MAR 1 4 2007

## SENATE RESOLUTION

REQUESTING THE DEPARTMENT OF HEALTH TO ADOPT ADMINISTRATIVE RULES TO INCLUDE CATCHMENT WATER SYSTEMS WITHIN ITS REGULATORY FRAMEWORK.

WHEREAS, United State Department of Agriculture Rural Development Loan Program is committed to helping improve the economy and quality of life in all of rural America; and

WHEREAS, the Rural Development Loan Program provides section 502 loans, which are primarily used to help low-income individuals or households purchase homes in rural areas that are modest in size, design, and cost, but the funds can also be used for construction, repair, renovation, or relocation of a home; and

WHEREAS, an applicant for the thirty year loan may have an income of up to one hundred fifteen per cent of the median income for the area the applicant resides in; and

WHEREAS, under title 7, section 1980.313(c), Code of Federal Regulations, the tract of land for which a loan is to made must be served by a water and wastewater disposal system that is approved by a state or local government agency; and

WHEREAS, except for the City of Hilo, all of the land in the County of Hawaii is considered rural, where there is an extreme shortage of affordable housing units to serve households that may consist of elderly or disabled individuals, or singleparent families; and

WHEREAS, individuals and families living in Puna and Ka'u, and other outlying areas, rely on catchment water systems to store and provide water for their daily personal and household needs because they are unable to enjoy the benefits from being piped into municipal water systems due to their rural location; and

WHEREAS, although they live in rural areas and could benefit from applying for and obtaining section 502 loans from



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the Rural Development Loan Program, these individuals and families do not qualify for this type of loan because the area in which they live is not piped into a water system that is approved by a state or local government agency, as required under title 7, section 1980.313(c), Code of Federal Regulations; and

WHEREAS, existing administrative rules adopted by the Department of Health under title 11, Hawaii Administrative Rules, and regulations adopted by the County of Hawaii Department of Water Supply do not apply to or regulate catchment water systems, like those used in Puna and Ka`u; and

WHEREAS, under section 321-10, Hawaii Revised Statutes, the Department of Health is authorized to adopt rules pursuant to chapter 91, Hawaii Revised Statutes to carry out the purposes, objectives, and duties of the Department; and

WHEREAS, the adoption of administrative rules to include catchment water systems that serve and provide water to homes located in rural areas in the State, such as Puna and Ka`u, will enable individuals to be eligible for Rural Development section 502 loans, and increase the availability and production of affordable housing units in these areas with minimal expenditure of state funds; now, therefore

BE IT RESOLVED by the Senate of the Twenty-fourth Legislature of the State of Hawaii, Regular Session of 2007, that the Department of Health is requested to adopt administrative rules to include provisions for the regulation and Department approval of catchment water systems that serve and provide water for daily and household requirements in rural areas; and

BE IT FURTHER RESOLVED that the Director of Health is requested to cooperate and coordinate with the State Director of the United States Department of Agriculture's Hawaii State Rural Development Office to adopt, amend, and finalize any administrative rules necessary to facilitate the eligibility of catchment water systems for Rural Development section 502 loans; and

BE IT FURTHER RESOLVED the Department of Health is requested to submit written report of its findings and 2007-1234 SR SMA.doc



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recommendations, any proposed legislation, and the rules that were adopted in response to this Resolution, to the Legislature no later than twenty days before the convening of the 2008 regular session; and

BE IT FURTHER RESOLVED that certified copies of this Resolution be transmitted to the Director of Health and the State Director of the United States Department of Agriculture's Hawaii State Rural Development Office.

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