SB 1381 SD 1

SENATE COMMITTEE ON ENERGY AND ENVIRONMENT

SB1381, SD1, RELATING TO THE ENVIRONMENT

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

February 17, 2008, 2:45 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.

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

14   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.

12   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.

The Twenty-Fifth Legislature, State of Hawaii
Hawaii State Senate
Committee on Energy and Environment

Testimony by
Hawaii Government Employees Association
February 17, 2009

S.B. 1381, S.D. 1 – RELATING TO THE
ENVIRONMENT

The Hawaii Government Employees Association supports the purpose and intent of S.B. 1381, S.D. 1, which will enable Hawaii to receive and use money from the federal American Recovery and Investment Act of 2009 to improve necessary drinking water and wastewater infrastructure projects. 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, including those that target safe drinking water and wastewater.

Thank you for the opportunity to testify in support of S.B. 1381, S.D. 1.

Respectfully submitted,

Nora A. Nomura
Deputy Executive Director