



DWSRF and BIL – Funding for Water Infrastructure, Lead Service Lines, and Emerging Contaminants

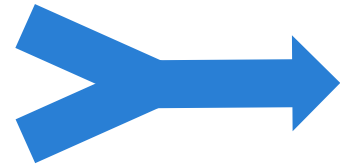
JOAN CORRIGAN
DEPARTMENT OF HEALTH
SAFE DRINKING WATER BRANCH

MAY 2023

The DWSRF Program



20% State Match



Repayments



Low Interest
Loans



Water Infrastructure Projects



Loan Terms

Loan type	Interest Rate	Fee Rate	Total Annual Loan Rate	Loan Repayment Period
Municipal Project-Based	0.65%	1.50%	2.15%	20 years
	0.90%	1.50%	2.40%	30 years
Pro-Fi and BIL LSL	0.25%	1.50%	1.75%	20 years
	0.50%	1.50%	2.0%	30 years
Privately-Owned Water Systems	2.75%	Up to \$1,000.00 ^D	2.75%	20 years
	3.00%	Up to \$1,000.00 ^D	3.00%	30 years
	3.25%	Up to \$1,000.00 ^D	3.25%	DAC may be up to 40 years

Eligible Projects



Meters



Treatment



Storage



Emergency generators



Waterlines



SCADA



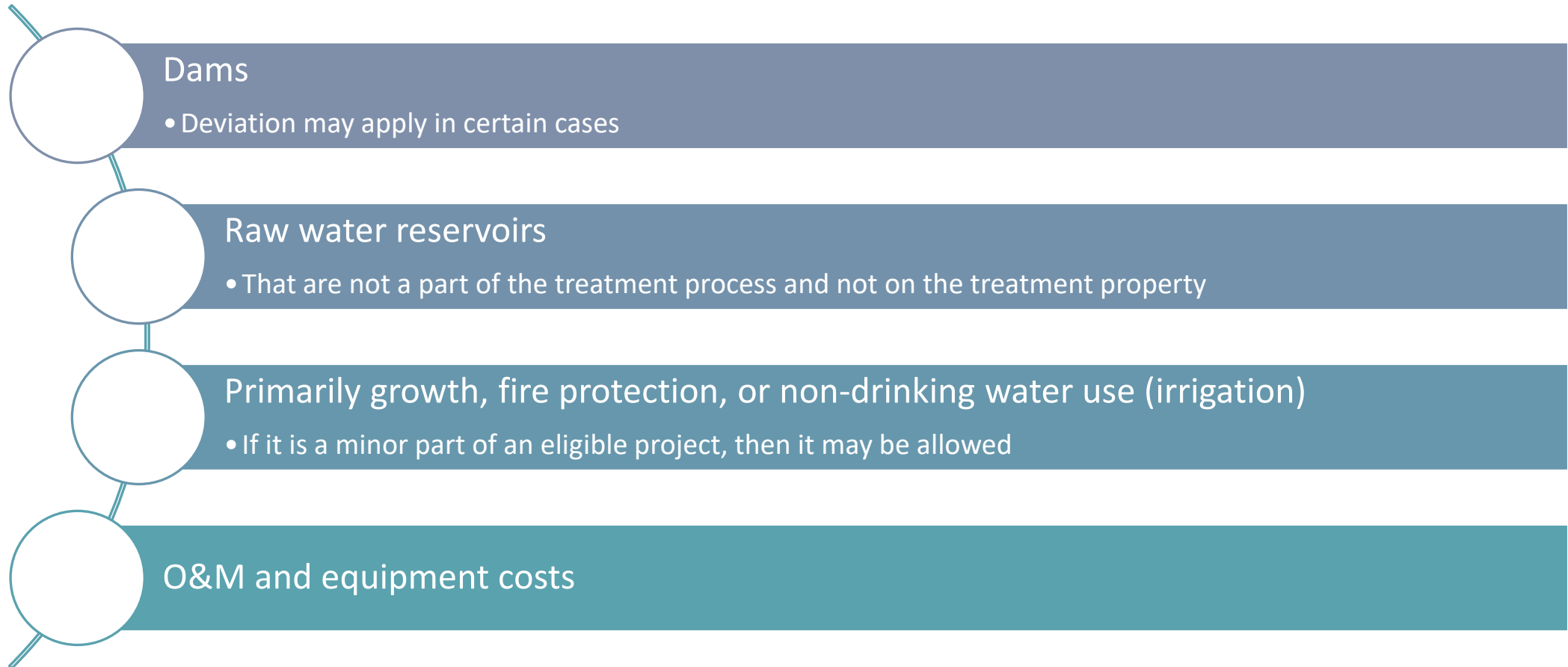
Pumps/motors



Green



Ineligible Projects





Base & BIL Funds for Hawaii DWSRF

Grant	FY 2022 (\$)	FY 2023 (\$)	FY 2024 (\$)	FY 2025 (\$)	FY 2026 (\$)	Additional Subsidy
Base	7,008,000	4,938,000	TBD	TBD	TBD	Minimum 12% to DAC
General Supplemental	17,992,000	21,055,000	22,925,000	24,833,000	24,833,000	49% to DAC
Emerging Contaminants	7,540,000	7,640,000	7,555,000	7,555,000	7,555,000	100% total, 25% to DAC or systems serving < 25,000 persons
Lead Service Line Replacement	28,275,000	28,650,000	28,576,000	28,576,000	28,576,000	49% DAC

- Green cells indicate allocated funds (actual), the rest are appropriated (anticipated)
- DAC = Disadvantaged Community. US Census data is used to determine DAC based on poverty level, civilian unemployment rate, MHI, and annual user rates. The Environmental Justice mapping tool is also used to determine “pocket” DAC



BIL Lead Service Lines

- About \$28 M to Hawaii each year for 5 years, 49% DAC principal forgiveness
- Hiring a consultant/contractor for
 - LSLR education, outreach, and planning
 - Preparation and updating of LSL inventories, including locating and mapping lead service lines
 - Meeting public accessibility requirements (e.g., setting up a web-based application)
 - Removal/replacement of LSL and galvanized service lines (currently or previously downstream of lead or unknown material), lead goosenecks, pigtails, and connectors
 - ✓ Includes planning, design, and construction management for the above removal/replacement projects



BIL Lead Service Lines

- LSL replacement projects must replace the entire LSL, not just a portion, up to the outside face of the building wall.
 - This is subject to change depending on EPA LCRI and specific design/conditions encountered across the State (e.g., post-and-pier designs where the lateral goes under the building and can be identified and accessed for replacement)
- Providing temporary pitcher filters and POU devices following LSL replacement. Replacement filters and cartridges are **NOT** eligible.



BIL Emerging Contaminants

- About \$7.5 M to Hawaii each year for 5 years, 100% principal forgiveness (25% DAC or small systems serving < 25,000 persons)
- Contaminants that do NOT have a maximum contaminant level (MCL)
- Contaminant Candidate List (CCL)
- Unregulated Contaminant Monitoring Rule (UCMR)
- Emphasis on per- and polyfluoroalkyl substances (PFAS)



DWSRF Requirements for Executing Non-Construction Loans

- Project must be on the DWSRF Project Priority List
- DWSRF loan application form
- Borrowing Resolution/Ordinance
- Executed contract(s) with itemized fee and DWSRF Boilerplate
- NTP letter



DWSRF Requirements for Executing Construction Loans

- Project must be on the DWSRF Project Priority List
 - DWSRF loan application form
 - Borrowing Resolution/Ordinance
 - Executed contract(s) with itemized fee and DWSRF Boilerplate
 - NTP letter
- Plans & Specs
 - Environmental documents and checklist
 - Site Certification (for non-county systems)
 - MBE/WBE Utilization form (5700-52a)



Environmental Cross-Cutters

Archeological and Historic Preservation	Bald and Golden Eagle Protection Act	Clean Air Act	Coastal Barrier Resources Act	Coastal Zone Management Act
Endangered Species Act	Environmental Justice Executive Order	Farmland Protection Policy Act	Fish and Wildlife Coordination Act	Floodplain Management Executive Order
Magnuson-Stevens Fishery Conservation and Management	Marine Mammal Protection Act	Migratory Bird Treaty Act	National Historic Preservation Act	Protection of Wetlands Executive Order
	Rivers and Harbors Act	Safe Drinking Water Act	Wild and Scenic Rivers Act	



Not Applicable for the Hawaii DWSRF

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Typically Not Applicable for Drinking Water Projects

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American Iron and Steel vs. Build America, Buy America

American Iron and Steel (AIS)

- Applies to permanently incorporated materials that are at least 50% iron and steel (by material cost)
- Electrical and mechanical components are generally exempt

Build America, Buy America (BABA)

- “AIS on steroids”
- Now also includes construction materials and manufactured goods
 - Non-ferrous materials, plastics, glass, lumber, drywall
 - Excludes cement and cementitious material;, aggregates such as stone, sand, or gravel; aggregate binding agents/additives; flora

NOTE: AIS and BABA will not apply to individual projects at the same time



AIS and BABA Waivers

De Minimis Waiver

- Applies to incidental materials
- Cumulatively may comprise no more than 5% of project total material costs
- Cost of an individual item may not exceed 1% of the project total material costs

Minor Components Waiver

- May be claimed by product manufacturers
- Covers miscellaneous minor components within iron and steel products, up to 5% of the product materials cost

Adjustment Period Waiver (BABA only)

- Applies to projects that were far enough in planning design before May 14, 2022
- Must have acceptable documentation



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- Preliminary Engineering Report, or equivalent
- Issued Request for Proposal or execution of contract for design or engineering services
- Execution of SRF loan
- Solicitation of construction contract bids
- Submitted plans and specs to DWSRF program
- Evidence of new bonds passed or other new funding backing secured for project
- Any other proposed documentation must be approved by EPA



Questions?

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Hawaii DWSRF Website:

health.hawaii.gov/sdwb/drinking-water-state-revolving-fund/

