

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

in SUPPORT of HB1618 HD1
RELATING TO CESSPOOL CONVERSIONS.

SENATOR MIKE GABBARD, CHAIR
SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT

SENATOR JOY A. SAN BUENAVENTURA, CHAIR
SENATE COMMITTEE ON HEALTH AND HUMAN SERVICES

SENATOR LYNN DECOITE, CHAIR
SENATE COMMITTEE ON ECONOMIC DEVELOPMENT AND TOURISM

Hearing Date, Time and Room Number: 03/25/2026, 1:30 Pm, 225

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 Governor’s executive budget request.

4 **Department Position:** The Department supports HB1618 HD1 and offers comments.

5 **Department Testimony:** The Environmental Management Division, Wastewater Branch (EMD-
6 WWB) provides the following testimony on behalf of the Department.

7 The Department supports HB1618 HD1, which establishes and appropriates funds for a
8 cesspool conversion loan program to be administered by the Hawai’i Green Infrastructure
9 Authority (HGIA). Funding availability remains one of the most significant barriers to cesspool
10 conversion. This bill furthers the Cesspool Conversion Working Group's recommendation to
11 develop robust funding and financing options to assist low- and moderate-income homeowners
12 to finance conversions.

1 The Department notes that Sections 2 and 3 of this measure authorize the Water
2 Pollution Control Revolving Fund (aka Clean Water State Revolving Fund) as a source of funds
3 for the Cesspool Conversion Loan Special Fund through annual memoranda of agreement. The
4 Water Pollution Control Revolving Fund primarily receives funds from the federal government
5 with a percentage-based match from the State, and is administered through a state-federal
6 partnership. The Department has consulted with its federal partner at the U.S. Environmental
7 Protection Agency (EPA) to confirm the parameters for using the Water Pollution Control
8 Revolving Fund for this purpose and is currently awaiting official feedback from EPA
9 Headquarters.

10 **Offered Amendments:** None.

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

JOSH GREEN, M.D.
GOVERNOR | KE KIA'ĀINA

SYLVIA LUKE
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA



**STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAII'
DEPARTMENT OF LAND AND NATURAL RESOURCES
KA 'OIHANA KUMUWAIWAI 'ĀINA**

P.O. BOX 621
HONOLULU, HAWAII 96809

DAWN N.S. CHANG
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE
MANAGEMENT

RYAN K.P. KANAKA'OLE
FIRST DEPUTY

CIARA W.K. KAHAHANE
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE
MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES
ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

**Testimony of
RYAN K.P. KANAKA'OLE
Acting Chairperson**

**Before the Senate Committees on
AGRICULTURE AND ENVIRONMENT
and
HEALTH AND HUMAN SERVICES
and
ECONOMIC DEVELOPMENT AND TOURISM**

**Wednesday, March 25, 2026
1:30 PM
State Capitol, Conference Room 225**

**In consideration of
HOUSE BILL 1618, HOUSE DRAFT 1
RELATING TO CESSPOOL CONVERSIONS**

House Bill 1618, House Draft 1 proposes to establish and appropriate funds for a cesspool conversion revolving loan fund, to be administered by the Hawai'i Green Infrastructure Authority, to provide financial assistance, including low-interest or forgivable loans, to eligible homeowners for the upgrade, conversion, or connection of cesspools. **The Department of Land and Natural Resources (Department) supports this bill.**

Hawai'i has over 83,000 cesspools that discharge 52 million gallons of untreated sewage into the groundwater every day. Sewage discharge can adversely impact marine resources by causing increased nutrients in the nearshore environment leading to eutrophication, reduction in coral cover, and decreased marine species diversity. These effects frequently impact coral reef ecosystems, as sewage has been shown to travel quickly from land to sea. Thus, it is imperative to focus on effective management of wastewater to protect aquatic resources in Hawai'i.

This measure establishes a financial assistance program that will encourage homeowners to upgrade their cesspools and keep Hawai'i on target with the deadline to convert all cesspools in the state by 2050. The Department supports this measure because it provides financial support for homeowners to engage in these critical conversions.

Mahalo for the opportunity to comment on this measure.



Testimony of
Gwen Yamamoto Lau
Executive Director
Hawai'i Green Infrastructure Authority
before the
**SENATE COMMITTEES ON AGRICULTURE & ENVIRONMENT,
HEALTH & HUMAN SERVICES, AND ECONOMIC DEVELOPMENT & TOURISM**
Wednesday, March 25, 2026, 1:30 PM
State Capitol, Conference Room 225
in consideration of
House Bill No. 1618, HD1
RELATING TO CESSPOOL CONVERSIONS

Chairs Gabbard, San Buenaventura & DeCoite, Vice Chairs Richards, McKelvey & Wakai and Members of the Committees:

Thank you for the opportunity to testify on HB1618, HD1 relating to cesspool conversions. The Hawai'i Green Infrastructure Authority (HGIA) **supports** this bill, which establishes and appropriates funds for a cesspool conversion loan program, so long as it does not adversely impact priorities identified in the Executive Budget Request for FY2027.

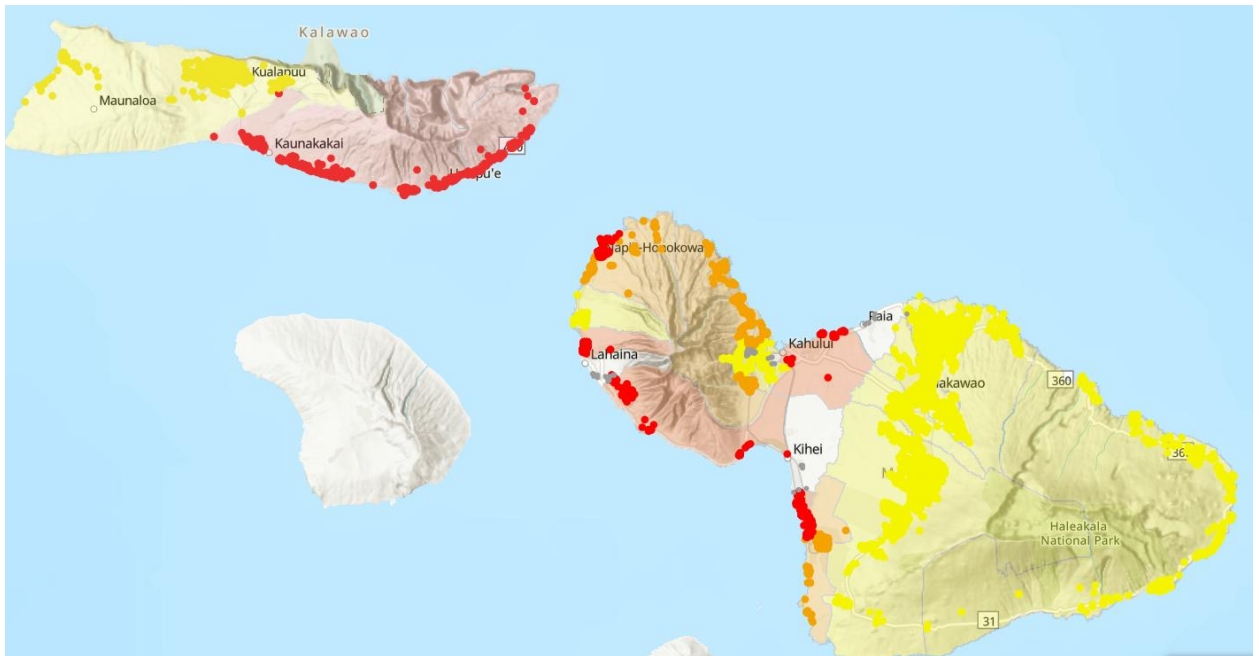
There are nearly 88,000 cesspools¹ in the State in need of remediation and both traditional and non-traditional financing options are needed to help with necessary conversions over the next twenty-four (24) years.

Island	Number of Cesspools
Hawai'i	49,300
Kaua'i	13,700
Maui	12,200
O'ahu	11,300
Moloka'i	1,400

The Hawaii Cesspool Prioritization Tool provides a map of color-coded cesspools based on the urgency of cesspool conversions of red (Priority 1); orange (Priority 2) and

¹ Report to the 29th Legislature, State of Hawaii, 2018 Regular Session, Relating to Cesspools and Prioritization for Replacement, prepared by the Department of Health, Environmental Management Division, based on data generated in 2009 and 2014 through a joint effort of the University of Hawaii, Department of Health and U.S. Environmental Protection Agency.

yellow (Priority 3). As an example, the following represents cesspool locations and prioritizations for Maui County:



With the passage of this bill, the City & County of Honolulu is poised to augment state funding provided in the Cesspool Conversion Revolving Loan Fund with an additional \$625,000 of City funds to assist with cesspool conversions in Honolulu County. Additional funding may be available upon approval by the Honolulu City Council.

With the success of its Green Energy Money Saver loan program, HGIA has demonstrated its ability effectively administer financing programs. The establishment of this program will allow HGIA to continue its mission of addressing access to capital and affordability gaps while helping to address one of Hawai'i's challenges that are affecting the health and safety of our people, our visitors and our environment.

HGIA respectfully requests the following amendments be incorporated into this bill:

Revise Section 2 (a) by adding funds pursuant to section 237D-6.5 as follows:

SECTION 2. Chapter 196, Hawaii Revised Statutes is amended by adding a new section to part IV to be appropriately designed and to read as follows:

"§196-___ Cesspool conversion revolving loan fund; cesspool conversion financing program. (a) There is established in the state treasury the cesspool conversion revolving loan fund, which

shall be administered by the authority. Funds deposited into the cesspool conversion revolving loan fund shall include:

- (1) Funds allocated pursuant to section 237D-6.5;
- ~~[(1)]~~ (2) Moneys appropriated by the legislature;
- ~~[(2)]~~ (3) Funds from federal, state, county, private, or other funding sources, including funds from the department of health under section 342D-83;
- ~~[(3)]~~ (4) Moneys received as repayment of loans and interest payments; provided that the repayment of loans and interest payments under this paragraph shall not include repayment of loans and interest collected as a result of funds advanced from proceeds of the green energy market securitization bonds, clean energy and energy efficiency revolving loan fund, solar photovoltaic and energy storage loan program, or condominium loan program; and
- ~~[(4)]~~ (5) Any fees collected by the authority under this section; provided that moneys collected as a result of the funds advanced from proceeds of the green energy market securitization bonds, clean energy and energy efficiency revolving loan fund, solar photovoltaic and energy storage loan program, and condominium loan program shall be kept separate from fees collected as a result of funds advanced from proceeds of the cesspool conversion revolving loan fund."

Replace the language in Section 4 to be funded by a portion of the green fee as follows:

~~SECTION 4. [There is appropriated out of the general revenues of the State of Hawaii the sum of \$ _____ or so much thereof as may be necessary for fiscal year 2026-2027 to be deposited into the cesspool conversion revolving loan fund established under section 196—]~~ Section 237D-6.5, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

"(b) Except for the revenues collected pursuant to section 237D-2e, revenues collected under this chapter shall be distributed in the following priority, with the excess revenues to be deposited into the general fund:

- (1) \$1,500,000 shall be allocated to the Turtle Bay conservation easement special fund beginning July 1, 2015, for the reimbursement to the state general fund of debt service on reimbursable general obligation bonds, including ongoing expenses related to the issuance of the bonds, the proceeds of which were used to acquire the conservation easement and other real property interests in Turtle Bay, Oahu, for the protection preservation, and enhancement of natural resources important to the State, until the bonds are fully amortized;
- (2) \$11,000,000 shall be allocated to the convention center enterprise special fund established under section 201B-8;
- (3) An allocation shall be deposited into the tourism emergency special fund, established in section 201B-10, in a manner sufficient to maintain a fund balance of \$5,000,000 in the tourism emergency special fund; ~~and~~
- (4) \$3,000,000 shall be allocated to the special land and development fund established under section 171-19 for:
 - (A) The protection, preservation, maintenance, and enhancement of natural resources, including beaches;
 - (B) Planning, construction, and repair of facilities;
 - (C) Operation, maintenance, and improvement costs of public lands, including beaches; and
 - (D) Any related debt service and financing agreement costs~~[-]~~;
- (5) \$ _____ shall be allocated to the cesspool conversion revolving loan fund established pursuant to 196- _____ ; and

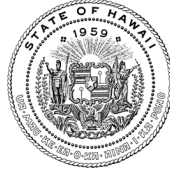
(6) The amount allocated in paragraph (5) shall be subtracted from the tax revenues levied, assessed, and collected pursuant to section 237D-2(e) that are in excess of the revenues realized from the levy, assessment, and collection of tax at the ten per cent rate.

All transient accommodations taxes shall be paid into the state treasury each month within ten days after collection and shall be kept by the state director of finance in special accounts for distribution as provided in this subsection."

Thank you for this opportunity to provide comments and testify in support of HB1618, HD1.

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR



STATE OF HAWAII
PUBLIC UTILITIES COMMISSION
465 S. KING STREET, #103
HONOLULU, HAWAII 96813

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CHAIR

NAOMI U. KUWAYE
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Testimony of the Public Utilities Commission

To the
Senate Committees on
Agriculture & Environment,
Health & Human Services,
and
Economic Development & Tourism

Wednesday, March 25, 2026
1:30 p.m.

Chairs Gabbard, San Buenaventura, and DeCoite, Vice Chairs Richards, McKelvey, and Wakai, and Members of the Committees:

Measure: H.B. No. 1618, H.D.1
Title: RELATING TO CESSPOOL CONVERSIONS.

Position:

The Public Utilities Commission ("Commission") supports the intent of this measure and offers the following comments for consideration.

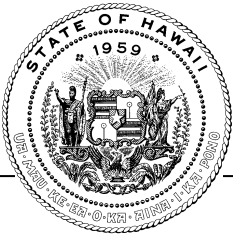
Comments:

The Commission supports the intent of this bill to serve the public interest through establishment of a cesspool conversion revolving loan program to be administered by the Hawaii Green Infrastructure Authority ("HGIA"). The Commission notes the severity of the problem created by cesspools and the need for financing to support their conversion.

The Commission recognizes the success of Hawaii Green Infrastructure Authority's oversight of the Green Energy Market Securitization ("GEMS") loan program since its establishment in 2014, and particularly its achievement in the last eight years during which time it has deployed the majority of its available green infrastructure loan funds. The GEMS program is financed through a green infrastructure fee ("GIF") paid by Hawaiian Electric ratepayers and was established as an offset of the Public Benefits Fee ("PBF") surcharge to minimize customer bill impact.

The Commission commends HGIA's continued exploration of Green Bank opportunities for Hawaii's residents and businesses, aligned with our state's clean energy, environmental improvement, and equity initiatives. H.B. 1618 H.D.1 importantly proposes a program which supports low- and moderate- income households in service of Hawaii's cesspool remediation goals. Furthermore, the Commission supports the innovative financing resource proposals in this bill, and particularly for its intent to keep separate and distinct the cesspool conversion loan fund from the activities and moneys collected as a result of the funds advanced from proceeds of the GEMS program.

Thank you for the opportunity to testify on this measure.



**STATE OF HAWAI‘I
OFFICE OF PLANNING
& SUSTAINABLE DEVELOPMENT**

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

MARY ALICE EVANS
DIRECTOR

235 South Beretania Street, 6th Floor, Honolulu, Hawai‘i 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawai‘i 96804

Telephone: (808) 587-2846
Fax: (808) 587-2824
Web: <https://planning.hawaii.gov/>

Statement of
MARY ALICE EVANS, Director

before the
**SENATE COMMITTEES ON
AGRICULTURE AND THE ENVIRONMENT &
HEALTH AND HUMAN SERVICES &
ECONOMIC DEVELOPMENT AND TOURISM**

Wednesday, March 25, 2026, 1:30 PM
State Capitol, Conference Room 225

in consideration of
**HB 1618, HD 1
RELATING TO CESSPOOL CONVERSIONS.**

Chairs Gabbard, San Buenaventura and DeCoite, Vice Chairs Richards, McKelvey and Wakai, and Members of the Committees,

The Office of Planning and Sustainable Development (OPSD) **supports HB 1618, HD 1**, which establishes and appropriates funds for a cesspool conversion revolving loan fund, to be administered by the Hawai‘i Green Infrastructure Authority, to provide financial assistance, including low-interest or forgivable loans, to eligible homeowners for the upgrade, conversion, or connection of cesspools.

OPSD recognizes that the ongoing housing crisis cannot be solved without significant and strategic infrastructure investment that supports greater population density and residential development. Currently, thousands of residential properties across the State are restricted by legacy cesspool systems that lack capacity to support additional residents or structures. By facilitating the upgrade, conversion, and connection of these systems, HB 1618, HD 1 directly enables the expansion of housing density through the construction of Accessory Dwelling Units (ADUs) and “ohana units” on existing residential lots.

Beyond enabling increased housing density, OPSD supports this measure because it addresses the potential financial burden that will be incurred by Hawai‘i’s low- to moderate income families as a result of the 2050 cesspool conversion mandate. Homeowners who cannot afford the significant upfront costs of conversion will inevitably see a proportionate decline in their property values and face increasing difficulty in securing financing or insurance as the deadline approaches. By providing low-interest loans and financial pathways, HB 1618, HD 1 protects the primary financial asset of Hawai‘i’s working families as the State moves forward with its efforts to convert all cesspools by 2050.

OPSD **supports** several of the amendments made to HB 1618, HD 1. We support the transition of the program's financing from a special fund to a revolving fund, as this structure creates a self-sustaining financial ecosystem. By allowing loan repayments to be reinvested, the State ensures a continuous cycle of funding that reduces the need for future general fund appropriations. Additionally, OPSD supports the inclusion of forgivable loans as a form of assistance offered by the Cesspool Conversion Financing Program. This addition is critical for social equity and program efficacy, as it provides a realistic pathway for low-to-moderate-income homeowners to meet the 2050 cesspool conversion mandate.

OPSD respectfully requests that your committee pass this measure to provide the financial foundation necessary for both environmental health and robust housing growth.

Thank you for the opportunity to testify in support of this measure.



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 Agriculture and Environment,
Senate Committee on Health and Human Services,
and
Senate Committee on Economic Development and Tourism
Wednesday, March 25, 2026 at 1:30 p.m.

By

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

and

Tao Yan
Director, Water Resources Research Center,

and

Vassilis Syrmos, PhD

Provost

University of Hawai'i at Mānoa

HB 1618 HD1 – RELATING TO CESSPOOL CONVERSIONS

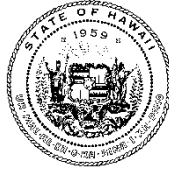
Chairs Gabbard, San Buenaventura, and DeCoite, Vice Chairs Richards, McKelvey, and Wakai, and Members of the Committees:

The University of Hawai'i Sea Grant College Program (Hawai'i Sea Grant) and Water Resources Research Center (WRRC) support HB1618 HD1 relating to cesspool conversion.

The conversion of cesspools in Hawai'i is a pivotal component of the state's broader strategy to address water quality issues, promoting a cleaner and healthier environment for current and future generations to enjoy and avoiding the compounding impacts that climate change will have on our already stressed resources.

The Cesspool Conversion Working Group reported that the vast majority of cesspool owners cannot afford the upgrade of their cesspool to an advanced form of wastewater treatment. 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 various mechanisms for financial assistance be created for homeowners. This bill would provide financial relief to those who are upgrading their cesspools through the creation of a dedicated funding mechanism for qualified homeowners in the most pressing areas for conversion to improve nearshore water quality.

Thank you for the opportunity to testify on this measure.



STATE OF HAWAII | KA MOKU'ĀINA O HAWAII
STATE PROCUREMENT OFFICE

P.O. Box 119
Honolulu, Hawaii 96810-0119
Tel: (808) 586-0554
email: state_procurement_office@hawaii.gov
<http://spo.hawaii.gov>

TESTIMONY
OF
BONNIE KAHAKUI, ADMINISTRATOR
STATE PROCUREMENT OFFICE

TO THE SENATE COMMITTEES
ON
AGRICULTURE AND ENVIRONMENT,
HEALTH AND HUMAN SERVICES,
AND
ECONOMIC DEVELOPMENT AND TOURISM
March 25, 2026, 1:30 p.m.

HOUSE BILL 1618, HD1
RELATING TO CESSPOOL CONVERSIONS

Chair Gabbard, Chair San Buenaventura, Chair DeCoite, Vice Chair Richards, Vice Chair McKelvey, Vice Chair Wakai, and members of the committees, thank you for the opportunity to submit testimony on House Bill 1618, HD1. The State Procurement Office (SPO) appreciates the intent of the bill to reduce pollution in Hawaii by upgrading cesspools to approved wastewater systems or connecting to sewerage systems.

However, the SPO opposes the exemption of the administration of the programs from the requirements of Chapter 103D, Hawaii Revised Statutes (HRS). The SPO respectfully recommends the following revisions:

- Section 3, page 7, lines 12-14.

"(5) Enter into contracts for the administration of the loan program, ~~[without the necessity of complying with]~~ in accordance with chapter 103D, Hawaii Revised Statutes; "

- Section 3, page 10, lines 1-2.

"(9) Enter into contracts for the administration of the loan fund program ~~[exempt from]~~ in accordance with chapter 103D, Hawaii Revised Statutes; "

- Section 3, page 11, lines 15-17.

"(6) Enter into contracts for the administration of the cesspool conversion financing program [~~that are exempt from~~] in accordance with chapter 103D, Hawaii Revised Statutes."

The SPO testifies that contracts should comply with Chapter 103D, HRS, to ensure fair, open competition, ensure equality, and safeguard the integrity of the contracting process, preventing favoritism, collusion, or fraud in awarding of contracts. This also ensures oversight, accountability, and transparency in the procurement and contracting process which is vital to good government.

Thank you for the opportunity to submit testimony on this measure.

OFFICE OF CLIMATE CHANGE SUSTAINABILITY AND RESILIENCY

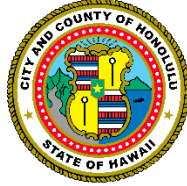
KE KE'ENA LOLI ANIAU MĀLAMA 'ĀINA A ME KE OLA LOA

CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET, 11th FLOOR • HONOLULU, HAWAII 96813

PHONE: (808) 768-2277 • EMAIL: resilientoahu@honolulu.gov • WEBSITE: resilientoahu.org

RICK BLANGIARDI
MAYOR
MEIA



KEALOHA FOX, Ph. D.
EXECUTIVE DIRECTOR &
CHIEF RESILIENCE OFFICER
PO'O HO'OKŌ & KAHU OLA LOA

VACANT
DEPUTY DIRECTOR &
DEPUTY CHIEF RESILIENCE OFFICER
HOPE PO'O & HOPE KAHU OLA LOA

TESTIMONY OF KEALOHA FOX, PH.D.
EXECUTIVE DIRECTOR OF CLIMATE CHANGE, SUSTAINABILITY AND
RESILIENCY AND CHIEF RESILIENCE OFFICER

BEFORE THE SENATE COMMITTEES ON AGRICULTURE AND ENVIRONMENT
AND HEALTH AND HUMAN SERVICES AND ECONOMIC DEVELOPMENT AND
TOURISM

Wednesday, March 25, 2026, 1:30 PM
Conference RM 225 and Via Videoconference

- TO: Sen. Mike Gabbard, Chair, Sen. Joy San Buenaventura, Chair, Sen. Lynn DeCoite, Chair, and Members of the Committees on Agriculture and Environment, Health and Human Services, and Economic Development and Tourism
- RE: SUPPORT OF HOUSE BILL 1618, HD1, RELATING TO CESSPOOL CONVERSIONS

The City and County of Honolulu's ("City") Office of Climate Change, Sustainability, and Resiliency **strongly supports** House Bill 1618, HD1, which establishes and appropriates funds for a cesspool conversion revolving loan fund to be administered by the Hawai'i Green Infrastructure Authority (HGIA).

Cesspools pose a significant threat to Hawai'i's groundwater, drinking water, and nearshore marine environments. These risks are exacerbated by climate change impacts such as sea level rise, flooding, and groundwater inundation. *Climate Ready O'ahu*, the City's climate adaptation strategy, identifies cesspool conversion as a critical climate adaptation strategy, particularly in high-priority and sea level rise exposure areas¹. Of the nearly 8,000 cesspools on O'ahu, over 1,000 are located within the sea level rise exposure area, increasing the urgency of accelerating conversions to protect public health and environmental resources.

High upfront conversion costs remain a major barrier for many, particularly low-to moderate-income (LMI) households. The Hawai'i Department of Health Cesspool

¹ *Climate Ready O'ahu*, City and County of Honolulu Climate Adaptation Strategy, Action 5.3, Increase partnerships and investments to support cesspool conversions islandwide:
https://drive.google.com/file/d/1YOQSw1ERdJLC4iFegGYY39_IDfidH0Ag/view

Sen. Mike Gabbard, Chair, Sen. Joy San Buenaventura, Chair, Sen. Lynn DeCoite, Chair,
and Members of the Committees on Agriculture and Environment, Health and Human
Services, and Economic Development and Tourism
HB1618, HD1
March 25, 2026
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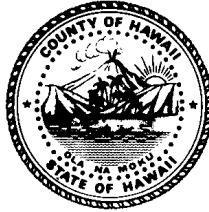
Pilot Program’s 2023 report to the Hawai‘i State Legislature found that “many grantees still faced a financial burden as they had to pay outstanding costs between \$10,000 and \$30,000 out of pocket even with grant awards.”

Given the persistent financial barriers to conversion, and high outstanding costs beyond what grants may cover, low-interest or forgivable financing with a preference for LMI households is an important step toward ensuring that conversion compliance pathways are both accessible and equitable. This measure advances a more comprehensive financing framework by leveraging HGIA’s expertise in administering green infrastructure programs and by expanding the suite of tools available to homeowners beyond grants and tax incentives alone. A diversified financing approach is essential to accelerate conversions at the scale required.

The City is committed to supporting cesspool conversion and financing efforts and is actively exploring partnership opportunities to align local funding via the Climate Resiliency Fund with state-administered financing mechanisms to maximize impact for O‘ahu residents, particularly households with limited financial capacity. Establishment of the revolving loan fund would provide a strong platform for such coordination.

Mahalo for the opportunity to testify in **strong support** of HB1618, HD1.

HEATHER L. KIMBALL
COUNCIL DISTRICT 1
(North Hilo, Hāmākua, and portion of Waimea)



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Fax: (808) 961-8912
Email: Heather.Kimball@hawaiicounty.gov

HAWAI‘I COUNTY COUNCIL
25 Aupuni Street, Ste. 1402, Hilo, Hawai‘i 96720

March 24, 2026

Senate Committee on Agriculture and Environment
Honorable Senator Mike Gabbard, Chair
Honorable Senator Herbert M. “Tim” Richards, Vice Chair

Senate Committee on Health and Human Services
Honorable Senator Joy A. San Buenaventura, Chair
Honorable Senator Angus L.K. McKelvey, Vice Chair

Senate Committee on Economic Development and Tourism
Honorable Senator Lynn DeCoite, Chair
Honorable Senator Glenn Wakai, Vice Chair
Submission via online testimony only

RE: Support of HB 1618, HD1 – Relating to Cesspool Conversions

Dear Chair Gabbard, Vice Chair Richards, Chair San Buenaventura, Vice Chair McKelvey, Chair DeCoite, Vice Chair Wakai, and Members of the Committees on Agriculture and Environment, Health and Human Services, and Economic Development and Tourism:

I write in strong support of H.B. 1618 (H.D. 1), which establishes a cesspool conversion revolving loan fund and financing program to assist Hawai‘i’s residents in upgrading or converting existing cesspools to environmentally safe wastewater systems.

As the Hawai‘i County Council Member representing District 1, I serve communities that are directly impacted by the ongoing challenges associated with cesspool systems. Many households in our district continue to rely on aging cesspools, which pose risks to public health, groundwater, and nearshore marine ecosystems. The State’s mandate to convert all cesspools by 2050 is an important and necessary step; however, the financial burden associated with conversion remains a significant barrier for many residents.

H.B. 1618 (H.D. 1) provides a thoughtful and practical solution by creating a dedicated financing mechanism that offers low-interest and forgivable loan options, with a focus on assisting low- and moderate-income households. By leveraging the expertise of the Hawai‘i Green Infrastructure Authority and allowing for flexible funding sources, this measure will help accelerate cesspool conversions statewide while ensuring that the process remains equitable and accessible.

Senate Committees on Agriculture and Environment; Health and Human Services; and Economic Development
and Tourism
Hawai'i County Council Member Heather L. Kimball Written Testimony in Support
H.B. 1618, HD1
March 24, 2026
Page 2

For communities in Hawai'i, where environmental stewardship and the protection of our natural resources are deeply valued, this measure represents a meaningful investment in both public health and environmental sustainability. Supporting homeowners in making these critical upgrades will reduce pollution, protect drinking water sources, and preserve the health of our reefs and coastal waters for future generations.

I respectfully urge your favorable consideration of H.B. 1618 (H.D. 1). Thank you for the opportunity to provide testimony in support of this important measure.

Sincerely,

A handwritten signature in cursive script that reads "Heather L. Kimball".

HEATHER L. KIMBALL

March 25, 2026

The Honorable Mike Gabbard, Chair

Senate Committee on Agriculture and Environment

The Honorable Joy A. San Buenaventura, Chair

Senate Committee on Health and Human Services

The Honorable Lynn DeCoite, Chair

Senate Committee on Economic Development and Tourism
State Capitol, Conference Room 225 & Videoconference

RE: House Bill 1618, HD1, Relating to Cesspool Conversions

HEARING: Wednesday, March 25, 2026, at 1:30 p.m.

Aloha Chair Gabbard, Chair San Buenaventura, Chair DeCoite, and Members of the Joint Committees:

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 1618, HD1, which establishes and appropriates funds for a cesspool conversion revolving loan fund, to be administered by the Hawai'i Green Infrastructure Authority, to provide financial assistance, including low-interest or forgivable loans, to eligible homeowners for the upgrade, conversion, or connection of cesspools. Effective 7/1/3000.

Hawai'i REALTORS® supports the goal of protecting our drinking water, streams, ground water, and ocean resources. We recognize that cesspool conversion is important to preserve our environment. There are approximately 83,000 cesspools divided into three priorities¹ across the State and to convert 83,000 cesspools by 2050, at least 3,458 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

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>



 808-733-7060

 1259 A'ala Street, Suite 300
Honolulu, HI 96817

 808-737-4977

Most homeowners will not be able to afford to do this alone and need additional assistance to ensure they can meet the mandate to convert. As such, this financing program can be a beneficial tool in helping low- and moderate-income homeowners convert their cesspools to a DOH approved wastewater system.

Mahalo for the opportunity to provide testimony on this measure.





To: The Honorable Chairs Mike Gabbard, Joy San Buenaventura, and Lynn DeCoite, and the Honorable Vice Chairs Herbert M. “Tim” Richards, Angus McKelvey, and Glenn Wakai and members of the Committees on Agriculture and Environment, Health and Human Services, and Economic Development and Tourism

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

Re: Hearing HB1618 HD1 RELATING TO **CESSPOOL CONVERSIONS**

Hearing: Wednesday March 25, 2026 1:30 p.m.

Aloha Chairs Gabbard, San Buenaventura, and DeCoite, Vice Chairs Richards, McKelvey, and Wakai, and members of the Committees on Agriculture and Environment, Health and Human Services, and Economic Development and Tourism!

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** HB1618 HD1!

Cesspool upgrading will be expensive. This bill would **help make cesspool conversions more affordable**.

Insufficient funding availability is a major barrier to cesspool upgrading. Thousands of cesspool owners who are required to connect to sewer or upgrade their existing cesspools may not be able to qualify for bank or credit union financing. In addition to grants and other incentives, the State must also provide assistance at least for low and moderate income homeowners with a **low-cost financing option**. A program is needed that **eliminates credit barriers** by leveraging innovative on-bill repayment mechanisms, while still being prudent stewards of public funds.

This bill would provide low-interest loans to eligible low and moderate income homeowners for the upgrade, conversion, or connection of cesspools. The loans would be funded by a Cesspool Conversion Revolving Loan Fund administered by the Hawaii Green Infrastructure Authority, which has successfully administered the Green Energy Money Saver (GEM\$) on-bill loan program. Repayment of loans “on-bill” has worked well for renewable energy and water. It mitigates risk to lenders, which can reduce costs to borrowers.

These loans would be a needed and valuable resource for low and moderate income homeowners unable to access financing at reasonable rates and terms.

Please pass this bill to **help LMI customers gain access to credit for cesspool connections and conversions!**

Mahalo!

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



March 20, 2026

Senate Committees on Agriculture and Environment; Health and Human Services; Economic Development and Tourism
Hawai'i State Legislature
Via Electronic Transmission

Re: Testimony in **STRONG SUPPORT** of HB1618 HD1, Relating to Wastewater Systems

Hearing: Monday, March 25th, 1:30pm via Videoconferencing

Aloha Chairs Gabbard, San Buenaventura, and Wakai, Vice Chairs Richards, McKelvey, and Wakai and members of the Committees on Agriculture and Environment, Health and Human Services, and Economic Development and Tourism,

Wastewater Alternatives & Innovations (WAI) **strongly supports** HB1618 HD1! This bill would help make cesspool conversions more affordable. It would provide low-interest loans to eligible homeowners for the upgrade, conversion, or connection of cesspools. The loans would be funded by a Cesspool Conversion Revolving Loan Fund administered by the Hawaii Green Infrastructure Authority ("HGIA"). These loans are a needed and valuable resource for low and moderate income homeowners unable to access financing at reasonable rates and terms.

Cesspool conversions can be costly, and we need to try to find ways to make upgrades more **affordable** while also making them **effective**. On-bill financing has worked for renewable energy and water measures, and it mitigates risks to providers of capital, which can reduce costs to borrowers.

Hawaii has more than 80,000 cesspools across the state, discharging about 50 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 along with threats to public health, drinking water resources, and the near-shore environment.

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.

WAI respectfully submits testimony in **strong support** of HB1618 HD1. We appreciate the Legislature's continued leadership on addressing Hawai'i's wastewater pollution challenges. Thank you for the opportunity to submit testimony in strong support of this bill and mahalo for your leadership on this important issue.

Aloha,

Stuart Coleman,

Jessica Kai Paisley,

Stuart H. Coleman, Executive Director

Jessica Kai Paisley, Program & Legal Specialist



DATE: March 24, 2026

TO: Senator Mike Gabbard
Chair, Committee on Agriculture & Environment

Senator Joy San Buenaventura
Chair, Committee on Health & Human Services

Senator Lynn DeCoite
Chair, Committee on Economic Development & Tourism

FROM: Mihoko Ito / Tiffany Yajima

RE: **HB1618, HD1 – Relating to Cesspool Conversions**
Hearing Date: Wednesday, March 25, 2026 at 1:30 p.m.
Conference Room: 225

Dear Chair Gabbard, Chair San Buenaventura, Chair DeCoite, and Members of the Joint Committees:

On behalf of Hawaii Bankers Association, thank you for the opportunity to submit **comments** regarding HB1618 HD1, which establishes and appropriates funds for a cesspool conversion revolving loan fund, to be administered by the Hawaii Green Infrastructure Authority, to provide financial assistance, including low-interest or forgivable loans, to eligible homeowners for the upgrade, conversion, or connection of cesspools.

We support the intent of this measure, particularly as reflected in the current amended version of the bill. Expanding access to financing for cesspool conversions is important for helping homeowners meet the State’s environmental and public health objectives, especially given the significant upfront costs associated with these upgrades.

Financial institutions across the state already provide a variety of financing tools—including home equity loans, personal loans, and other credit products—that homeowners may use to fund these upgrades. We believe a public financing program can complement private lending, particularly for borrowers who may not otherwise qualify for traditional credit. We encourage the Legislature to continue to focus on clear eligibility standards to ensure the program is sustainable and reaches those most in need.

Thank you for the opportunity to submit this testimony.



808-524-5161



P.O. Box 10065, Honolulu, Hawaii 96816



director@hawaiiiba.org

HB-1618-HD-1

Submitted on: 3/22/2026 9:28:08 AM

Testimony for AEN on 3/25/2026 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Lisa Bishop	Testifying for Friends of Hanauma Bay	Support	Written Testimony Only

Comments:

Aloha Chairs and Committee Members,

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

Pollution from cesspools is the greatest water pollution problem in Hawai‘i. There are over 80,000 cesspools that are dumping over 50 million gallons every day into Hawai‘i’s groundwater, drinking waters, streams, and ocean. This pollution is making people sick with diseases such as gastroenteritis, skin rashes, and eye irritations. In some areas, cesspool pollution is harming drinking water quality.

Cesspool pollution is also an existential threat to the coral reefs that protect our very way of life here in Hawai‘i —our recreation-based visitor economy, our fisheries and our shorelines.

Please support and pass this measure to help our residents finance the critical need for conversions of their cesspools to upgraded waste management systems.

Our reefs and marine wildlife, groundwater, streams, ocean wilderness and public health deserve better than to continue to be polluted by decades old cesspools. We can - and must - do better.

With Aloha,

Lisa Bishop, MS

Friends of Hanauma Bay I President



**Senate Committees on Agriculture & Environment, Health & Human Services, and
Economic Development & Tourism**

Testimony on HB1618 HD1

Relating to Cesspool Conversions

March 25th, 2026

1:30 PM

Room 225

Testimony of the Hawai'i Climate Change and Health Working Group

**In Support of HB1618 HD1
Relating to Cesspool Conversions**

Aloha Chair Gabbard, Chair San Buenaventura, Chair DeCoite, Vice Chair Richards, Vice Chair McKelvey, Vice Chair Wakai, and Members of the Committees,

The Climate Change and Health Working Group (CCHWG) **supports HB1618 HD1**, which establishes and appropriates funds for a cesspool conversion loan special fund to be administered by the Hawai'i Green Infrastructure Authority. This fund would provide low-interest loans to eligible homeowners to support the upgrade, conversion, or connection of cesspools.

Who We Are and Why This Matters

CCHWG is a cross-sector collaborative committed to strengthening Hawai'i's public health resiliency in response to climate change. Guided by the principles of equity, justice, and aloha, we work across disciplines and communities to research, communicate, and advocate for policies that reduce climate-related health risks, particularly for communities that are disproportionately burdened.

Cesspools Pose a Direct Threat to Public Health and Water Quality

Cesspools pose a significant threat to both environmental and human health in Hawai'i. Untreated wastewater contaminates groundwater and nearshore waters, increasing exposure to pathogens and nutrients that harm drinking water supplies, coral reefs, and fisheries¹. These impacts are exacerbated by climate change, including sea level rise, increased flooding, and extreme rainfall events, which heighten the risk of system failure and contamination².

The Burden Is Not Equal

The burden of cesspool-related pollution falls disproportionately on rural, coastal, and lower-income communities that often lack the financial resources to comply with existing conversion requirements³. By establishing a dedicated loan program, HB1618 HD1 advances a more equitable pathway for homeowners to transition away from cesspools while protecting public health, water quality, and ecosystem integrity.

A Preventative Investment in Climate and Community Health

This measure represents a proactive, preventative investment in Hawai'i's climate resilience and long-term health outcomes. Providing accessible financing for cesspool conversion supports statewide water protection goals while reducing avoidable health risks and future public costs.

Mahalo for the opportunity to provide testimony in strong support of HB1618 HD1.

Sincerely,

James McCallen, MPH

The Climate Change and Health Working Group

¹ [General Health Advisory](#), Hawai'i Department of Health, Clean Water Branch, 2026

² ["Cesspools in Paradise"](#), Helene Raine, Sea Grant, University of Hawai'i, 2019

³ [Hawai'i County Cesspool Conversion Task Force Report](#), County of Hawai'i, 2025



March 22, 2026

Senate Committee on Agriculture and Environment
Senate Committee on Health and Human Services
Senate Committee on Economic Development and Tourism
Hawai'i State Legislature
Via Electronic Transmission

Re: Testimony in SUPPORT of HB 1618 HD1, Relating to Cesspool Conversions
Hearing: Wednesday, March 25, 2026, 1:30 PM CR 225 Via Videoconference

To: The Honorable Chair Gabbard, Chair San Buenaventura, Chair DeCoite, Vice Chair Richards, Vice Chair McKelvey, Vice Chair Wakai, and Members of the Committee,

The Surfrider Foundation, Hawai'i region, is in strong support of HB1618 HD1 which establishes a low-interest loan system to help homeowners comply with HRS §342D-72 and complete mandated cesspool conversions

Surfrider Foundation is a grassroots activist network dedicated to protecting our oceans, waves, and beaches. Through our Blue Water Task Force (BWTF), a citizen-science water quality monitoring program on Kaua'i, Maui, and O'ahu, we regularly test more than 80 sites statewide for enterococcus, a fecal indicator bacteria. Many of our monitoring sites are located near high concentrations of cesspools, where water quality frequently exceeds state public health standards. These exceedances represent real risks to residents and visitors alike.

Hawai'i continues to face significant public health and environmental threats from the more than 83,000 cesspools that collectively discharge 52 million gallons of untreated sewage into groundwater and nearshore waters every day. This contamination threatens public health, degrades water quality, fuels harmful algal blooms that damages coral reefs- ecosystems that protect our shorelines, sustain fisheries, and support recreation and local economies.

One of the greatest barriers to meeting the 2050 cesspool conversion mandate is affordability. The upfront cost of conversion can easily reach tens of thousands of dollars, placing compliance out of reach for many households. While a revolving loan does not eliminate the cost of conversion, it provides accessible, lower-interest financing that makes compliance achievable for more households. Currently, the upfront investment is largely prohibitive, delaying conversions- and our water quality continues to suffer as a result. If Hawai'i is serious about meeting its statutory deadline, we must provide homeowners with practical, attainable pathways to comply.

HB 1618 provides a critical financing tool to accelerate conversions statewide, prioritize low- and moderate-income households, and ensure the 2050 mandate is not just aspirational, but achievable.

Mahalo for the opportunity to testify in strong support of HB1618 on behalf of Surfrider Foundation's three Hawai'i chapters and our members statewide.

Sincerely,

Hanna Lilley
Hawai'i Regional Manager
Surfrider Foundation



A Community Dedicated to Saving Puakō Reef

Return the reef to its historic 70% coral coverage from its existing 7%.

www.Puako4reefs.org * [Puako for Reefs Facebook](#)

Story map of Puakō: [Wahi Pana -A Sacred Place](#)

HEARING FOR STATE SENATE COMMITTEES

Wednesday, March 25, 2026 1:30 p.m.

Conference Room 225, State Capitol

**TO: Senate Committees on:
Agriculture and Environment Chair Mike Gabbard, and Vice-Chair Tim Richards,
Health and Human Services Chair Joy San Buenaventura, and Vice-Chair Angus
McKelvey,
Economic Development and Tourism Chair Lynn DeCoite, and Vice-Chair Glenn
Wakai,
and all members of these committees.**

RE: House Bill 1618, HD1. RELATING TO CESSPOOL CONVERSIONS.

Aloha Chair, Committee Members, and Honorable Legislators,

Puakō For Reefs is a volunteer-run 501(c)(3) nonprofit dedicated to protecting the reef near Puakō and building a scalable model to protect all Hawai‘i coral reefs from wastewater pollution. We strongly support HB1618, HD1, which establishes a revolving loan fund for cesspool conversion loans to low and moderate-income households.

Financing is the primary barrier preventing many homeowners from replacing cesspools, even when they want to do the right thing. Responsible wastewater disposal is essential to protect our marine environment, yet it can be costly. This bill addresses that critical financial gap.

Key points of support and recommended clarifications:

1. The HD1 changes to create a revolving loan fund and allow for loan forgiveness are fantastic. For many households, loans alone will not be sufficient; some will require grant or forgivable assistance. We strongly support the inclusion of forgivable-loan authority.
2. Please clarify that loans may be used to connect to either public or private sewerage systems. Adding the phrase “public or private” (or “any approved”) before “sewerage systems” on Page 2, Line 8, or retaining the broader language on Page 4, Line 12 (“sewerage systems on terms approved by the authority”), will avoid ambiguity and ensure eligible homeowners have access to all feasible connection options.
3. The initial fund capitalization should be substantial. Meaningful funding is necessary for the program to achieve statewide cesspool abandonment goals and to meet the State’s 2050 mandate. \$10,000 is a good start.



A Community Dedicated to Saving Puakō Reef

Return the reef to its historic 70% coral coverage from its existing 7%.

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Story map of Puakō: [Wahi Pana -A Sacred Place](#)

This program represents one of the most effective, practical steps the Legislature can take to accelerate cesspool replacement, protect coastal water quality, and preserve Hawai'i's reefs and public health. Mahalo for the opportunity to testify and for your leadership on this urgent matter.

Puakō for Reefs Board members and its many volunteers

Karen Anderson, Board Chair, **Stephanie Erickson**, Board Treasurer,

Barbara Bell, Board Secretary, and **George Fry**, Board member.



TO: Committee on Agriculture and Environment
Senator Mike Gabbard, Chair
Senator Herbert M. "Tim" Richards, III, Vice Chair

Committee on Health and Human Services
Senator Joy A. San Buenaventura, Chair
Senator Angus L.K. McKelvey, Vice Chair

Committee on Economic Development and Tourism
Senator Lynn DeCoite, Chair
Senator Glenn Wakai, Vice Chair

FROM: Lynn Miyahira representing Public Access to SunScreens (PASS) Coalition
DATE: Wednesday 25, 2026
TIME: 1:30 PM
PLACE: Conference Room 225 & Videoconference

Re: HB 1618 HD 1

Position: SUPPORT

The [Public Access to SunScreens](#) (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 support this measure.

Cesspools are a pressing issue in Hawaii that impacts our health, water quality, and coral reefs. With over 83,000 cesspools in the state, discharging about 53 million gallons of raw sewage every day, immediate action is needed to mitigate their negative impact. Untreated wastewater leaking from cesspools into nearshore waters can cause high levels of nitrogen in the water, which leads to algae blooms that suffocate and cover our coral reefs.

HB 1618 addresses one of the most significant barriers to cesspool conversion: affordability. Establishing the Cesspool Conversion Loan Special Fund and authorizing the Hawai'i Green Infrastructure Authority to administer a low-interest loan program will provide homeowners with a practical, accessible pathway to upgrade, convert or connect cesspools to more protective wastewater systems. Many property owners want

to comply with existing and future cesspool requirements but face prohibitive upfront costs. This bill directly responds to that challenge.

By leveraging the expertise of the Hawai'i Green Infrastructure Authority, HB 1618 ensures that financing for cesspool conversions is administered efficiently, transparently and in a manner consistent with other successful green infrastructure financing programs. Low-interest loans will accelerate conversions, reduce long-term pollution and deliver measurable benefits to water quality, public health and coral reef protection.

The appropriation to capitalize the loan special fund is a critical investment in Hawai'i's environmental future. Supporting homeowners through financing — not just mandates — will increase compliance, promote equity and speed progress toward statewide cesspool reduction goals.

HB 1618 represents a solution that aligns environmental protection with economic feasibility. For these reasons, the PASS Coalition respectfully urges your support of this measure.

Sincerely,

Lynn Miyahira
Public Access to SunScreens (PASS) Coalition

HB-1618-HD-1

Submitted on: 3/23/2026 11:41:26 AM

Testimony for AEN on 3/25/2026 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Rick Gaffney	Testifying for Hawaii Fishing & Boating Association	Support	Written Testimony Only

Comments:

There are few things more important for this year's legislature to accomplish than dealing with our cesspool crisis. This is one of those very hard, long term problems that always seems to result in the can being kicked down the road, again. Let's stop doing that this session!

Our reefs are dying and by converting cesspools to better forms of wastewater management, we can dramatically reduce the deadly impact of our sewage on our reefs, and give them a chance to recover.

HB1618 HD1 is not the perfect solution, but it does what we must do, move the process forward, one step at a time.

Our reefs feed us, reduce the impacts of storms, provide recreation, support and nourish to our beaches, keep our primary economic asset attractive, and so much more.

It is going to take a partnership between public, private and philanthropic interests to solve a problem we have ignored too long. You are the public part of that triumverate.

Please act this session to save our reefs, by passing HB1618 HD1.

Mahalo,

Rick Gaffney

HAWAI'I OCEAN LEGISLATIVE TASK FORCE



March 25, 2026

Hawai'i State Legislature
Senate Committee on Agriculture and Environment
Senate Committee on Health and Human Services
Senate Committee on Economic Development and Tourism

Re: Testimony in **SUPPORT** for HB 1618 HD1, Relating to Cesspool Conversions

Aloha Chairs Gabbard, San Buenaventura and DeCoite, Vice Chairs Richards, McKelvey and Wakai, and esteemed members of the committees,

The Ocean Legislative Task Force—a coalition of more than 150 individuals across over 20 organizations statewide—**strongly supports** HB 1618 HD1, relating to cesspool conversions. This measure establishes and appropriates funds for a cesspool conversion loan special fund, to be administered by the Hawai'i Green Infrastructure Authority, to provide low-interest loans to eligible homeowners for the upgrade, conversion, or connection of cesspools.

Cesspools remain a significant source of groundwater contamination and coastal water pollution in Hawai'i, threatening drinking water supplies, public health, nearshore ecosystems, and coral reefs. Accelerating conversions is essential to meeting the State's water quality goals and protecting both communities and marine resources.

Affordability is a major barrier to cesspool conversion for many property owners. The upfront costs of replacing outdated systems—particularly in rural or coastal areas—can be prohibitive, even for families who want to comply with state requirements and do their part to protect the environment. By creating a dedicated revolving loan fund that offers low-interest financing, HB 1618 HD1 provides a practical, market-based tool to help homeowners move forward with needed upgrades without undue financial strain.

For these reasons, the Ocean Legislative Task Force urges your support for HB 1618 HD1 and appreciates the Legislature's continued commitment to protecting Hawai'i's water resources and coastal ecosystems.

Mahalo for the opportunity to testify on this important measure.

The Hawai'i Ocean Legislative Task Force advocates for measures that advance cesspool conversion and wastewater management, protect Hawai'i's coral reefs and reef fish, ensure transparent and sustainable implementation of the Green Fee program and long-term environmental staffing, and support other measures that strengthen Hawai'i's coastal and marine ecosystems.

**Testimony of The Nature Conservancy
Supporting HB1618 HD1, Relating to Cesspool Conversions
Committee on Agriculture and Environment
Committee on Health and Human Services
Committee on Economic Development and Tourism
March 25, 2026 at 1:30 pm
Conference Room 225 and via Videoconference**

Dear Chairs Gabbard, San Buenaventura and DeCoite, Vice Chairs Richards, McKelvey and Wakai, and Members of the Committee:

Mahalo for the opportunity to testify today. The Nature Conservancy (TNC) Hawai'i and Palmyra supports HB1618 HD1, which establishes and appropriates funds for a cesspool conversion revolving loan fund, to be administered by the Hawai'i Green Infrastructure Authority, to provide financial assistance, including low-interest or forgivable loans, to eligible homeowners for the upgrade, conversion, or connection of cesspools.

Science conducted by TNC and partners has shown that wastewater, particularly cesspools, are detrimental to the coral reefs that protect our coastlines and underpin our economy. Without clean coastal waters, our reef ecosystems face even greater risk amid growing global stressors, including climate change.

Cesspools 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. These pollutants can encourage excess algal and bacterial growth, degrade aquatic ecosystems, and pose risks to human health. Our research in He'ea, Maunaloa, Olowalu, Hana and South Kohala has shown direct evidence of cesspool contamination in streams and coastal waters using a variety of bioindicators and chemical signatures.

One of the primary limitations for cesspool upgrade, conversion or connection at scale is the high cost of conversion to private homeowners. HB1618 HD1 provides a valuable financing option to help address this challenge. Similar to investments in clean energy, this financing provides low-interest loans that can allow for smaller payments over long periods of time. This approach may encourage homeowners to comply with conversion requirements sooner and help reduce environmental stressors more quickly.

Mahalo for the opportunity to testify in support of HB1618 HD1.

Guided by science, TNC 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 84,000 acres in 13 nature preserves and 18 managed areas and have supported over 50 coastal communities to help protect and restore the nearshore reefs and fisheries of the main Hawaiian Islands.

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HB-1618-HD-1

Submitted on: 3/21/2026 2:45:06 PM

Testimony for AEN on 3/25/2026 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Beth Anderson	Individual	Support	Written Testimony Only

Comments:

Please support HB 1618. Any measure to step up elimination of cesspools in order to stop the polluting of our bays is critical. I've been testifying on cesspool eradication bills for years. I live down the street from Kailua bay. Our beach park is often closed after storms due to bacterial counts. Cesspools create ongoing pollution of the bay not necessarily connected to storms. We have to take better care of our oceans. Thank you for supporting this bill.

HB-1618-HD-1

Submitted on: 3/20/2026 9:06:44 PM

Testimony for AEN on 3/25/2026 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
William Caron	Individual	Support	Written Testimony Only

Comments:

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

I am writing in **strong support** of HB1618, which establishes and appropriates funds for a cesspool conversion revolving loan fund to be administered by the Hawai‘i Green Infrastructure Authority (HGIA). This bill will provide critical financial assistance—including low-interest or forgivable loans—to eligible homeowners for the upgrade, conversion, or connection of cesspools.

The Problem: A Looming Deadline and Unaffordable Costs

Every cesspool in Hawai‘i, unless exempted, must be upgraded or converted to a Director of Health-approved wastewater system or connected to a sewerage system by **January 1, 2050**. This mandate is essential to protect our groundwater, nearshore waters, and coral reefs from the pollution caused by tens of thousands of cesspools across the state. But the mandate comes with a staggering price tag for homeowners.

The average cost to convert a cesspool to a septic system ranges from **\$40,000 to \$50,000**. For many families—especially those on fixed incomes, living on Department of Hawaiian Home Lands properties, or already struggling with Hawai‘i's high cost of living—this is simply unaffordable. Without financial assistance, we risk forcing families out of their generational homes or creating widespread noncompliance as the deadline approaches.

The Legislature has consistently recognized this challenge. Previous sessions have established grant programs and pilot projects to assist homeowners, with grant amounts increased from \$20,000 to \$30,000 in 2024. But grants alone are not enough. Many homeowners cannot afford the upfront costs even with the promise of reimbursement.

A 2024 Senate committee report explicitly found that "the high cost to upgrade, convert, or connect a cesspool prevent property owners from promptly complying with this legislative mandate" and that "actual progress towards the upgrade, conversion, and connection of cesspools must begin soon for property owners to meet the statutory deadline of January 1, 2050."

What HB1618 Does

HB1618 addresses this gap by establishing a **cesspool conversion revolving loan fund**, to be administered by the Hawai‘i Green Infrastructure Authority. The bill empowers HGIA to provide financial assistance—including low-interest or forgivable loans—to eligible homeowners for the upgrade, conversion, or connection of cesspools.

This approach builds on successful models both within Hawai‘i and elsewhere. HGIA already administers green energy loan programs and has the expertise to manage revolving loan funds effectively. The revolving fund structure means that as loans are repaid, the money becomes available to help additional homeowners, creating a sustainable source of financing that serves more families over time.

Why Loans Matter

For many homeowners, access to affordable credit is the difference between compliance and noncompliance. As a 2024 committee report noted, the State must "make upgrading, converting, and connecting practicable for the average cesspool owner." HB1618 does exactly that by:

- **Providing upfront financing** so homeowners can complete conversions without depleting their savings;
- **Offering low-interest terms** that make monthly payments manageable;
- **Including forgivable loans** for those who need the deepest assistance;
- **Creating a revolving structure** that maximizes the impact of every dollar appropriated.

This approach complements existing grant programs. Grants can cover a portion of costs, but loans bridge the gap between what a grant provides and what a project actually costs. Together, they create a comprehensive safety net for homeowners.

A Model Already Working

The need for this financing is not theoretical—it is already being demonstrated in our communities. Kaua‘i Federal Credit Union, in partnership with Filene Research Institute, has developed a cesspool conversion loan program specifically for Native Hawaiian families on Department of Hawaiian Home Lands properties. Their program allows members to secure the full amount upfront, defer payments during construction, and apply grant funds to the loan balance once the project is finished. More than 100 local residents have received application assistance, with dozens completing conversions or qualifying for funding.

This is exactly the kind of solution HB1618 would scale statewide. What works on Kaua‘i can work across the islands—but it requires state investment to reach every family in need.

Environmental and Cultural Imperative

The stakes extend beyond individual homeowners. Cesspools are a significant source of water pollution, contaminating groundwater and nearshore waters that sustain our ecosystems, our reefs, and our communities. To reduce water pollution, we must accelerate conversions. Every year we delay means more pollution entering the waters that define Hawai‘i.

For Native Hawaiian families on Hawaiian home lands, the urgency is even greater. These are families with generational ties to their land, now facing mandates that threaten to displace them if costs prove insurmountable. HB1618 is a tool for keeping families rooted in their communities—for honoring the connection between people and place that defines Hawai‘i.

The 2050 deadline is not a distant future—it is approaching rapidly. Progress must begin now. HB1618 provides the financing tool that thousands of homeowners need to comply with the law, protect our environment, and remain in their homes.

I urge this committee to pass HB1618 and invest in the revolving loan fund that will make cesspool conversions achievable for Hawai‘i's families.

Mahalo for the opportunity to testify.

HB-1618-HD-1

Submitted on: 3/21/2026 10:33:30 AM

Testimony for AEN on 3/25/2026 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Johnnie-Mae L. Perry	Individual	Comments	Written Testimony Only

Comments:

I, Johnnie-Mae L. Perry, Comment

IRAN WAR IS COSTING TAXPAYERS 1BILLION \$ A DAY. LEGISLATURES MUST BE FISCAL RESPONSIBLE THIS SESSION WITH MEASURE SEEKING FUNDING, APPROPRIATES, TAX CREDIT...

1618 HB RELATING TO CESSPOOL CONVERSIONS.

HB-1618-HD-1

Submitted on: 3/20/2026 3:57:20 PM

Testimony for AEN on 3/25/2026 1:30:00 PM

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

Comments:

I strongly support HB 1618. Why? Honestly I'm tired of swimming and diving in diluted human sewage. Anything that will speed up cesspool conversion is welcome!

HB-1618-HD-1

Submitted on: 3/22/2026 4:38:51 PM

Testimony for AEN on 3/25/2026 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Glen Kagamida	Individual	Support	Written Testimony Only

Comments:

STRONG SUPPORT!!! MAHALO!

HB-1618-HD-1

Submitted on: 3/22/2026 8:19:04 PM

Testimony for AEN on 3/25/2026 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Roberts "Bob" Leinau	Individual	Support	Written Testimony Only

Comments:

Aloha Chair and Committee members. HB1618 is an important step forward toward solving our cess pool pollution problems. The cess pool conversion goal needs government support. Clean drinking water and a healthy ocean are only some of the gains.

Mahal for an opportunity to testify.

HB-1618-HD-1

Submitted on: 3/23/2026 3:43:16 PM

Testimony for AEN on 3/25/2026 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Ryan Dadds, PA-C	Individual	Support	Written Testimony Only

Comments:

Hawai‘i continues to face significant public health and environmental threats from the more than 83,000 cesspools that collectively discharge 52 million gallons of untreated sewage into groundwater and nearshore waters every day. This contamination threatens public health, degrades water quality, fuels harmful algal blooms that damages coral reefs- ecosystems that protect our shorelines, sustain fisheries, and support recreation and local economies.

One of the greatest barriers to meeting the 2050 cesspool conversion mandate is affordability. The upfront cost of conversion can easily reach tens of thousands of dollars, placing compliance out of reach for many households. While a revolving loan does not eliminate the cost of conversion, it provides accessible, lower-interest financing that makes compliance achievable for more households. Currently, the upfront investment is largely prohibitive, delaying conversions- and our water quality continues to suffer as a result. If Hawai‘i is serious about meeting its statutory deadline, we must provide homeowners with practical, attainable pathways to comply.

HB 1618 provides a critical financing tool to accelerate conversions statewide, prioritize low- and moderate-income households, and ensure the 2050 mandate is not just aspirational, but achievable

HB-1618-HD-1

Submitted on: 3/23/2026 3:30:17 PM

Testimony for AEN on 3/25/2026 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Suparna Vashisht	Individual	Support	Written Testimony Only

Comments:

I am writing to express support for HB1618.

Hawai‘i continues to face significant public health and environmental threats from the more than 83,000 cesspools that collectively discharge 52 million gallons of untreated sewage into groundwater and nearshore waters every day. This contamination threatens public health, degrades water quality, fuels harmful algal blooms that damages coral reefs- ecosystems that protect our shorelines, sustain fisheries, and support recreation and local economies.

One of the greatest barriers to meeting the 2050 cesspool conversion mandate is affordability. HB1618 will make it a little easier for homeowners to invest in converting their cesspools to a better alternative.

Mahalo for your consideration.

HB-1618-HD-1

Submitted on: 3/24/2026 4:10:10 AM

Testimony for AEN on 3/25/2026 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Ernest Bethe IV	Individual	Support	Written Testimony Only

Comments:

Cesspools represent a unique challenge for Hawai'i's future, and one that we NEED fair and reasonable funding options to solve. The ambitious goal of converting all Hawaiian cesspools by 2050 needs to be backed up with support for families to embark on these changes without breaking the bank. We have to think beyond conventional funding mechanisms, and a low/forgivable loan structure automatically signals a willingness to work with families on an issue that everyone recognizes as important, wants to solve, yet lacks the support to do so. Support families to support change in Hawai'i: support HB1618!

HB-1618-HD-1

Submitted on: 3/24/2026 7:57:08 AM

Testimony for AEN on 3/25/2026 1:30:00 PM

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

Comments:

Thousands of cesspool owners who are required to connect to sewer, or upgrade their existing cesspools may not be able to qualify for bank or credit union financing. This bill will help address this important concern. Please pass this much-needed measure!

HB-1618-HD-1

Submitted on: 3/24/2026 12:58:40 PM

Testimony for AEN on 3/25/2026 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Lana Brodziak	Individual	Support	Written Testimony Only

Comments:

Aloha Committee Members,

I fully support HB1618 and I hope you will, too.

This type of financial support is sorely needed to address this many decades old issue of cesspool pollution. I believe this legislation would strongly encourage homeowners to convert "cesspools" to fully functioning on-site septic systems or tie-ins to a sewer system.

It's clear that the costs for permitting, site preparation and installation for many of these conversions runs into tens of thousands of dollars. Most homeowners can not afford to make a conversion without some type of financial assistance or loan.

Helping support homeowners address adequate wastewater treatment is a meaningful way to reduce cesspool pollution. Additionally, it helps homeowners play an important role in overall watershed and water quality improvement and conservation.

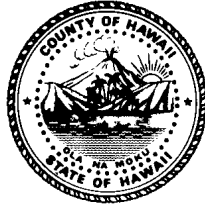
These improvements will benefit the public as a whole in many ways. A simple example is the well-known negative impacts of nutrient loading on near-shore fish habitat, negatively impacting an important human food resource. High nutrient loading in watersheds with unregulated private drinking water wells is known to negatively impact human health. This is another important reason to reduce nutrient loading within our watersheds.

We need more advanced wastewater treatment solutions by helping financially support cesspool conversions.

Please support HB1618 as a very important way to help meet environmental quality goals impacting many different members of our community.

Respectfully submitted, Lana Brodziak

Jennifer Kagiwada
Council Member District 2 South Hilo



Office: (808) 961-8272
jennifer.kagiwada@hawaiicounty.gov

HAWAI'I COUNTY COUNCIL - DISTRICT 2

25 Aupuni Street • Hilo, Hawai'i 96720

DATE: March 24, 2026

TO: Senate Committee(s) on Agriculture and Environment, Health and Human Services, and Economic Development and Tourism

FROM: Jennifer Kagiwada, Council Member
Council District 2

SUBJECT: HB1618 HD1

Aloha Chair(s) Gabbard, Buenaventura, and DeCoite, Vice Chair(s) Richards, McKelvey, and Wakai, and esteemed committee members,

I am writing in **strong support of HB1618 HD1**. The Hawai'i County's issue with cesspools is significant. With 50,000 on our island alone this is an especially critical issue for our community and our ocean and environment. But with the cost to convert a cesspool ranging from \$25,000-\$45,000, the conversion is simply not feasible for many local families, making this 2050 deadline impossible to achieve without additional support. This bill provides real, tangible support for communities working to comply in order to protect our water resources, and ensure that the responsibility of compliance does not fall unfairly on those who cannot afford it.

Mahalo,

Jenn Kagiwada

HB-1618-HD-1

Submitted on: 3/24/2026 1:42:47 PM

Testimony for AEN on 3/25/2026 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Nancy Convard	Individual	Support	Written Testimony Only

Comments:

Testimony of Nancy Convard

In SUPPORT of HB1618 HD1 and SB2770

COMMITTEE ON AGRICULTURE AND ENVIRONMENT

Senator Mike Gabbard, Chair

Senator Herbert M. "Tim" Richards, III, Vice Chair

COMMITTEE ON HEALTH AND HUMAN SERVICES

Senator Joy A. San Buenaventura, Chair

Senator Angus L.K. McKelvey, Vice Chair

COMMITTEE ON ECONOMIC DEVELOPMENT AND TOURISM

Senator Lynn DeCoite, Chair

Senator Glenn Wakai, Vice Chair

Hearing Date: March 25, 2026

Dear Chairs Gabbard, San Buenaventura, and Decoite and Vice-Chairs Richards, McKelvey, and Wakai and all members of the subject Committees

My name is Nancy Convard, and I submit this testimony in support of HB1618 HD1 and companion Bill SB2770, which provides a critically needed financing option for homeowners cesspool conversion through establishment and appropriation of funds for a cesspool conversion revolving loan fund, to be administered by the Hawai'i Green Infrastructure Authority, to provide financial assistance, including low-interest or forgivable loans, to eligible homeowners for the upgrade, conversion, or connection of cesspools.

I am a community member committed to protecting environmental health and improving ground water quality and coastal water quality. My 40 year + career in Hawai'i and throughout the Pacific Island region has included planning and supporting financial and institutional capacity building for environmental infrastructure at all levels of government as part of overall planning, design, and construction of water/wastewater infrastructure. My experience and that of the organizations and governments I worked with clearly confirms that establishment of sound financial and institutional systems is required for the success of physical infrastructure programs.

As an engineer and public health professional, I know that achieving Hawaii's cesspool conversion goals is essential to protecting and improving the environmental health of our community. Improved water quality is also needed to protect our coastal ecosystems, which in turn support economic resources.

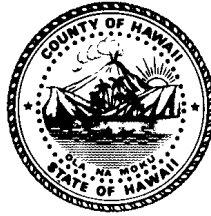
For these reasons, I respectfully request that the Committees PASS HB1618 HD1. Mahalo for the opportunity to provide testimony.

Sincerely,

Nancy Convard, P.E., MPH

Community Member

Nconvard@gmail.com; 202-288-8822



HAWAI'I COUNTY COUNCIL

County of Hawai'i
West Hawai'i Civic Center, Bldg. A
74-5044 Ane Keohokalole Hwy.
Kailua-Kona, Hawai'i 96740

March 25, 2026

COMMITTEE ON AGRICULTURE AND ENVIRONMENT

Senator Mike Gabbard, Chair
Senator Herbert M. "Tim" Richards, III, Vice Chair

COMMITTEE ON HEALTH AND HUMAN SERVICES

Senator Joy A. San Buenaventura, Chair
Senator Angus L.K. McKelvey, Vice Chair

COMMITTEE ON ECONOMIC DEVELOPMENT AND TOURISM

Senator Lynn DeCoite, Chair
Senator Glenn Wakai, Vice Chair

RE: **Support for HB1618, HD1**, RELATING TO CESSPOOL CONVERSIONS.
Establishes and appropriates funds for a cesspool conversion revolving loan fund, to be administered by the Hawaii Green Infrastructure Authority, to provide financial assistance, including low-interest or forgivable loans, to eligible homeowners for the upgrade, conversion, or connection of cesspools.

Hearing: **March 25, 2026 at 1:30 pm**

Aloha Chairs, Vice Chairs, and Members of the Committees,

I am writing in strong support of H.B. 1618, H.D. 1, which establishes a cesspool conversion revolving loan fund and financing program under the Hawai'i Green Infrastructure Authority.

Cesspools remain a significant environmental and public health concern throughout Hawai'i, and particularly in West Hawai'i, where many communities in North Kona continue to rely on outdated wastewater systems. These systems contribute to the contamination of our nearshore waters, reefs, and groundwater resources, threatening both ecosystem health and the well-being of our residents.

While the State's mandate to upgrade or convert cesspools by 2050 is an important step forward, the high cost of conversion remains one of the greatest barriers for homeowners. For many

families in my district and across Hawai‘i County, the upfront expense—often tens of thousands of dollars—is simply out of reach.

H.B. 1618 provides a practical and much-needed solution by creating a dedicated financing mechanism to assist homeowners. By offering low-interest and potentially forgivable loans, this measure will help accelerate cesspool conversions, particularly for low- and moderate-income households who may not otherwise qualify for traditional financing.

Importantly, this bill also leverages existing funding sources, including the Water Pollution Control Revolving Fund, and allows for flexible program administration. This approach maximizes the State’s ability to address a pressing environmental issue efficiently and equitably.

For communities like North Kona, where protecting our coastal waters is directly tied to our economy, cultural practices, and quality of life, this investment is critical. Supporting homeowners in transitioning away from cesspools will have long-term benefits for water quality, public health, and environmental sustainability.

Thank you for the opportunity to testify in strong support of this measure.

Sincerely,



HOLEKA GORO INABA, Ed.D.,
Council Chair, District 8, North Kona

HB-1618-HD-1

Submitted on: 3/24/2026 11:48:36 PM

Testimony for AEN on 3/25/2026 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Julianne Luong	Individual	Support	Written Testimony Only

Comments:

Aloha,

My name is Julianne Luong and I am submitting testimony in support of HB1618. I am a current Masters student at UH Manoa's Department of Urban and Regional Planning, where we frequently research and discuss urban and environmental issues specific to Hawai'i. I support this bill because it will create a specific fund for a loan that will support cesspool conversion, which is one of Hawai'i's leading environmental hazards. Existing cesspools especially near coastlines are contaminating public waters that are used for recreation, detrimentally affecting the health of beachgoers. At the same time, cesspool conversion is extremely costly, at an estimated \$20K per conversion. Those who have cesspools may not be able to afford it, making cesspool conversion an environmental justice concern. The State currently does not have an allocated pool of money to assist cesspool owners with conversion costs, leaving low-income households with an incredible financial burden and inability to convert. Act 125 mandates that cesspools be converted by 2050, but the State must follow it up with policies that will make this target a reality. Thank you for considering my testimony.