

# Drinking Water State Revolving Fund: Updates

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# DWSRF Staff

Staffing chart is available on our website:

<https://health.hawaii.gov/sdwb/drinking-water-state-revolving-fund/>

- Gaudencio (Dennis) Lopez – Safe Drinking Water Branch Chief
- Joan Corrigan – Engineering Section Supervisor
- Judy Hayducsko – Program Engineer
- Devin Donaldson – Environmental Protection Specialist
- Vacant – Program Engineer
- Kevin Yoshioka – Business Loan Supervisor
- Evan Watarida – Business Loan Officer
- Jann Masaki – Business Loan Officer
- Andrea Chagami – Accountant
- Daisy Chuck-Smith – Accountant

# Overview

- DWSRF Funding Timeline
- Funding
  - A. Priorities
  - C. Funding Options
    1. Capitalization Grant
    2. BIL Funding Grants
    3. Community Grants
    4. State Funds
- Future of SRF?
- Requirements: AIS and BABA

- B. Flow of Funds
- D. Funding Trends

# DWSRF Funding Timeline

Formal solicitation for projects, though projects may be submitted year-round.

Project information due for new projects.



Congress determines budget, EPA allocation for DWSRF funds finalized.

DWSRF shares Intended Use Plan (IUP) and project priority list.

# Funding: Priorities

## APPENDIX C of Intended Use Plan - DWSRF PROJECT RANKING CRITERIA

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

# Funding: Additional Subsidy Priorities

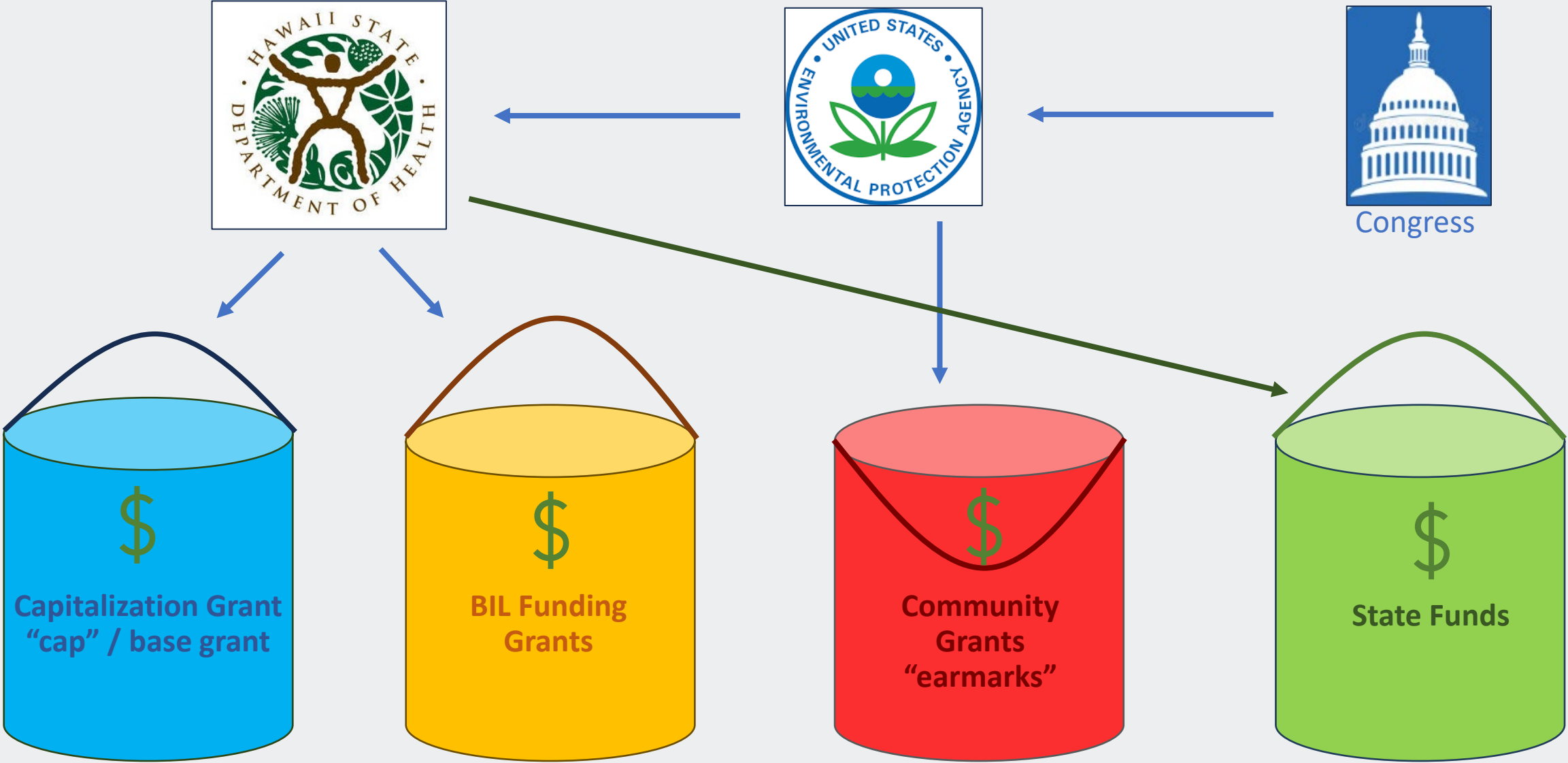
1. Projects addressing a contamination or acute health concern.
2. System consolidation to address inadequate capacity.
3. Small (serving fewer than 25,000 persons) or DAC, with a maximum based on the tiered structure in Table 2, up to \$1M.
4. Equivalency projects, up to 50% of the project cost.
5. Small (serving fewer than 25,000 persons) or DAC, beyond the initial \$1M, as stated in #3 above.

# Funding: Priorities - Additional Subsidy EPA requirements

## **o.] Additional Subsidization**

The recipient agrees to use 49 percent of the funds made available in the capitalization grant to provide additional subsidy to disadvantaged communities as described in section 1452(d) of the Safe Drinking Water Act (SDWA) in the form of forgiveness of principal or as grants (or any combination of these), which shall be used only where such funds are provided as initial financing for an eligible recipient or to buy, refinance, or restructure the debt obligations of eligible recipients only where such debt was incurred after November 15, 2021.

# Funding: Flow of Funds



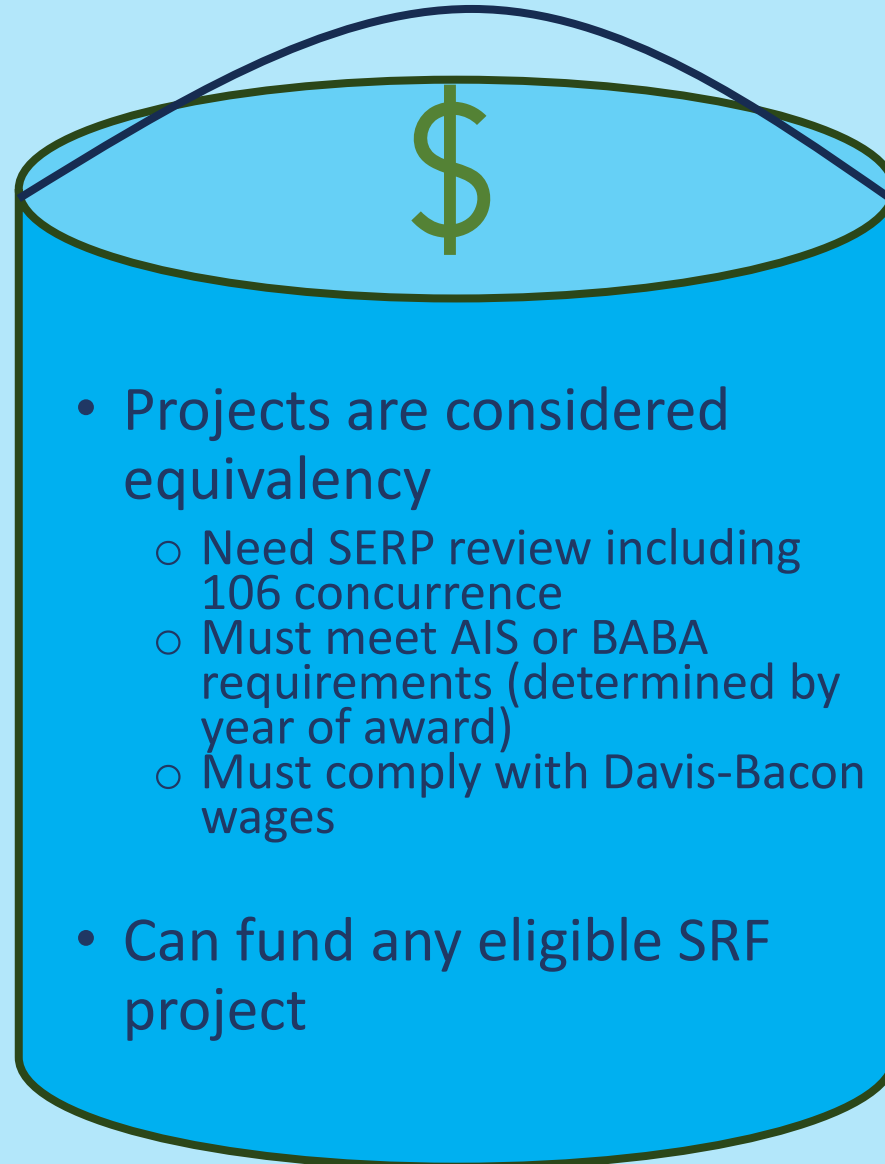
Handle up means DOH administers \$\$\$



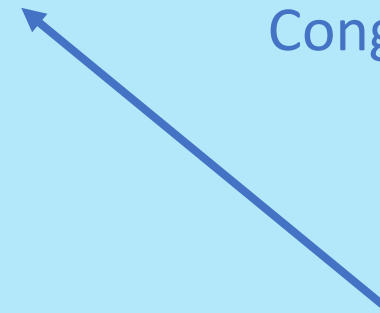
# Funding Options: 1. Capitalization Grant

- Started in 1996

- Funds allotted by EPA to state

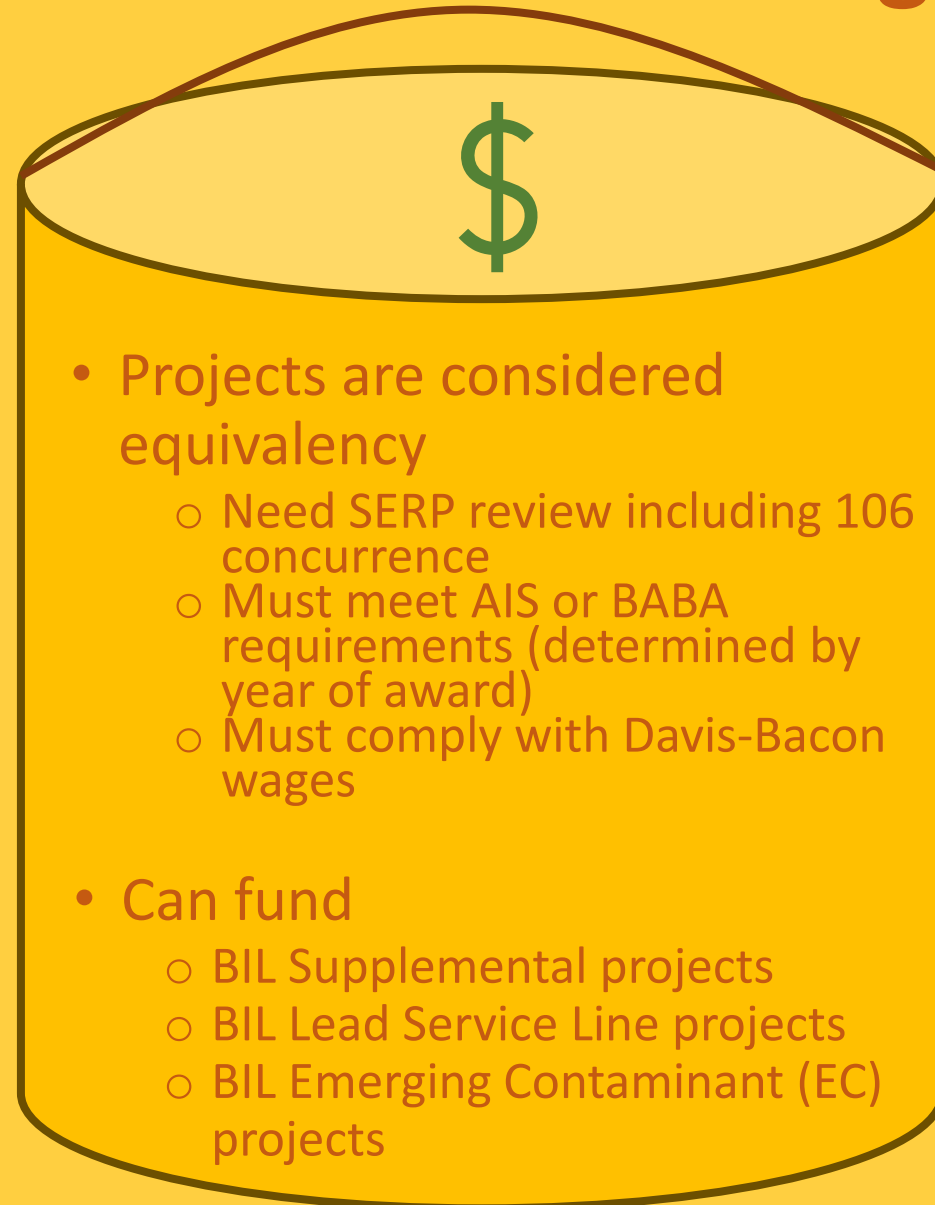


Funding comes from Congress

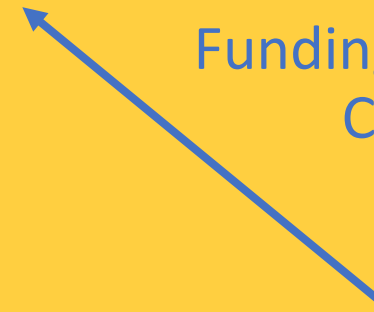


# Funding Options: 2. BIL Funding

- Started in FFY 2022 / SFY 2023
- Funds allotted by EPA to state



Funding comes from Congress



# Funding Options: 2. BIL Funding – Can Fund



Same eligibility requirements as cap grants

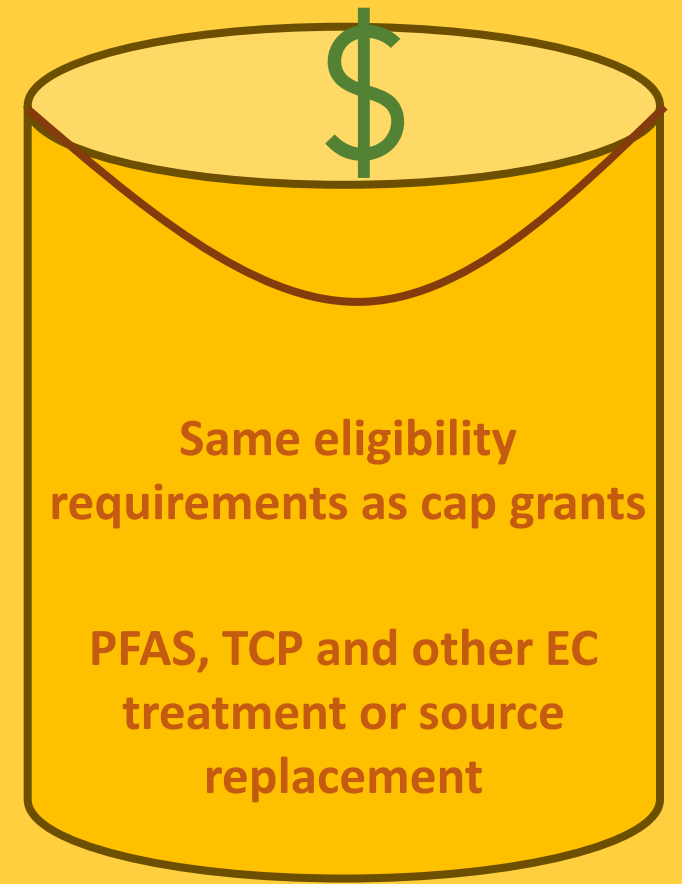
**BIL Supplemental Projects**



Same eligibility requirements as cap grants

LSL identification & replacement

**BIL Lead Service Line (LSL) Projects**



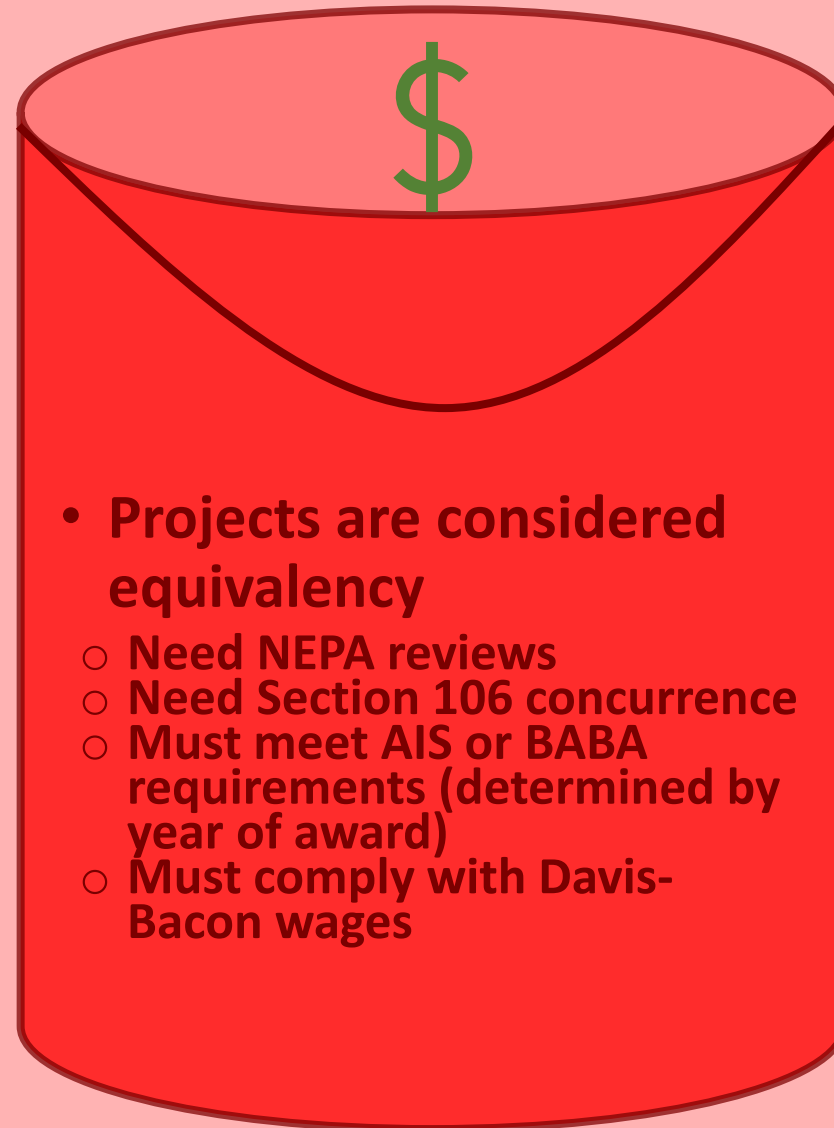
Same eligibility requirements as cap grants

PFAS, TCP and other EC treatment or source replacement

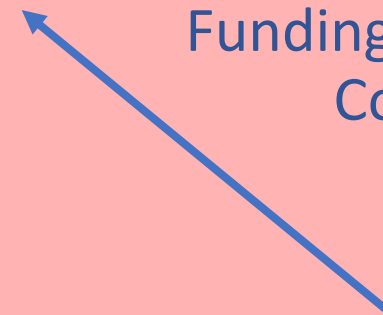
**BIL Emerging Contaminants (EC) Projects**

# Funding Options: 3. Community Grants

- Congressionally directed spending given to a specific recipient; funding administered by EPA
- Recipients must lobby congressional Representatives or Senators for this funding
- Funding effects cap grant allocation
- Requires 20% local match



Funding comes from Congress

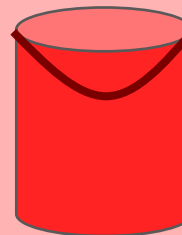


# Funding Options: 3. Community Grants – First Steps

1. Recipient lobbies for funding.



2. Congress awards funding.



3. Recipient completes the application and registration on grants.gov.



# Funding Options: 3. Community Grants - Resources

For more information on Community Grants,

visit

<https://www.epa.gov/sustainable-water-infrastructure/epa-community-grants>

or contact

**Clarice Olson**

**EPA Community Grants Program Officer**

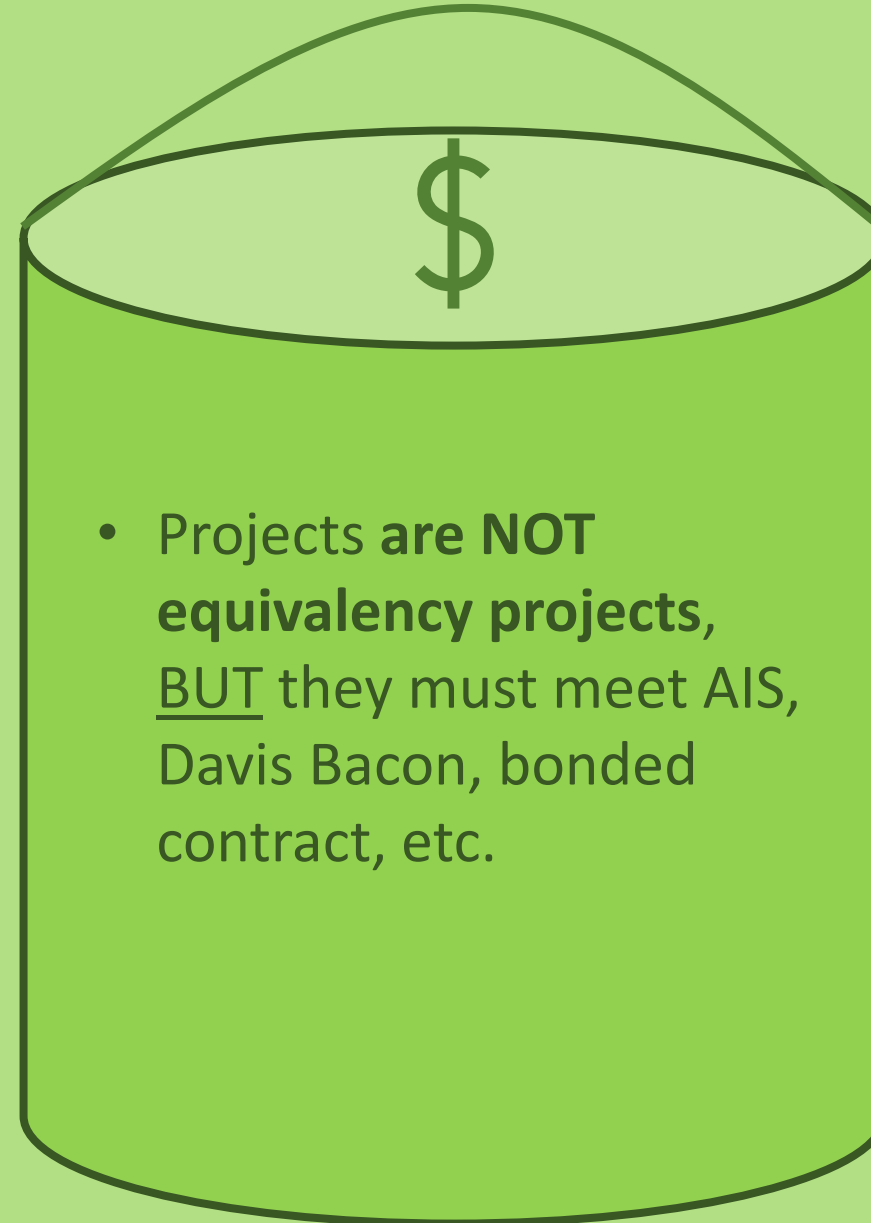
**(808) 765 – 5253**

**Office Hours: Mon. – Thurs., 7:00 am – 1:30 pm HT**

[Olson.Clarice@epa.gov](mailto:Olson.Clarice@epa.gov)

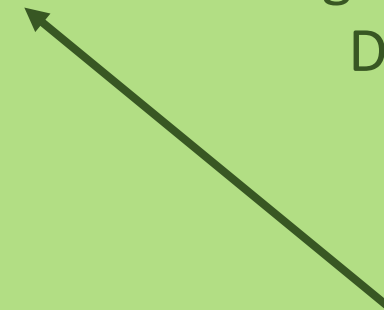
# Funding Options: 3. State Funds

- Includes 20% match from legislature, as required by cap grant and BIL supplemental (starting FFY24)
- Includes loan repayment dollars
- Includes excess loan fee



- Projects are **NOT equivalency projects**, BUT they must meet AIS, Davis Bacon, bonded contract, etc.

Funding comes from  
DOH



# Funding Trends: New Money for DWSRF

FFY	Base	BIL Supplemental	LSL	EC	Community Grants	State Funds*
18	11,107,000	NA	NA	NA	---	2,221,400
19	11,103,000	NA	NA	NA	---	2,220,600
20	11,011,000	NA	NA	NA	---	2,202,200
21	11,001,000	NA	NA	NA	---	2,200,200
22	7,008,000	17,992,000	19,588,640	7,555,000	NA	3,200,800
23	4,938,000	21,055,000	28,650,000	7,640,000	2,160,000	3,093,100
24	4,661,000	22,985,000	28,650,000	7,640,000	4,405,302	5,529,200
25	TBD	26,030,000	30,000,000	7,640,000	5,080,000	20%



# Funding Trends: Before BIL



~ \$11,000,000



Community Grants  
"earmarks"



~ \$2,000,000

# Funding Trends: During BIL



~ \$5,000,000



~ \$55,000,000

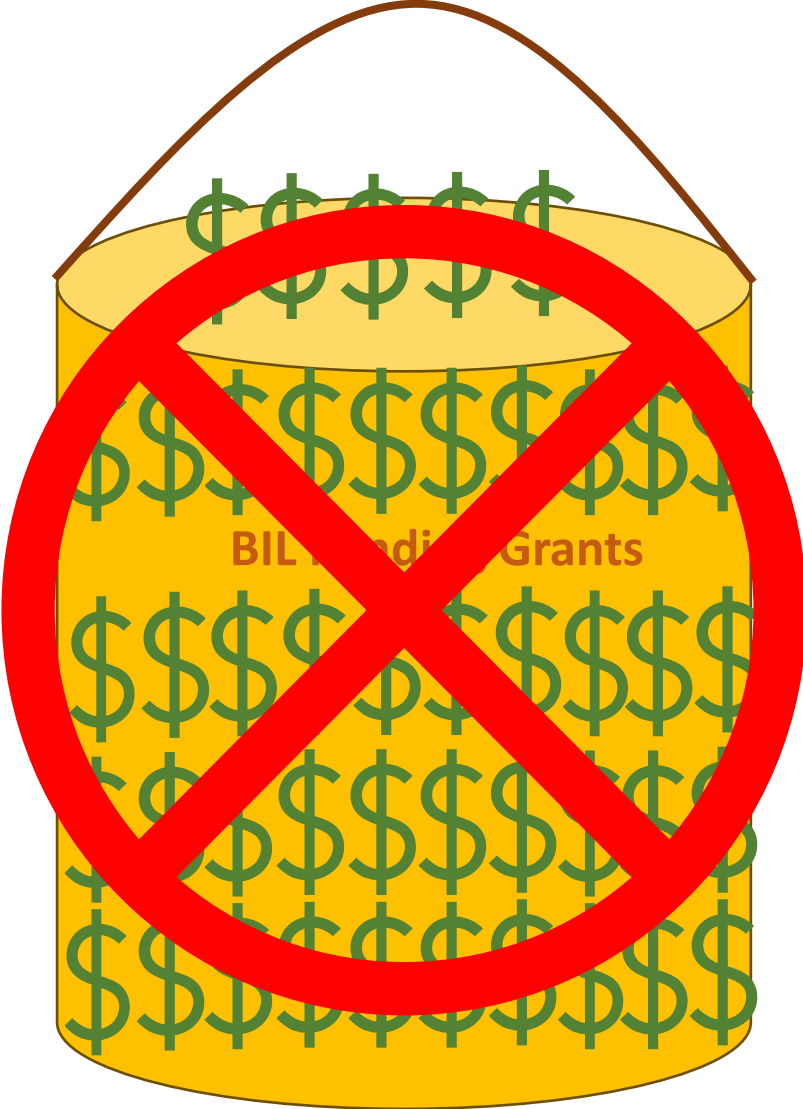


~ \$3,000,000



~ \$3,000,000

# Funding Trends: After BIL



# Funding Trends: Future of SRF?



# Requirements: American Iron and Steel (AIS) and Build America, Buy America Act (BABA)

**Purpose** – Domestic manufacturing

**Problems** – Manufacturers transitioning to domestic supplies, domestic product unavailable, cost increases, delivery delays, etc.

**Options** –

1. Design Waivers – Federal Funds in early BIL years, if project designed prior to May 14, 2022
2. Project Specific Waiver – HDWS success, 2 more in process
3. Material purchased prior to BABA, tracked as \$0 cost in the de minimus list
4. Concrete – is considered BABA compliant if delivered to site wet

# Questions?

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