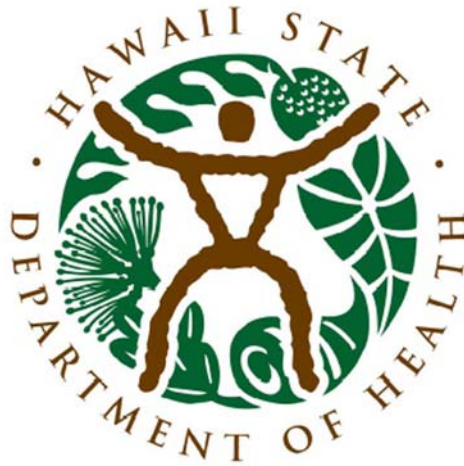

DRINKING WATER TREATMENT REVOLVING LOAN FUND

INTENDED USE PLAN FOR
THE STATE OF HAWAII FISCAL YEAR (SFY) 2010 AND
THE FEDERAL FISCAL YEAR (FFY) 2009 APPROPRIATION



Submitted to the
U.S. Environmental Protection Agency
Region IX
By the
State of Hawaii

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

September 2009

Table of Contents

I. INTRODUCTION	1
A. State of Hawaii's Drinking Water State Revolving Fund Program	1
B. DWSRF Program Overview	1
C. Intended Use Plan Objective	2
D. American Recovery and Reinvestment Act of 2009	2
II. DWSRF LONG-TERM AND SHORT-TERM GOALS	3
A. Long-Term Goals	3
B. Short-Term Goals	3
III. DWSRF FINANCIAL INFORMATION	3
A. DWSRF Capitalization Grant for FFY 2009	3
B. DWSRF Project Eligibility	4
C. Financing Guidelines for Government- (State and County) Owned Public Water Systems	4
D. Status of DWSRF Funds	5
IV. SET-ASIDE ACTIVITIES	6
A. DWSRF Administration Fund (4% Set-Aside)	7
B. State Program Management (10% Set-Aside)	7
C. Small Systems Technical Assistance (2% Set-Aside)	8
D. Local Assistance and Other State Programs (15% Set-Aside)	8
V. PRIORITY LIST OF PROJECTS AND PROJECT SELECTION PROCEDURES	8
A. Priority List of Projects	8
B. Project Selection Procedures	9
C. Tie-Breaking Procedure	9
D. Bypass Procedure	10
E. Disadvantaged Communities	10
F. Fundable List of Projects	10
VI. ASSURANCES AND PROPOSALS	16
A. Environmental Review	16
B. Federal Cross-Cutters	16
C. Binding Commitment	16
D. Timely Expenditure	16
VII. DWSRF-CWSRF FUND TRANSFER	16
VIII. U.S. ENVIRONMENTAL PROTECTION AGENCY STRATEGIC PLAN GOALS AND OBJECTIVES	16

Tables

- 1. *DWSRF Loan Fund Overview (June 30, 2009)***
- 2. *Set-Asides Overview (June 30, 2009)***
- 3. *Set-Asides Overview***
- 4. *Fundable List of Projects***

Appendices

- A. *SOURCES AND USES OF DWSRF FUNDS FOR SFY 2010***
- B. *DWSRF PRIORITY LIST OF PROJECTS FOR SFY 2010***
- C. *DWSRF PROJECT RATING CRITERIA***
- D. *FEDERAL CAPITALIZATION GRANT PAYMENT SCHEDULE FOR FFY 2010 AND 2011***
- E. *NOTICE OF PUBLIC PARTICIPATION & INPUT***

I. INTRODUCTION

A. STATE OF HAWAII’S DRINKING WATER STATE REVOLVING FUND PROGRAM

In 1996, the Drinking Water State Revolving Fund (DWSRF) was established by Congress with the passage of Federal amendments to the Safe Drinking Water Act, hereafter referred to as “the Act” (Public Law 104-182). Section 1452 of the Act authorized the Administrator of the Environmental Protection Agency (EPA) to award capitalization grants to States for the purpose of establishing a loan program to finance drinking water infrastructure projects necessary for public water systems to attain and maintain compliance with Act requirements and to further the health protection objectives of the Act.

On May 2, 1997, Hawaii’s Governor signed legislation to establish the Drinking Water Treatment Revolving Loan Fund (Act 218/97) in the State of Hawaii. The Drinking Water Treatment Revolving Loan Fund, more commonly known as DWSRF, complies with the provisions of the Act, Section 1452, for the State of Hawaii.

The Department of Health (DOH), Environmental Management Division, Safe Drinking Water Branch (SDWB) and Wastewater Branch jointly administer Hawaii’s DWSRF Program. Administration is in accordance with Hawaii Revised Statutes, Chapter 340E, Hawaii Administrative Rules, Chapter 11-65 and a Memorandum of Agreement between the SDWB and the Wastewater Branch.

B. DWSRF PROGRAM OVERVIEW

From Federal Fiscal Years (FFYs) 1997 through 2008, EPA approved capitalization grants totaling \$99,939,500.00 to be utilized by Hawaii’s DWSRF Program. Of this total capitalization grant amount, \$17,113,231.73 has been set-aside for activities relating to the administration of the loan program and to support other drinking water program initiatives. The remaining capitalization grant monies, \$82,826,268.27, have been deposited into the “Loan Fund,” and will be used to finance loans for eligible DWSRF projects. In addition, Section 1452(e) of the Act mandates that the State must deposit into the Loan Fund an amount from State monies equaling at least 20 percent of each capitalization grant payment. State Match appropriations for this period totaled \$20,574,000.00.

Table 1. DWSRF Loan Fund Overview (June 30, 2009)

DWSRF Loan Fund Overview (June 30, 2009)	Federal Fiscal Years 1997-2008
DWSRF Capitalization Grants	\$99,939,500.00
Less Set-Aside Funds*	(\$17,113,231.73)
State Match Appropriations	\$20,574,000.00
TOTAL DWSRF LOAN FUND	\$103,400,268.27

*See *Set-Asides Overview for itemization.*

A total of \$81,086,689.50 has already been used to finance construction projects, with an additional \$13,047,640.00 being formally committed to pending DWSRF loans.

Additional loan commitments are anticipated for several other eligible drinking water projects that are currently being processed.

States are allowed to set-aside part of the federal capitalization grants to support the various drinking water programs. Separate and identifiable accounts have been developed to be used for these Set-Aside Activities. To date, a total of \$17,113,231.73 has been set-aside for these activities as shown below.

Table 2. Set-Asides Overview (June 30, 2009)

Act Set-Aside Reference	Set-Aside Activity	FFY 1997-2008 Set-Aside Funds
Section 1452 (g) (2) – (4%)	DWSRF Administration Fund	\$2,684,488.00
Section 1452 (g) (2) – (10%)	State Program Management	\$6,701,119.88
Section 1452 (g) (2) – (2%)	Small Systems Technical Assistance	\$1,320,465.16
Section 1452 (k) – (15%)	Local Assistance and Other State Programs	\$6,407,158.69
Total Set-Asides for FFY 1997-2008		\$17,113,231.73

C. INTENDED USE PLAN OBJECTIVE

The State of Hawaii, DOH developed this Intended Use Plan for the State Fiscal Year (SFY) 2010. This Intended Use Plan will be submitted to the EPA as part of the DOH’s application for the DWSRF FFY 2009 Capitalization Grant Appropriation.

This Intended Use Plan is a central component of Hawaii’s DWSRF FFY 2009 Capitalization Grant Application and serves to convey the Program’s plan to interested parties, which may include owners of public water systems, the general public, EPA, and other State agencies or departments.

DWSRF Program plans for SFY 2010 are based on the FFY 2009 Federal Capitalization Grant of \$8,146,000.00 from EPA and receipt of \$1,630,000.00 (estimated) appropriated by the 2009 State Legislature for use as the State Match. This Intended Use Plan will provide information regarding the use of the federal, state and additional monies generated from other program sources during this SFY 2010 period. Details on key aspects of the Program, including the long- and short-term goals, the priority setting criteria, and a listing of projects, are included in this Intended Use Plan.

This Intended Use Plan for SFY 2010, when finalized and approved will replace the previous Intended Use Plan for SFY 2009. An Intended Use Plan is written annually for each SFY.

D. AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009

On February 17, 2009, the American Recovery and Reinvestment Act of 2009 (ARRA) was signed into law to stimulate the nation’s economy. Hawaii received \$19.5 million from ARRA to fund drinking water infrastructure projects through the DWSRF program. Projects funded with ARRA monies were identified in the revised SFY 2009 Intended Use Plan (finalized on May 16, 2009) and in the Fundable List of Projects (Table 4) and the DWSRF Priority List of Projects for SFY 2010 (Appendix B) in this Intended Use Plan.

II. DWSRF LONG-TERM AND SHORT-TERM GOALS

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

A. LONG-TERM GOALS

1. To assist as many water purveyors as possible to attain compliance with State and Federal Drinking Water Regulations through the low-interest loan program.
2. To maintain the DWSRF Program in perpetuity.
3. To research options of providing funds to assist in financing improvements to privately-owned public water systems.
4. To promote sustainable infrastructure and energy efficiency through the use of DWSRF funds.

B. SHORT-TERM GOALS

1. Continue development of a system to track the currently required tracking items, which may include accounting, management, set-asides, compliance and customer service concerns.
2. Continue modification of the Functional Procedures to reflect and meet the DWSRF requirements and needs.
3. Continue to follow the implementation of the Capacity Evaluation program and adjust the implementation to meet with the DWSRF loan program needs.

III. DWSRF FINANCIAL INFORMATION

A. DWSRF CAPITALIZATION GRANT FOR FFY 2009

For FFY 2009, Congress has appropriated \$829,029,000.00 for the national DWSRF program. Subtracting National Set-Asides of \$14,435,000.00 from the original appropriation leaves \$814,594,000.00 for individual state programs. Based on the latest Drinking Water Needs Survey, Hawaii's share for FFY 2009 is 1 percent of the total allotment for state programs, or \$8,146,000.00.

Hawaii's DWSRF is proposing to take 15 percent (\$1,221,900.00) of the FFY 2009 capitalization grant for set-asides. The remaining \$6,924,100.00 of the FFY 2009 Capitalization Grant and appropriate State Match amount will be dedicated for funding eligible construction projects as noted in the Priority List of Projects section of this Intended Use Plan. In addition, Hawaii's DWSRF is proposing to bank 12 percent (\$977,520.00) of the FFY 2009 Capitalization Grant in the loan fund, which may be taken from future Capitalization Grants for set-asides.

B. DWSRF PROJECT ELIGIBILITY

The DWSRF Program will fund drinking water projects, which are eligible for DWSRF consideration. The project categories include:

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

C. FINANCING GUIDELINES FOR GOVERNMENT- (STATE AND COUNTY) OWNED PUBLIC WATER SYSTEMS

Hawaii's DWSRF Program will provide low-interest loans for construction of eligible drinking water projects within the State. Project priority will be determined by program guidelines as detailed in Section V, "Priority List of Projects and Project Selection Procedures" in this Intended Use Plan.

In most cases, loans to eligible projects are made under terms and conditions effective at the time of financing. The following guidelines are currently in place at this time.

- Loans to eligible projects, using the currently available DWSRF funds, can be for 100 percent financing of the allowable project costs.
- Loan repayment periods will be limited to a maximum of 20 years, with repayment installments to be made semi-annually.
- DWSRF loan rates will remain fixed over the life of the loan.
- The DWSRF loan rate will be based on the current annual rate of the weekly Bond Buyers 20-year General Obligation index bond interest rate less a percentage rate of one percent (1.0%) at the time a loan commitment is issued. In the event that the annual rate of the weekly Bond Buyers 20-year General Obligation index bond interest rate less a percentage rate of one percent (1.0%) falls below three and twenty-five one hundredths percent (3.25%), the rate shall be three and twenty-five one hundredths percent (3.25%).
- The interest portion of this DWSRF loan rate will be the annual DWSRF loan rate established above less three and twenty-five one hundredths percent (3.25%).
- Administrative loan fees will be equivalent to the outstanding principal balance of the loan multiplied by an annual rate of three and twenty-five one hundredths percent (3.25%), to be computed based on, and be payable on, the same dates that corresponding repayments of the principal and interest on the loan are due. The administrative loan fees may be revised during this fiscal year to make SRF loans more attractive.
- The principal amortization for most DWSRF loans will begin one year after the Notice to Proceed (NTP) or the date of the final loan agreement, whichever is later.

D. STATUS OF DWSRF FUNDS

The "Sources and Uses of DWSRF Funds" are summarized in Appendix A and identify Hawaii's total funding sources and uses for SFY 2010. This report is based on the DWSRF Program's receipt of:

1. Sources:

- The FFY 2009 Federal Capitalization Grant totaling \$8,146,000.00;
- The projected appropriation for State Match provided by the 2009 State legislature for \$1,630,000.00;
- The estimated uncommitted DWSRF funds on June 30, 2009 is projected to total \$6,388,315.60;
- The projected DWSRF loan repayments (Principal and Interest) in SFY 2010 projected to total \$3,469,542.62;
- The projected DWSRF investment interest in SFY 2010 to total \$720,808.44;
- Loan Fees:

On May 17, 2000, the State adopted Chapter 11-65, Hawaii Administrative Rules, entitled "Environmental State Revolving Funds." These rules establish fees for loans and other financial assistance from the DWSRF. There are two classes of loan fees:

(a) Program Fees: The State utilizes Program Fee monies only to cover DWSRF program administrative costs. Administrative activities include the costs of processing, issuing and servicing loans, supporting engineering services, financial and legal consulting fees, reimbursement for support services from the State, and other DWSRF activities.

Program Loan Fees collected (SFY 2008)	\$580,753.82
Actual Expenses incurred (SFY 2008) ¹	\$67.50
Program Loan Fees projected (SFY 2009)	\$477,788.05
Program Loan Fees projected (SFY 2010)	\$453,493.39

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

Non-Program Loan Fees collected (SFY 2008)	\$709,293.69
Actual Expenses incurred (SFY 2008)	\$0.00
Non-Program Loan Fees projected (SFY 2009)	\$1,227,255.63

¹ Actual expenses incurred are based on State of Hawaii, Financial Accounting & Management Information System (FAMIS)

Non-Program Loan Fees projected (SFY 2010) \$1,301,098.47

The current annual loan fee rate is three and twenty-five one hundredths percent (3.25%) per annum of the outstanding principal balance of the loan.

2. Uses:

- Projected DWSRF Administrative expenses (4% set-aside) in SFY 2010 total \$642,845.00;
- Projected State Program Management expenses (10% set-aside) in SFY 2010 total \$1,012,865;
- Projected Small Systems Technical Assistance expenses (2% set-aside) in SFY 2010 total \$184,942;
- Projected Local Assistance and Other State Programs expenses (15% set-aside) in SFY 2010 total \$2,361,223; and
- Projected Loans (expected to be executed) in SFY 2010 to total \$17,991,602.00.

IV. SET-ASIDE ACTIVITIES

The Act allows each state to set-aside up to 31 percent of its federal capitalization grant to support various drinking water program activities including administration, State program management, technical assistance and other special activities. Hawaii will set-aside 15 percent (\$1,221,900.00) of the FFY 2009 Capitalization Grant to be used as described in the narrative below. In addition, Hawaii will bank 12 percent (\$977,520.00) of the FFY 2009 Capitalization Grant in the loan fund. Banking 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 for the purposes described in Table 3 and the narrative below. The cumulative banked set-asides for FFY 1997-2009 Capitalization Grant Funds will total \$2,777,940.00.

Hawaii will submit detailed workplans to EPA for approval before funds are expended on these activities. Hawaii will report on the progress of these set-aside activities to EPA in the annual performance status reports.

Table 3. Set-Asides Overview

SDWA Act Set-Aside Reference	Set-Aside Activity	Set-Aside FFY 2009 Capitalization Grant Funds	Banked Set-Aside FFY 2009 Capitalization Grant Funds	Banked Set-Aside FFY 1997-2008 Capitalization Grant Funds
Section 1452 (g) (2) – (4%)	DWSRF Administration Fund	\$0.00	\$0.00	\$0.00
Section 1452 (g) (2) – (10%)	State Program Management	\$0.00	\$814,600.00	\$1,637,500.00
Section 1452 (g) (2) – (2%)	Small Systems Technical Assistance	\$0.00	\$162,920.00	\$162,920.00
Section 1452 (k) – (15%)	Local Assistance and Other State Programs	\$1,221,900.00	\$0.00	\$0.00
Total Set-Asides FFY 2009 Capitalization Grant		\$1,221,900.00	\$977,520.00	\$1,800,420.00
Total Banked Set-Asides FFY 1997-2009 Capitalization Grant Funds			\$2,777,940.00	

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

Section 1452(g)(2) of the Act allows up to four percent of the DWSRF Capitalization Grant to be set-aside for administration of the DWSRF program. Based on previous comments by EPA Region IX, Hawaii will not take any of the four percent set-aside from the Capitalization Grant this year. Instead, the program will utilize unspent four percent set-aside funds from past years’ Capitalization Grants. Administrative functions include the development, implementation and review of DWSRF program processes and documentation needs that may include, but are not limited to, financial, managerial, and legal consultation, DWSRF set-aside and funds accounting, application review, public assistance, audits, information system maintenance, record retention and filing, environmental review, development of the Intended Use Plan and Priority List of Projects, budget, workplan, plans and specifications review and approval, construction inspections and staff training.

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

Section 1452(g)(2) of the Act allows up to ten percent of the DWSRF Capitalization Grant to be set-aside to support Public Water System Supervision program activities and other initiatives of the Act. Based on comments by EPA Region IX, Hawaii will not take any of the ten percent set-aside from the Capitalization Grant this year. Instead, the program will utilize unspent ten percent set-aside funds from past years’ Capitalization Grants and bank ten percent (\$814,600.00) of the FFY 2009 Capitalization Grant in the loan fund, which may be taken from future Capitalization Grants to support State program management activities.

These funds support activities, which are important for the State Program to maintain primary enforcement authority, and strengthen the State’s Public Water System Supervision program. Activities covered under the State Program Management set-aside include, but are not limited to, Public Water System Supervision program activities, capacity development, operator certification, sanitary surveys, regulation development and contracts for conducting sanitary surveys, security training, cross-connection training, and quality assurance and quality control measures.

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

Section 1452(g)(2) of the Act allows up to two percent of the DWSRF Capitalization Grant to be set-aside to support Small Systems Technical Assistance activities. Based on comments by EPA Region IX, Hawaii will not take any of the two percent set-aside from the Capitalization Grant this year. Instead, the program will utilize the two percent set-aside funds accrued from past years' Capitalization Grants and bank two percent (\$162,920.00) of the FFY 2009 Capitalization Grant in the loan fund, which may be taken from future Capitalization Grants to support Small Systems Technical Assistance activities.

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

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

Section 1452(k) of the Act allows up to 15 percent of the Capitalization Grant to be set-aside to support Local Assistance and Other State Programs. Hawaii will take all of the fifteen percent set-aside from the Capitalization Grant this year to support these activities.

Activities under this set-aside include, but are not limited to, wellhead protection and related source water protection activities (such as, creating local source water protection advisory committees, development of source water protection plans and strategies, and implementing protection activities including outreach and educational programs); technical, financial and managerial capacity development and related activities, which may include vulnerability assessments, contingency and emergency response plans, and fencing and security cameras for protecting drinking water sources; technical assistance via sanitary survey follow-ups and direct on-site assistance to address any necessary improvements to the water system and a Circuit Rider program to address any necessary improvements to the water system. In addition, Hawaii will utilize past Capitalization Grants 15% set-aside funds to support any or all of the activities listed here. None of the individual activities listed will exceed ten percent of any particular year's Capitalization Grant.

V. PRIORITY LIST OF PROJECTS AND PROJECT SELECTION PROCEDURES

A. PRIORITY LIST OF PROJECTS

Any project considered for funding must be listed on the Priority List of Projects. The *DWSRF Priority List of Projects for SFY 2010* is presented in Appendix B. In September 2008, the SDWB DWSRF Program sent a letter to water purveyors to submit proposed projects for DWSRF funding. The Priority List of Projects was developed by evaluating the proposed projects based on the Project Selection Procedures and DWSRF Rating Criteria. The priority ranking system is applicable for projects to be funded through the DWSRF program. Amendments to the Project Selection Procedures and DWSRF Rating Criteria will be considered as appropriate to reflect the changing character of the Program. The *DWSRF Project Rating Criteria* is found in Appendix C.

B. PROJECT SELECTION PROCEDURES

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

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

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

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

Projects are ranked against all other projects competing for funds using the DWSRF Project Rating Criteria. While points are primarily assigned on a basis of the health problems or the Act compliance issue being addressed by a project, a final criterion is reserved for determining the priority of eligible projects with the same point totals. The Act amendments of 1996 require that 15 percent of the monies available for funding projects each fiscal year must go to public water systems that serve 10,000 or fewer persons (small public water systems). Thus, the highest ranking small public water system project that will be ready-to-proceed in that fiscal year will be selected to satisfy the minimum 15 percent level. In the event that there are no projects that meet these criteria, DOH will make this portion of the fund available to all other public water systems. This will ensure that the funds are allocated as expeditiously as possible and are efficiently utilized.

In order to streamline the loan process for ARRA-funded projects, Hawaii's county-owned water systems were given the option to combine the construction contingency, design allowance, and/or construction management costs of all of their ARRA projects into one DWSRF loan. Individual projects within the combination projects will remain on the Priority List in the event that one or more projects in the combination project cannot proceed. To ensure fairness to all counties, combination projects are ranked below the lowest ranked individual project within the combination project on the Priority List of Projects.

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

C. TIE-BREAKING PROCEDURE

The following procedure is used for the purpose of breaking ties between projects at the time of evaluation.

1. If the tie is between public water systems with service populations greater than 10,000 persons (large public water system) and public water systems with service populations of 10,000 or fewer persons (small public water system), the small water systems will be given the higher priority.
2. For small public water systems, the tie will be broken through the evaluation of the affected population's Median Household Income. The higher priority will be assigned to the public water

system with the lowest Median Household Income. Where this fails to clearly determine project rank, the highest priority will be assigned to the project, which exhibits the highest cost per person, based on the system's population.

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

D. BYPASS PROCEDURE

The DOH will work with the highest ranked public water systems to ensure that the highest ranked projects are 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." If, for whatever reason, a public water system is not ready-to-proceed with 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 an approved application, project is not ready-to-proceed with construction, or the public water system withdraws its project for consideration). If a project must be bypassed because it has been delayed, it will be given high priority for funding as soon as it is ready and funds become available. The DOH may also raise the priority of a project on the Priority List of Projects in the case of an emergency or natural disaster, such as a landslide, hurricane, flood, earthquake, etc.

Currently, the DWSRF Program will not be providing funding for project refinancing. Projects previously on the DWSRF list for which construction has been completed, per consultation with the SDWB, and loan application processing was not initiated prior to or during construction, have been removed from the Priority List of Projects. In order to receive DWSRF funding, all projects must comply with the DWSRF and State Environmental Review Process prior to commencement of construction.

E. DISADVANTAGED COMMUNITIES

In the future, the DWSRF may provide additional loan subsidies, such as principal forgiveness or reduced rates, to benefit disadvantaged communities. A disadvantaged community is currently defined as a public water system's community with a county MHI less than the State's MHI of \$49,820, as demonstrated in the 2000 Census. At this time, it is unknown what the level of this funding will be; however, it cannot exceed 30 percent of the Capitalization Grant for any fiscal year.

F. FUNDABLE LIST OF PROJECTS

For the SFY 2010, projects listed in Table 4 may be funded from the *DWSRF Priority List of Projects for SFY 2010* based on potential available funds and readiness-to-proceed. These projects may be funded through ARRA or base

year DWSRF funds. Projects to be funded with ARRA funds are noted as such in the table. For more specific information on the projects listed in this table, see Appendix B.

Table 4. Fundable List of Projects

Priority List Rank	Project No.	Owner	Project Name	Estimated Construction Date	Estimated Construction Cost
1	DW133-0001	Hawaii DWS	Kukuihaele Production Well and Supporting Facilities	Jan-10	\$ 2,671,606
2	DW130-0003	Hawaii DWS	Waimea WTP Microfiltration – Phase IV	Feb-10	\$ 10,000,000
3	DW103-0001	Hawaii DWS	Ninole Well "A" (Replace Chaves Spring)	Feb-10	\$ 2,000,000
4	DW247-0004	Maui DWS	Piiholo Water Treatment Plant Improvements - Organic Carbon Reduction	FY-11	\$ 6,000,000
6	DW129-0001	Hawaii DWS	Halaula Well Development Phase 1 ***ARRA***	Jul-09	\$ 2,200,000
7	DW106-0001	Hawaii DWS	Kulaimano Production Well and Supporting Facilities	Dec-09	\$ 2,500,000
10	DW413-0003	Kauai DW	Job No. 02-24, WK-02 Akulikuli Tunnel Repairs	FY2010	\$ 5,000,000
11	DW161-0002	Hawaii DWS	Ahualoa-Honokaa Transmission Waterline	Dec-09	\$ 5,787,300
12	DW217-0004	Maui DWS	Hamoia to Koali Waterline Project	Jul-09	\$ 1,000,000
13	DW403-0001	Kauai DW	Job No. 02-17, H-01, H-02, H-03, H-010, Rehabilitation of Maka Ridge Deep Well, Tank Pipeline and Roadway	Jun-09	\$ 2,000,000
14	DW415-0002	Kauai DW	Job No. 03-02, HW-02, HW-03, Haena Steel Tank and Wainiha Booster Pump Renovations	Dec-09	\$ 2,000,000
15	DW406-0005	Kauai DW	Kaunualii Highway 12-inch Main Replacement Elepaio Road to Huakai Road, Job No. 05-04, KW-27, Kekaha-Waimea, Kaua'i, Hawaii	Apr-09	\$ 4,273,423
16	DW406-0002	Kauai DW	Waimea Canyon Drive Main Replacement ***ARRA***	Jun-09	\$ 3,500,000
17	DW406-0007	Kauai DW	Job 05-01, KW-16, Waimea Main Replacement	Nov-09	\$ 3,500,000
18	DW366-0001	Hon BWS	Kamehameha Highway-Sunset Beach Water System Improvements, Parts I & IV	FY-10	\$ 5,700,000
19	DW366-0002	Hon BWS	COMSAT Access Road Water System Improvements, Phase B	FY-07	\$ 1,000,000

Priority List Rank	Project No.	Owner	Project Name	Estimated Construction Date	Estimated Construction Cost
20	DW404-0003	Kauai DW	Job No. 02-08, HE-08, Rehabilitate Twin 0.4 Steel Tanks, 'Ele'ele Water System	Dec-09	\$ 2,000,000
21	DW434-0003	Kauai DW	Waha, Wawae, and Niho Roads Main Replacement, Job No. 05-07, K-07, LO-13, at Kalaheo, Kaua'i, Hawaii	May-09	\$ 1,826,000
22	DW434-0002	Kauai DW	Job No. 09-01, K-01, Phase I Kalaheo Nursery Tank Replacement and Booster Pump Station (2-200 GPM)	Jan-10	\$ 1,000,000
23	DW247-0006	Maui DWS	Middle and Lower Omaopio Road Tanks Replacements	Dec-09	\$ 400,000
24	DW215-0004	Maui DWS	Olinda Water Treatment Plant - Relining of the 8.5 MG Sedimentation Basin	Jul-09	\$ 1,500,000
25	DW332-0004	Hon BWS	Kamehameha Highway 8-inch Mains (Haleiwa)	Jun-09	\$ 3,200,000
26	DW3CA-0003	Hon BWS	Honolulu Combination ARRA Projects 3	Jun-09	\$ 7,933,391
27	DW413-0007	Kauai DW	Pipeline Replacement, Kapaa Homesteads	Dec-09	\$ 9,000,000
28	DW412-0003	Kauai DW	Job No. 97-1, PLH-02, Kokolau Intake Facility and Pipeline Replacement	FY2010	\$ 5,000,000
29	DW413-0008	Kauai DW	Job No. 02-15, WK28, Wailua Houselots Main Replacement	Jan-10	\$ 5,000,000
30	DW400-0002	Kauai DW	Job 04-04, PLH-09, Pipeline Replacement for Lihue Town ***ARRA***	Jun-09	\$ 3,500,000
31	DW4CA-0001	Kauai DW	Kauai Combination ARRA Projects 1	Sep-09	\$ 5,253,847
32	DW4CA-0002	Kauai DW	Kauai Combination ARRA Projects 2	Sep-09	\$ 5,287,792
33	DW4CA-0001	Kauai DW	Kauai Combination ARRA Projects 3	Sep-09	\$ 8,592,027
34	DW412-0002	Kauai DW	Puhi Well No. 2 & 3 CO2 Removal	May-10	\$ 305,000
35	DW213-0008	Maui DWS	Kamole Water Treatment Plant High Lift Pumps	Dec-09	\$ 3,000,000
36	DW213-0006	Maui DWS	Makawao Waterline Improvements- Ai Street, Kehau, Mole, & Malu Place	Sep-09	\$ 1,100,000

Priority List Rank	Project No.	Owner	Project Name	Estimated Construction Date	Estimated Construction Cost
37	DW130-0004	Hawaii DWS	Waimea Water Treatment Plant Sludge Drying Beds	Jul-08	\$ 5,000,000
38	DW212-0006	Maui DWS	Kihei Road Waterline Replacement (Waiakoa Stream to Ohukai Road) ***ARRA***	Jun-09	\$ 2,500,000
39	DW212-0003	Maui DWS	Vineyard Street Waterline Replacement ***ARRA***	Jun-09	\$ 2,000,000
40	DW212-0004	Maui DWS	Maui Meadows Booster Pump Station Improvements	Jul-09	\$ 1,500,000
41	DW212-0005	Maui DWS	Ainaola Place Waterline Replacement	Jul-09	\$ 1,200,000
42	DW212-0007	Maui DWS	Lower Paia Water Tank Replacement	Aug-09	\$ 700,000
43	DW214-0010	Maui DWS	Lahaina Water Treatment Plant - Backwash Recovery	Apr-10	\$ 1,500,000
44	DW331-0027	Hon BWS	Kalihi Water System Improvements, Part I	FY-09	\$ 8,250,000
45	DW331-0036	Hon BWS	Kapahulu Water System Improvements Part III ***ARRA***	Jun-09	\$ 2,500,000
47	DW331-0034	Hon BWS	Pacific Heights Water System Improvements, Part I ***ARRA***	May-09	\$ 2,500,000
48	DW3CA-0001	Hon BWS	Honolulu Combination ARRA Projects 1	Jun-09	\$ 5,261,775
49	DW331-0033	Hon BWS	Kakaako Water System Improvement	FY-10	\$ 2,300,000
50	DW331-0037	Hon BWS	Kamehameha Highway 8-inch Mains (Kaneohe)	Jun-09	\$ 2,000,000
51	DW3CA-0002	Hon BWS	Honolulu Combination ARRA Projects 2	Jun-09	\$ 7,211,364
52	DW3CA-0004	Hon BWS	Honolulu Combination ARRA Projects 4	Jun-09	\$ 9,882,980
53	DW331-0035	Hon BWS	Wilhemina Rise Water System Improvements, Part III	Jun-08	\$ 1,760,000
54	DW331-0040	Hon BWS	Kuliouou Line Booster Improvements	Jun-09	\$ 1,750,000

Priority List Rank	Project No.	Owner	Project Name	Estimated Construction Date	Estimated Construction Cost
55	DW331-0032	Hon BWS	Maunalaha Homesites Water System Improvements	Sep-08	\$ 1,200,000
56	DW331-0038	Hon BWS	Kealakaha Dr., Pooholua Dr., and Waipao PI 8-in Mains	Jun-09	\$ 1,100,000
57	DW331-0029	Hon BWS	Manulani Street & Mowai Street 8-inch Mains	FY-09	\$ 900,000
59	DW133-0002	Hawaii DWS	Kapulena Well Development Phase 1 ***ARRA***	Sep-09	\$ 4,584,500
60	DW406-0003	Kauai DW	Kapilimao 0.5 MG Tank	Feb-09*	\$ 3,500,929
61	DW409-0002	Kauai DW	Job No. 02-02, LO-04, Piwai 0.5 MG Tank	Dec-09	\$ 3,500,000
63	DW247-0005	Maui DWS	Upper Omaopio Road Tank Replacement	Dec-09	\$ 700,000
65	DW215-0006	Maui DWS	West Olinda Tank Replacement ***ARRA***	Jun-09	\$ 2,000,000
66	DW2CA-0001	Maui DWS	Maui Combination ARRA Projects 1	Sep-09	\$ 3,668,846
67	DW2CA-0002	Maui DWS	Maui Combination ARRA Projects 2	Sep-09	\$ 5,868,846
68	DW215-0005	Maui DWS	East Olinda Tank Replacement	Feb-10	\$ 720,000
69	DW214-0011	Maui DWS	Mahinahina Water Treatment Plant-Ditch Intake Screen	Jul-09	\$ 350,000
70	DW331-0022	Hon BWS	Waialae 180 Reservoir Replacement (3.0 MG)	Dec-10	\$ 9,000,000
71	DW331-0023	Hon BWS	Kalama 400 Reservoir (1.0MG) and Kalama 170 Booster Station	Dec-08	\$ 4,500,000
72	DW331-0039	Hon BWS	Kaluanui Wells Renovation	Jun-09	\$ 2,500,000
73	DW108-0001	Hawaii DWS	Waiohinu Well (Replace Mountain House Tunnel & Hao Spring)	Jul-06	\$ 2,000,000
74	DW130-0005	Hawaii DWS	Ahualoa Well Development - Phase 2 (Production Well and 1.0 MG Reservoir) ***ARRA***	Jun-09	\$ 7,500,000

Priority List Rank	Project No.	Owner	Project Name	Estimated Construction Date	Estimated Construction Cost
75	DW1CA-0001	Hawaii DWS	Hawaii Combination ARRA Projects 1	Jul-Dec 09	\$ 5,922,200
76	DW1CA-0002	Hawaii DWS	Hawaii Combination ARRA Projects 2	Jul-Dec 09	\$ 6,942,200
77	DW1CA-0003	Hawaii DWS	Hawaii Combination ARRA Projects 3	Jul-Dec 09	\$ 8,192,200

*Projects with binding commitments

VI. ASSURANCES AND PROPOSALS

A. ENVIRONMENTAL REVIEW

Applicants are responsible for conducting environmental assessments as defined by Chapter 343, Hawaii Revised Statutes, entitled “Environmental Impact Statements,” and outlined in “A Guidebook for the Hawaii State Environmental Review Process.” The DWSRF Program will review each Applicant’s progress in this process. The DWSRF Program reserves the right to refuse any SRF loan to any Applicant for any reason if it feels that the proposed project has the potential to impact the environment in ways that the Applicant has not considered or has not addressed through mitigation measures.

B. FEDERAL CROSS-CUTTERS

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

C. BINDING COMMITMENT

Hawaii’s DWSRF Program will enter into binding commitments in an amount equal to the amount of each Capitalization Grant payment (Capitalization Grant less set-aside amounts) and accompanying State Match that is deposited into the Loan Fund. These commitments must be initiated within one year after receipt of each Capitalization Grant payment.

D. TIMELY EXPENDITURE

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

VII. DWSRF-CWSRF FUND TRANSFER

The Hawaii SRF programs reserve the right to transfer up to 33 percent of the DWSRF Capitalization Grant to the Clean Water State Revolving Fund (CWSRF), or an equivalent amount from the CWSRF to the DWSRF, as needed. The State of Hawaii passed legislation that allows the programs to transfer the funds if needed. At this time, the programs are not planning to transfer funds in SFY 2010.

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

The Hawaii DWSRF Program supports the National EPA Strategic Plan Goal 2 (Clean and Safe Water), Objective 1 (Protect Human Health), Sub-objective 1 (Water Safe to Drink) as listed below. Specifically, Hawaii has established and manages the revolving loan fund that provides low-cost loans and other types of assistance to water systems by financing the cost of infrastructure projects to achieve or maintain compliance with the Act requirements. Hawaii DWSRF activities support EPA Program Reporting Code 201B81E. Every summer, Hawaii and EPA negotiate Hawaii’s Strategic Plan commitments for the State Fiscal Year starting July 1. Hawaii’s commitments for SFY 2010 will be submitted by August 2009.

Strategic Plan Goal 2: Clean and Safe Water

Strategic Plan Objective 2.1: Protect Human Health – Protect human health by reducing exposure to contaminants in drinking water (including protecting source waters), in fish and shellfish, and in recreational waters.

Strategic Plan Sub-objective 2.1.1: Water Safe to Drink – By 2011, 91 percent of the population served by community water systems will receive drinking water that meets all applicable health-based drinking water standards through approaches including effective treatment and source water protection.

All planned and prior year loans have assisted public water systems to meet the federal and state drinking water compliance requirements. Details of Hawaii's DWSRF activities supporting the National EPA Strategic Plan will be included in the DWSRF Annual Report published in September of each year. A summary of loan activity for the fiscal year will be included in the report as well as details for each project. Project details will include a brief description and benefit of the project, project number, dollar amount and population served for projects financed, and the interest rate for each loan. The required reporting data for ARRA projects will be entered in the DWSRF Project & Benefits Reporting System (PBR).

APPENDIX A
SOURCES AND USES OF DWSRF FUNDS FOR SFY 2010

APPENDIX A
SOURCES AND USES OF DWSRF FUNDS FOR SFY 2010

I. SOURCES

FFY 2009 DWSRF Capitalization Grant Appropriation	\$8,146,000.00	
Less (Total Set-Asides for FFY 2009):		
1. DWSRF Administration Fund (4% Set-Aside)	\$0.00	
2. State Program Management (10% Set-Aside)	\$0.00	
3. Small Systems Technical Assistance (2% Set-Aside)	\$0.00	
4. Local Assistance & Other State Programs (15% Set-Aside)	\$1,221,900.00	
TOTAL FFY 2009 FEDERAL FUNDS AVAILABLE FOR LOANS		<u>\$6,924,100.00</u>
Projected State Match provided by the 2009 State Legislature	\$1,630,000.00	
TOTAL DWSRF LOAN FUNDING RESOURCES		<u>\$8,554,100.00</u>
Estimated Uncommitted DWSRF funds at June 30, 2009	\$6,388,315.60	
Projected cash in from loan repayments for the period July 1, 2009 to June 30, 2010	\$3,469,542.62	
Projected cash in from investment interest earnings for the period July 1, 2009 to June 30, 2010	\$720,808.44	
TOTAL ESTIMATED SOURCES OF FUNDS		<u>\$19,132,766.66</u>

II. USES

Projected Loans (expected to be executed) from July 1, 2009 to June 30, 2010	\$17,991,602.00	
TOTAL ESTIMATED USES OF FUNDS		<u>\$17,991,602.00</u>
TOTAL ESTIMATED FUNDS BALANCE		\$1,141,164.66

APPENDIX B
DWSRF PRIORITY LIST OF PROJECTS FOR SFY 2010

Appendix B
DWSRF Priority List of Projects for SFY 2010

No.	Pts	DWSRF Proj No.	Public Water System	Population	Owner	Project (Name and Description)	ARRA Green Project Reserve Type	Expected Construction Start Date	Estimated Construction Cost
1	160	DW133-0001	#133 DWS Kukuiahaele	480	Hawaii DWS	Kukuiahaele Production Well and Supporting Facilities: Replacement source for Waiulili Spring, which has atrazine and indication of possible surface water influence.		Jan-10	\$ 2,671,606
2	155	DW130-0003	#130 DWS South Kohala	12,109	Hawaii DWS	Waimea WTP Microfiltration - Phase IV: Microfiltration plant for compliance with Enhanced Surface Water Treatment Rule and Disinfection/Disinfectants Byproducts Rule.		Feb-10	\$ 10,000,000
3	135	DW103-0001	#103 DWS Ninole	149	Hawaii DWS	Ninole Well "A" (Replace Chaves Spring): Replacement source for Chaves Spring, which has atrazine.		Feb-10	\$ 2,000,000
4	135	DW247-0004	#247 DWS Lower Kula	3,213	Maui DWS	Piiholo Water Treatment Plant Improvements - Organic Carbon Reduction: Reduce total organic carbon levels to help lower disinfection byproducts.		FY-11	\$ 6,000,000
5	130	DW214-0008	#214 DWS Lahaina	17,967	Maui DWS	Mahinahina Water Treatment Facility Retrofit: Retrofit WTF from multimedia to membrane filtration to achieve positive barrier to enhance water quality.		FY-12	\$ 11,121,000
6	115	DW129-0001	#129 DWS North Kohala	4,822	Hawaii DWS	Halaula Well Development Phase 1: Replacement source for Bond Tunnel to comply with the Lead and Copper Rule. Construction of potable water well. ***ARRA***		Jul-09	\$ 2,200,000
7	110	DW106-0001	#106 DWS Pepeekeo	1,413	Hawaii DWS	Kulaimano Production Well and Supporting Facilities: Replacement source for Maukaloo Spring, which is contaminated with atrazine.		Dec-09	\$ 2,500,000
8	110	DW214-0006	#214 DWS Lahaina	17,967	Maui DWS	Honokahua Well "A" GAC Treatment: Installation of Granular Activated Carbon Adsorption System to provide treatment for the removal of DBCP from well serving Mahinahina (Lahaina) system.		FY-12	\$ 2,500,000
9	105	DW233-0001	#233 DWS Ualapue	1,001	Maui DWS	Ualapue Well Replacement: Installation of replacement source for Ualapue System, which has increasing chloride levels and may be susceptible to becoming a groundwater under the influence of surface water.		FY-12	\$ 3,500,000
10	105	DW413-0003	#400 DW Lihue-Kapaa	30,000	Kauai DW	Job No. 02-24, WK-02 Akulikuli Tunnel Repairs: Repairs to tunnel source, which has possible indication of surface water influence.		FY2010	\$ 5,000,000
11	90	DW161-0002	#161 DWS Haina	1,790	Hawaii DWS	Ahualoa-Honokaa Transmission Waterline: Construct a waterline from the proposed Ahualoa production well to the Haina system to help transport the new groundwater source to the system. Replace existing pipeline prone to breaks and leaks.		Dec-09	\$ 5,787,300

* Projects with binding commitments indicated in "CONSTRUCTION START DATE" column

**Combination projects are ranked below the lowest ranked individual project within the combination project

Appendix B
DWSRF Priority List of Projects for SFY 2010

No.	Pts	DWSRF Proj No.	Public Water System	Population	Owner	Project (Name and Description)	ARRA Green Project Reserve Type	Expected Construction Start Date	Estimated Construction Cost
12	90	DW217-0004	#217 DWS Hana	1,122	Maui DWS	Hamoia to Koali Waterline Project: Replace 2,000 LF of inadequate and leaking pipeline with 8-in waterline to serve the Koali area of Hana.		Jul-09	\$ 1,000,000
13	90	DW403-0001	#403 DW Hanalei	1,023	Kauai DW	Job No. 02-17, H-01, H-02, H-03, H-010, Rehabilitation of Maka Ridge Deep Well, Tank Pipeline and Roadway: Rehabilitate Maka Ridge deep well control building, tank walls, and roof. Replace 3650-ft of 8-in pipeline & improve road.		Jun-09	\$ 2,000,000
14	90	DW415-0002	#415 DW Haena-Wainiha	1,120	Kauai DW	Job No. 03-02, HW-02, HW-03, Haena Steel Tank and Wainiha Booster Pump Renovations: Replace booster pump station and approximately 550 LF of 8-in asbestos cement waterline with ductile iron pipes.		Dec-09	\$ 2,000,000
15	90	DW406-0005	#406 DW Kekaha-Waimea	5,135	Kauai DW	Kaumuali'i Highway 12-inch Main Replacement Elepaio Road to Huakai Road, Job No. 05-04, KW-27, Kekaha-Waimea, Kaua'i, Hawaii: Install 7,200 lineal feet of 12-inch DI waterline to replace existing 8-inch AC waterline.		Apr-09	\$ 4,273,423
16	90	DW406-0002	#406 DW Kekaha-Waimea	5,135	Kauai DW	Waimea Canyon Drive Main Replacement: PhI: Waimea Canyon Drive 12" main replacement and PhII: Kaumuali Hwy 6" main replacement. ***ARRA***	Water Efficiency	Jun-09	\$ 3,500,000
17	90	DW406-0007	#406 DW Kekaha-Waimea	5,135	Kauai DW	Job 05-01, KW-16, Waimea Main Replacement: Installation of new 12-in, 8-in, 6-in, 4-in, and 3-in DI and PVC waterlines with fire hydrants, valves, service connections and AC paving. ***ARRA***	Water Efficiency	Nov-09	\$ 3,500,000
18	90	DW366-0001	#366 BWS Waialeale-Sunset Beach	5,203	Hon BWS	Kamehameha Highway-Sunset Beach Water System Improvements, Parts I & IV: Install 16" mains & appurtenances from booster station to Sunset Beach 206 Reservoir Access Rd - approximately 5,300 LF & from Kahae Rd to Pupukea Rd - approximately 3,800 LF.		FY-10	\$ 5,700,000
19	90	DW366-0002	#366 BWS Waialeale-Sunset Beach	5,203	Hon BWS	COMSAT Access Road Water System Improvements, Phase B: Install 3" mains & appurtenances along Comsat Access Rd - approx 2,450 LF & two 4" electrical conduits & appurtenances - approx 1,750 LF.		FY-07	\$ 1,000,000
20	90	DW404-0003	#404 DW Hanapepe - Eleele	4,430	Kauai DW	Job No. 02-08, HE-08, Rehabilitate Twin 0.4 Steel Tanks, 'Ele'ele Water System: Refurbish leaking and deteriorating tanks, reroof, repair interior and exterior walls and floors (2-0.4 MG tanks).		Dec-09	\$ 2,000,000

* Projects with binding commitments indicated in "CONSTRUCTION START DATE" column

**Combination projects are ranked below the lowest ranked individual project within the combination project

Appendix B
DWSRF Priority List of Projects for SFY 2010

No.	Pts	DWSRF Proj No.	Public Water System	Population	Owner	Project (Name and Description)	ARRA Green Project Reserve Type	Expected Construction Start Date	Estimated Construction Cost
21	90	DW434-0003	#434 DW Kalaheo	6,277	Kauai DW	Waha, Wawae, and Niho Roads Main Replacement, Job No. 05-07, K-07, LO-13, at Kalaheo, Kaua'i, Hawaii: Replace approximately 5,400 linear feet of 6-inch and 2,400 linear feet of 8-inch ductile iron waterlines along Wawae, Niho and Waha Roads, including one pressure reducing valve station along Waha Road.		May-09	\$ 1,826,000
22	90	DW434-0002	#434 DW Kalaheo	6,277	Kauai DW	Job No. 09-01, K-01, Phase I Kalaheo Nursery Tank Replacement and Booster Pump Station (2-200 GPM): Refurbish leaking and deteriorating tank, reroof, repair interior and exterior walls and floor.		Jan-10	\$ 1,000,000
23	90	DW247-0006	#247 DWS Lower Kula	3,213	Maui DWS	Middle and Lower Omaopio Road Tanks Replacements: Construct a 20,000 gallon and 40,000 gallon tanks to replace existing corroded tanks.		Dec-09	\$ 400,000
24	90	DW215-0004	#215 DWS Upper Kula	6,600	Maui DWS	Olinda Water Treatment Plant - Relining of the 8.5 MG Sedimentation Basin: Replace the existing leaking lining of the sedimentation basin. Joints along the concrete floor and walls will be repaired.		Jul-09	\$ 1,500,000
25	90	DW332-0004	#332 BWS Waiialua	12,399	Hon BWS	Kamehameha Highway 8-inch Mains (Haleiwa): Install 8" main & appurtenances along Kamehameha Hwy & Lokoea Rd - approx 5,650 LF & 2-1/2-in copper service main along Anahulu PI - approx 230 LF.		Jun-09	\$ 3,200,000
26		DW3CA - 0003**			Hon BWS	Honolulu Combination ARRA Projects 3: This project combines three ARRA projects found in the DWSRF Priority List of Projects for SFY 2009: Pacific Heights Water System Improvement, Part I (DW331-0034), Kapahulu Water System Improvements Part III (DW331-0036), and Kamehameha Highway 8-inch Mains (Haleiwa) (DW332-0004).		Jun-09	\$ 7,933,391
27	90	DW413-0007	#400 DW Lihue-Kapaa	30,000	Kauai DW	Pipeline Replacement, Kapaa Homesteads: Wailua-Kapaa Water System; Kapaa, Kauai, HI - Pipeline Replacement - 30,150+LF.		Dec-09	\$ 9,000,000
28	90	DW412-0003	#400 DW Lihue-Kapaa	30,000	Kauai DW	Job No. 97-1, PLH-02, Kokolau Intake Facility and Pipeline Replacement: Upgrade of intake facility along with repairs and renovation of the existing 15-in connecting waterline for the Lihue Water System.		FY2010	\$ 5,000,000
29	90	DW413-0008	#400 DW Lihue-Kapaa	30,000	Kauai DW	Job No. 02-15, WK28, Wailua Houselots Main Replacement: Wailua-Kapaa Water System, Wailua, Kauai, HI - Pipeline Replacement - 10,170+LF.		Jan-10	\$ 5,000,000

* Projects with binding commitments indicated in "CONSTRUCTION START DATE" column

**Combination projects are ranked below the lowest ranked individual project within the combination project

Appendix B
DWSRF Priority List of Projects for SFY 2010

No.	Pts	DWSRF Proj No.	Public Water System	Population	Owner	Project (Name and Description)	ARRA Green Project Reserve Type	Expected Construction Start Date	Estimated Construction Cost
30	90	DW400-0002	#400 DW Lihue-Kapaa	30,000	Kauai DW	Job 04-04, PLH-09, Pipeline Replacement for Lihue Town: Installation of new 8-in, 6-in, and 4-in DI waterlines with fire hydrants, valves, service connections, and AC paving. ***ARRA***	Water Efficiency	Jun-09	\$ 3,500,000
31		DW4CA-0001**			Kauai DW	Kauai Combination ARRA Projects 1: This project combines two ARRA projects found in the DWSRF Priority List of Projects for SFY 2009: Job 04-04, PLH-09, Pipeline Replacement for Lihue Town (DW400-0002) and Job 05-01, KW-16, Waimea Main Replacement (DW406-0007).		Sep-09	\$ 5,253,847
32		DW4CA-0002**			Kauai DW	Kauai Combination ARRA Projects 2: This project combines two ARRA projects found in the DWSRF Priority List of Projects for SFY 2009: Job 04-04, PLH-09, Pipeline Replacement for Lihue Town (DW400-0002) and Waimea Canyon Drive Main Replacement (DW406-0002).		Sep-09	\$ 5,287,792
33		DW4CA-0003**			Kauai DW	Kauai Combination ARRA Projects 3: This project combines three ARRA projects found in the DWSRF Priority List of Projects for SFY 2009: Job 04-04, PLH-09, Pipeline Replacement for Lihue Town (DW400-0002), Waimea Canyon Drive Main Replacement (DW406-0002) and Job 05-01, KW-16, Waimea Main Replacement (DW406-0007).		Sep-09	\$ 8,592,027
34	90	DW412-0002	#400 DW Lihue-Kapaa	30,000	Kauai DW	Puhi Well No. 2 & 3 CO2 Removal: Installation of forced draftway aeration with the use of existing soda ash system for stabilizing the stripped water (Lead and Copper Rule).		May-10	\$ 305,000
35	90	DW213-0008	#213 DWS Makawao	27,642	Maui DWS	Kamole Water Treatment Plant High Lift Pumps: Replace four pumps and electrical equipment to provide a reliable pumping system to Makawao and Upcountry areas.		Dec-09	\$ 3,000,000
36	90	DW213-0006	#213 DWS Makawao	27,642	Maui DWS	Makawao Waterline Improvements- Ai Street, Kehau, Mole, & Malu Place: Replace 2,951 LF of leaking waterlines with 1,960 LF of 8-in pipe, 166 LF of 4-in pipe, and 825 LF of 24-in pipe to provide adequate service to Makawao and Pukalani areas. ***ARRA***	Water Efficiency	Sep-09	\$ 1,100,000
37	90	DW130-0004	#130 DWS South Kohala	12,109	Hawaii DWS	Waimea Water Treatment Plant Sludge Drying Beds: Sludge disposal system for compliance with Filter Backwash Recycling Rule.		Jul-08	\$ 5,000,000

* Projects with binding commitments indicated in "CONSTRUCTION START DATE" column

**Combination projects are ranked below the lowest ranked individual project within the combination project

Appendix B
DWSRF Priority List of Projects for SFY 2010

No.	Pts	DWSRF Proj No.	Public Water System	Population	Owner	Project (Name and Description)	ARRA Green Project Reserve Type	Expected Construction Start Date	Estimated Construction Cost
38	90	DW212-0006	#212 DWS Wailuku	61,346	Maui DWS	Kihei Road Waterline Replacement (Waiakoa Stream to Ohukai Road): Install approximately 3,300 lineal feet of 12-inch waterline, fire hydrants and water services along S. Kihei Road (Waiakoa Stream to Ohukai Road). ***ARRA***	Water Efficiency	Jun-09	\$ 2,500,000
39	90	DW212-0003	#212 DWS Wailuku	61,346	Maui DWS	Vineyard Street Waterline Replacement: Install approximately 2,600 LF of waterlines with new 12-in waterlines within a portion of Wailuku. ***ARRA***	Water Efficiency	Jun-09	\$ 2,000,000
40	90	DW212-0004	#212 DWS Wailuku	61,346	Maui DWS	Maui Meadows Booster Pump Station Improvements: Replace three existing booster pumps and electrical equipment and improve efficiency by integrating pump controls with adjacent pump station.		Jul-09	\$ 1,500,000
41	90	DW212-0005	#212 DWS Wailuku	61,346	Maui DWS	Ainaola Place Waterline Replacement: Replace 1,600 LF of leaking and inadequate waterlines with new 8-in waterline to a portion of Wailuku.		Jul-09	\$ 1,200,000
42	90	DW212-0007	#212 DWS Wailuku	61,346	Maui DWS	Lower Paia Water Tank Replacement: Construct 300,000 gallon tank to replace existing corroded 100,000 gallon tank.		Aug-09	\$ 700,000
43	90	DW214-0010	#214 DWS Lahaina	17,967	Maui DWS	Lahaina Water Treatment Plant - Backwash Recovery: Construct facilities at the water treatment plant to treat filter backwash water to potable water quality.		Apr-10	\$ 1,500,000
44	90	DW331-0027	#331 BWS Honolulu-Windward-Pearl Harbor	648,487	Hon BWS	Kalihi Water System Improvements, Part I: Install 8" mains & appurtenances along Middle St - approx 2,200 LF; 8" and 4" mains & appurtenances along Kamehameha IV Rd - approx 12,600 LF; 2-1/2" main & appurtenances along Laniuma Rd - approx 2,875 LF.		FY-09	\$ 8,250,000
45	90	DW331-0036	#331 BWS Honolulu-Windward-Pearl Harbor	648,487	Hon BWS	Kapahulu Water System Improvements Part III: Install 8-in main along Hinano St. and Makini St. from Leahi Ave to Campbell Ave.; along Hollinger St. and Lakimau St. from Leahi Ave. to Kanaina Ave.; along Kanaina Ave. from Kapahulu Ave. to Kaunaoa St., and along George Street and Hayden Street from Kanaina Avenue to Campbell Avenue. Total length is 7,735 LF. ***ARRA***	Water Efficiency	Jun-09	\$ 2,500,000

* Projects with binding commitments indicated in "CONSTRUCTION START DATE" column

**Combination projects are ranked below the lowest ranked individual project within the combination project

Appendix B
DWSRF Priority List of Projects for SFY 2010

No.	Pts	DWSRF Proj No.	Public Water System	Population	Owner	Project (Name and Description)	ARRA Green Project Reserve Type	Expected Construction Start Date	Estimated Construction Cost
46	90	DW331-0030	#331 BWS Honolulu-Windward-Pearl Harbor	648,487	Hon BWS	Kaimuki Water System Improvements, Part I: Install 8" mains & appurtenances along Maunaloa Ave, Kaimuki Ave, Pahoa Ave, 17th Ave, 18th Ave, 19th Ave & 20th Ave - approx 9,850 LF		FY-11	\$ 2,500,000
47	90	DW331-0034	#331 BWS Honolulu-Windward-Pearl Harbor	648,487	Hon BWS	Pacific Heights Water System Improvements, Part I: Install 12-inch main and appurtenances along Pacific Heights Road from Haili Road to Pacific Heights 578 Reservoir. Install 8-inch main and appurtenances along Pacific Heights Road from Pacific Heights 915 Reservoir to Pacific Heights 578 Reservoir. Install 4-inch main and appurtenances along Pacific Heights Road from the 8-inch main near Von Hamm Place to the end of the 4-inch main near TMK 2-2-023:038. ***ARRA***	Water Efficiency	May-09	\$ 2,500,000
48		DW3CA-0001**			Hon BWS	Honolulu Combination ARRA Projects 1: This project combines two ARRA projects found in the DWSRF Priority List of Projects for SFY 2009: Pacific Heights Water System Improvement, Part I (DW331-0034) and Kapahulu Water System Improvements Part III (DW331-0036).		Jun-09	\$ 5,261,775
49	90	DW331-0033	#331 BWS Honolulu-Windward-Pearl Harbor	648,487	Hon BWS	Kakaako Water System Improvement: Install 8-inch mains and appurtenances along Halekauwila Street from Richards Street to Keawe Street; along Keawe Street from Auahi Street to Queen Street; and along Pohukaina Street from Punchbowl Street to South Street.		FY-10	\$ 2,300,000
50	90	DW331-0037	#331 BWS Honolulu-Windward-Pearl Harbor	648,487	Hon BWS	Kamehameha Highway 8-inch Mains (Kaneohe): Install 8-in, 4-in mains and appurtenances along Kamehameha Hwy from Keole St. to Likelike Hwy; along Pahia Rd. from Kamehameha Hwy. to Laulea Pl.; along Meli Pl. from Kamehameha Hwy to end; along Laulea Pl. from Keole St. - approx. 4,300 LF		Jun-09	\$ 2,000,000
51		DW3CA-0002**			Hon BWS	Honolulu Combination ARRA Projects 2: This project combines three ARRA projects found in the DWSRF Priority List of Projects for SFY 2009: Pacific Heights Water System Improvement, Part I (DW331-0034), Kapahulu Water System Improvements Part III (DW331-0036), and Kamehameha Highway 8-inch Mains (Kaneohe) (DW331-0037).		Jun-09	\$ 7,211,364

* Projects with binding commitments indicated in "CONSTRUCTION START DATE" column

**Combination projects are ranked below the lowest ranked individual project within the combination project

Appendix B
DWSRF Priority List of Projects for SFY 2010

No.	Pts	DWSRF Proj No.	Public Water System	Population	Owner	Project (Name and Description)	ARRA Green Project Reserve Type	Expected Construction Start Date	Estimated Construction Cost
52		DW3CA-0004**			Hon BWS	Honolulu Combination ARRA Projects 4: This project combines four ARRA projects found in the DWSRF Priority List of Projects for SFY 2009: Pacific Heights Water System Improvement, Part I (DW331-0034), Kapahulu Water System Improvements Part III (DW331-0036), Kamehameha Highway 8-inch Mains (Haleiwa) (DW332-0004), and Kamehameha Highway 8-inch Mains (Kaneohe) (DW331-0037).		Jun-09	\$ 9,882,980
53	90	DW331-0035	#331 BWS Honolulu-Windward-Pearl Harbor	648,487	Hon BWS	Wilhemina Rise Water System Improvements, Part III: Install 12-inch, 8-inch and 2-1/2-inch mains and appurtenances along Wilhemina Rise from Anuhea Street to Matsonia Drive and along Kawelolani Place from Wilhemina Rise to 300 feet west of Wilhemina Rise.		Jun-08	\$ 1,760,000
54	90	DW331-0040	#331 BWS Honolulu-Windward-Pearl Harbor	648,487	Hon BWS	Kuliouou Line Booster Improvements: Install system improvements at critical line booster station		Jun-09	\$ 1,750,000
55	90	DW331-0032	#331 BWS Honolulu-Windward-Pearl Harbor	648,487	Hon BWS	Maunalaha Homesites Water System Improvements: Install 8" mains & appurtenances along Round Top Dr - approx 1,500 LF & 8, 6, & 2-1/2" mains & appurtenances along Maunalaha Rd - approx 1,805 LF.		Sep-08	\$ 1,200,000
56	90	DW331-0038	#331 BWS Honolulu-Windward-Pearl Harbor	648,487	Hon BWS	Kealakaha Dr., Pooholua Dr., and Waipao Pl 8-in Mains: Install 8-in mains and along the entire length of Pooholua Dr., Kealakaha Dr., and Waipao Pl., approx. 3,750 LF.		Jun-09	\$ 1,100,000
57	90	DW331-0029	#331 BWS Honolulu-Windward-Pearl Harbor	648,487	Hon BWS	Manulani Street & Mowai Street 8-inch Mains: Install 8" mains & appurtenances along Manulani St, Manulani Pl, & Mowai St - approx 3,500 LF		FY-09	\$ 900,000
58	80	DW234-0003	#234 DWS Kaunakakai	3,384	Maui DWS	Kaunakakai-Kawela System Well 2: New well to replace/supplement shallow well for water quality.		FY-12	\$ 2,000,000

* Projects with binding commitments indicated in "CONSTRUCTION START DATE" column

**Combination projects are ranked below the lowest ranked individual project within the combination project

Appendix B
DWSRF Priority List of Projects for SFY 2010

No.	Pts	DWSRF Proj No.	Public Water System	Population	Owner	Project (Name and Description)	ARRA Green Project Reserve Type	Expected Construction Start Date	Estimated Construction Cost
59	80	DW133-0002	#133 DWS Kukuihaele	480	Hawaii DWS	Kapulena Well Development Phase 1: Construct well to replace Waiulili Springs (a GWUDI source) and the existing Kukuihaele Well (low sustainable yield ~ 50 gpm and high total chloride levels) with a new groundwater source. Project includes new 0.3 MG reservoir and new waterlines to connect the Kapulena Well with the existing Kukuihaele reservoir (0.1 MG) and also provide fire protection. ***ARRA***		Sep-09	\$ 4,584,500
60	80	DW406-0003	#406 DW Kekaha-Waimea	5,135	Kauai DW	Kapilimao 0.5 MG Tank: Construct new 0.5 MG tank and approximately 1,500' of 12" ductile iron pipe.		Feb-09 *	\$ 3,500,929
61	80	DW409-0002	#409 DW Lawai-Omao	3,519	Kauai DW	Job No. 02-02, LO-04, Piwai 0.5 MG Tank: Construct new 0.50 MG tank at 677.		Dec-09	\$ 3,500,000
62	80	DW218-0002	#218 DWS Honokohau	42	Maui DWS	Honokohau Water Source Replacement: Installation of a new well or treatment facility to replace source for the Honokohau system.		FY-12	\$ 1,500,000
63	80	DW247-0005	#247 DWS Lower Kula	3,213	Maui DWS	Upper Omaopio Road Tank Replacement: Construct a 250,000 gallon tank to replace the undersized 12,000 gallon tank.		Dec-09	\$ 700,000
64	80	DW215-0003	#215 DWS Upper Kula	6,600	Maui DWS	Waikamoi Flume Repair/Replacement: Repair or replace deteriorated wooden flume from surface water intakes to Waikamoi Dam, approximately 0.5 miles.		FY-11	\$ 3,000,000
65	80	DW215-0006	#215 DWS Upper Kula	6,600	Maui DWS	West Olinda Tank Replacement: Construct a 300,000 gallon tank to replace the existing 50,000 gallon tank to provide the required storage capacity to reduce booster pump cycling. ***ARRA***		Jun-09	\$ 2,000,000
66		DW2CA-0001**			Maui DWS	Maui Combination ARRA Projects 1: This project combines three ARRA projects found in the DWSRF Priority List of Projects for SFY 2009: Vineyard Street Waterline Replacement (DW212-0003), Kihei Road Waterline Replacement (Waiakoa Stream to Ohukai Road) (DW212-0006), and West Olinda Tank Replacement (DW215-0006).		Sep-09	\$ 3,668,846
67		DW2CA-0002**			Maui DWS	Maui Combination ARRA Projects 2: This project combines four ARRA projects found in the DWSRF Priority List of Projects for SFY 2009: Vineyard Street Waterline Replacement (DW212-0003), Kihei Road Waterline Replacement (Waiakoa Stream to Ohukai Road) (DW212-0006), West Olinda Tank Replacement (DW215-0006), and Makawao Waterline Improvements- Ai Street, Kehau, Mole, & Malu Place (DW213-0006).		Sep-09	\$ 5,868,846

* Projects with binding commitments indicated in "CONSTRUCTION START DATE" column

**Combination projects are ranked below the lowest ranked individual project within the combination project

Appendix B
DWSRF Priority List of Projects for SFY 2010

No.	Pts	DWSRF Proj No.	Public Water System	Population	Owner	Project (Name and Description)	ARRA Green Project Reserve Type	Expected Construction Start Date	Estimated Construction Cost
68	80	DW215-0005	#215 DWS Upper Kula	6,600	Maui DWS	East Olinda Tank Replacement: Construct a 120,000 gallon tank to replace the old 25,000 gallon tank to provide adequate storage to the service area of the tank.		Feb-10	\$ 720,000
69	80	DW214-0011	#214 DWS Lahaina	17,967	Maui DWS	Mahinahina Water Treatment Plant- Ditch Intake Screen: Install a mechanical debris remover (traveling screen) at the intake of the raw water reservoir to prevent debris from the Honolua Ditch from entering the reservoir.		Jul-09	\$ 350,000
70	80	DW331-0022	#331 BWS Honolulu-Windward-Pearl Harbor	648,487	Hon BWS	Waialae 180 Reservoir Replacement (3.0 MG): Demolish existing 1.0 MG reservoir and replace with 3.0 MG reservoir.		Dec-10	\$ 9,000,000
71	80	DW331-0023	#331 BWS Honolulu-Windward-Pearl Harbor	648,487	Hon BWS	Kalama 400 Reservoir (1.0MG) and Kalama 170 Booster Station: Install reservoir and booster station to balance system.		Dec-08	\$ 4,500,000
72	80	DW331-0039	#331 BWS Honolulu-Windward-Pearl Harbor	648,487	Hon BWS	Kaluanui Wells Renovation: Replace motor control center, electrical conduits, power cables, and wiring.		Jun-09	\$ 2,500,000
73	55	DW108-0001	#108 DWS Waiohinu-Naalehu	2,829	Hawaii DWS	Waiohinu Well (Replace Mountain House Tunnel & Hao Spring): Replacement source for Mountain House Tunnel & Hao Springs, which are not reliable during drought & indication of possible surface water influence.		Jul-06	\$ 2,000,000
74	55	DW130-0005	#130 DWS South Kohala	12,109	Hawaii DWS	Ahualoa Well Development - Phase 2 (Production Well and 1.0 MG Reservoir): Well development to replace Kohakohau Stream, a surface water source and construction of 1.0 MG Reservoir. ***ARRA***		Jun-09	\$ 7,500,000
75		DW1CA-0001**			Hawaii DWS	Hawaii Combination ARRA Projects 1: This project combines two ARRA and base SRF projects found in the DWSRF Priority List of Projects for SFY 2009: Ahualoa Well Development - Phase 2 (Production Well and 1.0 MG Reservoir) (DW130-0005) and Kapulena Well Development Phase 1 (DW133-0002).		Jul-Dec 09	\$ 5,922,200

* Projects with binding commitments indicated in "CONSTRUCTION START DATE" column

**Combination projects are ranked below the lowest ranked individual project within the combination project

Appendix B
DWSRF Priority List of Projects for SFY 2010

No.	Pts	DWSRF Proj No.	Public Water System	Population	Owner	Project (Name and Description)	ARRA Green Project Reserve Type	Expected Construction Start Date	Estimated Construction Cost
76		DW1CA-0002**			Hawaii DWS	Hawaii Combination ARRA Projects 2: This project combines two ARRA and base SRF projects found in the DWSRF Priority List of Projects for SFY 2009: Ahualoa Well Development - Phase 2 (Production Well and 1.0 MG Reservoir) (DW130-0005) and Halaula Well Development Phase 1 (DW129-0001).		Jul-Dec 09	\$ 6,942,200
77		DW1CA-0003**			Hawaii DWS	Hawaii Combination ARRA Projects 3: This project combines three ARRA and base SRF projects found in the DWSRF Priority List of Projects for SFY 2009: Ahualoa Well Development - Phase 2 (Production Well and 1.0 MG Reservoir) (DW130-0005), Halaula Well Development Phase 1 (DW129-0001), and Kapulena Well Development Phase 1 (DW133-0002).		Jul-Dec 09	\$ 8,192,200

* Projects with binding commitments indicated in "CONSTRUCTION START DATE" column

**Combination projects are ranked below the lowest ranked individual project within the combination project

APPENDIX C
DWSRF PROJECT RATING CRITERIA

APPENDIX C

DWSRF PROJECT RATING CRITERIA

1. **Projects to Correct Acute Health Problems (Only ONE problem will be credited within this category.)**
 - a. Waterborne disease outbreak. 100
 - b. Surface Water Treatment Rule compliance
(includes groundwater determined by DOH to be under the
direct influence of surface water or GWUDI) 100
 - Total Coliform Rule compliance.
 - Fecal coliforms 100
 - Total coliforms 80
 - c. Nitrate or Nitrite 100
 - d. Indication of possible surface water influence to a ground water source through Giardia,
Cryptosporidium, microscopic particulate analyses, etc. While the evidence may not be conclusive
enough for DOH to make a determination, the water utility has decided to correct the potential
problem. 25
2. **Projects to Correct Chronic Health Problems (Only ONE problem will be credited within this category.)**
 - a. Lead & Copper Rule (90th percentile values).
 - Lead Action Level (0.015 mg/L) exceedance. 80
 - Copper Action Level (1.3 mg/L) exceedance. 60
 - b. Organic Chemical 80
 - c. Inorganic Chemical 80
 - d. Project to address a currently unregulated or any other contaminant not addressed above. 60
 - e. Infrastructure improvements or replacements to provide safe drinking water. These include
installation, replacement, or rehabilitation of eligible water sources, treatment facilities and
processes, pumps, storage, transmission and distribution piping, and other eligible infrastructure
needs. 50

3. **Other Public Health Criteria (A maximum of 50 points can be accumulated in this category.)**
- a. All water sources serving the system are affected by the same health problem being corrected. 25
 - b. The public water system has taken interim steps to temporarily resolve the water quality problem and has committed to a definitive, long-term solution. 25

4. **Incentives (A maximum of 50 points can be accumulated in this category.)**

Program Incentives

- a. Small system ($\leq 10,000$) consolidation.
Project will protect public health by supplying safe drinking water from a qualified local government or a water authority within a certified government to an existing, privately-owned public water system that demonstrates or may demonstrate non-compliance with the current or future state and federal drinking water regulations. 50
- b. Required Phase II and V monitoring is up-to-date. 10
- c. DOH approved Cross-Connection Control program with testing. 10
- d. Water Conservation Program. 10
- e. DOH approved Wellhead Protection or Source Water Assessment program(s). 10

Project Incentives

- a. The project is required as part of a DOH compliance order.
 - Violation incurred before July 1, 1997. 25
 - Violation incurred on or after July 1, 1997. 15
- b. Sustainable Infrastructure or Energy Efficiency 10
Projects that incorporate measures promoting sustainability or energy conservation, such as solar power generation, waterline replacements, high efficiency pumps, and leak detection equipment.

Note: Projects involving the refinancing of existing debt will receive a preliminary score using the same criteria as current construction projects. The preliminary score will then be divided by one thousand (1,000) to determine the refinancing project's final point total for the Priority List.

Ties: The procedure to be used for breaking ties between projects will be as follows:

1. If the tie is between public water systems with service populations greater than 10,000 persons (large public water system) and public water systems with service populations of 10,000 or fewer persons (small public water system), the small water systems will be given the higher priority.
2. For small public water systems, the tie will be broken through the evaluation of the affected population's Median Household Income. The higher priority will be assigned to the public water system with the lowest Median Household Income. Where this fails to clearly determine project

rank, the highest priority will be assigned to the project, which exhibits the highest cost per person, based on the system's population.

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

APPENDIX D
FEDERAL CAPITALIZATION GRANT PAYMENT SCHEDULE
FOR FFY 2010 AND 2011

Appendix D

FEDERAL CAPITALIZATION GRANT PAYMENT SCHEDULE FOR FFY 2010 AND 2011

DWSRF Payments:		Fiscal Year 2010				Fiscal Year 2011			
		<----- QTR 1	QTR 2	QTR 3	-----> QTR 4	<----- QTR 1	QTR 2	QTR 3	-----> QTR 4
Total Set Asides:	1,221,900	0	0	0	0	1,221,900	0	0	0
DWSRF Loans:	6,924,100	0	0	0	0	0	2,308,033	2,308,033	2,308,034
Total for the quarter:		0	0	0	0	1,221,900	2,308,033	2,308,033	2,308,034
Total Ceiling:	8,146,000	0	0	0	0	1,221,900	3,529,933	5,837,966	8,146,000

APPENDIX E
NOTICE OF PUBLIC PARTICIPATION & INPUT

APPENDIX E

NOTICE OF PUBLIC PARTICIPATION & INPUT

I. Public Notice Activity

Pursuant to 40 CFR 35.3150, a notice of public participation and input was published in the Honolulu Star-Bulletin, the Hawaii Tribune-Herald, the West Hawaii Today, the Maui News, and the Garden Isle newspapers on August 24, 2009, to consider the proposed Drinking Water Treatment Revolving Fund Intended Use Plan (IUP) for The State of Hawaii Fiscal Year (SFY) 2010 and The Federal Fiscal Year (FFY) 2009 Appropriation (Docket No. 09-SDW-SRF-01). The public comment period was established from August 24, 2009 to September 22, 2009.

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

Public comments were received from the County of Hawaii, Department of Water Supply, the County of Kauai, Department of Water, and the County of Maui, Department of Water Supply, requesting minor updates to their projects on the Priority List of Projects to reflect current project names and descriptions, construction cost estimates and construction start dates. These changes did not revise the ranking of projects in the Priority List of Projects.

II. Summary

The solicitation of public participation and input for this Intended Use Plan did not produce any responses which required any significant changes.


THOMAS E. ARIZUMI, P.E., CHIEF
Environmental Management Division

State of Hawaii
Notice of Public Participation and Input on the Proposed
Drinking Water Treatment Revolving Loan Fund (DWTRLF)
Intended Use Plan (IUP) for
The State of Hawaii Fiscal Year (SFY) 2010 and
The Federal Fiscal Year (FFY) 2009 Appropriation
(Docket No. 09-SDW-SRF-01)

Pursuant to Chapters 342 and 91, Hawaii Revised Statutes, Section 101(e) of Public Law 92-500 and the U.S. Environmental Protection Agency Regulations, 40 CFR 35.2015, notice is hereby given that a public comment period is being initiated to allow public participation and input on the Intended Use Plan for SFY 2010.

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 2010, approximately \$8,146,000 is expected to be allocated to the State of Hawaii. In order to utilize the federal and matching state revolving funds, proposed projects must be prioritized and listed in the *DWSRF Priority List of Projects for SFY 2010* (Appendix B of the Intended Use Plan).

Upon written request, a public hearing may be scheduled for any county. Requests for a public hearing must be received by the Safe Drinking Water Branch by **September 22, 2009**. If a public hearing is deemed appropriate, a second public notice will be published with the date, time and location of the public hearing.

Information regarding the Intended Use Plan may be obtained by calling or writing to the Safe Drinking Water Branch Oahu address noted below. The proposed Intended Use Plan for SFY 2010 will be on file and available for review from **August 24, 2009 to September 22, 2009** at the locations listed below. If, due to disability, you have special needs for commenting on the proposed Intended Use Plan, please contact the Safe Drinking Water Branch Oahu address noted below or call 586-4258 (voice) by **September 22, 2009**.

Oahu

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

East Hawaii

Environmental Health Facility
Department of Health
1582 Kamehameha Avenue
Hilo, Hawaii 96720
Telephone: (808) 933-0401
Contact: Theresa McGeehan-Takiue

Maui

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

Kauai

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

West Hawaii

Department of Health
Keakealani Building
79-1020 Haukapila Street, Room 110
Kealahou, Hawaii 96750
Telephone: (808) 322-1507
Contact: Paul Okuna