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In reply, please refer to:  
File:

**Testimony in SUPPORT of SB2360  
RELATING TO CESSPOOL CONVERSIONS**

SENATOR MIKE GABBARD, CHAIR  
SENATE COMMITTEE ON AGRICULTURE ENVIRONMENT

Hearing Date: 2/12/2024

Room Number: 224

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.

4 **Department Testimony:** The Department supports with comments this measure that amends  
5 Act 153, Session Laws of Hawai'i 2022, to appropriate additional funds for the cesspool  
6 compliance pilot grant program for fiscal year 2024-2025 and to establish positions to continue  
7 to implement the pilot grant program.

8 The Department notes that increasing the grant amount may cause complications for and  
9 issues with homeowners who received or will receive \$20,000 grants from the previous cesspool  
10 compliance pilot grant program. Should the Legislature increase the grant amount to \$30,000,  
11 the Department respectfully requests an increase of \$10,000, as applicable or eligible, for each of  
12 the initial cesspool compliance pilot grant program recipients and participants.

13 **Offered Amendments:** The Department respectfully suggests the following revisions to the  
14 proposed HRS amendments. Additions appear as underlined and deletions appear as strikeouts.

15 SECTION 3 [sic], Page 2, lines 4-7: "(1) The cesspool is located in an area identified as  
16 priority level 1 or 2 in the University of Hawaii's 2022 Hawaii cesspool ~~hazard assessment and~~  
17 prioritization tool;"

18 SECTION 3 [sic], Page 2, lines 14-19: "(f) The department of health shall grant awards  
19 not to exceed ~~\$30,000~~\$20,000 based on receipts of payment submitted under subsection (e) (4);  
20 provided that cesspools that have been upgraded or converted to a director of health-approved  
21 wastewater system before ~~the passing of this Act shall not be eligible for this grant~~ July 1, 2022.

1 SECTION 3, Page 4, lines 1-7: “There is appropriated out of the general revenues of the  
2 State of Hawaii the sum of ~~\$151,000~~\$249,000 or so much thereof as may be necessary for fiscal  
3 year 2024-2025 for the establishment of ~~two~~three full-time equivalent (~~2.03~~3.0 FTE) permanent  
4 positions comprising one ~~program specialist~~engineer V position ~~and~~, one ~~planner~~engineer IV  
5 position, and one accountant IV position within the cesspool compliance pilot grant project  
6 established by Act 153, Session Laws of Hawaii 2022.”

7 SECTION 4, Page 4, lines 10-14: “There is appropriated out of the general revenues of  
8 the State of Hawaii the sum of ~~\$5,000,000~~\$5,249,000 or so much thereof as may be necessary for  
9 fiscal year 2024-2025 for the cesspool compliance pilot grant project established by Act 153,  
10 Session Laws of Hawaii 2022.”

11 Thank you for the opportunity to testify.

Aloha Chair, Vice Chair, and members of the committee,

Hulu Mamo Hawaiian Civic Club stands in support of SB2360.

Hulu Mamo Hawaiian Civic Club appreciates this grant program and the fact that this allows DHHL lessees, especially those with a household income of less than 140% AMI, helping those that really need the funds to have be able to convert their cesspools into something more environmentally friendly.

We do also want to note that while this grant program does help those in need, it still misses one critical component, those who can't afford to cover the initial costs of the cesspool conversion and wait to be reimbursed. Many in Hawaii are living paycheck-to-paycheck and are not able to cover an extra \$20,000-\$30,000 in expenses and still have money to put food on the table, especially a family below 140% of AMI.

Hulu Mamo HCC suggests an amendment to allow the program to provide a qualifying note that can be provided to the contractor to show that the applicant qualifies for the grant, and that note can be used by the engineer and contractors to execute on the work and receive payment via the grant when the work is completed. This would allow someone without the means to pay for the cost of the work upfront to get the conversion work done.

This idea is supported by the Association of Hawaiian Civic Clubs and would help many families convert their cesspool, even though they don't have the means to do so by utilizing the grant funds.

Attached is the resolution supporting this idea, passed by the Association of Hawaiian Civic Clubs on October 21, 2023 at their annual convention in Kālia, Waikīkī, O'ahu.

Mahalo nui loa for your time and consideration.

Keoni Shizuma  
President, Hulu Mamo Hawaiian Civic Club

# ***ASSOCIATION OF HAWAIIAN CIVIC CLUBS***

## ***A RESOLUTION***

NO. 2023 - 36

### **URGING THE STATE OF HAWAI'I TO CREATE A GRANT PROGRAM THAT WORKS DIRECTLY WITH CESSPOOL CONVERSION CONTRACTORS TO HELP COVER THE COST OF THE REQUIRED CESSPOOL CONVERSIONS UPFRONT FOR THOSE IN POVERTY IN RURAL COMMUNITIES**

WHEREAS, the health of Hawai'i's people and quality of Hawai'i's waters are being harmed by pollution from cesspools, in which Hawai'i has more than 80,000 that discharge approximately 50 million gallons of wastewater every day; and

WHEREAS, cesspools are antiquated substandard systems that damage public health pollute drinking water and lower quality water quality in streams, groundwater, nearshore marine areas, and the ocean, where cesspool pollution also harms public recreation and the precious coral reefs on Hawai'i's shoreline, fisheries, and native species; and

WHEREAS, an article from The Maui News from July 2023 stated that 20% of Hawaii's cesspools are less than 0.6 miles from the shoreline, which is threatened by increasing sea level rise and could cause bacteria from cesspools to enter into the ocean; and

WHEREAS, in 2017, the Hawai'i State Legislature required that all cesspools be upgraded to a septic system or aerobic treatment unit are connected to a sewage system by 2050 and directed the State of Hawai'i Department of Health to develop a system to prioritize the upgrade conversion or connection of cesspools based on their impact on public health; and

WHEREAS, there are approximately 83,000 cesspools across the state, many located in rural areas where county sewage lines do not reach properties; and

WHEREAS, according to the Economic Research Service data in 2020, poverty in rural areas of Hawaii where cesspools are more prevalent are much higher than in urban areas of the state where access to county sewage lines are more available (11.6% vs. 8.2%); and

WHEREAS, according to an Anthology Research survey conducted between July and Sept 2022, there was a sharp increase in the number of households pushed below the poverty line (15% in 2022 vs. 9% in 2018); and

WHEREAS, in 2019, the U.S. Census Bureau reported that 14.8% of Native Hawaiians/Pacific Islanders were living at the poverty level; and

WHEREAS, cesspool conversions can cost \$20,000 to \$50,000 per property, depending on the property and other factors; and

WHEREAS, the high cost of living in Hawai'i has already driven many Native Hawaiians to leave Hawai'i, and the cost of a required cesspool conversion could force a family to move from Hawai'i to the continent due to the high costs; and

WHEREAS, in March 2023, the State offered \$5 million in grants of up to \$20,000 in reimbursements to help property owners convert their cesspools, which ran out in two weeks; and

WHEREAS, reimbursements and tax refund programs are beneficial to those who can afford to pay for the cesspool remediation work upfront and be reimbursed after the work is completed; and

WHEREAS, the creation of a grant program that works directly between the state and cesspool conversion contractors, to help cover the costs of the work to convert a cesspool before the work is done, for those in poverty that need it most, would be beneficial to many Native Hawaiian families in rural communities.

NOW, THEREFORE, BE IT RESOLVED, by the Association of Hawaiian Civic Clubs at its 64th Annual Convention in Kālia, Waikīkī, O'ahu, in the malama of 'Ikuā and the rising of 'Olekūkolu, this 21st day of October 2023, urging the State of Hawai'i to create a grant program that works directly with cesspool conversion contractors to help cover the cost of the required cesspool conversions upfront for those in poverty in rural communities; and

BE IT FURTHER RESOLVED, that a certified copy of this resolution be transmitted to the Governor of the State of Hawai'i, President of the State Senate, Speaker of the State House of Representatives, Chair of the State Senate subject matter committee on Hawaiian Affairs, Chair of the State House subject matter committee on Hawaiian Affairs, Chair of the Board of Trustees of the Office of Hawaiian Affairs, and all County Mayors.



The undersigned hereby certifies that the foregoing Resolution was duly adopted in the malama of 'Ikuā and the rising of 'Olekūkolu, on the 21<sup>st</sup> day of October 2023, at the 64<sup>th</sup> Annual Convention of the Association of Hawaiian Civic Clubs in Kālia, Waikīkī.

*DreanaLee Kalili*

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DreanaLee Kalili, President



**UNIVERSITY OF HAWAII SYSTEM**

**‘ŌNAEHANA KULANUI O HAWAII**

Legislative Testimony

Hō'ike Mana'o I Mua O Ka 'Aha'ōlelo

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Testimony Presented Before the  
Senate Committee on Agriculture and Environment  
Monday, February 12, 2024 at 1:31 p.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, PhD

Director, UH Water Resources Research Center

And

Michael Bruno, PhD

Provost

University of Hawai'i at Mānoa

SB 2360 – RELATING TO CESSPOOL CONVERSIONS.

Chair Gabbard, Vice Chair Richards, and Members of the Committee:

The University of Hawai'i Sea Grant College Program and UH Water Resources Research Center **support SB 2360.**

Cesspools are a major environmental and human health issue in this state, and the Cesspool Compliance Pilot Grant Project is an incredibly important tool for addressing the myriad of impacts of cesspools in Hawai'i. The financial burden of cesspool conversion makes it prohibitive for some individuals and families, so having a grant program that will provide funding makes the conversion process accessible to all. Increasing the funding amount and providing funding for two full time positions to assist with this program is a valuable first step in addressing the accessibility challenges of cesspool conversion. We hope to see the state increase the funding available, as well as the number of positions created to support this program and process in the future.

Thank you for the opportunity to testify on this measure.