
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 short-term and long-term health
9 hazards 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 been administered by the department of
13 health in ways that manage yearly capitalization grants received
14 from the Environmental Protection Agency, but not to the maximum
15 extent allowed under the Safe Drinking Water Act, P.L. 93-523,
16 preventing the construction of health-protective infrastructure
17 projects in 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 additional 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 The restoration of Lahaina and other communities impacted
13 by wildfires or other natural disasters would benefit from the
14 ability to utilize the transfer authority between the programs
15 to replace or repair drinking water, wastewater, or stormwater
16 infrastructure.

17 Accordingly, the purpose of this Act is to authorize the
18 department of health to transfer federal capitalization grant
19 funds in accordance with federal law.



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

4 "§340E- Drinking water treatment revolving loan fund;
5 transfers. The director may transfer up to thirty-three per
6 cent of a fiscal year's drinking water treatment revolving loan
7 fund capitalization grant amount to the water pollution control
8 revolving fund established under section 342D-83, or an
9 equivalent dollar amount from the water pollution control
10 revolving fund to the drinking water treatment revolving loan
11 fund, established under section 340E-35. The following
12 conditions shall apply:

13 (1) Each year in which the director transfers funds
14 pursuant to this section:
15 (A) The attorney general, or attorney general's
16 designee, shall certify in writing that state law
17 permits the director to transfer funds between
18 the drinking water treatment revolving loan fund
19 and the water pollution control revolving fund;
20 and



- 1 (B) The director shall amend the operating agreements
2 or other parts of the capitalization grant
3 agreements for the drinking water treatment
4 revolving loan fund and the water pollution
5 control revolving fund to document the method
6 used to transfer funds;
- 7 (2) The director shall not use the transfer provision to
8 acquire state match for either fund or use transferred
9 funds to secure or repay state match bonds;
- 10 (3) The director may reserve fund amounts for transfer in
11 future years pursuant to requirements under federal
12 law; and
- 13 (4) Funds may be transferred on a net basis between the
14 drinking water treatment revolving loan fund and the
15 water pollution control revolving fund; provided that
16 the thirty-three per cent transfer allowance
17 associated with drinking water treatment revolving
18 loan fund capitalization grants received is not
19 exceeded."



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

4 "§342D- Water pollution control revolving fund;
5 transfers. The director may transfer up to thirty-three per
6 cent of a fiscal year's water pollution control revolving fund
7 capitalization grant amount to the drinking water treatment
8 revolving loan fund established under section 340E-35, or an
9 equivalent dollar amount from the drinking water treatment
10 revolving loan fund to the water pollution control revolving
11 fund established under section 342D-83. The following
12 conditions shall apply:

13 (1) Each year in which the director transfers funds
14 pursuant to this section:
15 (A) The attorney general, or attorney general's
16 designee, shall certify in writing that state law
17 permits the director to transfer funds between
18 the drinking water treatment revolving loan fund
19 and the water pollution control revolving fund;
20 and



1 (B) The director shall amend the operating agreements
2 or other parts of the capitalization grant
3 agreements for the drinking water treatment
4 revolving loan fund and the water pollution
5 control revolving fund to document the method
6 used to transfer funds;

7 (2) The director shall not use the transfer provision to
8 acquire state match for either fund or use transferred
9 funds to secure or repay state match bonds;

10 (3) The director may reserve fund amounts for transfer in
11 future years pursuant to requirements under federal
12 law; and

13 (4) Funds may be transferred on a net basis between the
14 water pollution control revolving fund and the
15 drinking water treatment revolving loan fund; provided
16 that the thirty-three per cent transfer allowance
17 associated with water pollution control revolving fund
18 capitalization grants received is not exceeded."

19 SECTION 4. New statutory material is underscored.

20 SECTION 5. 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 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). (SD2)

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

