



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

**Testimony in SUPPORT of HB1618 HD1  
RELATING TO CESSPOOL CONVERSIONS.**

REPRESENTATIVE CHRIS TODD, CHAIR  
HOUSE COMMITTEE ON FINANCE

Hearing Date, Time and Room Number: 03/02/2026, 10:00 am, 308

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.

13 The Department notes that Sections 2 and 3 of this measure authorize the Water  
14 Pollution Control Revolving Fund (aka Clean Water State Revolving Fund) as a source of funds  
15 for the Cesspool Conversion Loan Special Fund through annual memoranda of agreement. The  
16 Water Pollution Control Revolving Fund primarily receives funds from the federal government  
17 with a percentage-based match from the State, and is administered through a state-federal

1 partnership. The Department is currently consulting with its federal partners to confirm the  
2 parameters for using the Water Pollution Control Revolving Fund for this purpose.

3 **Offered Amendments:** None.

4 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 House Committee on**  
**FINANCE**

**Monday, March 2, 2026**  
**10:00 AM**  
**State Capitol, Conference Room 308**

**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.



# UNIVERSITY OF HAWAII SYSTEM

## ‘ŌNAEHANA KULANUI O HAWAII

### Legislative Testimony

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

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Testimony Presented Before the  
House Committee on Finance  
Monday, March 2, 2026 at 10:00 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 HD1 – RELATING TO CESSPOOL CONVERSIONS

Chair Todd, Vice Chair Takenouchi, 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 HB1618 HD1 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.

  
OFFICE OF HAWAIIAN AFFAIRS  
**COMMENTS ON HB1618\_HD1**  
RELATING TO CESSPOOLS

House Committee on Finance

Hawai'i State Capitol

March 2, 2026

10:00 A.M.

Room 308

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Aloha e Chair Todd, Vice Chair Takenouchi, and Members of the House Committee on Finance:

The Office of Hawaiian Affairs (OHA) **SUPPORTS HB 1618\_HD1**, which would 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.

OHA has a longstanding policy to protect wai and other natural resources that support traditional and customary practices guaranteed in our State Constitution. Haw. Const. Art. XII, § 7. Moreover, OHA has been involved with numerous lawsuits to ensure protection of streams, groundwater, and nearshore ecosystems consistent with Hawai'i's public trust doctrine, Haw. Const. Art. XI, § 1.

Unfortunately, tens of thousands of cesspools in the State discharge millions of gallons of untreated sewage into the ground every day, endangering public health, and degrading the quality of Hawai'i ground water, island streams and nearshore coastal waters and reef ecosystems. Recognizing this, the 2017 Legislature enacted Act 125, Session Laws of Hawai'i 2017, to require the upgrade, conversion, or sewer connection of all cesspools in the State by January 1, 2050. However, the cost to convert or upgrade cesspools among other factors has limited compliance and progress towards this goal; the result is continued nearshore pollution following heavy rains and ongoing low grade degradation of our reefs.

Establishing a low interest or forgivable loan fund to support property owners in converting polluting cesspools to alternative waste disposal systems is an important step towards ensuring compliance with this important law. OHA supports innovative solutions to ensure that cesspools are phased out by 2050, as established in Act 125 (2017).

Mahalo for the opportunity to provide testimony in support of this measure.



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

P.O. Box 119  
Honolulu, Hawaii 96810-0119  
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TESTIMONY  
OF  
BONNIE KAHAKUI, ADMINISTRATOR  
STATE PROCUREMENT OFFICE

TO THE HOUSE COMMITTEE  
ON  
FINANCE

March 2, 2026, 10:00 a.m.

HOUSE BILL 1618, HD1  
RELATING TO CESSPOOL CONVERSIONS

Chair Todd, Vice Chair Takenouchi, and members of the committee, 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 to 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 to 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 11 to 13.

"(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.



LATE \*Testimony submitted late may not be considered by the Committee for decision making purposes.

**STATE OF HAWAII**  
**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  
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Statement of  
**MARY ALICE EVANS, Director**

before the  
**HOUSE COMMITTEE ON FINANCE**  
Monday, March 2, 2026, 10 AM  
State Capitol, Conference Room 308

in consideration of  
**HB 1618, HD1**  
**RELATING TO CESSPOOL CONVERSIONS.**

Chair Todd, Vice Chair Takenouchi, and Members of the House Committee on Finance.

The Office of Planning and Sustainable Development (OPSD) **supports HB 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.

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.

OFFICE OF CLIMATE CHANGE SUSTAINABILITY AND RESILIENCY

KE KE'ENA LOLI ANIAU MĀLAMA 'ĀINA A ME KE OLA LOA  
CITY AND COUNTY OF HONOLULU

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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 HOUSE COMMITTEE ON FINANCE  
**Monday, March 2, 2026, 10:00 AM**  
**Conference RM 308 and Via Videoconference**

TO: Rep. Chris Todd, Chair, Rep. Jenna Takenuchi, Vice Chair, and Members of the Committee on Finance

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 areas<sup>1</sup>. 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 households, particularly those with low to moderate incomes. The Hawai'i Department of Health Cesspool 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

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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](https://drive.google.com/file/d/1YOQSw1ERdJLC4iFegGYY39_IDfidH0Ag/view)

Rep. Chris Todd, Chair, Rep. Jenna Takenuchi, Vice Chair, and Members of the  
Committee on Finance  
HB1618 HD1  
March 2, 2026  
Page 2

cover, low-interest or forgivable financing—with a preference for low- and moderate-income 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.

JOSH GREEN, M.D.  
GOVERNOR

SYLVIA LUKE  
LT. GOVERNOR



STATE OF HAWAII  
PUBLIC UTILITIES COMMISSION  
465 S. KING STREET, #103  
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## Testimony of the Public Utilities Commission

To the  
House Committee on  
Finance

Monday, March 2, 2026  
10:00 a.m.

Chair Todd, Vice Chair Takenouchi, and Members of the Committee:

**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.

March 2, 2026

**The Honorable Chris Todd, Chair**

House Committee on Finance

State Capitol, Conference Room 308 & Videoconference

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

**HEARING: Monday, March 2, 2026, at 10:00 a.m.**

Aloha Chair Todd, Vice Chair Takenouchi, 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, 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 priorities<sup>1</sup> 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."<sup>2</sup>

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.

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

<sup>2</sup> Carollo. (January 21, 2021). *Cesspool Conversion Finance Research Report*.  
<https://health.hawaii.gov/wastewater/files/2021/02/financefinalreportr.pdf>



**House Committee on Finance**

**Testimony on HB1618 HD1**

**Relating to Cesspool Conversions**

**March 2nd, 2026**

**10:00 AM**

**Room 308**

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

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

Aloha Chair Todd, Vice Chair Takenouchi, and Members of the Committee on Finance:

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 fisheries<sup>1</sup>. 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 contamination<sup>2</sup>.

## **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 requirements<sup>3</sup>. 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

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

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

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

**HB-1618-HD-1**

Submitted on: 2/28/2026 7:17:42 PM

Testimony for FIN on 3/2/2026 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Lisa Bishop	Friend's of Hanauma Bay	Support	Written Testimony Only

Comments:

Comments:

Aloha Chair Todd, Vice Chair Takenouchi, and FIN 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

# HAWAI'I OCEAN LEGISLATIVE TASK FORCE



March 2, 2026

Hawai'i State Legislature  
House Committee on Finance

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

Aloha Chair Todd, Vice Chair Takenouchi, 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, HD1, relating to cesspool conversions. This measure establishes and appropriates funds for a Cesspool Conversion Revolving Loan Fund, to be administered by the Hawai'i Green Infrastructure Authority, to provide low-interest or forgivable loans to eligible homeowners for the upgrade, conversion, or connection of cesspools.

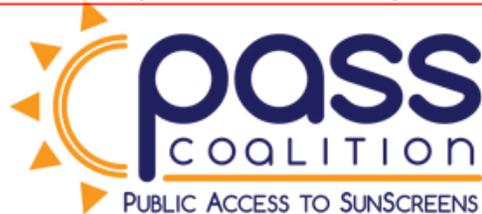
Cesspools remain a significant source of groundwater contamination and coastal water pollution in Hawai'i, threatening drinking water supplies, public health, nearshore ecosystems, and coral reefs. Accelerating conversions is essential to meeting the State's water quality goals and protecting both communities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

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.*



TO: House Committee on Finance  
Representative Chris Todd, Chair  
Representative Jenna Takenouchi, Vice Chair

FROM: Lynn Miyahira representing Public Access to SunScreens (PASS) Coalition  
DATE: Monday, March 2, 2026  
TIME: 10:00 AM  
PLACE: Conference Room 308 & 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 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

**Testimony of The Nature Conservancy  
Supporting HB1618 HD1, Relating to Cesspool Conversions  
Committee on Finance  
March 2, 2026 at 10:00 am  
Conference Room 308 and via Videoconference**

Dear Chair Todd Vice Chair Takenouchi, 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'eia, 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.

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*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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## **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 FINANCE**  
Monday, March 2, 2026, 10:00 AM  
State Capitol, Conference Room 308  
in consideration of  
**House Bill No. 1618, HD1**  
**RELATING TO CESSPOOL CONVERSIONS**

Chair Todd, Vice Chair Takenouchi and Members of the Committee:

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.

With some 82,000 cesspools in need of remediation, both traditional and non-traditional financing options are needed to help with necessary conversions over the next twenty-four (24) years.

With the successful administration of the Green Energy Money Saver loan program, HGIA has demonstrated its ability effectively manage financing programs. Including this program will allow HGIA to continue its mission of addressing the 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.

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



To: The Honorable Representative Chris Todd, Chair, the Honorable Jenna Takenouchi, Vice Chair, and Members of the Finance Committee.

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

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

Hearing: Monday March 2, 2026 10:00 a.m.

Aloha Chair Todd, Vice Chair Takenouchi, and Members of the Finance 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 HD1!

Cesspool upgrading will be expensive. 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 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)





March 1, 2026

House Committee on Finance  
Hawai'i State Legislature  
Via Electronic Transmission

Re: Testimony in SUPPORT of HB 1618 HD1, Relating to Cesspool Conversions  
Hearing: Monday, March 2, 2026, 10:00 AM CR 308 Via Videoconference

To: The Honorable Chair Todd, Vice Chair Takenouchi, 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

**HB-1618-HD-1**

Submitted on: 2/28/2026 9:14:09 PM

Testimony for FIN on 3/2/2026 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Glen Kagamida	Individual	Support	Written Testimony Only

Comments:

**STRONG SUPPORT!!!**

Any financial assistance would be greatly appreciated. Mahalo!

Glen Kagamida, Hilo

**HB-1618-HD-1**

Submitted on: 2/28/2026 12:31:35 PM

Testimony for FIN on 3/2/2026 10:00:00 AM

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

Comments:

The cesspool conversion loan fund was extremely popular when first introduced - so much so that it quickly ran out of funds. I support HB1618 to add more funds for this purpose, as the cost of conversion remains a significant obstacle to many residents who need to convert from cesspools to a more sanitary form of wastewater treatment, as required by law.

**HB-1618-HD-1**

Submitted on: 3/1/2026 7:43:22 AM

Testimony for FIN on 3/2/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Elizabeth Kiefer	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Todd, Vice Chair Takenouchi, and Members of the Committee on Finance:

**I support 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.

As a physician and public health professional, I would like to highlight that 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 fisheries. 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 contamination.

Across Hawai‘i, there are approximately 88,000 cesspools, however, an estimated 43,000 of these pose a direct risk to public health. When cesspools overflow or leak, they expose people to infectious viruses and bacteria that can cause serious illness. Pathogens commonly found in cesspool contamination include hepatitis A, staphylococcus, salmonella, E.coli, and enterococci, which can lead to gastroenteritis, conjunctivitis, diarrhea, and skin infections among swimmers, paddlers, and beachgoers.

**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 requirements. 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,

Elizabeth Kiefer, MD MPH



March 2, 2026

House Committee on Finance  
Hawai'i State Legislature  
Via Electronic Transmission

Re: Testimony in **STRONG SUPPORT** of HB1618, Relating to Wastewater Systems  
Hearing: Monday, March 2nd, 2026, 10:00AM House Room 308

Aloha Chair Todd, Vice Chair Takenouchi, 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 Revolving Loan 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 Hawai'i'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,

*Stuart Coleman,*

*Jessica Kai Paisley,*

Stuart H. Coleman, Executive Director

Jessica Kai Paisley, Program & Legal Specialist

**HB-1618-HD-1**

Submitted on: 3/1/2026 3:16:37 PM

Testimony for FIN on 3/2/2026 10:00:00 AM

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.

### **Conclusion**

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.