZING NEAR SHORE CORAL REEFS.**

**Mahalo with Aloha,**

**Lisa Diaz,**

76-223 Haoa St.; Kailua-Kona, HI 96740

scidiaz@gmail.com



**HB-1396-SD-1**

Submitted on: 4/3/2023 9:03:31 AM

Testimony for WAM on 4/4/2023 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Courtney Kerr	Individual	Support	Written Testimony Only

Comments:

Aloha Committee Members,

I am writing in **support of HB1396 HD2**. This bill represents the top priorities of the CCWG in helping the state and counties successfully fulfill the mandate under Act 125. In addition, it will provide the necessary support in planning and funding to create community-scale pilot projects to convert cesspools statewide.

Hawai‘i has more than 83,000 cesspools across the state, discharging 52 million gallons of raw sewage daily into Hawai‘i’s waters, polluting groundwater and nearby surface waters.

I have called Hawai‘i home for eight years and am an avid beachgoer and diver. I want to share the fantastic coral reefs with my daughter someday, but many areas may be severely degraded or even gone by that time unless action is taken to reduce the stressors of nearshore pollution, such as wastewater.

Mahalo,

Courtney Kerr

**HB-1396-SD-1**

Submitted on: 4/3/2023 9:05:05 AM

Testimony for WAM on 4/4/2023 10:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Gabrielle Saba Zimmer	Individual	Support	Written Testimony Only

Comments:

I am strongly in support of this bill because as an educator I feel it is extremely important to establish a pilot program within the Dept. Of Health (DOH) to work with each county to identify a priority area and fund pilot projects to expand the county sewage system or create a decentralized treatment system. I also believe that it is critical and urgent that Part II of the bill will appropriate funds to DOH to create a new Cesspool Conversion section in the Wastewater Branch. From an educator's perspective, I feel it is equally as important to support specifically Part III of this bill because it requires DOH to retain experts to identify necessary public outreach and education resources and tools, and develop a comprehensive public outreach strategy. I also feel it is in the best interest of all to pass this bill in order to create a tax credit to help homeowners with the cost of converting their cesspools. I strongly support this bill because it will be monumental in helping the state and counties be successful in fulfilling the mandate under Act 125 and will provide the necessary support in planning and funding to create community-scale pilot projects to convert cesspools statewide

**HB-1396-SD-1**

Submitted on: 4/3/2023 9:19:12 AM

Testimony for WAM on 4/4/2023 10:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Denise E Antolini	Individual	Support	Written Testimony Only

Comments:

In strong support!

I converted my cesspool to septic during covid.

Expensive - and no grants/subsidies were available/applicable given my mauka location - still worth it to me but many cesspool owners in key areas or with limited income must have incentives and financial help with conversion to get it done.

This bill helps all of us better protect our marine environment and public health.

Mahalo!

**HB-1396-SD-1**

Submitted on: 4/3/2023 9:43:37 AM

Testimony for WAM on 4/4/2023 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Shayla Waiki	Individual	Support	Written Testimony Only

Comments:

**I strongly support this bill!** The contents of this bill include the top priorities from the CCWG such as: establishing a pilot program within the Dept. of Health (DOH) to work with each county to fund pilot projects, appropriating funds to DOH to create a new Cesspool Conversion section in the Wastewater Branch, public outreach and education, and creating a tax credit to help homeowners with the cost of converting their cesspools.

I strongly support this bill because I believe that it is the first step in the right direction in solving Hawai'i's cesspool issue. Hawai'i has more than 83,000 cesspools that discharge 52 million gallons of raw sewage into Hawai'i's waters each day. The people of Hawai'i are dependent on these coastal waters and its resources so ensuring clean water is of importance. This bill will help the state and counties be successful in fulfilling the mandate in Act 125 of converting all cesspools by 2050 and will provide the necessary planning and funding support to create community-scale pilot projects to convert cesspools statewide.

Mahalo nui for your leadership on this issue,

Shayla Waiki

Mililani Resident

**LATE**

**HB-1396-SD-1**

Submitted on: 4/3/2023 12:38:24 PM

Testimony for WAM on 4/4/2023 10:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Mark Hixon	Individual	Support	Written Testimony Only

Comments:

Aloha. It is well-documented that the many cesspools in Hawai'i leak waste into coastal waters, and nutrients from that waste fertilize seaweeds, allowing them to overgrow and smother corals. No coral = no reef = no fisheries and no coastal protection. We must solve the cesspool issue before we lose our reefs -- increasing coral bleaching will put the nail in the coffin of our already stressed reefs if we don't act. Please pass this bill. Mahalo.

**LATE**

**HB-1396-SD-1**

Submitted on: 4/4/2023 7:11:50 AM

Testimony for WAM on 4/4/2023 10:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Cynthia Punihaole Kennedy	Individual	Support	Written Testimony Only

Comments:

I humbly ask that you pass HB1396 and help move forward the conversion of cesspools in Hawai'I for the sake of the environment and the health of our people.