
A BILL FOR AN ACT

RELATING TO WATER INFRASTRUCTURE.

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

1 PART I

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

11 The legislature further finds that the drinking water
12 treatment revolving loan fund and the water pollution control
13 revolving fund have been administered by the department of
14 health in ways that manage yearly capitalization grants
15 received from the United States Environmental Protection
16 Agency, but not to the maximum extent allowed under the Safe



1 Drinking Water Act (P.L. 93-523), preventing the construction
2 of health-protective infrastructure projects in Hawaii.

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

14 The restoration of Lahaina and other communities impacted
15 by wildfires or other natural disasters would benefit from the
16 ability to utilize the transfer authority between the programs
17 to replace or repair drinking water, wastewater, or stormwater
18 infrastructure.

19 Accordingly, the purpose of this Act is to authorize the
20 governor, or a state official acting pursuant to authorization



1 from the governor, to transfer federal capitalization grant
2 funds in accordance with federal law.

3 PART II

4 SECTION 2. Chapter 340E, Hawaii Revised Statutes, is
5 amended by adding a new section to part III to be
6 appropriately designated and to read as follows:

7 "§340E- Drinking water treatment revolving loan fund;
8 transfers. The governor, or a state official acting pursuant
9 to authorization from the governor, may transfer an amount up
10 to or equal to thirty-three per cent, calculated on the basis
11 of a fiscal year's drinking water treatment revolving loan
12 fund capitalization grant amount from the drinking water
13 treatment revolving loan fund to the water pollution control
14 revolving fund established under section 342D-83, or an
15 equivalent dollar amount from the water pollution control
16 revolving fund to the drinking water treatment revolving loan
17 fund established under section 340E-35. The following conditions
18 shall apply:

19 (1) When the State initially decides to transfer funds
20 pursuant to this section:



- 1 (A) The attorney general, or an individual designated
2 by the attorney general, shall have signed or
3 concurred in a certification for the drinking
4 water treatment revolving loan fund and water
5 pollution control revolving fund that state law
6 permits the State to transfer funds; and
- 7 (B) The operating agreements or other parts of the
8 capitalization grant agreements for the drinking
9 water treatment revolving loan fund and water
10 pollution control revolving fund shall be amended
11 to detail the method the State shall use to
12 transfer funds;
- 13 (2) The State shall not use the transfer provision to
14 acquire state match for either fund or use transferred
15 funds to secure or repay state match bonds;
- 16 (3) The State may reserve fund amounts for transfer in
17 future years pursuant to requirements under federal
18 law; and
- 19 (4) Funds may be transferred on a net basis between the
20 drinking water treatment revolving loan fund and
21 water pollution control revolving fund; provided



1 that the thirty-three per cent transfer allowance
2 associated with drinking water treatment revolving
3 loan fund capitalization grants received is not
4 exceeded."

5 SECTION 3. Chapter 342D, Hawaii Revised Statutes, is
6 amended by adding a new section to part V to be appropriately
7 designated and to read as follows:

8 "§342D- Water pollution control revolving fund;
9 transfers. The governor, or a state official acting pursuant
10 to authorization from the governor, may transfer an amount up
11 to or equal to thirty-three per cent, calculated on the basis
12 of a fiscal year's drinking water treatment revolving loan
13 fund capitalization grant amount, from the water pollution
14 control revolving fund to the drinking water treatment
15 revolving loan fund established under section 340E-35, or an
16 equivalent dollar amount from the drinking water treatment
17 revolving loan fund to the water pollution control revolving
18 fund established under section 342D-83. The following
19 conditions shall apply:

- 20 (1) When the State initially decides to transfer funds
21 pursuant to this section:



- 1 (A) The attorney general, or an individual designated
2 by the attorney general, shall have signed or
3 concurred in a certification for the drinking
4 water treatment revolving loan fund and water
5 pollution control revolving fund that state law
6 permits the State to transfer funds; and
- 7 (B) The operating agreements or other parts of the
8 capitalization grant agreements for the drinking
9 water treatment revolving loan fund and water
10 pollution control revolving fund shall be amended
11 to detail the method the State shall use to
12 transfer funds;
- 13 (2) The State shall not use the transfer provision to
14 acquire state match for either fund or use transferred
15 funds to secure or repay state match bonds;
- 16 (3) The State may reserve fund amounts for transfer in
17 future years pursuant to requirements under federal
18 law; and
- 19 (4) Funds may be transferred on a net basis between the
20 water pollution control revolving fund and drinking
21 water treatment revolving loan fund; provided that



1 the thirty-three per cent transfer allowance
2 associated with drinking water treatment revolving
3 loan fund capitalization grants received is not
4 exceeded."

5 PART III

6 SECTION 4. The department of health shall submit to the
7 legislature a report on all transfers between the water
8 pollution control revolving fund and drinking water treatment
9 revolving loan fund no later than twenty days prior to the
10 convening of the Regular Session of 2025.

11 PART IV

12 SECTION 5. New statutory material is underscored.

13 SECTION 6. This Act shall take effect on July 1, 2024.

Report Title:

DOH; Drinking Water Treatment Revolving Loan Fund; Water
Pollution Control Revolving Fund; Transfers

Description:

Authorizes the Governor, or a state official with authorization from the Governor, 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). Requires the Department of Health to submit a report to the Legislature on transfers between the Drinking Water Treatment Revolving Loan Fund and Water Pollution Control Revolving Fund. (SD2)

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

