
DRINKING WATER TREATMENT REVOLVING LOAN FUND
INTENDED USE PLAN FOR
THE STATE OF HAWAII FISCAL YEAR (SFY) 2026 AND
THE FEDERAL FISCAL YEAR (FFY) 2025 APPROPRIATION



October 27, 2025

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I. PROGRAM OVERVIEW

A. INTRODUCTION

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

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.

DWSRF is also affected by the Infrastructure Investment and Jobs Act (IIJA) – Public Law No. 117-58 (formerly also known as the Bipartisan Infrastructure Law) on November 15, 2021; and the American Recovery Act, 2025, Public Law 118-158, more commonly referred to as the Supplemental Appropriation for Hurricanes Helene and Milton and Hawaii Wildfires (SA-HMW), on December 21, 2024. Both acts provide additional appropriations to Hawaii’s program.

The State of Hawaii, Department of Health (DOH) developed this Intended Use Plan (IUP) for the State Fiscal Year (SFY) 2026. This IUP will be submitted to the EPA as part of the DOH’s application for the DWSRF FFY 2025 Base Capitalization Grant, IIJA, and SA-HMW Appropriations.

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

B. DWSRF GRANTS FOR FFY 2025

DWSRF Program plans for SFY 2026 are based on funds from the FFY 2025 appropriations from the base capitalization grant; IIJA supplemental, lead service line (LSL) replacement, and emerging contaminants; SA-HMW; and the state match required for the respective grants, from the 2025 Hawaii State Legislature.

Hawaii is applying for its portion of the FFY 2025 DWSRF appropriations for the base capitalization grant and IIJA general supplemental and emerging contaminants (EC), and SA-HMW of \$10,906,000 (plus 20 percent state match of \$2,181,200.00), \$24,898,000 (plus 20 percent state match of \$4,979,600.00),

\$7,640,000.00, and \$68,282,000, respectively¹. Hawaii does not intend to request any FFY 2025 funds allocated from the IIJA LSL.

In addition, Hawaii is requesting available reallocations from the FFY 2022 and FFY 2023 IIJA-EC for \$12,000.00 and \$205,000.00, respectively.

This IUP will provide information regarding the use of the federal, state, and additional monies generated from other program sources during SFY 2026. This IUP will be amended in November/December 2025, if necessary, to include additional information on unrequested or unassigned funds and changes to previously assigned funds. Details on key aspects of the Program, including the long- and short-term goals, the priority setting criteria, and a listing of projects, are included in this IUP. Final uses of Federal funds will be reflected in the SFY 2026 DWSRF Annual Report.

C. SOURCES AND Uses OF FUNDS

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

Table 1. Projected Sources and Uses of Funds

SOURCES	THROUGH SFY 2025 (\$)	SFY 2026 (\$)	CUMULATIVE THROUGH 6/30/2026 (\$)
Base Federal Capitalization Grant ¹	262,930,548.00	10,906,000.00	273,836,548.00
Base State Match	48,686,110.00	2,181,200.00	50,867,310.00
IIJA General Supplemental Capitalization Grant ¹	62,032,000.00	24,898,000.00	86,930,000.00
IIJA General Supplemental State Match	8,501,700.00	4,979,600.00	13,481,300.00
IIJA Lead Service Line	76,888,640.00	0.00	76,888,640.00
IIJA Emerging Contaminants ¹	22,835,000.00	7,857,000.00	30,692,000.00
SA-HMW ²	0.00	68,282,000.00	68,282,000.00
Loan Repayments	211,699,391.67	17,576,391.00	229,275,782.67
Investment Interest	12,827,216.80	1,000,000.00	13,827,216.80
Income from Loan Fees	16,082,538.88	2,728,857.00	18,811,395.88
Transfers from Loan Fee Account to Loan Fund	27,717,558.37	2,989,772.00	30,707,330.37
<i>Total Sources</i>	<i>750,200,703.72</i>	<i>143,398,820.00</i>	<i>893,599,523.72</i>
USES			
Final Loan Agreements ³	548,431,073.77	99,000,000.00	647,431,073.77
Set-Asides & Administrative Support ⁴ (Base)	36,685,624.98	455,000.00	37,140,624.98
Set-Asides & Administrative Support ⁴ (IIJA)	10,911,118.02	5,614,292.00	16,525,410.00
Set-Asides & Administrative Support ⁴ (SA-HMW)	0.00	3,812,170.00	3,812,170.00
Administrative Support ⁵	12,204,677.70	979,797.00	13,184,474.70
EPA In-Kind Services	1,517,650.00	-	1,517,650.00
<i>Total Uses</i>	<i>609,750,144.47</i>	<i>109,900,710.00</i>	<i>719,650,854.47</i>
Fund Balance	140,450,559.25	33,573,561.00	173,988,120.25

¹ Source : Attachment A of EPA Memo dated May 15, 2025. Includes reallocated funds from the FFY 2022 and FFY 2023 grants.

² Source: EPA Memo for Award and Implementation of the 2025 State Revolving Fund SA-HMW dated March 13, 2025.

³ Includes ARRA final loan agreements.

⁴ See Appendix D for more details.

⁵ Paid from program and non-program income from loan fees. This calculation includes the SFY 2025 budget, plus overruns.

Income from Loan Fees

Since SFY 2018, per 40 CFR §35.3530, the DWSRF utilized a single account outside the fund to collect income from loan fees. This account is primarily used to support the following:

1. Public Water System Supervision Program (PWSSP) – 25 percent match includes costs to support:
 - a. Personnel salary, fringe, and indirect for one and a half positions
 - b. Scientific supplies
2. Other SDWB activities costs to cover the budget shortages in the:
 - a. Groundwater Protection Program (GWPP)
 - i. Personnel salary, fringe, and indirect for one and three-fourth positions
 - ii. Interisland travel and other expenses for Surveillance (Protection), Training and Technical Assistance, and Public Participation
 - iii. Educational, scientific, and laboratory supplies
 - iv. Inspection training
 - v. Dues
 - b. 10 percent Cap Grant and IIJA Supplemental Set-Aside budget
 - i. Office, educational, scientific, laboratory, field survey, automotive, and computer supplies
 - ii. Other expenses such as air freight, dues, postage, printing, maintenance and repair of office equipment, scientific instruments, and buildings, subscriptions, training/registration fees, and utilities
 - iii. Hawaii Drinking Water Association Conference Support
 - c. 15 percent Cap Grant and IIJA Supplemental Set-Aside Budget – no Fees used for 15 percent Set-Aside support
 - d. Administrative 4 percent Cap Grant and IIJA Supplemental Set-Aside Budget
 - i. Personnel salary, fringe, and indirect for portion of three positions
 - ii. Interisland travel and other expenses for Surveillance (Protection), Project Review, and Training and Technical Assistance, and Public Participation Office supplies
 - iii. Audit expenses
 - e. 2 percent Cap Grant and IIJA Supplemental Set-Aside Budget - The Safe Drinking Water Branch will use \$60,000.00 in SFY 2026 to support the registration of small systems operators and board members attendance at the annual Pacific Water Conference which is a joint conference of the American Water Works Association – Hawaii Section and Hawaii Water Environment Association, and the Hawaii Rural Work Association Conference to be held in 2026 and 2027.
 - f. General Funds - Mainland and interisland travel for Surveillance (Protection), Compliance, and Training and Technical Assistance
3. DWSRF loan fund - funds within the DWSRF administrative loan fee account, less encumbrances, which are more than \$2 million are transferred each year to the DWSRF repayment accounts to be used for DWSRF loans.

EPA In-Kind Services

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

Transferring Funds between SRF Programs

As of July 8, 2024, a State of Hawaii bill was signed into law (HB2453 HD1 SD2 CD1 RELATING TO WATER INFRASTRUCTURE) to authorize the grant transfer authority between the Drinking Water Treatment Revolving Loan Fund and the Water Pollution Control Revolving Fund Programs, as currently allowed under 40 CFR 35,3530(c). These transfers will be included in the IUP and annual report, as needed.

D. PROGRAM REQUIREMENTS

The following provide provisions that are applicable to the Hawaii DWSRF:

- Consolidated Appropriations Act (CAA) – to date, the CAA, 2025 has not yet been passed so for purposes of this IUP, we are assuming the provisions of the CAA, 2025 will be the same as CAA, 2024, which became Public Law No. 118-42 on March 9, 2024. This section will be updated in the next IUP amendment.
- AWIA, Public Law No. 115-270, October 23, 2018
- IIJA, Public Law No. 117-58, November 15, 2021
- ARA, Public Law No. 118-158, December 21, 2024
- General grant regulations at 40 CFR 200
- Specific conditions of the capitalization grant(s)
- Other EPA initiatives

Equivalency Projects for the respective FFY 2025 grants are listed in Appendix B.

Additional Subsidization

The CAA requires the DWSRF to use 14 percent of the base capitalization grant to be provided as additional subsidy to eligible recipients. AWIA requires a minimum of 12 to 35 percent of the base capitalization to be provided as additional subsidy to Disadvantaged Communities (DAC) as defined in Section V.E. The total base capitalization grant additional subsidy required is 26 to 49 percent. Required additional subsidies may be provided to non-DAC if the program does not have enough projects on the Fundable List that meet DAC criteria.

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

The ARA requires at least 30 percent of the SA-HMW to be provided as additional subsidy to eligible recipients. Hawaii's DWSRF will provide Maui Department of Water Supply with at least 60 percent of

the funds as additional subsidy, plus an additional ten (10) percent for each milestone listed below, up to 90 percent total:

1. Submittal of the environmental documents completed by EPA for the affected 2023 Lahaina Wildfire area to DOH. This includes the Endangered Species Act, Section 7, and the National Historic Preservation Act, Section 106, consultations.
2. Submittal of a blanket ordinance to DOH. An ordinance is Maui County's vehicle for debt authorization. For a blanket ordinance, it sets an authorized dollar amount to borrow with the DWSRF but doesn't specify a dollar amount per loan or project.
3. Submittal of a robust final list of projects that are eligible for SA-HMW funding. This will be the sub-project list for the programmatic financing loan (Appendix A).

DWSRF will provide all additional subsidies in the form of zero percent interest loans with principal forgiveness.

Prioritization of Additional Subsidy Assignments

For SFY 2026, the Hawaii DWSRF program will prioritize awarding additional subsidy to projects that are ready to proceed, and in the following order:

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, unless otherwise required by a specific grant.
5. Projects in non-DAC communities and with a poverty level above five (5) percent, additional subsidy may be assigned up to the poverty percent level, as identified in a population-weighted average of the project census blocks, to account for pocket DAC.
6. Small (serving fewer than 25,000 persons) or DAC, beyond the initial \$1M as stated in #3 above.

Table 2. Additional Subsidy Tiers for Small or DAC

Tier	Affordability Score	Maximum Eligible Additional Subsidy Based on Project Cost (%)
1	100	95
2	50 – 99	90
3	25 – 49	75
4	0 – 24	50

Reporting Requirements

The Hawaii DWSRF Program will report its utilization of funds through the following:

- DWSRF Annual Report,
- Drinking Water State Revolving Fund National Information Management System (DWNIMS),
- Office of Water State Revolving Funds (OWSRF) system at least quarterly, and
- Federal Funding Accountability and Transparency Act (FFATA) reporting through the System for Award Management (SAM).

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

Davis-Bacon Requirements

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

Each payment request submitted by the borrower includes a signed statement that they are following the applicable labor wage rates.

American Iron and Steel (AIS)

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

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

Build America Buy America

From FFY 2022 and each fiscal year thereafter, IIJA equivalency projects with loan agreements executed after May 14, 2022, will need to comply with the Build America, Buy America Act of 2021 (BABA), which expands the existing AIS requirements to include construction materials and manufactured goods. With

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

Borrowers have the option to utilize the *de minimis waiver*, which allows certain items to be exempt from BABA, up to five percent of the total project cost. If a borrower claims *de minimis* items, it will be stated and tracked in the project file.

Signage

For FFY 2015 each fiscal year thereafter, the DWSRF program must comply with SRF Signage Guidelines to enhance public awareness of EPA assistance agreements nationwide. Signage is achieved on an equivalency basis of the base grant funding, the loans receiving base Federal funding will be required to comply. The borrower may select at least one of five options outlined in EPA's June 3, 2015, memo on the subject⁶.

The borrower will be notified before loan execution if this requirement will apply.

II. DWSRF LONG-TERM AND SHORT-TERM GOALS

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

A. LONG-TERM GOALS

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

B. SHORT-TERM GOALS

1. Continue implementation of some of the recommendations from the Northbridge Environmental Management Consultants' October 2014 *Hawaii SRF Management Study for the CWSRF and DWSRF Programs* to streamline the Hawaii DWSRF program and increase the Program's pace.
2. Continue modification of the Functional Procedures and the Operating Agreement to reflect and meet the DWSRF requirements and needs.

⁶ Source : https://www.epa.gov/sites/default/files/2016-07/documents/guidelines_for_enhancing_public_awareness_srf.pdf

3. Continue implementing the Financial Operations and Cash Flow Utilization in the SRF (FOCUS) financial planning model to better plan the use of funds in the DWSRF program.
4. Continue working with Northbridge on the development and implementation of the Loans and Grants Tracking System (LGTS) to track the required items, which include accounting, management, set-asides, compliance, and customer service concerns.
5. Continue marketing and outreach to offer loans to privately-owned water systems and DAC with particular focus on EC and LSL, while those funds are available.

III. DWSRF FINANCING GUIDELINES

A. DWSRF PROJECT ELIGIBILITY

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

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

The DWSRF program will reference the *Drinking Water State Revolving Fund Eligibility Handbook*, dated June 2017⁷ and additional guidance from EPA that may expanded eligibility.

B. DWSRF FINANCING TERMS

Hawaii's DWSRF program will provide low-interest loans for construction and refinancing of eligible drinking water projects within the State. 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 IUP.

In most cases, loans to eligible projects are made under terms and conditions effective at the time of financing. The following guidelines are currently in place for SFY 2026 and thereafter, depending on the ability of the fund to remain in perpetuity.

⁷ Source : <http://health.hawaii.gov/sdwb/files/2017/06/DWSRFEligibilityHandbook.pdf>

- DWSRF-eligible projects may receive up to 100 percent financing of the allowable project costs.
- DWSRF loan rates will remain fixed over the life of the loan.
- Established interest rates for SFY 2026 are set unless market rates are lower, then the DWSRF will decrease to be less than market. Market rate is calculated as the 12-month rolling average of the Bond Buyer 20-Bond GO Index.
- Except for Programmatic Financing (Pro-Fi) loans, principal amortization for DWSRF loans begins within 18 months after construction completion or three years after the date of the final loan agreement, whichever is earlier. Principal amortization for Pro-Fi loans begin the October following the end of the loan disbursement period. Repayments will continue semiannually thereafter.
- The Hawaii DWSRF program is utilizing FOCUS to evaluate the amount of interest and loan fees necessary for the Hawaii DWSRF to operate in perpetuity.

Table 3. SFY 2026 Loan terms

Loan type	Interest Rate	Fee Rate	Total Annual Loan Rate	Loan Repayment Period
Municipal Project-Based	1.15%	1.50%	2.65%	20 years
	1.40%	1.50%	2.90%	30 or 40 years
Pro-Fi and IIJA LSL	0.75%	1.50%	2.25%	20 years
	1.00%	1.50%	2.50%	30 or 40 years
Privately-Owned Water Systems	3.00%	Up to \$1,000.00 ⁸	3.00%	Up to 30 years; DAC may be up to 40 years

IV. SET-ASIDE ACTIVITIES

The Act allows each state to set-aside up to 31 percent of each, the federal capitalization, IIJA, and SA-HMW grants 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 Appendix D 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.

⁸ If assessed, the fee would be to cover administrative or other expenses. The fee would be determined after initial assessment of the applicant's technical, managerial, and financial capacity and the amount of securities/precautions the Program may need

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

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

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

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

For SFY 2026, DOH will be using a total of \$995,920 available under the 4 percent set aside which is from the IJJA General Supplemental Grant. Additionally, DOH will be using \$2,386,827.00 under the 4 percent set aside over the next 5 years starting FFY 2025. The program will bank \$440,040 Base Federal Grant under the 4 percent set aside.

The budget for the Base and IJJA Supplemental includes full funding of five (5) positions and partial funding of five (5) positions (salary, fringe, and indirect) which will draw \$839,726.00 within one (1) state fiscal year. SA-HMW fill fund three (3) positions and will draw \$2,386,827.00 over five (5) state fiscal years. The remainder for all three budgets will be used for interisland travel for Project Review, Training and Technical Assistance, and mainland travel for Training, dues, training registration fees, Loans and Grants Tracking System upgrades contract for SFY2026, and other miscellaneous expenses and will be drawn in its entirety within two (2) state fiscal years.

to execute the loan application. This may include, but not be limited to, fees associated with appraisals, surveys, title searches, legal fees, and document recording.

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

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

For SFY 2026, DOH will be using a total of \$2,944,800.00 available under the 10 percent set-aside of which \$455,000.00 and \$2,489,800.00 is from the Base Federal Grant and the IJJA General Supplemental Grant. As mentioned in Section I.C. above for EPA In-Kind Services, an IPA budgeted at \$290,000.00 from the IJJA Supplemental 10% Set-Aside Fund, will be to support technical assistance around source water protection, actions related to the Red Hill 2015 Administrative Order on Consent (AOC), the EPA Red Hill 2023 Administrative Consent Order (ACO) the Joint Base Pearl Harbor Hickam (JBPHH) and Aliamanu Military Reservation (AMR) Extended Drinking Water Monitoring, SA-HMW and other Public Water System Supervision Program actions. The program will bank \$645,100.00 from the 10% IJJA Supplemental Federal Grant. DOH will also be using \$1,500,000 from the 10 percent FFY2025 funding for a wildfire recovery technical support contract.

The budget includes full funding of ten (10) positions and will draw over \$1,280,148.00 of the budget within one (1) state fiscal year. The remainder of the budget will be used for related interisland and mainland travel, supplies. The projects to reorganize rules for SDWB, Backflow training, sanitary survey training, SDWIS and DWSFT upgrades, Loans and Grants Tracking System maintenance and upgrades, and other expenses and will be drawn in its entirety within two (2) state fiscal years.

For SFY 2026, DOH will be using \$455,000.00 from the IJJA General Supplemental Grant for:

- Hawaii Drinking Water Association Conference support at \$100,000.00
- Reorganize HAR 11-20 Public Water System to accommodate future rule adoption at \$40,000.00
- Update HAR 11-21 Backflow and Cross Connection Control at \$25,000.00
- Provide Backflow training for public water systems through contracted services budgeted at \$50,000.00
- Sanitary Survey Training and SOP Development at \$40,000.00
- Ad hoc SDWIS updates and DWSFT migration projects at \$50,000.00
- Ad hoc SDWB System Database Maintenance projects at \$50,000.00
- SDWB system tech stack upgrade at \$100,000.00

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

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

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

These funds will be used to provide future assistance to public water systems serving fewer than 10,000 people or 89 percent of the public water systems in Hawaii. Activities under this set-aside include helping systems prepare their DWSRF loan applications, assistance with improving their technical, financial, and managerial capability, training, and planning, technical assistance via sanitary survey follow-ups, direct on-site assistance, and a Circuit Rider program to address any necessary improvements to the water system.

For SFY 2026, DOH will be using \$360,000.00 from the IIJA General Supplemental Grant for:

- Conference support for small systems operators to acquire continuing education credits (CEU), budgeted for \$60,000.00
- Provide continued funding support for the 2023-2025 Circuit Rider contract (partial funding with 15% set aside) for \$150,000.00
- As needed ad hoc training and assistance in the areas, but not limited to, water conservation, lead service line, sampler and cyber security budgeted for \$150,000.00

This set-aside will be drawn in its entirety within two (2) state fiscal years (estimated to begin disbursing in January 2023). The program will bank the entire \$220,020.00 from the 2% Base Capitalization Grant and \$137,960.00 from the 2% IIJA Supplemental Grant.

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

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

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

For SFY 2026, DOH will be using \$1,733,366.00 from the 15 percent IIJA General Supplemental Grant Set-Aside. This set-aside will be drawn in its entirety within two (2) state fiscal years (estimated to begin disbursing in January 2026). The program will direct the entire 15 percent Base Federal Grant Set-Aside

of \$1,650,150.00 and balance remaining of the 15 percent IJA General Supplemental Grant Set-Aside of \$2,001,334.00 to the loan fund.

The budget includes funding of seven (7) positions (salary, fringe, and indirect) which will draw \$654,139.00 within one (1) state fiscal year. The remainder of the budget will be used for in-house project development for future source water protection activities; coordinate support for Legislative reports; conduct source water assessments; assist in collecting groundwater data with other governmental department, collect emerging contaminant samples at sources, provide Hawaii specific groundwater science expertise to support the Red Hill Administrative Consent Order, and other response actions; technical, managerial, and financial capacity assistance; various supplies; and other miscellaneous expenses. The projects or subawards to utilize the funds within two (2) fiscal years include:

- Provide continued funding support for the 2023-2025 Circuit Rider contract (partial funding with 2% set aside) for \$450,000.00 or support for a new contract or extension as needed.
- Groundwater/Source Water Protection Education and Outreach Project is budgeted at \$50,000 and will be used within two (2) fiscal years.
- Development of water reuse standards \$50,000 and will be used within two (2) fiscal years.
- Water audit and loss control projects with the Department of Land and Natural Resources (DLNR) Commission on Water Resource Management (CWRM) at \$250,000 and will be used within two (2) fiscal years.
- Development of a Water Shed Partnership with University of Hawaii, Hawaii Dept of Water Supply and HDOH Surface Water Protection Branch. The anticipated area of collaboration is the North Kohala Watershed on the Island of Hawaii. An estimated \$50,000.00 will be used to support fence replacement and other monitoring efforts in the watershed.

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 latest *DWSRF Priority List of Projects for SFY 2026* is posted on the Hawaii DWSRF Website⁹. In early 2025, the county water departments and privately-owned water systems were invited to submit proposed projects for DWSRF funding. Throughout the year, eligible borrowers may propose new projects for inclusion in the *Priority List of Projects*. A new 30-day comment period will be initiated for each major update to the *Priority List of Projects* or the IUP. The *Priority List of Projects* was developed by evaluating the proposed projects based on the Project Selection Procedures and DWSRF Project Ranking Criteria. Amendments to the Project Selection Procedures and DWSRF Project Ranking Criteria will be considered as appropriate

⁹ <https://health.hawaii.gov/sdwb/drinking-water-state-revolving-fund/>

to reflect the changing character of the Program. The *DWSRF Project Ranking Criteria* is found in Appendix C.

Projects that are eligible under the IJJA EC, IJJA LSL, and SA-HMW will be ranked on separate *Priority List of Projects* for each respective funding category. These projects will still follow the same *DWSRF Project Ranking Criteria*.

B. PROJECT SELECTION PROCEDURES

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

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

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

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

Projects are ranked against all other projects competing for funds using the DWSRF Project Ranking Criteria. While points are primarily assigned on a basis of the health problems or the Act compliance issue being addressed by a project, consideration must also be given to prioritize funds for DACs. Thus, the highest-ranking public water system project that will be ready-to-proceed in that fiscal year will be selected to satisfy the minimum DAC funding requirement for the respective grant year. If there are no projects that meet these criteria, DOH will make this portion of the fund available to all other public water systems. This will ensure that the funds are allocated as expeditiously as possible and are efficiently utilized.

Eligible project costs will consider construction and related non-construction activities (including planning, engineering, design, etc.). The EC IJJA funding must also address PFAS or any other compound on the Contaminant Candidate List 1-5. The IJJA LSL funding is restricted to work addressing identifying and/or removing lead in service lines. For both the EC IJJA and IJJA LSL, this may include monitoring that could affect design and construction.

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

A detailed breakdown of the priority scoring model and tie breaking procedure may be found in Appendix C.

C. PROJECT READINESS BYPASS PROCEDURE

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

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

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

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

D. EMERGENCY PROJECTS BYPASS PROCEDURE

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

Preference shall be given to non-governmental water systems. Loan terms for emergency projects may extend up to 40 years. If a project is bypassed because of an emergency project, it will get priority for funding as new funds become available.

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

E. DISADVANTAGED COMMUNITIES (DAC)

A DAC is currently defined as a community public water systems that has a total affordability score of 25 or greater (out of 100), based on the DWSRF Priority Scoring Model (Appendix C) and as demonstrated in the 2021 Hawaii Water Rates Dashboard and 2022 American Community Survey 5-Year Estimates.

“Pocket DAC” are defined as economically dis-advantaged sub-communities that geographically reside within larger, otherwise non-DAC census blocks with a poverty level greater than five percent.

Recent natural disasters have brought awareness on the significant hardship facing communities impacted; therefore, DAC now also includes systems recovering from natural disasters such as hurricane, flood, wildfire, lava flow, and earthquake.

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

F. FUNDABLE LIST OF PROJECTS

The Fundable List (Appendix A) consists of the projects on the *DWSRF Priority List of Projects for SFY 2026* that are likely to execute a loan in SFY 2026 based on potential available funds and project readiness-to-proceed.

Per the FOCUS financial planning model using amounts as of May 26, 2025, the Program’s lending capacity is \$170M. Due to in Hawaii’s obligation limits for the DWSRF program, the DWSRF will execute certain project loans in phases, up to a maximum total of \$99M for SFY 2026. The remaining project costs will be executed in SFY 2027, when the obligation ceiling is increased for the DWSRF program.

VI. ASSURANCES AND PROPOSALS

A. ENVIRONMENTAL REVIEW

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

B. FEDERAL CROSS-CUTTERS

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

C. BINDING COMMITMENT

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

D. TIMELY EXPENDITURE

The State will expend all funds in the DWSRF loan fund in a timely and expeditious manner in accordance with the EPA *Drinking Water State Revolving Fund (DWSRF) National Unliquidated Obligations Strategy* of April 14, 2014, and the January 31, 2024, EPA memo on *Maximizing Water Quality and Public Health Benefits by Ensuring Expeditious and Timely Use of All State Revolving Fund Resources*.

VII. U.S. EPA'S POWER THE GREAT AMERICAN COMEBACK INITIATIVE

The Hawaii DWSRF program supports EPA's Power the Great American Comeback initiative, to achieve the agency's mission while energizing the greatness of the American economy while be incorporated into the strategic plan once published. According to the initiative, Powering the Great American Comeback will consist of five pillar that will guide the EPA's work. Drinking water is incorporated in Pillar 1: Clean Air, Land and Water for Every American. This pillar represents the administration's commitment to fulfill the agency's mission to protect human health and the environment. Under this pillar, the agency will also prioritize emergency response efforts. 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 administration's revised National EPA Strategic Plan (currently pending) will be included in the SFY 2026 DWSRF Annual Report due to EPA on December 10, 2025, or as negotiated with EPA. A summary of loan activity for the fiscal year will be included in the report as well as details for each project. Project details will include a brief description and benefit of the project, project number, dollar amount and population served for projects financed, and the interest rate for each loan.

APPENDIX A

DWSRF FUNDABLE LIST OF PROJECTS FOR SFY 2026

The latest DWSRF Project Priority List is found online, on the Hawaii DWSRF website at <https://health.hawaii.gov/sdwb/drinking-water-state-revolving-fund/>.

DWSRF FUNDABLE LIST FOR SFY 2026

Priority Ranking	Borrower	PWS ID	Project No.	Project Name	Project Description	Anticipated Loan Execution Date	Disadvantaged Community	Population	Estimated Loan Amount (\$)	Equivalency Grant	Equivalency Amount (\$)	Additional Subsidy Amount (\$)	Green Project Reserve (GPR) Category	GPR Amount (\$)
2	Kunia Village Development Corporation	303	P-DW303-EC04	New Source - Production Well	Converting exploratory well into production well, including controls, power, motors, pumps, and other appurtenances.	Jul-26	Yes	650	2,220,000.00	IIJA EC	2,220,000.00	2,220,000.00	N/A	-
3	Kunia Village Development Corporation	303	P-DW303-EC02	New Source - Exploratory Well	Explore and construct a new source to replace the existing well that is contaminated with PFAS and TCE.	Oct-25	Yes	650	2,218,000.00	IIJA EC	2,500,000.00	2,500,000.00	N/A	-
5	Waialua Water Association	309	P-DW309-0001	Transmission-Distribution Main Replacement	Replace existing deteriorated transmission/distribution lines between the well and Waialua Mill Camp, Otake Camp, Ka`ala Ranch, and Dole Foods with 8" HDPE. Pipeline installed along existing cane-haul road, project includes stub-outs, valves and other appurtenances.	Jan-26	Yes	500	1,750,000.00	N/A	-	1,750,000.00	Water Efficiency	1,750,000.00
8	Kipapa Acres C.P.R.	328	P-DW328-0001	Honolulu BWS Metered Connection to Lot B	Small system will connect to HBWS meter. Project will include installation of pipeline to serve the small community.	Jul-25	No	43	400,000.00	N/A	-	400,000.00	N/A	-
10	Maui Department of Water Supply	214	DW214-EC01 (fka MDWS-EC02)	Centralized GAC treatment Napili & Honokahua Wellfield	Design TCP (1,2,3-Trichloropropane) GAC treatment system. Upsize GAC to treat 5 wells for TCP and any other contaminants. Treatment design to include Honokahua A and B and Napili A, B, and C Wells. GAC to be located at the site of Napili Wells A and B.	Apr-26	Yes	30,209	3,750,000.00	IIJA EC	3,750,000.00	3,750,000.00	N/A	-
11	Honolulu Board of Water Supply	Multiple PWS	HBWS-EC01	Professional Services to Address Emerging Contaminants and PFAS	Professional planning, environmental, engineering, geoscientific, and water quality analysis services to assess and monitor the potential impacts of emerging contaminants including but not limited to PFAS.	Nov-25	Yes, for "pocket" communities only	970,746	4,800,000.00	IIJA EC	2,357,086.00	2,357,086.00	N/A	-
12	Hawaiian Shores Association	156	P-DW156-0006	Water System Improvements	This project will address several needs within the system. For customer meters, PWS needs to replace ~440 water meters with failing radio transmitters or meter components and provide spare stock for projected failures; work will be done under force account by PWS staff. PWS has also identified a capacity issue and proposes to replace 3200’ of existing main with 8” water line. Where ground disturbed, PWS proposes to replace existing lateral valves and laterals (135) to meet operational needs.	Nov-25	Yes	1,360	2,000,000.00	N/A	-	2,000,000.00	Water Efficiency	2,000,000.00
15	Hana Water Systems LLC	201	P-DW201-0001	Helani Well Upgrade	Replace existing pump and motor and upgrade controls.	Oct-25	Yes	816	150,000.00	N/A	-	150,000.00	N/A	-
16	Maunaolu Plantation Homeowners Association	254	P-DW254-0003	Maunaolu Replacement Reservoirs	Replace tanks.	Jan-26	Yes	100	600,000.00	N/A	-	375,000.00	N/A	-
21	Honolulu Board of Water Supply	335	DW335-0016	Waiapo Place, Waihua Place and Waimomona Place Water System Improvements	Install 12-inch mains along Kolowaka Drive, approx. 610 lf. Install 8-inch and 4-inch mains along Waiapo Place; Waihua Place, and Waimamona Place, - approx. 2,190 lf.	Jan-26	No	241,417	5,550,000.00	IIJA Supplemental	1,000,000.00	-	N/A	-
23	Maunaolu Plantation Homeowners Association	254	P-DW254-0002	100KW Backup Power	Install a 100KW 480V 3 Phase Generator for booster pumps, well site, and control panel.	Jan-26	Yes	100	122,000.00	N/A	-	91,500.00	N/A	-
25	Honolulu Board of Water Supply	331	DW331-0084	Aliipoe Drive and Paihi Street Area Water System Improvements	Install 12-inch and 8-inch mains along Aliipoe Drive approx. 2,110 lf. Install 8-inch mains along Paihi Street; Hukaa Street, Iwaiwa Street; and Pohue Street approx. 4825 lf. Install 8-inch and 4-inch mains along Pohue Place and Pohuli Street, approx. 650 lf.	Jan-26	No	638,751	9,211,000.00	N/A	-	-	N/A	-
26	Kaua’i Department of Water Supply	Multiple PWS	KDOW-PF26	Kaua’i DOW Pro-Fi SFY 2026	Programmatic Financing loan for water system improvements on the Island of Kauai.	Jan-26	Yes, for "pocket" communities only	66,504	5,000,000.00	Base	5,000,000.00	1,000,000.00	Water Efficiency	500,000.00

Priority Ranking	Borrower	PWS ID	Project No.	Project Name	Project Description	Anticipated Loan Execution Date	Disadvantaged Community	Population	Estimated Loan Amount (\$)	Equivalency Grant	Equivalency Amount (\$)	Additional Subsidy Amount (\$)	Green Project Reserve (GPR) Category	GPR Amount (\$)
27	Maui Department of Water Supply	Multiple PWS	MDWS-LS02	Lead and Copper Rule Revision Compliance-Phase 2	Complete outreach and inventory work. Replace GRR in targeted area. Other associated activities as necessary to achieve compliance with LCRR and LCRI.	Mar-26	Yes, for "pocket" communities only	186,888	1,000,000.00	IIJA LSL	1,000,000.00	490,000.00	N/A	-
28	Launiupoko Water Company Inc	251	P-DW251-0002	Storage Tank #3	Add 500K gal backup storage tank to existing 500k gal tank.	Apr-26	Yes	1,500	1,500,000.00	N/A	-	-	N/A	-
29	Hawaii Department of Water Supply	160	DW160-0002	Lalamilo 10MG Reservoir	Construct 10,000,000-gallon reservoir to provide adequate storage at large well site. Powered by wind energy, so allows increased storage during periods of high wind.	Nov-25	No	2,082	12,000,000.00	IIJA Supplemental	8,893,216.00	1,000,000.00	Energy Efficiency	500,000.00
32	Honolulu Board of Water Supply	335	DW335-0015	Mailiili Road 20-Inch Main, Paakea Road to Lualualei Homestead Road	Install 20-inch main and appurtenances along Mailiili Road, from Paakea Road to Lualualei Homestead Road - approx. 3,800 lin. ft.	Jan-26	Yes	241,417	9,402,000.00	N/A	-	-	N/A	-
35	Maui Department of Water Supply	Multiple PWS	MDWS-PF26-ARA	MDWS Wildfire Disaster Relief Projects	Projects to address wildfire recovery and infrastructure hardening on the island of Maui, meeting eligibilities of the American Recovery Act, Supplemental Agreement for Hurricanes Helene and Milton and Hawaii Wildfire.	Dec-25	Yes	186,888	250,000,000.00	ARA SA-HMW	250,000,000.00	-	Water Efficiency	1,000,000.00
43	Honolulu Board of Water Supply	331	DW331-0082	Manana Wells Control Valve Installation	Install a control valve assembly and water line connections to allow the controlled release of Pearl Harbor 285 system water into the Metropolitan 180 system needed due to the loss of Halawa Shaft.	Feb-26	No	638,751	2,000,000.00	Base	2,000,000.00	-	N/A	-
44	Honolulu Board of Water Supply	331	DW331-0083	Kaahumanu Wells Control Valve Renovation	Upgrade control valve assembly and water line connections to more efficiently allow the controlled release of Pearl Harbor 285 system water into the Metropolitan 180 system.	Feb-26	No	638,751	2,000,000.00	Base	2,000,000.00	-	N/A	-
49	The Woodlands at Nuuanu	372	P-DW372-0001	Tank Replacement and Water System Improvements	Large tank replacement project to correct a significant deficiency noted in the 2023 sanitary survey. Additional water system improvements include replacing valves, piping, disinfection system, and SCADA.	Nov-25	No	51	869,592.10	N/A	-	900,000.00	N/A	-
53	Haiku Town Water Association, Inc.	263	P-DW263-0001	125 KW Standby Emergency Generator	Purchase and install one 125KW Standby Generator for HTWA's sole existing domestic water well.	Dec-26	Yes	200	83,500.00	N/A	-	-	N/A	-

APPENDIX B

EQUIVALENCY AND ADDITIONAL SUBSIDY ASSIGNMENTS FOR OPEN AND UPCOMING GRANTS

EQUIVALENCY AND ADDITIONAL SUBSIDY ASSIGNMENTS FOR OPEN AND UPCOMING BASE AND IIJA SUPPLEMENTAL CAPITALIZATION GRANTS

			Grant Year:		2023 Base		2023 Supplemental		2024 Base		2024 Supplemental		2025 Base		2025 Supplemental	
Project No.	Project Name	Loan Amount (\$)	Equivalency	Additional Subsidy	Equivalency	Additional Subsidy	Equivalency	Additional Subsidy	Equivalency	Additional Subsidy	Equivalency	Additional Subsidy	Equivalency	Additional Subsidy	Equivalency	Additional Subsidy
DW160-0002	Lalamilo 10 MG Reservoir	10,500,000.00			1,000,000.00				1,000,000.00		996,000.00				6,897,216.00	
DW212-0021	Lipoa 2.0 MG Water Storage Tank	13,000,000.00											1,000,000.00		5,000,000.00	
DW331-0081	Kahilinaí Pl and Aiea Hts Dr Area WSI	6,325,565.00			1,000,000.00						5,085,625.75					
DW331-0082	Manana Wells Control Valve Installation	2,000,000.00											2,000,000.00			
DW331-0083	Kaahumanu Wells Control Valve Renovation	2,000,000.00											2,000,000.00			
DW331-0088	Aiealani Place and Welelau Place 8-inch Main	3,000,000.00											1,001,000.00		1,000,000.00	
DW331-0089	Kailua Road: 8-Inch Water Main	1,200,000.00													1,200,000.00	
DW335-0016	Waiapo Place, Waihua Place and Waimomona Place WSI	5,000,000.00													1,000,000.00	
DW407-0003	Puu Pane (fka Kilauea) 1.0 MG Tank	13,000,000.00									1,000,000.00				4,000,000.00	
DW415-0006	Haena 0.2 MG Tank	13,000,000.00									1,199,216.00	3,000,000.00			3,800,784.00	
HBWS-0005	Security Improvements at Various Locations	3,000,000.00											1,000,000.00		2,000,000.00	1,000,000.00
HBWS-PF24	Honolulu BWS Pro-Fi SFY 2024	7,820,250.25			7,820,250.25	4,890,864.74										
HBWS-PF25	Honolulu BWS Pro-Fi SFY 2025	10,010,000.00			1,632,749.75						7,745,050.25	1,000,000.00				
DW131-0002	N. Kona Mid-Level Well and Large Meter Replacement	540,000.00			540,000.00											
HDWS-PF24	Hawaii DWS Pro-Fi SFY 2024	6,232,287.31					4,000,000.00									
HDWS-PF25-EQ	Hawaii DWS Pro-Fi SFY 2025 Equivalency	5,000,000.00			3,365,872.00				559,320.00	1,634,128.00	440,680.00					
KDOW-PF24	Kauai DOW Pro-Fi SFY 2024	5,000,000.00	4,743,028.00	592,560.00	62,000.00	1,065,940.00										
KDOW-PF25	Kauai DOW Pro-Fi SFY 2025	5,000,000.00						4,014,601.00		339,000.00	1,000,000.00					
KDOW-PF26	Kauai DWS Pro-Fi SFY 2026	5,000,000.00										5,000,000.00				1,000,000.00
P-DW156-0006	Water System Improvements	2,000,000.00									2,000,000.00					
P-DW167-0002	N. Easement WL Replacement Ph 2	1,000,000.00														750,000.00
P-DW168-0004	Keopu WSI	1,300,000.00		927,060.00					324,570.00					48,370.00		
P-DW201-0001	Heilani Well Upgrade	150,000.00									150,000.00					
P-DW254-0001	Maunaolu-Smith Well Repair and SCADA upgrades	264,163.67				198,122.75										
P-DW254-0002	100KW Backup Power	122,000.00									91,500.00					
P-DW254-0003	Maunaolu Replacement Reservoirs	500,000.00									375,000.00					
P-DW309-0001	Transmission-Distribution Main Replacement	1,750,000.00									1,750,000.00					
P-DW328-0001	Honolulu BWS Metered Connection to Lot B	671,156.80							400,000.00							
P-DW372-0001	Tank Replacement and WSI	1,000,000.00		900,000.00												
P-DW437-0001	Repair/Replace 0.5 MG Tank	2,388,168.26				162,022.51					691,955.31					

EQUIVALENCY AND ADDITIONAL SUBSIDY ASSIGNMENTS FOR OPEN AND UPCOMING IJA EMERGING CONTAMINANTS GRANTS

			Grant Year:	2022	2023	2024	2025
Project No.		Project Name	Loan Amount (\$)	Equivalency / 100% Additional Subsidy	Equivalency / 100% Additional Subsidy	Equivalency / 100% Additional Subsidy	Equivalency / 100% Additional Subsidy
HBWS-EC01	Professional Services to Address Emerging Contaminants and PFAS		2,357,086.00		2,357,086.00		
HBWS-EC02	Waipio Heights Wells and Wells I Water Treatment Design		956,750.00	800,000.00	156,750.00		
HBWS-EC03	Mililani Wells II Water Treatment Design		1,283,075.00	950,000.00	333,075.00		
DW367-EC01	Mililani Wells I WTP Improvements (fka HBWS-EC04)		3,000,000.00	1,000,000.00	1,099,683.93	900,316.07	
DW367-EC02	Mililani Wells II Water Treatment Plan Improvements (fka HBWS-05)		10,000,000.00		1,000,000.00	4,829,683.93	4,170,316.07
DW214-EC01	Centralized GAC Treatment Napili & Honokahua Wellfield (fka MDWS-EC02)		3,750,000.00	1,556,594.93	2,193,405.07		
P-DW303-EC02	New Source - Exploratory Well		2,500,000.00	1,000,000.00	500,000.00	1,000,000.00	
P-DW303-EC03	GAC and New Source Well		2,248,405.07	2,248,405.07			
P-DW303-EC04	New Source - Production Well		2,220,000.00			910,000.00	1,310,000.00
P-DW309-EC01	PFAS Water Treatment Design & Construction		1,115,000.00				1,115,000.00

EQUIVALENCY AND ADDITIONAL SUBSIDY ASSIGNMENTS FOR OPEN AND UPCOMING IJA LEAD SERVICE LINES GRANTS

			Grant Year:	2022		2023		2024	
Project No.	Project Name	Loan Amount (\$)	Equivalency	Additional Subsidy		Equivalency	Additional Subsidy	Equivalency	Additional Subsidy
HBWS-LS01	HBWS LCRR Compliance	7,900,950.92						7,900,950.92	3,692,114.36
HDWS-LS01	HDWS LCRR Compliance	3,588,723.00	3,588,723.00	1,870,061.77					179,351.59
KDOW-LS01	KDOW LCRR Compliance	875,747.00	875,747.00	290,485.28					
MDWS-LS01	Compliance with Lead and Copper Rule Revisions	1,502,402.65	1,502,402.65	763,220.55					
MDWS-LS02	Compliance with Lead and Copper Rule Revisions, Ph 2	1,000,000.00	1,000,000.00	490,000.00					

APPENDIX C

DWSRF PROJECT RANKING CRITERIA

DWSRF PROJECT RANKING CRITERIA

SUMMARY OF THE PROJECT PRIORITIZATION MODEL

Calibration Methodology – 300 total points, four sections

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

PRIORITY SCORING MODEL

SECTION I: DRINKING WATER QUALITY & PUBLIC HEALTH	120 POSSIBLE
Project addresses a documented waterborne disease outbreak associated with the system within the last 24 months	30
Project corrects or prevents violations of federal or state MCLs (primary standards) ⁱⁱ <ul style="list-style-type: none"> Nitrate, nitrite, TCR, PFAS Microorganisms (Giardia lamblia, Cryptosporidium, Legionella) Disinfection byproducts (TTHMs, HAA5), 1,2,3-Trichloropropane (TCP) Other regulated contaminants 	25 15 10 5
*Points are additive in this section	
Project corrects or prevents inadequate treatment techniques that are unable to satisfy the requirements for (maximum of 15 points): <ul style="list-style-type: none"> Surface water GWUDI Groundwater Lead and Copper Rule 	15
Project corrects exceedances of secondary drinking water standards (aesthetics – color, smell, etc.) as identified in Title 40 Chapter I Subchapter D Part 143 Subpart A § 143.3 Secondary maximum contaminant levels ⁱⁱⁱ	10
Project will correct or prevent (one selection only): <ul style="list-style-type: none"> Inadequate distribution due to system deterioration (e.g., experiencing multiple line breakages) or loss of supply Inadequate distribution due to chronic low pressure Inadequate storage (either through capacity or condition of tank) 	15 10 5

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

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

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

NOTES:

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

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

ⁱⁱⁱ <https://www.ecfr.gov/current/title-40/chapter-I/subchapter-D/part-143/subpart-A>

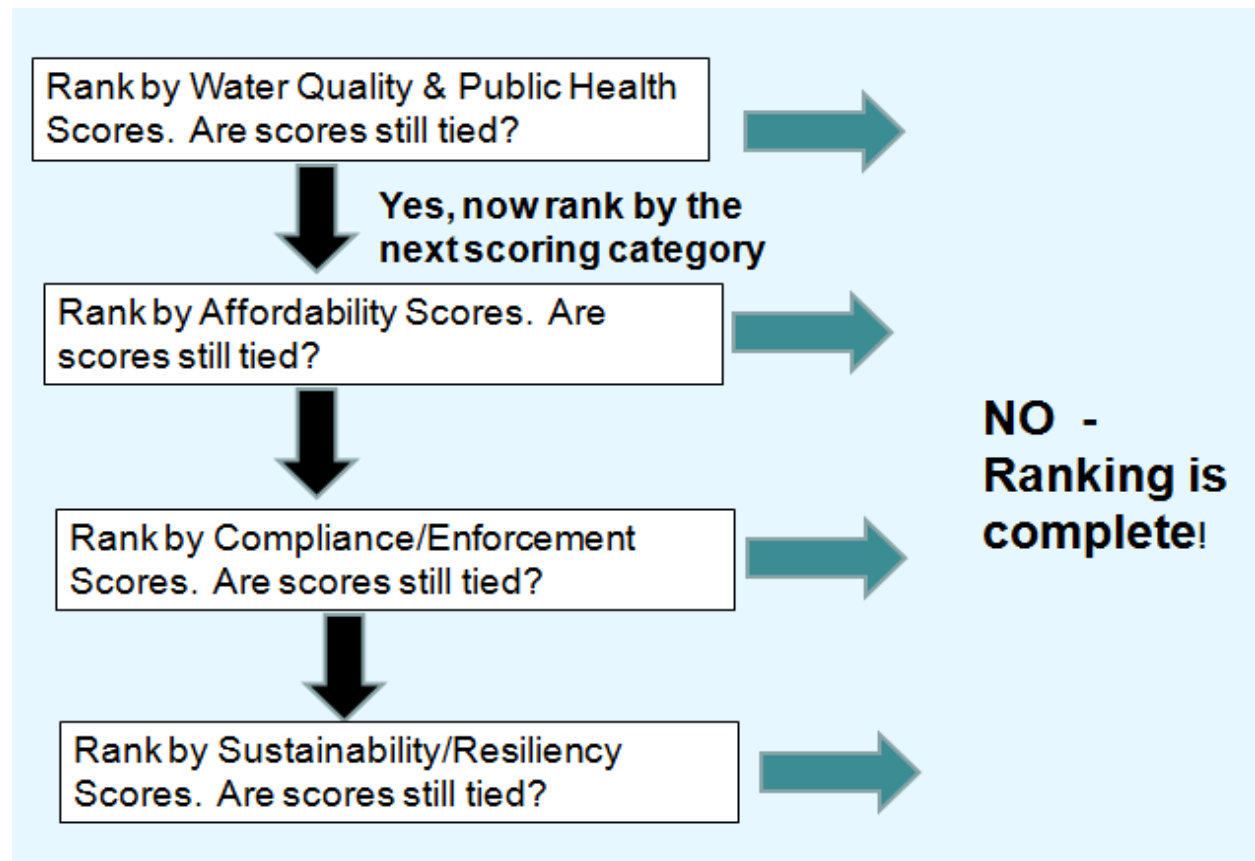
^{iv} Affordability data sets are based on the median household annual utility reported rates, or from the 2021 Hawaii Water Rates Dashboard. Affordable housing units without true water rates to residents are assumed to have a default of \$25/month median household utility rates, unless specified. Census information is based on 2023 American Community Survey 5-year Estimates by Census Tracts. Unemployment based on Department of Research & Economic Analysis & Tourism Local Area

Unemployment Statistics updated 3/22/24. Non-community water systems will not receive any points in this category.

^v Based on annual total median residential water bills, including base fees in addition to volumetric charges.

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

TIE BREAKING



APPENDIX D

**SET-ASIDES AND ADMINISTRATIVE SUPPORT OVERVIEW FOR
FFY 2025 GRANTS**

BASE FEDERAL CAPITALIZATION GRANT

SDWA Act Set-Aside and Administrative Support Reference	Set-Aside & Admin Support Activity	Maximum Set-Aside FFY 2025 Capitalization Grant Funds (\$)	Banked Set-Aside FFY 2025 Capitalization Grant Funds (\$)	Actual Budget SFY 2026 (\$)
Section 1452 (g) (2) – (4%)	DWSRF Administration Fund	440,040.00	440,040.00	0.00
Section 1452 (g) (2) – (10%)	State Program Management	1,100,100.00	645,100.00	455,000.00
Section 1452 (g) (2) – (2%)	Small Systems Technical Assistance	220,020.00	220,020.00	0.00
Section 1452 (k) – (15%)	Local Assistance and Other State Programs	1,650,150.00	0.00	0.00
Section 1452(g)(2) as amended by WIIN Act of 2016, Section 2103 - 1/5% of the current valuation of the fund	DWSRF Administration Fund	0.00	0.00	0.00
Total Set-Asides & Admin Support		3,410,310.00	1,305,160.00	455,000.00
Total Banked Set-Asides FFY 1997-2025 Capitalization Grant Funds			\$7,366,189.00	

IIJA GENERAL SUPPLEMENTAL CAPITALIZATION GRANT

SDWA Act Set-Aside and Administrative Support Reference	Set-Aside & Admin Support Activity	Maximum Set-Aside FFY 2025 IIJA Grant Funds (\$)	Banked Set-Aside FFY 2025 IIJA Grant Funds (\$)	Actual IIJA Budget SFY 2026 (\$)
Section 1452 (g) (2) – (4%)	DWSRF Administration Fund	995,920.00	0.00	995,920.00
Section 1452 (g) (2) – (10%)	State Program Management	2,489,800.00	0.00	2,489,800.00
Section 1452 (g) (2) – (2%)	Small Systems Technical Assistance	497,960.00	137,960.00	360,000.00
Section 1452 (k) – (15%)	Local Assistance and Other State Programs	3,734,700.00	0.00	1,733,366.00
Section 1452(g)(2) as amended by WIIN Act of 2016, Section 2103 - 1/5% of the current valuation of the fund	DWSRF Administration Fund	0.00	0.00	0.00
Total Set-Asides & Admin Support		7,718,380.00	137,960.00	5,579,086.00
Total Banked Set-Asides FFY 2022-2025 BIL Grant Funds			\$383,676.00	

SA-HMW GRANT

SDWA Act Set-Aside and Administrative Support Reference	Set-Aside & Admin Support Activity	Maximum Set-Aside FFY 2025 BIL Grant Funds (\$)	Actual BIL Budget SFY 2026 (\$)
Section 1452 (g) (2) – (4%)	DWSRF Administration Fund	2,731,280.00	2,386,827.00
Section 1452 (g) (2) – (10%)	State Program Management	6,828,200.00	1,500,000.00
Section 1452 (g) (2) – (2%)	Small Systems Technical Assistance	0.00	0.00
Section 1452 (k) – (15%)	Local Assistance and Other State Programs	0.00	0.00
Section 1452(g)(2) as amended by WIIN Act of 2016, Section 2103 - 1/5% of the current valuation of the fund	DWSRF Administration Fund	0.00	0.00
Total Set-Asides & Admin Support		9,559,480.00	3,886,827.00
Total Banked Set-Asides FFY 2025 BIL Grant Funds		0.00	

APPENDIX E

FFY 2025 BASE FEDERAL, IJA, AND SA-HMW GRANT PAYMENTS AND DISBURSEMENT SCHEDULE FOR FFYS 2026 AND 2027

GRANT PAYMENTS AND DISBURSEMENT SCHEDULE FOR FFYs 2026 AND 2027

FFY	2026				2027				Totals
Quarter	1	2	3	4	1	2	3	4	
Application for EPA Loan Payments (\$)									
Base	0.00	10,451,000.00	0.00	0.00	0.00	0.00	0.00	0.00	10,451,000.00
IIJA Supp.	0.00	19,318,913.00	0.00	0.00	0.00	0.00	0.00	0.00	19,318,913.00
IIJA EC	0.00	7,857,000.00	0.00	0.00	0.00	0.00	0.00	0.00	7,857,000.00
SA-HMW	0.00	64,469,830.00	0.00	0.00	0.00	0.00	0.00	0.00	64,469,830.00
Application for Set-Asides Payments (\$)									
Base	56,875.00	56,875.00	56,875.00	56,875.00	56,875.00	56,875.00	56,875.00	56,875.00	455,000.00
IIJA Supp.	1,240,146.75	1,240,146.75	1,240,146.75	1,240,146.75	154,625.00	154,625.00	154,625.00	154,625.00	5,579,087.00
IIJA EC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SA-HMW	190,608.50	190,608.50	190,608.50	190,608.50	762,434.00	762,434.00	762,434.00	762,434.00	3,812,170.00
								TOTAL	168,153,481.00
DWSRF Loan Disbursements (BASE+IIJA+SA-HMW, incl Cap Grant, State Match, & Repayments & Investment Interest) (\$)	8,123,876.00	23,056,799.00	16,331,052.00	18,013,162.00	24,603,723.00	27,721,006.00	23,378,144.00	15,930,353.00	157,155,115.00

HAWAII AUTHORITY REQUEST BY SET-ASIDE CODE FFY 2026

FFY	DATE	Amount	Description	Site Code
26Q1	October 1, 2025	\$ -	4% Admin	DD
26Q1	October 1, 2025	\$ -	2% SSTA	DE
26Q1	October 1, 2025	\$ 56,875.00	10% PWSS	DF
26Q1	October 1, 2025	\$ -	15% Local	DG
26Q1	October 1, 2025	\$ 248,980.00	IIJA4% Admin	DD
26Q1	October 1, 2025	\$ 45,000.00	IIJA2% SSTA	DE
26Q1	October 1, 2025	\$ 619,075.00	IIJA10% PWSS	DF
26Q1	October 1, 2025	\$ 327,091.75	IIJA15% Local	DG
26Q2	January 1, 2026	\$ 10,451,000.00	Loan Fund	DA
26Q2	January 1, 2026	\$ -	4% Admin	DD
26Q2	January 1, 2026	\$ -	2% SSTA	DE
26Q2	January 1, 2026	\$ 56,875.00	10% PWSS	DF
26Q2	January 1, 2026	\$ -	15% Local	DG
26Q2	January 1, 2026	\$ 19,318,913.00	IIJA Loan Fund	DA
26Q2	January 1, 2026	\$ 248,980.00	IIJA4% Admin	DD
26Q2	January 1, 2026	\$ 45,000.00	IIJA2% SSTA	DE
26Q2	January 1, 2026	\$ 619,075.00	IIJA10% PWSS	DF
26Q2	January 1, 2026	\$ 327,091.75	IIJA15% Local	DG
26Q2	January 1, 2026	\$ -	IIJA LSL Loan Fund	DA
26Q2	January 1, 2026	\$ 7,640,000.00	IIJA EC Loan Fund	DA
26Q2	January 1, 2026	\$ 64,395,173.00	SA-HMW Loan Fund	DA
26Q2	January 1, 2026	\$ 119,341.35	SA-HMW 4% Admin	DD
26Q2	January 1, 2026	\$ 75,000.00	SA-HMW 10% PWSS	DF
26Q3	April 1, 2026	\$ -	4% Admin	DD
26Q3	April 1, 2026	\$ -	2% SSTA	DE
26Q3	April 1, 2026	\$ 56,875.00	10% PWSS	DF
26Q3	April 1, 2026	\$ -	15% Local	DG
26Q3	April 1, 2026	\$ 248,980.00	IIJA4% Admin	DD
26Q3	April 1, 2026	\$ 45,000.00	IIJA2% SSTA	DE
26Q3	April 1, 2026	\$ 619,075.00	IIJA10% PWSS	DF
26Q3	April 1, 2026	\$ 327,091.75	IIJA15% Local	DG
26Q3	April 1, 2026	\$ 119,341.35	SA-HMW 4% Admin	DD
26Q3	April 1, 2026	\$ 75,000.00	SA-HMW 10% PWSS	DF
26Q4	July 1, 2026	\$ -	4% Admin	DD
26Q4	July 1, 2026	\$ -	2% SSTA	DE
26Q4	July 1, 2026	\$ 56,875.00	10% PWSS	DF
26Q4	July 1, 2026	\$ -	15% Local	DG
26Q4	July 1, 2026	\$ 248,980.00	IIJA4% Admin	DD
26Q4	July 1, 2026	\$ 45,000.00	IIJA2% SSTA	DE
26Q4	July 1, 2026	\$ 619,075.00	IIJA10% PWSS	DF
26Q4	July 1, 2026	\$ 327,091.75	IIJA15% Local	DG
26Q4	July 1, 2026	\$ 119,341.35	SA-HMW 4% Admin	DD
26Q4	July 1, 2026	\$ 75,000.00	SA-HMW 10% PWSS	DF
27Q1	October 1, 2026	\$ -	4% Admin	DD
27Q1	October 1, 2026	\$ -	2% SSTA	DE

FFY	DATE	Amount	Description	Site Code
27Q1	October 1, 2026	\$ 56,875.00	10% PWSS	DF
27Q1	October 1, 2026	\$ -	15% Local	DG
27Q1	October 1, 2026	\$ -	IIJA4% Admin	DD
27Q1	October 1, 2026	\$ 45,000.00	IIJA2% SSTA	DE
27Q1	October 1, 2026	\$ 3,375.00	IIJA10% PWSS	DF
27Q1	October 1, 2026	\$ 106,250.00	IIJA15% Local	DG
27Q1	October 1, 2026	\$ 119,341.35	SA-HMW 4% Admin	DD
27Q1	October 1, 2026	\$ 75,000.00	SA-HMW 10% PWSS	DF
27Q2	January 1, 2027	\$ -	4% Admin	DD
27Q2	January 1, 2027	\$ -	2% SSTA	DE
27Q2	January 1, 2027	\$ 56,875.00	10% PWSS	DF
27Q2	January 1, 2027	\$ -	15% Local	DG
27Q2	January 1, 2027	\$ -	IIJA4% Admin	DD
27Q2	January 1, 2027	\$ 45,000.00	IIJA2% SSTA	DE
27Q2	January 1, 2027	\$ 3,375.00	IIJA10% PWSS	DF
27Q2	January 1, 2027	\$ 106,250.00	IIJA15% Local	DG
27Q2	January 1, 2027	\$ 119,341.35	SA-HMW 4% Admin	DD
27Q2	January 1, 2027	\$ 75,000.00	SA-HMW 10% PWSS	DF
27Q3	April 1, 2027	\$ -	4% Admin	DD
27Q3	April 1, 2027	\$ -	2% SSTA	DE
27Q3	April 1, 2027	\$ 56,875.00	10% PWSS	DF
27Q3	April 1, 2027	\$ -	15% Local	DG
27Q3	April 1, 2027	\$ -	IIJA4% Admin	DD
27Q3	April 1, 2027	\$ 45,000.00	IIJA2% SSTA	DE
27Q3	April 1, 2027	\$ 3,375.00	IIJA10% PWSS	DF
27Q3	April 1, 2027	\$ 106,250.00	IIJA15% Local	DG
27Q3	April 1, 2027	\$ 119,341.35	SA-HMW 4% Admin	DD
27Q3	April 1, 2027	\$ 75,000.00	SA-HMW 10% PWSS	DF
27Q4	July 1, 2027	\$ -	4% Admin	DD
27Q4	July 1, 2027	\$ -	2% SSTA	DE
27Q4	July 1, 2027	\$ 56,875.00	10% PWSS	DF
27Q4	July 1, 2027	\$ -	15% Local	DG
27Q4	July 1, 2027	\$ -	IIJA4% Admin	DD
27Q4	July 1, 2027	\$ 45,000.00	IIJA2% SSTA	DE
27Q4	July 1, 2027	\$ 3,375.00	IIJA10% PWSS	DF
27Q4	July 1, 2027	\$ 106,250.00	IIJA15% Local	DG
27Q3	April 1, 2027	\$ 119,341.35	SA-HMW 4% Admin	DD
27Q3	April 1, 2027	\$ 75,000.00	SA-HMW 10% PWSS	DF

FFY 2026 \$ 107,576,197.05
FFY 2027 \$ 1,623,365.40
\$ 109,199,562.45

SA-HMW funds expensed over 19 quarters starting Q2 in 2026
\$ per quarter allowed to be drawn; authority to take funds - for 8 quarters starting 10/1/2025.

APPENDIX F

NOTICE OF PUBLIC PARTICIPATION & INPUT

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 (DOH) website (<http://health.hawaii.gov/sdwb/drinking-water-state-revolving-fund/>) from May 29, 2025 to June 27, 2025, to consider the proposed *Drinking Water Treatment Revolving Fund Intended Use Plan (IUP) for The State of Hawaii Fiscal Year (SFY) 2026 and The Federal Fiscal Year (FFY) 2025 Appropriation*.

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

II. Summary of Revisions to Draft 1 of the IUP


The solicitation of public participation and input on Draft 1 of the IUP from May 29, 2025, through June 30, 2024, required changes that are highlighted throughout this draft and are summarized below.

- a. Table 1 – IJIA EC increased to include reallotments from FFY 2022 and FFY 2023 grants
- b. Section I. C. – Updated to clarify “Loan Fees” to “Income from Loan Fees”
- c. Section I. C. – Added details on “Transferring Funds between SRF Programs”
- d. Section I. D. – Included additional provisions that apply to the Hawaii DWSRF program
- e. Section I. D. – Updated FFATA reporting platform from FSRS.gov to SAM.gov
- f. Section I. D. – Clarified frequency of OWSRF reporting
- g. Section III. B. – Added details of how market rate is calculated
- h. Section V. A. – Added web link for new location of the DWSRF PPL
- i. Section V. F. – Updated location of FL and PPL
- j. Section VI. C. – Clarified “binding commitments” to mean “loan agreements”
- k. Appendix A – Separated the PPL and Sub-Projects Lists from IUP (no longer embedded, but referenced as a link on the DWSRF website) and changed this section to only have a combined FL for all grants
- l. Changes to the PPL
 - i. Added P-DW117-0001, Hawaiian Beach Tank Replacement and Meter Upgrade
 - ii. Updated borrower name from “Kunia Villate Title Holding Corp.” to “Kunia Village Development Corporation”
 - iii. Added additional columns of information (PWS ID, Disadvantaged Community, Equivalency Grant, Equivalency Amount, GPR Category, and GPR Amount)
 - iv. Corrected project numbers
- m. Appendix B – Corrected project numbers
- n. Appendix E – Updated numbers and changed the way the table is displayed
- o. Appendix F – Updated to reflect updates for Draft 2 of the DWSRF IUP for SFY 2026

III. Summary of Revisions to Draft 2 of the IUP

No comments were received during the solicitation of public participation and input on the IUP from August 16, 2025, through September 15, 2025. Minor edits from draft 2 of the IUP **did not** require reposting for public comment.

- a. Appendix A – Corrected project numbers.
- b. Appendix B
 - i. Removed HBWS-LS02, at applicant’s request.
 - ii. Adjusted additional subsidy and equivalency grant year assignments based on readiness to proceed and applying a first-in-first-out approach. Note, dollar amounts and requirements did not change for the respective projects.


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

State of Hawaii
Notice of Public Participation and Input on the Proposed
Drinking Water Treatment Revolving Loan Fund (DWTRLF)
Draft 2 – Intended Use Plan (IUP) for the State of Hawaii Fiscal Year (SFY) 2026 and
The Federal Fiscal Year (FFY) 2025 Appropriation
Docket No. 26-SDWB-SRF-01

Pursuant to Chapters 342 and 91, Hawaii Revised Statutes; Section 101(e) of Public Law 92-50; and the U.S. Environmental Protection Agency Regulations, 40 CFR 35.2015; notice was hereby given that a public comment period was initiated to allow public participation and input on the Intended Use Plan for SFY 2026.

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 2026, Hawaii is applying for allocations for the base capitalization grant, Infrastructure Investment and Jobs Act (formerly the Bipartisan Infrastructure Law) Supplemental and Emerging Contamination grants, and the American Recovery Act of 2025 Supplemental Appropriation for Hurricanes Helene and Milton and Hawaii Wildfires grant, of \$10,906,000.00, \$24,898,000.00, \$7,857,000.00, and \$68,282,000.00, respectively. 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 2026*.

Upon written request, a public hearing may be scheduled. Requests for a public hearing must be received by the Safe Drinking Water Branch by **September 15, 2025**. 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 Draft 2 of the SFY 2026 Intended Use Plan may be obtained by calling or writing to the Safe Drinking Water Branch Oahu address noted below. If, due to disability, you have special needs for commenting on the proposed Intended Use Plan, please contact the Safe Drinking Water Branch Oahu address noted below or call (808) 586-4258 (voice).

Oahu

Safe Drinking Water Branch/Hawaii DOH
Uluakupu Building 4
2385 Waimano Home Road, Suite 110
Pearl City, Hawaii 96782-1400
Telephone: (808) 586-4258
Email: DOH.DWSRF@doh.hawaii.gov
Contact: Judy Hayducsko