
DRINKING WATER TREATMENT REVOLVING LOAN FUND INTENDED USE PLAN FOR THE STATE OF HAWAII FISCAL YEAR (SFY) 2023 AND THE FEDERAL FISCAL YEAR (FFY) 2022 APPROPRIATION



State of Hawaii, Department of Health
Environmental Management Division
Safe Drinking Water Branch

July 29, 2022

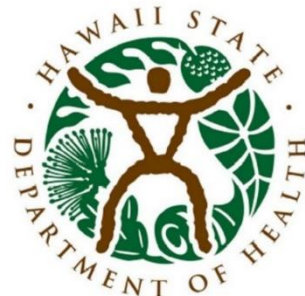


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I. PROGRAM OVERVIEW

A. INTRODUCTION

In 1996, the Drinking Water State Revolving Fund (DWSRF) was established by Congress with the passage of Federal amendments to the Safe Drinking Water Act, hereafter referred to as “the Act” (Public Law 104-182). Section 1452 of the Act authorized the Administrator of the Environmental Protection Agency (EPA) to award capitalization grants to States for the establishment of a loan program to finance drinking water infrastructure projects necessary for public water systems to attain and maintain compliance with Act requirements and to further the health protection objectives of the Act. Portions of the Act were further amended by enactment of the Water Infrastructure Improvements for the Nation (WIIN) Act of 2016 - Public Law No. 114-322 on December 12, 2016; America’s Water Infrastructure Act of 2018 (AWIA) – Public Law No. 115-270 on October 23, 2018; and Infrastructure Investment and Jobs Act (IIJA)- Public Law No. 117–58 (also known as the Bipartisan Infrastructure Law (BIL)) on November 15, 2021.

On May 2, 1997, Hawaii’s Governor signed legislation to establish the Drinking Water Treatment Revolving Loan Fund (Act 218/97) in the State of Hawaii. The Drinking Water Treatment Revolving Loan Fund, more commonly known as DWSRF, complies with the provisions of the Act, Section 1452, for the State of Hawaii.

The State of Hawaii, Department of Health (DOH) developed this Intended Use Plan (IUP) for the State Fiscal Year (SFY) 2023. This IUP will be submitted to the EPA as part of the DOH’s application for the DWSRF FFY 2022 Base Capitalization Grant and BIL Appropriations.

The DOH, Environmental Management Division, Safe Drinking Water Branch (SDWB) administers Hawaii’s DWSRF Program. Administration is in accordance with Hawaii Revised Statutes, Chapter 340E, and Hawaii Administrative Rules, Chapter 11-65.

B. DWSRF GRANTS FOR FFY 2022

DWSRF Program plans for SFY 2023 are based on funds from the base capitalization grant and the projected 20 percent state match from the 2021 Hawaii State Legislature, and Bipartisan Infrastructure Law (BIL) appropriations for DWSRF supplemental (with 10 percent state match), lead service line replacement, and emerging contaminants.

Hawaii’s share of the FFY 2022 DWSRF base capitalization grant appropriation is \$7,008,000.00¹. The required 20 percent state match is \$1,401,600.00.

For FFY 2022, the allotments for the BIL’s general supplemental, lead service line replacement, and emerging contaminants appropriations are \$17,992,000.00 (plus 10 percent state match of \$1,799,200.00), \$28,350,000.00, and \$7,555,000.00, respectively².

¹ Source: <https://www.epa.gov/system/files/documents/2022-05/FY%202022%20DWSRF%20Base%20Allotment%20Availability.pdf>, Table on Page 4, Hawaii row.

² Source: https://www.epa.gov/system/files/documents/2022-03/combined_srf-implementation-memo_final_03.2022.pdf

This IUP will provide information regarding the use of the federal, state, and additional monies generated from other program sources during the SFY 2023. This IUP will be amended to include information on the Emerging Contaminants and Lead Service Lines portions of the BIL when the Program proposes to apply for those funds. Details on key aspects of the Program, including the long- and short-term goals, the priority setting criteria, and a listing of projects, are included in this IUP.

C. SOURCES AND Uses OF FUNDS

The projected sources and uses of all funds in the Hawaii DWSRF program are shown in Table 1 below.

Table 1. Projected Sources and Uses of Funds

Sources	Through SFY 2022 (\$)	SFY 2023 IUP (\$)	Cumulative through 6/30/2023 (\$)
Base Federal Capitalization Grant	246,323,548.00	7,008,000.00	253,331,548.00
Base State Match	45,364,710.00	1,401,600.00	46,766,310.00
BIL General Supplemental Capitalization Grant	-	17,992,000.00	17,992,000.00
BIL General Supplemental State Match	-	1,799,200.00	1,799,200.00
BIL Lead Service Line	-	-	-
BIL Emerging Contaminants	-	-	-
Loan Repayments	159,842,512.49	15,624,000.00	175,466,512.49
Investment Interest	8,746,144.68	91,000.00	8,837,144.68
Loan Fees	13,814,303.10	2,484,345.15	16,298,648.25
Transfers from Loan Fee Account to Loan Fund	21,832,047.04	1,200,000.00	23,032,047.04
<i>Total Sources</i>	<i>495,923,265.31</i>	<i>47,600,145.15</i>	<i>543,523,410.46</i>
Uses			
Final Loan Agreements ^A	410,733,573.40	61,077,539.26	471,811,112.66
Set-Asides & Administrative Support ^B	34,404,019.13	4,997,340.00	39,401,359.13
Loan Fees ^C	9,705,050.40	2,407,017.67	12,112,068.07
EPA In-Kind Services	1,517,650.00	500,000.00	2,017,650.00
<i>Total Uses</i>	<i>456,360,292.93</i>	<i>68,981,896.93</i>	<i>525,342,189.86</i>
Fund Balance	39,562,972.38	(21,381,751.78)	18,181,220.60

NOTES:

^A Includes ARRA final loan agreements. See Table 6 for more details.

^B See Table 5 and Table 6 for more details.

^C This calculation includes the SFY 2022 budget, plus overruns.

Loan Fees

Since SFY 2018, per 40 CFR §35.3530, the DWSRF utilized a single Loan Fee account outside the fund to primarily support the following:

1. Public Water System Supervision Program (PWSSP) – 25 percent match includes costs to support:
 - a. Personnel salary, fringe, and indirect for one and a half positions
 - b. Scientific supplies
2. Other SDWB activities costs to cover the budget shortages in the:
 - a. Groundwater Protection Program (GWPP)

- i. Personnel salary, fringe, and indirect for one and three-fourth positions
 - ii. Interisland travel and other expenses for Surveillance (Protection), Training and Technical Assistance, and Public Participation
 - iii. Educational, scientific, and laboratory supplies
 - iv. Laboratory analysis for Pharmaceutical and Personal Care Products Projects
 - v. Dues
 - b. 10 percent Cap Grant and BIL Supplemental Set-Aside budget
 - i. Office, educational, scientific, laboratory, field survey, automotive, and computer supplies
 - ii. Other expenses such as air freight, dues, postage, printing, maintenance and repair of office equipment, scientific instruments, and buildings, subscriptions, training/registration fees, and utilities
 - iii. Safe Drinking Water Branch System Enhancement Contracts to begin the rebuild of the:
 - 1. Safe Drinking Water Information System (SDWIS) Viewer
 - 2. Sample Analysis and Tracking System (SATS) or Laboratory Information Management System (LIMS) project and training; and
 - 3. Sample Collection and Reservation System (SCRS) or similar system.
 - c. 15 percent Cap Grant and BIL Supplemental Set-Aside Budget – no Fees used for 15 percent Set-Aside support
 - d. Administrative 4 percent Cap Grant and BIL Supplemental Set-Aside Budget
 - i. Personnel salary, fringe, and indirect for portion of three positions
 - ii. Interisland travel and other expenses for Surveillance (Protection), Project Review, and Training and Technical Assistance, and Public Participation Office supplies
 - iii. Audit expenses
 - e. 2 percent Cap Grant and BIL Supplemental Set-Aside Budget - The Safe Drinking Water Branch will use \$20,000.00 of Fees in SFY 2023 to support the registration of small systems operators and board members attendance at the annual Pacific Water Conference which is a joint conference of the American Water Works Association – Hawaii Section and Hawaii Water Environment Association to be held in 2023.
 - f. General Funds - Mainland and interisland travel for Surveillance (Protection), Compliance, and Training and Technical Assistance
- 3. DWSRF loan fund - funds within the DWSRF administrative loan fee account, less encumbrances, which are more than \$2 million are transferred each year to the DWSRF repayment accounts to be used for DWSRF loans.

Table 2. Loan Fees

Projected Loan Fees Collected Through SFY 2022 (\$)	Projected Expenses SFY 2023 (\$)
2,484,345.15	2,407,017.67

EPA In-Kind Services

In-Kind Services is a portion of the allotted base capitalization grant that is withheld by EPA for various uses. Through SFY 2018, there has been total withholdings of \$19.5 million from ARRA and \$1,517,650.00 of in-kind expenses in SFY 2000, 2001, 2005, 2013, 2015, 2017, and 2018.

In SFY 2023, a total of \$500,000.00 will be reserved for the Intergovernmental Personnel Act (IPA) Mobility Program to provide engineering/environmental health specialist assistance for the SDWB Engineering, Compliance, and/or Monitoring Section.

One (1) IPA, budgeted at \$250,000.00 from the BIL Supplemental 10% Set-Aside Fund, will be to support technical assistance around source water protection, actions related to the Navy Water System Incident (Hazard Evaluation and Emergency Response Office Incident No. 20211128-1848), and other Public Water System Supervision Program actions.

The second IPA, budgeted at \$250,000.00 from the BIL Supplemental 4% Set-Aside Fund, will be to support technical assistance for the DWSRF and BIL related actions.

D. REQUIREMENTS OF THE CONSOLIDATED APPROPRIATIONS ACT, 2022 – PUBLIC LAW NO: 117-35, AMERICA’S WATER INFRASTRUCTURE ASSISTANCE ACT OF 2018 (AWIA) – PUBLIC LAW NO. 115-270, AND BIPARTISAN INFRASTRUCTURE LAW (BIL) – PUBLIC LAW NO: 117-58

The Consolidated Appropriations Act (CAA), 2022 (H.R. 2471) became Public Law No: 117-35 on March 8, 2022³. It provides the FFY 2022 appropriation for the DWSRF in Division G – Department of the Interior, Environment, and Related Agencies Appropriations Act, 2022, Title II – Environmental Protection Agency Science and Technology, State and Tribal Assistance Grants.

President Donald J. Trump signed S. 3021, AWIA, Public Law No. 115-270, on October 23, 2018⁴. It reauthorized the DWSRF and includes key provisions of the SRF WIIN Act, which provides streamlined access to WIFIA financing for SRFs.

President Joe Biden signed the BIL (aka IJA), Public Law No. 117–58, on November 15, 2021⁵. It provided capital towards the nation’s infrastructure (including drinking water) and implemented new requirements for the DWSRF program.

The following are the provisions of the CAA, AWIA, and BIL that are applicable to the Hawaii DWSRF. Equivalency Projects for the FFY 2022 base Capitalization Grant and BIL General Supplemental are listed in Table 3.

³ Source: <https://rules.house.gov/sites/democrats.rules.house.gov/files/BILLS-117HR2471SA-RCP-117-35.pdf>, beginning on page 828 line 14 to page 841 line 14.

⁴ Source: <https://www.congress.gov/bill/115th-congress/senate-bill/3021>

⁵ Source: <https://www.epa.gov/dwsrf/bipartisan-infrastructure-law-srf-memorandum>

Additional Subsidization

The CAA requires the DWSRF to use 14 percent of the base capitalization grant (\$981,120.00) to provide additional subsidy to eligible recipients. The BIL further increased AWIA's floor of six (6) percent to a minimum 12 percent (up to 35 percent) of the base capitalization grant (\$840,960.00) to provide additional subsidy to Disadvantaged Communities (DAC).

The BIL General Supplemental and Lead Service Line funds each require 49 percent of the respective portions to be provided as additional subsidy for DAC. The BIL Emerging Contaminants funds require 100 percent to be provided as additional subsidy, with 25 percent to DAC or public water systems serving fewer than 25,000 persons.

The DWSRF will provide the minimum 26 percent base capitalization grant and 49 percent BIL General Supplemental additional subsidies in the form of zero percent interest loans with principal forgiveness.

For SFY 2023, the Hawaii DWSRF program will primarily award additional subsidy to small community water systems or DAC, as required per funding type. Secondary consideration will be for covering the increased cost for meeting DWSRF equivalency requirements. If needed, a tertiary prioritization for awarding additional subsidy will be implemented. The Hawaii DWSRF program will assess disbursement activity in SFY 2022 to determine which borrower most consistently submitted regular monthly payment requests. Any remaining additional subsidy for SFY 2023 will go to that borrower's next executed loan. This incentivizes the borrowers to ensure the timely disbursement of their loan funds.

Green Project Reserve (GPR)

FFY 2022 funds made available under this title to each State for DWSRF base capitalization grants may, at the discretion of each State, be used for projects to address green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities.

The Hawaii DWSRF Program is committed to the implementation of sustainable and green infrastructure. Projects that incorporate green infrastructure, water or energy efficiency improvements or other environmentally innovative activities will receive bonus points under the DWSRF project ~~rating~~ ranking criteria.

Reporting Requirements

The Hawaii DWSRF Program will report the utilization of funds under the SFY 2023 IUP. The major reporting vehicles will be the DWSRF Annual Report, Drinking Water State Revolving Fund National Information Management System (DWNIMS), Office of Water State Revolving Funds (OWSRF) system, and the Federal Funding Accountability and Transparency Act (FFATA) Subaward Reporting System

(FSRS). Reporting will include the use of funds for eligibility, equivalency, GPR, and additional subsidization of DWSRF-funded projects.

Davis-Bacon Requirements

For FFY 2012 and each fiscal year thereafter, the requirements of section 1450(e) of the Safe Drinking Water Act (42 U.S.C. 300j-9(e)) shall apply to any construction project carried out in whole or in part with assistance made available by a drinking water treatment revolving loan fund as authorized by section 1452 of that Act (42 U.S.C. 300j-12).

Davis-Bacon compliance language is required to be included in each construction contract between the borrower and its contractor. Additionally, each payment request submitted by the borrower includes a signed statement that they are following the labor wage rates.

American Iron and Steel (AIS)

None of the funds made available by the DWSRF shall be used for a project for the construction, alteration, maintenance, or repair of a public water system unless all items used in the project complies with the AIS requirements, pursuant to the American Recovery and Reinvestment Act, P.L. 113-76 Section 436 and 1605 and made permanent in SDWA by BIL §50102(a). This means, all materials that are majority iron or steel must be produced in the United States, unless specifically stated as exempt.

Borrowers have the option to apply the *de minimis waiver*, which allows certain incidental items to be exempt from AIS, up to five percent of the total materials cost. The cost of any individual item may not exceed one percent of the total cost of the materials used in and incorporated into a project. If a borrower claims *de minimis* items, it will be stated and tracked in the project file.

AIS compliance language is required to be included in each construction contract between the borrower and its contractor. AIS certifications are required to be submitted to the DWSRF prior to or upon requesting reimbursement for that item.

Build America Buy America

The BIL added a new Build America, Buy America Act of 2021 (BABA) requirement to the DWSRF program. BABA expands the existing AIS requirements to include construction materials and manufactured goods.

From the FFY 2022 each fiscal year thereafter, equivalency projects with loan agreements executed after May 14, 2022, will need to comply with BABA.

After the implementation date, none of the funds from DWSRF loans may be used for a project, unless all the iron, steel, manufactured products, and construction materials are produced in the United States.

Borrowers have the option to apply for waivers in cases where domestic content procurement would be inconsistent with the public interest; applicable materials are not produced in sufficient quantities or

satisfactory quality in the United States; or such inclusion will increase the cost of the project by more than 25 percent.

The Office of Management and Budget (OMB) released program guidance to heads of executive departments and agencies on April 18, 2022⁶. EPA is expected to issue implementation procedures for BABA compliance by May 15, 2022.

E. OTHER REQUIREMENTS

Signage

For FFY 2015 each fiscal year thereafter, the DWSRF program must comply with SRF Signage Guidelines to enhance public awareness of EPA assistance agreements nationwide. This shall be achieved on an equivalency basis.

The borrower is notified prior to loan execution if it needs to comply with the signage requirement. Since signage is achieved on an equivalency basis, the loans receiving Federal funding will be required to comply. The borrower may select at least one of five options outlined in EPA's June 3, 2015, memo on the subject⁷.

Cash Draw Ratio

The cash draw ratio (also known as proportionality) is the ratio of federal to state monies used to fund a loan⁸. The DWSRF will deposit and disburse state match funds (or an equivalent amount of non-federal funds) prior to drawing any funds from the federal capitalization grant. After all state match funds (or an equivalent amount of non-federal funds) have been disbursed, the DWSRF may draw funds from the capitalization grant at a ratio of 100 percent of the disbursement amount.

National Historic Preservation Act (NHPA), Section 106

As dictated in 36 CFR §800, projects utilizing Federal Funding must undergo a NHPA Section 106 Consultation Review. This includes consulting with Native Hawaiian Organizations, the Office of Hawaiian Affairs, and the State Historic Preservation Division, among other possible stakeholders, to ensure historic or culturally sensitive areas and architecture are protected during a project undertaking.

Since this requirement is triggered with the use of Federal Funding, the DWSRF will satisfy the requirement by applying equivalency.

⁶ Source: <https://www.whitehouse.gov/wp-content/uploads/2022/04/M-22-11.pdf>

⁷ Source: https://www.epa.gov/sites/default/files/2016-07/documents/guidelines_for_enhancing_public_awareness_srf.pdf

⁸ Source: https://www.epa.gov/sites/default/files/2015-04/documents/cash_draw_proportionality.pdf

F. PROJECTS USED TO FULFILL EQUIVALENCY, THE CONTINUING APPROPRIATIONS ACT, 2022, AND THE BIL

The Hawaii DWSRF program intends to meet the requirements for the FFY 2022 base Capitalization Grant, the CAA, and BIL Supplemental with the projects listed in Table 3 below.

Table 3. Equivalency Projects for the FFY 2022 Base Capitalization Grant and BIL Supplemental

Primary Project(s)	Base Capitalization Grant Equivalency (\$)	Capitalization Grant 12-35% Additional Subsidy (\$)	CAA 14% Additional Subsidy (\$)	BIL Supplemental Equivalency (\$)	BIL Supplemental 49% Additional Subsidy (\$) DAC
Honolulu BWS Pro-Fi SFY 2023	7,008,000.00	18,880.00	981,120.00	4,000,000.00	-
Hawaii DWS Pro-Fi SFY 2023	-	840,960.00	-	13,992,000.00	5,658,280.00
Kalaheo Water System Improvements	-	-	-	-	907,800.00
Napuu Water System Improvements	-	-	-	-	1,000,000.00
MIC 0.5 MG Tank Replacement	-	-	-	-	1,250,000.00
Totals					
Required Minimum Assignment	7,008,000.00	840,960.00	981,120.00	17,992,000.00	8,816,080.00
Actual Assigned	7,008,000.00	859,840.00	981,120.00	17,992,000.00	8,816,080.00
Unassigned up to maximum	-	1,592,960.00	-	-	-
Backup Project(s)					
Kalaheo Water System Improvements	TBD	TBD	TBD	TBD	TBD

II. DWSRF LONG-TERM AND SHORT-TERM GOALS

In establishing the national DWSRF program, Congress gave the States the flexibility to design a program that can be tailored to meet the needs of the local public water systems. The long- and short-term goals for Hawaii's DWSRF program are presented below. They provide a framework for the direction of Hawaii's DWSRF program.

A. LONG-TERM GOALS

1. To assist as many water purveyors as possible to attain compliance with State and Federal Drinking Water Regulations through the low-interest loan program.
2. To maintain the DWSRF program in perpetuity.
3. To promote sustainable infrastructure and energy efficiency.
4. To promote an equitable share of funding to small systems serving DAC.

B. SHORT-TERM GOALS

1. Continue implementation of some of the recommendations from the Northbridge Environmental Management Consultants' October 2014 *Hawaii SRF Management Study*

for the CWSRF and DWSRF Programs to streamline the Hawaii DWSRF program and increase the Program's pace.

2. Continue modification of the Functional Procedures and the Operating Agreement to reflect and meet the DWSRF requirements and needs.
3. Continue implementing the Financial Operations and Cash Flow Utilization in the SRF (FOCUS) financial planning model to better plan the use of funds in the DWSRF program.
4. Continue working with Northbridge on the development and implementation of the Loans and Grants Tracking System (LGTS) to track the required items, which include accounting, management, set-asides, compliance, and customer service concerns.
5. Continue marketing and outreach to offer loans to privately-owned water systems.

III. DWSRF FINANCING GUIDELINES

A. DWSRF PROJECT ELIGIBILITY

The DWSRF program will fund eligible projects as defined in 40 CFR 35.3520. In general, eligible projects that address present or prevent future violations of health-based drinking water standards. These include projects to replace aging infrastructure and those needed to maintain compliance or further the public health protection objectives of SDWA. All eligible projects must fall under one of the categories listed below.

- Treatment
- Transmission and distribution
- Source
- Storage
- Consolidation
- Creation of new systems

The DWSRF program will reference the *Drinking Water State Revolving Fund Eligibility Handbook*, dated June 2017⁹ and additional guidance from EPA that may expanded eligibility.

B. DWSRF FINANCING TERMS

Hawaii's DWSRF program will provide low-interest loans for construction and refinancing of eligible drinking water projects within the State. Beginning in SFY 2019, the DWSRF program allowed privately-owned water systems to apply for loans. Existing debt may be refinanced upon verification by the

⁹ Source: <http://health.hawaii.gov/sdwb/files/2017/06/DWSRFEligibilityHandbook.pdf>

Hawaii DWSRF program that the debt being refinanced pertained solely to the completion of a project that met the same DWSRF requirements of a construction loan. Project priority will be determined by Program guidelines as detailed in Section V, “Priority List of Projects and Project Selection Procedures” in this IUP.

In most cases, loans to eligible projects are made under terms and conditions effective at the time of financing. The following guidelines are currently in place until June 30, 2023 and may be adjusted for new loans executed after June 30, 2023, depending on the ability of the fund to remain in perpetuity.

- Loans to eligible projects, using the DWSRF funds, may be for up to 100 percent financing of the allowable project costs.
- DWSRF loan rates will remain fixed over the life of the loan.
- Established interest rates for SFY 2023 are set unless market rates are lower, then the DWSRF will decrease to be less than market.
- Except for Programmatic Financing (Pro-Fi) loans, principal amortization for DWSRF loans begins within 18 months after construction completion or three years after the date of the final loan agreement, whichever is earlier. Principal amortization for Pro-Fi loans begins the October following the end of the SFY that the Pro-Fi is assigned (e.g., October 2023 for SFY 2023). The Pro-Fi loan for SFY 2023 principal amortization shall begin October 2023 and continue semi-annually thereafter.
- The Hawaii DWSRF program is utilizing FOCUS to evaluate the amount of interest and loan fees necessary for the Hawaii DWSRF to operate in perpetuity.

Table 4. Loan terms

Loan type	Interest Rate	Fee Rate	Total Annual Loan Rate	Loan Repayment Period
Municipal Project-Based	0.65%	1.50%	2.15%	Maximum 30 years, except DAC may be up to 40 years.
Pro-Fi	0.25%	1.50%	1.75%	
Privately-Owned Water Systems	2.75%	Up to \$1,000.00 ^D	2.75%	

^D If assessed, the fee would be to cover administrative or other expenses. The fee would be determined after initial assessment of the applicant’s technical, managerial, and financial capacity and the amount of securities/precautions the Program may need to execute the loan application. This may include, but not be limited to, fees associated with appraisals, surveys, title searches, legal fees, and document recording.

IV. SET-ASIDE ACTIVITIES

The Act allows each state to set-aside up to 31 percent of its federal capitalization grant to support various drinking water program activities including administration, state program management, technical assistance, and other special activities. Separate and identifiable accounts have been developed to be used for these Set-Aside Activities. Banking set-asides in the loan fund allows the funds to be used for loans now and reserves Hawaii's authority to take these funds from future capitalization grants. Set-Aside activities are outlined in Table 5 (Base Award) and Table 6 (BIL Supplemental Award) and in the narrative below.

Hawaii will submit detailed workplans to EPA for approval before funds are expended on these activities. Hawaii will report on the progress of these set-aside activities to EPA in the annual performance status reports.

Once finalized, the DWSRF program will reference the EPA Office of Water's *Analysis of the Drinking Water State Revolving Fund Set-Asides: Building the Capacity of Drinking Water Systems (EPA 816-R-17-004)*, October 2017 at https://www.epa.gov/sites/production/files/2017-10/documents/final_dwsrf_2017_report_508compliant.pdf for additional possibilities for the use of the funds to protect the drinking water of the state. The report contains examples of other state's uses of the funds, lists nine (9) different categories for set-aside activities, and provides opportunities for collaboration. The analysis of Hawaii's uses is on PDF pages 64-65.

Table 5. Set-Asides & Administrative Support Overview (Base Federal Capitalization Grant)

SDWA Act Set-Aside and Administrative Support Reference	Set-Aside & Admin Support Activity	Maximum Set-Aside FFY 2022 Capitalization Grant Funds (\$)	Set-Aside Funds FFY 1997-2021 (\$)	Banked Set-Aside FFY 2022 Capitalization Grant Funds (\$)	Banked Set-Aside FFY 1997-2021 Capitalization Grant Funds (\$)	Actual Budget SFY 2023 (\$)
Section 1452 (g) (2) – (4%)	DWSRF Administration Fund	280,320.00	5,143,750.00	0.00	0.00	280,320.00
Section 1452 (g) (2) – (10%)	State Program Management	700,800.00	16,993,325.88	0.00	3,828,600.00	700,800.00
Section 1452 (g) (2) – (2%)	Small Systems Technical Assistance	140,160.00	2,200,519.16	140,160.00	1,397,800.00	0.00
Section 1452 (k) – (15%)	Local Assistance and Other State Programs	1,051,200.00	12,980,528.63	0.00	0.00	0.00
Section 1452(g)(2) as amended by WIIN Act of 2016, Section 2103 - 1/5% of the current valuation of the fund	DWSRF Administration Fund		1,615,700.00	0.00	0.00	
Total Set-Asides & Admin Support		2,172,480.00	38,933,823.67	140,160.00	5,226,400.00	981,120.00
Total Banked Set-Asides FFY 1997-2022 Capitalization Grant Funds				\$5,366,560.00		

Table 6. Set-Asides & Administrative Support Overview (BIL General Supplemental Capitalization Grant)

SDWA Act Set-Aside and Administrative Support Reference	Set-Aside & Admin Support Activity	Maximum Set-Aside FFY 2022 BIL Grant Funds (\$)	(save column for future cumulative BIL Set-Aside Funds)	Banked Set-Aside FFY 2022 BIL Grant Funds (\$)	(save column for future banked BIL Grant Funds)	Actual BIL Budget SFY 2023 (\$)
Section 1452 (g) (2) – (4%)	DWSRF Administration Fund	719,680.00		0.00		719,680.00
Section 1452 (g) (2) – (10%)	State Program Management	1,799,200.00		0.00		1,799,200.00
Section 1452 (g) (2) – (2%)	Small Systems Technical Assistance	359,840.00		0.00		359,840.00
Section 1452 (k) – (15%)	Local Assistance and Other State Programs	2,698,800.00		0.00		1,137,500.00
Section 1452(g)(2) as amended by WIIN Act of 2016, Section 2103 - 1/5% of the current valuation of the fund	DWSRF Administration Fund			0.00		
Total Set-Asides & Admin Support		5,577,520.00	0.00	0.00	0.00	4,016,220.00
Total Banked Set-Asides FFY 2022 BIL Grant Funds				\$0.00		

A. DWSRF ADMINISTRATION FUND (4 PERCENT SET-ASIDE)

Section 1452(g)(2) of the Act allows up to four percent (4 percent) of the DWSRF Capitalization Grant to be set-aside for administration of the DWSRF program. Administrative functions include the development, implementation and review of DWSRF program processes and documentation needs that may include, but are not limited to, financial, managerial, and legal consultation, DWSRF set-aside and funds accounting, application review, public assistance, audits, information system maintenance, record retention and filing, environmental review, development of the Intended Use Plan and Priority List of Projects, budget, workplan, plans and specifications review and approval, construction inspections and staff training.

The WIIN Act of 2016, §2103, provided “states with two additional options to calculate the maximum allowable Administration and Technical Assistance set-aside that can be taken for capitalization grants awarded after 12/16/2016. States may take up to \$400,000.00, 1/5th of a percent of the current valuation of the fund or 4 percent of capitalization grants awarded, whichever is greater” (2017 CIFA National Policy Conference presentation slide, N. Chamberlain). “No matter which of the three options the state chooses for this set-aside, funds must come from the capitalization grant and not be comingled with the loan fund.”

For SFY 2023, DOH will be using a total of \$1,000,000.00 available under the 4 percent set aside of which \$280,320.00 and \$719,680.00 is from the Base Federal Grant and the BIL General Supplemental Grant, respectively. As mentioned in Section C above for EPA In-Kind Services, an IPA, budgeted at \$250,000.00 from the BIL Supplemental 4% Set-Aside Fund, will be to support technical assistance for the DWSRF and BIL related actions. There are no remaining funds for the program to bank.

The budget for the Base and BIL Supplemental includes full funding of four (4) positions and partial funding of six (6) positions (salary, fringe, and indirect) which will draw \$745,202.00 within one (1) state fiscal year. The remainder of the budget will be used for interisland travel for Project Review, Training and Technical Assistance, and mainland travel for Training, dues, training registration fees, Loans and Grants Tracking System upgrades contract for SFY2024, and other miscellaneous expenses and will be drawn in its entirety within two (2) state fiscal years.

B. STATE PROGRAM MANAGEMENT (10 PERCENT SET-ASIDE)

Section 1452(g)(2) of the Act allows up to ten percent (10 percent) of the DWSRF Capitalization Grant to be set-aside to support Public Water System Supervision program activities and other initiatives of the Act. These funds support activities, which are important for the State Program to maintain primary enforcement authority and strengthen the State's Public Water System Supervision program. Activities covered under the State Program Management set-aside include, but are not limited to, Public Water System Supervision program activities, capacity development, operator certification, sanitary surveys, regulation development and contracts for conducting sanitary surveys, security training, cross-connection training, and quality assurance and quality control measures.

For SFY 2023, DOH will be using a total of \$2,500,000.00 available under the 10 percent set-aside of which \$700,800.00 and \$1,799,200.00 is from the Base Capitalization Grant and the BIL General Supplemental Grant, respectively. As mentioned in Section C above for EPA In-Kind Services, an IPA budgeted at \$250,000.00 from the BIL Supplemental 10% Set-Aside Fund, will be to support technical assistance around source water protection, actions related to the Navy Water System Incident (Hazard Evaluation and Emergency Response Office Incident No. 20211128-1848), and other Public Water System Supervision Program actions. The program will not bank any funds.

The budget includes full funding of nine (9) positions and partial funding of one (1) position which will draw over \$850,418.00 of the budget within one (1) state fiscal year. The remainder of the budget will be used for related interisland and mainland travel, supplies, Information System upgrades and enhancements, Laboratory Information Management System (LIMS) for the State Laboratories Division, and other expenses and will be drawn in its entirety within two (2) state fiscal years.

"The WIIN Act of 2016, §2103, eliminated the statutory text mandating the additional 1:1 match for the State Program Management set-aside. For capitalization grants awarded after December 16, 2016, states are no longer required to provide the additional match to receive this set-aside" (2017 CIFA National Policy Conference presentation slide, N. Chamberlain).

C. SMALL SYSTEMS TECHNICAL ASSISTANCE (2 PERCENT SET-ASIDE)

Section 1452(g)(2) of the Act allows up to two percent of the DWSRF Capitalization Grant to be set-aside to support Small Systems Technical Assistance activities.

These funds will be used to provide future assistance to public water systems serving fewer than 10,000 people or 89 percent of the public water systems in Hawaii. Activities under this set-aside include helping systems prepare their DWSRF loan applications, assistance with improving their technical,

financial, and managerial capability, training, and planning, technical assistance via sanitary survey follow-ups, direct on-site assistance, and a Circuit Rider program to address any necessary improvements to the water system.

For SFY2023, the DOH will be using \$359,840.00 from the BIL General Supplemental Grant to fund the future Circuit Rider contract to provide small systems with technical, managerial, and financial capacity assistance. This set-aside will be drawn in its entirety within two (2) state fiscal years (estimated to begin disbursing in January 2023). The program will bank the entire \$140,160.00 from the Base Capitalization Grant.

D. LOCAL ASSISTANCE AND OTHER STATE PROGRAMS (15 PERCENT SET-ASIDE)

Section 1452(k) of the Act allows up to 15 percent (15%) of the DWSRF Capitalization Grant to be set-aside to support Local Assistance and Other State Programs.

Activities under this set-aside include, but are not limited to, wellhead protection and related source water protection activities (such as, reducing water loss through the use of audits and identification of potential improvements utilizing DWSRF funding, creating local source water protection advisory committees, development of source water protection plans and strategies, and implementing protection activities including outreach and educational programs); technical, financial and managerial capacity development and related activities (which may include vulnerability assessments, contingency and emergency response plans, and security for protecting drinking water sources); technical assistance via sanitary survey follow-ups and direct on-site assistance to address any necessary improvements to the water system; and a Circuit Rider program to address any necessary improvements to the water system. None of the individual activities listed will exceed ten percent (10%) of any year's capitalization grant.

For SFY2023, the DOH will be using \$1,137,500.00 from the 15 percent BIL General Supplemental Grant Set-Aside. This set-aside will be drawn in its entirety within two (2) state fiscal years (estimated to begin disbursing in January 2023). The program will direct the entire 15 percent Base Federal Grant Set-Aside of \$1,051,200.00 and balance remaining of the 15 percent BIL General Supplemental Grant Set-Aside of \$1,561,300.00 to the loan fund.

The budget includes funding of three (3) positions (salary, fringe, and indirect) which will draw \$332,242.00 within one (1) state fiscal year. The remainder of the budget will be used for Wellhead Protection Financial Assistance program projects; in-house project development for future source water protection activities; coordinate support for Legislative reports; conduct source water assessments; provide Hawaii specific groundwater science expertise to support the Red Hill Administrative Order on Consent and other response actions; technical, managerial, and financial capacity assistance; various supplies; and other miscellaneous expenses. The Hawaii DWSRF 15 percent Set-Aside Multi-Year Business Plan, SFY 2017 – SFY 2023, provides goals and objectives of Technical Assistance and Source Water/Wellhead Protection Program for the use of the fund. The projects or subawards to utilize the funds within two (2) fiscal years include:

- Wellhead Protection Financial Assistance Program (WHP-FAP): Advertise and receive WHP-FAP applications, award and develop contracts for the implementation of Source Water Protection Projects and/or Activities. Budget of \$300,000.00 in SFY 2023 for funding of contracts executed by October 1, 2022 and estimated to begin disbursing in SFY 2023.
- Technical, Managerial, and Financial Capacity Assistance
 - The 2019-2022 Circuit Rider contract began disbursing in SFY 2020. Each of the following two (2) 12-month periods of the contract were to be funded by the balance remaining of \$100,400.00 of SFY 2019 DWSRF 15 percent funds and \$400,000.00 of Fees. Due to the delay in executing this contract, the program requested to transfer SFY2019 funds back to the loan and instead use the \$350,600.00 already budgeted with SFY 2020 funds.
 - The program will be submitting a request for Governor's approval to contract for staffing resources for the 2023-2025 Circuit Rider Contract. Budget for the entire project is partially funded by this 15 percent BIL General Supplemental Grant Set-Aside at \$390,900.00 and the 2 percent BIL General Supplemental Grant Set-Aside.
- Groundwater/Source Water Protection Education and Outreach Project is budgeted at \$25,000.00 and will be used within two (2) fiscal years.
- Technical/Program Support for the Groundwater/Source Water Protection Programs is budgeted at \$75,000.00.

V. PRIORITY LIST OF PROJECTS AND PROJECT SELECTION PROCEDURES

A. PRIORITY LIST OF PROJECTS

Any project considered for funding must be listed on the Priority List of Projects. The *DWSRF Priority List of Projects for SFY 2023* is presented in Appendix A. In January 2022, the county water departments and privately-owned water systems were invited to submit proposed projects for DWSRF funding.

Throughout the year, borrowers may add new projects for inclusion in the *Priority List of Projects*. A new 30-day comment period would be initiated for each major update to the *Priority List of Projects* or the IUP. The *Priority List of Projects* was developed by evaluating the proposed projects based on the Project Selection Procedures and DWSRF Project Ranking Criteria. Amendments to the Project Selection Procedures and DWSRF Project Ranking Criteria will be considered as appropriate to reflect the changing character of the Program. The *DWSRF Project Ranking Criteria* is found in Appendix B.

B. PROJECT SELECTION PROCEDURES

The State of Hawaii utilizes the Project Ranking Criteria to establish the order in which eligible projects will be financed. Projects are ranked based on the relative impact of the project in achieving the objectives of the Act. In general, priority is given to current construction projects that facilitate compliance with national primary drinking water regulations applicable to the system or otherwise significantly further the health protection objectives of the Act.

The *Priority List of Projects* is developed and updated each year and placed in the IUP. The IUP is then made available for public review and comment each year.

As required by the Act Amendments of 1996, the priority ranking system attempts to assign the highest priority to those projects, which:

1. Address the most serious risk to human health;
2. Are necessary to ensure compliance with the requirements of the Act; and
3. Assist systems most in need, on a per household basis.

Projects are ranked against all other projects competing for funds using the DWSRF Project Ranking Criteria. While points are primarily assigned on a basis of the health problems or the Act compliance issue being addressed by a project, a final criterion is reserved for determining the priority of eligible projects with the same point totals. The Act amendments of 1996 require that 15 percent of the monies available for funding projects each fiscal year must go to public water systems that serve 10,000 or fewer persons (small public water systems). Thus, the highest ranking small public water system project that will be ready-to-proceed in that fiscal year will be selected to satisfy the minimum 15 percent level. If there are no projects that meet these criteria, DOH will make this portion of the fund available to all other public water systems. This will ensure that the funds are allocated as expeditiously as possible and are efficiently utilized.

Due to the limited funds available and the anticipated demand for low-interest loans, the DWSRF emphasizes the financing of construction projects addressing public health protection and compliance.

C. TIE-BREAKING PROCEDURE

The following procedure is used for breaking ties between projects at the time of evaluation.

1. If the overall score is tied between two or more projects, then the project with the highest Water Quality and Public Health score will be given the higher priority.
2. If there is still a tie after tiebreaker #1, then the project with the highest Affordability score will be given the higher priority.
3. If there is still a tie after tiebreaker #2, then the project with the highest Compliance/Enforcement score will be given the higher priority.
4. If there is still a tie after tiebreaker #3, then the project with the highest Sustainability/Resiliency score will be given the higher priority.
5. If there is still a tie after tiebreaker #4, then the cost burden per person, which is the project cost divided by the population affected by the project, will be calculated and the higher total will be given the higher priority.

D. PROJECT READINESS BYPASS PROCEDURE

The DOH will work with the water systems with the highest ranked projects on the *DWSRF Priority List of Projects* to ensure that those projects are given a chance to be funded first.

However, the final funding selection of drinking water projects from the *Priority List of Projects* will be based primarily on the project's readiness-to-proceed. Projects that are ready to proceed are prepared to begin construction and are immediately ready, or poised to be ready, to execute a final loan agreement with the DOH. If, for whatever reason, a public water system is not ready-to-proceed to construction in a timely fashion, the DOH may select a lower ranking project for funding based on its ability to proceed in a timely manner. This bypass procedure is necessary to ensure that the available funds will be disbursed in a timely manner.

The DOH reserves the right to fund lower priority projects over higher priority projects if in the opinion of DOH, a higher priority project has not taken the steps necessary to expeditiously prepare for funding and initiation of construction (e.g., DOH has not received the required documents to execute a loan agreement, the project is not ready-to-proceed with construction, or the public water system withdraws its project for consideration). If a project must be bypassed because it has been delayed, it will be given priority for funding as soon as it is ready, and funds become available. The DOH may also raise the priority of a project on the *Priority List of Projects* in the case of an emergency or natural disaster, such as a landslide, hurricane, flood, earthquake, etc.

To receive DWSRF funding, all projects must comply with the DWSRF and State Environmental Review Process¹⁰ prior to commencement of construction.

E. EMERGENCY PROJECTS BYPASS PROCEDURE

If an emergency occurs, resulting in a project that needs immediate funds and attention, that project can get top priority for available funding. The DWSRF shall make the final determination that an emergency exists and if emergency funding is available, may award an emergency loan to an eligible public water system. These funds will be available for the construction, reconstruction, replacement, rehabilitation, temporary repair, or improvement necessary to continue or restore operation of a public water system that is in violation of health and safety standards due to an emergency as defined above. For purposes of this Program, emergency refers to an event like a natural disaster that causes damage or disrupts normal public water system operations and requires immediate action to protect public health and safety. A failure to maintain, replace, reconstruct, upgrade, or make necessary infrastructure improvement does not constitute an emergency.

Preference shall be given to non-governmental water systems. Loan terms for emergency projects may extend up to 30 years. If a project is bypassed because of an emergency project, it will get priority for funding as new funds become available.

¹⁰ Source: State Environmental Review Process (SERP) <https://health.hawaii.gov/wastewater/files/2018/06/serp.pdf>

F. DISADVANTAGED COMMUNITIES (DAC)

The DWSRF is authorized to provide 12 to 35 percent of the base capitalization grant for any fiscal year to assist DAC. A DAC is currently defined as a public water system's community with an affordability score of 30¹¹ or greater (out of 100), based on the DWSRF Priority Scoring Model and as demonstrated in the 2021 Hawaii Water Rates Dashboard and Hawaii 2015-2019 American Community Survey 5-year Estimates by Census Tracts & Legislative Districts.

The Hawaii DWSRF program may assist DAC by allowing water systems in such communities to extend financing of DWSRF loans up to 40 years.

G. FUNDABLE LIST OF PROJECTS

For SFY 2023, projects listed in Table 7 may be funded up to 100 percent of the eligible pre-construction and construction cost from the *DWSRF Priority List of Projects for SFY 2023* based on potential available funds and readiness-to-proceed. For the full *DWSRF Priority List of Projects for SFY 2023*, see Appendix A.

Per the FOCUS financial planning model using amounts as of June 15, 2022, the Program's lending capacity is \$61.1M. There will be \$61.1M executed in new loans.

Table 7. Fundable List of Projects

Priority Ranking	Project Number	Borrower	Project Name	Population	Estimated Eligible Amount (\$)	Estimated Start Date
1	HDWS-PF23	Hawaii Department of Water Supply ^E	Hawaii DWS Pro-Fi SFY 2023 ^{F, G}	193,680	20,000,000.00	SFY 2023
2	P-DW156-0003	Hawaiian Shores Association ^E	HSCA Water Lateral Replacement ^F	1,310	382,539.26	SFY 2020
6	KDOW-PF23	Kauai Department of Water Supply	Kauai DOW Pro-Fi SFY 2023 ^I	32,967	1,000,000.00	SFY 2023
11	P-DW150-0002	Napuu Water Inc. ^E	Napuu Water System Improvements	468	1,000,000.00	SFY 2022
13	DW434-0012	Kauai Department of Water Supply ^E	Kalaheo Water System Improvements ^F	12,660	13,000,000.00	SFY 2023
16	HBWS-PF23	Honolulu Board of Water Supply	Honolulu BWS Pro-Fi SFY 2023 ^{F, H}	986,999	20,000,000.00	SFY 2023
20	P-DW437-0001	Moloaa Irrigation Cooperative ^E	0.5 MG Tank Replacement	100	1,250,000.00	SFY 2020
21	P-DW209-0002	Olowalu Water Company, Inc. ^E	Backup Generator ^F	100	55,000.00	SFY 2022
29	P-DW251-0004	Launiupoko Water Company Inc	Backup Generator ^F	606	140,000.00	SFY 2022
33	DW214-0014	Maui Department of Water Supply	West Maui Source Development	100	4,250,000.00	SFY 2022
TOTAL					61,077,539.26	

See table notes on next page.

¹¹ Affordability score of 30 is a reduction from 45 in the previous year.

NOTES:

^E DAC based on the DWSRF Priority Scoring Model and as demonstrated in the 2021 Hawaii Water Rates Dashboard and Hawaii 2015-2019 American Community Survey 5-year Estimates by Census Tracts & Legislative Districts

^F Green Project Reserve: project addresses climate resiliency by incorporating one or more of the following: equipment hardening/waterproofing, prevention of saltwater damage, water efficiency, conservation and/or reuse, drought mitigation measures, energy efficiency/neutrality, or emergency response and recovery planning

^G See Appendix A.1. for the list of sub-projects for HDWS-PF23 Hawaii DWS Pro-Fi SFY 2023

^H See Appendix A.2. for the list of sub-projects for HBWS-PF23 Honolulu BWS Pro-Fi SFY 2023

^I See Appendix A.3. for the list of sub-projects for KDOW-PF23 Kauai DOW Pro-Fi SFY 2023

VI. ASSURANCES AND PROPOSALS

A. ENVIRONMENTAL REVIEW

The DWSRF program revised the State Environmental Review Process (SERP) to ensure that it meets the requirements of the federal DWSRF program. The DWSRF program provided EPA with the revised proposed SERP (to include Environmental Impact Statement [EIS] projects), which was approved by EPA's Regional Administrator in February 2018. Going forward, the DWSRF program will utilize the approved SERP to conduct environmental reviews for all eligible DWSRF funded projects.

B. FEDERAL CROSS-CUTTERS

The State will ensure that all federal crosscutters are addressed within the loan agreement prior to the finalization of the agreement. All projects seeking DWSRF assistance must have been and/or be constructed following all federal crosscutters and other DWSRF environmental requirements.

C. BINDING COMMITMENT

Hawaii's DWSRF program will enter binding commitments in an amount equal to the amount of each Capitalization Grant payment (Capitalization Grant less set-aside amounts) and accompanying State Match that is deposited into the Loan Fund. These commitments must be initiated within one (1) year after receipt of each Capitalization Grant payment and will ensure compliance with the binding commitment requirement.

D. TIMELY EXPENDITURE

The State will expend all funds in the DWSRF loan fund in a timely and expeditious manner in accordance with the EPA *Drinking Water State Revolving Fund (DWSRF) National Unliquidated Obligations Strategy* of April 14, 2014.

VII. U.S. EPA STRATEGIC PLAN GOALS AND OBJECTIVES

The Hawaii DWSRF program supports the FFY2022-2026 EPA Strategic Plan¹², dated March 28, 2022. Specifically, Hawaii has established and manages the revolving loan fund that provides low-cost loans and other types of assistance to water systems by financing the cost of infrastructure projects to achieve

¹² Source: <https://www.epa.gov/system/files/documents/2022-03/fy-2022-2026-epa-strategic-plan.pdf>

or maintain compliance with the Act requirements. Hawaii DWSRF activities support EPA Program Reporting Code 201B81E. Every summer, Hawaii and EPA negotiate Hawaii's Strategic Plan commitments for the State Fiscal Year starting July 1. Hawaii's commitments for SFY 2023 will be submitted by late-May 2022.

STRATEGIC PLAN GOAL 5: ENSURE CLEAN AND SAFE WATER FOR ALL COMMUNITIES

Provide clean and safe water for all communities and protect our nation's waterbodies from degradation.

STRATEGIC PLAN OBJECTIVE 5.1: ENSURE SAFE DRINKING WATER AND RELIABLE WATER INFRASTRUCTURE

Protect public health from the risk of exposure to regulated and emerging contaminants in drinking and source waters by improving the reliability, accessibility, and resilience of the nation's water infrastructure to reduce the impacts of climate change, structural deterioration, and cyber threats.

LONG-TERM PERFORMANCE GOALS (LTPG):

- LTPG: By September 30, 2026, reduce the number of community water systems still in noncompliance with health-based standards since March 31, 2021, from 752 to 500.
- LTPG: By September 30, 2026, leverage an additional \$45 billion in non-federal dollars through EPA's water infrastructure finance programs (CWSRF, DWSRF, and WIFIA).
- LTPG: By September 30, 2026, provide 2,203 Tribal, small, rural, or underserved communities with technical, managerial, or financial training or assistance to improve operations of their drinking water or wastewater systems.

All planned and prior year loans have assisted public water systems to meet the federal and state drinking water compliance requirements. Details of Hawaii's DWSRF activities supporting the National EPA Strategic Plan will be included in the SFY 2023 DWSRF Annual Report due to EPA on December 10, 2023, or as negotiated with EPA. A summary of loan activity for the fiscal year will be included in the report as well as details for each project. Project details will include a brief description and benefit of the project, project number, dollar amount and population served for projects financed, and the interest rate for each loan.

APPENDIX A - DWSRF PRIORITY LIST OF PROJECTS FOR SFY 2023

APPENDIX A - DWSRF PRIORITY LIST OF PROJECTS FOR SFY 2023

Priority Ranking	Project Number	Borrower	Project Name	Population	Estimated Eligible Amount (\$)	Estimated Start Date
1	HDWS-PF23	Hawaii Department of Water Supply	Hawaii DWS Pro-Fi SFY 2023	193,680	20,000,000.00	SFY 2023
2	P-DW156-0003	Hawaiian Shores Association	Lateral Valve Replacement Project (aka HSCA Water Lateral Replacement)	1,310	382,539.26	SFY 2020
3	P-DW156-0002	Hawaiian Shores Association	HSCA Water System Capacity Upgrade Project (aka HSCA Water Line Capacity Improvement)	1,310	1,827,539.26	SFY 2023
4	P-DW248-0001	Kawela Plantation Homeowners Association	Replacement Distribution Line	553	200,000.00	SFY 2020
5	DW129-0004	Hawaii Department of Water Supply	Halaula Well Development Phase 2	4,933	14,132,195.00	SFY 2021
6	KDOW-PF23	Kauai Department of Water Supply	Kauai DOW Pro-Fi SFY 2023	32,967	1,000,000.00	SFY 2023
7	P-DW248-0003	Kawela Plantation Homeowners Association	Smart Metering Including Billing Software	553	61,745.00	SFY 2020
8	P-DW209-0001	Olowalu Water Company, Inc.	SCADA Systems	100	100,000.00	SFY 2022
9	P-DW248-0002	Kawela Plantation Homeowners Association	New Well Source	553	3,260,000.00	SFY 2020
10	P-DW248-0005	Kawela Plantation Homeowners Association	Energy Audit & Renewable Energy Study (New Source)	553	40,000.00	SFY 2020
11	P-DW150-0002	Napuu Water Inc	Napuu Water System Improvements	468	1,000,000.00	SFY 2022
12	P-DW328-0001	Kipapa Acres C.P.R.	Honolulu BWS Metered Connection to Lot B	43	500,000.00	SFY 2022
13	DW434-0012	Kauai Department of Water Supply	Kalaheo Water System Improvements	12,660	13,000,000.00	SFY 2023
14	P-DW309-0001	OPU Waialua Corporation	Waialua Pump 2 System Improvements	400	4,495,000.00	SFY 2022
15	DW215-0015	Maui Department of Water Supply	Upper Kula Transmission Replacement	7,686	5,000,000.00	SFY 2023
16	HBWS-PF23	Honolulu Board of Water Supply	Honolulu BWS Pro-Fi SFY 2023	986,999	20,000,000.00	SFY 2023
17	P-DW437-0002	Molokaa Irrigation Cooperative	Distribution System Improvements	100	2,500,000.00	SFY 2020
18	KDOW-0001	Kauai Department of Water Supply	Islandwide AMI Meter Replacement	70,447	21,000,000.00	SFY 2023
19	MDWS-0003	Maui Department of Water Supply	Countywide Waterline Replacements	162,456	5,000,000.00	SFY 2024
20	P-DW437-0001	Molokaa Irrigation Cooperative	0.5 MG Tank Replacement	100	1,250,000.00	SFY 2020
21	P-DW209-0002	Olowalu Water Company, Inc.	Backup Generator	100	55,000.00	SFY 2022
22	P-DW168-0004	Keopu Water Association	Keopu Water System Improvements	250	1,000,000.00	SFY 2020
23	DW130-0009	Hawaii Department of Water Supply	Waikoloa Reservoir No. 1 Earthquake Damage Repairs	9,612	7,500,000.00	SFY 2024
24	P-DW209-0003	Olowalu Water Company, Inc.	OWC Well #2	100	450,000.00	SFY 2023
25	MDWS-0004	Maui Department of Water Supply	Countywide Tank Replacements	162,456	5,000,000.00	SFY 2024

Priority Ranking	Project Number	Borrower	Project Name	Population	Estimated Eligible Amount (\$)	Estimated Start Date
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26	P-DW251-0001	Launiupoko Water Company Inc	SCADA SYSTEMS	606	200,000.00	SFY 2022
27	P-DW254-0003	Launiupoko Water Company Inc	LWC WELL #4	606	850,000.00	SFY 2023
28	P-DW251-0002	Launiupoko Water Company Inc	STORAGE TANK #3	606	500,000.00	SFY 2023
29	P-DW251-0004	Launiupoko Water Company Inc	Backup Generator	606	140,000.00	SFY 2022
30	P-DW437-0003	Moloaa Irrigation Cooperative	SCADA Relocation and Solar Power for Controls	100	100,000.00	SFY 2020
31	P-DW437-0004	Moloaa Irrigation Cooperative	SCADA Controls	6,911	6,000.00	SFY 2020
32	P-DW428-0001	Princeville Utilities Co. Inc.	New Well 5	20,065	3,000,000.00	SFY 2022
33	DW214-0014	Maui Department of Water Supply	West Maui Source Development	100	4,250,000.00	SFY 2022

**APPENDIX A.1 – SUB-PROJECTS LIST FOR HDWS-PF23
HAWAII DWS PRO-FI SFY 2023**

APPENDIX A.1 – SUB-PROJECTS LIST FOR HDWS-PF23

HAWAII DWS PRO-FI SFY 2023

Sub-Project No.	Project Location	Project Title	Service Pop.	Estimated Start Date	Estimated Total Cost (\$)
C-18-01	Waiaha, North Kona	Waiaha Well B - Phase 1 (fka -North Kona Well Ph. 1)	28,971	11/5/2021	3,045,000.00
C-18-02	Waiaha, North Kona	Waiaha Transmission Waterline Improvements (Mamalahoa Highway) (aka Waiaha WSI - Transmission)	28,971	1/31/2018	3,240,878.00
C-18-04	Honokohau, North Kona	Palani Deepwell Repair	28,971	1/31/2018	1,330,568.00
C-18-05	Keopu, North Kona	Keopu Deepwell Repair	28,971	2/28/2018	226,819.40
C-18-06	Papaikou, South Hilo	Papaikou Pipeline Replacement Ph.1 & 2	2,176	12/31/2017	6,000,000.00
C-18-10	Lalamilo, South Kohala	Parker Well #1 Deepwell Repair	1,868	SFY 2018	450,000.00
C-18-11	Lalamilo, South Kohala	Parker Well #2 Deepwell Repair	1,868	SFY 2018	632,000.00
C-18-12	Waimea, South Kohala	Waimea Deepwell Repair (2)	9,480	SFY 2018	55,700.00
C-18-14	Waiaha, North Kona	Waiaha Deepwell Repair	28,971	SFY 2018	650,000.00
C-18-15	Kalaoa, North Kona	Kalaoa Deepwell Repair	28,971	SFY 2018	987,635.00
C-18-17	Papaikou, South Hilo	Kaieie Mauka Facility Improvements	38,885	SFY 2018	2,261,045.70
C-19-01	Hawi, North Kohala	Kaauhuhu Reservoir Replacement	4,836	SFY 2020	108,250.00
C-19-02	Lalamilo, South Kohala	Lalamilo 10MG Reservoir (Planning and Design)	1,868	SFY 2021	1,000,000.00
C-19-03	Hawaii County	Deepwell Repairs Islandwide	193,680	SFY 2021	1,000,000.00
C-19-05	Kalaoa, North Kona	North Kona Mid-Elevation Deepwell Phase I	28,971	SFY 2021	2,574,800.00
C-19-06	Kalaoa, North Kona	Kahaluu Shaft Inclined Lift Replacement	28,971	SFY 2019	1,459,370.00
C-19-07	Keaau, Puna	Olaa #3 Deepwell Repair	6,394	SFY 2020	464,540.50
C-19-08	Lalamilo, South Kohala	Lalamilo D Deepwell Repair	1,868	SFY 2019	284,000.00
C-21-02	Hawi, North Kohala	Hawi #2 Deepwell Repair (2)	4,836	SFY 2019	168,000.00
C-21-03	Lalamilo, South Kohala	Parker #1 Deepwell Repair (2)	1,868	SFY 2019	211,276.00
C-21-05	Waimea, South Kohala	Waimea Deepwell Repair (2)	9,612	SFY 2019	696,289.97
C-21-07	Lalamilo, South Kohala	Lalamilo Well A Repair	1,868	SFY 2020	375,000.00
C-21-08	Lalamilo, South Kohala	Lalamilo Well B Repair	1,868	SFY 2021	800,000.00
C-21-09	Panaewa, South Hilo	Pana'ewa Wells B & C Repair	38,885	SFY 2020	875,920.00
C-21-11	Kulaimano, South Hilo	Kulaimano Well A Repair	1,442	Jul-19	226,400.00
C-21-13	Honokohau, North Kona	Palani Deepwell Repair	28,971	Aug-19	419,989.75
C-21-14	Keei, South Kona	Keei C Deepwell Repair	6,512	Sep-19	857,120.00
C-21-15	Kalapana, Puna	Keauohana Deepwell B Repair	275	Sep-18	779,652.30

Sub-Project No.	Project Location	Project Title	Service Pop.	Estimated Start Date	Estimated Total Cost (\$)
C-21-17	Kahaluu, North Kona	Kahaluu B Deepwell Repair	28,971	SFY 2020	600,000.00
C-21-20	Panaewa, South Hilo	Panaewa Well A Repair (2)	28,971	SFY 2020	100,000.00
C-21-21	Pahoa, Puna	Pahoa Deepwell A Repair	1,885	SFY 2019	642,607.90
C-22-01	Lalamilo, South Kohala	Lalamilo D Deepwell Repair (2)	1,868	SFY 2019	284,000.00
C-22-02	Ookala, North Hilo	Milo Street Water System Improvements	6,394	SFY 2022	1,300,000.00
C-22-04	North Hilo	Laupahoehoe Well B Rehabilitation	1,169	SFY 2022	600,000.00
C-23-01	Islandwide	LCRR Compliance-Construction	193,680	SFY 2023	TBD
C-23-02	Islandwide	Emerging Contaminants Monitoring-Construction	193,680	SFY 2023	TBD
C-23-03	Panaewa, South Hilo	Panaewa Wells Master Plan and Design-Construction	38,885	SFY 2023	1,350,000.00
C-23-04	Lalamilo, South Kohala	Lalamilo 10MG Reservoir-Construction	1,895	SFY 2023	13,500,000.00
C-23-05	Ninole, North Hilo	Ninole Spring Box Modification-Construction	151	SFY 2023	450,000.00
C-23-06	Islandwide	Large Meter Replacement-Construction	193,680	SFY 2023-2026	450,000.00
C-23-07	Honokaa, Hamakua	Honokaa Camp 10 Pipeline-Construction	4,563	SFY 2024	1,800,000.00
C-23-08	Keei, South Kona	Keei D Electrical Improvements-Construction	6,512	SFY 2024	1,800,000.00
C-23-09	Waipunaula, South Kona	Kona Steel Tank Replacement & Pipeline-Construction	6,512	SFY 2024	2,700,000.00
C-23-10	Waiohinu, Kau	Waiohinu 0.05 MG Steel Tank Replacement-Construction	2,948	SFY 2024	900,000.00
C-23-11	Holualoa, North Kona to Keei, South Kona	Holualoa - Keei Corridor Improvements, Ph. 3-Construction	36,093	SFY 2025	3,600,000.00
C-23-12	Keauhou, Kona	Keauhou Well Ph. 2-Construction	29,581	SFY 2025	5,400,000.00
C-23-13	Holualoa, North Kona to Keei, South Kona	Holualoa - Keei Corridor Improvements, Ph. 2-Construction	36,093	SFY 2025	2,700,000.00
C-23-14	Kalopa, Hamakua	Keahua Rd - Kalopa Mauka Rd Pipeline Replacement, Ph. 1-Construction	6,512	SFY 2026	1,350,000.00
C-23-15	Kurtistown, Puna	N. Ala Rd Pipeline Replacement-Construction	6,467	SFY 2026	450,000.00
C-23-16	Holualoa, North Kona to Keei, South Kona	Holualoa - Keei Corridor Improvements, Ph. 4-Construction	36,093	SFY 2027	2,250,000.00
C-23-17	Kalopa, Hamakua	Keahua Rd - Kalopa Mauka Rd Pipeline Replacement, Ph. 2-Construction	6,512	SFY 2027	1,350,000.00
C-23-18	Panaewa, South Hilo	Panaewa Wells Fac. Impr. & Res. - Ph. 2-Construction	38,885	SFY 2027	5,850,000.00
D-19-01	Waiaha, North Kona	Waiaha Source Well B - Phase 1	28,971	SFY 2019	225,813.00
D-19-02	Waimea, South Kohala	Waimea Water Treatment Plant 5.0 MG Clearwell Reservoir	9,612	SFY 2019	500,000.00
D-21-01	Waiaha, North Kona	Waiaha Transmission Waterline Improvements (Mamalahoa Highway) (aka Waiaha WSI - Transmission)	28,971	SFY 2019	313,460.54
D-21-03	Hawaii County	Deepwell Repairs Islandwide	193,680	SFY 2021	1,000,000.00
D-21-04	North Kona	North Kona Mid-Elevation Deepwell Phase I	28,971	SFY 2020	211,280.00
D-22-01	Hawi, North Kohala	Kaauhuhu Reservoir Replacement	4836	SFY 2020	107,082.68

Sub-Project No.	Project Location	Project Title	Service Pop.	Estimated Start Date	Estimated Total Cost (\$)
D-22-02	Kukuihaele	Kapulena Well Development Phase 2 (Production Well and 0.3 MG Reservoir)	456	SFY 2016	362,882.47
D-22-04	Kahaluu, North Kona	Kahaluu Shaft Inclined Lift Replacement	28,971	SFY 2014	107,082.68
D-22-05	Laupahoehoe, North Hilo	Olaa #3 Well B, Phase 1	6,394	SFY 2022	1,000,000.00
D-22-06	Keei, South Kona	Keei #2 Booster Replacement	6,512	SFY 2022	TBD
D-22-07	Islandwide	Chlorination Conversion - Phase 1	193,680	SFY 2022	TBD
D-22-08	Panaewa, South Hilo	Makalika & Lama St. Pipeline Replacement	38,885	SFY 2022	TBD
D-22-09	Kulaimano, South Hilo	Pepeekeo Waterline Replacement	1,442	SFY 2022	TBD
D-22-10	Waimea, South Kohala	Ranchers Subdivision Waterline Replacement	9,612	SFY 2022	TBD
D-22-11	Keauhou, Kona	Kahaluu Shaft Renovation - Phase 1 (Electrical Upgrades and MCC Replacement)	28,971	SFY 2022	TBD
D-22-12	Waimea, South Kohala	Waimea Water Treatment Plant Sludge Disposal Study	9,612	SFY 2022	TBD
D-23-01	Islandwide	LCRR Compliance	193,680	SFY 2023	750,000.00
D-23-02	Islandwide	Emerging Contaminants Monitoring	193,680	SFY 2023	25,000.00
D-23-03	Panaewa, South Hilo	Panaewa Wells Master Plan and Design-Design	38,885	SFY 2023	150,000.00
D-23-04	Lalamilo, South Kohala	Lalamilo 10MG Reservoir-Design	1,895	SFY 2023	1,500,000.00
D-23-05	Ninole, North Hilo	Ninole Spring Box Modification-Design	151	SFY 2023	50,000.00
D-23-06	Islandwide	Large Meter Replacement-Design	193,680	SFY 2023-2026	50,000.00
D-23-07	Honokaa, Hamakua	Honokaa Camp 10 Pipeline-Design	4,563	SFY 2024	200,000.00
D-23-08	Keei, South Kona	Keei D Electrical Improvements-Design	6,512	SFY 2023	200,000.00
D-23-09	Waipuna, South Kona	Kona Steel Tank Replacement & Pipeline-Design	6,512	SFY 2024	300,000.00
D-23-10	Waiohinu, Kau	Waiohinu 0.05 MG Steel Tank Replacement-Design	2,948	SFY 2024	100,000.00
D-23-11	Holualoa, North Kona to Keei, South Kona	Holualoa - Keei Corridor Improvements, Ph. 3-Design	36,093	SFY 2025	400,000.00
D-23-12	Keauhou, Kona	Keauhou Well Ph. 2-Design	29,581	SFY 2025	600,000.00
D-23-13	Holualoa, North Kona to Keei, South Kona	Holualoa - Keei Corridor Improvements, Ph. 2-Design	36,093	SFY 2025	300,000.00
D-23-14	Kalopa, Hamakua	Keahua Rd - Kalopa Mauka Rd Pipeline Replacement, Ph. 1-Design	6,512	SFY 2026	150,000.00
D-23-15	Kurtistown, Puna	N. Ala Rd Pipeline Replacement-Design	6,467	SFY 2026	50,000.00
D-23-16	Holualoa, North Kona to Keei, South Kona	Holualoa - Keei Corridor Improvements, Ph. 4-Design	36,093	SFY 2027	250,000.00
D-23-17	Kalopa, Hamakua	Keahua Rd - Kalopa Mauka Rd Pipeline Replacement, Ph. 2-Design	6,512	SFY 2027	150,000.00
D-23-18	Panaewa, South Hilo	Panaewa Wells Fac. Impr. & Res. - Ph. 2-Design	38,885	SFY 2027	650,000.00
DW101-0002	Puainako Street	Puainako Street Waterline Replacement	38,885	SFY 2020	2,000,000.00
DW106-0002	Pepeekeo, South Hilo	Pepeekeo Waterline Replacement	1,442	SFY 2021	1,000,000.00

Sub-Project No.	Project Location	Project Title	Service Pop.	Estimated Start Date	Estimated Total Cost (\$)
DW108-0001	Waiohinu, Kau	Waiohinu Well, Phase 1	2,832	SFY 2021	1,000,000.00
DW112-0002	Keaau, Puna	Milo Street Water System Improvements	6,394	SFY 2019	1,000,000.00
DW112-0003	Kurtistown, Puna	Hay Subdivision Waterline Replacement	6,394	SFY 2020	120,000.00
DW129-0003	Halaula-Maulili Rd., North Kohala	Halaula Well Development Phase 2	4,836	May-19	782,888.00
DW129-0004	Halaula-Maulili Rd., North Kohala	Halaula Well Development Phase 2	4,836	May-19	12,882,195.00
DW130-0006	Hawi, North Kohala	Beers Road Waterline Replacement	4,836	SFY 2022	500,000.00
DW130-0007	Waimea, South Kohala	Ranchers Subdivision Waterline Replacement	9,612	SFY 2021	100,000.00
DW130-0008	Waimea, South Kohala	Waikoloa Reservoir No. 1 Earthquake Damage Repairs	9,612	Aug-17	1,330,208.00
DW131-0001	Keauhou, Kona	Holua Road Waterline Replacement	28,971	SFY 2021	500,000.00
DW160-0001	Puako, South Kohala	Puako Waterline Replacement	1,868	Jul-05	2,500,000.00
DW161-0003	Honokaa, Hamakua	Honokaa Camp 10 Reservoir Replacement	4,487	SFY 2021	1,500,000.00
DW161-0004	Honokaa, Hamakua	Honokaa Camp 8 Waterline Replacement	4,487	SFY 2021	500,000.00
M-22-01	Waimea, South Kohala	Waimea Water Treatment Compliance Upgrades	9,612	SFY 2016	255,000.00

TOTAL 116,279,754.89

**APPENDIX A.2 – SUB-PROJECTS LIST FOR HBWS-PF23
HONOLULU BWS PRO-FI SFY 2023**

APPENDIX A.2 – SUB-PROJECTS LIST FOR HBWS-PF23

HONOLULU BWS PRO-FI SFY 2023

Sub-Project No.	Project Location	Project Title	Service Pop.	Estimated Start Date	Estimated Total Cost (\$)
C-17-13	Honolulu-Windward-Pearl Harbor	Keanu Line Booster: Replace Pumping Units	630,266	Aug-16	2,157,455.00
C-17-14	Honolulu-Windward-Pearl Harbor	Kalihi Pump Station Low and High Service Renovation	630,266	Oct-16	14,422,966.44
C-17-16	Honolulu-Windward-Pearl Harbor	Diamond Head Line Booster: Replace Pumping Units	630,266	SFY 2017	4,566,544.94
C-17-17	Honolulu-Windward-Pearl Harbor	Halawa Wells and Booster No. 2: Replacement of Pumping Units	630,266	SFY 2017	2,999,052.80
C-17-19	Honolulu-Windward-Pearl Harbor	Moanalua Wells: Replacement of Pump No. 1	630,266	SFY 2018	1,118,756.40
C-19-04	Honolulu-Windward-Pearl Harbor	Lunalilo Home Road Water System Improvements	630,266	SFY 2019	6,370,000.00
C-19-05	Honolulu-Windward-Pearl Harbor	Makiki & Waialae Iki 180 Reservoir Renovate/Replace Reservoir Altitude Valve Assemblies -	630,266	SFY 2021	2,000,000.00
C-19-10	Honolulu-Windward-Pearl Harbor	Pearl City Wells I Renovation	630,266	SFY 2018	1,688,919.00
C-19-12	Honolulu-Windward-Pearl Harbor	Pipeline Tunnel Renovations at Various Locations	630,266	SFY 2021	3,100,000.00
C-19-13	Honolulu-Windward-Pearl Harbor	Punaluu Wells II Renovation	630,266	SFY 2018	8,879,000.00
C-19-14	Honolulu-Windward-Pearl Harbor	Punanani Wells MCC Replacement	630,266	SFY 2018	4,452,470.00
C-19-17	Honolulu-Windward-Pearl Harbor	Waialae Iki Well Renovation	630,266	SFY 2018	1,237,688.32
C-19-18	Honolulu-Windward-Pearl Harbor	Waihee Line Booster: Replace Pumping Units	630,266	SFY 2021	3,400,000.00
C-19-28	Honolulu-Windward-Pearl Harbor	Pearl City Wells II System Improvements	630,266	SFY 2017	3,200,000.00
C-20-12	Honolulu-Windward-Pearl Harbor	Rehabilitation of Pipeline Tunnels: Moanalua and Quarry Tunnels	630,266	TBD	7,500,000.00
C-21-01	Waipahu-Ewa-Waianae	Hoaeae Wells Pump Replacement and Electrical Upgrades	217,479	SFY 2020	5,700,000.00
C-21-02	Honolulu-Windward-Pearl Harbor	Mariners Ridge Booster No. 2 Renovation	630,266	SFY 2021	2,500,000.00
C-21-04	Honolulu-Windward-Pearl Harbor	Wilhelmina Rise 811 Reservoir Replacement	630,266	9/1/2022	4,400,000.00
C-21-05	Honolulu-Windward-Pearl Harbor	Aina Haina 170 0.5 MG Reservoir No. 2	630,266	9/1/2022	3,300,000.00
C-21-06	Honolulu-Windward-Pearl Harbor	Waahila 180 Reservoir Repair	630,266	9/1/2022	1,500,000.00
C-21-07	Waipio Heights	Waipio Heights Wells and Wells I Renovation	11,516	SFY 2024	6,000,000.00
C-21-08	Honolulu-Windward-Pearl Harbor	Pearl City 640' Reservoir, Well III and Booster No. 2 Repair and Renovation	630,266	9/1/2023	1,500,000.00
C-21-09	Honolulu-Windward-Pearl Harbor	Pearl City 385 Reservoir Rehabilitation	630,266	9/1/2024	1,000,000.00
C-21-10	Honolulu-Windward-Pearl Harbor	Wilder Wells Starter Upgrades and Facility Repairs	630,266	9/1/2024	2,750,000.00
C-21-11	Honolulu-Windward-Pearl Harbor	Kalihi Shaft MCC Replacement	630,266	9/1/2024	2,000,000.00
C-21-14	Honolulu-Windward-Pearl Harbor	Secondary Microbiology Laboratory and Secondary Control Center	630,266	2/1/2021	3,000,000.00
C-22-01	Honolulu-Windward-Pearl Harbor	Kaamilo Booster and Kaamilo Wells Renovation	630,266	SFY 2024	4,000,000.00
D-17-01	Honolulu-Windward-Pearl Harbor	Kalihi Pump Station Low and High Service Renovation	630,266	SFY 2014	1,198,306.93

Sub-Project No.	Project Location	Project Title	Service Pop.	Estimated Start Date	Estimated Total Cost (\$)
D-17-02	Honolulu-Windward-Pearl Harbor	Pump Renewal and Replacement for Keanu Line Booster, Maunawili Booster, Mariner's Ridge Booster No. 1 and Aina Koa Booster No. 1	630,266	7/15/2013	1,127,726.00
D-17-03	Honolulu-Windward-Pearl Harbor	Pump Renewal and Replacement: Kaluanui Line Booster, Diamond Head Line Booster, Kaonohi Booster No. 1, Waihee Line Booster, and Punaluu Wells II	630,266	7/16/2013	2,422,927.26
D-17-07	Honolulu-Windward-Pearl Harbor	Pearl City Wells II Isolation Valves	630,266	5/1/2015	272,407.00
D-17-08	Honolulu-Windward-Pearl Harbor	Waialae Iki Well Renovation	630,266	5/1/2015	189,273.06
D-17-09	Honolulu-Windward-Pearl Harbor	Makiki & Waialae Iki 180 Reservoir Renovate/Replace Reservoir Altitude Valve Assemblies -	630,266	6/9/2015	361,334.49
D-17-10	Millilani	Millilani Wells II Improvements	50,420	6/23/2015	118,060.00
D-17-11	Honolulu-Windward-Pearl Harbor	Pearl City Wells I Renovation	630,266	SFY 2016	237,948.00
D-17-12	Honolulu-Windward-Pearl Harbor	Punanani Wells Motor Control Center Replacement	630,266	8/7/2015	504,840.83
D-17-14	Honolulu-Windward-Pearl Harbor	Halawa Wells and Booster No. 2: Replacement of Pumping Units	630,266	SFY 2017	294,994.00
D-21-01	Honolulu-Windward-Pearl Harbor	Secondary Microbiology Laboratory and Secondary Control Center	630,266	2/2/2021	701,122.00
DW331-0044	Honolulu-Windward-Pearl Harbor	Anoi Road Water System Improvements	630,266	SFY 2018	6,200,000.00

TOTAL \$118,371,792.47

**APPENDIX A.3 – SUB-PROJECTS LIST FOR KDOW-PF23
KAUAI DOW PRO-FI SFY 2023**

APPENDIX A.3 – SUB-PROJECTS LIST FOR KDOW-PF23

KAUAI DOW PRO-FI SFY 2023

Sub -Project Number	Project Location	Project Title	Service Pop.	Estimated Start Date	Estimated Total Cost (\$)
D-23-01	Puhi, Līhu'e, Kapa'a	Drill and Develop Kapa'a Homesteads Well 5 - Design	31,337	9/1/2022	700,000.00
D-23-02	Hanalei	Drill and Test Hanalei Well - Design	450	9/1/2022	200,000.00
D-23-03	Hā'ena-Wainiha	Drill and Test Wainiha/Hā'ena Well - Design	1,180	9/1/2022	200,000.00
D-23-04	Hanapēpē-Ēleele	Hanapēpē Town Well MCC, Chlorination Facilities - Design	5,028	9/1/2022	150,000.00
D-23-05	Hanapēpē-Ēleele	Hanapēpē Well Dry Access - Design	5,028	9/1/2022	500,000.00
D-23-06	Puhi, Līhu'e, Kapa'a	Kilohana Wells A, B, F & I Permanent Generator - Design	31,337	9/1/2022	100,000.00
D-23-07	Puhi, Līhu'e, Kapa'a	Kuamoo Road 8" Main Replacement (6,500') - Design	31,337	7/1/2022	400,000.00
D-23-08	Puhi, Līhu'e, Kapa'a	Rehabilitate Puupilo Steel Tank - Design	31,337	7/1/2023	250,000.00
D-23-09	Puhi, Līhu'e, Kapa'a	U of H Experiment Station 605' Tank, 0.25 MG and 12" DI Pipeline (2,900') - Design	31,337	9/1/2022	300,000.00
D-23-10	Puhi, Līhu'e, Kapa'a	Wailua Homesteads 538' Tank, 1.0 MG - Design	31,337	7/1/2022	500,000.00
D-23-11	Hanalei	Weke, Anae, Mahimahi and Hee Rd 6" and 8" Main Replacement (2,760') - Design	450	9/1/2022	100,000.00
C-23-01	Puhi, Līhu'e, Kapa'a	Rehabilitate Puupilo Steel Tank - Construction	31,337	7/1/2023	4,000,000.00

TOTAL \$7,400,000.00

APPENDIX B - DWSRF PROJECT RANKING CRITERIA

APPENDIX B - DWSRF PROJECT RANKING CRITERIA

SUMMARY OF THE PROJECT PRIORITIZATION MODEL

Calibration Methodology – 300 total points, four sections

SECTION	% OF BASE POINTS	POINTS INCLUDED
Drinking Water Quality & Public Health	40%	120 ⁱ
Affordability	33%	100
Compliance and Enforcement	17%	50
Sustainability/Resiliency	10%	30
TOTAL	100%	300 possible

PRIORITY SCORING MODEL

SECTION I: DRINKING WATER QUALITY & PUBLIC HEALTH	120 POSSIBLE
Project addresses a documented waterborne disease outbreak associated with the system within the last 24 months	30
Project corrects or prevents violations of MCLs (primary standards) ⁱⁱ <ul style="list-style-type: none"> Nitrate, nitrite, TCR Microorganisms (Giardia lamblia, Cryptosporidium, Legionella) Disinfection byproducts (TTHMs, HAA5) Other regulated contaminants 	25 15 10 5
*Points are additive in this section	
Project corrects or prevents inadequate treatment techniques that are unable to satisfy the requirements for <ul style="list-style-type: none"> Surface water GWUDI Groundwater Lead and Copper Rule 	15
Project corrects exceedances of secondary drinking water standards (aesthetics – color, smell, etc.)	10
Project will correct or prevent: <ul style="list-style-type: none"> Inadequate distribution due to system deterioration (e.g., experiencing multiple line breakages) or loss of supply Inadequate distribution due to chronic low pressure Inadequate storage (either through capacity or condition of tank) 	15 10 5

SECTION II: AFFORDABILITYⁱⁱⁱ	100 POSSIBLE
Poverty level in project area <ul style="list-style-type: none"> • >20% • 15%- 19.99% • 10% - 14.99% • 5% -9.99% • <5% 	40 30 20 10 0
User Fees (proposed annual average residential fees/area MHI) ^{iv} <ul style="list-style-type: none"> • Rates are >2.0% of service area's MHI • Rates are between 1.5% and 2% of the service area's MHI • Rates are between 1% and 1.49% of the service area's MHI • Rates are between 0.5% and 0.99% of the service area's MHI • Rates are <0.5% of the service area's MHI 	30 20 10 5 0
Unemployment in project area <ul style="list-style-type: none"> • >15% • Between 10% - 14.99% • Between 6% - 9.99% • Between 3% - 5.99% • <3% 	30 20 10 5 0

SECTION III: COMPLIANCE AND ENFORCEMENT	50 POSSIBLE
Project addresses an enforcement action by DOH and the facility is currently in violation of SDWA limitations.	50
Project addresses a facility's voluntary efforts to resolve a possible violation and will mitigate the issuance of an enforcement action.	25
System is currently meeting all requirements.	15

SECTION IV: SUSTAINABILITY AND RESILIENCY	30 POSSIBLE
<p>Project promotes sustainable utilities and/or communities through a utility management plan that:</p> <ul style="list-style-type: none"> • Secures a replacement fund for the rehabilitation and replacement of aging and deteriorating infrastructure as needed • Provides sufficient revenues to meet O&M and capital needs • Demonstrates that the facility has maintained licensed/certified operators, adequate staffing to properly operate and maintain the facility and will continue to do so • Incorporates a fix-it-first planning methodology <p>*Points are additive in this section</p>	5 pts each
<p>Project addresses climate resiliency by incorporating one or more of the following:</p> <ul style="list-style-type: none"> • Installation of physical barriers • Equipment hardening/waterproofing • Prevention of saltwater damage • Water efficiency, conservation and/or reuse • Drought mitigation measures ^v • Energy Efficiency/Neutrality • Emergency Response and Recovery Planning 	5
<p>Project incorporates wet weather management by implementing green infrastructure systems at utility structures and surrounding footprint</p>	5

NOTES:

ⁱ Violations of more than one contaminant are additive, which may result in significant exceedances of the total base points. This structure captures needs for repeat violations and provides indicators for both chronic and acute health hazards. This section is the most heavily weighted of the five sections included in the scoring model.

ⁱⁱ This accommodates repeat violations and provides indicators for both chronic and acute health hazards.

ⁱⁱⁱ Affordability data sets are based on the 2021 Hawaii Water Rates Dashboard and Hawaii 2015-2019 American Community Survey 5-year Estimates by Census Tracts & Legislative Districts

^{iv} Based on average water usage of 1,000-gallons per month, or 12,000-gallons annually, including base fees in addition to volumetric charges.

^v Includes leak detection programs, conservation pricing, interconnections between utilities, drilling new wellheads, emergency water distribution, aquifer storage and recovery.

**APPENDIX C - FFY 2022 BASE FEDERAL AND BIL SUPPLEMENTAL
CAPITALIZATION GRANT PAYMENTS AND DISBURSEMENT SCHEDULE
FOR FFYS 2023 AND 2024**

APPENDIX C

FFY 2022 BASE FEDERAL AND BIL SUPPLEMENTAL CAPITALIZATION GRANT PAYMENTS AND DISBURSEMENT SCHEDULE FOR FFYs 2023 AND 2024

FFY	Quarter	Application for EPA Loan Payments (BASE)	Application for EPA Loan Payments (BIL)	Application for Set Asides Payments (BASE - including in-kind services)	Application for Set Asides Payments (BIL including in-kind services)	Set Asides (BASE+BIL), In-Kind Services, and Fee Disbursements	DWSRF Loan Disbursements (BASE+BIL including Cap Grant, State Match, & Repayments & Investment Interest) **
2023	1	\$0.00	\$0.00	\$159,405.00	\$851,712.50	\$1,536,696.92	\$100,959.00
2023	2	\$6,026,880.00	\$13,975,780.00	\$159,405.00	\$851,712.50	\$1,516,696.92	\$1,480,926.51
2023	3	\$0.00	\$0.00	\$159,405.00	\$851,712.50	\$1,516,696.92	\$23,475,426.00
2023	4	\$0.00	\$0.00	\$159,405.00	\$851,712.50	\$1,516,696.92	\$5,991,049.00
2024	1	\$0.00	\$0.00	\$85,875.00	\$152,342.50	\$329,392.50	\$4,587,762.00
2024	2	\$0.00	\$0.00	\$85,875.00	\$152,342.50	\$329,392.50	\$23,505,993.00
2024	3	\$0.00	\$0.00	\$85,875.00	\$152,342.50	\$329,392.50	\$21,879,932.00
2024	4	\$0.00	\$0.00	\$85,875.00	\$152,342.50	\$329,392.50	\$1,635,049.29
Sub Total		\$6,026,880.00	\$13,975,780.00	\$981,120.00	\$4,016,220.00	\$7,404,357.68	\$82,657,096.80
Totals			\$25,000,000.00			\$90,061,454.48	

** from HIDW FOCUS Model_2022-06-07.xlsm Quarterly CF Tab Row 45 = Total Disbursements to Borrowers ⇔ LGTS Tab Columns M = Actual to Disburse.

Hawaii Authority Request by Set-Aside Code FFY2023

FFY	DATE	Amount	Description	Site Code
23Q1	October 1, 2022	\$ 70,080.00	4% Admin	DD
23Q1	October 1, 2022	\$ -	2% SSTA	DE
23Q1	October 1, 2022	\$ 89,325.00	10% PWSS	DF
23Q1	October 1, 2022	\$ -	15% Local	DG
23Q1	October 1, 2022	\$ 117,420.00	BIL4% Admin	DD
23Q1	October 1, 2022	\$ 44,980.00	BIL2% SSTA	DE
23Q1	October 1, 2022	\$ 378,800.00	BIL10% PWSS	DF
23Q1	October 1, 2022	\$ 185,512.50	BIL15% Local	DG
23Q2	January 1, 2023	\$ 6,026,880.00	Loan Fund	DA
23Q2	January 1, 2023	\$ 70,080.00	4% Admin	DD
23Q2	January 1, 2023	\$ -	2% SSTA	DE
23Q2	January 1, 2023	\$ 89,325.00	10% PWSS	DF
23Q2	January 1, 2023	\$ -	15% Local	DG
23Q2	January 1, 2023	\$ 13,975,780.00	BILLoan Fund	DA
23Q2	January 1, 2023	\$ 117,420.00	BIL4% Admin	DD
23Q2	January 1, 2023	\$ 44,980.00	BIL2% SSTA	DE
23Q2	January 1, 2023	\$ 378,800.00	BIL10% PWSS	DF
23Q2	January 1, 2023	\$ 185,512.50	BIL15% Local	DG
23Q3	April 1, 2023	\$ 70,080.00	4% Admin	DD
23Q3	April 1, 2023	\$ -	2% SSTA	DE
23Q3	April 1, 2023	\$ 89,325.00	10% PWSS	DF
23Q3	April 1, 2023	\$ -	15% Local	DG
23Q3	April 1, 2023	\$ 117,420.00	BIL4% Admin	DD
23Q3	April 1, 2023	\$ 44,980.00	BIL2% SSTA	DE
23Q3	April 1, 2023	\$ 378,800.00	BIL10% PWSS	DF
23Q3	April 1, 2023	\$ 185,512.50	BIL15% Local	DG
23Q4	July 1, 2023	\$ 70,080.00	4% Admin	DD
23Q4	July 1, 2023	\$ -	2% SSTA	DE
23Q4	July 1, 2023	\$ 89,325.00	10% PWSS	DF
23Q4	July 1, 2023	\$ -	15% Local	DG
23Q4	July 1, 2023	\$ 117,420.00	BIL4% Admin	DD
23Q4	July 1, 2023	\$ 44,980.00	BIL2% SSTA	DE
23Q4	July 1, 2023	\$ 378,800.00	BIL10% PWSS	DF
23Q4	July 1, 2023	\$ 185,512.50	BIL15% Local	DG

Hawaii Authority Request by Set-Aside Code FFY2024

FFY	DATE	Amount	Description	Site Code
24Q1	October 1, 2023	\$ -	4% Admin	DD
24Q1	October 1, 2023	\$ -	2% SSTA	DE
24Q1	October 1, 2023	\$ 85,875.00	10% PWSS	DF
24Q1	October 1, 2023	\$ -	15% Local	DG
24Q1	October 1, 2023	\$ -	BIL4% Admin	DD
24Q1	October 1, 2023	\$ 44,980.00	BIL2% SSTA	DE
24Q1	October 1, 2023	\$ 8,500.00	BIL10% PWSS	DF
24Q1	October 1, 2023	\$ 98,862.50	BIL15% Local	DG
24Q2	January 1, 2024	\$ -	4% Admin	DD
24Q2	January 1, 2024	\$ -	2% SSTA	DE
24Q2	January 1, 2024	\$ 85,875.00	10% PWSS	DF
24Q2	January 1, 2024	\$ -	15% Local	DG
24Q2	January 1, 2024	\$ -	BIL4% Admin	DD
24Q2	January 1, 2024	\$ 44,980.00	BIL2% SSTA	DE
24Q2	January 1, 2024	\$ 8,500.00	BIL10% PWSS	DF
24Q2	January 1, 2024	\$ 98,862.50	BIL15% Local	DG
24Q3	April 1, 2024	\$ -	4% Admin	DD
24Q3	April 1, 2024	\$ -	2% SSTA	DE
24Q3	April 1, 2024	\$ 85,875.00	10% PWSS	DF
24Q3	April 1, 2024	\$ -	15% Local	DG
24Q3	April 1, 2024	\$ -	BIL4% Admin	DD
24Q3	April 1, 2024	\$ 44,980.00	BIL2% SSTA	DE
24Q3	April 1, 2024	\$ 8,500.00	BIL10% PWSS	DF
24Q3	April 1, 2024	\$ 98,862.50	BIL15% Local	DG
24Q4	July 1, 2024	\$ -	4% Admin	DD
24Q4	July 1, 2024	\$ -	2% SSTA	DE
24Q4	July 1, 2024	\$ 85,875.00	10% PWSS	DF
24Q4	July 1, 2024	\$ -	15% Local	DG
24Q4	July 1, 2024	\$ -	BIL4% Admin	DD
24Q4	July 1, 2024	\$ 44,980.00	BIL2% SSTA	DE
24Q4	July 1, 2024	\$ 8,500.00	BIL10% PWSS	DF
24Q4	July 1, 2024	\$ 98,862.50	BIL15% Local	DG
	FFY 2023	\$ 23,547,130.00		
	FFY 2024	\$ 952,870.00		
		\$ 24,500,000.00		

This is for \$24,500,000.00 and does not include the \$500,000.00 for EPA In-Kind services for two (2) IPAs.

APPENDIX D - NOTICE OF PUBLIC PARTICIPATION & INPUT

APPENDIX D

NOTICE OF PUBLIC PARTICIPATION & INPUT

I. Public Notice Activity

Pursuant to 40 CFR 35.3150, a notice of public participation and input was published on the Department of Health's website (<http://health.hawaii.gov/sdwb/drinking-water-state-revolving-fund/>) from May 4, 2022 to June 3, 2022, to consider the proposed *Drinking Water Treatment Revolving Fund Intended Use Plan (IUP) for The State of Hawaii Fiscal Year (SFY) 2023 and The Federal Fiscal Year (FFY) 2022 Appropriation*. A revised IUP (Draft Version 2) was posted for public comments on June 16, 2022 to July 15, 2022, after receiving comments from posting the initial draft IUP for public comment. A summary of the changes are in the following Sections II and III.

Evidence of the publication of the public notices are on-file in the Safe Drinking Water Branch office at Uluakupu Building 4, 2385 Waimano Home Road, Suite 110, Pearl City, Hawaii 96782-1400.

II. Summary of Revisions to IUP (Draft Version 2)

The initial draft of the IUP posted for public comment and input from May 4, 2022 to June 3, 2022 produced the following changes which were significant enough to warrant a second public participation and input period. Draft Version 2 of the IUP was posted for public comment from June 16, 2022 to July 15, 2022.

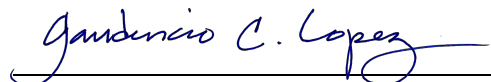
- Modified Section I.C, Table 1. Sources and Uses of Funds - Revised Base Federal Capitalization Grant amount from \$11,260,880 to \$7,008,000.00. Table 1 was revised to include the final allotment of the base CAP Grant amount of \$7,008,000.00. Footnotes 1 and 2 were revised to reference the final EPA allotment tables for the Base and BIL CAP grant amounts. Added two (2) IPAs to EPA In-Kind Services budgeted at \$500,000.00 total.
- Modified Section V.A., V.B., and Appendix B – Amended all references from “project rating” to “project ranking” (e.g., DWSRF Project Rating Criteria to DWSRF PROJECT RANKING CRITERIA).
- Modified Section V.F, Disadvantaged Communities - Added footnote showing modification to DAC determination from affordability score that increases eligibility by lowering the threshold from 40 to 30. Modified Section V.G, Table 7. Fundable List of Projects - Added Maui DWS, West Maui Source Development project for \$4,250,000.00. Added Kauai DOW-PF23 for \$1,000,000.00. Modified Kauai DOW, Kalaheo Water System Improvements project for \$13,000,000.00. Total Fundable List is now \$61,077,539.26. Modified Appendix A.1 – Sub-Projects List for HDWS-PF23, Hawaii DWS Pro-Fi SFY 2023 was revised to include the location for sub-project D-21-04 (North Kona). The overall loan amount of \$20,000,000.00 is unchanged.
- Modified Appendix A.2 - Sub-Projects List for HBWS-PF23, Honolulu BWS Pro-Fi SFY 2023 was revised at the borrower's request to delete projects D-23-01 and D-23-02. The sub-project estimate of cost was revised to \$118,371,792.47. The overall loan amount of \$20,000,000.00 is unchanged.

- Added Appendix A.3 - Sub-Projects List for KDOW-PF23, Kauai DOW Pro-Fi SFY 2023 was added to include twelve (12) projects with estimated cost of \$7,400,000.00. The Pro-Fi loan amount requested for SFY 2023 is \$1,000,000.00.
- Modified Appendix C and Hawaii Authority Request by Set-Aside Code as related to above listed changes.
- Made changes based on typographical errors.

III. Summary of Revisions to Final IUP

The solicitation of public participation and input on Draft Version 2 of the IUP from June 16, 2022, to July 15, 2022, did not produce responses during the public comment period. However, the following changes were made which did not require a new public comment period.

- Made changes based on typographical errors.
- Correction to the reference of the previous year's affordability score which was 45.
- Modified BIL Supplemental Additional Subsidy (DAC) for Hawaii DWS Pro-Fi SFY 2023 project from \$5,788,011.07 to \$5,658,280.00 and Kauai DOW Kalaheo Water System Improvements project from \$778,068.93 to \$907,800.00.
- Corrected Section I.F., Table 3, additional subsidy assigned to Honolulu BWS Pro-Fi SFY 2023.
- Modified footnote 11 on page 21 to correct previous affordability score from 40 to 45.
- Modified Section V.G., Table 7. Revised project ranks because two (2) projects were removed from Priority List of Projects.
- Modified Priority List, Appendix A- Removed Pepeekeo Water Association, North Easements Waterline Replacement and HDWS, Emergency Wells Repair 1 projects from Priority List of Projects.
- Build America Buy America - Modified the date for equivalency projects requiring BABA in loans executed after May 14, 2022.


 GAUDENCIO C. LOPEZ, P.E., CHIEF
 Safe Drinking Water Branch

State of Hawaii
Notice of Public Participation and Input on the Proposed
Drinking Water Treatment Revolving Loan Fund (DWTRLF)
Intended Use Plan (IUP) for the State of Hawaii Fiscal Year (SFY) 2023 and
The Federal Fiscal Year (FFY) 2022 Appropriation
Docket No. 22-SDWB-SRF-05

Pursuant to Chapters 342 and 91, Hawaii Revised Statutes; Section 101(e) of Public Law 92-50; and the U.S. Environmental Protection Agency Regulations, 40 CFR 35.2015; notice is hereby given that a public comment period is being initiated to allow public participation and input on the Draft Version 2 of the Intended Use Plan for SFY 2023.

The U.S. Environmental Protection Agency provides grants to the State of Hawaii annually to construct drinking water facilities and support other drinking water program activities. During SFY 2023, approximately \$7,008,000.00 is expected to be allocated to the State of Hawaii under the capitalization grant and \$17,992,000.00 is expected to be allocated for the Drinking Water SRF Supplement under the Bipartisan Infrastructure Law. To utilize the federal and matching state revolving funds, proposed projects must be prioritized and listed in the *DWSRF Priority List of Projects for SFY 2023*.

Upon written request, a public hearing may be scheduled. Requests for a public hearing must be received by the Safe Drinking Water Branch by **July 15, 2022**. If a public hearing is deemed appropriate, a second public notice will be published with the date, time, and location of the public hearing.

Information regarding the Amended Intended Use Plan may be obtained by calling or writing to the Safe Drinking Water Branch Oahu address noted below. If, due to disability, you have special needs for commenting on the proposed Intended Use Plan, please contact the Safe Drinking Water Branch Oahu address noted below or call (808) 586-4258 (voice) by **July 15, 2022**.

Oahu

Safe Drinking Water Branch/Hawaii DOH
Uluakupu Building 4
2385 Waimano Home Road, Suite 110
Pearl City, Hawaii 96782-1400
Telephone: (808) 586-4258
Contact: Stefanie Weaver