
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 the areas of the State that
10 are more likely to have cesspools would be greatly served by
11 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



1 provides loans to state and county agencies, interested groups
2 of residents cannot access this funding mechanism to plan,
3 design, and construct wastewater treatment works in their areas.

4 The purpose of this Act is to make nonprofit organizations
5 eligible to receive loans from the clean water state revolving
6 fund loan program.

7 SECTION 2. Chapter 342D, Hawaii Revised Statutes, is
8 amended by adding a new section to part V to be appropriately
9 designated and to read as follows:

10 "§342D- Revolving fund; nonprofit loan conditions. (a)

11 The director may make and condition loans pursuant to section
12 342D-84 to a nonprofit organization recognized under section
13 501(c) of the Internal Revenue Code of 1986, as amended, for the
14 planning, designing, or constructing of a wastewater treatment
15 works. A loan shall contain the following conditions:

16 (1) Reasonable assurances that the nonprofit organization
17 will provide for the proper and efficient operation
18 and maintenance of the wastewater treatment works
19 after its construction;

20 (2) Reasonable assurances by the nonprofit organization
21 that an impact fee structure will be instituted to



1 ensure that new developments pay their appropriate
2 share of the costs of the wastewater treatment works;

3 (3) The loan is made at or below market interest rates;

4 (4) Annual payments of loan principal will be made, with
5 repayment beginning not later than one year after
6 project completion;

7 (5) The loan be fully amortized not later than thirty
8 years after project completion; and

9 (6) Any other provisions required by federal or state law
10 or deemed necessary or convenient by the director.

11 (b) Notwithstanding section 414D-85 to the contrary, the
12 director may hold individual members of the nonprofit
13 organization that received the loan separately and jointly
14 liable for the nonpayment or default of the loan.

15 (c) No loan of funds from the revolving fund shall be made
16 unless the loan recipient pledges a dedicated source of revenue
17 for the repayment of the loans. This pledge may be a lien
18 against the property that the wastewater treatment works is
19 built upon.

20 (d) The director shall adopt rules, pursuant to chapter
21 91, necessary for the purposes of this section."



1 SECTION 3. Section 342D-83, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "§342D-83 Revolving fund; establishment, purposes,
4 coordination. (a) There is established in the state treasury a
5 fund to be known as the water pollution control revolving fund
6 to be administered by the director. The revolving fund shall be
7 administered, operated, and maintained to remain available in
8 perpetuity for its stated purpose.

9 (b) The purpose of the revolving fund is to provide
10 financial assistance to eligible parties for projects or
11 activities to:

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

16 (2) Enable eligible parties to implement management
17 programs established under [~~Title~~] title 33 United
18 States Code section 1329; [and]

19 (3) Enable eligible parties to implement conservation and
20 management plans established under [~~Title~~] title 33
21 United States Code section 1330[-];



- 1 (4) Enable eligible parties to construct, repair, or
2 replace a privately owned decentralized wastewater
3 treatment system and individual wastewater system that
4 treats municipal wastewater or domestic sewage under
5 title 33 United States Code section 1383;
- 6 (5) Enable eligible nonprofit entities to provide
7 assistance to small and medium sized publicly owned
8 treatment works for training activities, planning,
9 design, and associated preconstruction activities
10 under title 33 United States Code section 1383;
- 11 (6) Enable eligible parties to manage, reduce, treat, or
12 recapture stormwater or subsurface drainage water
13 under title 33 United States Code section 1383;
- 14 (7) Enable eligible parties to develop and implement
15 watershed projects meeting the criteria under title 33
16 United States Code section 1274;
- 17 (8) Enable counties and state agencies to reduce the
18 demand for publicly owned treatment works capacity
19 through water conservation, efficiency, or reuse under
20 title 33 United States Code section 1383;



- 1 (9) Enable counties and state agencies to reduce the
- 2 energy consumption needs for publicly owned treatment
- 3 works under title 33 United States Code section 1383;
- 4 (10) Enable eligible parties to reuse or recycle
- 5 wastewater, stormwater, or subsurface drainage water
- 6 under title 33 United States Code section 1383; and
- 7 (11) Enable eligible parties to increase the security of
- 8 publicly owned treatment works under title 33 United
- 9 States Code section 1383."

10 SECTION 4. Section 342D-87, Hawaii Revised Statutes, is
 11 amended to read as follows:

12 "[~~f~~]§342D-87[~~}]~~ Revolving fund; conditions. (a) The
 13 following conditions shall apply to each project receiving water
 14 pollution control financing under this part:

- 15 (1) The project shall conform with the state water quality
- 16 management plan developed under [~~Title~~] title 33
- 17 United States Code section 1285(j), 1288, 1313(e),
- 18 1329, or 1330;
- 19 (2) The project shall be certified by the director as
- 20 entitled to priority over other eligible projects on



1 the basis of financial and water pollution control
2 needs;

3 (3) In the case of wastewater treatment works construction
4 projects, the application or agreement for the loan
5 shall contain:

6 (A) Reasonable assurances that the applicant will
7 provide for the proper and efficient operation
8 and maintenance of the treatment works after its
9 construction;

10 (B) Reasonable assurances by the applicant that an
11 impact fee structure will be instituted to ensure
12 that new developments pay their appropriate share
13 of the costs of the wastewater treatment works,
14 as determined by the counties; and

15 (C) [~~Such~~] Any other provisions required by federal
16 or state law or deemed necessary or convenient by
17 the director;

18 (4) The county or state agency receiving these funds for a
19 construction project shall require the installation of
20 the low flow water fixtures and devices for faucets,
21 hose bibbs, showerheads, urinals, and toilets in all



1 new construction projects; provided that the fixtures
2 and devices shall be approved by the International
3 Association of Plumbing and Mechanical Officials and
4 shall comply with applicable American National
5 Standards Institute standards and [~~such~~] any other
6 standards as may be required by the respective county
7 for all new residential and public buildings; and

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

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

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

- 16 (1) Be made at or below market interest rates; and
17 (2) Require periodic payments of principal and interest
18 with repayment commencing not later than one year
19 after completion of the project for which the loan is
20 made [~~;~~ and



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

3 provided that all loans shall be fully amortized upon the
4 expiration of the term of the loan.

5 (d) No loan of funds from the revolving fund shall be made
6 unless the loan recipient pledges a dedicated source of revenue
7 for the repayment of the loans. This pledge may be a county's
8 full faith and credit (a general obligation payable from its
9 general fund), special assessments, revenues from an
10 undertaking, system, or improvements, including user charges, or
11 any other source of revenue."

12 SECTION 5. Statutory material to be repealed is bracketed
13 and stricken. New statutory material is underscored.

14 SECTION 6. This Act shall take effect on July 1, 2070.



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, designing, and construction
of wastewater treatment works. (HB1852 HD1)

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

