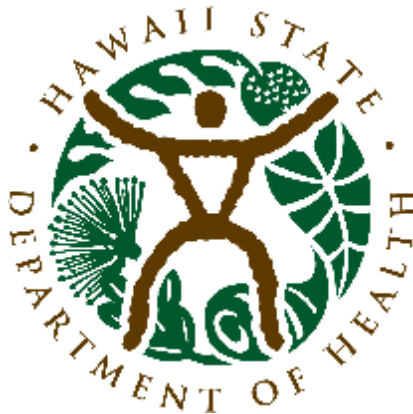


**STATE OF HAWAII
WATER POLLUTION CONTROL REVOLVING FUND**

INTENDED USE PLAN

**FOR STATE FISCAL YEAR (SFY) 2012
AND FEDERAL FISCAL YEAR (FFY) 2011 APPROPRIATION**

**Submitted to the
U.S. Environmental Protection Agency
Region 9**



**Prepared by the State of Hawaii
Department of Health Wastewater Branch
Clean Water State Revolving Fund Loan Program**

JULY 2011

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I. INTRODUCTION

As required by Section 606(c) of the Water Quality Act of 1987 (the Act), the State of Hawaii Department of Health (Department) has developed an Intended Use Plan (IUP) for state fiscal year (SFY) 2012. The IUP is submitted as part of the Department's application to the U.S. Environmental Protection Agency (EPA) for a capitalization grant under Title VI of the Act.

The primary purpose of the IUP is to identify the proposed annual intended use of federal and state funds available to Hawaii's Water Pollution Control Revolving Fund, commonly referred to as the Clean Water State Revolving Fund (CWSRF). The CWSRF was initially established by the Water Quality Act of 1987. Subsequent to that, the Hawaii State Legislature passed Act 365 to create Hawaii's CWSRF Program in 1988.

Since that time, the Department has issued over \$555 million in low interest loans to Hawaii's four counties to construct much needed publicly owned wastewater and non-point source pollution control facilities throughout the state. In issuing these loans, the CWSRF Program has helped the counties save millions of dollars in interest costs.

Requirements under the FY 2011 Full-Year Continuing Appropriations Act

The federal appropriations law (P.L. 112-10), passed in the 2011 federal fiscal year carries forward requirements from the FY 2010 Appropriations Act (P.L. 111-88). These requirements include:

1. Additional subsidization

Not less than 30% of funds made available to each state for CWSRF capitalization grants shall be used by the state to provide additional subsidy to eligible recipients in the form of principal forgiveness, negative interest loans, or grants (or any combination of these), except that for the CWSRF capitalization grant appropriation, this shall only apply to the portion that exceeds \$1,000,000,000.

2. Green Project Reserve (GPR)

To the extent that there are sufficient eligible project applications, not less than 20% of the funds made available under the appropriations law shall be used by the state for projects to address green infrastructure, water or energy efficiency improvements or other environmentally innovative activities.

3. Davis-Bacon

Requirements of section 513 of the Federal Water Pollution Control Act (33 U.S.C. 1372) shall apply to the construction of treatment works carried out in whole or in part with assistance made available by a state water pollution control revolving fund as authorized by Title VI of that Act (33 U.S.C. 1381 et seq.), or with assistance made available under section 205(m) of that Act (33 U.S.C. 1285(m)), or both.

4. Reporting

States shall report quarterly in the CWSRF Benefits Reporting (CBR) system on the use of all CWSRF funds, including additional subsidization and GPR funds. The information must also be included in the Annual Report.

5. Cash Draw Ratio

The cash draw ratio (also known as proportionality) is the ratio of federal to state monies used to fund a loan. The Hawaii CWSRF is a direct loan program and will draw funds on an 83% to 17% schedule or at the required ratio to satisfy the cash draw ratio requirement.

II. PROJECT SELECTION

In order to fulfill the requirements of the federal appropriations law, a list of projects for funding consideration was compiled based on input from Hawaii's four counties. This list, entitled the *Integrated Priority List of Projects for SFY 2012*, is contained in *Appendix A*.

The projects were reviewed and ranked in accordance with project ranking criteria, shown in *Appendix B*, which awards extra points to projects meeting GPR criteria.

Meeting Additional Subsidization, GPR, and Davis-Bacon Requirements

Based on Hawaii's FY 2011 appropriation of \$11,436,000 the following requirements were established per EPA memorandum dated 5/6/11:

	Required Amount	Actual Amount
Additional Subsidization	\$1,059,727 to \$3,532,424	\$2,000,000
GPR Projects	\$2,287,200 (20%)	\$7,300,00 (64%)

The amount intended for additional subsidization falls within the acceptable range. Two counties with projects meeting the GPR requirement will receive \$1,000,000 in additional subsidization in the form of zero interest loans with principal forgiveness. The two projects involve the upgrade of wastewater pump stations in existing communities.

The GPR requirement will be satisfied by funding the *Pua Sewage Pump Station – Pump Replacement Project* and the *Countrywide Pump Station Renovations Ph. 2 Project*. Both projects involve replacing existing pumps with new energy-efficient equipment. Since pumps are the major energy-consuming component of pump stations, the pump replacements will contribute to energy efficiency and cost savings. A business case for the use of the high efficiency pumps was approved by the CWSRF Program for GPR eligibility.

The estimated cost for both projects is \$7,300,000 which is 64% of Hawaii's FY 2011 appropriation, thereby fulfilling the GPR requirement.

Appendix C lists the projects which are expected to be funded in SFY 2012. Projects receiving additional subsidization and meeting GPR criteria are shown along with associated funding

amounts. Applicants will be required to comply with Davis-Bacon requirements in order to receive CWSRF funding.

III. REPORTING REQUIREMENTS

EPA requires the reporting of environmental benefits resulting from all new projects funded via CWSRF loans. The Hawaii CWSRF Program will continue to comply with reporting requirements of the EPA Order on Environmental Benefits. This includes completion of the electronic “one-pager” for all projects that enter into a binding agreement and inclusion of a hard copy of each “one-pager” in the Annual Report to EPA.

In order to comply with the requirements of the FY 2011 Full-Year Continuing Appropriations Act, quarterly reports will be submitted via the CBR system and include information on the use of all CWSRF funds, including additional subsidization and GPR funds. This information will also be included in the Annual Report to EPA.

IV. LONG-TERM GOALS

Long-term CWSRF Program goals are as follows:

1. Provide financial assistance to fund eligible projects that help achieve compliance with federal and state water quality standards, protect Hawaii’s public health and environment from point and non-point sources of water pollution, conserve water resources by safely recycling and reusing wastewater effluent, and promote green infrastructure, sustainable infrastructure, water and energy efficiency, reduction of greenhouse gas emissions, and/or other environmentally innovative activities.
2. Ensure fiscal soundness and perpetuity of the state revolving fund.

V. SHORT-TERM GOALS

Short-term CWSRF Program goals are as follows:

1. Continue to seek federal and state funds by pursuing annual EPA capitalization grants and matching appropriations from the Hawaii State Legislature in order to maintain the program’s viability.
2. Fund projects intended to remedy documented non-compliant water quality issues, control point source and non-point source pollution sources, address issues such as watershed restoration, storm water runoff, cesspool and septic system contamination, injection wells, animal waste, solid waste landfills, underground storage tanks, and Brownfield sites, as well as projects that conserve and safely recycle wastewater effluent.
3. Fund and promote projects incorporating green infrastructure, sustainable infrastructure, water and energy efficiency, reduction of greenhouse gas emissions, and/or other environmentally innovative activities.

4. Provide loans with interest rates competitive with other financing options available to eligible applicants while still assuring that the CWSRF Program is operated in perpetuity.
5. Update program policies and information management practices as necessary to continually improve program effectiveness and efficiency.

VI. PROGRAM POLICIES

1. Project Eligibility

CWSRF project funding is available only for publicly owned facilities and systems owned by a state or county government agency. Eligible projects considered for funding must be listed on the current Integrated Priority List. All projects scheduled for CWSRF funding will be reviewed for consistency with appropriate plans developed under Sections 208, 303(e), and 319 of the Act.

- a. Point Source Projects: The CWSRF Program funds projects intent on controlling point source pollution, including the following:
 - 1) New, expanded, or rehabilitated wastewater treatment plants.
 - 2) Sludge treatment, disposal, and biosolids reuse facilities.
 - 3) New collector, trunk, and interceptor sewers.
 - 4) Septage handling, marine vessel pump out, and treatment facilities.
 - 5) Publicly-owned water reuse distribution lines and systems.
- b. Non-Point Source Projects: The CWSRF Program also funds non-point source pollution control projects determined to be eligible by the Department's Clean Water Branch, Polluted Runoff Section. This category includes the following:
 - 1) Replacement of cesspools with septic tanks, aerobic units, constructed wetlands or treatment plants.
 - 2) Equipment purchase of street sweepers and catch basin vacuum vehicles, sediment traps and basins.
 - 3) Capping and closure of municipal solid waste landfills, landfill reclamation, landfill leachate collection, storage and treatment, and landfill gas collection and control systems.
 - 4) Brownfield projects involving site assessments, underground storage tank removal and disposal, contaminated soil or sediment removal and disposal, capping wells, soil remediation, controlling stormwater runoff, and monitoring groundwater and surface water for contaminants.

2. Loan Policies

Loans for eligible projects that are generally executed in accordance with the following policies:

- a. If sufficient CWSRF funds are available, 100% of allowable project costs are financed.
- b. CWSRF loans without additional subsidization bear a simple interest rate of 0.5%. This rate is valid up until June 30, 2011, at which time the interest rate will be re-evaluated for SFY 2012.
- c. The interest rate remains fixed for the life of the loan.
- d. Amortization of the outstanding loan principal begins one year after the *Notice to Proceed* date or the final loan agreement date, whichever is later.
- e. Projects listed on the *Integrated Priority List* are selected for funding based on the project's "readiness-to-proceed" as well as its project ranking. For example, projects intended to achieve regulatory compliance receive priority and those which meet GPR criteria receive priority over those that do not.

3. Project Review

In January of each year, the CWSRF Program reviews the progress of each funded project and determines if any changes to binding documents are necessary. The program also analyzes its financial status and plans for the upcoming fiscal year.

VII. FUND STATUS

The following summary describes the source of funds, how these funds are used, and how loan fees are used to administer the CWSRF Program and support various water quality program activities. *Appendix D* provides further details on fund sources and use of funds.

Fiscal years are based on either the federal fiscal year (FFY) or the state fiscal year (SFY). The FFY runs from the start of October through the end of September, while the SFY runs from the start of July through the end of June.

1. Sources

a. FFY 2011 Federal Capitalization Grant	\$11,436,000.00
b. 2011 Hawaii State Legislature Projected Match (See <i>Appendix D.</i>)	\$3,157,000.00
c. Projected CWSRF funds uncommitted at end of SFY 2011	\$28,220,263.02
d. Projected CWSRF loan repayments during SFY 2012	\$28,334,562.91
e. Projected CWSRF investment interest for SFY 2012	\$1,519,771.13

2. Uses

a. Loans expected to be executed in SFY 2012	\$61,340,357.06
b. Projected administrative expenses (4% set aside in SFY 2012)	\$847,384.04

3. Loan Fees

On May 17, 2000, the State adopted *Hawaii Administrative Rules, Chapter 11-65, Environmental State Revolving Funds*, which established fees for loans and other financial assistance from the CWSRF Program. The present annual loan fee rate is 0.25 percent of the outstanding principal loan balance. As of July 1, 2000, the State of Hawaii is in compliance with the *Policy on Fees Charged on Assistance*.

Loan fees are classified as either “program” or “non-program” fees.

- a. Program Fees: Program fees cover administrative costs associated with Hawaii’s CWSRF Program. Administrative activities include costs associated with issuing and servicing loans, engineering services supporting the loan program, financial and legal consulting fees, and reimbursement for relevant support services from the State.

Program fees collected in SFY 2010	\$13,397.80
Actual expenses incurred in SFY 2010 based on State of Hawaii FAMIS system	-
Program fees projected for SFY 2011	\$21,504.62
Program fees projected for SFY 2012	\$23,722.20

- b. Non-Program Fees: Non-Program fees are used to conduct CWSRF and various water quality program activities. Water quality program activities include operation and maintenance inspections of wastewater pollution control facilities (45%), recycled water program activities (5.5%), biosolids program activities (11%), commercial animal feeding and processing operations (5.5%), and other supporting activities (33%).

Non-Program fees collected in SFY 2010	\$1,727,765.69
Actual expenses incurred in SFY 2010 based on State of Hawaii FAMIS system	\$1,354,395.77
Non-Program fees projected for SFY 2011	\$1,755,512.92
Non-Program fees projected for SFY 2012	\$1,647,088.82

VIII. OTHER REQUIREMENTS OF THE ACT

The following commitments are intended to meet specific requirements of the Act:

- 1) Section 602(a) - Environmental Reviews: The State of Hawaii (State) will oversee environmental reviews as provided for in *Hawaii Revised Statutes, Chapter 343, Environmental Impact Statements* and as outlined in *A Guidebook for the Hawaii State Environmental Review Process*. These procedures were adopted and outlined in the Operating Agreement and the Policy for Implementing the State Revolving Fund, as agreed upon by the Department and EPA.
- 2) Section 602(b)(2) - State Matching Funds: The State agrees to deposit into the CWSRF from state monies an amount equal to 20 percent of the amount of each EPA grant payment on or before the date on which the State receives each grant award payment.
- 3) Section 602(b)(3) - Binding Commitments: The State will enter into binding commitments for 120 percent of each quarterly payment within one year after receipt of each "Letter of Credit" increase.
- 4) Section 602(b)(4) - Expeditious and Timely Expenditures: The State will expend all funds in the CWSRF in a timely and expeditious manner.
- 5) Section 602(b)(5) - First Use for Enforceable Requirements: The State will use funds first to assure maintenance of progress toward enforceable deadlines, goals and requirements of the Water Quality Act, and compliance deadlines.
- 6) Section 602(b)(7) - State Laws and Procedures: The State agrees to expend each quarterly grant payment in accordance with its laws and procedures.
- 7) Consistency with Planning: The State agrees that it will not provide assistance to any project unless that project complies with all agreements and is consistent with plans developed under Sections 208, 303(e), 319, or 320 of the Act.

- 8) National Reporting Needs: The State agrees to provide data or information to EPA as may be required for national reports, public inquiries, or Congressional inquiries.

**APPENDIX A
HAWAII CWSRF INTEGRATED PRIORITY LIST
OF PROJECTS FOR SFY 2012**



Hawaii CWSRF Integrated Priority List of Projects for SFY12

Rank	County	Project No.	Project Name	<u>Estimated Cost</u>	<u>Estimated Construction Date</u>
1	Kauai	C150055-08	Wailua Wastewater Treatment Plant Improvements - Phase II	\$14,000,000	07/01/2013
2	Kauai	C150055-07	Wailua Wastewater Treatment Plant Improvements - Phase I	\$6,000,000	01/01/2012
3	Maui	C150054-34	Countywide Pump Station Renovations Phase 3	\$5,000,000	09/01/2012
4	Honolulu	C150046-97	Pacific Palisades Diversion Sewer Line	\$6,000,000	12/01/2015
5	Maui	C150054-35	Sheraton Wastewater Pump Station Modifications	\$1,000,000	01/01/2017
6	Hawaii	NPS0090-05	Pahala Large Capacity Cesspool Conversion	\$8,219,100	06/01/2012
7	Hawaii	NPS0072-01	Honokaa Wastewater Treatment Plant Upgrade - Phase 2	\$4,167,699	04/15/2011
8	Hawaii	NPS0090-04	Na'alehu Large Capacity Cesspool Conversion	\$5,714,925	09/01/2011
9	Maui	C150077-24	Kihei No. 16 Force Main Replacement	\$4,000,000	06/01/2016
10	Kauai	C150059-17	Islandwide Odor Control System	\$2,519,148	07/01/2015
11	Hawaii	C150080-17	North Kona Sewer and Effluent Reuse - Phase I	\$3,454,500	04/01/2011
12	Maui	C150077-19	Kihei Wastewater Pump Station No. 2 Modifications	\$1,250,000	03/01/2018
13	Hawaii	C150080-31	North Kona Sewer and Effluent Reuse - Phase 2	\$20,000,000	01/01/2013
14	Maui	C150077-21	Kihei Wastewater Pump Station No. 5 Modifications	\$1,700,000	06/01/2023
15	Hawaii	C150080-32	North Kona Sewer and Effluent Reuse - Phase 3	\$15,000,000	01/01/2014
16	Maui	C150052-38	Countywide Injection Well Rehabilitation	\$6,000,000	06/01/2010
17	Maui	C150077-20	Kihei No. 2 Force Main Replacement	\$1,700,000	06/01/2011
18	Hawaii	NPS0062-29	Hilo Scrap Metal Yard Remediation	\$1,800,000	07/01/2011
19	Maui	C150052-50	Waiehu Force Main Replacement	\$1,800,000	03/01/2017
20	Honolulu	C150051-72	Hanawai Circle Sewer Rehabilitation (SMPR 86)	\$5,000,000	12/01/2011
21	Hawaii	NPS0062-30	South Hilo Sanitary Landfill Closure	\$13,000,000	10/01/2018



Hawaii CWSRF Integrated Priority List of Projects for SFY12

Rank	County	Project No.	Project Name	<u>Estimated Cost</u>	<u>Estimated Construction Date</u>
22	Maui	C150052-55	Alamaha Wastewater Pump Station Modifications	\$5,000,000	02/01/2015
23	Honolulu	C150046-98	Waikapoki Wastewater Pump Station Upgrade	\$5,000,000	12/01/2014
24	Maui	C150054-28	Lahaina No. 3 Force Main Replacement	\$7,560,000	12/01/2011
25	Hawaii	NPS0080-26	Kailua Landfill Remediation	\$20,000,000	07/01/2012
26	Maui	C150042-41	Wailuku Force Main Replacement	\$1,500,000	01/01/2012
27	Maui	C150054-32	Napili No. 3 Force Main Replacement	\$1,800,000	03/01/2017
28	Maui	C150041-06	Kaunakakai Effluent Force Main Replacement	\$1,900,000	06/01/2016
29	Maui	C150052-34	Kaa Force Main Replacement	\$2,790,000	03/01/2010
30	Honolulu	C150051-70	Waimalu Sewer Rehabilitation/Reconstruction, Phase 1	\$50,000,000	07/01/2009
31	Maui	C150052-49	Waiehu Wastewater Pump Station Modifications	\$2,000,000	06/01/2014
32	Maui	C150052-47	Naska Force Main Replacement	\$2,400,000	03/01/2015
33	Honolulu	C150046-91	Kahanahou Wastewater Pump Station Upgrade	\$3,500,000	12/01/2014
34	Honolulu	C150046-92	Kalaheo Avenue Relief Sewer	\$10,000,000	12/01/2015
35	Maui	C150054-27	Lahaina No. 2 Force Main Replacement	\$2,160,000	06/01/2012
36	Maui	C150052-35	Kahului Force Main Replacement	\$2,800,000	01/01/2012
37	Hawaii	NPS0080-25	Waimea Landfill Remediation	\$2,200,000	07/01/2011
38	Maui	C150054-33	Napili No. 5 Force Main Replacement	\$1,620,000	06/01/2017
39	Maui	C150077-22	Kihei No. 10 Force Main Replacement	\$1,620,000	01/01/2014
40	Hawaii	NPS0080-24	Kona Scrap Metal Yard Remediation	\$1,500,000	02/01/2011
41	Honolulu	C150046-87	Kalihi/Nuuanu Area Sewer Rehabilitation Phase 1J	\$1,150,000	10/01/2011
42	Maui	C150052-48	Paia Force Main Replacement	\$5,100,000	06/01/2015



Hawaii CWSRF Integrated Priority List of Projects for SFY12

Rank	County	Project No.	Project Name	<u>Estimated Cost</u>	<u>Estimated Construction Date</u>
43	Honolulu	C150046-94	Ahuimanu Wastewater Pre-Treatment Facility Force Main	\$2,000,000	12/01/2013
44	Maui	C150054-31	Hawaiian Homes Force Main Replacement	\$2,800,000	03/01/2016
45	Honolulu	C150051-73	Waimalu Sewer Rehabilitation/Reconstruction, Phase 2	\$1,500,000	07/01/2010
46	Honolulu	C150046-95	Iwilei/Kalihi Kai Sewer Rehabilitation/Reconstruction	\$38,000,000	12/01/2013
47	Honolulu	C150046-96	Kamehameha Highway Wastewater Pump Station Upgrade	\$7,000,000	12/01/2015
48	Maui	C150041-08	Lanai EPA Consent Decree Compliance Projects	\$1,300,000	03/01/2013
49	Kauai	C150059-18	Island-wide SCADA System Upgrade	\$5,500,000	06/01/2012
50	Hawaii	C150062-37	Pua Sewage Pump Station - Pump Replacement	\$2,300,000	09/01/2011
51	Maui	C150052-40	Alamaha Force Main Replacement	\$1,260,000	03/01/2011
52	Hawaii	C150062-33	Pua Wastewater Pump Station Odor Control Renovation	\$1,000,000	07/01/2014
53	Kauai	C150050-12	Eleele Subdivision Collection System Rehabilitation	\$2,500,000	07/01/2015
54	Hawaii	C150062-18	Kalaniana'ole Avenue Interceptor System Rehabilitation (Phase II)	\$8,000,000	09/01/2011
55	Kauai	C150050-11	Eleele Wastewater Treatment Plant Improvements	\$3,000,000	06/01/2012
56	Honolulu	C150069-08	Wahiawa Recycled Water System	\$16,500,000	01/01/2016
57	Honolulu-FM	NPS00C0-27	Kapolei Corporation Yard Dewatering Facility	\$3,000,000	07/01/2010
58	Hawaii	NPS0062-21	Ainako-Aina Nani Subdivision Sewer	\$4,000,000	07/01/2014
59	Hawaii	C150062-17	Puueo Collection System	\$3,000,000	07/01/2019
60	Kauai	C150055-03	Kapaa Town-Waipouli Collection System	\$5,000,000	01/01/2016
61	Maui	C150054-13	Wahikuli Sewer System	\$4,000,000	04/01/2015
62	Kauai	C150050-15	Hanapepe Heights Collection System	\$2,300,000	01/01/2016
63	Kauai	C150059-14	Kupolo Collection System	\$7,000,000	01/01/2016



Hawaii CWSRF Integrated Priority List of Projects for SFY12

Rank	County	Project No.	Project Name	<u>Estimated Cost</u>	<u>Estimated Construction Date</u>
64	Maui	NPS0052-51	Construction of Hana Landfill Detention Pond	\$500,000	07/01/2010
65	Hawaii	C150062-27	Reed's Island Collector System	\$3,500,000	07/01/2019
66	Hawaii	C150062-12	Kalaniana'ole Avenue Collection System Phase II	\$4,000,000	07/01/2015
67	Hawaii	NPS0062-34	South Hilo Sanitary Landfill Horizontal Expansion- Quarry Feasibility/Design	\$2,500,000	08/01/2010
68	Honolulu-FM	NPS00C0-03	Ala Wai Watershed Improvement Projects	\$1,208,000	01/01/2012
69	Kauai	NPS0047-08	Phase II Lateral Expansion Cell 1 Baseline Construction, Kekaha Sanitary Landfill, Kauai, Hawaii	\$9,000,000	05/01/2009
70	Hawaii	C150080-34	Ainako Interceptor, Phase II	\$3,000,000	07/01/2014
71	Maui	C150052-57	Maui Meadows Sewer System	\$12,000,000	03/01/2017
72	Maui	C150052-20	Waiko Road Subdivision Sewer System	\$1,250,000	01/01/2017
73	Honolulu-FM	NPS00C0-05	DFM Road Division Equipment for Stream Cleaning and Maintenance	\$2,000,000	07/01/2010
74	Honolulu	C150046-99	Ewa Beach Sewers, Section 4, Improvement District	\$22,000,000	12/01/2013
75	Hawaii	C150062-14	Wailoa Forcemain Replacement	\$7,000,000	07/01/2015
76	Hawaii	C150062-16	Kaumana Gardens Sewer	\$5,000,000	07/01/2013
77	Maui	C150052-56	Maluhia Beach Lots Sewer System	\$750,000	03/01/2014
78	Hawaii	C150080-35	Kalaniana'ole Collector, Phase II	\$4,000,000	07/01/2015
79	Honolulu-FM	NPS00C0-04	DFM Road Division Baseyard Improvements	\$10,000,000	07/01/2010
80	Maui	NPS0052-52	Construction of Phase IV Final Closure at Central Maui Landfill	\$2,250,000	07/01/2010
81	Honolulu	C150046-89	Aliamanu No. 1 and No. 2 Wastewater Pump Station Force Mains/Alternatives	\$4,000,000	12/01/2017
82	Honolulu	C150046-90	Heeia Wastewater Pump Station Improvements	\$3,000,000	12/01/2014
83	Hawaii	C150080-30	Hale Halawai Wastewater Pump Station Force Main Replacement	\$2,500,000	07/01/2018
84	Hawaii	C150062-31	Lanikai Wastewater Pump Station Force Main Replacement	\$4,000,000	07/01/2014



Hawaii CWSRF Integrated Priority List of Projects for SFY12

Rank	County	Project No.	Project Name	<u>Estimated Cost</u>	<u>Estimated Construction Date</u>
85	Hawaii	C150062-35	Modify Septage Station at Hilo Wastewater Treatment Plant	\$1,600,000	07/01/2013
86	Maui	NPS0052-54	3,000 Gallon Diesel Tank	\$400,000	07/01/2009
87	Honolulu	C150046-62	Ala Moana/Kapiolani Trunk Sewer Replacement/Rehabilitation	\$8,000,000	05/01/2011
88	Honolulu-FM	NPS00C0-06	NPDES Storm Drain Cleaning and Street Sweeping Equipment	\$1,800,000	07/01/2009
89	Honolulu-FM	NPS00C0-08	Stream Debris Cleaning Equipment	\$1,500,000	07/01/2009
90	Maui	C150077-17	South Maui Recycled Water Distribution System	\$6,000,000	01/01/2018
91	Maui	C150054-23	West Maui Recycled Water Expansion UV Expansion/Upgrade and Storage Tank Construction	\$4,000,000	06/01/2014
92	Maui	C150077-16	South Maui Recycled Water System Expansion (2nd Tank)	\$1,300,000	01/01/2017
93	Kauai	C150059-11	Kauai Wastewater Laboratory Renovations	\$1,000,000	07/01/2011
94	Maui	C150052-25	Wailuku Recycled Water Forcemain	\$6,200,000	08/01/2018
95	Maui	C150052-24	Wailuku-Kahului Wastewater Reclamation Facility R-1 Upgrade	\$5,300,000	08/01/2018
96	Honolulu	C150069-09	Central Oahu Wastewater Facilities and Effluent Reuse	\$30,000,000	01/10/2011
97	Maui	C150054-10	Lahaina Wastewater Pump Station No. 2 Modifications	\$5,000,000	01/01/2013
98	Maui	C150077-23	Kihei Wastewater Reclamation Facility Effluent Filter Upgrade	\$1,500,000	03/01/2015
99	Maui	C150054-29	Lahaina Wastewater Reclamation Effluent Filter Upgrade	\$1,500,000	03/01/2015
100	Hawaii	C150080-27	Kealakehe Wastewater Treatment Plant Upgrades Phase 1: Aeration Upgrades	\$6,000,000	09/01/2011
101	Hawaii	C150080-28	Kealakehe Wastewater Treatment Plant Upgrades Phase 2: Sludge Removal	\$4,000,000	09/01/2011
102	Kauai	C150055-06	Wailua-Kapaa Sewer System Improvements - Phase II	\$15,000,000	07/01/2015
103	Maui	C150052-37	Wailuku-Kahului Wastewater Reclamation Facility Shoreline Erosion Protection	\$20,000,000	06/01/2011
104	Maui	NPS0052-42	Central Maui Landfill Phase V	\$12,000,000	06/01/2009
105	Maui	C150054-30	Kaanapali Wastewater Pump Station Modifications	\$1,000,000	01/01/2014



Hawaii CWSRF Integrated Priority List of Projects for SFY12

Rank	County	Project No.	Project Name	<u>Estimated Cost</u>	<u>Estimated Construction Date</u>
106	Maui	C150054-22	Lahaina Wastewater Reclamation Facility Modifications, Stage 1A	\$25,000,000	07/01/2015
107	Hawaii	C150080-22	Upgrade Ali'i Drive Sewer System	\$4,000,000	07/01/2021
108	Hawaii	C150062-26	Primary Sludge Pump and DAFT Retrofit	\$3,000,000	07/01/2014
109	Hawaii	C150062-25	Modify Hilo Wastewater Treatment Plant Digester	\$7,000,000	07/01/2016
110	Hawaii	C150062-24	Hilo Wastewater Treatment Plant Coating System Rehabilitation	\$2,500,000	07/01/2012
111	Hawaii	C150080-21	Project 19 Sewer Pump Station Renovation	\$1,500,000	07/01/2015
112	Maui	C150054-36	West Maui Recycled Water Expansion Kaanapali Resort R-1 Water Distribution System	\$6,000,000	01/01/2016
113	Hawaii	C150060-07	Papaikou Wastewater Treatment Plant and Kulaimano Wastewater Treatment Plant Sludge Dewatering	\$1,200,000	09/01/2011
114	Hawaii	C150080-33	Kealakehe Wastewater Treatment Photovoltaic System	\$4,600,000	07/01/2013
115	Maui	C150052-33	Central Operations and Maintenance Facility	\$500,000	04/01/2011
116	Honolulu	C150070-48	Kailua Regional Wastewater Treatment Plant and Collection System Odor Control Improvements-Phase 1 and 2	\$17,000,000	12/01/2010

**APPENDIX B
CWSRF PROJECT RANKING CRITERIA**

HAWAII DEPARTMENT OF HEALTH PRIORITY SYSTEM POLICIES

I. GENERAL POLICY

The State priority system describes the criteria and method used to classify or rank wastewater pollution control projects considered eligible for SRF assistance. It is the policy of the Department of Health (DOH) to give high priority to projects that will result in optimum water quality management, consistent with the public health and water quality goals and requirements of the Federal Clean Water Act and Hawaii Revised Statutes.

Along with the funding of projects to improve and preserve the quality of surface waters in the State, added attention has been given in recent years to the elimination of subsurface wastewater disposal systems (such as cesspools and injection wells) within the critical wastewater disposal areas (“no-pass” zones) on each island, Nonpoint Source (NPS) pollution projects dealing with stormwater, runoff and other leakage problems, and projects promoting sustainable infrastructure.

Projects to accommodate population growth are also of high priority. However, when funds are limited, compliance type projects will take precedence.

Generally, proposed projects will be given consideration for priority and ranked in the following order:

- Type 1 Project involves treatment works under audit or under special loan conditions.
- Type 2 Project necessary to eliminate documented health hazards.
- Type 3 Project necessary to correct surface water quality impairment or to prevent or eliminate ground water contamination.
- Type 4 Project necessary to meet requirements for wastewater or sludge reclamation and reuse.
- Type 5 Project necessary to accommodate population growth.
- Type 6 Project needs refinancing, or addresses other needs.

Consideration will also be given other factors of the proposed project such as project function (see Proposed Project for SRF Funding Form) and how the project contributes to sustainable infrastructure, energy efficiency, and/or green house gas reduction. Upon completion of the proposed SRF project priority list, DOH will include the list in its Intended Use Plan (IUP). DOH will provide a public notice to solicit comments and encourage public participation. DOH will consider all public comments to the IUP and will make revisions, as necessary. The final IUP will be sent to the Applicants and EPA.

APPENDIX B (continued)

II. PROJECT PRIORITY LIST DEVELOPMENT

The determination of project priority is a two-step process. First, the proposed projects are grouped by Project Type and Project Function to establish their significance relative to the goals of the Clean Water Act and the Hawaii Revised Statutes, and are then ranked.

Second, the projects are selected based upon their readiness for construction, point totals, and the estimated SRF funding available for the current fiscal year.

III. PRIORITY LIST MANAGEMENT

DOH will maintain as stable a priority list as possible to ensure funding availability for the top ranked projects on the list. Additions or modifications that will significantly alter the list after its adoption will not be made unless absolutely necessary.

If additional SRF funds become available during the year, projects will be chosen from the priority list for funding. Projects on the priority list may be bypassed if the project will not be ready to proceed when funding is available. A bypassed project will be replaced by a project from the list that is ready to proceed during the current funding year.

Revised January 2009

APPENDIX B (continued)

PROPOSED PROJECT FOR SRF FUNDING FORM

Fiscal Year 20__

Project Title: _____

County/Applicant: _____ Project No.: _____

Project Description: _____

Check the appropriate line for each category which describes the project:

Project Type:

Project Type:

(100 pts) T1. Project required by DOH compliance action, audit, or special loan condition.

(10 pts) F1. To build a new treatment facility or control project.

(80 pts) T2. Eliminates documented health hazards.

(8 pts) F2. To expand, add capacity, or upgrade an existing facility or or control project.

(60 pts) T3. Corrects surface water quality impairment or eliminates/prevents ground water contamination.

(6 pts) F3. To modify, replace, or repair existing facility or control project (does not add to capacity).

(40 pts) T4. To meet requirements for wastewater or sludge reclamation or reuse.

(4 pts) F4. To purchase equipment.

(25 pts) T5. Necessary to accommodate population growth.

(10 pts) T6. Other needs: _____

(10 pts) **Describe how this project contributes to sustainable infrastructure, energy efficiency, and/or green house gas reduction:**

Estimated Cost: _____

Estimated Start Date: _____



Rank Evaluation (by DOH)

Point Total: _____

APPENDIX C
CWSRF PROJECTS TO BE FUNDED IN SFY 2012

EST. START	PROJECT NAME & NO.	EST. LOAN	GPR	ADD'L SUBSIDY
1/2011	<u>City and County of Honolulu</u> Central Oahu Wastewater Facilities and Effluent Reuse (Project No. C150069-09)	\$24,540,357		
4/2011	<u>County of Maui</u> Central Operations and Maintenance Facility (Project No. C150052-33)	\$500,000		
5/2011	<u>City and County of Honolulu</u> Ala Moana/Kapiolani Trunk Sewer Replacement/ Rehabilitation (Project No. C150046-62)	\$8,000,000		
9/2011	<u>County of Hawaii</u> Pua Sewage Pump Station - Pump Replacement (Project No. C150062-37)	\$2,300,000	\$2,300,000	\$1,000,000
9/2011	<u>County of Hawaii</u> Kalaniana'ole Ave. Interceptor System Rehab (Ph. II) (Project No. C150062-18)	\$8,000,000		
9/2011	<u>County of Hawaii</u> Papaikou WWTP and Kulaimano WWTP Sludge Dewatering (Project No. C150060-07)	\$1,200,000		
12/2011	<u>City and County of Honolulu</u> Hanawai Circle Sewer Rehabilitation (SMPR 86) (Project No. C150051-72)	\$5,000,000		
1/2012	<u>County of Maui</u> Wailuku Force Main Replacement (Project No. C150042-41)	\$1,500,000		

APPENDIX C (continued)
CWSRF PROJECTS TO BE FUNDED IN SFY 2012

EST. START	PROJECT NAME & NO.	EST. LOAN	GPR	ADD'L SUBSIDY
1/2012	<u>County of Maui</u> Kahului Force Main Replacement (Project No. C150052-35)	\$2,800,000		
3/2012	<u>County of Maui</u> Countrywide Pump Station Renovations Ph. 3 (Project No. C150054-34)	\$5,000,000	\$5,000,000	\$1,000,000
6/2012	<u>County of Kauai</u> Eleele Wastewater Treatment Plant Improvements (Project No. C150050-11)	\$2,500,000		
	<u>TOTAL</u>	\$61,340,357	\$7,300,000	\$2,000,000

APPENDIX D
SOURCES AND USES OF CWSRF FUNDS FOR SFY 2012

I. SOURCES

1. Federal

FFY 2011 federal appropriation for capitalization grant	\$11,436,000.00	
Less 4% administration fund	(\$457,440.00)	
Total Federal Funds Available for Loans		\$10,978,560.00

2. State

Projected state match provided by 2011 State Legislature	\$3,157,000.00	
Total State Funds Available for Loans		<u>\$3,157,000.00</u>

Total Title VI Funding Resources **\$14,135,560.00**

3. Other Sources

Estimated uncommitted CWSRF funds on 6/30/11	\$28,220,263.02	
Projected cash in from loan repayments from 7/1/11 - 6/30/12	\$28,334,562.91	
Projected cash in from investment interest earnings on 6/30/12	\$1,519,771.13	
Total Estimated Funds from All Sources		\$72,210,157.06

II. USES

Loans expected to be executed in SFY 2012	\$61,340,357.06	
Total Estimated Funds to be Used		\$61,340,357.06

Total Estimated Fund Balance **\$10,869,800.00**

Total projected administrative expenses (4% set-aside) from 7/1/11 to 6/30/12		\$847,384.04
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APPENDIX E
CAPITALIZATION GRANT PAYMENT SCHEDULE
(Based on the 10/1/11 grant award date)

CWSRF Payments for FFY 2011

Quarter	Period	CWSRF Payment
1	Oct. - Dec. 2011	\$10,978,560
2	Jan. - Mar. 2012	\$457,440
3	Apr. - Jun. 2012	-
4	Jul. - Sep. 2012	-

CWSRF Payments for FFY 2012

Quarter	Period	CWSRF Payment
1	Oct. - Dec. 2011	-
2	Jan. - Mar. 2012	-
3	Apr. - Jun. 2012	-
4	Jul. - Sep. 2012	-

Note:

\$10,978,560 is designated for the loan fund and \$457,440 for the 4% program administration fund. Refer to *Appendix D, Sources and Uses of CWSRF Funds*.

**APPENDIX F
SUMMARY OF PUBLIC COMMENTS**

I. PUBLIC PARTICIPATION ACTIVITY

Pursuant to 40 CFR 35.3150, the proposed *Intended Use Plan for SFY 2012 and FFY 2011 Appropriation (IUP)*, as well as a public notice soliciting public comments on the IUP, were posted on Hawaii's CWSRF website at <http://hawaii.gov/wastewater/cwsrf.html> on May 31, 2011.

II. TESTIMONIES AND COMMENTS

During the thirty-day public comment period from June 1, 2011 through June 30, 2011, the Department of Health received the following comments, and has incorporated all of the suggested changes.

1. Include a discussion on the cash draw ratio (also known as proportionality). This has been incorporated as a new item (5) under Section I.
2. Replace bullets with numbers or letters for easier reference to facilitate comments on the IUP (Section VI, item 1.a, 1 through 5; item 1.b, 1 through 4; item 2, a through e; Section VIII, items 1 through 8).
3. Add the words "constructed wetlands" to Section VI, item 1.b.1 to read as follows: "Replacement of cesspools with septic tanks, aerobic units, constructed wetlands, or treatment plants."
4. Delete projects C150054-37 and C150080-36 from the Appendix A Priority List because they are duplicates of projects C150054-34 and C150062-16, respectively.

III. SUMMARY

Four comments received during the public comment period were addressed and incorporated into the *Intended Use Plan for SFY 2012 and FFY 2011 Appropriation*.



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