



STATE OF HAWAII
DEPARTMENT OF HEALTH
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In reply, please refer to:
File:

**Testimony in SUPPORT of HB2453 SD1
RELATING TO WATER INFRASTRUCTURE**

SENATOR DONOVAN DELA CRUZ, CHAIR
SENATE COMMITTEE ON WAYS AND MEANS

SENATOR KARL RHOADS, CHAIR
SENATE COMMITTEE ON JUDICIARY

Hearing Date: 3/28/2024

Room Number: 211

1 **Fiscal Implications:** No impact to State funds. This affects federal moneys only.

2 **Department Testimony:** The Department of Health (Department) strongly supports this
3 measure that would give the Department the authority to transfer up to 33% of any year's grant
4 between the Drinking Water Treatment Revolving Loan Fund (also known as the Drinking
5 Water State Revolving Fund [DWSRF]) and the Water Pollution Control Revolving Fund (also
6 known as the Clean Water State Revolving Fund [CWSRF]).

7 Based on review and consultation with the Department of the Attorney General, the
8 Department offers additional amendments to HB2453 SD1 to align the language in the bill with
9 conditions precedent. Title 40 Code of Federal Regulations (40 CFR) §35.3530(c) establishes
10 threshold conditions that must be met before the State can invoke the transfer authority.
11 Recommended revisions to word certain conditions in the past tense is offered in the amendment
12 Section 2 and 3 of this testimony to properly sequence the completion of 1) the Attorney General
13 certified the funds and 2) the operating agreements were amended contingent to transfer of
14 funds. Additionally, the Department recommends the effective date be modified from July 1,
15 3000 to July 1, 2024.

16 The Department currently administers these two low interest loan programs for the
17 improvement of public drinking water systems and wastewater treatment and distribution
18 systems in Hawaii. These loan programs are funded principally by capitalization grants

1 provided by the U.S. Environmental Protection Agency (EPA). Previously, these grants
2 provided approximately \$8 million per year to each program. From federal fiscal year 2022 to
3 2026, the Bipartisan Infrastructure Law capitalization grants will provide the largest
4 capitalization grants into both programs since their establishment. At the present time, these
5 grants provide approximately \$66 million per year to the DWSRF program and \$25 million per
6 year to the CWSRF program. This measure would allow the Department to direct loan monies
7 more efficiently towards the drinking water or wastewater infrastructure needs across the State,
8 resulting in the greatest benefit to public health or environmental protection.

9 This measure will help ensure the continued and consistent award of these two annual
10 capitalization grants. The EPA oversees the State's implementation of the DWSRF and the
11 CWSRF programs and can withhold or delay future capitalization grants whenever a program is
12 struggling to expeditiously disburse their funds. The ability to move funds between programs
13 and direct them towards projects that are ready to proceed will help facilitate timely
14 disbursements.

15 **Offered Amendments:** The Department respectfully suggests the following revisions to the
16 proposed HRS amendments. Additions appear as underlined and deletions appear as strikeouts.

17 SECTION 2, Page 3, lines 18-21 and Page 4, lines 1-8:

- 18 “(A) The attorney general, or an individual designated by the attorney general
19 shall ~~sign or concur~~ have signed or concurred in a certification for the
20 drinking water treatment revolving loan fund and water pollution control
21 revolving fund that state law permits the state to transfer funds; and
22 (B) The operating agreements or other parts of the capitalization grant
23 agreements for the drinking water treatment revolving loan fund and water
24 pollution control revolving fund shall ~~be~~ have been amended to detail the
25 method the State ~~shall~~ will use to transfer funds;”

26 SECTION 3, Page 5, lines 18-21 and Page 6, lines 1-8:

- 27 “(A) The attorney general, or an individual designated by the attorney general,
28 shall ~~sign or concur~~ have signed or concurred in a certification for the
29 drinking water treatment revolving loan fund and water pollution control
30 revolving fund that state law permits the state to transfer funds; and

1 (B) The operating agreements or other parts of the capitalization grant
2 agreements for the drinking water treatment revolving loan fund and water
3 pollution control revolving fund shall ~~be~~ have been amended to detail the
4 method the State ~~shall~~ will use to transfer funds;”

5 SECTION 5, Page 7, line 2: “SECTION 5. This Act shall take effect on July 1, ~~3000~~ 2024.”

6 Thank you for the opportunity to testify.



Email: communications@ulupono.com

SENATE COMMITTEES ON WAYS & MEANS AND JUDICIARY
Thursday, March 28, 2024 — 9:45 a.m.

Ulupono Initiative supports HB 2453 HD1 SD1, Relating to Water Infrastructure.

Dear Chair Dela Cruz, Chair Rhoads, and Members of the Committees:

My name is Micah Munekata, and I am the Director of Government Affairs at Ulupono Initiative. We are a Hawai'i-focused impact investment firm that strives to improve the quality of life throughout the islands by helping our communities become more resilient and self-sufficient through locally produced food, renewable energy, clean transportation choices, and better management of freshwater resources.

Ulupono supports HB 2453 HD1 SD1, which 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 (CWSRF) and the Drinking Water Treatment Revolving Fund (DWSRF), in accordance with title 40 Code of Federal Regulations section 35.3530(c).

The DOH currently administers these two low-interest loan programs for the improvement of public drinking water systems and wastewater treatment and distribution systems in Hawai'i. These loan programs are funded principally by capitalization grants provided by the U.S. Environmental Protection Agency.

HB 2453 does not require any state funding. Rather, it provides the Governor, or a state official authorized by the Governor, the authority to transfer up to 33% of any year's capitalization grants between the CWSRF and the DWSRF, allowing the State to direct loan monies more efficiently towards the drinking water or wastewater infrastructure, according to community needs across the islands. This provides DOH and the State of Hawai'i with another tool to respond to a crisis, such as the Red Hill fuel spill or the Maui fires.

This measure would also bring the state program in line with the Code of Federal Regulations, which already allows this transfer authority.

Thank you for the opportunity to testify.

Respectfully,

Micah Munekata
Director of Government Affairs

Investing in a Sustainable Hawai'i

HB-2453-SD-1

Submitted on: 3/26/2024 12:06:22 PM

Testimony for WAM on 3/28/2024 9:45:00 AM

Submitted By	Organization	Testifier Position	Testify
Glen Kagamida	Individual	Support	Written Testimony Only

Comments:

SUPPORT!

MAHALO!

HB-2453-SD-1

Submitted on: 3/26/2024 2:01:07 PM

Testimony for WAM on 3/28/2024 9:45:00 AM

Submitted By	Organization	Testifier Position	Testify
Jackie Keefe	Individual	Support	Written Testimony Only

Comments:

Aloha Chairs Dela Cruz and Rhoads, Vice Chairs Moriwaki and Gabbard, and Members of the Committees on Ways and Means and Judiciary.

My name is Jackie Keefe and I am a resident of Lahaina.

I am writing today **in support of HB2453 HD1 SD1.**

I support this bill because the DOH currently administers the two low-interest loan programs, which are funded principally by capitalization grants provided by the U.S. Environmental Protection Agency to improve public drinking water systems and wastewater treatment and distribution systems in the state.

The measure requires no state funding and gives the DOH the authority to transfer up to 33% of any year's capitalization grants between the two funds, which allows the agency to direct money to drinking water or wastewater infrastructure based on the needs of the community.

This would provide the agency with another tool to respond in crisis, such as the Red Hill fuel spill or the Maui wildfires.

Thank you for your consideration.

Jackie Keefe

Lahaina, Maui

HB-2453-SD-1

Submitted on: 3/26/2024 5:02:37 PM

Testimony for WAM on 3/28/2024 9:45:00 AM

Submitted By	Organization	Testifier Position	Testify
Nimr Tamimi	Individual	Support	Written Testimony Only

Comments:

I support this bill.