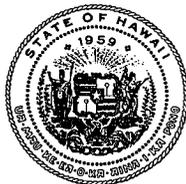


**SB 1381**

LINDA LINGLE  
GOVERNOR OF HAWAII



CHIYOME LEINAALA FUKINO, M.D.  
DIRECTOR OF HEALTH

STATE OF HAWAII  
DEPARTMENT OF HEALTH  
P.O. Box 3378  
HONOLULU, HAWAII 96801-3378

In reply, please refer to:  
File:

**SENATE COMMITTEE ON WAYS AND MEANS**  
**SB1381, SD1, RELATING TO THE ENVIRONMENT**

**Testimony of Chiyome Leinaala Fukino, M.D.**  
**Director of Health**

**March 2, 2009, 9:30 a.m.**

1 **Department's Position:** The Department of Health strongly supports this measure to make the state  
2 eligible for federal recovery act funds, with no state matching requirements, for grants and other  
3 financial subsidies for county drinking water and wastewater system improvements. We do ask for two  
4 amendments.

5 **Fiscal Implications:** Approximately \$50 million of federal funds with no state matching funds  
6 requirement, and possibly even more in the future.

7 **Purpose and Justification:** The State needs to change certain loan program statutes in order to make  
8 grants of federal recovery funds. The American Recovery and Reinvestment Act of 2009 will provide  
9 significant funding for wastewater and drinking water system improvements. The U.S. Environmental  
10 Protection Agency (EPA) estimates that the Act will provide \$30.3 million to Hawaii's Water Pollution  
11 Control Revolving Fund (a.k.a., Clean Water State Revolving Loan Fund or CWSRF) and \$19.5 million  
12 to our Drinking Water Treatment Revolving Loan Fund (a.k.a., Drinking Water State Revolving Fund or  
13 DWSRF) for the construction of new, wastewater and drinking water infrastructure improvement  
14 projects. Both of these revolving fund programs currently loan funds to counties. Hawaii needs to  
15 change its Water Pollution Control Revolving Fund and Drinking Water Treatment Revolving Loan

1 Fund statutes so they can be used to make grants and loan subsidies and other financial arrangements  
2 required by the Act and additional potential stimulus initiatives.

3 Both the Water Pollution Control Revolving Fund and the Drinking Water Treatment Revolving  
4 Loan Fund were enacted to provide loans to the four major counties for the construction of publicly  
5 owned, wastewater and drinking water infrastructure projects. Since fiscal year 1991, the Water  
6 Pollution Control Revolving Fund has loaned out more than \$523 million. The Drinking Water  
7 Treatment Revolving Loan Fund, which started up in fiscal year 1998, has loaned out more than \$84  
8 million. As Congress had intended for these funds to revolve in perpetuity, both programs did not allow  
9 for loan subsidies or grants to be made. Thus, these amendments are now required for the specific  
10 purpose of allowing for loans with forgiveness of principal, zero or negative interest, and grants using  
11 the federal stimulus funds.

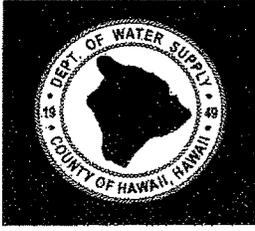
12 The Legislative Reference Bureau raised some issues whether federal law did allow grants from  
13 our loan funds. We did consult the U. S. Environmental Protection Agency, Region 9, Office of  
14 Regional Counsel, who advised that the American Recovery and Reinvestment Act does allow grants.

15 Based on our talks with EPA, we propose that you add the words “and other applicable federal  
16 acts” to the ends of sections 2(c) and 3(c) of S.B. 1381, SD1 to make sure that Hawaii can take  
17 advantage of any other similar federal laws.

18 The anticipated federal funds for the construction of wastewater and drinking water projects will  
19 improve public health, protect the environment, create and retain jobs, and stimulate the economy.

20 The sooner this bill becomes law, the faster we can move on providing monies for projects’  
21 construction.

22 Thank you for the opportunity to comment on this important bill.  
23  
24



**DEPARTMENT OF WATER SUPPLY • COUNTY OF HAWAII**

345 KEKŪANAŌ'A STREET, SUITE 20 • HILO, HAWAII 96720  
TELEPHONE (808) 961-8050 • FAX (808) 961-8657

February 27, 2009

Honorable Donna Mercado Kim, Chair  
Honorable Shan S. Tsutsui, Vice Chair  
Committee on Ways and Means  
The Senate, State Capitol  
Honolulu, HI 96813

**SB1381, SD1, RELATING TO THE ENVIRONMENT**

The Hawai'i Department of Water Supply strongly supports SB1381, SD1, which authorizes the Director of the State Department of Health to use federal moneys from the American Recovery and Reinvestment Act of 2009 ("Act") to fund drinking water and wastewater infrastructure programs.

The passage of this bill will enable all the County Water Departments to take advantage of the Act to fund critical drinking water projects statewide. The County Water Departments have requested funding for water infrastructure projects valued at more than \$100 million. This federal funding will help the Counties implement essential drinking water projects, including new infrastructure, pipeline replacements, reservoir repairs, well renovations, and pump improvements that will benefit all rate payers and enable the County Water Departments to provide safe and dependable drinking water supplies to our customers.

The Department of Water Supply, County of Hawai'i, therefore, strongly supports the passage of HB 1381, SD1. Thank you for the opportunity to provide these comments.

Sincerely yours,

Milton D. Pavao, P.E.  
Manager

MDP:dms

*... Water brings progress...*

*Water has no substitute.....Conserve it!*



February 27, 2009

Honorable Senator Donna Mercado Kim, Chair  
and members of the Committee of Ways and Means

STATE SENATE

State Capitol, Conference Room 211

415 South Beretania Street

Honolulu, HI 96813

Dear Senator Kim and Members of the Committee of Ways and Means:

Subject: SB 1381, SD1, Relating to the Environment

The Kaua'i Department of Water strongly support SB1381, SD1, which authorizes the Director of the State Department of Health to use Federal moneys from the American Recovery and Reinvestment Act of 2009 ("Act") to fund drinking water and wastewater infrastructure programs.

The passage of this bill will enable all the County Water Departments to take advantage of the Act to fund critical drinking water projects statewide. The County Water Departments have requested funding for water infrastructure projects valued at more than \$100 million. This Federal funding will help the Counties implement essential drinking water infrastructure projects, including new infrastructure, pipeline replacements, reservoir repairs, well renovations, and pump improvements that will benefit all rate payers and enable the County Water Departments to provide safe and dependable drinking water supplies to our customers.

Therefore, I strongly support the passage of SB 1381, SD1, Relating to the Environment and thank you for this opportunity to provide comments.

If you need to contact me, please call (808) 245-5408, fax at (808) 246-8628 or email at [wushigome@kauaiwater.org](mailto:wushigome@kauaiwater.org).

Sincerely,

Wynne M. Ushigome  
Acting Manager & Chief Engineer

rm  
Lég. Test. 2009/SB1381, SD1, Environment (2-27-09):rm