JOSH GREEN, M.D.
GOVERNOR OF HAWAI'I
KE KIA'ĀINA O KA MOKU'ĀINA 'O HAWAI'I

KENNETH S. FINK, MD, MGA, MPH
DIRECTOR OF HEALTH
KA LUNA HO'OKELE

STATE OF HAWAI'I
DEPARTMENT OF HEALTH
KA 'OIHANA OLAKINO
P.O. Box 3378
HONOLULU, HAWAI'I 96801-3378

In reply, please refer to:
File: SDWB

2025_TriCapRptDir_20250912

September 19, 2025

TO: Kenneth S. Fink, MD, MGA, MPH
Director of Health

THROUGH: Kathleen S. Ho, Deputy Director
Environmental Health Administration

Joanna L. Seto, P.E., Chief
Environmental Management Division

FROM: Gaudencio C. Lopez, P.E., Chief
Safe Drinking Water Branch

SUBJECT: REPORT TO THE GOVERNOR ON THE EFFECTIVENESS OF THE STATE'S CAPACITY DEVELOPMENT PLAN FOR PUBLIC WATER SYSTEMS

The capacity development provisions in the Safe Drinking Water Act specify the following:

> Not later than two years after a State adopts a capacity development strategy, and every three years thereafter, the primacy agency must submit a report to the Governor on the efficacy of the strategy and progress made toward improving the technical, managerial, and financial capacity of public water systems in the State. The report shall also be made available to the public.

The State adopted the capacity development strategy on September 28, 1999, and the first report to the Governor was provided on July 31, 2001.

The required report to the Governor is provided for your review and release to the Governor with the enclosed memo.

If there are any questions, please contact the Safe Drinking Water Branch, at (808) 586-4258.

HI:cw

Enclosures:
1. Memo to the Governor, dated September 18, 2025
2. 2025 Report to the Governor on Capacity Development Strategic Plan, dated September 12, 2025

JOSH GREEN, M.D.
GOVERNOR OF HAWAI'I
KE KIA'ĀINA O KA MOKU'ĀINA 'O HAWAI'I

KENNETH S. FINK, MD, MGA, MPH
DIRECTOR OF HEALTH
KA LUNA HO'OKELE

STATE OF HAWAI'I
DEPARTMENT OF HEALTH
KA 'OIHANA OLAKINO
P.O. Box 3378
HONOLULU, HAWAI'I 96801-3378

In reply, please refer to:
File: SDWB

2025_TriCapRptGov_20250914

September 18, 2025

TO: The Honorable Josh Green
Governor of Hawaii

FROM: Kenneth S. Fink, MD, MGA, MPH
Director of Health

SUBJECT: REPORT TO THE GOVERNOR ON THE EFFECTIVENESS OF THE STATE'S CAPACITY DEVELOPMENT PLAN FOR PUBLIC WATER SYSTEMS

This 2025 report is provided as required by the capacity development provisions in the Safe Drinking Water Act (SDWA). This report is required two years after the State adopts the capacity development strategy and every three (3) years thereafter.

The capacity development strategy was adopted on September 18, 1999. The first report to the governor was provided on July 31, 2001, and has been provided triennially since.

The report is provided as an enclosure since the capacity development provisions of the SDWA stipulates that this report shall be made available to the public. The Environmental Protection Agency has no objections to publicizing the availability of the report through alternate methods instead of a newspaper notice, such the Safe Drinking Water Branch (SDWB) makes the report available on the Branch's website at http://health.hawaii.gov/sdwb/newsletters/.

If there are any questions, please contact Mr. Gaudencio C. Lopez, P.E., Chief, of the SDWB, at (808) 586-4258.

HI:cw

Enclosure: 2025 Report to the Governor on Capacity Development Strategic Plan, dated September 12, 2025

c: Mr. Luis Bakarich-Garcia, US EPA, Region 9 (w/ encl.)
[via garcia-bakarich.luis@epa.gov]
Ms. Anna Yen, US EPA, Region 9 (w/ encl.) [via yen.anna@epa.gov]
Ms. Joan Corrigan, SDWB (w/o encl.) [via joan.corrigan@doh.hawaiigov]
SDWB Engineering, (w/o encl.) [via doh.sdwb.engr@doh.hawaii.gov]

September 12, 2025

REPORT TO THE GOVERNOR
ON THE
EFFECTIVENESS OF THE CAPACITY DEVELOPMENT STRATEGIC PLAN
TO IMPROVE PUBLIC WATER SYSTEMS IN THE STATE OF HAWAII

The capacity development provisions in the 1996 Amendments to the Federal Safe Drinking Water Act (SDWA) Sections 1452 and 1420 mandate a report to the Governor every three (3) years. This report addresses the efficacy of the strategy, and the progress made towards improving the technical, managerial, and financial (TMF) capacity of public water systems in the State. This report covers the period July 1, 2022, through June 30, 2025. Future reports will be submitted every third state fiscal year in the month of September.

History of the Capacity Development Program

The Safe Drinking Water Branch (SDWB) in the Department of Health (DOH), Environmental Management Division, has primacy responsibility to implement the Federal SDWA requirements in Hawaii. The capacity development provisions in the SDWA introduced the following new terms into the drinking water regulations nomenclature:

- Capacity means the overall capability of a water system to consistently produce and deliver water meeting all national and state primary drinking water regulations in effect, or likely to be in effect, when new or modified operations begin. Capacity includes the technical, managerial, and financial capacities of the water system to plan for, achieve, and maintain compliance with applicable national and state primary drinking water regulations.

- Technical capacity refers to the physical infrastructure of the water system, including but not limited to the adequacy of the water source(s), treatment, storage, and distribution systems; and the ability of the water system personnel to adequately operate and maintain the system; and to otherwise implement technical knowledge.

- Managerial capacity refers to the ability of the water system to manage itself, including clear ownership, organization, communications, and accountability; adequate management, staffing, policies, training and information management; and effective relationships with customers, and regulatory agencies.

- Financial capacity refers to the financial resources of the water system, including maintaining an adequate budget, adequate fiscal controls, and credit worthiness.

The original capacity development provisions in the SDWA required the following:

- The States are to implement regulations that new water systems starting operations after October 1, 2000, must demonstrate adequate TMF capacity;

- The States must create and implement a strategic plan to improve the TMF capacity of existing public water systems; and

- The EPA Administrator is required to withhold twenty percent (20%) of each capitalization grant made under the Drinking Water State Revolving Fund (DWSRF) to a State, unless the State has met the capacity requirements of the SDWA.

The TMF capacity attributes for Hawaii were developed with a stakeholder group which included the American Water Works Association Hawaii Section, Maui Land and Pineapple Company, West Hawaii Water Company, Hawaii Association of Realtors, Rural Community Assistance Corporation, Campbell Estates, and American Savings Bank. Comments from County and privately-owned public water systems and the public were also solicited. In 1999, the TMF capacity attributes were codified in the Hawaii Administrative Rules (HAR), Title 11, Chapter 20, entitled "Rules Relating to Potable Water Systems." As of November 28, 2011, HAR, Chapter 11-20 is now entitled "Rules Relating to Public Water Systems."

1. <u>STATE REGULATIONS FOR NEW WATER SYSTEMS TO DEMONSTRATE TMF CAPACITY</u>

    a. In 1999, the DOH revised the HAR, Chapter 11-20 to require new water systems to demonstrate adequate TMF capacity before authorization is granted for a new water system to begin operation.

        (1) Prior to starting work on the new water system's infrastructure (excluding wells), the new water system must: (a) first obtain a satisfactory review by the DOH that the proposed raw water source can be approved as a new potable water source; (b) obtain DOH approval on the new water system construction plans; and (c) demonstrate that pre-construction TMF capacity attributes have been met.

        (2) After the new water system's infrastructure is constructed, the water system must: obtain DOH approval to use the raw water source to serve a public water system; provide a licensed professional engineer's certification that the water system has been constructed in accordance with the approved plans and specifications; and demonstrate that all TMF capacity attributes are met. After satisfactorily meeting these requirements, DOH approval to operate the new water system is granted.

b. To assist in developers demonstrating TMF capacity for their project, developers may incorporate into the covenants for their project that ownership of the water system will be transferred to the community association, and that the association will:

(1) Contract a private water system operations company to manage and operate (includes providing certified operators) the new water system; and

(2) Contract with a private financial management company to bill customers, collect the money owed, pay the water system's bills, and provide the financial records for the water system.

The developer must also demonstrate that the financial structure of the water system will generate sufficient funds to maintain and operate the water system, provide for end-of-life replacement of components, and perform emergency repairs as needed.

c. Under the Rules and procedures described in Sections 1.a. and 1.b. above, the following regulated public water systems have been reviewed and approved through the capacity process in the three-year period of this report and, **if activated**, are operating in full compliance with State and Federal drinking water regulations. Projects which have been through the capacity process from prior report periods are listed in previous reports available online at http://health.hawaii.gov/sdwb/newsletters/.

PROJECT NAME	ISLAND	STATUS (year)
Villa Rose	Oahu	**Active** (08/01/2023)
KR	Kauai	**Active** (12/20/2023)
Hoku'ula	Maui	**Active** (04/01/2025)

The following capacity projects were under or have completed construction during this triennial report period.

PROJECT NAME	ISLAND	STATUS (year)
KR	Kauai	Complete (2023)
Makena Ranch Estates	Maui	Approved for construction (2021)
Consolidated Baseyards	Maui	Complete (2024)
Hoku'ula	Maui	Complete (2024)
Villa Rose Farm	Oahu	Complete (2023)

The State's TMF capacity regulations are currently considered satisfactory on the basis that: the State's TMF capacity regulations were evaluated as satisfactory by the EPA; all capitalization grants made to Hawaii under the DWSRF program were fully funded; and since the inception of the capacity rules, all regulated

water systems approved through this process meet all State and Federal drinking water standards.

2. CAPACITY DEVELOPMENT STRATEGIC PLAN TO IMPROVE THE CAPACITY OF EXISTING WATER SYSTEMS

The SDWA capacity regulations require States to develop a strategic plan to identify and prioritize the *existing* public water systems most in need of assistance and to assist those systems, as needed. However, the SDWA capacity regulations do not provide States with the authority to mandate that these deficient water systems take actions to improve their TMF capacity.

a. The State's Initial Capacity Development Strategic Plan in 2001 incorporated the following actions during the first three (3) years:

(1) Identified the five public water systems that were most in need of improvement in the State and provided assistance to improve the TMF capacity of these water systems. The SDWB personnel identified the five (5) water systems most in need of improvement in the State as:

Kauai –	Gay & Robinson
Oahu –	Dillingham Ranch (formerly known as Mokuleia Land Company)
Maui –	Hana Water Company
Molokai –	Kualapuu
Hawaii –	Hawaiian Shores

The SDWB helped improve capacity to these systems through a two-year contract paid by the DWSRF set-aside grant from the EPA. The assistance started in July 2001 and resulted in a gradual improvement in performance over the two (2) years, which continued after the contract ended. These systems are currently considered satisfactory.

This one-time effort to address those water systems most in need of improvement indicated that improvements to water system performance can be realized through gradual changes over time.

In October 2004, the SDWB instituted a Circuit Rider Program to have an experienced water system operator go to the water systems and provide hands-on assistance to the operators and managers, as needed. This program replaced the specific assistance to five (5) water systems most in need of improvement and is explained in more detail in the following sections of this report.

(2) Provided training to certify public water system distribution system operators. The SDWA requires States to certify all public water system distribution system operators. To obtain certification in Hawaii, the distribution system operators need to pass a written examination prepared and graded by the Association of Boards of Certification (ABC), an independent and nationally recognized organization used by most states for the certification of operators.

In 1999, the SDWB administered a contract to provide statewide training to prepare the distribution system operators for the certification examination. A non-profit contractor provided the training at no cost to the operators, and initially, 280 operators (75%) passed the certification examinations on the first try. The training contract was funded by the DWSRF set-aside grant funds from the EPA. The one-time training contract resulted in almost all water systems in the State reaching the goal of having certified distribution system operators (four (4) water systems out of 131 systems did not attain the goal).

Currently, absent a formal contract to provide training to prepare distribution system operators for the certification examination, SDWB uses DWSRF set-asides to support this effort in other ways including subsidizing costs for local conferences and workshops.

(3) Providing a three-year continuing education training program for water system operators to improve knowledge levels and provide continuing education credits. The State regulations require water treatment plant and distribution system operators to re-certify every two (2) years by obtaining continuing education credits (CEUs). In May 2001, the SDWB initiated a continuing education training program over a three-year period through a contract paid for by DWSRF set-aside funds from the EPA. This program provided low cost continuing education training courses on all islands. This training contract expired on June 30, 2004 and was replaced by a self-sustaining training program administered by the University of Hawaii's Outreach College as explained below.

b. The Capacity Development Strategic Plan was revised in 2004 and again in 2008, to include the following:

(1) Provide a self-sustaining training program for water system operators. In 2003, the SDWB approached the University of Hawaii's Outreach College on whether a long-term self-sustaining operator training program could be developed for operators on all islands. The University agreed to provide the continuing education

training for operators and in 2004, through an EPA grant, began developing and implementing a self-sustaining water system operator training program.

The University's Outreach College encountered problems with having to offer courses only during the summer when University facilities are available, and tuition charges were higher than the subsidized courses offered in the past. Consequently, operator attendance was below expected levels.

As a response to the low operator attendance, all the County water systems agreed to begin coordinating their own in-house training needs with the University. The County water systems also offered the use of their training rooms at no cost, which allowed the University to offer courses at any time during the year. The DOH offices on Oahu, Maui, Hawaii, and Kauai also offered to provide their conference rooms to the Outreach College at no cost.

The self-sustaining operator training program succeeded through SFY 2008 with the support from the County water systems. In 2008, the National Rural Water Association (NRWA) began providing water system operator training classes at no cost to the operators, which led to low operator attendance at the fee-based Outreach College's classes. In 2009, the Outreach College's operator training classes were discontinued. A Hawaii branch of NRWA was established in late-2010 as the Hawaii Rural Water Association (HRWA), which continued to offer operator training classes at no cost on Kauai, Oahu, Maui, Molokai and the Island of Hawaii through September 2011.

In 2012, the SDWB contracted with HRWA to develop a self-sustaining operator training program. Through an EPA grant, the SDWB would subsidize the course fees until a self-sustaining fee could be reached in the third year of the program. HRWA solicited feedback from all interested parties on course content, duration, fees, and presentations to modify the program as necessary to ensure its longevity. However, the SDWB terminated the contract five (5) months before it was scheduled to conclude in February 2016 because of substandard performance by HRWA. Presentation content and communication were poor, and there was no clear plan for the long-term success of a self-sustaining program. HRWA continues to provide SDWB-approved operator training classes on their own and are announced via HRWA email newsletter, website, and magazine, to name a few.

(2) Provided free training to certify public water system distribution system operators. At present, all water systems have certified distribution system and water treatment plant operators of the appropriate grade. There are 429 certified distribution system operators and 231 certified water treatment plant operators in the State. The total number of certified operators fluctuates as new operators are certified and other operators retire and allow their certifications to lapse.

In SFY2009-SFY2011 and SFY2013-SFY2019, the SDWB has worked with HRWA to provide free state-wide training in certification examination preparation. Up until SFY2018, the trainings concentrated on topics which operators have historically performed poorly. Overall pass rates improved from 30% to 58% when the free training was provided. In SFY2019, the certification examinations were updated, and the examination preparation training was adjusted accordingly by utilizing the recommended reference books.

(3) Circuit Rider Program. In October 2004, the State instituted a Circuit Rider Program to provide hands-on technical, managerial, and financial capacity assistance to the water system operators and managers. This program is used by several states on the mainland with excellent results in improving water system performance and thereby improving the water system's TMF capacity. The Circuit Rider Program identifies the TMF problems noted at the systems and provides training and hands-on assistance to resolve problems. The circuit rider's function is to train the managers and operators and not do the work for them.

The Circuit Rider Program initially resulted in operational improvements in the Hawaiian Beaches, Puuwaawaa, Hawaiian Shores, and Wood Valley water systems on Hawaii; the Hana Water Resources, Hana Water Company, and West Kuiaha Meadows water systems on Maui; and the Lanai City and Manele Bay water systems on Lanai.

In October 2006, the SDWB revised the Circuit Rider Program to expand the program to help small public water systems serving 10,000 or less people in the State, which includes privately-owned, State, County, and Federal (national parks and military) water systems. The original contract limited the circuit riders to only private water systems serving 3,300 people or less. The Circuit Rider Program was paid by the DWSRF 2% set-aside grant funds for small water systems.

On September 30, 2009, the original five-year Circuit Rider Program came to its conclusion. Based on the positive results the Circuit Rider Program had generated, the SDWB continues to renew the Circuit Rider contract. The most recent three-year contract with the Rural Community Assistance Corporation (RCAC) is effective June 1, 2023 through May 31, 2026.

More recently, the Circuit Rider Program has focused on raising the technical abilities of water system operators, provided managerial training to board members, brought awareness to the importance of emergency preparations due to climate change, cross connection control within their own water system infrastructure, and has assisted water system managers in understanding the many facets of the financial capacity arena. The circuit riders are also utilizing different outreach formats, like peer group sessions to discuss topics common to several water systems, and a small systems roundtable at the annual Pacific Water Conference, both of which allow the water systems the opportunity to network.

During this triennial reporting period, the following water systems' capacity improved with the assistance of the circuit rider program:

PWS #	PWS Name	Circuit Rider Assistance Provided
114	Punaluu Water and Sanitization	Lead Service Line Inventory (LSLI) guidance; identification of a potential emergency backup source and connection; capital improvement planning (CIP) and rate study guidance
117	Hawaiian Beaches	LSLI guidance; updated Emergency Response Plan (ERP)
146	Hawaii Volcanoes National Park	LSLI guidance; updated ERP and Cross-Connection Control Plan (CCCP); conducted a mock sanitary survey; Source Water Assessment and Protection Plan and Vulnerability Assessment guidance
150	Napuu Water	Initial water system discussions
153	Kulani Correctional Facility	Assisted in troubleshooting issues with the process water pumps and valve; reviewed water system; updated CCCP and emergency plans and procedures
156	Hawaiian Shores	LSLI guidance; Cross-Connection Program implementation; trained Board members; updated ERP; CIP and rate increase guidance

PWS #	PWS Name	Circuit Rider Assistance Provided
162	Waikii Ranch	Well operations discussions; operational plans discussions and maintenance of the pump and treatment system training
164	Kawaihae Unit #1	LSLI and Water Audit Validation Effort (WAVE) guidance; trained staff
166	Wood Valley	LSLI guidance; trained Board members
201/243	Hana Water South/ Hana Water North	LSLI guidance; developed CCCP and ERP; assisted in asset management planning and operator understanding of water system; trained on bacteriological (bacT) sampling and possible sources of bacT
203	Kailua	LSLI guidance; identification of potential emergency backup source and connection
209	Olowalu	Natural Hazard Mitigation Response Plan guidance; LSLI guidance; set up a mapping/ asset management and work order system; water conservation, on-going rate case, and water issues discussions; notification letters assistance; cross-connection control assistance; Consumer Confidence Report (CCR) assistance
218	Honokohau	Conducted and completed sanitary survey
222	Haleakala NP	LSLI guidance
230	Hoolehua	Prepared water audit; wrote SOP of water meter installations; LSLI and WAVE guidance; trained staff
231	Maunaloa-Kaluakoi	Developed ERP and CCCP
235	Kalae	Conducted and completed sanitary survey
239	Kalaupapa NHP	LSLI guidance; assisted in operator understanding of system; assisted with Ph II/V and asbestos sampling
248	Kawela Plantation	LSLI guidance; assisted in operator understanding of water system, responsibilities, record keeping; updated ERP
251	Launiupoko Water Company	Natural Hazard Mitigation Response Plan guidance; LSLI guidance; set up a mapping/ asset management and work order system; water conservation, on-going rate case, and water issues discussions; notification letters assistance; CCR assistance

PWS #	PWS Name	Circuit Rider Assistance Provided
263	Haiku Town Water Association	Natural Hazard Mitigation Response Plan guidance; LSLI guidance; set up a mapping/ asset management and work order system; water conservation, on-going rate case, and water issues discussions; notification letters assistance; water system mapping review; CCR assistance
266	Baldwin Ranch Estates	LSLI guidance;
304	Hawaii Country Club	LSLI guidance; updated CCCP and ERP; conducted a mock sanitary survey; assisted in operator understanding of water system; reviewed/revised sampling plan
314	St. Stephens Diocesan Center	LSLI guidance; high lead/copper investigation
315	Kahuku Airbase	Assisted in developing ERP and CCCP
319	Kamehameha Schools	Discussion of water system needs
320	Mililani Memorial Park	LSLI guidance
328	Kipapa Acres CPR	LSLI guidance; updated CCCP and ERP; conducted a mock sanitary survey
338	Dillingham Airfield	Gathered background information on utility issues to assist Senator Riviere's office; LSLI guidance; assisted with system mapping and tank bypass for tank repairs; new ownership/management guidance
348	Waiawa Correctional Facility	Conducted a mock sanitary survey
368	Waiahole	Assisted in developing ERP and CCCP
370	Palehua Solar Observatory	Assisted with RFP modification and release to bidding
371	Poamoho Water Association	Assisted coordination with new subdivision connection and updating HOA bylaws; LSLI guidance; trained Board members; assisted in operator understanding of system; updated ERP; reviewed bylaws
403	Hanalei	Assisted in developing CCCP
407	Kilauea	Assisted in developing CCCP
417	Gay and Robinson	LSLI guidance; assisted with system mapping
428	Princeville	Operations, upcoming rate case, and water conservation discussions
432	Anahola Farm Lots	LSLI and WAVE guidance; assisted in operator understanding of system

PWS #	PWS Name	Circuit Rider Assistance Provided
437	Moloaa Irrigation Cooperative	LSLI guidance; assisted in operator understanding of system; assisted in drafting a scope of work to contract out operations

The Circuit Riders continue to meet with water systems to identify TMF capacity issues and provide hands-on assistance to resolve the issues.

(4) Sanitary survey program. The SDWB's sanitary survey program periodically inspects all water systems in the State for pathways where insects, rain run-off water, or other contaminants can affect the drinking water quality. The sanitary surveys are a key part of assuring that the water systems maintain adequate technical capacity.

Sanitary surveys are conducted once every three (3) to five (5) years. The SDWB's goal is to conduct an average of at least 26-27 sanitary surveys each calendar year.

Sanitary Surveys of Drinking Water Systems (CY 2007-25)

Calendar Year	Target Number of Systems Surveyed in a year	Surveys Actually Completed Annually	Target Cumulative Number of Systems Surveyed	Actual Cumulative Number of Systems Surveyed
2007	26	23	26	23
2008	26	31	52	54
2009	26	28	78	82
2010	26	27	104	109
2011	26	41	130	150
2012	26	43	156	193
2013	26	20	182	213
2014	26	28	208	241
2015	26	28	234	269
2016	26	29	260	298
2017	26	35	286	333
2018	26	25	312	358
2019	26	26	338	384
2020	22	20	360	404
2021	44	44	404	448
2022	38	38	448	486
2023	**18**	**18**	**486**	**504**
2024	**35**	**36**	**503**	**541**

Calendar Year	Target Number of Systems Surveyed in a year	Surveys Actually Completed Annually	Target Cumulative Number of Systems Surveyed	Actual Cumulative Number of Systems Surveyed
2025	**27**	**13***	**541***	**553***

* Note that surveys conducted in the second half of calendar year 2025 are not included in this report.

During each sanitary survey, the SDWB staff also evaluates the TMF capacity of the water system to identify those systems, whose performance may have deteriorated and are now in need of attention. Any water system deemed in need of attention is encouraged to utilize the Circuit Rider Program to improve TMF capacity. Capacity questions were recently updated in 2021 with the assistance of the Environmental Finance Center at California State University at Sacramento (CSUS).

c. Efficacy of the Capacity Development Strategic Plan

Since the State of Hawaii's adoption of the EPA-mandated capacity requirements in 1999, the SDWB has been successful at: integrating those requirements into HAR, Chapter 11-20; developing robust and consistent evaluative procedures for new PWSs; enhancing existing PWS capacity by offering a diversity of operator training opportunities; making no-cost, confidential circuit rider assistance available to small water systems Statewide; and maintaining a strict sanitary survey program.

These accomplishments are summarized herein:

(1) Implementing a self-sustaining water system operator training program on all islands. Clearly, this strategic initiative has faced the most challenges, whether it be funding options, maintaining competitive pricing for the training sessions, geographical challenges present on the neighbor islands, or ensuring quality instruction. However, the SDWB's focus remains steadfast on ensuring that the State's operators are provided with adequate training opportunities to: meet their regular certification requirements and enhance their technical and working knowledge of the water systems that they operate.

Update: Although the SDWB terminated its contract with HRWA in developing a self-sustaining operator training program in 2015, HRWA has continued its own efforts through SFY 2025. In addition to classroom and onsite courses available throughout the state, HRWA has also incorporated online courses for CEU credit.

HRWA continues to solicit feedback from all interested parties, including the SDWB, on course content, duration, fees, and presentation to modify their program as necessary to ensure its longevity.

Circuit Rider Program. Since 2004, the Circuit Rider Program has improved the TMF capacity of water systems using the diversity of technical, hands-on, IT-based, management and financial consulting services offered by the circuit rider staff. Expanding the program to also reach County, State and Federal small water systems has, over the years, resulted in a gradual improvement in small water system performance statewide in technical, managerial, and financial capacity. This program has been continued with a new three-year contract extending through 2026.

(2) Sanitary survey program. The sanitary survey program has been strengthened by the EPA's 2006 promulgation of the Ground Water Rule, which requires water systems to correct identified significant deficiencies or be faced with a SDWA violation and appropriate fines. In the past, the SDWB could only offer recommendations, which were not enforceable. The Groundwater Rule was included in HAR, Chapter 11-20 in 2011 and was revised in 2025. The SDWB continues to utilize opportunities to strengthen the technical capabilities of our sanitary survey inspectors. Sanitary survey training from USEPA Region 9 staff was conducted December 2023.

Moreover, the satisfactory implementation of the State's capacity development plan's strategies has translated into benefits of the utmost importance to the health and welfare of this State's consumers of drinking water:

- Compliance with microbiological monitoring requirements. All water systems in Hawaii are currently in compliance with the microbiological monitoring requirements.

- Compliance with chemical monitoring requirements. All water systems (138 out of 138) in Hawaii are currently in compliance with chemical monitoring requirements.

- Compliance with lead and copper regulations. All water systems in Hawaii are currently in compliance with the lead and copper regulations.

- Compliance with surface water regulations. All surface water systems in Hawaii are in compliance with surface water regulations.

- Compliance with community reporting requirements. All water systems in Hawaii are in compliance with the community reporting requirements for water systems to provide customers with an annual report on the quality of drinking water.

- Certified operator regulations. All water systems in Hawaii have certified distribution system and water treatment plant operators as required by regulations.

- Sanitary survey program. The sanitary survey program is currently up to date with EPA targets for frequency of sanitary survey performance.

- Compliance orders. There are no active compliance orders against any public water system in the State.

d. Areas for Improvement

There is still much work to do in maintaining the technical, managerial and financial capacity of regulated water systems in the State. The following items focus on improvements in the managerial and financial capacity areas:

(1) Changing small water system management attitudes. Improving the capacity of some small privately-owned water systems continues to be a challenge. The managers of these systems do not feel there is an incentive to invest resources in their systems to improve capacity if there are no compliance orders to force them to do so. There are also water systems that refuse to take advantage of the free assistance to improve performance provided by the Circuit Rider Program. The SDWB will continue to stress the advantages of the Circuit Rider Program and the need for improvements in water system performance with appropriate managers during sanitary surveys.

(2) Provide low-interest DWSRF loans to water systems. The SDWA includes a Drinking Water State Revolving Fund (DWSRF) program to assist public water systems in improving or upgrading their facilities by providing low-interest loans. This program is administered by the SDWB. From 2000 to 2025, the program has provided 139 loans, for a total of over $548,431,000. The DWSRF provides a portion of its funding as principal forgiveness, with no requirement for repayment. Cumulative principal forgiveness is over $83.5 million, equal to over 15% of total loan funds.

The DWSRF is receiving additional federal funding over a five-year through the Infrastructure Investment and Jobs Act (IIJA). At the end of the IIJA, Hawaii DWSRF will have received up to $76,888,640.00 million with a focus on lead service line replacements, $38,332,000.00 million to address emerging contaminants, and $112,960,000.00 for regular DWSRF eligibilities. There is also a one-time $68,282,000.00 award through the Supplemental Appropriation for Hurricanes Helene and Milton and the Hawaii Wildfires. The program has needed to increase its outreach to the regulated drinking water systems to maximize use of these added funds while available.

There is emphasized focus to direct funding to small or disadvantaged water systems. The SDWB expanded the DWSRF program in 2019 to offer loans to non-county public water systems, including small, privately-owned public water systems. The first private loan was executed in August 2019. The DWSRF program has also re-evaluated its definition of “disadvantaged communities” to better-reach systems in need.

(3) In early August 2024, SDWB staff attended the annual Capacity Development and Operator Certification Workshop (Cap Dev Workshop) in Madison, Wisconsin. At the Cap Dev Workshop, SDWB staff were able to network with other Capacity Development representatives from across the country. In doing so, SDWB engineers were able to gather information on how other states keep their PWSs in compliance with TMF capacity.

One of the concepts shared was to implement a voluntary dichotomous questionnaire. A couple of states mentioned how adding an incentive was instrumental in receiving the completed questionnaires back. It would be very beneficial to produce a questionnaire for PWSs to fill out regularly to evaluate TMF capacity to justify continued support of activities such as compliance testing through the State Laboratories Division (SLD) or other opportunities to reevaluate and refocus opportunities to support the regulated community. SDWB may use the incentive of continued free compliance testing through the SLD to receive completed questionnaires.

SDWB is also considering other ways to communicate with its regulated community to ensure updates, announcements, and assistance may reach the appropriate people and systems, as needed.