
A BILL FOR AN ACT

RELATING TO WATER INFRASTRUCTURE.

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

1 SECTION 1. The legislature finds that the quality of the
2 environment and the economy of the State are both of utmost
3 importance to the welfare of the people of Hawaii. The
4 legislature, in concert with the United States Environmental
5 Protection Agency and the United States Congress, finds that
6 there is increasing demand for the replacement of aging drinking
7 water and wastewater system infrastructure in the State, the
8 delay of which could pose a short-term and long-term health
9 hazard for consumers statewide.

10 The legislature further finds that the drinking water
11 treatment revolving loan fund and the water pollution control
12 revolving fund have not been administered by the department of
13 health in a way that manages yearly capitalization grants
14 received from the Environmental Protection Agency to the maximum
15 extent allowed under the Safe Drinking Water Act, preventing the
16 construction of health-protective infrastructure projects in
17 Hawaii.



1 The legislature additionally finds that the incorporation
2 of capitalization grant transfer authority between the drinking
3 water treatment revolving loan fund and the water pollution
4 control revolving fund programs, as currently allowed under
5 title 40 Code of Federal Regulations section 35.3530(c), can
6 greatly assist the two programs with proper planning and
7 priority setting; maximizing of the two infrastructure funding
8 programs by directing federal funds where they are most needed;
9 and ensuring that annual federal capitalization grant moneys
10 awarded to the two programs will be disbursed as quickly as
11 possible.

12 SECTION 2. Chapter 340E, Hawaii Revised Statutes, is
13 amended by adding a new section to read as follows:

14 "§340E- Drinking water treatment revolving loan fund;
15 transfers. The director may transfer up to thirty-three per
16 cent of a fiscal year's drinking water treatment revolving loan
17 fund capitalization grant amount to the water pollution control
18 revolving fund established under section 342D-83, or an
19 equivalent dollar amount from the water pollution control
20 revolving fund to the drinking water treatment revolving loan



1 fund, established under section 340E-35. The following
2 conditions shall apply:

3 (1) Each year in which the director transfers funds
4 pursuant to this section:

5 (A) The attorney general, or attorney general's
6 designee, shall certify in writing that state law
7 permits the director to transfer funds between
8 the drinking water treatment revolving loan fund
9 and the water pollution control revolving fund;
10 and

11 (B) The director shall amend the operating agreements
12 or other parts of the capitalization grant
13 agreements for the drinking water treatment
14 revolving loan fund and the water pollution
15 control revolving fund to document the method
16 used to transfer funds;

17 (2) The director may not use the transfer provision to
18 acquire state match for either fund or use transferred
19 funds to secure or repay state match bonds;



- 1 (3) The director may reserve fund amounts for transfer in
- 2 future years pursuant to requirements under federal
- 3 law; and
- 4 (4) Funds may be transferred on a net basis between the
- 5 drinking water treatment revolving loan fund and the
- 6 water pollution control revolving fund; provided that
- 7 the thirty-three per cent transfer allowance
- 8 associated with drinking water treatment revolving
- 9 loan fund capitalization grants received is not
- 10 exceeded."

11 SECTION 3. Chapter 342D, Hawaii Revised Statutes, is
 12 amended by adding a new section to part V to read as follows:

13 **"§342D- Water pollution control revolving fund;**
 14 **transfers.** The director may transfer up to thirty-three per
 15 cent of a fiscal year's water pollution control revolving fund
 16 capitalization grant amount to the drinking water treatment
 17 revolving loan fund established under section 340E-35, or an
 18 equivalent dollar amount from the drinking water treatment
 19 revolving loan fund to the water pollution control revolving
 20 fund, established under section 342D-83. The following
 21 conditions shall apply:



1 (1) Each year in which the director transfers funds

2 pursuant to this section:

3 (A) The attorney general, or attorney general's

4 designee, shall certify in writing that state law

5 permits the director to transfer funds between

6 the drinking water treatment revolving loan fund

7 and the water pollution control revolving fund;

8 and

9 (B) The director shall amend the operating agreements

10 or other parts of the capitalization grant

11 agreements for the drinking water treatment

12 revolving loan fund and water pollution control

13 revolving fund to document the method used to

14 transfer funds;

15 (2) The director may not use the transfer provision to

16 acquire state match for either fund or use transferred

17 funds to secure or repay state match bonds;

18 (3) The director may reserve fund amounts for transfer in

19 future years pursuant to requirements under federal

20 law; and



1 (4) Fund amounts may be transmitted on a net basis between
2 the water pollution control revolving fund and the
3 drinking water treatment revolving loan fund; provided
4 that the thirty-three per cent transfer allowance
5 associated with water pollution control revolving fund
6 capitalization grants received is not exceeded."

7 SECTION 4. New statutory material is underscored.

8 SECTION 5. This Act, upon its approval, shall take effect
9 on July 1, 2015.



Report Title:

Water Infrastructure; Transfer of Funds

Description:

Authorizes the department of health to transfer federal capitalization grant funds between the water pollution control revolving fund and the drinking water treatment revolving loan fund, in accordance with title 40 Code of Federal Regulations section 35.3530(c). (SD1)

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

