

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT GOVERNOR



Hawaii Green Infrastructure Authority

An Agency of the State of Hawaii

JAMES KUNANE TOKIOKA
CHAIR

GWEN S YAMAMOTO LAU
EXECUTIVE DIRECTOR

Testimony of

Gwen Yamamoto Lau

Executive Director

Hawai'i Green Infrastructure Authority

before the

HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

Thursday, February 5, 2026, 9:00 AM

State Capitol, Conference Room 325

in consideration of

House Bill No. 1618

RELATING TO CESSPOOL CONVERSIONS

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

Thank you for the opportunity to testify on HB1618 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.

While the majority of property owners required to convert or upgrade their existing cesspools may be able to qualify for bank or credit union financing, access to capital barriers exists for approximately 20,000¹ homeowners. Unless grants, tax credits and other incentives cover 100% of the conversion cost, it is critical that the State also provide these low and moderate-income² (LMI) homeowners a low-cost financing option to facilitate the transition.

HGIA respectfully requests the following amendments to remove the complexity and additional costs of an on-bill program:

Revise the preamble as follows:

The purpose of this Act is to:

- (1) Direct the Hawaii green infrastructure authority to establish a cesspool conversion financing program to provide low-interest loans for low- and moderate-income homeowners to upgrade or convert existing cesspools in

¹ This estimate is based on the Federal Reserve Bank's unbanked or underbanked metric of 25% on 80,000 cesspools.

² Low and moderate-income will be based on HUD/HHFDC's area median threshold by County.

all counties to director of health-approved wastewater systems or connect properties with existing cesspools to sewerage systems; and

- (2) Allow the department of health, through a memorandum of agreement, to annually transfer funding available from the water pollution control revolving fund to capitalize the cesspool conversion financing program[~~not and~~].
- [~~(3) Enable the counties to collaborate with the authority to implement the cesspool conversion financing program by including principal and interest loan repayments for eligible borrowers on the water bill of each respective county and transmit the collections to the authority.]~~

Remove item (3) under §196-64(d)(3) as follows:

- [~~(3) Coordinate with each county water utility, through memorandums of agreement, to implement the repayment mechanism for the cesspool conversion financing program to have the principal and interest loan repayments collected from eligible borrowers, and for each respective county to transmit these collections to the authority;~~]

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

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

SYLVIA LUKE
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA



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

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

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

**Before the House Committee on
ENERGY & ENVIRONMENTAL PROTECTION**

**Thursday, February 5, 2026
9:00 AM**

State Capitol, VIA VIDEOCONFERENCE, Conference Room 325

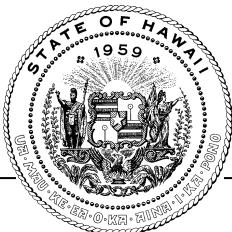
**In consideration of
HOUSE BILL 1618
RELATING TO CESSPOOL CONVERSIONS**

House Bill 1618 proposes to establish and appropriate 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. **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 low-interest loan system 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.



STATE OF HAWAII OFFICE OF PLANNING & SUSTAINABLE DEVELOPMENT

235 South Beretania Street, 6th Floor, Honolulu, Hawai'i 96813
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JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
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MARY ALICE EVANS
DIRECTOR

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Statement of
MARY ALICE EVANS, Director

before the
**HOUSE COMMITTEE ON
ENERGY & ENVIRONMENTAL PROTECTION**

Thursday, February 5, 2026, 9:00 AM
State Capitol, Conference Room 325

in consideration of
HB 1618
RELATING TO CESSPOOL CONVERSIONS.

Chair Lowen, Vice Chair Perruso, and Members of the House Committee on Energy & Environmental Protection, the Office of Planning and Sustainable Development (OPSD) **supports HB 1618**, which 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.

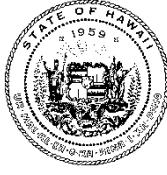
OPSD recognizes that the ongoing housing crisis cannot be solved without significant and strategic infrastructure investment that supports greater population density and residential development. Currently, thousands of residential properties across the State are restricted by legacy cesspool systems that lack capacity to support additional residents or structures. By facilitating the upgrade, conversion, and connection of these systems, HB 1618 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 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 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.

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



BONNIE KAHAKUI
ADMINISTRATOR
DAYNA OMIYA
ASSISTANT ADMINISTRATOR

**STATE OF HAWAI'I | KA MOKU'ĀINA O HAWAI'I
STATE PROCUREMENT OFFICE**

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TESTIMONY
OF
BONNIE KAHAKUI, ADMINISTRATOR
STATE PROCUREMENT OFFICE

TO THE HOUSE COMMITTEE
ON
ENERGY & ENVIRONMENTAL PROTECTION
February 5, 2026, 9:00 A.M.

HOUSE BILL 1618
RELATING TO CESSPOOL CONVERSIONS

Chair Lowen, Vice Chair Perruso, and members of the committee, thank you for the opportunity to submit testimony on House Bill 1618. 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 contracts for administration of the cesspool conversion financing program from the requirements of Chapter 103D, Hawaii Revised Statutes (HRS). The SPO respectfully recommends the following revision to Section 3, page 11, lines 11 to 13.

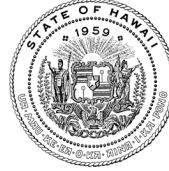
- (7) Enter into contracts for the administration of the cesspool conversion financing program ~~[that are exempt from]~~ in accordance with chapter 103D, Hawaii Revised Statutes;

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.

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR



JON S. ITOMURA
CHAIR

NAOMI U. KUWAYE
COMMISSIONER

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

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Testimony of the Public Utilities Commission

To the
House Committee on
Energy & Environmental Protection

Thursday, February 5, 2026
9:00 a.m.

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

Measure: H.B. No. 1618
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.

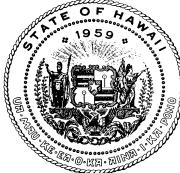
The Commission recognizes the success of Hawaii Green Infrastructure Authority’s oversight of the Green Energy Market Securitization (“GEMS”) loan program since its establishment in 2014, and particularly its achievement in the last eight years during which time it has deployed the majority of its available 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 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 special 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.

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



KENNETH S. FINK, MD, MGA, MPH
DIRECTOR OF HEALTH
KA LUNA HO'OKELA

STATE OF HAWAI'I
DEPARTMENT OF HEALTH
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Testimony in SUPPORT of HB1618 RELATING TO CESSPOOL CONVERSIONS

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

Hearing Date, Time and Room Number: 02/05/2026, 9:00 am, 325

- 1 **Fiscal Implications:** The Department of Health ("Department") requests that this measure be considered as a vehicle to provide this needed funding so long as it does not supplant the priorities and requests outlined in the Governors executive budget request.
- 4 **Department Position:** The Department supports HB1618 and offers comments.
- 5 **Department Testimony:** The Environmental Management Division, Wastewater Branch (EMD-WWB) provides the following testimony on behalf of the Department.
 - 7 The Department supports HB1618, which establishes and appropriates funds for a cesspool conversion loan program to be administered by the Hawaii Green Infrastructure Authority (HGIA). Funding availability remains one of the most significant barriers to cesspool conversion. This bill furthers the Cesspool Conversion Working Group's recommendation to develop robust funding and financing options to assist low- and moderate-income homeowners to finance conversions.
 - 13 The Department notes that Sections 2 and 3 of this measure authorize the Water Pollution Control Revolving Fund (aka Clean Water State Revolving Fund) as a source of funds for the Cesspool Conversion Loan Special Fund through annual memoranda of agreement. The Water Pollution Control Revolving Fund primarily receives funds from the federal government

1 with a percentage-based match from the State, and is administered through a state-federal
2 partnership. The Department is currently consulting with its federal partners to confirm the
3 parameters for using the Water Pollution Control Revolving Fund for this purpose.

4 The Department also supports HGIA's requested amendments to HB1618.

5 **Offered Amendments:** None.

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



UNIVERSITY OF HAWAII SYSTEM

'ÖNAEHANA KULANUI O HAWAII

Legislative Testimony
Hō'ike Mana'o I Mua O Ka 'Aha'olelo

Testimony Presented Before the
House Committee on Energy & Environmental Protection
Thursday, February 5, 2026 at 9:00 a.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 – RELATING TO CESSPOOL CONVERSION

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

The University of Hawai'i Sea Grant College Program (Hawai'i Sea Grant) and Water Resources Research Center (WRRC) support HB 1618 relating to cesspool conversion.

The conversion of cesspools in Hawaii 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.

February 5, 2026

The Honorable Nicole E. Lowen, Chair

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

RE: House Bill 1618, Relating to Cesspool Conversions

HEARING: Thursday, February 5, 2026, at 9:00 a.m.

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

My name is Lyndsey Garcia, Director of Advocacy, testifying on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawaii and its over 10,000 members. HAR **supports** House Bill 1618, which establishes and appropriates funds for a cesspool conversion loan special fund, to be administered by the Hawaii Green Infrastructure Authority, to provide low-interest loans to eligible homeowners for the upgrade, conversion, or connection of cesspools

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

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.

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>

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HB-1618

Submitted on: 2/3/2026 12:45:14 PM
Testimony for EEP on 2/5/2026 9:00:00 AM

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

Comments:

Aloha Chair Lowen, Vice Chair Perruso, and EEP 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 Hawaii’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



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

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

DATE: Thursday, Feb 5, 2026

TIME: 9:00 AM

PLACE: Conference Room 325 & Videoconference

Re: HB 1618

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 pragmatic and urgently needed 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

HAWAII OCEAN LEGISLATIVE TASK FORCE



February 5, 2026

Hawai'i State Legislature
House Committee on Energy & Environmental Protection

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

Aloha Chair Lowen, Vice Chair Perruso, and esteemed members of the committee,

The Ocean Legislative Task Force—a coalition of more than 150 individuals across over 20 organizations statewide—strongly supports HB 1618, 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 provides a practical, market-based tool to help homeowners move forward with needed upgrades without undue financial strain. Importantly, placing this program within the Hawai'i Green Infrastructure Authority leverages existing expertise in administering clean-energy and infrastructure financing programs, helping ensure accountability, efficiency, and broad statewide reach.

For these reasons, the Ocean Legislative Task Force urges your support for HB 1618 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.



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

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

Re: Hearing HB1618 RELATING TO CESSPOOL CONVERSIONS

Hearing: Thursday February 5, 2026 9:00 a.m.

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

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!**

Cesspool upgrading will be expensive. Thousands of cesspool owners who are required to connect to sewer, convert 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 aid at least for low and moderate income (LMI) 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 provides such a program through the Hawaii Green Infrastructure Authority.

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)



February 4, 2026

House Committee on Energy & Environmental Protection
Hawai'i State Legislature
Via Electronic Transmission

Re: Testimony in **STRONG SUPPORT** of HB1618, Relating to Wastewater Systems
Hearing: Thursday, February 5, 2026 9 a.m. via Videoconferencing

Aloha Chair Lowen, Vice-Chair Perruso, and Committee Members:

On behalf of the non-profit WAI: Wastewater Alternatives & Innovations (WAI) I am writing in strong support of HB1618. This bill creates a cesspool conversion financing & loan program through Hawaii Green Infrastructure Authority ("HGIA"). This establishes and appropriates funds for a cesspool conversion loan special fund administered by the HGIA to provide low-interest loans to eligible homeowners for the upgrade, conversion, or connection of cesspools. These loans are a needed and valuable resource for those people unable to access financing at reasonable rates and terms, including low and moderate income homeowners.

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 83,000 cesspools across the state, discharging 52 million gallons of raw sewage each day into Hawaii's waters. Along with threats to public health and drinking water resources, new research shows that polluted wastewater poses significant harm to coral reefs and the near-shore environment. WAI is an environmental non-profit dedicated to protecting our water resources by reducing sewage pollution from cesspools. We support more innovative, affordable, and eco-friendly solutions to wastewater management. Better sanitation systems protect public health and valuable natural resources like groundwater, streams, coral reefs and coastal areas. Hawaii is struggling with serious sewage pollution, and the state has a mandate to make sure all cesspools are converted in the next two decades. This bill would help assist with affordability for cesspool conversion.

WAI respectfully submits testimony in **strong support** of HB1618 and appreciates the Legislature's continued leadership on addressing Hawaii's wastewater pollution challenges. Thank you for the opportunity to submit testimony in strong support of this bill on behalf of Wastewater Alternatives and Innovations, and mahalo for your leadership on this important issue.

Aloha,

Jessica Kai Paisley

Jessica Kai Paisley, Program and Legal Specialist Wastewater Alternatives and Innovations



House Committee on Energy & Environmental Protection

Testimony on HB1618

Relating to Cesspool Conversions

Feb 5th, 2026

9:00 AM

Room 325

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

In Support of HB1618

Relating to Cesspool Conversions

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

The Climate Change and Health Working Group (CCHWG) **supports HB1618**, 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.

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 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 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 advances a more equitable pathway for homeowners to transition away from cesspools while protecting public health, water quality, and ecosystem integrity.

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.

Sincerely,

The Climate Change and Health Working Group

¹ <https://health.hawaii.gov/cwb/clean-water-branch-home-page/general-health-advisory/>

² <https://seagrant.soest.hawaii.edu/cesspools-in-paradise/>

³ <https://records.hawaiicounty.gov/WebLink/1/edoc/152993/Hawaii%20Island%20Cesspool%20Conversion%20Task%20Force%202025%20Report.pdf>

**Testimony of The Nature Conservancy
Supporting HB1618, Relating to Cesspool Conversions
Committee on Energy & Environmental Protection
February 5, 2026 at 9:00 am
Conference Room 325 and via Videoconference**

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

Mahalo for the opportunity to testify today. The Nature Conservancy (TNC) Hawai'i and Palmyra supports HB1618, which establishes and appropriates funds for a cesspool conversion loan special fund, to be administered by the Hawaii Green Infrastructure Authority, to provide low-interest 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, anachialine, 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'eia, Maunalua, 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 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.

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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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](#)

HEARING FOR STATE HOUSE COMMITTEE ON ENERGY AND ENVIRONMENTAL PROTECTION

Thursday, February 5, 2026 9:00 a.m.

Conference Room 325, State Capitol

DATE: February 4, 2026

TO: House Committee on Energy and Environmental Protection Chair, Nicole Lowen, and Vice-Chair Amy Perruso and Members Cory Chun, Kirstin Kahaloa, Matthias Kusch, Sean Quintan, and Lauren Matsumoto.

RE: House Bill 1618. RELATING TO CESSPOOL CONVERSIONS.

Establishes and appropriates funds for a cesspool conversion loan special fund, to be administered by the Hawaii Green Infrastructure Authority, to provide low-interest loans to eligible homeowners for the upgrade, conversion, or connection of cesspools

Puakō For Reefs is a volunteer run, 501c3 non-profit organization, with a mission to save Puakō reef, and build a model to help save all Hawai`i coral reefs from wastewater pollution. We strongly support HB1618 in establishing a special fund for Cesspool Conversion loans to low and moderate-income households.

This is a huge sticking point for everyone, even when they want to do the right thing. Disposing of waste responsibly is damaging to our environment when done poorly and so it usually becomes expensive. A low-interest loan program helps.

A few comments:

1. On page 10, line 8 it should be made clear that connecting to either a private or a public sewerage system is allowed with these loans.
2. The idea that the loans are repaid through a home's water bill is excellent. We believe tying water and wastewater is not only practical but logical.
3. We find that for some homeowners, a loan is not enough, they really need grant monies.
4. Lastly, the amount to be inserted for this loan program/special fund, should be significant.

Thank you for this opportunity to testify.

Puakō for Reefs Board members and its many volunteers

Karen Anderson, Board Chair, 206-724-1551 Karen.anderson@puako4reefs.org

Stephanie Erickson, Board Treasurer, 508-344-0114, Stephanie.erickson@puako4reefs.org

Barbara Bell, Board Secretary, 808-937-2573, bbellster@gmail.com



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

George Fry, Board member. 808-756-3877, gfryiii@gmail.com



Testimony in SUPPORT of HB1618

Relating to Cesspool Conversions

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

My name is Carmen Guzman-Simpliciano, and I submit this testimony on behalf of Kingdom Pathways, a Wai‘anae-based nonprofit in strong support of HB1618. Our community-based Wastewater Conversation Mapping report consistently found that cost is the primary barrier to cesspool conversion especially for families on fixed incomes, living in multigenerational households, or paycheck to paycheck. Many residents want to comply and protect water quality but fear debt, liens, or displacement.

By providing low-interest loans through the Hawai‘i Green Infrastructure Authority, this bill responds directly to what communities are asking for: affordable, realistic options that protect both public health and housing stability. HB1618 helps move cesspool conversion from a punitive burden to a people-centered solution while safeguarding groundwater and nearshore waters.

Mahalo for considering community voices and advancing an equitable path forward.

With Aloha,
Carmen Guzman-Simpliciano
Co-Founder, Kingdom Pathways

HB-1618

Submitted on: 2/2/2026 4:43:34 PM
Testimony for EEP on 2/5/2026 9:00:00 AM

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

Comments:

Upfront costs are one of the most significant impediments to the mandated conversion of cesspools in Hawaii. HB1618 seeks to make these costs more manageable for property owners and thus assist with our badly-needed and long-overdue conversion of our cesspools, Please pass HB1618.

HB-1618

Submitted on: 2/3/2026 2:14:15 PM
Testimony for EEP on 2/5/2026 9:00:00 AM

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

Comments:

STRONG SUPPORT

HB-1618

Submitted on: 2/4/2026 10:56:19 AM
Testimony for EEP on 2/5/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Betsy Scolnik	Individual	Support	Written Testimony Only

Comments:

PASS THIS BILL. TIRED OF WAITING FOR YOU ALL TO GET THIS DONE. DONT POINT TO COUNTY. JUST DO IT!!!!!!!!!!!!

HB-1618

Submitted on: 2/4/2026 3:24:25 PM
Testimony for EEP on 2/5/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Mark Hixon	Individual	Support	Written Testimony Only

Comments:

As a marine biologist who has studied Hawai‘i's coral reefs since the 1970s, I have personally witnessed the decline of these immense natural resources. One of the main culprits has been poor coastal water quality that stimulates the growth of seaweeds that smother living coral, killing our reefs. Cesspools leach wastewater into our coastal ocean, containing chemicals that fertilize seaweeds. I urge you to pass this bill.

HB-1618

Submitted on: 2/4/2026 6:33:11 PM
Testimony for EEP on 2/5/2026 9:00:00 AM

LATE

Submitted By	Organization	Testifier Position	Testify
Carrie Ostroski	Individual	Support	Written Testimony Only

Comments:

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

I am writing in strong support of HB1618, which establishes and appropriates funds for a cesspool conversion loan special fund to be administered by the Hawai‘i Green Infrastructure Authority. This measure is a critical step toward protecting our drinking water, public health, and nearshore ecosystems.

Cesspools remain one of the largest sources of groundwater contamination and coastal water pollution in Hawai‘i - threatening the health and resilience of our communities, coral reefs, and marine resources. Accelerating cesspool conversions is essential if we are to meet the State’s water quality goals and safeguard both people and the environment.

Affordability is one of the greatest barriers to cesspool conversion. HB1618 addresses this challenge by creating a dedicated revolving loan fund that provides low-interest financing. This practical tool will allow homeowners to move forward with needed upgrades without undue financial strain.

Placing the program within the Hawai‘i Green Infrastructure Authority ensures accountability and efficiency. The Authority has proven expertise in administering clean-energy and infrastructure financing programs, and its involvement will help guarantee broad statewide reach and effective implementation.

I respectfully urge your support for HB1618. This measure represents a responsible, transparent, and **urgently needed** investment in Hawai‘i’s water resources, coastal ecosystems, and the health of our communities.

Mahalo for the opportunity to testify on this important measure.

With Aloha,

Carrie Ostroski

Waikoloa Village, HI 96738

480-290-1961

