



GOV. MSG. NO. 1349

EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

July 12, 2016

The Honorable Ronald D. Kouchi,
President
and Members of the Senate
Twenty-Eighth State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

The Honorable Joseph M. Souki,
Speaker and Members of the
House of Representatives
Twenty-Eighth State Legislature
State Capitol, Room 431
Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Souki, and Members of the Legislature:

This is to inform you that on July 12, 2016, the following bill was signed into law:

HB1852 HD1 SD1 CD1

RELATING TO WATER POLLUTION
ACT 240 (16)

Sincerely,

DAVID Y. IGE
Governor, State of Hawai'i

A BILL FOR AN ACT

RELATING TO WATER POLLUTION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that the clean water
2 state revolving fund loan program is a federal-state partnership
3 that assists in financing the construction of water pollution
4 control projects necessary to prevent contamination of
5 groundwater and coastal resources, and to protect the health,
6 safety, and welfare of the State. To achieve these purposes,
7 the program provides low interest loans to state and county
8 agencies to construct water pollution control projects.

9 The legislature further finds that the areas of the State
10 that are more likely to have cesspools would be greatly served
11 by wastewater treatment works. Additionally, while the State or
12 counties may not place a priority on providing water pollution
13 control facilities to areas with prominent cesspool usage, some
14 residents of these areas are willing to work together to plan,
15 design, and construct wastewater treatment works. However,
16 wastewater treatment works can have significant costs, and
17 because the clean water state revolving fund loan program only
18 provides loans to state and county agencies, interested groups



1 of residents cannot access this funding mechanism to plan,
2 design, and construct wastewater treatment works in their areas.

3 The purpose of this Act is to clarify the entities eligible
4 to receive loans from the water pollution control revolving
5 fund, including nonprofit organizations.

6 SECTION 2. Section 342D-83, Hawaii Revised Statutes, is
7 amended to read as follows:

8 "§342D-83 Revolving fund; establishment, purposes,
9 coordination. (a) There is established in the state treasury a
10 fund to be known as the water pollution control revolving fund
11 to be administered by the director. The revolving fund shall be
12 administered, operated, and maintained to remain available in
13 perpetuity for its stated purpose.

14 (b) The purpose of the revolving fund is to provide
15 financial assistance to eligible parties for projects or
16 activities to:

17 (1) Enable counties and state agencies to plan, design,
18 and construct publicly owned wastewater treatment
19 works in accordance with ~~[Title]~~ title 33 United
20 States Code sections 1381 to 1387;



- 1 (2) Enable eligible parties to implement management
- 2 programs established under [~~Title~~] title 33 United
- 3 States Code section 1329; [~~and~~]
- 4 (3) Enable eligible parties to implement conservation and
- 5 management plans established under [~~Title~~] title 33
- 6 United States Code section 1330[-];
- 7 (4) Enable eligible parties to construct, repair, or
- 8 replace a privately owned decentralized wastewater
- 9 treatment system and individual wastewater system that
- 10 treats municipal wastewater or domestic sewage under
- 11 title 33 United States Code section 1383;
- 12 (5) Enable eligible nonprofit entities to provide
- 13 assistance to small and medium sized publicly owned
- 14 treatment works for training activities, planning,
- 15 design, and associated preconstruction activities
- 16 under title 33 United States Code section 1383;
- 17 (6) Enable eligible parties to manage, reduce, treat, or
- 18 recapture stormwater or subsurface drainage water
- 19 under title 33 United States Code section 1383;



- 1 (7) Enable eligible parties to develop and implement
2 watershed projects meeting the criteria under title 33
3 United States Code section 1274;
- 4 (8) Enable counties and state agencies to reduce the
5 demand for publicly owned treatment works capacity
6 through water conservation, efficiency, or reuse under
7 title 33 United States Code section 1383;
- 8 (9) Enable counties and state agencies to reduce the
9 energy consumption needs for publicly owned treatment
10 works under title 33 United States Code section 1383;
- 11 (10) Enable eligible parties to reuse or recycle
12 wastewater, stormwater, or subsurface drainage water
13 under title 33 United States Code section 1383; and
- 14 (11) Enable eligible parties to increase the security of
15 publicly owned treatment works under title 33 United
16 States Code section 1383."

17 SECTION 3. Section 342D-87, Hawaii Revised Statutes, is
18 amended to read as follows:

19 "[~~H~~]§342D-87[~~]~~] Revolving fund; conditions. (a) The
20 following conditions shall apply to each project receiving water
21 pollution control financing under this part:



- 1 (1) The project shall conform with the state water quality
2 management plan developed under ~~[Title]~~ title 33
3 United States Code section 1285(j), 1288, 1313(e),
4 1329, or 1330;
- 5 (2) The project shall be certified by the director as
6 entitled to priority over other eligible projects on
7 the basis of financial and water pollution control
8 needs;
- 9 (3) In the case of wastewater treatment works construction
10 projects, the application or agreement for the loan
11 shall contain:
- 12 (A) Reasonable assurances that the applicant will
13 provide for the proper and efficient operation
14 and maintenance of the treatment works after its
15 construction;
- 16 (B) Reasonable assurances by the applicant that an
17 impact fee structure will be instituted to ensure
18 that new developments pay their appropriate share
19 of the costs of the wastewater treatment works,
20 as determined by the counties; and



1 (C) [~~Such~~] Any other provisions required by federal
2 or state law or deemed necessary or convenient by
3 the director;

4 (4) The county or state agency receiving these funds for a
5 construction project shall require the installation of
6 the low flow water fixtures and devices for faucets,
7 hose bibbs, showerheads, urinals, and toilets in all
8 new construction projects; provided that the fixtures
9 and devices shall be approved by the International
10 Association of Plumbing and Mechanical Officials and
11 shall comply with applicable American National
12 Standards Institute standards and [~~such~~] any other
13 standards as may be required by the respective county
14 for all new residential and public buildings; and

15 (5) The county receiving these funds shall take specific
16 steps to reduce polluted runoff into state waters
17 through educational and regulatory programs.

18 (b) The use of federal funds and state matching funds in
19 the revolving fund shall be in conformance with [~~Title~~] title 33
20 United States Code sections 1381 to 1387.



1 (c) The director may make and condition loans from the
2 revolving fund which shall:

3 (1) Be made at or below market interest rates; and

4 (2) Require periodic payments of principal and interest
5 with repayment commencing not later than one year
6 after completion of the project for which the loan is
7 made ~~[, and~~

8 ~~(3) Be fully amortized not later than twenty years after~~
9 ~~project completion.];~~

10 provided that all loans shall be fully amortized upon the
11 expiration of the term of the loan.

12 (d) No loan of funds from the revolving fund shall be made
13 unless the loan recipient pledges a dedicated source of revenue
14 for the repayment of the loans. This pledge may be a county's
15 full faith and credit (a general obligation payable from its
16 general fund), special assessments, revenues from an
17 undertaking, system, or improvements, including user charges, or
18 any other source of revenue.

19 (e) Notwithstanding section 414D-85 to the contrary, the
20 director may hold individual members of the nonprofit



1 organization that received the loan jointly and severally liable
2 for the nonpayment or default of the loan."

3 SECTION 4. Statutory material to be repealed is bracketed
4 and stricken. New statutory material is underscored.

5 SECTION 5. This Act shall take effect on July 1, 2016.

APPROVED this 12 day of JUL , 2016



GOVERNOR OF THE STATE OF HAWAII

