

**Testimony to Hawaii County Council - Finance Committee  
April 15, 2021 DEM CIP BUDGET Meeting**

Aloha Finance Committee Chair and Council Members,

Project FY No. 2021001 DEM- Naalehu Wastewater System re-appropriation of \$6,500,00 in **State Revolving Fund Loans** may be a violation of SRF requirements, based on the US EPA Office of Inspector General audit of the Drinking Water State Revolving Fund (DWSRF) finding that SRF project delays limit SRF spending and contribute to a problematic “unspent funds issue.” (Report No. 16-P-0218, June 28, 2016).

In other words, both the Naalehu and Pahala Wastewater System (formerly LCC Closure project) have similarly tied up CWSRF funds since receiving \$5,715,000 CWSRF in 2008 (2008-09 CIP Page 11) as funding for two projects that have never proceeded beyond the stage of environmental review and preliminary design for 14 years!

The Naalehu and Pahala wastewater projects are open grants that have tied up CWSRF for 14 years – with absolutely no end in sight!

Further, since environmental review and design are costs that are not supposed to have received \$6,500,000 (per the current CIP Budget “State Revolving Loan Fund” on page 4), this use of CWSRF funds should place the Clean Water Branch of the Department of Health, headed by Sina Pruder, P.E., under its own EPA audit scrutiny.

Lacking any DEM transparency as to what happened to the expensive Naalehu Wastewater Environmental Assessment, which is a year late, the only clue we have is what Director Mansour has asked for in the current CIP budget – a total of \$80,603,000 (or \$566,150 for each of the 147 homes on the Naalehu LCC) and demands for FY 2021-22 funding of \$13,900,000 (CIP Page 13) for some kind of wastewater project.

The solution to where the money has gone on the twin Ka’u wastewater projects over the past 14 years is **ASK for an AUDIT before the County engages another “consultant” or spends another penny! Find “where the money went” BEFORE deciding to spend any more, please!!**

Thank you,

  
Sandra Demoruelle