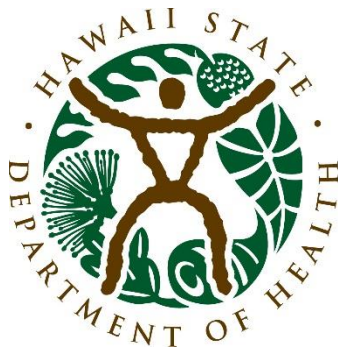


State of Hawaii  
Water Pollution Control Revolving Fund  
also known as the  
Clean Water State Revolving Fund (CWSRF)

**Intended Use Plan**  
for State Fiscal Year (SFY) 2020  
and Federal Fiscal Year (FFY) 2019 Appropriation



Submitted to the  
U.S. Environmental Protection Agency (EPA)  
Region IX

Prepared by the  
State of Hawaii  
Department of Health  
Environmental Management Division  
Wastewater Branch

June 2019

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## I. Introduction

Hawaii's Water Pollution Control Revolving Fund (commonly referred to as the Clean Water State Revolving Fund or CWSRF) provides low interest loans to Hawaii's four (4) counties to construct high priority wastewater, stormwater, and non-point source projects. Since its establishment in 1988, the program has issued over \$875.40 million in low interest loans, providing significant savings in interest costs to the counties.

Each year the CWSRF Program is required to prepare an Intended Use Plan (IUP) as part of its request to EPA for an annual capitalization grant. The IUP sets program goals, identifies the intended use of federal and state funds to be provided during the year, and describes how the program will meet requirements of the Federal Fiscal Year (FFY) 2019 Appropriations Act.

## II. FFY 2019 Project Funding Requirements and Project Selection

Hawaii is expected to receive a federal capitalization grant of \$12,306,000.00 under the FFY 2019 Appropriations Act. The following requirements apply:

1. American Iron and Steel (AIS): Funds made available from the CWSRF may not be used for a project for the construction, alteration, maintenance, or repair of treatment works unless all of the iron and steel products used in the project are produced in the United States. EPA provides AIS national waivers including the use of a de minimis waiver for projects.
2. Fiscal Sustainability Plan (FSP): For applicable CWSRF projects involving repair, replacement, or expansion of a publicly owned treatment works, the recipient of a loan shall develop and implement a FSP or certify that the recipient has developed and implemented a FSP that includes:
  - a. an introduction indicating who the document is prepared for and stating the purpose of the document;
  - b. an asset inventory of critical assets that are a part of the treatment works, which includes, but is not limited to:
    - i. type of asset;
    - ii. installation date;
    - iii. asset condition;
    - iv. estimated useful remaining life;
    - v. service history;
  - c. an evaluation of the condition and performance of inventoried assets or asset groupings;
  - d. a certification that the recipient has evaluated and will be implementing water and energy conservation efforts as part of the plan; and
  - e. a fiscal plan for maintaining, repairing, and, as necessary, replacing the treatment works and a plan for funding such activities.

3. Cost and Effectiveness Analysis: For applicable CWSRF projects, the recipient of a loan shall certify that the recipient:
  - a. has studied and evaluated the cost and effectiveness of the processes, materials, techniques, and technologies for carrying out the proposed project or activity for which assistance is sought under this title; and
  - b. has selected, to the maximum extent practicable, a project or activity that maximizes the potential for efficient water use, reuse, recapture, and conservation, and energy conservation, taking into account:
    - i. the cost of constructing the project or activity;
    - ii. the cost of operating and maintaining the project or activity over the life of the project or activity; and
    - iii. the cost of replacing the project or activity.
4. Green Project Reserve (GPR): To the extent that there are sufficient eligible project applications, not less than 10% of the capitalization grant shall be used by the state for projects to address green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities. This amounts to a minimum of \$1,230,600.00 to be allocated to the GPR. *Table 1* shows how this requirement will be met.
5. Additional Subsidization: The Hawaii CWSRF program will provide 10% of the capitalization grant as additional subsidization (ad sub) for the FFY 2019 Appropriation, as required. This amounts to \$1,230,600.00 to be allocated for ad sub.
6. Davis-Bacon: The Davis-Bacon Act shall apply to any construction of a treatment works carried out in whole or in part with assistance made available by the CWSRF. The Hawaii CWSRF Program will continue to implement Davis-Bacon requirements with the exception provided by the *Class Deviation - Prevailing Wage Interview Requirement in Clean Water and Drinking Water State Revolving Funds (CWSRF and DWSRF) Capitalization Grants* memorandum of November 16, 2012. This waives the requirement for wage interviews to be conducted within the first two weeks of the start of construction.
7. Reporting: The Hawaii CWSRF Program will continue its quarterly reporting in the CWSRF Benefits Reporting (CBR) system. Reporting will be done on GPR, Federal Funding Accountability and Transparency Act (FFATA) requirements, and environmental benefits from new projects per the EPA Order on Environmental Benefits. This information will also be included in the Annual Report, as well as the "two-pager" reports on environmental benefits.
8. Cash Draw Ratio: In accordance with EPA Office of Water Memorandum 13-04 (September 30, 2013), the CWSRF 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 CWSRF may draw funds from the capitalization grant at a ratio of 100% of the disbursement amount.

9. Other Federal Requirements: Other federal requirements apply in an amount equal to the capitalization grant. These requirements are:
  - a. Single audit Act (OMB 2 CFR 200, Subpart F)
  - b. Disadvantaged Business Enterprise (DBE) compliance
  - c. Federal environmental crosscutters
  
10. Disadvantaged Communities: Congress has requested that states direct subsidies to disadvantaged communities. In the past, the CWSRF has funded projects such as the closure of large capacity cesspools servicing relatively low-income or sparsely populated areas and will continue to do so.
  
11. Affordability Criteria: The Hawaii CWSRF program established its affordability criteria on September 30, 2015. The affordability analysis included the applicant's income, unemployment data, population trends, and other data determined relevant by the Hawaii CWSRF program. The affordability criteria will not singly determine nor guarantee whether the Hawaii CWSRF program will enter into a binding commitment for an additional subsidization with an applicant.
  
12. Signage: From the FFY 2015 SRF capitalization grant and each year thereafter, the Hawaii CWSRF program must comply with EPA's Guidelines for Enhancing Public Awareness of SRF Assistance Agreements (aka "SRF Signage Guidelines") in order to enhance public awareness of EPA assistance agreements nationwide. The Hawaii CWSRF program will ensure compliance of EPA's Signage policy is met for State Fiscal Year (SFY) SFY 2020 by implementing the method which best balances the following two (2) goals:
  - a. The sign will satisfy the overall objective of communicating EPA's role in funding assistance agreements that achieve positive benefit.
  - b. The implementation method should be practically and financially viable for states and communities and avoid any overly burdensome investment of time and resources.

Signage requirements will be considered an equivalency requirement for SRF programs and will not be required to apply to all SRF projects. The guidelines provide the following options as acceptable:

- Standard signage
  - Posters, wall signage, or brochures in a public building or location
  - Newspaper/periodical advertisement or press release for project construction, groundbreaking ceremony, or operation of the new or improved facility
  - Online signage placed on community website or social media outlet
- 
13. Architectural and Engineering (A/E) Services Procurement: The Hawaii CWSRF program may fund A/E projects that receive the capitalization grants. An Attorney General's certification, which certifies that using Hawaii Revised Statutes Chapter 103D - The State of Hawaii Public Procurement Code is equivalent to 40 USC 1101 *et seq.* will be provided with our capitalization grant application for SFY 2020.

14. The Hawaii CWSRF Program's definition of a Treatment Works is the following:

*Treatment works means any treatment unit and its associated collection system and disposal system, excluding non-point source and individual wastewater systems. Treatment unit means any plant, facility, or equipment used in the treatment of wastewater, including the necessary pumps, power equipment, blowers, motors, holding tanks, flow splitter, and other process equipment.*

Projects that do not fall under this definition are not required to comply with the following:

- a. Hawaii State Environmental Review Process (SERP), which includes:
  - i. the environmental decision document (e.g. prior decision document, exempt project declaration, environmental assessment, or environmental impact statement);
  - ii. the eighteen (18) environmental cross-cutting authorities such as the consultation process under Section 106 of the National Historic Preservation Act, Section 7 of the Endangered Species Act, etc.
- b. AIS requirement, and
- c. Davis-Bacon requirement.

*Table 1 (on next page)* lists projects that Hawaii CWSRF plans to fund in SFY 2020. Although other projects may have a higher ranking, those projects are not ready to proceed at this time.

**Table 1: CWSRF Projects to be Funded in SFY 2020**

Project No./ Subrecipient/ Project Name	Planned Binding Commitment	Estimated Loan Amount	GPR/ Ad Sub	FFATA
<u>51-80: Honolulu-ENV</u> Honouliuli WWTP Secondary Treatment Phase 1A - Sludge Drying and Related Facilities {Contract \$68,750,205.00}	7/15/2019	\$ 27,740,890		\$ 6,153,000
<u>51-81: Honolulu-ENV</u> Honouliuli WWTP Secondary Treatment Phase 1B - Secondary Compliance Facilities {Contract \$276,247,844.00}	7/15/2019	\$ 30,000,000		\$ 6,153,000
<u>NPS47-12: Kaua'i</u> Kekaha Landfill Lateral Expansion Cell 2 [Supplemental 1] {Construction 1 of 2}	8/15/2019	\$ 5,000,000		
<u>NPS80-24: Hawai'i</u> Kealakehe Scrap Metal Yard Remediation [Supplemental 1] {Construction 2 of 2}	8/15/2019	\$ 3,448,855		
<u>51-76: Honolulu-BWS</u> Honouliuli Water Recycling Facility R-1 Pre-Treatment and UV Disinfection Improvements	8/15/2019	\$ 8,112,080	\$ 1,230,600 water reuse	
<u>NPS62-42: Hawai'i</u> South Hilo Sanitary Landfill Final Closure [Supplemental 1] {Construction 1 of 2}	9/15/2019	\$ 11,000,000		
<u>80-35: Hawai'i</u> Kealakehe Wastewater Treatment Plant R-1 Upgrade [Supplemental 2] {Design Offsite Facilities}	11/15/2019	\$ 4,890,000		
<u>59-20: Kaua'i</u> Lihue WWTP Process Improvements	11/15/2019	\$ 3,500,000		
<u>48-06: Honolulu-ENV</u> Dowsett Highlands Relief Sewer {Supplemental 1}	12/5/2019	\$ 20,112,602		
<u>NPS47-12: Kaua'i</u> Kekaha Landfill Lateral Expansion Cell 2 [Supplemental 2] {Construction 2 of 2}	5/15/2020	\$ 13,339,901		
<u>NPS62-42: Hawai'i</u> South Hilo Sanitary Landfill Final Closure [Supplemental 2] {Construction 2 of 2}	6/15/2020	\$ 9,561,978		
<b>TOTAL</b>		<b>\$ 136,706,306</b>	<b>\$ 1,230,600</b>	<b>\$ 12,306,000</b>

### III. Long-Term and Short-Term Goals

The Hawaii CWSRF Program has developed long-term and short-term goals, listed in *Table 2* and *Table 3*, respectively.

**Table 2: Long-Term Goals**

1. Provide financial assistance for eligible projects that protect Hawaii's public health; correct surface water quality impairment; eliminate or prevent ground water contamination; control point and non-point pollution sources; promote water reuse, energy efficiency and sustainability; and achieve compliance with federal and state water quality standards.
2. Ensure fiscal soundness and perpetuity of the CWSRF.

**Table 3: Short-Term Goals**

1. Promote water reuse, energy efficiency, and/or other innovative environmental projects.
2. Reduce all unliquidated loan obligations.
3. Provide loans with competitive interest rates while still assuring the program's perpetuity.
4. Revisit standard operating procedures to improve program efficiency.
5. Prepare a strategic outreach/marketing plan and project planning process and procedures to address the slow rate of readiness by assistance recipients to enter into commitment agreements, and to establish a sustainable pipeline of projects.

### IV. Project Eligibility and Selection

CWSRF project funding is available for public facilities and systems owned by a state or county government agency. Projects eligible for funding must be listed on the current Project Priority List (Appendix B – Hawaii – Project Priority List for SFY 2020). All projects scheduled for CWSRF funding will be reviewed for consistency with appropriate plans developed under Sections 208, 303(e), and 419 of the Act.

The Water Resources Reform and Development Act of 2014 amendments expanded the CWSRF project eligibilities. The CWSRF Program will be evaluating the feasibility to include land purchase, privately owned systems, and decentralized wastewater treatment system projects to the program.

Storm water discharges from municipal separate storm sewer systems (MS4) are a major concern in urbanized areas due to the high concentration of pollutants found in these discharges. The Hawaii CWSRF Program provides loan funding for the construction of MS4 projects.



Table 4 shows the types of project that are eligible for CWSRF funding.

**Table 4: Project Eligible for CWSRF Funding**

<ol style="list-style-type: none"><li>1. Point Source Projects:<ol style="list-style-type: none"><li>a. New, expanded, or rehabilitated wastewater treatment plants.</li><li>b. Publicly-owned water reuse systems and distribution lines.</li><li>c. New or rehabilitated collector, trunk, and interceptor sewers.</li><li>d. Sludge reuse, treatment, and disposal facilities.</li><li>e. Septage handling, marine vessel pump out, and treatment facilities.</li></ol></li> <li>2. Non-Point Source (NPS) Projects:<ol style="list-style-type: none"><li>a. Watershed planning/assessment or implementation of projects needed to restore NPS impaired waters.</li><li>b. Cesspool replacement with septic tanks, aerobic units, constructed wetlands, or treatment plants.</li><li>c. Equipment purchase of street sweepers, catch basin vacuum vehicles, and sediment traps and basins.</li><li>d. Capping and closure of municipal solid waste landfills, landfill reclamation, landfill leachate collection, storage and treatment, and landfill gas collection and control systems.</li><li>e. Brownfield projects involving site assessments, underground storage tank removal and disposal, contaminated soil or sediment removal and disposal, capping wells, soil remediation, controlling stormwater runoff, and monitoring groundwater and surface water for contaminants.</li><li>f. Water quality projects involving leachate and stormwater management at municipal solid waste transfer stations.</li><li>g. Stormwater management projects.</li></ol></li></ol>
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Project selection is based on the project’s priority ranking as well as its readiness to proceed. Hawaii’s project ranking system, shown in Appendix A – CWSRF Project Ranking Criteria, assigns points to potential projects based on various criteria such as whether a project corrects surface water quality impairment, results in energy efficiency, water efficiency, or achieves compliance with a federal or state enforcement issue.

Points for each project are totaled and a *Project Priority List* is compiled (Appendix B – Hawaii – Project Priority List for SFY 2020) listing projects in the order of highest to lowest priority. However, a significant factor in project selection is the project’s readiness to proceed. If a project is high in priority, but not ready to commence, then it may be bypassed.

## **V. Loan Policies**

Projects selected for funding are financed based on no more than the useful life of the project or 30 years, whichever is less. The CWSRF may provide Programmatic Financing loans to interested counties. If there are sufficient CWSRF funds, then 100% of eligible project costs are financed. Projects are subject to an annual interest rate of 0.25% and a semi-annual loan fee of 0.5%. This results in a total

loan rate of about 1.25%, which remains fixed over the life of the loan. At the end of each state fiscal year, current rates are evaluated to determine if adjustments are needed.

## VI. Financial Management

Table 5 shows projections for SFY 2020 sources and uses of funds. Included in the fund sources are loan fees, which are classified as either "program" or "non-program". Program loan fees cover activities directly related to administering the Hawaii CWSRF Program such as issuing and servicing loans, engineering support, financial and legal consultation, and reimbursement for relevant services provided by the State. All non-program loan fees that will be collected in SFY 2020 will be used to pay for personnel and operating expenses (e.g. salaries, supplies, travel, equipment, etc.). There will be no excess fees available to fund other activities.

As allowed in accordance with the Federal Water Pollution Control Act (FWPCA) section 603(d)(7), the Hawaii CWSRF Program will be utilizing 1/5 percent per year of the current valuation of the fund to cover administrative expenses for Program activities. The current valuation of the fund is \$517,747,651. For SFY 2020, the CWSRF Program plans to use \$1,035,500 from the fund to cover activities directly related to administering the CWSRF Program.

Non-program loan fees cover various water quality program activities, including operation and maintenance inspections of wastewater pollution control facilities (45%), the recycled water program (5.5%), the bio-solids program (11%), oversight of concentrated animal feeding operations (5.5%), and other water quality program activities (33%).

**Table 5: Sources and Uses of SFY 2020 Funds**

<b>SFY 2020 Projected Fund Sources</b>	
Loan funds available, end of SFY 2019	\$ 88,371,006
Federal Capitalization Grant, FFY 2019	\$ 12,306,000
State Match of 20% for FFY 2019 Fed. Cap. Grant	\$ 2,461,200
Loan repayments	\$ 32,391,500
Investment Interest	\$ 1,176,600
Program Fees	\$ -
Non-Program Fees	\$ 1,691,400
1/5 % of Net Assets	\$ 1,035,500
<b>Total Sources</b>	<b>\$ 139,433,206</b>
<b>SFY 2020 Projected Uses</b>	
Executed Loans	\$ 136,706,306
Administrative Expenses	\$ 2,726,900
<b>Total Uses</b>	<b>\$ 139,433,206</b>

Table 6 shows the disbursement projection for the FFY 2018 capitalization grant that was received in September 2018.

Table 7 shows the capitalization grant payment and disbursement projections based on an anticipated FFY 2019 capitalization grant award date of October 2019, and a state match date of December 2019.

**Table 6: Capitalization Grant Payments and Disbursements for FFY 2018**

FFY	Quarter	Period	Application for EPA Payments	ASAP Draws
2019	1	Oct. - Dec. 2018	\$ 12,431,000	\$ -
2019	2	Jan. - Mar. 2019	\$ -	\$ -
2019	3	Apr. - Jun. 2019	\$ -	\$ 3,561,853
2019	4	Jul. - Sep. 2019	\$ -	\$ 4,860,000
2020	1	Oct. - Dec. 2019	\$ -	\$ 4,009,147
2020	2	Jan. - Mar. 2020	\$ -	\$ -
2020	3	Apr. - Jun. 2020	\$ -	\$ -
2020	4	Jul. - Sep. 2020	\$ -	\$ -
<b>TOTAL</b>			<b>\$ 12,431,000</b>	<b>\$ 12,431,000</b>

Note: ASAP is the Automated Standard Application for Payments.

**Table 7: Capitalization Grant Payments and Disbursements for FFY 2019**

FFY	Quarter	Period	Application for EPA Payments	ASAP Draws
2020	1	Oct. - Dec. 2019	\$ 12,306,000	\$ -
2020	2	Jan. - Mar. 2020	\$ -	\$ -
2020	3	Apr. - Jun. 2020	\$ -	\$ 6,153,000
2020	4	Jul. - Sep. 2020	\$ -	\$ -
2021	1	Oct. - Dec. 2020	\$ -	\$ 6,153,000
2021	2	Jan. - Mar. 2021	\$ -	\$ -
2021	3	Apr. - Jun. 2021	\$ -	\$ -
2021	4	Jul. - Sep. 2021	\$ -	\$ -
<b>TOTAL</b>			<b>\$ 12,306,000</b>	<b>\$ 12,306,000</b>

Note: ASAP is the Automated Standard Application for Payments.

## **VII. Other Requirements of the Act**

The following commitments are intended to meet specific requirements of the Act:

1. Section 602(a) - Environmental Reviews: The State of Hawaii (State) will conduct environmental reviews in accordance with the State Environmental Review Process Document that was approved by EPA on February 20, 2018.
2. Section 602(b)(2) - State Matching Funds: The State agrees to deposit into the CWSRF from state monies an amount equal to 20 percent of the amount of each EPA grant payment on or before the date on which the State receives each grant award payment.
3. Section 602(b)(3) - Binding Commitments: The State will enter into binding commitments for 120 percent of each quarterly payment within one year after receipt of each quarterly payment.
4. Section 602(b)(4) - Expeditious and Timely Expenditures: The State will expend all funds in the CWSRF in a timely and expeditious manner.
5. Section 602(b)(7) - State Laws and Procedures: The State agrees to expend each quarterly grant payment in accordance with its laws and procedures.
6. Consistency with Planning: The State agrees that it will not provide assistance to any project unless that project complies with all agreements and is consistent with plans developed under Sections 208, 303(e), 319, or 320 of the Act.
7. National Reporting Needs: The State agrees to provide data or information to EPA as required for national reports and Congressional or public inquiries.

## Appendix A – CWSRF Project Ranking Criteria

### Hawaii Department of Health Priority System Policies

#### I. General Policy

The State priority system describes the criteria and method used to rank wastewater pollution control projects considered eligible for SRF funding assistance. The Department of Health (DOH) gives high priority to projects protecting water quality and contributing to the Green Project Reserve and/or sustainability issues such as water reuse, energy efficiency, renewable energy, and environmentally innovative technologies. DOH also funds projects to achieve compliance with enforcement issues and considers the need for the project.

#### II. Project Priority List and Project Selection

The loan applicant submits a *Proposed Project for SRF Funding Form (Form D-1)* (see Figure 1) for each new project to be considered for funding. The applicant provides a project description and checks off all criteria applicable to the project. Each criterion is assigned a specific number of points. Points for each project are totaled and eligible projects are compiled into a *Project Priority List* in the order of the project's ranking, with highest priority going to those projects with the highest number of points.

Generally, proposed projects will be prioritized in the following order:

1. Water quality protection projects that correct surface water quality impairment or eliminate/prevent ground water contamination.
2. Green projects which promote water reuse, energy efficiency, renewable energy, sludge reuse, sustainable infrastructure, and/or environmentally innovative technologies.
3. Enforcement-related projects which are necessary to achieve compliance with a federal or state compliance issue, consent decree, or court order.
4. Project need is also considered. Points are awarded for secondary treatment, sewer rehabilitation, non-point source issues, and stormwater management.

Project selection is based on the project's ranking, the project's readiness to proceed to construction, and the amount of funds available for the particular fiscal year. If additional SRF funds are available later in the fiscal year, projects are selected for funding from the current *Project Priority List*. A project on the list may be bypassed if the project is not ready to proceed when the funding is available.

#### III. Ranking Projects with an Equal Number of Points

In the event that two or more projects have the same number of points, project selection will be based on the following tie-breaking criteria:

1. First criterion: Priority given to the project whose county has not had an SRF project selected for funding. If this applies to more than one county, the second criterion will be used.
2. Second criterion: Project serving the largest population will have priority.

#### **IV. Intended Use Plan**

The Project Priority List and selection of projects intended to be funded are included in the annual Intended Use Plan (IUP), which describes the intended use of federal and state funds available to the program for the upcoming fiscal year.

The IUP is subject to a 30-day public comment period during which time the public is encouraged to participate and comment on the IUP. At the conclusion of the comment period, DOH may revise the IUP as necessary, depending on the comments received. The final IUP is then provided to all loan applicants and to the EPA.

**Figure 1: Proposed Project for SRF Funding Form (Form D-1)**

**PROPOSED PROJECT for SRF FUNDING FORM**  
State Fiscal Year \_\_\_\_\_

Project Title: \_\_\_\_\_  
 County/Applicant: \_\_\_\_\_  
 Estimated Cost: \$ \_\_\_\_\_ Estimated Start Date: \_\_\_\_\_  
 Project Description:

Place an "X" next to each item that applies. The project description must contain information supporting the applicable items.

1. Water Quality Protection	
	Corrects surface water quality impairment or eliminates/prevents ground water contamination. <span style="float: right;">12 pts.</span>
2. Green Infrastructure	
	a. Water reuse facility providing R1 or R2 water and/or reuse transmission and/or distribution system. <span style="float: right;">10 pts.</span>
	b. Energy Efficiency or Renewable Energy: Uses energy efficient components (e.g. motors, pumps, blowers, photovoltaic panels etc.) that reduce energy consumption of a major component by 20% or more; or provides for renewable energy (methane conversion, etc.) or other environmentally innovative technologies (e.g. hydroelectric turbine at outfall line to generate electricity) to reduce energy consumption of the plant or major component by 20% or more. <span style="float: right;">8 pts.</span>
	c. Promotes sustainable infrastructure to withstand the effects of rising sea levels due to climate change and provides adaptation for coastline inundation. <span style="float: right;">7 pts.</span>
	d. Provides for wastewater sludge reuse. <span style="float: right;">7 pts.</span>
	e. Energy audit. <span style="float: right;">3 pts.</span>
3. Compliance and Enforcement	
	Project necessary to achieve compliance with federal or state compliance issue, consent decree, or court order. <span style="float: right;">5 pts.</span>
4. Project Need	
	a. Secondary treatment for wastewater treatment plant. <span style="float: right;">4 pts.</span>
	b. Sewer collection system rehabilitation or replacement, infiltration/inflow correction. <span style="float: right;">4 pts.</span>
	c. Large capacity cesspool and landfill liner projects. <span style="float: right;">4 pts.</span>
	d. Stormwater equipment, wastewater facilities. <span style="float: right;">3 pts.</span>
Total Points (for DOH use) <span style="float: right;">_____</span>	

Form D-1, revised Dec. 2011

## Appendix B - Hawaii - Project Priority List SFY 2020

Priority Ranking	Project Number	Borrower	Project Name	Estimated Eligible Amount	Points	Estimated Start Date
1	C150059-20	County of Kauai	Lihue WWTP Process Improvements	\$ 5,500,000.00	28	5/1/2019
2	C150051-81	City and County of Honolulu - ENV	Honouliuli WWTP Secondary Treatment Phase 1B - Secondary Compliance Facilities	\$ 294,000,000.00	27	12/1/2018
3	C150054-51	County of Maui	Lahaina Wastewater Reclamation Facility R-1 Process Expansion	\$ 6,000,000.00	27	1/1/2022
4	C150051-80	City and County of Honolulu - ENV	Honouliuli WWTP Secondary Treatment Phase 1A - Sludge Drying and Related Facilities	\$ 76,000,000.00	25	10/29/2018
5	C150090-04	County of Hawaii	Nā'ālehu Wastewater Collection System	\$ 20,000,000.00	25	3/1/2019
6	C150090-08	County of Hawaii	Pāhala Wastewater Collection System	\$ 15,000,000.00	25	3/1/2019
7	NPS0048-01	City and County of Honolulu - FM	Ala Wai Golf Course Access Road and Parking Lot Improvements - NPDES Small MS4 Permit Program	\$ 4,500,000.00	24	4/1/2017
8	C150048-08	City and County of Honolulu - ENV	Kamehameha Highway WWPS Force Main System Improvements	\$ 19,000,000.00	24	10/1/2018
9	NPS0048-02	City and County of Honolulu - FM	Storm Drainage BMP Improvements for the Ala Wai Canal	\$ 2,800,000.00	24	12/1/2018
10	C150052-65	County of Maui	Wailuku-Kahului Soil Aquifer Treatment (SAT) Basins	\$ 10,000,000.00	24	1/1/2022
11	C150090-05	County of Hawaii	Pāhala Large Capacity Cesspool Conversion	\$ 21,500,000.00	23	3/1/2019
12	C150059-21	County of Kauai	Island-wide Sewage Collection System Sustainability Plan	\$ 1,000,000.00	23	7/1/2021
13	C150052-66	County of Maui	Wailuku-Kahului Recycled Water Pump Station	\$ 6,000,000.00	23	9/1/2021
14	C150052-58	County of Maui	Countywide Satellite Recycled Water Facilities	\$ 25,000,000.00	23	9/1/2024
15	C150048-06	City and County of Honolulu - ENV	Dowsett Highlands Relief Sewer	\$ 70,000,000.00	21	7/1/2018
16	C150048-05	City and County of Honolulu - ENV	Palolo Valley Sewer Rehabilitation, Sewer Relief	\$ 10,000,000.00	21	7/1/2018
17	C150090-07	County of Hawaii	Nā'ālehu Wastewater Treatment and Disposal System and Drainage Modifications	\$ 47,350,000.00	21	3/1/2019
18	NPS0062-47	County of Hawaii	SWD Facilities LCC Closure	\$ 1,300,000.00	21	6/1/2020
19	C150051-79	City and County of Honolulu - ENV	Pearl City Wastewater Pump Station Upgrades	\$ 15,000,000.00	20	7/1/2019
20	C150051-76	Honolulu Board of Water Supply	Honouliuli Water Recycling Facility R-1 Pre-Treatment and UV Disinfection Improvements	\$ 8,112,079.98	18	7/1/2015
21	C150077-16	County of Maui	South Maui Recycled Water System Expansion (2nd Tank)	\$ 6,500,000.00	18	4/1/2017
22	C150052-25	County of Maui	Wailuku-Kahului Recycled Water Force Main	\$ 13,500,000.00	18	9/1/2020
23	C150052-24	County of Maui	Wailuku-Kahului Wastewater Reclamation Facility (WWRF) Upgrade to R-1	\$ 18,000,000.00	18	1/1/2027
24	NPS0048-04	City and County of Honolulu - FM	Ala Wai Golf Course Driving Range Improvements - NPDES Small MS4 Permit Program	\$ 1,500,000.00	17	12/1/2015
25	C150054-44	County of Maui	Napili No. 5 and 6 Force Main Replacements	\$ 3,200,000.00	17	7/1/2017
26	C150054-49	County of Maui	Napili Wastewater Pump Station No. 5 Modifications	\$ 2,300,000.00	17	9/1/2017
27	C150054-50	County of Maui	Napili Wastewater Pump Station No. 6 Modifications	\$ 2,300,000.00	17	9/1/2017
28	NPS0062-45	County of Hawaii	Hilo Transfer Station Leachate Collection System	\$ 2,000,000.00	17	1/1/2020
29	NPS0062-44	County of Hawaii	East Hawaii Regional Sort Station Leachate Collection System	\$ 2,000,000.00	17	1/1/2020
30	C150055-10	County of Kauai	Wailua WWTP NPDES Compliance Improvements	\$ 5,000,000.00	17	4/1/2020
31	NPS0059-25	County of Kauai	BMP Improvements at Various Refuse Stations	\$ 10,500,000.00	17	8/1/2020
32	NPS0062-46	County of Hawaii	Solid Waste Transfer Station (East Hawaii Locations) Leachate Collection System	\$ 10,000,000.00	17	1/1/2021
33	C150054-48	County of Maui	Napili Wastewater Pump Station No. 4 Modifications	\$ 3,800,000.00	17	1/1/2021
34	C150077-28	County of Maui	Kihei No. 8 Force Main Replacement	\$ 2,400,000.00	17	1/1/2021
35	C150077-32	County of Maui	Kihei No. 7 Force Main Replacement	\$ 1,700,000.00	17	1/1/2021
36	NPS0080-38	County of Hawaii	Solid Waste Transfer Station (West Hawaii Locations) Leachate Collection System	\$ 5,000,000.00	17	1/1/2022
37	C150077-30	County of Maui	Kihei No. 3 Force Main Replacement	\$ 4,800,000.00	17	1/1/2022
38	C150077-38	County of Maui	Kihei Wastewater Pump Station No. 9 Modifications	\$ 2,000,000.00	17	1/1/2022
39	C150052-63	County of Maui	Sprecklesville Force Main Replacement	\$ 3,600,000.00	17	1/1/2023
40	C150077-31	County of Maui	Kihei No. 4 Force Main Replacement	\$ 3,000,000.00	17	1/1/2023
41	C150077-33	County of Maui	Kihei Wastewater Pump Station No. 3 Modifications	\$ 1,000,000.00	17	1/1/2023
42	C150077-27	County of Maui	Kihei No. 6 Force Main Replacement	\$ 6,000,000.00	17	12/1/2023
43	C150077-36	County of Maui	Kihei Wastewater Pump Station No. 7 Modifications	\$ 5,000,000.00	17	1/1/2024
44	C150077-34	County of Maui	Kihei Wastewater Pump Station No. 4 Modifications	\$ 2,000,000.00	17	1/1/2024
45	C150077-37	County of Maui	Kihei Wastewater Pump Station No. 8 Modifications	\$ 4,000,000.00	17	1/1/2025
46	C150077-35	County of Maui	Kihei Wastewater Pump Station No. 6 Modifications	\$ 6,800,000.00	17	1/1/2026
47	C150052-59	County of Maui	Countywide Wastewater Reclamation Facility (WWRF) Chlorination System Upgrade	\$ 2,000,000.00	16	6/1/2017



## Appendix B - Hawaii - Project Priority List SFY 2020

Priority Ranking	Project Number	Borrower	Project Name	Estimated Eligible Amount	Points	Estimated Start Date
48	NPS0059-26	County of Kauai	Ma'alo Landfill Phase I - Design and Permitting	\$ 6,000,000.00	16	4/15/2019
49	NPS0052-67	County of Maui	Central Maui Landfill Lateral Expansion	\$ 12,500,000.00	16	1/1/2020
50	C150059-22	County of Kauai	Hanama'ulu Sewage Collection System Rehabilitation	\$ 3,000,000.00	16	2/1/2020
51	NPS0052-52	County of Maui	Construction of Phase IV Final Closure at Central Maui Landfill	\$ 4,050,000.00	16	7/1/2021
52	NPS0041-09	County of Maui	Molokai Integrated Solid Waste Facility Phase 5	\$ 4,000,000.00	16	7/1/2021
53	C150054-46	County of Maui	West Maui Recycled Water System Expansion	\$ 14,000,000.00	15	1/1/2020
54	C150059-24	County of Kauai	Lihue WWTP Digester Upgrades	\$ 6,500,000.00	15	10/1/2020
55	C150054-47	County of Maui	Honoapiilani Highway Lateral Installation	\$ 800,000.00	15	9/1/2021
56	C150054-36	County of Maui	West Maui Recycled Water Expansion Kaanapali Resort R-1 Water Distribution System	\$ 7,000,000.00	15	9/1/2026
57	C150048-07	City and County of Honolulu - ENV	Sand Island WWTP - UV Disinfection and Effluent Pump Station Odor Control System	\$ 10,112,256.79	13	9/12/2017
58	C150051-78	City and County of Honolulu - ENV	Honouliuli Influent Pump Station Odor Control System	\$ 9,709,700.00	13	11/27/2017
59	C150054-45	County of Maui	Napili Wastewater Pump Station No. 3 Modifications	\$ 4,000,000.00	13	1/1/2022
60	C150054-43	County of Maui	Napili Wastewater Pump Station No. 2 Modifications	\$ 4,000,000.00	13	9/1/2022
61	C150054-41	County of Maui	Napili Wastewater Pump Station No. 1 Modifications	\$ 5,500,000.00	13	9/1/2023
62	C150059-23	County of Kauai	Hanama'ulu and Kapaia SPS Renovations	\$ 4,000,000.00	12	3/1/2018
63	NPS0090-09	County of Hawaii	Waiohinu Transfer Station Leachate Collection System	\$ 1,000,000.00	12	9/1/2018
64	C150077-39	County of Maui	Kihei Wastewater Reclamation Facility Grit System Replacement	\$ 6,500,000.00	12	6/1/2019
65	C150055-06	County of Kauai	Wailua SPS #3 Rehabilitation	\$ 3,000,000.00	12	6/1/2019
66	C150055-11	County of Kauai	Wailua Sewage Pump Station (SPS) No. 1 Rehabilitation	\$ 3,000,000.00	12	7/1/2019
67	C150062-48	County of Hawaii	Hilo Biotower Pump Station Renovation	\$ 4,000,000.00	12	4/1/2021
68	C150080-39	County of Hawaii	Keopu Sewer Pump Station Relocation	\$ 7,200,000.00	12	6/1/2021
69	C150062-24	County of Hawaii	Hilo Facilities Concrete Rehabilitation	\$ 11,500,000.00	11	6/1/2020
70	C150051-77	Honolulu Board of Water Supply	East Kapolei 215 R-1 Reservoir and Transmission Main	\$ 12,100,000.00	10	7/1/2022
71	C150047-09	County of Kauai	Waimea R-1 Wastewater Distribution System Upgrades	\$ 3,000,000.00	10	7/1/2020
72	C150055-08	County of Kauai	Wailua Wastewater Treatment Plant Improvements - Phase II	\$ 14,000,000.00	10	7/1/2020
73	C150080-31	County of Hawaii	North Kona Sewer and Effluent Reuse - Phase 2	\$ 26,500,000.00	10	5/20/2019
74	C150077-40	County of Maui	Liloa Drive Recycled Water Distribution Line	\$ 3,000,000.00	10	1/1/2022
75	C150054-52	County of Maui	Lahaina WWRF Onsite Recycled Water Storage	\$ 2,000,000.00	10	1/1/2025
76	C150054-40	County of Maui	Honokowai R-1 Distribution System Expansion	\$ 2,000,000.00	10	9/1/2026
77	C150054-42	County of Maui	Napili No. 4 Force Main Replacement	\$ 1,800,000.00	9	9/1/2018
78	C150090-06	County of Hawaii	Nā'ālehu Sewage Pump Station and Force Main	\$ 4,700,000.00	9	3/1/2019
79	C150077-26	County of Maui	Sorth Kihei Road Gravity System Capacity Upgrade	\$ 4,000,000.00	9	9/1/2019
80	NPS0080-37	County of Hawaii	West Hawaii Sanitary Landfill Gas Collection and Control System Expansion	\$ 1,000,000.00	9	1/1/2020
81	C150051-74	City and County of Honolulu - ENV	Waipahu Wastewater Pump Station Force Main	\$ 64,000,000.00	9	12/1/2021
82	C150054-35	County of Maui	Sheraton Wastewater Pump Station Modifications	\$ 1,000,000.00	8	1/1/2017
83	C150046-96	City and County of Honolulu - ENV	Kamehameha Highway Wastewater Pump Station Upgrade	\$ 6,000,000.00	8	7/1/2017
84	C150046-91	City and County of Honolulu - ENV	Kahanahou Wastewater Pump Station Upgrade and Sewer Improvements	\$ 22,000,000.00	8	9/1/2017
85	C150046-98	City and County of Honolulu - ENV	Waikapoki Wastewater Pump Station Upgrade	\$ 7,000,000.00	8	9/1/2017
86	C150062-37	County of Hawaii	Pua Sewage Pump Station Renovation	\$ 32,000,000.00	8	3/1/2019
87	C150080-21	County of Hawaii	Project 19 Sewer Pump Station Renovation	\$ 3,500,000.00	8	1/1/2021
88	C150046-90	City and County of Honolulu - ENV	Heeia Wastewater Pump Station Improvements	\$ 5,000,000.00	8	12/1/2021
89	C150077-19	County of Maui	Kihei Wastewater Pump Station No. 2 Modifications	\$ 2,000,000.00	8	1/1/2024
90	C150080-33	County of Hawaii	Kealakehe Wastewater Treatment Photovoltaic System	\$ 4,600,000.00	8	7/1/2024
91	C150077-21	County of Maui	Kihei Wastewater Pump Station No. 5 Modifications and Force Main	\$ 4,250,000.00	8	1/1/2026
92	NPS00C0-07	City and County of Honolulu - FM	Kapolei Corporation Yard Dewatering Facility	\$ 3,000,000.00	7	7/1/2017
93	C150054-32	County of Maui	Napili No. 3 Force Main Replacement	\$ 1,800,000.00	4	9/1/2018
94	C150062-31	County of Hawaii	Lanihau Wastewater Pump Station Force Main Replacement	\$ 1,500,000.00	4	3/1/2019

## Appendix B - Hawaii - Project Priority List SFY 2020

Priority Ranking	Project Number	Borrower	Project Name	Estimated Eligible Amount	Points	Estimated Start Date
95	C150060-07	County of Hawaii	Kula'imano, Pāpa'ikou, & Hilo Dewatering and Barminutor Replacement	\$ 6,500,000.00	4	4/1/2019
96	C150062-49	County of Hawaii	Wailoa Sewage Pump Station Renovations	\$ 12,000,000.00	4	7/1/2019
97	C150055-12	County of Kauai	Kaua'i Sewage Pump Station Upgrades	\$ 7,500,000.00	4	10/1/2019
98	C150050-12	County of Kauai	Eleele Subdivision Collection System Rehabilitation	\$ 2,500,000.00	4	12/1/2019
99	C150062-43	County of Hawaii	Pua Force Main Installation and Rehabilitation	\$ 33,000,000.00	4	2/1/2020
100	C150062-25	County of Hawaii	Modify Hilo Wastewater Treatment Plant Digester	\$ 23,000,000.00	4	6/1/2020
101	NPS0062-29	County of Hawaii	Hilo Scrap Metal Yard Remediation	\$ 7,000,000.00	4	7/1/2020
102	C150077-29	County of Maui	North Kihei Mauka Transmission System	\$ 17,000,000.00	4	1/1/2021
103	C150055-09	County of Kauai	Coco Palms Sewer Collection System Odor Control Improvements	\$ 1,000,000.00	4	1/1/2021
104	C150062-26	County of Hawaii	Primary Sludge Pump and DAFT Retrofit	\$ 3,000,000.00	4	7/1/2021
105	C150080-30	County of Hawaii	Hale Halawai Wastewater Pump Station Force Main Replacement	\$ 1,000,000.00	4	7/1/2021
106	C150062-14	County of Hawaii	Wailoa Forcemain Replacement	\$ 17,250,000.00	4	7/1/2022
107	C150062-16	County of Hawaii	Kaumana Gardens Sewer	\$ 5,000,000.00	4	7/1/2022
108	C150055-03	County of Kauai	Kapaa Town-Waipouli Collections System	\$ 5,000,000.00	4	7/1/2022
109	C150050-15	County of Kauai	Hanapepe Heights Collection System	\$ 2,300,000.00	4	7/1/2022
110	C150046-97	City and County of Honolulu - ENV	Pacific Palisades Wastewater Pump Station, Force Main and Alternative Diversion Sewer Line	\$ 10,000,000.00	4	12/1/2022
111	C150052-20	County of Maui	Waiko Road Subdivision Sewer System	\$ 2,000,000.00	4	1/1/2023
112	C150054-39	County of Maui	Napili No. 2 Force Main Replacement	\$ 1,000,000.00	4	1/1/2023
113	C150062-21	County of Hawaii	Ainako-Aina Nani Subdivision Sewer	\$ 16,500,000.00	4	7/1/2023
114	C150062-12	County of Hawaii	Kalaniana'ole Avenue Collection System Phase II	\$ 6,000,000.00	4	7/1/2023
115	C150080-34	County of Hawaii	Ainako Interceptor, Phase II (Aina Nani)	\$ 5,000,000.00	4	7/1/2023
116	C150062-17	County of Hawaii	Puueo Collection System	\$ 3,000,000.00	4	7/1/2023
117	C150054-38	County of Maui	Napili No. 1 Force Main Replacement	\$ 3,700,000.00	4	1/1/2024
118	C150080-22	County of Hawaii	Upgrade Ali'i Drive Sewer System	\$ 4,000,000.00	4	7/1/2024
119	C150062-27	County of Hawaii	Reed's Island Collector System	\$ 3,800,000.00	4	7/1/2024
120	C150041-06	County of Maui	Kaunakakai Effluent Force Main Replacement	\$ 1,900,000.00	4	9/1/2024
121	C150046-99	City and County of Honolulu - ENV	Ewa Beach Sewers, Section 4, Improvement District	\$ 22,000,000.00	4	12/1/2024
122	C150059-14	County of Kauai	Kupolo Collection System	\$ 7,000,000.00	4	7/1/2024
123	C150052-57	County of Maui	Maui Meadows Sewer System	\$ 24,000,000.00	4	3/1/2027
				<b>1,404,034,036.77</b>		

## Appendix C – Summary of Public Comments

### I. Public Participation

Pursuant to 40 CFR 35.3150, the Intended Use Plan, as well as a public notice soliciting public comments, were posted from May 23, 2019 through June 23, 2019 on the Hawaii CWSRF website at <http://hawaii.gov/wastewater/cwsrf.html>.

### II. Testimony and Comments

Provided below are the comments that were submitted from May 23, 2019 through June 23, 2019.

1. Letter dated May 10, 2019 from Jerome Warren:

Comment:

*Superman fought for truth and the justice, but he never took on the American way – corruption. Hawaii County’s Department of Environmental Management helped their cronies when they switched the 2007 sewer plan for Naalehu to a new location. DEM did not inform homeowners that Mayor Harry Kim’s agreement to them was broken. Now the DEM keeps hiring consultants to draw up more plans which keep getting rejected by the community. Taxpayer dollars are going into political insider’s pockets. This is corruption. Somebody must save us. Please audit this project.*

DOH Response:

*In order to determine CWSRF eligibility, the DOH will review all CWSRF applicable and required Federal and State environmental, historical, cultural, design, construction, management, and loan documents prior to executing a loan agreement.*

*The other comments mentioned above should be addressed by the County of Hawai’i.*

2. Handwritten note received May 22, 2019 from Sandra Demoruelle:

Comment:

*The Naalehu WWTP (Priority #5, 57, 77) TOTAL \$71,850,000 in loans, too much!!*

DOH Response:

*In order to determine CWSRF eligibility, the DOH will review all CWSRF applicable and required Federal and State environmental, historical, cultural, design, construction, management, and loan documents prior to executing a loan agreement.*

3. Letter dated June 19, 2019 from Sandra Demoruelle:

Comment:

*Because the County Council is already appropriating funding (Bills 75/76-19 based on the DOH-WWB CWSRF loans), we ask for a local public hearing to allow public input into the DOH SRF funding decision. Please see the attached letter to the County of Hawaii County Council for further details of my concerns for inclusion in the IUP comments on the listing of the Naalehu*

*and Pahala projects on the IUP list prior to any assessment of the need for an EIS as required by SERP (also attached).*

*Thank you for considering holding a public meeting in Naalehu and for reconsidering the Ka'u SRF funding for extravagant and unneeded WWTPs.*

DOH Response:

*Pursuant to the U.S. EPA regulations 40 CFR 35.3150, a public hearing is not a requirement of the IUP process.*

4. Email and attachments dated June 19, 2019 from Sandra Demoruelle:

Comment:

*I can understand the County Council ignoring my advice about how the premature awarding of CWSRF funds will jeopardize ALL future CWSRF funding - but I cannot understand why y'all are willing to take the chance?*

*I love HID suits because they move so fast and the Judges seem smarter.*

*Do I have to take DOH-WWB to Court to stop Bills 75 and 76 w/an emergency Preliminary Injunction (PI)? Then I will go for a permanent injunction to stop any consideration and inclusion on your IUP list of CWSRF loans for ANY projects w/o the DOH SERP approval completed [prior to application under HRS 342D-54] based on the untrustworthiness of "promised" future compliance by the County in the past for the same projects.*

*Sorry to trouble you with emails, but since I will be filing my lawsuit the day the CC approves the Bills (July 9, 2019), I thought you might want to be informed in order to provide the CC with further guidance.*

DOH Response:

*To date, the CWSRF program has not awarded, funded, or executed any loans for the following projects:*

- C150090-04: Nā'ālehu Wastewater Collection System*
- C150090-05: Pāhala Large Capacity Cesspool Conversion*
- C150090-06: Nā'ālehu Sewage Pump Station and Force Main*
- C150090-07: Nā'ālehu Wastewater Sewage Transmission, Wastewater Treatment and Disposal System*
- C150090-08: Pāhala Wastewater Collection System*

*In order to determine CWSRF eligibility, the DOH will review all CWSRF applicable and required Federal and State environmental, historical, cultural, design, construction, management, and loan documents prior to executing a loan agreement.*

5. Letter dated June 22, 2019 from Sandra Demoruelle:

Comment:

*The County Council is appropriating funding (Bills 75/76-19) for FUTURE application for the DOH-WWB CWSRF loans, not the five current WWTP projects listed on the 2019-2020 IUP: C150090-04 through -08. Therefore, WWB cannot use that \$47 million in bond guaranteed funds for the purpose of providing monies for any of the CURRENTLY LISTED 2019-2020 Ka'u projects.*

*The County Council is appropriating funding (Bills 75/76-19) without following the Hawaii State Environmental Review Process (SERP dated DOH 12/5/2017) to determine whether the projects require one or more Environmental Impact Statements, which has been challenged in Demoruelle v. Beck as being in violation of HRS 343 statutes requiring “early” environmental review to guide the decision-making at all levels (including your loan decisions and the County Council’s monetary decisions guiding approval of the pre-mature Bills 75/76-019).*

*None of you at WWB are free to dilute the Hawaii [and U.S.] Supreme Court definition of “early” – determined and redetermined [sic] as I have argued in my lawsuit pleadings:*

*HRS 343-5(b) mandates that environmental review be undertaken at the “earliest practicable time.” Defendants want to wait to do environmental review after all decisions are made on siting Naalehu’s four lagoon sewage treatment plant – a future time that is when it is “practicable” for COHDEM.*

*Not concerned that environmental review “occur early enough to function practically as an input into the [COHDEM] decision-making process,” since the 2007 FEA/FONSI, Defendants have made major technology design changes, along with consideration of 32 sewage plant sites, testing, planning and presenting these decisions to the community following no HRS 343 environmental review procedures.*

*The United States Court of Appeals for the Ninth Circuit cautioned that “[a]n assessment must be ‘prepared early enough so that it can serve practically as an important contribution to the decision making process and will not be used to rationalize or justify decisions already made’... the rationale behind this rule is that inflexibility may occur if delay in preparing an EIS is allowed: ‘After major investment of both time and money, it is likely that more environmental harm will be tolerated.’” Save the Yaak Committee v. J.R.Block, 840 F.2d 714, 718 (9th Cir. 1987) (quoting 40 CFR 1502.5 (1987)).*

*In Sierra Club v. Marsh, 872 F.2d 497 (1st Cir. 1989), Judge (later Justice) Breyer concluded: [T]he harm at stake is a harm to the environment, but the harm consists of the added risk to the environment that takes place when governmental decision-makers make up their minds without having before them an analysis (with prior public comment) of the likely effects of their decision upon the environment. NEPA’s object is to minimize that risk, the risk of uninformed choice, a risk that arises in part from the practical fact that bureaucratic decision-makers (when the law permits) are less likely to tear down a nearly completed project than a barely started project.... By waiting over eleven years to even begin preparation of the requisite “early” environmental review documents, the Defendants are merely rationalizing and justifying their decisions which have been and are currently being made without any consideration of the environmental effects. Allowing Defendant Kucharski to determine that an EA cannot even be started for the pre-determined Naalehu wastewater treatment project until the County Contractor, Brown and Caldwell, has done site-specific environmental studies is after the fact rationalization of its decisions to test. Word-for-word, Director Kucharski said: “In an EA you come up with a preferred alternative, and that preferred alternative is what all of the environmental studies and impacts are centered around. And you have to go through a justification as to how you got to that preferred site. And that is the process.”*

*Plaintiff has directly addressed Defendant Kucharski with its concerns. The detailed minutes of the June 27, 2018, COH Environmental Management Commission (“EMC”) meeting document the following exchange:*

*Director Kucharski: ...”In [sic] the initial stages, the [LCC conversion to septic] option was thought to be acceptable, however when they did their final testing, the technical evaluation determined that this is not an acceptable site. We cannot construct this facility here. So we are left with an initial okay, let’s try to do this. But then technically, it doesn’t work. Okay? And so we are back*

to the drawing board. We're in the situation now. We know the technology. Where we are going to put it is not yet determined. We've looked at over 30 sites in Naalehu alone. ..."

Ms. Demoruelle: There has never been – what he's talking about is site selection [for] something that has not been [environmentally] reviewed. There has never been an EIS on the [sewage] treatment system. ...He's saying do you want the sewage system treatment plant beside your [Naalehu Elementary] school, or do you want it somewhere else? He's not allowing us a review of the sewage treatment system. They went from the LCC conversion to septic, and then all of a sudden, with no – just because they [COHDEM] said it's not suitable for the site that they were going to put the septic - they just suddenly went to two [new-build] wastewater treatment plants. And that's what Mr. Kucharski hasn't addressed, is when are you going to do the EIS on these projects themselves? Not the siting of the project, but the project itself? ... [sic]

...You don't do EAs after the [fact]. I can cite you the law. EISs are done early in the process, early[!] And the decision not to do an EIS on these two projects was made in the wastewater treatment department. Dora Beck, who is not here to discuss this with us today, as to why she changed from having the simple project, the sewage septic conversion, which may or may not be [needed], because they will not share with me the actual results of their [2008] studies. They won't give us the studies, put them in our library so we can review them ourselves. He's just saying "trust me, we really do need two sewage treatment plants in Kau." And I am saying "I really do not trust that." I have an FEA in front of me that shows that the sewage, septic, was going to be fine. So why – somewhere show me the paperwork that shows that we do need two sewage treatment plants.

At another point in the June 27th EMC meeting, Director Kucharski was directly asked if the siting of the secondary wastewater treatment plant with four lagoons located adjacent to the Naalehu Elementary School was "off the table." The June 27th EMC minutes state:

Commissioner Osborne: So is the [Naalehu Elementary] school off the table, then, is the school site off the table or is it still being considered?

Director Kucharski: When you do an EIS or an EA, you need to provide alternative sites for the process, whatever it is you're looking to do. So until the EA, the EIS, has started for this final location, completed, and a draft is put out, nothing is off the table." [sic]

Director Kucharski has made clear that the EA/EIS is to justify COHDEM decisions, but HAR 11-200.1-1(b) states that the EIS shall not be merely a self-serving recitation of benefits and a rationalization of the proposed action.

How can you approve such a huge amount of loan funding - \$37 million to close 103 homes on the Pahala LCC is, by itself, costing County of Hawaii taxpayers \$360,000 per house [homes which are worth under \$200,000 per tax records] when you will have alternative technology and financing available in under a year? How can you justify loan debt of \$108,550,000 for two projects that your cesspool working group will render way over-priced based on your "Technology Research" (RFP WWB 19-01) reports in under a year? How can you justify loan debt of \$108,550,000 for two projects that your cesspool working group will render "free" to the County via free monies made available through new-found grant funding or negative-interest loans based on your "Finance Research" (RFP WWB 19-02) reports in under a year?

Finally, in her testimony to the County of Hawaii Finance Committee on June 3, 2019, Department of Environmental Management Wastewater (DEM-WW) Division Chief Dora Beck, P.E., lied about Bill 75 - the Ka'u [sic] community NEVER WANTED THE WEATHERFORD [TMK 9-5-012-005] SEWAGE TREATMENT PLANT - Ka'u [sic] wants the 2007 FEA-promised septic conversion for all Ka'u [sic] LCCs, like was done at the Pahala Senior Housing last year. (See attached 2007 FEA plans for the septic conversion and the fake perc report (dated February 9,

2009) used to justify all the horrendous changes made without any environmental review or “noticed” public comment, as required by HRS 343 and NEPA statutes.)

Here is how WWB simply kept approving ever more expensive CWSRF loans that went from costing \$1,507,214 for the original CWSRF loan to the current 2019-2020 IUP CWSRF loans totaling \$108, 550,000 for the two sewage plants.

(2007) Original CWSRF	SFY 2017		SFY 2019/20	
\$1,507,214	C150090-07	\$6,600,000	C150090-07	\$47,350,000
	NPS0090-04	\$10,200,000	C150090-04	\$20,000,000
	NPS0090-06	\$550,000	C150090-06	\$4,700,000
			C150090-08	\$15,000,000
	NPS0090-05	\$12,000,000	C150090-05	\$21,500,000

TOTAL KA’U LCC CLOSURE CWSRF LOAN:

\$1,504,214	2017	\$29,350,000	2019	\$108,550,000*
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[\*Currently, the \$108,550,000 loan does NOT include cost of an actual Naalehu sewage treatment plant.]

Again, thank you for considering holding a public meeting in Naalehu and for re-considering the Ka’u [sic] SRF funding for extravagant and unneeded WWTPs.

DOH Response:

To date, the CWSRF program has not awarded, funded, or executed any loans for the following projects:

- C150090-04: Nā’ālehu Wastewater Collection System
- C150090-05: Pāhala Large Capacity Cesspool Conversion
- C150090-06: Nā’ālehu Sewage Pump Station and Force Main
- C150090-07: Nā’ālehu Wastewater Sewage Transmission, Wastewater Treatment and Disposal System
- C150090-08: Pāhala Wastewater Collection System

In order to determine CWSRF eligibility, the DOH will review all CWSRF applicable and required Federal and State environmental, historical, cultural, design, construction, management, and loan documents prior to executing a loan agreement.

To the best of our knowledge, the County of Hawai’i is in the process of complete the following environmental documents:

- Phase I Environmental Site Assessment, Pāhala Wastewater Treatment Plant (WWTP), July 17, 2017.
- Draft Environmental Assessment for the Pāhala Large Capacity Cesspool (LCC) Replacement Project, EPA Grant XP-96942401, September 2018
- Phase I Environmental Site Assessment, Naalehu Wastewater Treatment Plant (WWTP), October 26, 2018.

Pursuant to the U.S. EPA regulations 40 CFR 35.3150(b)(1), the IUP must contain a list of publicly owned treatment works projects and this list must include: the name of the community; permit number or other applicable enforceable requirement, if available; the type of financial assistance; and the projected amount of eligible assistance.

*The other comments mentioned above should be addressed by the County of Hawai'i.*

6. Email dated June 22, 2019 from Sandra Demoruelle:

Comment:

*The 2019-2020 IUP listing CWSRF loan funding of \$108,550,000 for the Ka'u LCC closure projects is totally unacceptable to Hawaii County taxpayers, who are to be stuck with this unneeded bill. The only reason the County didn't just replace the LCCs in 2007 was because James Weatherford wanted to use his property to make money off a huge four lagoon sewage treatment plant. To justify the abandonment of the FEA/FONSI 2007 plan to convert the LCCs to septic - a shovel-ready plan approved by everyone including HDOH and EPA AND the Ka'u community - the County Department of Environmental Management (DEM) have been using the bogus Feb. 9, 2009 "percolation test." Although the so-called test result of 4000 g/d effluent flow was said to be "not representative of the capacity of the well," DEM has repeated this lie in every Engineering Report and related documents since that time. In fact, as recently as her Bill 75 testimony to the Finance Committee, Dora Beck repeated this lie about the perc report justifying their changes to the original septic conversion planned for 2007.*

*Along with calling upon you to stop funding these fraudulent projects, this is notice that this ongoing public corruption, which has been a non-transparent drain of untold millions of County tax-dollars, is being reported to the FBI, the Hawaii County Legislative Auditor and to the EPA Inspector General (OIG) for separate investigation of the violations of Federal, State and County statutes and regulations resulting from the past 12 years of CWSRF funding for these projects that totally lack any SERP or NEPA review*

*I cannot understand why projects that have no EIS DETERMINATION (EA or EISNP) can continue to be listed on the IUP and to apply for actual BOND funding before there is an EIS to provide the Council with information on the projects' impacts - especially the impacts of hundreds of millions of \$ in loans that may be needless because your cesspool working group finds cheaper/better technology and/or "free" money this next year.*

*Making the taxpayer pay about \$1 million per household taken off the Ka'u LCCs is like asking a person to be the last soldier killed in the Viet Nam War - i.e., pointless. Just wait and use better - cheaper - or "free" - technology. Be sensible and save a million \$ per home!*

*In 2016, when DEM signed the contract for \$6.6 million in CWSRF loan funding, you were promised SERP and all the crosscutters but no determination of an EIS - let alone the acceptance of a FEIS as is really what is required by law - has occurred! Now you are throwing more money at an agency that is flouting your own SERP laws with absolute impunity.*

*Sticking Ka'u with a bill of about \$1 mill/household (around \$200 mill in the end) is just crazy when there are probably better options - including Plan A = septic conversion, as was done in Pahala last year for \$200,000 with \$7,000 refunded!*

*Following environmental law would solve the problem of determining the best plan for Ka'u - but DEM prefers to violate the law with impunity and you are, likewise, supporting their violations by giving them money before they have even begun SERP!*

*You can see for yourself that the LCC pictured below, which was examined in the "perc test" Feb. 2009, is just fine to this very day.*

*Please note - as pictured below - there is no evidence of the 100,000 g/d of sewage that DEM keeps using as an excuse to abandon the 2007 FEA LCC conversion plan. Nor does the LCC show signs of weekly "pumping," another DEM excuse that shows up in the multiple PERs along with the "failing well" lie.*



*If required, I am prepared to sue you and Jon Nagato for your years of providing these projects with illegal loan funding and, with passage of Bills 75/76-19 upon final reading July 9, 2019, approval of appropriation through bonds for CWSRF funding applications that "will be requested by the County, "thus enabling the DEM to continue to violate HRS 343 and NEPA from 2007 to the present day based on the lie that there are a 100,000 gallons of sewage per day flowing out of the well pictured below.*

DOH Response:

*To date, the CWSRF program has not awarded, funded, or executed any loans for the following projects:*

- *C150090-04: Nā'ālehu Wastewater Collection System*
- *C150090-05: Pāhala Large Capacity Cesspool Conversion*
- *C150090-06: Nā'ālehu Sewage Pump Station and Force Main*
- *C150090-07: Nā'ālehu Wastewater Sewage Transmission, Wastewater Treatment and Disposal System*
- *C150090-08: Pāhala Wastewater Collection System*

*In order to determine CWSRF eligibility, the DOH will review all CWSRF applicable and required Federal and State environmental, historical, cultural, design, construction, management, and loan documents prior to executing a loan agreement.*

*The other comments mentioned above should be addressed by the County of Hawai'i.*

### **III. Summary**

There were six (6) comments to this *Intended Use Plan* received in response to solicitation for public input. DOH responses were provided to applicable comments. All other comments should be addressed by the County of Hawai'i.



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SINA PRUDER, P.E., CHIEF  
Wastewater Branch