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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 agencies to construct water pollution control projects. 8

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 HB1852 CD1 HMS 2016-3385

of residents cannot access this funding mechanism to plan,
 design, and construct wastewater treatment works in their areas.
 The purpose of this Act is to clarify the entities eligible
 to receive loans from the water pollution control revolving
 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;

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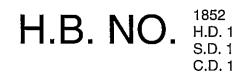
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1	(2)	Enable eligible parties to implement management
2		programs established under [ <del>Title</del> ] <u>title</u> 33 United
3		States Code section 1329; [and]
4	(3)	Enable eligible parties to implement conservation and
5		management plans established under [ <del>Title</del> ] <u>title</u> 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;



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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	SECT	ION 3. Section 342D-87, Hawaii Revised Statutes, is	
18	amended t	o read as follows:	
19	" [ <del>[</del> ]	"[+]§342D-87[+] Revolving fund; conditions. (a) The	
20	following	conditions shall apply to each project receiving water	
21	pollution	control financing under this part:	

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1	(1)	The project shall conform with the state water q	uality
2		nanagement plan developed under [ <del>Title</del> ] <u>title</u> 33	
3		Inited States Code section 1285(j), 1288, 1313(e	),
4		.329, or 1330;	
5	(2)	The project shall be certified by the director a	S
6		entitled to priority over other eligible project	s on
7		the basis of financial and water pollution contr	ol
8		needs;	
9	(3)	In the case of wastewater treatment works constr	uction
10		projects, the application or agreement for the l	oan .
11		shall contain:	
12		A) Reasonable assurances that the applicant wi	11
13		provide for the proper and efficient operat	ion
14		and maintenance of the treatment works afte	r 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 wo	rks,
20		as determined by the counties; and	

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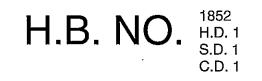
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1		(C) [ <del>Such</del> ] Any other provisions required by federal
2		or state law or deemed necessary or convenient by
3		the director;
4	(4)	The county or state agency receiving these funds for a
5		construction project shall require the installation 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		Standard's 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 revolu	ving fund shall be in conformance with [ <del>Title</del> ] <u>title</u> 33
20	United Sta	ates Code sections 1381 to 1387.

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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 [ <del>; and</del>	
8	- <del>(3)</del> -	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 mad		
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, o		
18	any other source of revenue.		
19	<u>(e)</u>	Notwithstanding section 414D-85 to the contrary, the	
20	director	may hold individual members of the nonprofit	

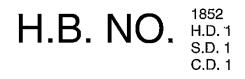
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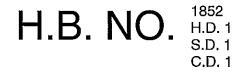
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# organization that received the loan jointly and severally liable for the nonpayment or default of the loan." SECTION 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored. SECTION 5. This Act shall 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.

