



LINDA LINGLE
GOVERNOR OF HAWAII



CHIYOME LEINAALA FUKINO, M.D.
DIRECTOR OF HEALTH

STATE OF HAWAII
DEPARTMENT OF HEALTH
P.O. Box 3378
HONOLULU, HAWAII 96801-3378

In reply, please refer to:
File:

HOUSE COMMITTEE ON FINANCE

HB1807, HD1, RELATING TO WATER QUALITY

**Testimony of Chiyome Leinaala Fukino, M.D.
Director of Health**

February 26, 2009, 4:00 p.m.

1 **Department's Position:** The Department of Health strongly supports this measure to make the state
2 eligible for federal recovery act funds, with no state matching requirements, for grants and other
financial subsidies for county drinking water and wastewater system improvements.

4 **Fiscal Implications:** Up to \$50 million of federal funds with no state matching funds requirement, and
5 possibly even more in the future.

6 **Purpose and Justification:** The State needs to change certain loan program statutes in order to make
7 grants of federal recovery funds. The American Recovery and Reinvestment Act of 2009 (Act) will
8 provide significant funding for wastewater and drinking water system improvements. The U.S.
9 Environmental Protection Agency (EPA) estimates that the Act will provide approximately \$30 million
10 to Hawaii's Water Pollution Control Revolving Fund (a.k.a., Clean Water State Revolving Loan Fund or
11 CWSRF) and about \$20 million to our Drinking Water Treatment Revolving Loan Fund (a.k.a.,
12 Drinking Water State Revolving Fund or DWSRF) for the construction of new, wastewater and drinking
13 water infrastructure improvement projects. Both of these revolving fund programs currently loan funds
to counties. Hawaii needs to change its Water Pollution Control Revolving Fund and Drinking Water

1 Treatment Revolving Loan Fund statutes so they can be used to make grants and loan subsidies and
2 other financial arrangements anticipated to be required by the Act.

3 Both the Water Pollution Control Revolving Fund and the Drinking Water Treatment Revolving
4 Loan Fund were enacted to provide loans to the four major counties for the construction of publicly
5 owned, wastewater and drinking water infrastructure projects. Since fiscal year 1991, the Water
6 Pollution Control Revolving Fund has loaned out more than \$523 million. The Drinking Water
7 Treatment Revolving Loan Fund, which started up in fiscal year 1998, has loaned out more than \$84
8 million. As Congress had intended for these funds to revolve in perpetuity, both programs did not allow
9 for loan subsidies or grant to be made. Thus, these amendments are now required for the specific
10 purpose of allowing for loans with forgiveness of principal, zero or negative interest, and grants using
11 the federal stimulus funds.

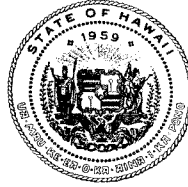
The anticipated federal funds for the construction of wastewater and drinking water projects will
13 improve public health, protect the environment, and stimulate the economy.

14 The sooner this bill becomes law, the faster we can move on providing monies for projects'
15 construction.

16 Thank you for the opportunity to comment on this important bill.



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**Testimony of Chiyome Leinaala Fukino, M.D.
Director of Health**

February 26, 2009, 4:00 p.m.

1 **Department's Position:** The Department of Health strongly supports this measure to make the state
2 eligible for federal recovery act funds, with no state matching requirements, for grants and other
3 financial subsidies for county drinking water and wastewater system improvements. We do ask for two
4 amendments.

5 **Fiscal Implications:** Up to \$50 million of federal funds with no state matching funds requirement, and
6 possibly even more in the future.

7 **Purpose and Justification:** The State needs to change certain loan program statutes in order to make
8 grants of federal recovery funds. The American Recovery and Reinvestment Act of 2009 will provide
9 significant funding for wastewater and drinking water system improvements. The U.S. Environmental
10 Protection Agency (EPA) estimates that the Act will provide approximately \$30 million to Hawaii's
11 Water Pollution Control Revolving Fund (a.k.a., Clean Water State Revolving Loan Fund or CWSRF)
12 and about \$20 million to our Drinking Water Treatment Revolving Loan Fund (a.k.a., Drinking Water
13 State Revolving Fund or DWSRF) for the construction of new, wastewater and drinking water
14 infrastructure improvement projects. Both of these revolving fund programs currently loan funds to
15 counties. Hawaii needs to change its Water Pollution Control Revolving Fund and Drinking Water

1 Treatment Revolving Loan Fund statutes so they can be used to make grants and loan subsidies and
2 other financial arrangements required by the Act and additional potential stimulus initiatives.

3 Both the Water Pollution Control Revolving Fund and the Drinking Water Treatment Revolving
4 Loan Fund were enacted to provide loans to the four major counties for the construction of publicly
5 owned, wastewater and drinking water infrastructure projects. Since fiscal year 1991, the Water
6 Pollution Control Revolving Fund has loaned out more than \$523 million. The Drinking Water
7 Treatment Revolving Loan Fund, which started up in fiscal year 1998, has loaned out more than \$84
8 million. As Congress had intended for these funds to revolve in perpetuity, both programs did not allow
9 for loan subsidies or grants to be made. Thus, these amendments are now required for the specific
10 purpose of allowing for loans with forgiveness of principal, zero or negative interest, and grants using
11 the federal stimulus funds.

12 The Legislative Reference Bureau raised some issues whether federal law did allow grants from
13 our loan funds. We did consult the U. S. Environmental Protection Agency, Region 9, Office of
14 Regional Counsel, who advised that the American Recovery and Reinvestment Act does allow grants.
15 Based on our talks these changes would be to add the words “and other applicable federal acts” to the
16 ends of sections 2(c) and 3(c) of H.B. 1807, HD1 to make sure that Hawaii can take advantage of any
17 other similar federal laws.

18 The anticipated federal funds for the construction of wastewater and drinking water projects will
19 improve public health, protect the environment, create and retain jobs, and stimulate the economy.

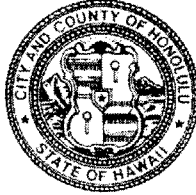
20 The sooner this bill becomes law, the faster we can move on providing monies for projects’
21 construction.

22 Thank you for the opportunity to comment on this important bill.

DEPARTMENT OF ENVIRONMENTAL SERVICES
CITY AND COUNTY OF HONOLULU

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DEPUTY DIRECTOR

ROSS S. TANIMOTO, P.E.
DEPUTY DIRECTOR

IN REPLY REFER TO:
WAS 09-64

February 25, 2009

The Honorable Marcus R. Oshiro, Chair
and Members of the Committee on Finance
State House of Representatives
State Capital
Honolulu, Hawaii 96813

Dear Chair Oshiro and Members:

Subject: House Bill No. 1807, HD 1

The City and County of Honolulu's Department of Environmental Services (ENV) fully supports House Bill No. 1807, HD 1, which would authorize the director of health to use federal moneys from the American Recovery and Reinvestment Act of 2009 to fund drinking water and wastewater infrastructure programs.

It is very important that this action be taken to insure that the State and counties have the ability to receive and distribute the federal stimulus funds directed to drinking water and clean water (wastewater) utilities that were recently passed by Congress. We encourage the State to make the maximum amount of money possible available in the form of grants.

We thank you for your support of this important legislation.

Sincerely,

A handwritten signature in black ink, appearing to read "T. Steinberger".

Timothy E. Steinberger, P.E.
Acting Director



HAWAII GOVERNMENT EMPLOYEES ASSOCIATION

AFSCME Local 152, AFL-CIO

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The Twenty-Fifth Legislature, State of Hawaii
Hawaii State House of Representatives
Committee on Finance

Testimony by
Hawaii Government Employees Association
February 26, 2009

H.B. 1807, H.D. 1 – RELATING
TO WATER QUALITY

The Hawaii Government Employees Association supports the purpose and intent of H.B. 1807, H.D. 1. As drafted, H.B. 1807 allows the Director of Health to use funds from the federal economic stimulus package and other applicable federal legislation to provide financial assistance for the construction of drinking water infrastructure projects for public drinking water systems and publicly-owned wastewater treatment systems.

The effectiveness of the recent federal economic stimulus legislation will depend in large part upon how quickly state and local governments can use these funds for important infrastructure projects that will generate jobs and improve water and sewer systems. Thank you for the opportunity to testify in support of H.B. 1807, H.D. 1.

Respectfully submitted,

Nora A. Nomura
Deputy Executive Director



HAWAII WATER WORKS ASSOCIATION

c/o 345 Kekoaia Street, Suite 20
Hilo, Hawaii 96720-4388

February 25, 2009

Honorable Marcus R. Oshiro, Chair
Honorable Marilyn B. Lee, Vice Chair
Committee on Finance
The House, State Capitol
Honolulu, HI 96813

HB 1807, RELATING TO WATER QUALITY

The Hawai'i Department of Water Supply, the Kaua'i Department of Water, the Honolulu Board of Water Supply, and the Maui Department of Water Supply strongly support HB 1807, HD1, which authorizes the Director of the State Department of Health to use federal moneys from the American Recovery and Reinvestment Act of 2009 ("Act") to fund drinking water and wastewater infrastructure programs.

The passage of this bill will enable all the County Water Departments to take advantage of the Act to fund critical drinking water projects statewide. The County Water Departments have requested funding for water infrastructure projects valued at more than \$100 million. This federal funding will help the Counties implement essential drinking water infrastructure projects, including new infrastructure, pipeline replacements, reservoir repairs, well renovations, and pump improvements that will benefit all rate payers and enable the County Water Departments to provide safe and dependable drinking water supplies to our customers.

The County Water Departments, therefore, strongly support the passage of HB 1807, HD1. Thank you for the opportunity to provide these comments.

Milton D. Pavao, P.E., Manager
Department of Water Supply, County of Hawai'i

Wynne M. Ushigome, P.E., Acting Manager and Chief Engineer
Department of Water, County of Kaua'i

Wayne Hashiro, P.E., Manager and Chief Engineer
Board of Water Supply, City and County of Honolulu

Jeffrey K. Eng, P.E., Director
Board of Water Supply, County of Maui