DRINKING WATER TREATMENT REVOLVING LOAN FUND INTENDED USE PLAN FOR THE STATE OF HAWAII FISCAL YEAR (SFY) 2016 AND THE FEDERAL FISCAL YEAR (FFY) 2015 APPROPRIATION AMENDMENT 1

Submitted to the
U.S. Environmental Protection Agency
Region IX

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

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AMENDMENT 1 TO THE IUP FOR SFY 2016

The Intended Use Plan (IUP) for SFY 2016 has been amended to add $150,000 of EPA in-kind services to the budget. Northbridge Environmental Management Consultants will be retained to develop the Financial Operations and Cash Flow Utilization in the SRF (FOCUS) cash flow model and assist with the implementation of the *Hawaii SRF Management Study for the CWSRF and DWSRF Programs* recommendations.

Another amendment is the addition of the Kaizen Training Services Contract of $263, 006 by Peppers and Rogers Group which will be partly funded by the DWSRF Program Fees and the CWSRF. Phase 1 of the contract (Assessment) will occur from June 15-26, 2015. Phase 2 (Transformation) deliverables will be provided to the DOH no later than September 30, 2015. Notice to Proceed was issued on May 26, 2015. For more details see page 6.

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 purpose of establishing 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.

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 for the State Fiscal Year (SFY) 2016. This Intended Use Plan will be submitted to the EPA as part of the DOH's application for the DWSRF FFY 2015 Capitalization Grant Appropriation.

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

B. DWSRF CAPITALIZATION GRANT FOR FFY 2015

DWSRF Program plans for SFY 2016 are based on the FFY 2015 capitalization grant amount of $8,845,000.00 from the Consolidated and Further Continuation Appropriations Act, 2015 (P.L. 113-235) and the projected state match from the 2015 Hawaii State Legislature of $1,769,000.00. Based on the latest Drinking Water Needs Survey, Hawaii's share for FFY 2015 is one percent of the total national DWSRF appropriation. This Intended Use Plan will provide information regarding the use of the federal, state and additional monies generated from other program sources during this SFY 2016 period. 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 Intended Use Plan.

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.

For SFY 2016, $150,000 is projected to fund EPA in-kind services for the development of a FOCUS cash flow model and implementation of management study recommendations by Northbridge Environmental Management Consultants.

Table 1. Projected Sources and Uses of Funds

Sources	Through SFY 2015 IUP ($)	SFY 2016 IUP ($)	Cumulative through 6/30/2016
Federal Capitalization Grants	176,266,000.00[1]	8,845,000.00	185,111,000.00
State Match	32,174,000.00	1,769,000.00	33,943,000.00
Loan Repayments	52,784,433.63	10,257,452.82	63,041,886.45
Investment Interest	5,909,885.10	180,000.00	6,089,885.10
Loan Fees	5,611,770.86	2,222,427.95	7,834,198.81
Transfers from Loan Fee Account to Loan Fund	12,996,739.62		12,996,739.62
Total Sources	285,742,829.21	23,273,880.77	309,016,709.98
Uses			
Final Loan Agreements	232,665,288.02[2]	51,848,707.00	284,513,995.02
Set-Asides	25,661,375.45	2,330,088.00	27,991,463.45
Loan Fees	2,691,952.97	1,217,932.00	3,909,884.97
In-kind services for Hawaii Program Strategic Assessment (Management Study) and Hawaii FOCUS Cash flow Development and Implementation (Amendment 1)		150,000.00	150,000.00
Total Uses	261,018,616.44	55,546,727.00	316,565,343.44
Fund Balance	24,724,212.77	(32,272,846.23)	(7,548,633.46)

[1] Includes $19.5 million from ARRA and withholdings by EPA of $450,000.00 for LGTS and $101,500.00 of in-kind expenses in 2000, 2001, 2005, and 2014.
[2] Includes ARRA final loan agreements.

Loan Fees: On May 17, 2000, the State adopted Chapter 11-65, Hawaii Administrative Rules, entitled "Environmental State Revolving Funds." These rules establish fees for loans and other financial assistance from the DWSRF. On November 7, 2011, these rules were revised in which the annual maximum loan fee of 3.25 percent may be charged to DWSRF loans was established and the limit on the fees collected for the DWSRF administrative loan fee account was increased to $2 million. At the end of each fiscal year, any funds within the DWSRF administrative loan fee account, less encumbrances, in excess of $2 million will be transferred to the DWSRF repayment accounts to be used for DWSRF loans. There are two classes of loan fees:

(a) Program Fees: The State utilizes Program Fee monies only to cover DWSRF program administrative costs. Administrative activities include the costs of processing, issuing and servicing loans, supporting

engineering services, financial and legal consulting fees, reimbursement for support services from the State, and other DWSRF activities.

(b) Non-Program Fees: The State may utilize Non-Program Fees to primarily support DWSRF Administrative activities, secondary to support the DWSRF loan fund, and then if available or applicable to support the Public Water System Supervision Program and other Safe Drinking Water Branch activities.

Table 2. Loan Fees

Projected Loan Fees Collected SFY 2016 ($)	Projected Expenses SFY 2016 ($)
Program Fees: 743,975.83 Non-Program Fees: 1,478,452.12 Total Loan Fees: 2,222,427.95	1,217,932.00

SFY 2016 Projected expenses for the Loan Fees include the balances needed for the 4% Set-Aside Budget and 10% Set-Aside Budget and half of the Kaizen Training Services Contract.

On October 24, 2014, DOH received the Notice of Non-Compliance from EPA Region IX. The notice stated that the EPA was issuing the Notice to DOH "for failing to comply with the requirements of the Safe Drinking Water Act, its implementing regulations, and the terms and conditions of the Hawaii Drinking Water Treatment Revolving Loan Fund grant agreements funded by the EPA for federal fiscal years 2006 through 2012. The EPA has determined that the DOH does not have adequate personnel and resources to manage the DWTRLF, nor has the DOH committed and expended all funds in the DWTRLF as efficiently as possible and in an expeditious and timely manner, in violation of the terms and conditions of the grant agreements and 40 C.F.R. §35.3550(c) and(l)."

Corrective Action Plan (CAP) Item No. 11 required a Staffing Plan in part for "(2) financial analysis: expertise is needed with respect to financial modeling, strategic planning, and forecasting to determine funding capacity and create an understanding of the long term implications of funding decisions; [and] (3) program management: expertise is needed for managing the SRFs (not limited to DWSRF) in a manner so as to integrate program, accounting, and financial activities to meet and sustain the goals of the CAP and Management Study."

The Kaizen Training Services Contract of $263, 006 by Peppers and Rogers Group (PRG) to address the financial analysis and program management positions as well as overall organization of the SRF programs contains two phases – Assessment and Transformation. PRG will build upon the information provided in the *Hawaii SRF Management Study for the CWSRF and DWSRF Programs*, by Northbridge Environmental Management Consultants, issued on October 22, 2014. This contract will be partly funded by the DWSRF Program Fees and the CWSRF. Notice to Proceed was issued on May 26, 2015. The associated deliverables for Phase 1 (June 15-26, 2015) and Phase 2 will be provided to the DOH no later than September 30, 2015.

D. Requirements of the Consolidated and Further Continuing Appropriations Act, 2015

The Act, which provides the FFY 2015 appropriation for the DWSRF, carries the following requirements:

Additional Subsidization

Not less than 20 percent but not more than 30 percent of the funds made available under this title to each State for Drinking Water State Revolving Fund capitalization grants shall be used by the State to provide additional subsidy to eligible recipients in the form of principal forgiveness, negative interest loans, or grants (or any combination of these).

Funds in accordance with this Act have been earmarked for additional subsidization in the form of zero percent interest loans with principal forgiveness. The Hawaii DWSRF program will target Green Project Reserve projects with $1,769,000.00 of additional subsidy.

Act 98, signed by the governor on June 8, 2009, authorizes the Department of Health to provide such financial assistance to publicly-owned water systems from the Capitalization Grant.

Green Project Reserve (GPR)

For FFY 2015, funds made available under this title to each State for Drinking Water State Revolving Fund 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 intends to continue providing funds for the GPR.

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 rating criteria and may receive additional subsidization. The list of eligible GPR projects may be found in Appendix A.

Reporting Requirements

The Hawaii DWSRF Program will report on a quarterly basis on the utilization of funds under the SFY 2016 Intended Use Plan. The major reporting vehicle will be the DWSRF Project Benefits Reporting (PBR) system. Reporting will include the use of funds for the GPR and Additional Subsidization and information on the environmental benefits of DWSRF-funded projects.

The Hawaii DWSRF program intends to satisfy the Federal Funding Accountability and Transparency Act (FFATA) up to the FFY 2015 Capitalization Grant amount with **DW212-0015, Iao Surface Water Treatment Plants Upgrades** or **DW130-0003, Waimea WTP Microfiltration** 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).

American Iron and Steel (AIS)

None of the funds made available by the Drinking Water State Revolving Fund shall be used for a project for the construction, alteration, maintenance, or repair of a public water system unless all of the iron and steel products used in the project are produced in the United States.

Cash Draw Ratio

The cash draw ratio (also known as proportionality) is the ratio of federal to state monies used to fund a loan. The Hawaii DWSRF is a direct loan program and will draw funds on a 81.1 percent to 18.9 percent schedule or at the required ratio to satisfy the cash draw ratio requirements.

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, including those of the recently enacted ARRA, 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 research options of providing funds to assist in financing improvements to privately-owned and state-owned public water systems.

4. To promote sustainable infrastructure and energy efficiency through the use of the DWSRF's Green Project Reserve.

B. SHORT-TERM GOALS

1. Fully transition engineering and fiscal operations to the Loan and Grants Tracking System (LGTS).

2. Continue forward with the implementation of some of the recommendations from the Northbridge Environmental Management Consultants' October 22, 2014 *Hawaii SRF Management Study for the CWSRF and DWSRF Programs* to streamline the Hawaii DWSRF program and increase the program's pace.

3. Continue to comply with the January 30, 2015 Corrective Action Plan, approved by EPA Region 9 on March 17, 2015.

4. Continue modification of the Functional Procedures and the Operating Agreement to reflect and meet the DWSRF requirements and needs.

5. Continue to follow the implementation of the Capacity Evaluation program and adjust the implementation to meet with the DWSRF loan program needs.

III. DWSRF FINANCING GUIDELINES

A. DWSRF PROJECT ELIGIBILITY

The DWSRF Program will fund drinking water projects that fall under these categories:

- Projects to correct acute health problems;
- Projects to correct chronic health problems; and
- Projects to meet other public health criteria.

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. Currently, loans will be provided only to county owned public water systems. Existing debt may be refinanced upon verification by the 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 Intended Use Plan.

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 at this time.

- Loans to eligible projects, using the currently available DWSRF funds, can be for 100 percent financing of the allowable project costs.
- Except for disadvantaged communities, loan repayment periods will be limited to a maximum of 20 years, with repayment installments to be made semi-annually. Disadvantaged communities may extend financing for up to 30 years. See the Disadvantaged Communities section in this IUP for details.
- DWSRF loan rates will remain fixed over the life of the loan.
- The DWSRF total annual loan rates will follow a tiered structure based on loan amounts. The total loan rate is composed of the loan fee and interest rate, as shown in the following table. These rates are in place until June 30, 2016 and may be adjusted depending on the ability of the fund to remain in perpetuity.

Table 3. Loan Rates

Total Loan Rate (%)	Interest Rate (%)	Loan Fee (%)	Project Loan Amount ($)
1.00	0.00	1.00	Over 8 million
1.50	0.50	1.00	4 million to 8 million
2.00	1.00	1.00	Less than 4 million

- Currently, administrative loan fees are calculated based on the outstanding principal balance of the loan multiplied by a semi-annual rate of one-half percent (0.50%).
- In addition, the principal amortization for most DWSRF loans begins one year after the Notice to Proceed (NTP) or the date of the final loan agreement, whichever is later.
- The Hawaii DWSRF program, EPA, and Northbridge Environmental Management Consultants, through their aforementioned *Hawaii SRF Management Study for the CWSRF and DWSRF Programs*, are evaluating the two (2) previous bullet points and developing alternative methods to optimize program cash flow, minimize program staff time and ease the burden on County clients' fiscal staffs. Through April-May 2015, the Hawaii DWSRF program worked with our County clients to describe the selected amortization method(s). As required by the January 30, 2015 Corrective Action Plan Item #5, the Hawaii DWSRF program will be implementing an alternative amortization calculation method on loans signed after June 30, 2015 (one-time amortization of the loan upon project completion).

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 4 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.

Table 4. Set-Asides Overview

SDWA Act Set-Aside Reference	Set-Aside Activity	Set-Aside FFY 2015 Capitalization Grant Funds ($)	Set-Aside Funds FFY 1997-2014 ($)	Banked Set-Aside FFY 2015 Capitalization Grant Funds ($)	Banked Set-Aside FFY 1997-2014 Capitalization Grant Funds ($)	Projected Expenses SFY 2016 ($)
§1452 (g) (2) – (4%)	DWSRF Administration Fund	353,800.00	4,310,928.00	0.00	336,840.00	353,800.00
§1452 (g) (2) – (10%)	State Program Management	884,500.00	10,232,819.88	0.00	3,828,600.00	884,500.00
§1452 (g) (2) – (2%)	Small Systems Technical Assistance	20,000.00	1,363,465.16	156,900.00	1,102,120.00	20,000.00
§1452 (k) – (15%)	Local Assistance and Other State Programs	0.00	9,055,618.69	0.00	0.00	1,071,788.00
Total Set-Asides		**1,258,300.00**	**24,962,831.73**	**156,900.00**	**5,267,560.00**	**2,330,088.00**
Total Banked Set-Asides FFY 1997-2015 Capitalization Grant Funds				**$5,424,460.00**		

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

Section 1452(g)(2) of the Act allows up to four 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.

B. State Program Management (10% Set-Aside)

Section 1452(g)(2) of the Act allows up to ten 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.

C. Small Systems Technical Assistance (2% 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.

D. Local Assistance and Other State Programs (15% Set-Aside)

Section 1452(k) of the Act allows up to 15 percent of the 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, 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 fencing and security cameras 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. In addition, Hawaii will utilize past Capitalization Grants 15% set-aside funds to support any or all of the activities listed here. None of the individual activities listed will exceed ten percent of any particular year's Capitalization Grant.

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 2016* is presented in Appendix A. In November 2014, the SDWB DWSRF Program invited the county water departments to submit proposed projects for DWSRF funding. The *Priority List of Projects* was developed by evaluating the proposed projects based on the Project Selection Procedures and DWSRF Rating

Criteria. The priority ranking system is applicable for projects to be funded through the DWSRF program. Amendments to the Project Selection Procedures and DWSRF Rating Criteria will be considered as appropriate to reflect the changing character of the Program. The *DWSRF Project Rating Criteria* is found in Appendix B.

Projects with an executed binding commitment (Commitment Letter) are required to have an executed final loan agreement within one year of the binding commitment date, otherwise, DWSRF funds committed to those projects may be reallocated to other ready-to-proceed projects.

B. Project Selection Procedures

The State of Hawaii utilizes a ranking system 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 Intended Use Plan. The Intended Use Plan 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 Rating 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. In the event that 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 amount of 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 the purpose of breaking ties between projects at the time of evaluation.

1. If the tie is between public water systems with service populations greater than 10,000 persons (large public water system) and public water systems with service populations of 10,000 or fewer persons (small public water system), the small water systems will be given the higher priority.

2. For small public water systems, the tie will be broken through the evaluation of the affected population's Median Household Income. The higher priority will be assigned to the public water system with the lowest Median Household Income. Where this fails to clearly determine project rank, the highest priority will be assigned to the project, which exhibits the highest cost per person, based on the system's population.

3. Similarly, for large public water systems, the tie will be broken through the evaluation of the affected population's Median Household Income. The higher priority will be assigned to the public water system with the lowest Median Household Income. Where this fails to clearly determine project rank, the highest priority will be assigned to the project, which exhibits the highest cost per person, based on the system's population.

D. Project Readiness and 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 is 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 high 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.

Categorical Green Projects identified in the *DWSRF Priority List of Projects for SFY 2016* may be funded ahead of non-Categorical Green Projects.

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

E. Disadvantaged Communities

The DWSRF is authorized to provide up to 30 percent of the Capitalization Grant for any fiscal year to assist disadvantaged communities. A disadvantaged community is currently defined as a public water system's community with a county MHI less than the State's MHI of $67,402 as demonstrated in the Census Bureau's 2009-2013 American Community Survey.

The Hawaii DWSRF program may assist disadvantaged communities by allowing county-owned water systems in such communities to extend financing of DWSRF loans up to thirty years.

F. FUNDABLE LIST OF PROJECTS

For the SFY 2016, projects listed in Table 5 may be funded up to 100 percent of the eligible construction cost from the *DWSRF Priority List of Projects for SFY 2016* based on potential available funds and readiness-to-proceed. For more specific information on the projects listed in this table, see Appendix A.

Table 5. Fundable List of Projects

Rank	Project No.	Owner	Project Name	Green Project Reserve Type	Estimated Construction Date	Estimated Loan Amount
22	DW215-0010	Maui DWS	Kula 200 #1 Tank Replacement		Jul-15	$839,782.00
13	DW215-0009[1]	Maui DWS	Phase 6 Booster Pump Upgrades	Energy Efficiency	Aug-15	$4,000,000.00
65	MDWS-0001[2]	Maui DWS	Source Generator Installation - 4 sites		Oct-15	$1,320,000
23	DW233-0002[3]	Maui DWS	Kualapuu MCC Upgrades		Oct-15	$550,000
57	DW212-0018	Maui DWS	Wailuku Heights Tank 30 Booster Replacement		Dec-15	$1,320,000
31	DW247-0008	Maui DWS	Omaopio 2.1 MG Tank Replacement		Mar-16	$4,400,000
1	DW133-0004[3]	Hawaii DWS	Kapulena Well Development Phase 2 (Production Well and 0.3 MG Reservoir)		SFY 2016	$2,664,824.00
2	DW130-0003[3]	Hawaii DWS	Waimea WTP Microfiltration		SFY 2016	$12,896,000
16	DW212-0015	Maui DWS	Iao Surface Water Treatment Plants Upgrades	Energy Efficiency (Categorical)	SFY 2016	$16,500,000
17	DW161-0002[3]	Hawaii DWS	Ahualoa-Honokaa Transmission Waterline	Water Efficiency	SFY 2016	$3,200,000.00
66	DW102-0001[3]	Hawaii DWS	Laupahoehoe 0.5 MG Reservoir		SFY 2016	$4,158,101.00
Total						$51,848,707.00

[1]Additional Subsidy to be provided
[2]Disadvantaged Community by County. Maui County MHI is $63,512 (Census Bureau's 2009-2013 American Community Survey)
[3]Disadvantaged Community by Public Water System

VI. ASSURANCES AND PROPOSALS

A. ENVIRONMENTAL REVIEW

Applicants are responsible for conducting environmental assessments as defined by Chapter 343, Hawaii Revised Statutes, entitled *Environmental Impact Statements*, and outlined in the 2012 edition of the *Guide to the Implementation and Practice of the Hawaii Environmental Policy Act*. The DWSRF Program will review each

Applicant's progress in this process. The DWSRF Program reserves the right to refuse any SRF loan to any Applicant for any reason if it feels that the proposed project has the potential to impact the environment in ways that the Applicant has not considered or has not addressed through mitigation measures.

B. Federal Cross-Cutters

The State will ensure that all federal cross-cutters 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 cross-cutters and other DWSRF environmental requirements.

C. Binding Commitment

Hawaii's DWSRF Program will enter into 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 year after receipt of each Capitalization Grant payment.

D. Timely Expenditure

The State will expend all funds in the DWSRF loan fund in a timely and expeditious manner.

VII. DWSRF-CWSRF FUND TRANSFER

Section 302 of the Safe Drinking Water Act authorizes the state to transfer up to 33 percent of the amount of a fiscal year's DWSRF program capitalization grant to the Clean Water State Revolving Fund (CWSRF) program to the DWSRF program or an equivalent amount from the CWSRF program to the DWSRF program. In the SFY 2015 legislative session DOH pursued legislation (SB1111, SD1) that would permit the transfer of these funds between the DWSRF and CWSRF programs. The bill passed the second reading and was referred to the House Committee on Finance by the House Committee on Health on March 24, 2015. The bill was not heard by the House Committee on Finance in time for the second decking deadline of April 10, 2015. The DOH will pursue this legislation again in SFY 2016.

VIII. U.S. ENVIRONMENTAL PROTECTION AGENCY STRATEGIC PLAN GOALS AND OBJECTIVES

The Hawaii DWSRF Program supports the National EPA Strategic Plan Goal 2 (Protecting America's Waters), Objective 2.1 (Protect Human Health), and Strategic Measure (Water Safe to Drink) as listed below. 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 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 2016 will be submitted by August 2015.

Strategic Plan Goal 2: Protecting America's Waters

Strategic Plan Objective 2.1: Protect Human Health – Achieve and maintain standards and guidelines protective of human health in drinking water supplies, fish, shellfish, and recreational waters, and protect and sustainably manage drinking water resources.

Strategic Measure: Water Safe to Drink – By 2018, 92 percent of community water systems will provide drinking water that meets all applicable health-based drinking water standards through approaches including effective treatment and source water protection.

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 DWSRF Annual Report published in December of each year. 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 2016

Appendix A
DWSRF Priority List of Projects for SFY 2016

No.	Points	DWSRF Project No.	Public Water System	Population	Owner	Project (Name and Description)	Green Project Reserve Type	Expected Construction Start Date	Estimated Construction Cost
1	180	DW133-0004	#133 DWS Kukuihaele	463	Hawaii DWS	**Kapulena Well Development Phase 2 (Production Well and 0.3 MG Reservoir):**Outfit exploratory well into a production well to replace Waiulili Springs (a GWUDI source) and the existing Kukuihaele Well (low sustainable yield ~ 50 gpm and high total chloride levels) with a new groundwater source. Project includes new 0.3 MG reservoir and new waterlines to connect the Kapulena Well with the existing Kukuihaele reservoir (0.1 MG) and also provide fire protection. *(Binding commitment executed)*		SFY 2016	$ 3,500,000
2	155	DW130-0003	#130 DWS South Kohala	11,927	Hawaii DWS	**Waimea WTP Microfiltration**: Microfiltration plant for increased reliability and better turbidity removal performance to meet the Long Term 2 Surface Water Treatment Rule. Reduce need to pump wells to		SFY 2016	$ 10,300,000
3	140	DW413-0003	#413	27,055	Kauai DOW	**WK-02; Akulikuli Tunnel Repairs, Water Treatment Plant Construction and Pipeline Replacement**: The Department plans to renew the Akuikuli Tunnel gravity water source. The tunnel was used as a drinking water source until it was determined to be under the influence of surface water and is currently off-line. The project consists of repairing tunnel portals, constructing a new membrane type treatment plant at the existing Ornellas Tank Site and pipeline repacement between the tunnel and proposed WTP. This project will bring this water source into compliance with the Safe Drinking Water Act for groundwater sources under the influence of surface water. Furthermore, our estimates show that we can offset approximately 450,000 kWh/year in pumping costs by taking advantage of the high level gravity source and utilizing membrane type treatment technology.		Jun-17	$ 5,500,000
4	140	DW412-0003	#412	27,055	Kauai DOW	**PLH-02, PLH-42; Kokolau Tunnel Water Treatment Plant Construction and Pipeline Replacement:** The Department plans to renew the Kokolau Tunnel gravity water source. The tunnel was previously used as a drinking water source until it was determined to be under the influence of surface water and is currently off-line. The project consists of constructing a new membrane type treatment plant at the existing Grove Farm Tank Site and replacing a segment of leaky concrete pipeline in between the tunnel and the proposed WTP. This project will bring this water source into compliance with the Safe Drinking Water Act for groundwater sources under the influence of surface water. Furthermore, our estimates show that we can offset approximately 300,000 kWh/year in pumping costs by taking advantage of the high level gravity source and utilizing membrane type treatment technology.	**Water Efficiency**	Jan-17	$ 5,000,000
5	140	DW214-0008	#214 DWS Lahaina	18,598	Maui DWS	**Mahinahina Water Treatment Facility Retrofit:** Retrofit WTF from multimedia to membrane filtration to achieve positive barrier to enhance water quality.		TBD	$ 11,121,000
6	135	DW103-0001	#103 DWS Ninole	151	Hawaii DWS	**Ninole Well "A" (Replace Chaves Spring)**: Replacement source for Chaves Spring, which has atrazine.		SFY 2016	$ 2,000,000

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No.	Points	DWSRF Project No.	Public Water System	Population	Owner	Project (Name and Description)	Green Project Reserve Type	Expected Construction Start Date	Estimated Construction Cost
7	120	DW214-0006	#214 DWS Lahaina	18,598	Maui DWS	**Honokahua Well "A" GAC Treatment**: Installation of Granular Activated Carbon Adsorption System to provide treatment for the removal of DBCP from well serving Mahinahina (Lahaina) system.		TBD	$ 2,500,000
8	115	DW233-0001	#233 DWS Ualapue	1,031	Maui DWS	**Ualapue Well Replacement**: Installation of replacement source for Ualapue System, which has increasing chloride levels and may be susceptible to becoming a groundwater under the influence of surface water.		SFY 2017	$ 3,500,000
9	115	DW129-0001	#129 DWS North Kohala	4,822	Hawaii DWS	**Halaula Well Development Phase 1:** Replacement source for Bond Tunnel to comply with the Lead and Copper Rule. Construction of potable water well, 0.5 MG reservoir, chlorine/control building, electrical and site improvements, and other supporting facilities. *(Binding*		SFY 2016	$ 3,000,000
10	115	DW434-0006	#434 DOW Kalaheo	15,108	Kauai DOW	**K-17; Kalaheo Water Treatment Plant:** Renew the Kalaheo gravity water source utilizing surface water from Alexander Dam reservoir. This project will bring the source into compliance with the Safe Drinking Water Act for treated surface water. Estimates show that the Department can offset approximately 500,000 kWh/year in pumping costs by taking advantage of the high level gravity source and utilizing membrane technology.	**Energy Efficiency (Categorical)**	Jan-17	$ 4,500,000
11	110	DW335-0011	#335 BWS Waipahu-Ewa-Waianae	175,326	Hon BWS	**GAC Treatment for Waipio Heights Wells and Waipio Heights Wells I, Part A:** Part A: Install 16-inch mains and appurtenances along Lumihoahu Street from Waipio Heights Wells and Wells I to Lumiaina Street, along Lumiaina Street from Lumihoahu Street to Kamehameha Highway, along Kamehameha Highway from Lumiaina Street to Waipahu Wells III - approx. 4,000 lin. ft. Part B (non-SRF): Install two (2) GAC units at Waipahu Wells III, appurtenances and piping to connect to main		SFY 2018	$ 5,300,000
12	100	DW217-0004	#217 DWS Hana	1,134	Maui DWS	**Hamoa to Koali Waterline Project:** Replace 2,000 LF of inadequate and leaking pipeline with 8-in waterline to serve the Koali area of Hana.	**Water Efficiency**	TBD	$ 1,000,000
13	100	DW215-0009	#215 DWS Upper Kula	6,918	Maui DWS	**Phase 6 Booster Pump Upgrades:** Replace booster pumps and related equipment at 3 booster pump stations; Kula Kai, Middle Kimo, and Upper Kimo water tanks. *(Binding commitment executed)*	**Energy Efficiency**	Aug-15	$ 6,500,000
14	100	DW215-0012	#215 DWS Upper Kula	6,918	Maui DWS	**Piiholo WTF Control Upgrades:** Replace existing auto control system with new control/operation system	**Energy Efficiency**	Oct-15	$ 1,300,000
15	100	DW213-0012	#213 DWS Makawao	27,642	Maui DWS	**Hamakuapoko Wells Upgrades:** Replacement of the existing well pumps and motors at the two well locations with submersible pumps and related electrical equipment. A new 100,000 gallon tank will be added with related piping.	**Energy Efficiency (Categorical)**	SFY 2015	$ 2,000,000

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DWSRF Priority List of Projects for SFY 2016

No.	Points	DWSRF Project No.	Public Water System	Population	Owner	Project (Name and Description)	Green Project Reserve Type	Expected Construction Start Date	Estimated Construction Cost
16	100	DW212-0015	#212 DWS Wailuku	68,054	Maui DWS	**Iao Surface Water Treatment Plants Upgrades:** Upgrade the existing 1.2 MGD Iao Surface Water Treatment Plant. Upgrades includes a building to shelter the microfiltration units (the existing units are exposed with no building), install new microfiltration units and related filter backwash facilities for a 1.2 MGD capacity. The project will provide a reliable water treatment facility. High efficiency pumps will be installed.	**Energy Efficiency (Categorical)**	SFY 2016	$ 15,000,000
17	90	DW161-0002	#161 DWS Haina	2,316	Hawaii DWS	**Ahualoa-Honokaa Transmission Waterline:** Construct a waterline from the proposed Ahualoa production well to the Haina system to help transport the new groundwater source to the system. Replace existing pipeline prone to breaks and leaks. *(Binding commitment executed)*	**Water Efficiency**	SFY 2016	$ 2,319,148
18	90	DW161-0003	#161 HDWS Haina	2,316	Hawaii DWS	**Honokaa Camp 8 Waterline Replacement:** Replace existing watelrine which is deteriorating and prone to leaks and breaks	**Water Efficiency**	SFY 2018	$ 500,000
19	90	DW109-0002	#109 DWS Pahala	1,245	Hawaii DWS	**Pahala Village Waterline Replacement:** Replace approximately 2,800 LF of 2" galvanized waterline which is deteriorating and prone to leaks and breaks.	**Water Efficiency**	SFY 2018	$ 840,000
20	90	DW402-0001	#402 DOW Anini	156	Kauai DOW	**ANI-01B; Anini-Kalihiwai-Kilauea (Phase 2) Pipeline:** Replace approximately 10,000 feet of pipeline (Phase 2 section). The Department proposes to construct a new transmission waterline from its Kilauea-Waipake-Kalihiwai Water System to provide water supply to current DOW customers. The transmission route will be located along Kuhio Highway, Kalihiwai Road, crossing underneath Kalihiwai Stream, and Anini Road. In addition to supplying customers directly along the transmission route, the waterline will also reconnect to waterlines along Kalamania Road, Kaohe Road, and Kalihiwai Valley Road. The purpose of the project is to replace the water supply to current DOW customers along Anini Road and Kalihiwai Valley Road, which is currently provided by another water purveyor (Princeville Utilities) through financial agreements with DOW, thereby providing greater system security by affording DOW complete control over the water system.	**Water Efficiency**	Oct-15	$ 3,300,000
21	90	DW403-0004	#403 DOW Hanalei	988	Kauai DOW	**H-05: Weke, Anae & He'e Roads Water Main Replacements:** Project involves replacing 3300 LF of 8-in and smaller diameter waterline along the subject roads, and installation of related appurtenances (i.e., valves, hydrants, service laterals, etc.). Existing pipe is beyond useful life (>50	**Water Efficiency**	Jul-15	$ 1,300,000
22	90	DW106-0002	#106 DWS Pepeekeo	1,423	Hawaii DWS	**Pepeekeo Waterline Replacement:** Replace approximately 800 LF of cast iron waterline and 1,800 LF of asbestos-concrete pipe which is deteriorating and prone to leaks and breaks.	**Water Efficiency**	SFY 2017	$ 845,000
23	90	DW233-0002	#233 DWS Ualapue	1,001	Maui DWS	**Kualapuu MCC Upgrades:** Replace MCC and related electrical controls.		Oct-15	$ 500,000
24	90	DW129-0003	#129 HDWS North Kohala	4,822	Hawaii DWS	**Rancher's Subdivision Waterline Replacement:** Replace existing waterline which is deteriorating and prone to leaks and breaks	**Water Efficiency**	SFY 2020	$ 100,000
25	90	DW218-0002	#218 DWS Honokohau	42	Maui DWS	**Honokohau Water Source Replacement:** Installation of a new well or treatment facility to replace source for the Honokohau system.		SFY 2017	$ 1,500,000

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26	90	DW406-0009	#406 DOW Kekaha-Waimea	5,392	Kauai DOW	**KW-07, Paua Valley Tank No. 1 Water Loss Abatement:** Project involves abating water loss in Puau Valley Tank No. 1. This concrete tank has exhibited leaks along the wall/floor joint. Project tasks include draining the tank, sealing/ repairing the leak points and applying a new interior liner to extend tank service life.	**Water Efficiency**	Jun-16	$ 500,000
27	90	DW406-0010	#406 DOW Kekaha-Waimea	5,392	Kauai DOW	**Paua Valley Well Enhancements:** Project involves replacement/ enhancement of the MCC and pump/motor. The existing, aging MCC	**Energy Efficiency**	Oct-16	$ 300,000
28	90	DW404-0007	#404 DOW Hanapepe-Eleele	4,457	Kauai DOW	**HE-03b, HE-03c: Hanapepe Wells A & B Enhancements:** Project involves replacement/ enhancement of the MCC and disinfection system. The existing, aging MCC will be replaced with newer, higher-efficiency equipment to reduce electrical expenses and improve operational flexibility. The existing disinfection system (chlorine gas) will be replaced with a sodium-hypochlorite feed system and 30-day on-site supply. This conversion will reduce disinfection maintenance expenses (labor, etc.).	**Energy Efficiency**	Oct-16	$ 500,000
29	90	DW404-0005	#404 DOW Hanapepe-Eleele	4,457	Kauai DOW	**HE-14: Ele' Ele Booster Rehabilitation:** Project involves rehabilitation of the subject booster station. Specific tasks include pump and other electrical/mechanical appurtenance replacements, as well as system reconfiguration. The existing pumps and related operational equipment have exceeded their useful service, which requires DOW labor and other expenditures in excess of typical daily/weekly maintenance. Project will increase the operational efficiency of the station while reducing the current maintenance levels.	**Energy Efficiency**	Oct-15	$ 350,000
30	90	DW247-0007	#247 DWS Lower Kula	3,246	Maui DWS	**Phase 10 Booster Pump Upgrades:** Replace booster pumps and related equipment at 4 booster pump stations; Pookela, Maluhia, Olinda, and Lower Kula water tanks	**Energy Efficiency**	Mar-17	$ 6,000,000
31	90	DW247-0008	#247 DWS Lower Kula	3,246	Maui DWS	**Omaopio 2.1 MG Tank Replacement:** Construct a new 2.1 MG concrete water tank to replace the existing Omaopio Tank		Mar-16	$ 4,000,000
32	90	DW160-0001	#160 DWS Lalamilo	1,903	Hawaii DWS	**Puako Waterline Replacement:** Replace approximately 4,600 LF of 8" diameter waterline, 2,700 LF of 12" diameter waterline, and upsize approximately 3,600 LF of 8" diameter to 12" diameter waterline. Existing waterlines are old, deteriorating, and subject to leakage.	**Water Efficiency**	SFY 2016	$ 1,500,000
33	90	DW215-0010	#215 DWS Upper Kula	6,918	Maui DWS	**Kula 200 #1 Tank Replacement:** Replace 25K Gal Steel Tank with equal or larger size glass lined tank *(Binding commitment executed)*		Mar-15	$ 1,200,000
34	90	DW101-0002	#101 DWS Hilo	37,430	Hawaii DWS	**Puainako Street Waterline Replacement:** Replace approximately 7,700 LF of 8" (diam) cast iron waterline which is deteriorating and prone to leaks and breaks	**Water Efficiency**	SFY 2017	$ 2,700,000
35	90	DW101-0003	#101 HDWS Hilo	37,430	Hawaii DWS	**Hay Subdivision Waterline Replacement:** Replace existing waterline which is deteriorating and prone to leaks and breaks	**Water Efficiency**	SFY 2018	$ 120,000
36	90	DW131-0001	#131 DWS North Kona	27,942	Hawaii DWS	**Holua Road Waterline Replacement:** Replace approximately 1,300 LF of 4" galvanized waterline which is deteriorating and prone to leaks and breaks.	**Water Efficiency**	SFY 2020	$ 390,000

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37	90	DW213-0016	#213 DWS Makawao	27,642	Maui DWS	**Lower Baldwin Avenue Waterline upsizing:** Deisgn to replace approximately 6000 feet of 8" waterline with 12" for fire protection.		SFY 2016	$ 4,000,000
38	90	DW213-0010	#213 DWS Makawao	68,054	Maui DWS	**Wind Turbine - Kamole Water Treatment Plant:** Construct a wind turbine system to generate electricity. The system will produce electrical power for the water treatment plant and the high lift pumps. The system will reduce the department's dependance on Maui Electric Company and fossil fuels.	**Energy Efficiency (Categorical)**	TBD	$ 2,000,000
39	90	DW213-0017	#213 MDWS Makawao	68,054	Maui DWS	**Holokai Road Waterline Improvements**: Replace an existing waterline with a new 8" line for reliability. Add a new 8" waterline to address low pressure in the area due to a new water tank.		Jan-16	$ 1,500,000
40	90	DW213-0011	#213 DWS Makawao	68,054	Maui DWS	**Photovoltaic System - Kamole Water Treatment Plant:** Construct a photovoltaic system at the Kamole Water Treatment Plant. The system will provide electrical power to the treatment plant. This will reduce the department's dependance on Maui Electric Company and fossil fuels.	**Energy Efficiency (Categorical)**	TBD	$ 200,000
41	90	DW434-0009	#434 DOW Kalaheo	13,581	Kauai DOW	**K-05A: Kukuiolono 866/ 0.5-MG Tank:** Project involves demolition of an existing tank and erection of a new 0.5-MG tank. The existing 0.2-MG concrete tank has been taken out of service due to condition (>70 yrs) and warranted repairs. Water storage needs are currently met with management of other system tanks; however, the proposed 0.5-MG tank will not only replenish the previous storage volume, but also meet the future demands of the service area. The project also involves erecting the new tank next to another existing tank, as to consolidate operations and improve efficiency.		Apr-16	$ 3,500,000
42	90	DW434-0004	#434 DOW Kalaheo	13,581	Kauai DOW	**LO-08, LO-10; Lawai Water Main Replacements:** Replace approximately 8100 feet of 6- and 8-in water main along Koloa Rd and other streets.	**Water Efficiency**	Oct-15	$ 1,400,000
43	90	DW434-0010	#434 DOW Kalaheo	13,581	Kauai DOW	**KP-09: Koloa Wells 16A & 16B Well, Site and Building Enhancements:** Project involves replacement/ enhancement of critical equipment and structures at Koloa Wells 16A & 16B. The existing	**Energy Efficiency**	Oct-15	$ 1,400,000
44	90	DW434-0008	#434 DOW Kalaheo	15,108	Kauai DOW	**K-18; 8-Inch Water Main Replacement Along Halewili Road:** The Department currently has a water line easement through a residential lot. This water line is in very poor condition and recently required a major repair. It is the intent of this project to eliminate this line through the residential property, provide additional/ adequate flow to the service area, and relocate the water line to the public ROW. Replace ~1650 LF of pipe.	**Water Efficiency**	Jun-15	$ 800,000

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45	90	DW434-0007	#434 DOW Kalaheo	13,581	Kauai DOW	**LO-19; Omao Tank Micro-Turbine:** The Department currently drops approximately 1 MGD of potable water from the Lawai-Omao-Piwai 677' Water System down to the 366' Koloa Water System. A bank of control valves at the Omao Tank site are used to dissipate and effecuate the energy loss. This project consists of replacing one of the existing control valves with a new parallel hydro turbine, appurtenant controls and installation of electrical transmission lines. A hydro turbine at the Omao Tank/Reservoir has the potential to generate approximately 47 kW of power and total annual power generation of approximately $0.02/kWh. This equates to revenue in the range of $40,000 per year by selling power to the Kauai Island Cooperative, the island electric utility.	**Energy Efficiency (Categorical)**	Oct-16	$ 650,000
46	90	DW434-0011	#434 DOW Kalaheo	13,581	Kauai DOW	**Lawai Well No. 22 Enhancements:** Project involves replacement/ enhancement of the MCC. The existing, aging MCC will be replaced with newer, higher-efficiency equipment to reduce electrical expenses and improve operational flexibility.	**Energy Efficiency**	May-16	$ 200,000
47	90	DW130-0006	#130 HDWS South Kohala	11,927	Hawaii DWS	**Beers Road Waterline Replacement:** Replace existing waterline which is deteriorating and prone to leaks and breaks	**Water Efficiency**	SFY 2020	$ 500,000
48	90	DW400-0004	#400 DOW Lihue-Kapaa	27,055	Kauai DOW	**PLH-03; Kahili Horizontal Directional Drilled Well:** This project is for the purpose of reducing power costs by developing water that doesn't need electricity to produce potable water. The scope of the project is to drill horizontally into the Ridge on the south side of Iole Stream to develop dike water. This water would come out at the 1100 to 1200 foot elevation with a pressure of up to 1200psi. This pressure would be monitored so the supply is taken at a sustainable rate of an expected 2-5 million gallons per day rate, which would replace existing sources. Eliminating existing source has the potential of reducing the power cost for DOW by 20-40% or about $0.6-$1.2 million per year. At this location in the forest reserve there is high expectation of the water having no chemical contaminates or VOCs. Length of the hole would be about 9000 feet and would be 18 inch in diameter if the maximum amount of water is developed. A transmission line to bring the water to the Lihue system would need to travel about 6 miles. Cost would depend on flow rate. *(Binding commitment executed)*	**Energy Efficiency (Categorical)**	Jan-20	$ 60,000,000
49	90	DW400-0003	#400 DOW Lihue-Kapaa	27,055	Kauai DOW	**PLH-26, Isenberg Camp Main Replacements:** Replace approximately 12,500 feet of pipeline along Fujii, Inouye, Hiraoka, Jerves, Nakamura, Kanakolu, Eha, Eono, Elima, Ekolu Streets, Maalo, Noi, Laukini Roads, Lihue.	**Water Efficiency**	Jan-18	$ 7,000,000
50	90	DW400-0006	#400 DOW Lihue-Kapaa	27,055	Kauai DOW	**WK-33; Kahuna Road 12" Main Replacement, Kapaa Homesteads:** Replace approximately 9500 feet of 12" pipeline along Kahuna Road for the Kapaa Homesteads community.	**Water Efficiency**	Jan-18	$ 6,000,000
51	90	DW400-0007	#400 DOW Lihue-Kapaa	27,055	Kauai DOW	**WK-11; Upper Wailua Houselots Booster Pump Station and Pipeline Replacements:** Construct a 200 gpm booster pump station and the replacement of approximately 3500 feet of pipeline for the upper Wailua Houselots community.	**Water Efficiency**	Jan-18	$ 2,500,000

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52	90	DW400-0009	#400 DOW Lihue-Kapaa	27,055	Kauai DOW	**WK-01; Rehabilitate Moelepe Tunnel and Access Road:** The Department is currently using Moelepe Tunnel as a source of high level groundwater. The tunnel access road, chlorination station, source tunnel entrance, etc. are in need of rehabilitation. This project helps ensure the source meets all of the requirements of the Safe Drinking Water Act. The Department saves approximately 400,000 kWh/year in pumping costs by taking advantage of this high level water source.		Jun-16	$ 900,000
53	90	DW214-0016	#214 DWS Lahaina	18,598	Maui DWS	**Honokahua Well C Exploratory Well Construction:** Construct an Exploratory well at Honokahua to provide additional source for the Lahaina system		TBD	$ 2,000,000
54	90	DW214-0015	#214 DWS Lahaina	18,598	Maui DWS	**Lahainaluna Road Booster-Phase 1:** Construction of a booster pumping system to provide back-up for the Lahaina WTF		Nov-15	$ 1,700,000
55	90	DW214-0012	#214 DWS Lahaina	17,967	Maui DWS	**Hydro Electric Facility at the Honokowai Tank Site:** Construction of a hyrdroelectric facility. Electric power will be generated from the high pressure waterline that fills the existing 2 MG Honokowai.	**Energy Efficiency (Categorical)**	TBD	$ 750,000
56	90	DW212-0017	#212 DWS Wailuku	68,054	Maui DWS	**Waiehu Heights Well A Refurbishment/Replacement:** Refurbish or replace existing Waiehu Well A due to high chlorides and low pump capacity		Aug-17	$ 5,200,000
57	90	DW212-0018	#212 DWS Wailuku	68,054	Maui DWS	**Wailuku Heights Tank 30 Booster Replacement:** Replace booster pumps and motors, and related piping. Replace MCC and related electrical controls.		Dec-15	$ 1,200,000
58	90	DW331-0060	#331 BWS Honolulu-Windward-Pearl Harbor	665,735	Hon BWS	**Ala Moana Boulevard 24-Inch Main:** Install 24-inch main and appurtenances along Ala Moana Blvd from Ward Ave to Atkinson Dr - approx. 6,200 LF.	**Water Efficiency**	SFY 2019	$ 6,820,000
59	90	DW331-0065	#331 BWS Honolulu-Windward-Pearl Harbor	665,735	Hon BWS	**Nimitz Highway 16-Inch Main :** Install 16-inch mains and appurtenances along Nimitz Highway from Waiakamilo Road to Sumner Street and along Waiakamilo Road from Nimitz Highway to Hart Street -	**Water Efficiency**	TBD	$ 6,100,000
60	90	DW331-0069	#331 BWS Honolulu-Windward-Pearl Harbor	665,735	Hon BWS	**Palolo Water System Improvements, Part IV:** Install 16-inch mains and appurtenances along Pakui Street from 10th Avenue to Wilhelmina Rise 405 Reservoir, along 10th Avenue from Maluhia Avenue to Pakui Street, along Pukele Avenue from 7th Avenue to Maluhia Avenue, along 7th Avenue from Kaau Street to Pukele Avenue, along Kaau Street from Palolo Avenue to 7th Avenue and along Palolo Avenue from Kaau Street to Waialae Avenue - approx. 4,150 lin. ft. Install 12-inch mains and appurtenances along Kalua Road from Mahana Street to 10th Avenue - approx. 985 lin. ft. Install 8-inch mains and appurtenances along 9th Avenue from Paalea Street to Kiwili Street - approx. 2,410 lin. ft. Replacement of pipeline needed to reduce water main breaks and leaks.	**Water Efficiency**	SFY 2017	$ 4,700,000
61	90	DW331-0061	#331 BWS Honolulu-Windward-Pearl Harbor	665,735	Hon BWS	**Kalakaua Avenue Water System Improvements, Phase III:** Install 16-inch mains and appurtenances along Kalakaua Avenue from Beretania Street to Kapiolani Boulevard - Approx. 3,200 LF.	**Water Efficiency**	SFY 2020	$ 3,600,000

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No.	Points	DWSRF Project No.	Public Water System	Population	Owner	Project (Name and Description)	Green Project Reserve Type	Expected Construction Start Date	Estimated Construction Cost
62	90	DW331-0066	#331 BWS Honolulu-Windward-Pearl Harbor	665,735	Hon BWS	**Palolo Water System Improvements, Part III :** Install 12-inch mains and appurtenances along Palolo Avenue from Kiwila Street to Palolo Place and along 10th Avenue from Palolo Place to Ahe Street - approx. 5,220 LF. Install 8-inch mains and appurtenances along Kaululoa Place from Palolo Avenue to end, along Palolo Avenue from Kauhana Street to Palolo Place, along 10th Avenue from Palolo Place to Ahe street, and along Makanui place from 10th Avenue to end - approx. 4,520 LF. Install 4-inch mains and appurtenances along Holomua Place from Makanui Place to end - approx. 365 LF.	**Water Efficiency**	SFY 2018	$ 1,859,000
63	90	DW331-0064	#331 BWS Honolulu-Windward-Pearl Harbor	665,735	Hon BWS	**Manoa Estates Water System Improvements :** Install 12-inch main and appurtenances along Waaloa Way from Waaloa Place to Manoa Chlorinator - approx. 1,630 LF. Install 8-inch mains and appurtenances along Manoa Estates Road from Pinoa Street to Waaloa Way - approx. 1,290 LF.	**Water Efficiency**	SFY 2017	$ 1,310,000
64	90	DW331-0068	#331 BWS Honolulu-Windward-Pearl Harbor	665,735	Hon BWS	**Energy Savings Performance Contracting (ESPC) - BWS Facilities:** Implement an ESPC project on BWS facilities with a goal of reducing energy demand by 20%	**Energy Efficiency (Categorical)**	TBD	$ 800,000
65	90	MDWS-0001	MDWS	140,000	Maui DWS	**Source Generator Installation - 4 sites:** Replace source generators at 4 well-sites.		Mar-15	$ 1,200,000
66	80	DW102-0001	#102 Laupahoehoe-Kapehu	1,166	Hawaii DWS	**Laupahoehoe 0.5 MG Reservoir:** Construct a new water 0.5 MG concrete reservoir to serve the Laupahoehoe water system that currently does not have adequate storage to meet system demand.		SFY 2016	$ 2,500,000
67	80	DW112-0001	#112 DWS Olaa-Mountain View	664	Hawaii DWS	**Olaa #2 - 0.5 MG Reservoir Replacement**: Design and construct a new 0.5 MG concrete reservoir to replace the existing 0.2 MG steel Olaa #2 reservoir which is severly deteriorated and potentially poses a health and safety risk.		SFY 2016	$ 3,000,000
68	80	DW161-0004	#161 HDWS Haina	2,316	Hawaii DWS	**Honokaa Camp 10 Reservoir Replacement:** Replace existing reservoir which is undersized		SFY 2019	$ 1,500,000
69	80	DW108-0001	#108 DWS Waiohinu-Naalehu	3,033	Hawaii DWS	**Waiohinu Well (Replace Mountain House Tunnel & Hao Spring)**: Replacement source for Mountain House Tunnel & Hao Springs, which are not reliable during drought.		SFY 2016	$ 2,000,000
70	80	DW403-0002	#403 DOW Hanalei	988	Kauai DOW	**H-08, (West) Hanalei Tank, Well #2 and Connecting Pipeline:** Construct a 0.5 MG storage tank and drilling, testing and development of a 300 gpm potable water well with approximately 10,000 feet of pipeline and access road.		Jan-17	$ 10,000,000
71	80	DW415-0005	#415 DOW Haena-Wainiha	1,010	Kauai DOW	**HW-12, Wainiha Well #4:** Drill, test, and develop Wainiha Well #4 (100 gpm).		Jan-16	$ 3,000,000
72	80	DW407-0002	#407 DOW Kilauea	2,803	Kauai DOW	**WKK-15: Kilauea-Pu'u Pane 466/ 1.0-MG Tank:** Project invovles the demolition of the existing 0.1-MG tank and erection of a new 1.0-MG tank. The storage needs of the Kilauea-Waiipake-Kalihiwai water system, 466 Pressure Zone, is deficient for both current and future demands (WaterPlan 2020). The installation of the new storage tank and related system controls will address storage needs and improve overall water system efficiency and safety.		Oct-15	$ 2,500,000

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73	80	DW415-0004	#415 DOW Haena-Wainiha	1,010	Kauai DOW	**HW-11, Haena 0.2 MG 144' Tank and Connecting Pipeline:** Construct a two hundred thousand gallon storage tank and approximately 5,000 feet of connecting pipeline and access road at Haena.		Jun-16	$ 2,000,000
74	80	DW403-0003	#403 DOW Hanalei	988	Kauai DOW	**H-07, Replacement of Hanalei (Princeville) Tank:** Demolish and construct a 150,000 gallon storage tank at Princeville, Hanalei.		Jun-16	$ 1,500,000
75	80	DW415-0003	#415 DOW Haena-Wainiha	1,010	Kauai DOW	**HW-13; Wainiha 0.01 MG 217' Tank and Connecting Pipeline:** Construct a 10,000 gallon storage tank and approximately 5000 feet of connecting pipeline at Wainiha.		Jun-17	$ 1,500,000
76	80	DW406-0008	#406 DOW Kekaha-Waimea	5,392	Kauai DOW	**KW-28: Kekaha-AMFAC Shaft 11 Renovations:** Project involves renovating AMFAC Shaft 11 as an additional water source for the Kekaha-Waimea water system. The DOW's WaterPlan 2020 identified the need for an additional water supply in this service area, therefore implementing this project will address this issue. Project tasks include deployment of pump, control building, electrical/mechanical systems, disinfection and construction of site/access improvements.		Jan-17	$ 4,000,000
77	80	DW366-0001	#366 BWS Waialee-Sunset Beach	4,219	Hon BWS	**Kamehameha Highway-Sunset Beach Water System Improvements: 16-inch Main, Pupukea Road to Waialee, Part I:** Install 16" mains & appurtenances along Kamehameha Highway from F.H. C-6 (300' north of Kaunala Street) to vicinity 600 feet south of Paumalu Stream (Sunset Beach 206 Reservoir Access Road) - approx. 5,300 lin. ft.		SFY 2015	$ 3,500,000
78	80	DW404-0006	#404 DOW Hanapepe-Eleele	4,457	Kauai DOW	**HE-01, Hanapepe-Ele'ele Water System Interconnection:** Project invovles installaing 3000 LF of 12-inch water main between Hanapepe and Ele'Ele distribution systems. Water main would located along Kaumualii Highway between Hanapepe Road and Waialo Road. The project would provide water supply, transmission and storage sharing enhancements between the two service areas. The results could lower pumping expenses, improve water quality (residence time) and provide redundancy/safety.		Jan-16	$ 3,500,000
79	80	DW404-0004	#404 DOW Hanapepe - Eleele	4,457	Kauai DOW	**HE-03a, Hanapepe (Town) Well #1 Repair and Renovations:** Replace submersible motor and pump assembly, replace control building, andmotor control center; improvements to site drainage and repair access road.		Apr-16	$ 350,000
80	80	DW333-0002	#333 BWS Wahiawa	24,547	Hon BWS	**Wahiawa Water System Improvements, Part I:** Install 12-inch mains and appurtenances along California Avenue from Maalo Street to Mahele Street - approx. 2,100 lin. ft. Install 8-inch mains and appurtenances along California Avenue from Maalo Street to Auhili Place, Kaalalo Place, Lei Awapuhi Place, Lei Aloalo Place, Longley Place, Kukui Street, Olive Street from Kamehameha Highway to Cypress Avenue, Ohai Street, Ohai Place, Milikana Place, Koele Way, Kilani Avenue from Lehua Street to Holoku Place, Kamehameha Highway from California Avenue to Avocado Street, and along Nihiwai Place and Hiwi Place - approx. 15,950 lin. ft.		SFY 2017	$ 7,060,000

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No.	Points	DWSRF Project No.	Public Water System	Population	Owner	Project (Name and Description)	Green Project Reserve Type	Expected Construction Start Date	Estimated Construction Cost
81	80	DW333-0003	#333 BWS Wahiawa	24,547	Hon BWS	**Wahiawa Water System Improvements, Part III:** Install 8-inch mains and appurtenances along Uluwehi Street from California Avenue to Walea Street, along Uluwehi Place from Walea Street to end, along Hoolulu Road from Uluwehi Street to Hoomaha Street, along Walea Street from Uluwehi Street to Walea Uka Place, along Hoomaha Street from California Avenue to Walea Street and along Walea Uka Place from Walea Street to end - approx. 4,720 lin. ft. Install 4-inch mains and appurtenances along the side street from Hoomaha Street to end - approx. 135 lin. ft.	**Water Efficiency**	SFY 2017	$ 2,100,000
82	80	DW332-0005	#332 BWS Waialua	13,067	Hon BWS	**Kamehameha Highway - Haleiwa Water System Improvements, Part I & II:** Part I: Install 8-inch mains and appurtenances along Kamehameha Highway from 625 feet northeast of FH C00049 to 10 feet northeast of FH C00041 and along Pohaku Loa Way from Kamehameha Highway to Kamehameha Highway - approx. 6,600 lin. ft. Install 8- inch and 4-inch mains andappurtenances along a private road (TMK: 6-1-012:040) from Kamehameha Highway to end of road across of FH C00501, along Punalau Place from Kamehameha Highway to end, along Ikuwai Place from Kamehameha Highway to end, along Ikuwai Way from Kamehameha Highway to end, and along various side streets - approx. 2,700 lin. ft. Install 2-inch mains along TMK 6-1-011:010, TMK 6-1-011:001, TMK 6-1-011:002, and TMK 6-1-011:015 - approx. 1,150 lin. ft. Part II: Install 12-inch main along Kamehameha Highway from Papailoa Road to approximately 300 feet northwest of Kawailoa Drive - approx. 2,400 lin. ft. Install 8-inch main along Kamehameha Highway from 16-inch main interconnection near FH C00059 to approximately 550 feet northeast of FH C00056 - approx. 4,900 lin. ft.		SFY 2018	$ 11,900,000
83	80	DW434-0002	#434 DOW Kalaheo	13,581	Kauai DOW	**K-01; Kalaheo 1111' & 2222' Water System Improvements:** Planned improvements include replacing two existing water tanks, and constructing a new production well, new transmission main, booster pump upgrade, relocation of existing pressure reducing valve stations,		Apr-16	$ 15,000,000
84	80	DW434-0005	#434 DOW Kalaheo	13,581	Kauai DOW	**KP-05, Poipu 1.0 MG 245' Tank and Connecting Pipeline:** Construct a one million gallon storage tank at Poipu.		Jan-17	$ 4,000,000
85	80	DW434-0012	#434 DOW Kalaheo	13,581	Kauai DOW	**K-2, Rehabilitate Jelly Factory Booster Pump Station (2-250 gpm):** Project involves the rehabilitation and upgrading of existing booster pump. The Kalaheo jelly factory booster pump station serves as an interconnection between Kalaheo and Lawai-Omao System. In order to transfer water from Lawai-Omao System to Kalaheo System with the flow rate of at least 400 gpm, the existing booster pump station will require rehabilitation and upgrading. Specific tasks include pump, electrical and mechanical appurtenance replacement as well as system reconfiguration.		Aug-16	$ 350,000
86	80	DW400-0010	#400 DOW Lihue-Kapaa	27,055	Kauai DOW	**PLH-36; Expansion to Grove Farm's Surface Water Treatment Plant at Hanamaulu:** Expand the Grove Farm surface water treatment plant by three million gallons per day.		Jan-18	$ 10,000,000

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No.	Points	DWSRF Project No.	Public Water System	Population	Owner	Project (Name and Description)	Green Project Reserve Type	Expected Construction Start Date	Estimated Construction Cost
87	80	DW400-0008	#400 DOW Lihue-Kapaa	27,055	Kauai DOW	**WK-10 & WK-21; (Upper) Wailua Homesteads 1.0 MG 538' Tank, Well and Connecting Pipeline:** Construct a one million gallon storage tank and drilling, testing and development of a 500 gpm potable water well with approximately 5000 feet of pipeline and access road for the upper Wailua Homesteads community.		Jan-18	$ 9,500,000
88	80	DW400-0005	#400 DOW Lihue-Kapaa	27,055	Kauai DOW	**PLH-38; Lihue 393' Tank and Connecting Pipeline:** Construct a one million gallon storage tank with approximately 500 feet of pipeline and access road.		Jan-18	$ 7,000,000
89	80	DW400-0012	#400 DOW Lihue-Kapaa	27,055	Kauai DOW	**PLH-01A: Grove Farms Tanks No. 1 & 2 Replacement:** Project involves demolition of two existing water tanks and erection of a new 0.5 MG tank. The existing tanks (2 @ 0.1-MG) are constructed of concrete masonry units (CMU) and wood/metal roof, and is approximately >50 years old. Due to the tank condition, and to improve site access in conjunction with adjoining private development, a single 0.5-MG conc tank will be constructed.		Oct-15	$ 2,000,000
90	80	DW400-0013	#400 DOW Lihue-Kapaa	27,055	Kauai DOW	**PLH-27, Kuhio Hwy (Hardy - Oxford) 16" Main Replacement (1,680'):** Project involves replacing 1,680 LF of 16-inch A.C. and smaller diameter waterline and appurtenances along Kuhio Hwy between Hardy St. and Oxford Road. The existing pipe is beyond useful life (>50 yrs).	**Water Efficiency**	Jan-17	$ 1,200,000
91	80	DW335-0010	#335 BWS Waipahu-Ewa-Waianae	175,326	Hon BWS	**Puhawai Road, Kuwale Road, Puuhulu Road Water System Improvements:** Install 8-inch mains and appurtenances along Puhawai Road from Puuhulu Road to Paheehee Road, along Wikolia Place from Puhawai Road to end, along Puuhulu Road from Puhawai Road to Kuwale Road, along Kuwale Road from Puuhulu Road to Paheehee Road, along Haama Place from Puuhulu Road to end, along Puululu Place from Puuhulu Road to end, and along the side street from Kuwale Road to end – approx. 10,780 lin. ft.		SFY 2017	$ 4,200,000
92	80	DW335-0009	#335 BWS Waipahu-Ewa-Waianae	175,326	Hon BWS	**Kahuailani Street Water System Improvements:** Install 12-inch mains and appurtenances along Mokuola Street from Waipahu Street to 70 feet beyond Nalii Street - approx. 500 lin. ft. Install 8-inch mains and appurtenances along Kahuailani Street from Hikimoe Street to end, along Puamano Place from Waipahu Street to end, along Kahiki Place from Puamano Place to end and along Hikimoe Street from Waipahu Depot Street to FH L4002 – approx. 4,020 lin. ft. Install 4-inch mains and appurtenances along the side street from Hikimoe Street to end - approx. 115 lin. ft.		SFY 2017	$ 1,810,000
93	80	DW331-0022	#331 BWS Honolulu-Windward-Pearl Harbor	665,735	Hon BWS	**Waialae 180 3.0 MG Reservoir Replacement:** Demolish existing 1.0 MG reservoir and construct 3.0 MG reservoir, influent- effluent main, retaining wall, rock slide barricade, access road improvements, landscaping, irrigation system and appurtenances at existing Waialae 180 Reservoir site (TMK: 3-5-020:011)		SFY 2020	$ 12,000,000

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No.	Points	DWSRF Project No.	Public Water System	Population	Owner	Project (Name and Description)	Green Project Reserve Type	Expected Construction Start Date	Estimated Construction Cost
94	80	DW331-0073	#331 BWS Honolulu-Windward-Pearl Harbor	665,735	Hon BWS	**Kalawahine 180 2.0 MG Reservoir:** Install 2.0 MG reservoir and appurtenances (TMK: 2-3-043:082) and 23-inch main - approx. 6,000 lin. ft.		SFY 2017	$ 8,000,000
95	80	DW331-0044	#331 BWS Honolulu-Windward-Pearl Harbor	665,735	Hon BWS	**Anoi Road Water System Improvements:** Install 8-inch main and appurtenances along Anoi Road from end to end; along Keaahala Road from Kamehameha Highway to Keaahala Place; along Kamehameha Highway from Kahuhipa Street to Keole Street and along Luana Place from Paleka Road to end - approx. 5,850 lin. ft.		SFY 2016	$ 6,560,000
96	80	DW331-0071	#331 BWS Honolulu-Windward-Pearl Harbor	665,735	Hon BWS	**Wilhelmina Rise Water System Improvements, Part IV:** Install 8-inch mains and appurtenances along Sierra Drive from Wilhelmina Rise to 125 feet east of FH M01653; along Nihipali Place from Sierra Drive to end; along Hilo Place, and Lilinoe Place from Wilhelmina Rise to end; along Lanihale Place from Sierra Drive to end; along Mariposa Drive from Sierra Drive to Monterey Drive; along Paula Drive from Mariposa Drive to FH M02338; along Iwi Way from Paula Drive to end of existing water main; along Niele Place from Iwi Way to end; along Nioi Place from Niele Place to end; and along Pakahi place from Paula Drive to end - approx. 11,340 lin. ft. Install 4-inch mains and appurtenances along Palua Place from Paula Drive to end - approx. 170 lin. ft.	**Water Efficiency**	SFY 2015	$ 6,000,000
97	80	DW331-0048	#331 BWS Honolulu-Windward-Pearl Harbor	665,735	Hon BWS	**Kapahulu Water System Improvements, Part I:** Install 8-inch mains and appurtenances along Paliuli Street, Mokihana Street, and Olu Street, along Kaimuki Avenue from 4th Avenue to Kapahulu Avenue; along Lincoln Avenue from 4th Avenue to Kapahulu Avenue; along Pahoa Avenue from 4th Avenue to 3rd Avenue; along 3rd Avenue from Kaimuki Avenue to H-1 and from H-1 to Waialae Avenue; along Belser Street from Kaimuki Avenue to H-1and from H-1 to Harding Avenue; along 2nd Avenue from Lincoln Avenue to FH M-1349 and from H-1 to Waialae Avenue; and along Aloalo Place from Harding Avenue to end - approx. 8,400 lin. ft.		SFY 2015	$ 4,000,000
98	80	DW331-0043	#331 BWS Honolulu-Windward-Pearl Harbor	665,735	Hon BWS	**Diamond Head Water System Improvements, Part II:** Install 12-inch mains and appurtenances along 22nd Avenue from Kilauea Avenue to Diamond Head Road, along Diamond Head Road from 22nd Avenue to Kahala Avenue, and along Kulamanu Street from Kahala Avenue to Kulamanu Place - approx. 5,235 lin. ft. Install 8-inch mains and appurtenances along Kulamanu Place from Kulamanu Street to end, along Malapua Place from 22nd Avenue to end, along Ulupua Place from 22nd Avenue to end, along Huanui Street from 22nd Avenue to Huanui Place, along Kaalawai Place from Diamond Head Road to easement, and along Kuine Place from Kulamanu Street to end - approx. 2,270 lin. ft.		SFY 2015	$ 3,180,000

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99	80	DW331-0030	#331 BWS Honolulu-Windward-Pearl Harbor	665,735	Hon BWS	**Kaimuki Water System Improvements, Part I:** Install 8-inch mains and appurtenances along Maunaloa Avenue from 16th Avenue to 20th Avenue; along Kaimuki Avenue from 16th Avenue to 21st Avenue; along Pahoa Avenue from 18th Avenue to 150 feet beyond FH M-3591; along 17th Avenue from Kilauea Avenue to Kaimuki Avenue and along 18th Avenue from Kaimuki Avenue to Pahoa Avenue; along 19th and 20th Avenues from Maunaloa Avenue to Pahoa Avenue - approx. 9,850 lin. ft.		SFY 2017	$ 2,930,000
100	80	DW331-0050	#331 BWS Honolulu-Windward-Pearl Harbor	665,735	Hon BWS	**Liliha Water System Improvements, Part V:** Install 8-inch mains and appurtenances along Liliha Street from Wyllie Street to end, along Puunui Avenue from Wyllie Street to Hawaii Street, along Kauai Street from Liliha Street to Puunui Avenue, along Lanai Street from Wyllie Street to Liliha Street and along Hawaii Street from Liliha Street to Puunui Avenue - approx. 5,600 lin.ft.		SFY 2015	$ 2,600,000
101	80	DW331-0055	#331 BWS Honolulu-Windward-Pearl Harbor	665,735	Hon BWS	**Pacific Heights Water System Improvements, Part II:** Install 12-inch main and appurtenances along Pacific Heights Road from Haili Road to Ahekolo Street, along Ahekolo Street from Pacific Heights Road to Booth Road, along Booth Road from Ahekolo Street to Kekuanoni Street - approx. 4,800 lin. ft. Install 8-inch main and appurtenances along Laniloa Road from Pacific Heights Road to end, along Pacific Heights Place from Pacific Heights Road to end, along Hiolani Street from Booth Road to end and along various side streets - approx. 2,055 lin. ft.		SFY 2017	$ 2,540,000
102	80	DW331-0070	#331 BWS Honolulu-Windward-Pearl Harbor	665,735	Hon BWS	**Water Main Replacement at Various Streets:** Install 8-inch mains and appurtenances along Miller Street from Magellan Street to Prospect Street, along Frear Street from Magellan Street to end, along 13th and 14th Avenue from Waialae Avenue to Mahina Avenue, along Iholena Street from Lolena Street to end, along Iholena Place from Iholena Street to end, along Mikahala Way from Sierra Drive to Sierra Drive, along Komaia Place from Komaia Drive to end, along Hema Place from Hao Street to end and along Oswald Street from Saint Louis Drive to Saint Louis Drive - approx. 5,145 lin. ft.	**Water Efficiency**	Nov-14	$ 2,500,000
103	80	DW331-0056	#331 BWS Honolulu-Windward-Pearl Harbor	665,735	Hon BWS	**Pensacola Street Water System Improvements:** Install 12-inch main and appurtenances along Pensacola Street from Kapiolani Boulevard to Young Street - approx. 2,550 lin. ft. Install 8-inch main and appurtenances along Pensacola Street from Young Street to existing 8-inch main (TMK 2-4-033:028) - approx. 3,540 lin. ft. Install 8-inch and 4-inch mains and appurtenances along Piikoi Street from Pensacola Street to Lewalani Drive - approx. 430 lin. ft.		SFY 2015	$ 2,050,000
104	80	DW331-0054	#331 BWS Honolulu-Windward-Pearl Harbor	665,735	Hon BWS	**Monsarrat Avenue Water System Improvements**: Install 16-inch and 8-inch mains and appurtenances along Monsarrat Avenue from Paki Avenue to Campbell Avenue - approx. 3,200 lin. ft.		SFY 2017	$ 1,670,000
105	80	DW331-0045	#331 BWS Honolulu-Windward-Pearl Harbor	665,735	Hon BWS	**Hui Ulili Street 12-Inch, 8-Inch and 4-Inch Mains:** Install 12-inch, 8-inch and 4-inch mains and appurtenances along Hui Ulili Street from Hui Kelu Street to Hui Oi Street - approx. 2,825 lin ft.		SFY 2017	$ 1,240,000

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106	80	DW331-0072	#331 BWS Honolulu-Windward-Pearl Harbor	665,735	Hon BWS	**Luluku Road Water System Improvements:** Install 12-inch and 6-inch mains and appurtenances along Luluku Road and Kamehameha Highway - approx. 1,800 lin. ft. Transfer service laterals along Apapane Street from Luluku Road to near FH W01009 - approx. 600 lin. ft.	**Water Efficiency**	SFY 2017	$ 1,100,000
107	80	KDOW-0002	KDOW	70,000	Kauai DOW	**M-02: Moloaa 50k Gal Tank:** Project involves the demolition of the existing 5000 gal tank and erection of a new 50,000 gal tank. The storage needs of the DOW's Moloaa water system is deficient for both current and future demands (WaterPlan 2020). The installation of the new storage tank and related system controls will address storage needs and improve overall water system efficiency and safety.		Oct-16	$ 1,000,000

APPENDIX B
DWSRF PROJECT RATING CRITERIA

APPENDIX B
DWSRF PROJECT RATING CRITERIA

There are three classifications of projects that will determine how ranking points will be assigned:

1. "Typical" Projects
2. Refinance Projects
3. Combination Projects

Typical Project Categories

Projects to Correct Acute Health Problem(s)

Only ONE problem will be credited within this category

(a)	Waterborne disease outbreak	100 points
(b)	Surface Water Treatment Rule Compliance (includes GWUDI as determined by DOH)	100 points
(c)	Total Coliform Rule compliance	
	Fecal coliforms	100 points
	Total coliforms	80 points
(d)	Nitrate or Nitrite	100 points
(e)	Indication of possible surface water influence to a ground water source through Giardia, Cryptosporidium, microscopic particulate analyses, etc. While the evidence may not be conclusive enough or DOH to make a determination, the water utility has decided to correct this potential problem	25 points

Projects to Correct Chronic Health Problem(s)

Only ONE problem will be credited within this category

(a)	Lead & Copper Rule (90th percentile values)	
	Lead Action Level (0.015 mg/L) exceedance	80 points
	Copper Action Level (1.3 mg/L) exceedance	60 points
(b)	Organic Chemical	80 points
(c)	Inorganic Chemical	80 points
(d)	Project to address a currently unregulated or any other contaminant not addressed above	60 points
(e)	Infrastructure improvements or replacements to provide safe drinking water. These include installation, replacement, or rehabilitation of eligible water sources,	50 points

treatment facilities and processes, pumps, storage, transmission and distribution piping, and other eligible infrastructure needs.

Other Public Health Criteria

A maximum of 50 points can be accumulated in this category

(a)	All water sources serving the system are affected by the same health problem being corrected	25 points
(b)	The public water system has taken interim steps to temporarily resolve the water quality problem and has committed to a definitive, long-term solution.	25 points

Incentives

A maximum of 50 points can be accumulated in this category

(a)	Small System (<10,000) consolidation Project will protect public health by supplying safe drinking water from a qualified local government or a water authority within a certified government to an existing, privately-owned public water system that demonstrates or may demonstrate non-compliance with the current or future state and federal drinking water regulations	50 points
(b)	The project is required as a part of DOH compliance order	
	Violation incurred before July 1, 1997	25 points
	Violation incurred on or after July 1, 1997	15 points
(c)	Required Phase II and V monitoring is up-to-date	10 points
(d)	DOH approved Cross-Connection Control program with testing	10 points
(e)	Water Conservation Program	10 points
(f)	DOH approved Wellhead Protection or Source Water Assessment program(s)	10 points
(g)	Green Project Reserve (GPR)	10 points

REFINANCING

Projects involving the refinancing of existing debt will receive a preliminary score using the same criteria as current construction projects. The preliminary score will then be divided by ten (10) to determine the refinancing project's final point total for the Priority List.

COMBINATION LOANS

Projects can be combined into a single loan as long as they are from the same borrower and, individually, they meet SRF funding eligibility. Each project is given its respective score as individual projects, and then the average of the project scores will be the final score for the combination project.

APPENDIX C
FEDERAL CAPITALIZATION GRANT PAYMENTS AND DISBURSEMENT SCHEDULE FOR FFYS 2016 AND 2017

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FEDERAL CAPITALIZATION GRANT PAYMENTS AND DISBURSEMENT SCHEDULE FOR FFYs 2016 AND 2017

FFY	Quarter	Application for EPA Loan Payments	Application for Set Asides Payments	Set Asides Disbursements (including Fees)	DWSRF Loan Disbursements (including Cap Grant, State Match, & Repayments & Investment Interest) *
2016	1	$7,586,700.00	$309,575.00	$604,367.00	$11,354,444.92
2016	2	$0.00	$309,575.00	$996,154.00	$11,320,944.92
2016	3	$0.00	$329,575.00	$768,517.00	$11,329,550.32
2016	4	$0.00	$309,575.00	$848,162.00	$11,793,930.60
Sub Total		$7,586,700.00	$1,258,300.00	$3,217,200.00	$45,798,870.76
Totals		$8,845,000.00		$49,016,070.76	

* The following is the SFY 2016 "DWSRF Loan Disbursements" breakdown: Capitalization Grant = $29,157,140.47, State Match = $7,044,423.20, and Repayments & Investment Interest = $9,597,307.09. Total SFY 2016 Disbursement = $45,798,870.76.

FFY	Quarter	Application for EPA Loan Payments	Application for Set Asides Payments	Set Asides Disbursements (including Fees)	DWSRF Loan Disbursements (including Cap Grant, State Match, & Repayments & Investment Interest) **
2017	1	$7,586,700.00	$309,575.00	$809,373.00	$10,652,420.26
2017	2	$0.00	$309,575.00	$809,373.00	$13,985,161.63
2017	3	$0.00	$329,575.00	$809,373.00	$9,897,407.18
2017	4	$0.00	$309,575.00	$829,373.00	$9,812,651.58
Sub Total		$7,586,700.00	$1,258,300.00	$3,257,492.00	$41,090,148.65
Totals		$8,845,000.00		$44,347,640.65	

** The following is the SFY 2017 "DWSRF Loan Disbursements" breakdown: Capitalization Grant = $6,145,550.00, State Match = $1,700,000.00, and Repayments & Investment Interest = $33,244,598.65. Total SFY 2017 Disbursement = $41,090,148.65.

APPENDIX D
NOTICE OF PUBLIC PARTICIPATION & INPUT

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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/) on March 23, 2015 to consider the proposed *Drinking Water Treatment Revolving Fund Intended Use Plan (IUP) for The State of Hawaii Fiscal Year (SFY) 2016 and The Federal Fiscal Year (FFY) 2015 Appropriation* (Docket No. 15-SDW-SRF-01). The public comment period was established from March 23, 2015 to April 21, 2015.

Evidence of the publication of the public notice is on-file in the Safe Drinking Water Branch office at 919 Ala Moana Blvd., Room 308, Honolulu, Hawaii 96814.

II. Summary

The solicitation of public participation and input for this Intended Use Plan produced responses from US EPA, Region 9 that required additional information in the fundable list. These changes were not significant enough to warrant a new public participation and input period.

STUART YAMADA, P.E., CHIEF
Environmental Management Division

State of Hawaii
Notice of Public Participation and Input on the Revised Proposed
Drinking Water Treatment Revolving Loan Fund (DWTRLF)
Intended Use Plan (IUP) for the State of Hawaii Fiscal Year (SFY) 2016 and
The Federal Fiscal Year (FFY) 2015 Appropriation
(Docket No. 15-SDW-SRF-01)

Pursuant to Chapters 342 and 91, Hawaii Revised Statutes, Section 101(e) of Public Law 92-500 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 Intended Use Plan for SFY 2016.

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 2016, approximately $8,845,000.00 is expected to be allocated to the State of Hawaii. In order 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 2016* (Appendix A of the Intended Use Plan).

Upon written request, a public hearing may be scheduled for any county. Requests for a public hearing must be received by the Safe Drinking Water Branch by **April 21, 2015**. 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 Intended Use Plan may be obtained by calling or writing to the Safe Drinking Water Branch Oahu address noted below. The proposed Intended Use Plan for SFY 2016 will be on file and available for review from **March 23, 2015 to April 21, 2015** at the locations listed 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 586-4258 (voice) by **April 21, 2015**.

Oahu
Safe Drinking Water Branch
State Department of Health
919 Ala Moana Blvd., Room 308
Honolulu, Hawaii 96814
Telephone: (808) 586-4258
Contact: Alain Carey

Kauai
District Health Office
Department of Health
3040 Umi Street
Lihue, Hawaii 96766
Telephone: (808) 241-3323
Contact: Gerald Takamura

Maui
District Health Office
Department of Health
54 High Street
Wailuku, Hawaii 96793
Telephone: (808) 984-8234
Contact: Patricia Kitkowski

East Hawaii
Environmental Health Facility
Department of Health
1582 Kamehameha Avenue
Hilo, Hawaii 96720
Telephone: (808) 933-0401
Contact: Newton Inouye

West Hawaii
Department of Health
Keakealani Building
79-1020 Haukapila Street, Room 110
Kealakekua, Hawaii 96750
Telephone: (808) 322-1507
Contact: Steven Okoji