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# 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       "[~~§~~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.





**Report Title:**

Water Pollution Control Revolving Fund; Clean Water State  
Revolving Fund Loan Program; Nonprofit Organizations

**Description:**

Clarifies that nonprofit organizations may receive loans from the Water Pollution Control Revolving Fund to engage in activities that are consistent with the Federal Water Pollution Control Act, including the planning, design, and construction of wastewater treatment works. (HB1852 CD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

