



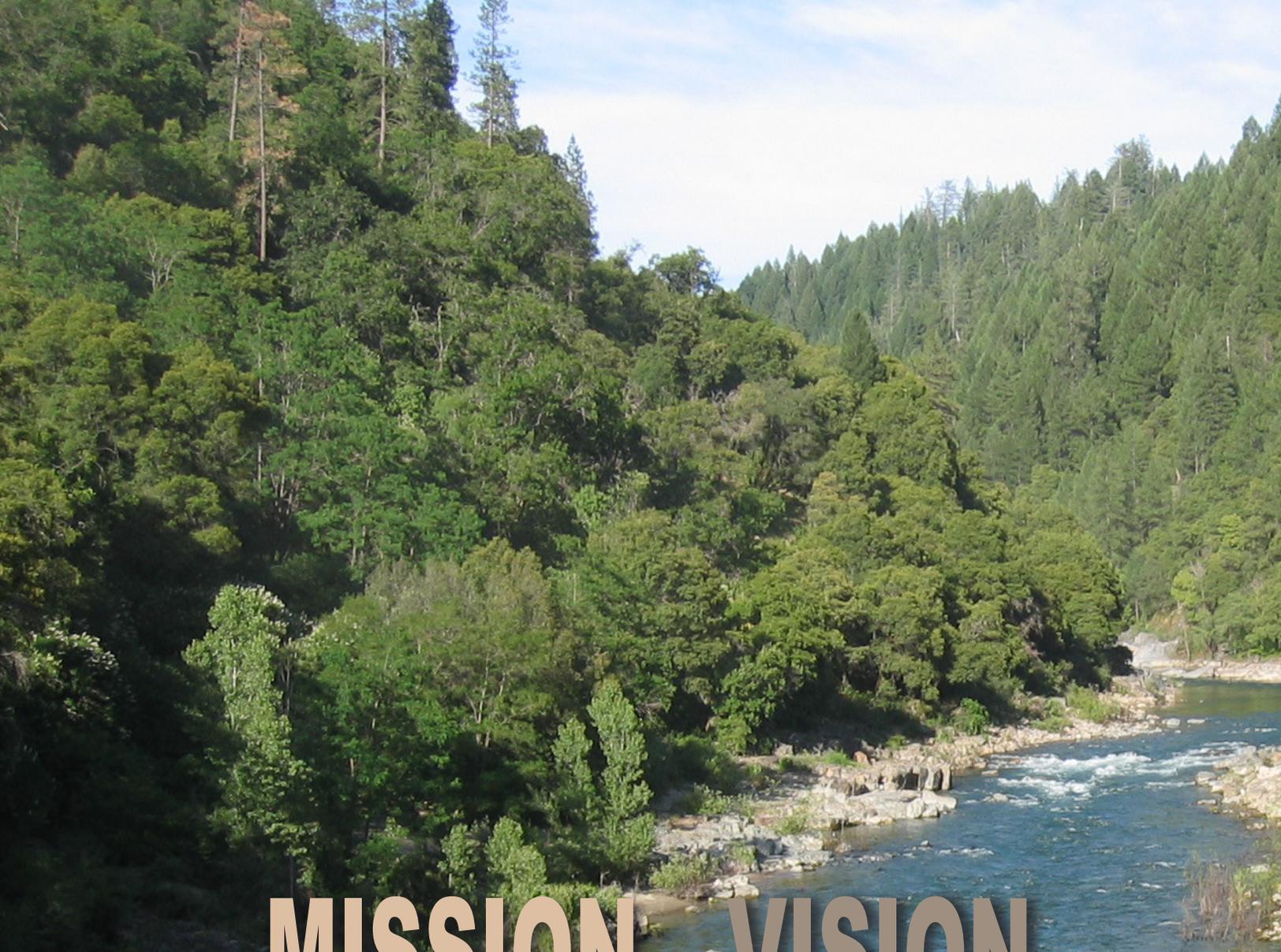
STATE OF CALIFORNIA  
**Drinking Water State Revolving Fund**  
and The Water Quality, Supply, and  
Infrastructure Improvement Act of 2014  
(Proposition 1 – Chapter 5, Section 79724)

# Intended Use Plan

STATE FISCAL YEAR 2018-2019  
(FEDERAL FISCAL YEAR 2018 CAPITALIZATION GRANT)

Prepared By: Division of Financial Assistance | Approved By: State Water Resources Control Board  
Date Approved: June 19, 2018 | Resolution No. 2018-0029





# MISSION | VISION

# Statements

To preserve, enhance, and restore the quality of California's water resources and drinking water for the protection of the environment, public health, and all beneficial uses, and to ensure proper water resource allocation and efficient use, for the benefit of present and future generations.

A sustainable California made possible by clean water and water availability for both human uses and environmental resource protection.

# State Water Resources Control Board

## MEMBERS AND EXECUTIVE DIRECTOR



**FELICIA MARCUS**

**BOARD CHAIR**

Felicia Marcus was appointed by Governor Jerry Brown to the State Water Resources Control Board in 2012, and designated by the Governor as Chair in April of 2013. Prior to her appointment to the Water Board, she served in positions in government, the non-profit world, and the private sector. She served as the Regional Administrator of the USEPA Region IX and headed the LA Department of Public Works. Chair Marcus was also the Western Director for the Natural Resources Defense Council (NRDC) and was the Executive VP/COO of the Trust for Public Land. She serves or has served on many non-profit boards and Advisory Councils including the Delta Stewardship Council, Public Policy Institute of California Statewide Leadership Council, Sustainable Conservation, USC-Kesten Institute for Public Finance and Infrastructure Policy, and the Center for Diversity and the Environment. She is also currently serving on the Commission for Environmental Cooperation-Joint Public Advisory Council (US, Mexico, Canada).



**STEVEN MOORE**

**BOARD VICE-CHAIR**

Steven Moore was appointed to the State Water Resources Control Board in 2012, reappointed in 2016, and elected as Vice Chair in 2017. He previously served on the San Francisco Bay Regional Water Quality Control Board from 2008-2012 and held staff positions at the Regional Water Board at various times between 1992 and 2006. Vice Chair Moore has worked over 10 years as an engineer and consultant on a wide variety of water infrastructure projects, including sewer reconstruction, recycled water, stormwater, water supply, stream and wetland restoration, and Environmental Impact Reports throughout California. He has experience both obtaining and issuing discharge permits, wetland permits, and in clean water grants and loans. He led Basin Planning for the Regional Water Board from 2002 to 2006.



**TAM M. DODUC**

**BOARD MEMBER**

Tam Doduc was reappointed to the State Water Resources Control Board in 2017, where she has served since 2005. Ms. Doduc previously served as Deputy Secretary at the California Environmental Protection Agency (Cal/EPA), where she directed the agency's environmental justice and external scientific peer review activities. She also coordinated various environmental quality initiatives, and provided general oversight of children's environmental health programs. Ms. Doduc began her career as an environmental consultant. She then joined the staff of the State Water Resources Control Board, and later, the California Air Resources Board. From 1998-2002, Ms. Doduc provided technical and business assistance to environmental technology developers and manufacturers, serving in the Office of Environmental Technology, and later, as Cal/EPA's Assistant Secretary for Technology Certification. From 2002-2004, Ms. Doduc served as Cal/EPA's Assistant Secretary for Agriculture, Air and Chemical Programs. She has been a registered professional civil engineer since 1995.



**DORENE D'ADAMO**

**BOARD MEMBER**

Dorene D'Adamo was appointed to the State Water Resources Control Board in 2013. She previously served on the California Air Resources Board where she was instrumental in the board's air quality and climate change programs and regulations. Ms. D'Adamo served in various capacities for Members of Congress from the San Joaquin Valley, working primarily on environmental, water, and agricultural legislative policy. She served on the Governor's Drought Task Force and currently serves on the board of the California Partnership for the San Joaquin Valley.



**E. JOAQUIN ESQUIVEL**

**BOARD MEMBER**

E. Joaquin Esquivel was appointed to the State Water Resources Control Board in 2017. Mr. Esquivel previously served as Assistant Secretary for Federal Water policy at the California Natural Resources Agency. Working in Governor Brown's Washington D.C. office, Mr. Esquivel represented the interests of the Natural Resource Agency and its departments and facilitated communication, outreach, coordination, and the development of policy priorities between the Agency, the Governor's Office, the California Congressional delegation, and federal stakeholder agencies in the nation's capital.



**EILEEN SOBECK**

**EXECUTIVE DIRECTOR**

Eileen Sobeck was selected Executive Director of the State Water Resources Control Board in 2017. Most recently, Ms. Sobeck headed the National Oceanic and Atmospheric Administration (NOAA) Fisheries as the Assistant Administrator at the Department of Commerce. Prior to her work at NOAA she was the Department of Interior's Acting Assistant Secretary for Insular Affairs, and Deputy Assistant Secretary for Fish, Wildlife and Parks. Sobeck is a lawyer by training and spent 25 years at the US Department of Justice, ultimately serving as Deputy Assistant Attorney General for Environment and Natural Resources.

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## I. INTRODUCTION

### A. DWSRF PURPOSE

The 1996 amendments to the federal [Safe Drinking Water Act \(SDWA\)](#) established the national Safe Drinking Water State Revolving Fund (DWSRF) program to finance infrastructure improvements necessary to mitigate drinking water risks to human health. Through capitalization from the United States Environmental Protection Agency (U.S. EPA) as well as state and revolving fund sources, California's DWSRF provides financial assistance to public water systems (PWSs) for drinking water infrastructure improvements in the form of low-interest financing, additional subsidy (e.g. principal forgiveness), and other technical assistance. In accordance with federal rules, DWSRF funding is generally prioritized to projects that (1) address the most serious risk to human health, (2) are necessary to ensure compliance with the requirements of the SDWA, and (3) assist PWSs most in need on a per household basis. DWSRF funding is also managed to ensure the timely and expeditious use of DWSRF funds as well as guarantee the perpetuity of the DWSRF for future generations.

### B. DWSRF AUTHORITY AND HISTORY

In 1996, the United States Congress and the President amended the SDWA to establish the national DWSRF program, which was derived, in part from the success of the Clean Water State Revolving Fund program established 9 years prior. All 50 states and Puerto Rico are currently operating DWSRF programs and the total DWSRF financing nationwide currently exceeds \$32.5 billion.

The federal DWSRF program provides each state the opportunity to establish a drinking water public health and infrastructure bank capitalized by federal and state funds. This capital, along with the earnings generated by the DWSRF capital (i.e. interest payments and investment earnings) is used to provide financial assistance to a wide variety of drinking water planning and construction projects. States may also offer a variety of financing options, and customize terms to meet their drinking water public health needs. Financing options include loans, refinancing debt, purchasing or guaranteeing local debt, and purchasing bond insurance. Interest rates must be below the market rate. Repayment periods are generally the lesser of 30 years or the expected useful life of the financed asset. Federal regulations and appropriations, as well as California law, have also authorized "additional subsidy" in the form of grants, negative interest rates, and principal forgiveness on a limited basis.

The State Water Board is currently authorized to manage the DWSRF pursuant to Chapter 4.5 of Part 12 of Division 104 of the Health and Safety Code. The State Water Board also implements the DWSRF in accordance with the [Policy for Implementing the Drinking Water State Revolving Fund](#) (DWSRF Policy). The DWSRF Policy is then carried out by the State Water Board's Division of Financial Assistance (DFA) and Division of Administrative Services (DAS), in cooperation with the Division of Drinking Water (DDW) and the Office of Chief Counsel (OCC). Also, the State Water Board operates the DWSRF pursuant to an Operating Agreement with U.S. EPA, Region 9. The DWSRF program has been previously managed by the California Department of Public Health and the Department of Health Care Services in cooperation with the Department of Water Resources.

U.S. EPA, in cooperation with the State of California (State), has also designated the State Water Board as the "primacy agency" to implement and enforce the federal SDWA. As the state primacy agency, the State Water Board, through the DDW, regulates more than 7,500 PWSs located throughout the State. To assist in this effort, through DDW, the State Water Board has also delegated its primacy authority to 30 local health departments, known as local primacy agencies (LPA), to regulate PWSs serving less than 200 service connections. The State Water Board also promotes safe and reliable drinking water through drought preparedness and water conservation measures; promoting water recycling projects; certifying drinking water treatment and distribution operators; supporting and promoting water system security; providing for small water system (SWS) technical assistance and mandating minimum standards for PWS technical, managerial, and financial (TMF) capacity.

### **C. DWSRF PAST ACHIEVEMENTS**

California's DWSRF, hereafter referred to as the DWSRF, has grown since financing its first project in 2000. It has executed more than \$2.74 billion in financial assistance agreements. The net position of the DWSRF is approximately \$1.7 billion, and annual repayments to the DWSRF have recently been approximately \$64.4 million.

The DWSRF program has funded a broad range of projects since its inception. As of June 30, 2017, approximately 86 percent (86%) of DWSRF funds have been for the benefit of large water systems, while approximately 14 percent (14%) of DWSRF funds have been awarded to small water systems. However, approximately 68 percent (68%) of funded projects have been for the benefit of small water systems, while 32 percent (32%) of funded projects have been for the benefit of large water systems. The DWSRF has also provided approximately \$365.1 million of principal forgiveness/grant to disadvantaged communities since 1997.

#### **D. PROP 1 AUTHORITY AND PURPOSE**

Proposition 1 (Prop 1), the Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Assembly Bill 1471, Rendon) authorizes \$7.545 billion in general obligation bonds for water projects including surface and groundwater storage, ecosystem and watershed protection and restoration, and drinking water protection. Section 79724 of Prop 1 (Prop 1 Drinking Water) allocates \$260 million for drinking water grants and loans for PWS infrastructure improvements and related actions to meet safe drinking water standards, to ensure affordable drinking water, or both. Prop 1 Drinking Water funds will be administered consistent with this Intended Use Plan (IUP) and the DWSRF Policy to the extent allowed by federal regulations and state law.

The joint administration of the DWSRF and Prop 1 Drinking Water funds allows the State Water Board to leverage the low-interest financing available through the DWSRF program with additional subsidies provided through Prop 1 Drinking Water. Also, to maximize future state match against federal capitalization grants, the State Water Board has allocated a portion of Prop 1 Drinking Water repayable funds for such state match, which may contain a 100 percent (100%) principal forgiveness component. The remaining balance of Prop 1 Drinking Water funds may be awarded as repayable financing, grants, technical assistance, and Drinking Water Capital Reserve funds.

To the maximum extent practicable, the State Water Board intends to maximize available appropriation under Prop 1 Drinking Water for grants and principal forgiveness for SWSs serving disadvantaged communities. To further assist disadvantaged communities in addressing drinking water emergencies, the State Water Board may also provide Prop 1 grants to state agencies that act on behalf of disadvantaged communities where a PWS has been identified as an otherwise eligible applicant.

Finally, Proposition 68 (Prop 68) will be submitted to the voters at the June 5, 2018, statewide election. If voters approve Prop 68, additional drinking water funds may be appropriated to the State Water Board in future years and such Prop 68 drinking water funds would be administered consistent with existing Prop 1 Drinking Water guidelines. Additional drinking water funding provided under Prop 68 would supplement the declining balance of available Prop 1 Drinking Water funds and further complement DWSRF funds.

#### **E. INTENDED USE PLAN (IUP) AND CAPITALIZATION GRANT APPLICATION**

This State Fiscal Year (SFY) 2018-19 DWSRF IUP serves as part of the State Water Board's application for the 2018 Capitalization Grant from the U.S. EPA as well as the guidelines for the State Water Board's administration of Prop 1 Drinking Water funds. In summary, this IUP establishes the State Water Board's business plan for the DWSRF program for SFY 2018-19 and discusses the State Water Board's general approach and ability to successfully carry out that business plan with the available financial and programmatic resources. It also describes how the State Water Board will operate the DWSRF program in conjunction with other funding sources, such as Prop 1 Drinking Water, or sources of funding outside the State Water Board, that may be used to jointly finance projects.

Specifically, this IUP details key aspects of the DWSRF program including short and long-term goals, associated performance metrics, and the structure of the DWSRF employed to achieve these goals. This IUP also outlines the available funding and resource capacity for SFY 2018-19, and the prioritization scheme employed to rank projects for DWSRF/Prop 1 Drinking Water funding. This IUP then identifies projects that the State Water Board anticipates financing in SFY 2018-19 (Appendix A – the Fundable List, Page 63) because of such prioritization and capacities, and analyzes the resulting effects on DWSRF cash flows over the next several years. This IUP also describes DWSRF/Prop 1 Drinking Water financing terms for SFY 2018-19, including special financing terms for the small disadvantaged communities. Finally, this IUP includes the planned use of the Federal Fiscal Year (FFY) 2018 Capitalization Grant from U.S. EPA, including a summary description of applicable DWSRF federal requirements.

Federal and State laws allow a portion of federal drinking water funds to be used for specified set-aside activities in addition to providing financial assistance to PWSs for infrastructure improvements. In Summary, the State Water Board intends to use 74 percent (74%) of the 2018 Capitalization Grant for financing of the planning, design and construction of drinking water infrastructure projects. The remaining 26 percent (26%) of the 2018 Capitalization Grant may be reserved for set-aside activities including (1) the administration of the DWSRF, (2) small water system technical assistance, (3) public water system supervision under DDW and (4) other technical assistance to PWSs in support of TMF capacity development. The Deputy Director of DFA may alter the budgeting of the 2018 Capitalization Grant between these activities for good cause.

The State Water Board may also amend this IUP, but only after the public and interested parties are given an opportunity to comment on the proposed amendment. The Executive Director, or designee, may update stakeholders during SFY 2018-19 on DFA's progress implementing this IUP and the current capacity of the DWSRF and its complementary programs to provide financing to applicants.

Finally, the State Water Board will continue to implement the DWSRF/Prop 1 Drinking Water program consistent with applicable state and federal statutes, regulations and policies. These include, but are not limited to:

- [The DWSRF Policy](#)
- [The Operating Agreement between the State Water Board and United States Environmental Protection Agency \(U.S. EPA\)](#);
- [The Clean Water and Drinking Water State Revolving Funds Debt Management Policy](#) (CWSRF/DWSRF Debt Management Policy);
- [The Clean Water and Drinking Water Capacity Development Strategy](#) (Capacity Development Strategy);
- [U.S. EPA Interpretive Guidance regarding the DWSRF](#);
- Any additional federal requirements in the 2018 budget appropriation, the 2018 Capitalization Grant Agreement, and/or guidance from U.S. EPA.

**F. HIGHLIGHTS FOR SFY 2018-19 IUP**

**1. SFY 2018-19 DWSRF Funding Capacity Determined in Accordance with the New CWSRF/DWSRF Debt Management Policy**

The available DWSRF funding for SFY 2018-19 is now derived from a 20-year funding capacity analysis that considers a prudent and sustainable amount of leveraging of DWSRF funds.

**2. Extended Term 30-year Financing Available for Eligible PWSs**

The State Water Board will continue to make 30-year financing available to eligible PWSs from the DWSRF and/or Prop 1 Drinking Water funds, subject to the conditions set forth in Section V.B.1.

**3. Increase the Per Connection Threshold for Authorizing Principal Forgiveness/grant.**

The Deputy Director of DFA may authorize principal forgiveness/grant for a small community water system that serves a disadvantaged community in an amount up to \$45,000 per service connection for good cause, subject to any additional eligibility requirements described further in Section V.E.2 of this IUP.

**4. Clarifying Consolidation Incentive Project Requirements**

Additional clarifying process and application requirements for the consolidation incentive financing program are described further in Section V.E.6 of this IUP, including timelines for the submittal of application materials for a consolidation incentive project.

**5. Continue Grant/Principal Forgiveness Funding for Expanded Small Water Systems Serving Severely Disadvantaged Communities**

Continuing in SFY 2018-19, a community water system (CWS) with a population between 10,000-20,000 persons, or 3,300-6,600 service connections (Expanded Small Water System), and serving a severely disadvantaged community, may be eligible for grant/principal forgiveness. Additional information is included in Section V.E.3 of this IUP.

## II. GOALS

The primary goal of the DWSRF is to provide drinking water infrastructure financing that (1) addresses the most serious risk to human health, (2) is necessary to ensure compliance with the requirements of the SDWA, and (3) and assists PWSs most in need on a per household basis. To carry out this goal, it is also a requirement of the State Water Board to ensure the perpetuity of the DWSRF through responsible management of the fund as well as make timely and expeditious use of DWSRF funding. The following constitutes short-term and long-term goals of the State Water Board and its administration of the DWSRF. These goals provide an additional framework that will guide the State Water Board's decision-making, maximization, and prioritization of both staff and funding resources.

### A. PRIORITIZING DWSRF FUNDS FOR PUBLIC HEALTH BENEFITS

#### Long-Term Goals

1. **Address Significant Risks to Public Health:** DDW and DFA will coordinate to ensure DWSRF/Prop 1 Drinking Water funding is targeted to address the most significant public health and compliance issues.
2. **Promote SDWA Compliance:** DFA will continue to provide and prioritize subsidized financing for planning and construction projects that address SDWA compliance. DFA will also coordinate with DDW on the use of set-asides to promote the development of TMF for all PWSs (especially small CWSs) to achieve or maintain compliance with State drinking water standards and federal SDWA requirements.
3. **Improve Affordability and Sustainability:** DFA will continue to strategically use the DWSRF additional subsidy, set-aside funds and Prop 1 Drinking Water funds to achieve affordable compliance, especially for small disadvantaged communities. Also, DFA will continue to use DWSRF funds to maximize opportunities for consolidation, in coordination with DDW, to increase economies of scale to improve project affordability and PWS sustainability.

#### Short-Term Goals

1. Identify public health issues and evaluate solutions for SWSs, including technical assistance and consolidation where feasible.
2. Ensure that the maximum allowable amount of the 2018 Capitalization Grant is provided to eligible recipients in the form of additional subsidy (i.e., forgiveness of principal).
3. Prioritize all available DWSRF funding for PWSs serving fewer than 10,000 people to the maximum extent practicable and in consideration of all other federal and state authorities governing the prioritization of DWSRF funding.
4. Reduce instances of noncompliance with drinking water standards by providing technical and consolidation assistance to SWSs with significant SDWA violations, including those PWSs that are violating the arsenic maximum contaminant level (MCL).

5. Continue to require PWSs receiving assistance to undergo a TMF assessment to improve sustainability and resiliency.
6. Develop criteria and procedures for evaluating financial capacity of water systems.
7. Identify vulnerabilities to proposed project facilities because of climate change effects as well as mitigate the impacts that facilities may have on the climate.

**B. ENSURING THE PERPETUITY OF THE DWSRF THROUGH RESPONSIBLE MANAGEMENT**

**Long-Term Goals:**

1. **Use revenue and capital effectively:** Maximize the funding capacity of the DWSRF while minimizing long-term costs to the DWSRF to achieve safe drinking water results. In accordance with the CWSRF/DWSRF Debt Management Policy, the State Water Board may also consider leveraging the DWSRF for greater funding capacity. However, additional debt should be balanced against the long-term financial health of the program and the federal requirement to maintain the DWSRF in perpetuity.
2. **Maintain financial integrity:** Financial integrity is a core value of the DWSRF program. Effective internal controls ensure that the program's finances are dependable and trustworthy. Prudent lending practices and reasonable interest rates ensure the stability and continued growth of the DWSRF program.
3. **Provide good customer service with a special emphasis on assisting DACs.** Ensure that the application forms and review procedures are clear, flexible, up-to-date, and efficient. Ensure staff is well trained and ready to help applicants resolve technical, legal, environmental, and financial issues needed to receive financing. Effectively communicate the status of funding applications as well as the general availability of DWSRF funding through a variety of channels.

**Short-Term Goals:**

1. Continue marketing and outreach efforts to PWSs, including application status reports, Spanish translation services, newsletters, and social media to advertise the availability of technical assistance to assist small, and disadvantaged communities as well as large PWSs.
2. Prepare a DWSRF Policy amendment for the State Water Board's consideration to further align the administration of CWSRF and DWSRF programs including, clarification of credit application, eligibility and funding requirements; the establishment of annual repayable billing; and other clarifying technical eligibilities.

3. Continue regular staff level finance/audit coordination meetings to ensure the immediate and long-term health of the DWSRF.
  - a. Review cash flow forecasts of existing and potential commitments to assess the State Water Board's ability to meet its DWSRF commitments and to evaluate the need for leveraging or actions to regulate cash flows.
  - b. Compare actual performance with targeted performance measures.
  - c. Review audit issues, program control issues, and prepare for any anticipated audits.
4. Continue to maximize all available DWSRF state match sources for future capitalization grants, including DWSRF Local Match financing options.

### **C. ENSURING TIMELY AND EXPEDITIOUS USE OF DWSRF FUNDS**

#### **Long-Term Goals**

1. **Ensure the timely commitment and disbursement of DWSRF funds:** Prioritize staff and financial resources to the maximum extent possible to ensure that the State Water Board can timely disburse DWSRF funds on existing obligations before considering new obligations.
2. **Maximize cash flow and the disbursement of funds:** Engage in the over-commitment of DWSRF funds based upon cash-flow modeling of projected disbursements relative to anticipated receipt of repayments and other funding sources, including leveraged funds.

#### **Short-Term Goals**

1. Apply for and accept the anticipated 2018 Capitalization Grant from U.S. EPA. Upon award, commit funds from the 2018 Capitalization Grant, including the associated state match, by June 30, 2019, such that the federal funds can be utilized in an efficient and timely manner in accordance with 40 Code of Federal Regulations (CFR) §35.3550(c). As of March 28, 2018, the anticipated allotment amount of the 2018 Capitalization Grant has not been officially provided to the State Water Board from U.S. EPA. However, the estimate for California's 2018 Capitalization Grant is currently \$110 million based upon the recent adoption of the FFY 2018 federal budget and a potential increase in the national FFY 2018 DWSRF appropriation. To maximize available federal funding absent more information from U.S. EPA, the State Water Board will be applying for \$150 million for the 2018 Capitalization Grant, but will assume \$110 million for the 2018 Capitalization Grant for all other financial representations in this IUP.
2. Continue to maintain the State Water Board's acceptable DWSRF federal unliquidated obligation (ULO) balance and continue to liquidate DWSRF capitalization grants within 2-3 years of their award by prioritizing disbursements for federal funds to the maximum extent possible.
3. Review cash flow forecasts of existing and potential commitments to assess the State Water Board's ability to satisfy its obligations timely and to also evaluate the need for leveraging or other actions to regulate cash outflows.

#### D. CONNECTIONS TO OTHER PLANS AND GOALS

The DWSRF program supports the U.S. EPA Strategic Plan Goal 2: Protecting America's Waters – "Protect and restore waters to ensure that drinking water is safe and sustainably managed..." Specifically, California established and is managing the DWSRF to provide affordable financing and other types of assistance to water systems to finance the cost of infrastructure projects to achieve or maintain compliance with SDWA requirements.

The DWSRF program supports the goals of the [California Water Action Plan](#) (Updated 2016), including more reliable water supplies and sustainably managed water resources system (water supply, water quality, flood protection, and environment) that can better withstand inevitable and unforeseen pressures in the coming decades. The DWSRF program also supports the actions of the California Water Action Plan (Updated 2016), including providing safe water for all communities, identifying sustainable and integrated financing opportunities and managing and preparing for dry periods.

In establishing the terms of this IUP, the State Water Board considered statewide policy set forth in section 106.3 of the Water Code. Specifically, Subdivision (a) declares it is the established policy of the State that "every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes." Subdivision (b) requires the State Water Board to consider this state policy when "revising, adopting, or establishing policies, regulations, and grant criteria when those policies, regulations, and criteria are pertinent to the uses of water."

Additionally, the DWSRF program supports the State Water Board [Resolution No. 2017-0012](#), which was adopted on March 7, 2017 to establish a comprehensive and robust response to climate change that will support California's ongoing climate leadership. The State Water Board found that "given the magnitude of climate change impacts on California's hydrology and water systems, our response to climate change must be comprehensive and integrated into all Water Boards' actions." Resolution No. 2017-0012 directed the State Water Board staff to take many actions that affect the DWSRF program and this IUP. Specifically:

- By July 1, 2017, include climate change mitigation and adaptation objectives in the IUP.
- By July 1, 2017, ensure that applications and environmental reviews for potential projects account for impacts related to climate change, including potential effects of climate change on the viability of funded projects.

Similarly, U.S. EPA confirmed in recent years that DWSRF funds be awarded to projects that address "green" infrastructure, water and energy efficiency improvements, or other environmentally innovative activities. In response to Resolution No. 2017-0012, as well as the "green" objectives of U.S. EPA, the State Water Board will continue to prioritize DWSRF funding in SFY 2018-19 for the installation of new or replacement water meters as a means of promoting effective water conservation and management.

The DWSRF program and its project priority scheme also support the Governor's [Executive Order B-40-17](#) of April 7, 2017, which states, "The Water Board and [the Department of Water Resources] shall continue to direct actions to minimize water system leaks that waste large amounts of water. The Water Board, after funding projects to address health and safety, shall use loans from the DWSRF to prioritize local projects that reduce leaks and other water system losses." Projects to address excessive water losses within a PWS, especially those PWSs in drought stricken counties, are prioritized in Category C and Category D, as further described in Section IV.C.1 of this IUP.

Finally, the DWSRF program supports the State Water Board's combined [Clean Water and Drinking Water Capacity Development Strategy](#). With DWSRF set-aside funds as well as leveraging DWSRF planning and infrastructure financing, the DWSRF program and this IUP support the following strategic goals of the combined Clean Water and Drinking Water Capacity Development Strategy:

- Strategic Goal 1 - Use available resources to continuously improve the [Capacity Development] program
- Strategic Goal 2 - Identify systems with low TMF capacity
- Strategic Goal 3 - Assist water systems identified in Goal 2 to improve their TMF and if they are in violation, return to compliance
- Strategic Goal 4 – Ensure all new systems, systems changing ownership and systems using public funds to construct projects have TMF Capacity to remain sustainable into the foreseeable future
- Strategic Goal 5 –Strengthen existing and foster new partnerships with federal, state, local governmental entities, environmental justice organizations, local non-profits and drinking water organizations
- Strategic Goal 6 – Provide a system of technical assistance and training for operators, managers and board members to ensure that drinking water provided by public drinking water systems is consistently safe

## **E. DWSRF PERFORMANCE METRICS**

The following constitute performance metrics and targets for DFA to enable the timely and efficient processing of applications and disbursements:

1. Ninety five percent (95%) of complete applications should receive an executed financing agreement in nine months or less, to the extent funds are available for such applications.<sup>1</sup> A complete application means that all four DWSRF/Prop 1 Drinking Water application packages (General, Technical, Financial, and Environmental), with all applicable attachments, have been submitted and are sufficient for eligibility review.
2. One-hundred percent (100%) of complete disbursement requests should be fulfilled in 30 days or less.<sup>2</sup>

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<sup>1</sup> Agreement processing time is the time from receipt of a complete application to execution of the financing agreement.

<sup>2</sup> Disbursement fulfillment time is the time from receipt of a complete disbursement request to warrant date.

3. Amend financing agreements no later than 60 days after receipt of complete Final Budget Approval Package.
4. DWSRF Fund utilization rate > 105 percent (105%) of available funds.

### III. STRUCTURE OF THE DWSRF/PROP1 DRINKING WATER PROGRAM

To achieve the foregoing purpose and goals of the DWSRF/Prop 1 Drinking Water program as well as all other objectives, the DWSRF/Prop 1 Drinking Water program is structured into two (2) main funding components: (1) providing financial assistance to PWSs through low-interest financing, principal forgiveness, and grants, and (2) federal set-aside funding for DWSRF administrative support, SWS technical assistance, PWS supervision (PWSS) support, and other local assistance. Project funding and set-aside activities are especially targeted to benefit small water systems serving disadvantaged communities under the Office of Sustainable Water Solutions (OSWS) in DFA. Through the OSWS, a variety of technical assistance and subsidized project financing is provided to help such systems achieve compliance with safe drinking water standards, establish and maintain TMF compliance, and foster consolidation.

#### A. PLANNING AND CONSTRUCTION FUNDING

The State Water Board provides DWSRF/Prop 1 Drinking Water funding for the planning, design, and construction of eligible drinking water improvements to publicly and privately owned CWSs and nonprofit, non-community water systems. Eligible planning, preliminary engineering studies, environmental review, project design, and construction costs are described in the DWSRF Policy, Sections X.B. and XI.B. Existing procedures for providing funding will govern the administration and management of both DWSRF and Prop 1 Drinking Water funding, to the extent feasible, and consistent with this IUP and the 2018 Capitalization Grant.

Applications for DWSRF/Prop 1 Drinking Water funding are accepted on a continuous basis, and eligible projects are funded as applications are completed and approved in accordance with the applicable federal and state rules and requirements, including the DWSRF Policy. The online portal for the submittal of a DWSRF/Prop 1 Drinking Water application can be found at: <http://faast.waterboards.ca.gov/>

An eligible applicant may apply solely for planning funding with the option to later apply for construction funding. Generally, planning projects will be prioritized for small disadvantaged communities because they often lack the capital resources to conduct their own planning and design. An eligible applicant may also apply for construction funding with the option to be reimbursed for eligible planning costs under such construction project. The DWSRF/Prop 1 Drinking Water planning and construction project application materials can be found at: [https://www.waterboards.ca.gov/drinking\\_water/services/funding/SRFFForms.shtml](https://www.waterboards.ca.gov/drinking_water/services/funding/SRFFForms.shtml)

The DWSRF Policy directs staff to review and approve financing for eligible projects that have complete application packages in the order they are ranked and are ready to proceed to a financing agreement. Once DFA deems an application complete (all the packages have been submitted), DFA will conduct detailed technical, environmental and financial reviews to determine the applicant's eligibility for DWSRF and Prop 1 Drinking Water funding. If the State Water Board has insufficient funds to finance all eligible projects with complete application packages, it will first fund eligible projects based on project categories, giving priority within a category to the small water systems serving disadvantaged communities with the lowest median household income and to consolidation or extension of service projects. However, the State Water Board will manage all available funding sources so that the best possible financing package can be provided to drinking water applicants that are eligible for funds from the DWSRF, Prop 1 Drinking Water, and other available sources.

Whether a project is funded solely through DWSRF monies, Prop 1 Drinking Water funds, or combination thereof, the provisions in this section III.A shall apply.

## **B. TMF CAPACITY ASSESSMENT**

The State Water Board conducts TMF capacity assessments of all DWSRF/Prop 1 Drinking Water construction applicants to ensure sustainability, resilience, and responsible use of public funds. Where a state agency applicant acts on behalf of a disadvantaged community in applying for Prop 1 grant funding, the State Water Board will analyze the TMF capacity of the appropriate PWS. A PWS must demonstrate TMF capacity to be eligible for construction funding, regardless of the amount or type of funding provided. However, if a system does not have adequate TMF capacity, construction funding may only be provided if it will help the PWS achieve TMF capacity.

### **1. Technical Capacity**

To demonstrate technical capacity, PWSs must show that their systems' drinking water sources are adequate; that the treatment, distribution, and storage infrastructure are adequate; and that system personnel have the technical knowledge to efficiently operate and maintain the system. As part of reviewing a funding application, the State Water Board will review the engineering reports, plans and specifications as well as the PWS's records to verify that the system is being properly operated and maintained.

### **2. Managerial Capacity**

To demonstrate managerial capacity, the PWS must have personnel with expertise to manage the operation of the entire water system. The State Water Board will review the PWS's managerial capacity to assure that management is (1) involved in the day-to-day supervision of the water system, (2) compliant with all required regulations, (3) available to respond to emergencies, and (4) capable of identifying and addressing all necessary capital improvements and assuring financial viability. The State Water Board will also review records to ensure that the PWS is staffed with a qualified water operator in accordance with the State's Operator Certification Program.

### **3. Financial Capacity**

A PWS must demonstrate it has the financial capacity to own and operate its water system, including the proposed construction project, as a condition for the award of construction financing from the DWSRF or Prop 1 Drinking Water. The PWS must show that the system has sufficient revenues to cover necessary operation and maintenance costs and demonstrate credit worthiness with adequate fiscal controls. The PWS must also demonstrate financial planning for future capital improvements, including providing any water rate studies to demonstrate overall financial capacity. The State Water Board will review the PWS's project budget, audited annual financial reports, and other financial information to determine whether the PWS has adequate financial capacity to operate and maintain its system, including the proposed infrastructure project.

A PWS may not be required to demonstrate financial capacity to operate and maintain its water system, including a proposed infrastructure, to receive a planning funding agreement from the DWSRF and/or Prop 1 Drinking Water. Instead, a DWSRF and/or Prop 1 Drinking Water planning funding agreement may be used to assist a PWS in establishing its financial capacity to operate and maintain its system, including a proposed infrastructure project, in preparation for an eventual construction funding agreement. Examples of tasks financed with DWSRF or Prop 1 Drinking Water planning funds may include water rate studies, budget development, Prop 218 technical assistance, and capital improvement planning.

### **C. CONSOLIDATION**

It is the intent of the State Water Board to achieve consolidation<sup>3</sup> where appropriate and feasible, especially amongst small water systems serving disadvantaged communities. Many SWSs struggle to meet minimum state and federal requirements to provide safe and reliable drinking water. Due to the lack of economies of scale that can be achieved by a larger customer base, SWSs face TMF challenges to maintaining long-term sustainability. Infrastructure projects are increasingly costly, the technical complexity of compliance grows, and economic constraints are especially onerous for such systems. Consolidation is a promising solution to many difficulties faced by SWSs, particularly when confronted with compliance-related problems or depleted water sources. To achieve consolidation, DFA, in coordination with DDW, will continue in SFY 2018-19 to leverage the DWSRF for such consolidation initiatives by providing project financing and technical assistance in support of consolidation.

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<sup>3</sup> Consolidation, as defined under Section 116681 of the Health and Safety Code, Subdivision (e), means "joining two or more public water systems, state small water systems, or affected residences not served by a public water system, into a single public water system."

Specifically, DFA will continue to require that all funding applicants evaluate the feasibility of consolidation as an eligibility requirement for DWSRF construction funding. If planning funding is being provided to a small water system, DFA may also require an evaluation of consolidation prior to reimbursement of other planning activities under a planning funding agreement. If consolidation is considered infeasible, the applicant will be required to discuss the reasons supporting that determination.

The State Water Board also encourages consolidation by providing zero percent interest rate financing and other incentives for eligible projects. Specifics on the consolidation incentive program are described in Section V.B.2 of this IUP. Recognizing the critical role of the State Water Board in the success of funded projects, the State Water Board will strive to achieve the best service for the consumer and help ensure that a PWS can be maintained for the long term.

#### **D. SET-ASIDE FUNDING**

A portion of a federal capitalization grant may be reserved for other eligible activities called the “DWSRF Set-Asides.” The DWSRF Set-Asides have historically provided funding for the (1) the administration of the DWSRF, and (2) small water system technical assistance (SWSTA), and (3) public water system supervision by DDW and (4) technical assistance to PWSs in support of the Capacity Development Strategy. The summary use of the FFY 2018 DWSRF set-asides is described below with additional information provided in Section VI of this IUP.

##### **1. Administration Set-Aside**

The DWSRF Administration Set-Aside will fund DFA’s administration of the DWSRF program in SFY 2018-19, as well as related services provided by the State Water Board’s OCC.

##### **2. Small Water System Technical Assistance (SWSTA) Set-Aside**

The SWSTA Set-Aside will fund DFA technical assistance to small PWSs serving less than 10,000 people, particularly those systems with fewer than 200 service connections, in establishing eligibility for DWSRF funding and providing other technical assistance for SWS project development. The SWSTA Set-Aside may also fund contracts for technical assistance to SWSs in support of project environmental documentation.

##### **3. State Program Management Set-Aside**

The State Program Management Set-aside will be used to fund DDW’s administration of the State Water Board’s PWSS program by subsidizing the regulatory activities of DDW that are also funded, in part, by an annual PWSS grant from U.S. EPA as well as fees paid by California’s regulated PWSs.

#### **4. Local Assistance Set-Aside**

The Local Assistance Set-aside will fund third-party contractors and their technical assistance to PWSs in support of the Capacity Development Strategy, including assistance with the development of a DWSRF funding application. The Local Assistance set-aside will also fund DFA staff and their technical assistance provided to PWSs in support of TMF capacity development and the establishment of such eligibility for DWSRF funding. Finally, the Local Assistance Set-Aside may also fund DDW's technical assistance to PWSs in support of the State Water Board's Capacity Development Strategy as part of their regulatory oversight of California's PWSs.

## IV. FUNDING CAPACITY AND DISTRIBUTION OF FUNDS

### A. DWSRF FUNDING CAPACITY

The DWSRF is comprised of multiple funding sources with an aggregate annualized funding capacity that can achieve multiple public health benefits. In summary, DWSRF funding is derived from annual capitalization grants from U.S. EPA and associated state match. Repayable financings made with such capital through the DWSRF also revolve back into the DWSRF with additional interest earnings. Cash within the DWSRF is invested and generates additional earnings and the DWSRF can be leveraged through the sale of revenue bonds to generate additional near-term capital for the funding of construction projects that achieve public health benefits.

The State Water Board's CWSRF/DWSRF Debt Management Policy directs DFA to conduct an annual funding capacity assessment in coordination with the development of a DWSRF IUP to generate an annual sustainable funding target for the DWSRF. The purpose of the funding capacity assessment and associated annual funding target is to manifest a financing strategy for the DWSRF that balances demand for DWSRF funding and associated public health objectives while ensuring the perpetuity of the DWSRF through prudent leveraging practices and fiscal stewardship of corpus funds<sup>4</sup>. The DWSRF annual funding capacity assessment is developed in cooperation with the State Water Board's municipal financial advisor and must also consider the available State Water Board staff resources to carry-out such a financing strategy.

In general, a variety of debt limitations must be considered per the CWSRF/DWSRF Debt Management Policy when evaluating the annual DWSRF funding capacity and associated funding target, including the availability of pledged revenues, rate covenants and bond tests as well as the stated goal of the State Water Board to achieve and maintain "AAA" ratings on its revenue bonds. Enough retained earnings must also be maintained as a reserve to offset any lost capital because of potential defaults. The timely disbursement of leveraged proceeds must also be considered to ensure compliance with any requirements under the Tax Increase Prevention and Reconciliation Act of 2005. Also, the State Water Board's ability to pledge a diverse group of loans with sufficient credit quality, size and regional diversity must also be factored into this annual funding capacity analysis. Finally, current and projected market conditions for the sale of revenue bonds can have estimated impacts on the funding capacity of the DWSRF. However, under all circumstances, the leveraging of the DWSRF must never jeopardize the revolving use of DWSRF corpus funds.

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<sup>4</sup> Corpus funds are the federal (capitalization grants) and state capital investments (state and local match) in the DWSRF, less the DWSRF Set-Aside and additional subsidy (e.g. principal forgiveness) expenditures.

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The use of non-leveraged funds and their overall impact to the long-term capacity of the DWSRF must also be considered in this DWSRF funding capacity assessment and associated annual funding target. The reservation of funds for additional subsidy and DWSRF set-asides, which do not revolve back into the DWSRF, can have a measurable impact on the long-term funding capacity of the DWSRF. Additionally, DWSRF financing terms such as interest rates, loan repayment terms and fees can also have a tremendous impact on the funding capacity of the DWSRF and associated annual funding target.

Given all the goals, objectives and factors of this IUP, the DWSRF Policy, the CWSRF/DWSRF Debt Management Policy and all other governing federal and state rules, the State Water Board, in cooperation with its municipal financial advisor has determined a DWSRF SFY 2018-19 funding capacity of approximately \$420 million. This amount is in addition to a remaining capacity of approximately \$295 million for SFY 2017-18, for a combined total of approximately \$715 million (collectively, the "DWSRF SFY 2018-19 Funding Target"). This aggregate funding capacity includes the additional subsidy, small water system and green project reserves described below and forms the funding basis for the SFY 2018-19 Fundable List, also discussed below.

#### **1. DWSRF SFY 2018-19 Additional Subsidy Reserve**

The SDWA allows states to award "additional subsidy" to eligible recipients in the form of principal forgiveness, negative interest rates, or grants. Specifically, the SDWA allows states the option to award up to 30 percent (30%) of a federal capitalization grant as additional subsidy to PWSs serving disadvantaged communities. Like the FFY 2017 DWSRF capitalization grant, the FFY 2018 Capitalization Grant may also require states to provide 20 percent (20%) of the 2018 Capitalization Grant as additional subsidy to eligible projects/recipients. However, this 20 percent (20%) allocation of additional subsidy may not be restricted to solely PWSs serving disadvantaged communities. The additional 20 percent (20%) allocation for principal forgiveness may also be mandatory and additive to the 30 percent (30%) allocation provided under the SDWA, for a combined total of up to 50 percent (50%) of the FFY 2018 Capitalization Grant (collectively, the FFY 2018 Additional Subsidy Reserve).

Given the foregoing rules, and subject to the FFY 2018 Capitalization Grant Terms and Conditions, the State Water Board intends to provide the maximum FFY 2018 Additional Subsidy Reserve permitted as principal forgiveness to eligible PWSs that serve disadvantaged and severely disadvantaged communities. As a result, current estimates suggest that the FFY 2018 Additional Subsidy Reserve may be fifty-percent (50%) of the FFY 2018 Capitalization Grant, or approximately \$55 million. Any prior year additional subsidy reserve balances may also be committed in SFY 2018-19 to fund eligible projects. However, current estimates suggest that prior year additional subsidy reserves will be substantially committed to eligible projects by the end of SFY 2017-18.

It is the intent of the State Water Board to provide for the effective and equitable use of the limited amount of DWSRF and Prop 1 Drinking Water principal forgiveness/grant funds. Therefore, the additional subsidy reserve shall also be prioritized in accordance with the DWSRF Policy and be awarded in accordance to certain affordability criteria detailed in Section V.B. The eligible grant and/or principal forgiveness funding amount for any project may also be reduced by the Deputy Director of DFA for good cause.

## **2. DWSRF SFY 2018-19 Small Water System Reserve**

Federal rules require that at least 15 percent (15%) of available DWSRF funding be provided to PWSs that serve less than 10,000 people to the extent such projects for such PWSs are eligible and ready to proceed to a funding agreement (Small Water System Reserve). Based upon the DWSRF SFY 2018-19 Funding Target of approximately \$715 million, the minimum small water system reserve for such target is approximately \$107.25 million. However, regardless of the available funding for SWS under minimum federal requirements, the State Water Board will prioritize all DWSRF funding for eligible SWSs that are ready to proceed to a funding agreement, to the maximum extent practicable, and in consideration of all other federal and State authorities governing the prioritization of DWSRF funding.

## **3. DWSRF SFY 2018-19 Green Project Reserve**

Like prior years capitalization grants, the FFY 2018 Capitalization Grant may provide for an optional reserve of DWSRF funds for projects to address green infrastructure, water or energy efficient improvements, or other environmentally innovative activities (Green Project Reserve). While DWSRF funding is to be prioritized first for “ready-to-proceed” projects that address risks to human health and ensure compliance with safe drinking water standards, the State Water Board also acknowledges the importance of providing for the Green Project Reserve, especially in cases of promoting water conservation through the installation of water meters. The SFY 2018-19 Fundable List includes at least (3) water meter installation projects totaling approximately \$1.3 million that may be ready-to-proceed to funding in SFY 2018-19 through this Green Project Reserve.

## **B. PROP 1 DRINKING WATER AND PROP 1 GROUNDWATER FUNDING CAPACITY**

It is currently anticipated that Prop 1 Drinking Water funds will be substantially committed to eligible projects by the end of SFY 2017-18. If existing encumbrances are de-obligated in SFY 2018-19 because of projects being completed under budget estimates, then such fund balances shall be made available to eligible projects as State budget authority allows. Unlike the DWSRF, Prop 1 Drinking Water funding is managed based upon available appropriation to the State Water Board under annual State Budgets. Generally, the State Water Board will have three years to encumber and two years after that to fully liquidate Prop 1 Drinking Water appropriations, unless otherwise extended or re-appropriated by the Legislature. \$67.5 million and \$174.3 million of Prop 1 Drinking Water funds were appropriated to the State Water Board in the SFY 2014-15 and SFY 2015-16 State Budgets, respectively for eligible Prop 1 Drinking Water project financing, including projects serving as state match for the DWSRF and the administration of Prop 1 Drinking Water Funds. Such funds can be encumbered until June 30, 2018 and any available balances for encumbrance may be extended or re-appropriated as permitted by the State Legislature and the Governor.

Additionally, State Water Board's Groundwater Sustainability Grant Program under Prop 1 may provide for additional subsidy in the form of grants to public water systems serving disadvantaged communities. See the guidelines and available funding governing the [State Water Board's Groundwater Sustainability Program](#) for more information.

## **C. DRINKING WATER INFRASTRUCTURE GENERAL NEED, AND DEMAND FOR DWSRF/PROP 1 DRINKING WATER FUNDING**

Based on the 2015 Drinking Water Infrastructure Needs Survey, California drinking water needs are approximately \$51.03 billion over the next 20 years. Based upon this survey, California's greatest need over the next 20 years is for drinking water transmission and distribution repair/replacement (\$31.2 billion) followed by drinking water treatment (\$9.2 billion) and storage (\$7.0 billion) infrastructure. U.S. EPA's report on the 2015 Drinking Water Infrastructure Needs survey can be found at:

[https://www.epa.gov/sites/production/files/2018-03/documents/sixth\\_drinking\\_water\\_infrastructure\\_needs\\_survey\\_and\\_assessment.pdf](https://www.epa.gov/sites/production/files/2018-03/documents/sixth_drinking_water_infrastructure_needs_survey_and_assessment.pdf).

As a result of such need identified in this national survey, the State Water Board currently has approximately 282 funding requests for DWSRF/Prop 1 Drinking water planning and construction funding totaling \$1.33 billion. The funding requests are in the form of DWSRF/Prop 1 Drinking Water application materials that are in varying degrees of completeness and eligibility review. A summary of the current, aggregate DWSRF/Prop 1 Drinking Water funding demand is described further in Table 1 (page 23) and is derived from the projects listed on the DWSRF/Prop 1 Drinking Water Comprehensive List (Appendix B, Page 73).

**Table 1: SFY 2018-19 DWSRF Fundable Demand Summary**

Priority Ranking	Description	No. of Applications	Total Funding Request
A	Immediate Health Risk	15	\$27,273,076
B	Untreated At-Risk Sources	14	\$168,908,520
C	Compliance or Shortage	88	\$293,355,519
D	Inadequate Reliability	36	\$64,476,704
E	Secondary Risks	10	\$18,362,500
F	Other Projects	119	\$764,754,074
Total		282	\$1,337,130,393

#### **D. PRIORITIZATION SYSTEM**

To establish the DWSRF SFY 2018-19 Fundable List based upon the DWSRF funding capacity analysis described earlier, DWSRF and Prop 1 Drinking Water projects are reviewed and ranked by categories and other factors described below:

##### **1. Categories**

###### *Category A - Immediate Health Risk*

- Documented waterborne disease outbreaks attributable to the water system.
- Water systems under a court order to correct SDWA violations or to correct water outage problems.
- Total coliform MCL violations attributable to active sources contaminated with coliform bacteria (fecal, E. coli, or total coliform).
- Severe domestic water supply outage(s) posing an imminent threat to public health and safety.
- The distribution of water containing nitrates/nitrites or perchlorate in excess of the MCL.

###### *Category B - Untreated or At-Risk Sources*

- Surface water or groundwater under the direct influence (GWUDI) of sources that are untreated, not filtered, or have other filtration treatment deficiencies that violate federal or state regulations.
- Non-GWUDI groundwater sources that are contaminated with fecal coliform or E. coli and are inadequately treated.
- Uncovered distribution reservoirs.

*Category C - Compliance or Shortage Problems*

- Water quantity problems caused by source capacity, or water delivery capability that is insufficient to meet existing demand<sup>5</sup>.
- The distribution of water containing chemical or radiological contamination in violation of a state or federal primary drinking water standard (other than nitrate/nitrite or perchlorate).
- Total Coliform Rule violations for reasons other than source contamination.

*Category D - Inadequate Reliability*

- Non-metered service connections, or defective water meters.
- CWSs, and PWSs owned by public schools, with a single source and no backup supply.
- Distribution reservoirs with non-rigid covers in active use.
- Disinfection facilities that lack needed reliability features, such as chlorine analyzers or alarms.
- Disinfection deficiencies that violate Waterworks Standards.
- Excessive Water loss due to failing drinking water infrastructure that is not necessarily affecting the delivery of water to meet existing demand.

*Category E - Secondary Risks*

- The distribution of water that exceeds secondary drinking water standards.
- The distribution of water in excess of a published chemical notification level.
- The distribution of water, which has exceeded a primary drinking water standard in one or more samples, but has not violated a running average standard.
- A standby groundwater source that exceeds a primary drinking water standard.
- Deficiencies that violate Waterworks Standards (other than those already covered above).

*Category F - Other Projects*

- Deficiencies attributable to the water system that address present or prevent future violations of health-based standards (other than those already covered above).

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<sup>5</sup> Projects may include the replacement of leaking infrastructure that is causing a PWS to not meet existing demand because of excessive water loss. Projects may also include those that address source capacity in drought stricken areas.

## **2. Sustainability Score**

Projects with a higher aggregate sustainability score will receive priority over other projects within the same category. A project may be awarded one (1) sustainability point per each of the following:

- Project benefits a disadvantaged community or a severely disadvantaged community.
- Project will result in the consolidation of water system(s) or extension of service to a disadvantaged community or a severely disadvantaged community that is not being served by a public water system.

## **E. FUNDABLE LIST AND DISTRIBUTION OF FUNDS**

In accordance with federal requirements and the DWSRF Policy, the DWSRF SFY 2018-19 Fundable List consists of both planning and construction projects that are being targeted for an executed financing agreement by June 30, 2019<sup>6</sup>. The projects included on the DWSRF SFY 2018-19 Fundable List are a result of their prioritization for DWSRF funding as well as DFA's preliminary assessment of their readiness to proceed to an executed funding agreement in SFY 2018-19. State Water Board staff resources and associated eligibility reviews will also be prioritized for the projects included on DWSRF SFY 2018-19 Fundable List. Specifically, the DWSRF SFY 2018-19 Fundable List consists of projects

- ranked in the public health categories (A to C); and/or
- are anticipated to be approved for financing by the end of March 2018; and/or
- are requesting repayable financing only.

The DWSRF SFY 2018-19 Fundable List is also tailored to correlate with the DWSRF SFY 2018-19 Funding Target discussed in Section IV.A. above, which is based upon a funding capacity assessment performed by the State Water Board's municipal financial advisor in accordance with the CWSRF/DWSRF Debt Management Policy. In summary, the DWSRF SFY 2018-19 Fundable List assumes approximately \$295 million of uncommitted DWSRF SFY 2017-18 funding capacity (principal forgiveness and repayable funding), as of March 31, 2018, and a maximum of \$420 million of anticipated DWSRF funding capacity (principal forgiveness and repayable financing) for SFY 2018-19, for a combined total of approximately \$715 million.

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<sup>6</sup> The DWSRF SFY 2018-19 Fundable List includes projects with eligible principal forgiveness/grant funding requests that currently exceeds the available balance of such additional subsidy. Nonetheless, these projects are included on the DWSRF SFY 2018-19 Fundable List in the event other grant funding sources become available to the State Water Board in SFY 2018-19, such as Prop 68 drinking water funds.

As a result of such prioritization and the DWSRF Funding Target, the DWSRF SFY 2018-19 Fundable List includes 96 projects for a total of approximately \$569 million (Appendix A, page 63) in eligible DWSRF/Prop 1 Drinking Water funding requests. Such requests are anticipated to be predominantly funded by the DWSRF, and any remaining Prop 1 Drinking Water, or other funds, should they become available for the State Water Board to administer under this IUP.

Of the 96 projects on the Fundable List, 26 projects totaling approximately \$448 million are anticipated to be funded with DWSRF repayable financing. The remaining balance of approximately \$121 million constitutes principal forgiveness/grant funding requests for the benefit of small, disadvantaged communities and are anticipated to be funded, in part, from the estimated \$55 million SFY 2018-19 Additional Subsidy Reserve, and any remaining Prop 1 Drinking Water grant funds, and other grant funds, should they become available to the State Water Board in SFY 2018-19. Also, some of these projects on the DWSRF SFY 2018-19 Fundable List may be funded by the end of SFY 2017-18, but are included on the DWSRF SFY 2018-19 Fundable List for the purposes of transparency and publishing the remaining commitments that are being budgeted against the DWSRF SFY 2018-19 Funding Target.

Finally, the DWSRF SFY 2018-19 Fundable List includes an aggregate of projects that does not make full use of the DWSRF SFY 2018-19 Funding Target. As such, the Deputy Director of DFA, or designee, may add projects to the DWSRF SFY 2018-19 Fundable List during SFY 2018-19 in accordance with the prioritization and “readiness-to-proceed” criteria within the DWSRF Policy and this IUP to provide for the full commitment of available funding capacity by June 30, 2019. The Deputy Director of DFA, or designee, may also update the Fundable List periodically per the project bypass procedures described in the DWSRF Policy and this IUP with the goal to prudently maximize the DWSRF SFY 2018-19 Funding Target by June 30, 2019. A summary of the DWSRF SFY 2018-19 Fundable List is described in Table 2 below.

**Table 2: SFY 2018-19 DWSRF Fundable List Summary**

Summary	Projected Number of Projects	Projected Total Funding Amount	Projected Loan Amount	Projected PF*/Grant Amount
Small Water System Planning	28	\$14,699,800	\$2,350,150	\$12,349,650
Large Water System Planning	3	\$2,516,500	\$2,516,500	\$0
Small Water System Construction	40	\$101,944,694	\$31,724,759	\$70,219,935
Large Water System (Including Expanded SWS) Construction	25	\$449,743,883	\$411,647,119	\$38,096,764
<b>TOTAL</b>	96	\$568,904,877	\$448,283,528	\$120,666,349
*Principal Forgiveness (PF)				

The State Water Board acknowledges that the additional subsidy (principal forgiveness/grant) funding requests on the DWSRF SFY 2018-19 Fundable List currently exceed the estimated SFY 2018-19 Additional Subsidy Reserve as well as the remaining balance of Prop 1 Drinking Water Funds. As such, projects and associated funding requests for principal forgiveness/grant shall be prioritized for principal forgiveness/grant based upon their public health ranking and their actual readiness to proceed to a funding agreement (i.e. complete application) per the DWSRF Policy and this IUP.

Past experience also indicates that many of the SWS applicants will require technical assistance and that not all the 68 SWS planning and construction projects will be ready for a funding agreement by SFY 2018-19. As a result, such bypassed projects may be considered for funding in SFY 2019-20, subject to the DWSRF SFY 2019-20 funding target or other available funding sources.

#### **F. PROJECT BYPASS & THE FUNDABLE LIST**

Pursuant to the DWSRF Policy, the State Water Board may bypass any project on the DWSRF SFY 2018-19 Fundable List where it determines that it is not ready to proceed to financing within SFY 2018-19. A bypassed project on the Fundable List may be supplemented with the highest ranked project from the Comprehensive List that is expected to be ready to proceed to a funding agreement in SFY 2018-19. Bypassed projects will then remain on the Comprehensive List and may be funded later when (1) prioritized for available DWSRF funding and (2) when such projects are ready to proceed to a funding agreement.

#### **G. FUNDABLE LIST AND FINANCIAL OUTLOOK**

The DWSRF SFY 2018-19 Fundable List does not anticipate the commitment of the full DWSRF SFY 2018-19 Funding Target and current application/commitment trends suggest that the State Water Board may not be fully utilizing near-future, annual DWSRF funding capacities due to a lack of “ready-to-proceed” applications for repayable financing. Commitment and disbursement trends do project compliance with U.S. EPA’s un-liquidated obligation strategy for federal funds. But, the maximum sustainable leveraging of the DWSRF may continue to be underutilized over the next few years unless “ready-to-proceed” demand for DWSRF repayable financing increases.

Now, because of existing DWSRF encumbrances and the remaining commitments for SFY 2017-18, as well as the anticipated funding commitments described on the DWSRF SFY 2018-19 Fundable List (Appendix A, page 63), the State Water Board is estimating a DWSRF fiscal impact demonstrated in Table 3 (page 28). In summary existing encumbrances, as of March 31, 2018, and associated projected disbursements suggest a negative fund balance of approximately \$163 million. This negative fund balance assumes the State Water Board maintains its \$100 million DWSRF cash reserve. The DWSRF SFY 2018-19 Fundable List suggests a further negative fund balance of as much as \$600 million. As a result of such projected negative fund balances, additional capital through the sale of DWSRF revenue bonds may be required to support both existing commitments as well as forecasted commitments included in the DWSRF SFY 2018-19 Fundable List.

**Table 3: SFY 2018-19 DWSRF IUP Fiscal Impact Summary**

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
<b>Beginning Cash Balance (as of July 1st of year):</b>	\$327,134,000.00	\$21,682,951.82	-\$552,938,025.61	-\$587,346,734.19	-\$483,628,083.84	-\$317,816,808.49	-\$145,574,464.14
Undrawn Federal Funds (not including set-asides)	\$0.00						
Unspent Revenue Bonds Balance	\$0.00						
Prop 1 State Match Encumbrance Balance	\$63,264,909.00						
<b>Total Funds Available at Beginning of Year</b>	<b>\$390,398,909.00</b>	<b>\$21,682,951.82</b>	<b>-\$552,938,025.61</b>	<b>-\$587,346,734.19</b>	<b>-\$483,628,083.84</b>	<b>-\$317,816,808.49</b>	<b>-\$145,574,464.14</b>
Repayments from SRF loans (on all disbursed funds)	\$64,000,453.71	\$89,377,843.91	\$96,714,719.42	\$97,562,196.35	\$96,827,156.18	\$95,655,117.99	\$95,193,343.81
Estimated Repayments from New/Future Loans					\$5,755,114.17	\$11,947,226.36	\$17,429,074.54
<b>Total Repayments</b>	<b>\$64,000,453.71</b>	<b>\$89,377,843.91</b>	<b>\$96,714,719.42</b>	<b>\$97,562,196.35</b>	<b>\$102,582,270.35</b>	<b>\$107,602,344.35</b>	<b>\$112,622,418.35</b>
Prop 1 State Match New Encumbrances for CY	\$26,655,471.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Ibank State Match Proceeds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Local Match Credits	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other State Match Proceeds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total State Match</b>	<b>\$26,655,471.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>Total Federal Cap Grants (not including set-asides)</b>	<b>\$59,709,650.00</b>	<b>\$81,400,000.00</b>	<b>\$63,140,000.00</b>	<b>\$63,140,000.00</b>	<b>\$63,140,000.00</b>	<b>\$63,140,000.00</b>	<b>\$63,140,000.00</b>
<b>SMIF interest</b>	<b>\$1,500,000.00</b>						
<b>Total All Inflows:</b>	<b>\$542,264,483.71</b>	<b>\$193,960,795.73</b>	<b>-\$391,583,306.19</b>	<b>-\$425,144,537.84</b>	<b>-\$316,405,813.49</b>	<b>-\$145,574,464.14</b>	<b>\$31,687,954.21</b>
Debt Service - Outstanding Revenue Bonds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total Revenue Bond Debt Service</b>	<b>\$0.00</b>						
Actual Disbursements (Committed Projects)	-\$207,500,392.41	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Projected Disbursements (Committed Projects)	-\$171,366,374.48	-\$399,229,374.34	-\$72,267,255.00	\$0.00	\$0.00	\$0.00	\$0.00
Projected Disbursements (Fundable List)	-\$41,714,765.00	-\$347,669,447.00	-\$123,496,173.00	-\$58,483,546.00	-\$1,410,995.00	\$0.00	\$0.00
<b>Total Disbursements</b>	<b>-\$420,581,531.89</b>	<b>-\$746,898,821.34</b>	<b>-\$195,763,428.00</b>	<b>-\$58,483,546.00</b>	<b>-\$1,410,995.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>Total All Outflows:</b>	<b>-\$420,581,531.89</b>	<b>-\$746,898,821.34</b>	<b>-\$195,763,428.00</b>	<b>-\$58,483,546.00</b>	<b>-\$1,410,995.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>Fund Balance Reserve</b>	<b>-\$100,000,000.00</b>						
<b>Funds Available Less All Outflows</b>	<b>\$21,682,951.82</b>	<b>-\$552,938,025.61</b>	<b>-\$587,346,734.19</b>	<b>-\$483,628,083.84</b>	<b>-\$317,816,808.49</b>	<b>-\$145,574,464.14</b>	<b>\$31,687,954.21</b>

Disbursement projections for the DWSRF continue to remain volatile with current estimated accuracy between 75-80% of projected. However, current trends suggest that the accuracy of DWSRF disbursement projections is increasing to the extent that the 12-month rolling average of actual disbursements is now outpacing the 12-month rolling average of projected disbursements. The projected commitments on the DWSRF SFY 2018-19 Fundable List are also subject to change. Table 4 below summarizes two potential leveraging scenarios given the foregoing fiscal impact and the projected negative balances. The scenarios depict estimated leveraging amounts when considering additional capital potentially needed to meet existing commitments (Scenario A) as well as additional capital needed to meet both existing commitments and the projected commitments included on the DWSRF SFY 2018-19 Fundable List (Scenario B). Each scenario is further analyzed for projected leveraging amounts based upon a range of accuracy for projected disbursements.

**Table 4: DWSRF Leveraging Scenarios Based Upon Accuracy of Disbursement Projections**

	SCENARIO A: Existing Commitments (as of March 31, 2018)	SCENARIO B: Existing Commitments + Projected Commitments for SFY 2018-19
Leveraging Amount (Disbursements not adjusted for accuracy factor)	~\$170 million	~\$600 million
Leveraging Amount (Disbursements adjusted for 80% accuracy factor)	~\$0 million	~\$325 million
Leveraging Amount (Disbursements adjusted for 75% accuracy factor)	~\$0 million	~\$250 million

In conclusion, when considering the volatility of DWSRF disbursement projections but the increasing accuracy of such projections, combined with existing commitments as well as forecasted commitments on DWSRF SFY 2018-19 Fundable List, fiscal forecasting continues to suggest the potential need for additional DWSRF capital through the sale of revenue bonds in SFY 2018-19. DFA will continue to monitor its projections throughout the summer of 2018 and advise the State Water Board accordingly if the sale of revenue bonds is needed in the Spring of 2019 to further capitalize the DWSRF. DFA will continue to prudently manage the DWSRF and regularly assess the need for the sale of revenue bonds relative to the costs of such bonds, while simultaneously ensuring that the State Water Board always has a sufficient amount of capital to meet its DWSRF obligations.

## **H. COMPREHENSIVE LIST**

The Comprehensive List (Appendix B, page 73) identifies PWSs seeking financial assistance for specific drinking water infrastructure projects. A project must be on the Comprehensive List to be considered for DWSRF financing. Eligible projects on the Comprehensive List will generally also be considered for Prop 1 Drinking Water funding for any available remaining funds that have not been committed in SFY 2018-19. However, placement of a project on a Comprehensive List does not constitute a commitment to provide financing.

Applicants must submit, at a minimum, the General DWSRF application package to be added to the Comprehensive List, whether ultimately funded by the DWSRF, Prop 1, other sources, or a combination thereof. The General package must describe the nature of the project with sufficient details to enable the State Water Board to rank and place the project on the Comprehensive List. The State Water Board will review and rank the project in the appropriate ranking categories as described in Section IV.C of this IUP. The Comprehensive List will generally be updated quarterly on the State Water Board's website. The Executive Director may update the Comprehensive List more frequently if necessary or less frequently if there are no new projects to be added.

DFA will monitor projects on the Comprehensive List to ensure that applicants are proceeding expeditiously with their projects. The State Water Board's Executive Director will remove a project from the Comprehensive List when:

- The project has been on the list for at least four consecutive quarters, and the applicant has been non-responsive or has not requested that the project remain on the Comprehensive List;
- The State Water Board so instructs;
- The project has received DWSRF financing or alternative financing;
- The water system ceases to exist or becomes ineligible;
- The problem no longer exists or has been corrected; or
- The applicant requests that the project be removed.

## **I. SOURCES AND USES FINANCIAL SUMMARY FOR U.S. EPA**

### **1. Federal Capitalization Grants**

The U.S. EPA has been awarding DWSRF capitalization grants to California since 1998. Including the estimated \$110 million 2018 Capitalization Grant, California will have received approximately \$1.97 billion in federal DWSRF capitalization grant funding for both project financing and set-aside activities since the inception of the DWSRF program.

## **2. DWSRF Capitalization Grant State Match Source**

The SDWA requires states to provide a 20 percent (20%) match to the capitalization grants received from the federal government. California's DWSRF has been capitalized with a variety of state match sources including general fund appropriations, general obligation bonds, short-term financings with the California Economic and Infrastructure Bank, and local match funds. Since program inception, California has provided approximately \$457.4 million in state match.

## **3. Principal and Interest Repayment Sources**

The DWSRF provides for revolving principal and interest repayments to sustain the DWSRF in perpetuity as well as to grow the funding capacity of the fund. As of June 30, 2018, the State Water Board will have received approximately \$661.2 million in principal and interest repayments as well as investment earnings since the inception of the DWSRF program. For SFY 2018-19, the State Water Board anticipates receipt of approximately \$91.3 million in principal repayments and interest earnings, which will continue to be committed to eligible DWSRF projects.

## **4. Summary of Sources of all DWSRF Funds**

Table 5 (page 32) constitutes a summary of all sources of funds of the DWSRF, including the funds anticipated for SFY 2018-19.

**Table 5: Sources of all DWSRF Funds**

Description	Projected Cumulative Total through 6/30/2018**	Projected 7/1/18-6/30/19* (This IUP)	Projected Cumulative Total through 6/30/2019*
Federal Capitalization Grants			
Loans (including ARRA)	\$1,617,451,370	\$81,400,000	\$1,698,851,370
Set-Asides (including ARRA)			
Administration	\$72,780,130	\$4,400,000	\$77,180,130
Small Water System Technical Assistance	\$35,049,569	\$2,200,000	\$37,249,569
State Program Management	\$98,294,702	\$11,000,000	\$109,294,702
Local Assistance & Other State Programs	\$38,103,814	\$11,000,000	\$49,103,814
State Match			
20% Capitalization Grant Match***	\$457,471,571	\$0	\$457,471,571
Principal Repayments	\$479,130,151	\$68,516,816	\$547,646,967
Interest Repayments (incl. Penalties)	\$164,926,218	\$20,953,696	\$185,879,914
Investment Earnings	\$17,210,285	\$1,900,000	\$19,110,285
<b>Sources Total</b>	<b>\$2,980,417,809</b>	<b>\$201,370,512</b>	<b>\$3,181,788,322</b>
*Based upon current estimates for SFY 2018-19 (as of 3/29/2018)			
**Based upon current reconciliation			
***Includes allocation Prop 1 Drinking Water funds as overmatch to the DWSRF			

## 5. Use of All DWSRF Funds Available

Including estimates for the remainder of SFY 2018-19, the State Water Board expects to have executed over 447 funding agreements for a combined total of approximately \$3.022 billion since the inception of the DWSRF program. The total amount of funds used by the DWSRF, including estimates for SFY 2016-17 and SFY 2017-18 are presented in Table 6 (page 33).

**Table 6: Uses of All DWSRF Funds**

Description	Projected Cumulative Total through 6/30/2018**	Projected 7/1/18-6/30/19* (This IUP)	Projected Cumulative Total through 6/30/2019*
Loans/Repayable Financing			
To Large Systems (>10,000 population)	\$2,607,120,098	\$414,163,619	\$ 3,021,283,717
To Small Systems (<10,000 population)	\$414,782,443	\$34,019,519	\$448,801,962
Green Project Reserve	\$122,850,965	\$1,329,600	\$124,180,565
Additional Subsidy	\$465,827,895	\$55,000,000	\$520,827,895
Set-Aside Funding			
DWSRF Administration	\$71,559,389	\$3,002,857	\$74,562,246
Small Water System Technical Assistance	\$33,892,425	\$1,395,936	\$35,288,361
State Program Management	\$96,294,702	\$11,000,000	\$107,294,702
Local Assistance and Other Programs	\$31,768,762	\$6,940,704	\$38,709,466
*Based upon current estimates			
**Based upon current reconciliation			

## V. DWSRF AND PROP 1 FINANCING TERMS

### A. DEFINITIONS

To the extent consistent with State or Federal law, the following definitions apply to Section V of this IUP, for the purposes of defining repayable financing terms as well as additional subsidy from the DWSRF/Prop 1 Drinking Water funding. In order to provide the best funding package for an applicant, the State Water Board will combine funding sources where appropriate. For this reason, the following definitions, taken from governing statutes, federal regulations, and the DWSRF Policy, shall apply to funding under this IUP/Guidelines.

1. "Acceptable Result" means the project that, when constructed, solves the problem for which the project was placed on the Comprehensive List, ensures the owner and operator of the improved or restructured public water system shall have long-term TMF capacity to operate and maintain the public water system in compliance with state and federal safe drinking water standards, can provide a dependable source of safe drinking water long-term, and is both short-term and long-term affordable.
2. "Community Water System" or "CWS" means a public water system which serves at least 15 service connections used by year-round residents or regularly serves at least 25 year-round residents.
3. "Cost Effective" means achieves an acceptable result at the most reasonable cost.
4. "Disadvantaged Community" or "DAC" means the entire service area of a Community Water System (CWS) in which the median household income (MHI) is less than 80 percent of the statewide MHI.
5. "Expanded Small Community Water System" or "ESCWS" means a CWS that serves
  - a. More than 3,300 service connections, but no more than 6,600 service connections; or
  - b. A yearlong population of more than 10,000 persons but no more than 20,000 persons.
6. "For Profit Entity" means a corporation, partnership, trust, association, sole proprietorship, or limited liability company that is not exempt from taxes under Section 501(c) of the United State Internal Revenue Code, including those entities that are regulated by the California Public Utilities Commission.
7. "Native American Tribe" means a federally recognized Indian tribe, or a State Indian tribe listed on the Native American Heritage Commission's California Tribal Consultation List.
8. "Non-transient Non-Community Water System" or "NTNC" means a public water system that is not a community water system and that regularly serves at least 25 of the same persons over six months per year.

9. “Not-For-Profit Water Company” means a mutual benefit water company, public benefit corporation, homeowner’s association, or cooperative that is exempt from taxes under Section 501(c) of the United States Internal Revenue Code.
10. “Project” means cost-effective facilities for the construction, improvement, or rehabilitation of a public water system. It may include the planning and design of facilities, annexation or consolidation of water systems, source water assessments, source water protection, and other activities specified in the federal SDWA.
11. “Projects that Provide Regional Benefits” means construction projects that address public health issues ranked in categories A to C; are a shared solution amongst three or more participating PWSs; and at least one of those participants is a Small Community Water System (SCWS) serving a DAC or a NTNC serving a disadvantaged community.
12. “Residential Water Rates” means the average residential water rate for the entire permitted service area of a public water system. For the purposes of calculating an average residential water rate, service charges plus other costs specifically related to the drinking water system may be considered, including but not limited to, assessments, and fees.
13. “Severely Disadvantaged Community” or “SDAC” means the entire service area of a CWS in which the MHI is less than 60 percent of the statewide MHI.
14. “Small Community Water System” or “SCWS” means a CWS that serves no more than 3,300 service connections or a yearlong population of no more than 10,000 persons.
15. “Small Disadvantaged Community” means a community with a population less than 10,000 persons and with a combined MHI is less than 80 percent of the statewide MHI.
16. “Small Severely Disadvantaged Community” means a community with a population less than 10,000 persons and whose combined MHI is less than 60 percent of the statewide MHI.

## **B. STANDARD DWSRF AND PROPOSITION 1 FINANCING TERMS**

### **1. Standard Planning Financing Terms**

The State Water Board’s standard interest rate for DWSRF and Prop 1 Drinking Water planning financing is 50 percent (50%) of California’s average general obligation bond rate obtained by the State Treasurer for the previous calendar year. The standard repayable financing term for planning projects is a maximum of five years.

## **2. Standard Construction Financing Terms**

The State Water Board's standard interest rate for DWSRF and Prop 1 Drinking Water construction financing is 50 percent (50%) of California's average general obligation bond rate obtained by the State Treasurer for the previous calendar year. The standard repayable financing term is a maximum of 20 years, not to exceed the useful life of the financed facilities.

## **3. Extended Term Financing For a PWS**

A PWS that serves a DAC or a Small Disadvantaged Community may be eligible for an extended repayable financing term of up to 30 years for a construction project under the DWSRF/Prop 1 Drinking Water program, not to exceed the useful life of financed facilities.

A PWS owned by a public entity and serving a non-disadvantaged community may be eligible for an extended repayable financing term of up to 30 years for a construction project under the DWSRF, not to exceed the useful life of the financed facilities. Such recipients shall also be limited to financing through an installment sales agreement. An installment sale agreement is local debt purchased by the State Water Board and is eligible under and subject to U.S. EPA's policy on extended term financing.

## **4. Local Match Financing**

DFA may offer local match financing to eligible DWSRF applicants in accordance with Section VI of the DWSRF Policy. DFA will set the local match contribution for each participating project at the proportional level to meet the state match share of the funding, if the federal capitalization grant funded the remainder, regardless of whether any federal capitalization grant monies are used. Where the current interest environment renders this approach infeasible, to satisfy the State Water Board's obligations to provide state match, DFA may set the local match contribution on any given project at an amount resulting in an imputed interest rate that is competitive with the current DWSRF interest rate for construction financing.

## **5. DWSRF Administrative Fee-in-Lieu of Interest**

A DWSRF administrative fee of one percent (1%) may be applied to eligible repayable financing for the purposes of providing additional funding for the State Water Board's administration of the DWSRF program. Once the fee is applied to an agreement, the rate shall remain unchanged for the duration of the agreement. The revenue generated by this fee shall be deposited into the DWSRF Administrative Fund.

State Water Board's Section 116761.70 of the Health and Safety Code allows the State Water Board to apply an annual fee on a financing agreement. For federal purposes, the DWSRF Administrative Fund service charge is a fee "other than program income not included as principal in DWSRF financing." The fee is collected in lieu of interest that would otherwise be due on the outstanding balance of the financing agreement. The fee is offset by the reduction in the interest rate so that financing recipients' payments remain the same whether they pay the fee or interest.

The State Water Board requires this DWSRF administrative fee to begin supplementing the DWSRF set-asides, which currently provide a limited and potentially unreliable amount of funds to administer the DWSRF program. With additional funding available to administer the DWSRF program from this fee, more funds will be available from annual DWSRF capitalization grants to fund drinking water projects as well as for other eligible uses of the DWSRF set-asides. Also, Prop 1 Drinking Water administration funding is currently expected to be exhausted by 2021. In anticipation of declining Prop 1 Drinking Water administration funds, the State Water Board will need to consider additional funding from the DWSRF Administrative Fund soon to support the continued administration of projects jointly funded through Prop 1 Drinking Water and DWSRF.

Continuing in SFY 2018-19, the DWSRF administration fee may be applied to agreements to establish and maintain DWSRF Administrative Fund revenue consistent with the anticipated administrative budget needs of the DWSRF program and to the extent such revenue can be generated from eligible repayable financing. The State Water Board will rely upon future budget authority established by the Governor and the Legislature in expending DWSRF administrative funds.

#### **6. DWSRF Small Community Emergency Drinking Water Grant (DWSCEG) Fee-in-Lieu of Interest**

The State Water Board may apply a DWSCEG charge as a fee-in-lieu of interest to any eligible DWSRF repayable financing in an amount not to exceed the standard interest rate of such financing. Once the fee is applied to an agreement, the rate shall remain unchanged for the duration of the agreement, unless the Deputy Director of DFA determines any of the following:

- a. The DWSCEG fee is no longer consistent with federal requirements regarding the DWSRF; or
- b. The DWSCEG fee is no longer necessary; or
- c. The DWSCEG fee is negatively affecting DFA's ability to fund projects that support the State Water Board's goals.

The revenue generated by this fee shall be deposited into the DWSCEG Fund. The DWSCEG fee will be established at a rate sufficient to generate revenue in an amount that maximizes the funding of the anticipated DWSCEG Fund demand once Prop 1 Drinking Water and DWSRF principal forgiveness funds are fully encumbered. The DWSCEG fee will be set at an amount that does not jeopardize the long-term growth of the DWSRF or the State Water Board's ability to leverage the DWSRF or the State Water Board's ability to collect sufficient fee revenue to administer the DWSRF.

**C. DWSRF AND PROPOSITION 1 DRINKING WATER TERMS FOR A PWS SERVING A DAC/SDAC OR A SMALL DISADVANTAGED OR SEVERELY DISADVANTAGED COMMUNITY<sup>7</sup>**

The following PWSs may be eligible for reduced interest rates, extended term financing, and principal forgiveness/grant for a planning or construction project in accordance with the financing terms below:

1. A SCWS serving a DAC that is owned by a public agency or a Not-For-Profit Water Company.
2. Notwithstanding the DWSRF Policy, a SCWS serving a DAC that is owned by a For-Profit Entity.
3. A SCWS serving a DAC that is owned by a Native American Tribe.
4. A NTNC that serves a Small Disadvantaged Community or a Small Severely Disadvantaged Community, if such system serves solely the following:
  - a public K-12 school; and/or
  - a not-for profit K-12 private school; and/or
  - a not-for-profit daycare facility, and/or
  - a not-for profit labor camp; and/or
  - a not-for-profit elder care facility; and/or
  - a not-for-profit health care facility
5. A PWS that is extending service to a Small Disadvantaged Community or a Small Severely Disadvantaged Community not currently served by a PWS.

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<sup>7</sup> Where a state agency acts as a conduit recipient of Prop 1 funding, the qualifying characteristics of the underlying recipient PWS will be analyzed.

The PWSs eligible for DWSRF subsidized financing listed above are determined to have financial hardship because of their system size and their general lack of economies of scale to financially operate and maintain their water systems. The Prop 1 Drinking Water local cost share may be waived for a SCWS that serves a Severely Disadvantaged Community and a NTNC that serves a Small Severely Disadvantaged Community and a PWS extending service to a Small Severely Disadvantaged Community. The Prop 1 Drinking Water local cost share may also be reduced for a SCWS that serves DAC and a NTNC that serves a Small Disadvantaged Community and a PWS extending service to a Small Disadvantaged Community, per the financing terms described below.

In making DAC determinations, the State Water Board will consider whether the households benefitting from the project are primary homes. In general, at least 50 percent of the dwellings or dwelling units must be the primary dwelling of permanent residents for a community to qualify for principal forgiveness, grant or combination thereof. Typically, permanent residents are those residing in the community at least six months out of the year; however, seasonal, migrant laborers can also be counted as permanent residents.

#### **D. MHI DETERMINATIONS FOR SCWS, NTNC & COMMUNITIES NOT CURRENTLY SERVED BY A PWS**

In general, the MHI determination for a SCWS will be based upon a review of the entire permitted service area of the SCWS.

A NTNC owned by a K-12 public school district is deemed to serve a severely disadvantaged community because the primary users are minor students. Minors generally have incomes below 60 percent (60%) of the statewide MHI. All other eligible NTNCs and the MHI of the small community they serve will be evaluated on a case-by-case basis based upon the intended customer base.

For the purposes of a consolidation project, the MHI of the receiving PWS may be considered when evaluating for DWSRF or Prop 1 Drinking Water reduced interest rates, extended term financing, and principal forgiveness/grant.

If DWSRF funding is used to finance a project for the extension of water service by a PWS to a small community not currently being served by a PWS, then for purposes of providing reduced interest rates, extended term financing, and principal forgiveness, the MHI of the PWS extending service will be considered. If Prop 1 Drinking Water funds will fund such a project, then the MHI of the small community not currently being served by a PWS may be considered for the evaluation of possible Prop 1 Drinking Water reduced interest rates, extended term financing, and grant funding.

**E. SUBSIDIZED AND PROJECT-REPAYABLE FINANCING TERMS**

**1. Subsidized Planning Financing Terms**

Eligible SCWSs serving a DAC/SDAC, eligible NTNCs serving Small Disadvantaged Community or Severely Disadvantaged Community, and PWSs extending service to Small Disadvantaged Communities and Severely Disadvantaged Communities may receive a maximum \$500,000 grant/principal forgiveness per project for their proportional share of planning project in accordance with Table 7. To the extent consistent with state law, this grant/principal forgiveness may be awarded to the extent that DFA reasonably believes that there may be subsequent construction financing resulting from this planning/design that will be considered for repayable financing per the affordability criteria included in this IUP or subsequent IUPs. This incentive promotes timely and efficient financing for drinking water planning projects in preparation for eventual construction financing. Repayable financing may also be available from the DWSRF or Prop 1 Drinking Water programs in accordance with Table 7 if available grant/principal forgiveness funding is insufficient to fully fund a planning project.

DFA may deny Prop 1 Drinking Water grant funding if the planning project has already been funded in part by other drinking water funding sources, including DWSRF and/or Prop 1 Drinking Water funding.

**Table 7: Planning Project-Reduced Interest Rates and Grant for an Eligible PWS**

Total Eligible Planning Project Cost	Interest Rate*	Loan Term*	Maximum Grant/project*
≤ \$500,000	n/a	n/a	\$500,000
>\$500,000	0%	Up to 5 years	\$500,000**
*Based upon the PWS's proportional share of a planning project			
**On a case-by-case basis, for good cause, the Deputy Director of the Division of Financial Assistance may approve more than \$500,000 in grant funds for the PWS's proportional share of a planning project			

**2. Subsidized Construction Financing Terms for SCWSs that serve a DAC/SDAC**

To facilitate affordable construction financing for an eligible SCWS that serves a DAC/SDAC, the financing terms in Table 8 (page 41) and Table 9 (page 42) shall apply.

**Table 8: Construction Project-Principal Forgiveness/Grant for an Eligible CWS that Serves a DAC/SDAC**

Affordability Criteria		Maximum Principal Forgiveness, Grant or Combination Thereof Per Construction Project		
Type of Community Served by CWS*	Residential Water Rates as a Percentage of MHI**	Percentage of Total Eligible Project Cost	Maximum Amount /Construction Project***	Maximum Amount Per Connection/ Construction Project****
DAC*	<1.5%	Not Eligible for Principal Forgiveness, Grant or Combination Thereof		
	>=1.5%	up to 100%	\$5 million	\$30,000*****
SDAC*	NA			

\*See Section V.A. of this IUP for the specific definition of this term.

\*\*For the purposes of a consolidation or intertie project, the residential water rate of the consolidated or intertied system resulting from such consolidation or intertie may be considered

\*\*\*Based upon PWSs proportional share of a construction project

\*\*\*\*The Deputy Director of the DFA may approve financing for construction projects with a total eligible project cost less than \$500,000 regardless of the amount per connection.

\*\*\*\*\*The Deputy Director of the DFA may approve up to \$45,000 per connection per construction project for good cause.

SCWS with eligible projects may be eligible for both Prop 1 Drinking Water and Prop 1 Groundwater Sustainability Grant Program Funds

Regardless of population/connection criteria applicable to Prop 1 Drinking Water Grant Funds, the following may be eligible for Prop 1 Groundwater Grant Funds: CWS serving SDACs of any size; and CWS serving DACs of any size if Residential Water Rates as a Percentage of MHI>+1.5%. Eligible projects include drinking water treatment projects that treat groundwater for direct potable use, with no cleanup or remediation of the aquifer. Eligible drinking water treatment projects generally address regional contamination, ongoing discharge, or naturally elevated levels of the contaminant.

NOTE: DFA may deny DWSRF/Prop 1 Drinking Water grant, principal forgiveness or a combination thereof if the construction project has already been funded in part by other drinking water funding sources, including DWSRF and Prop 1 Drinking Water funding. Where a PWS is privately owned by an entity, DFA may also consider the private owner's assets and ability to afford a loan before otherwise awarding principal forgiveness, grant or combination thereof.

**Table 9: Construction Project-Repayable Financing Terms for an Eligible SCWS that Serves a DAC/SDAC**

Affordability Criteria		Repayable Construction Financing Terms		
Type of Community Served by SCWS*	Residential Water Rates as a Percentage of MHI	Interest Rate	Maximum Financing Term**	Local Cost Share
DAC*	<1.5%	0%	30 years	Amount Not Funded by Prop 1***
	>=1.5%			
SDAC*	NA			Waived

\*See Section V.A. of this IUP for the specific definition of this term.

\*\*Financing Term shall not exceed the useful life of the facilities being financed

\*\*\* The applicant may choose to fund the remainder of the total project cost (Local Cost Share) from other sources (e.g. repayable DWSRF/Prop 1 financing; grant funding from sources other than the State Water Board; or other sources)

**3. Subsidized Construction Financing Terms for ESCWSs that serve an SDAC**

To facilitate affordable construction financing for an eligible ESCWS that serves an SDAC, the financing terms in Tables 10 and 11 (page 43) shall apply.

**Table 10: Construction Project-Principal Forgiveness for an Eligible ESCWS that Serves an SDAC**

Affordability Criteria		Maximum Principal Forgiveness Per Construction Project		
Type of Community Served by ESCWS*	Residential Water Rates as a Percentage of MHI*	Percentage of Total Eligible Project Cost**	Maximum Amount/ Construction Project**	Maximum Amount Per Connection/ Construction Project**
DAC*	NA	Not Eligible for Principal Forgiveness		
SDAC*	<1.5%	Not Eligible for Principal Forgiveness		
	>=1.5%	Up to 50%	\$5 million	\$30,000

\*See Section V.A. of this IUP for the specific definition of this term.

\*\*For the purposes of a consolidation or intertie project, the residential water rate of the consolidated or intertied system resulting from such consolidation or intertie may be considered

\*\*\*Based upon PWS's proportional share of a construction project

Regardless of population/connection criteria applicable to Prop 1 Drinking Water Grant Funds, the following may be eligible for Prop 1 Groundwater Grant Funds: CWS serving SDACs of any size; and CWS serving DACs of any size if Residential Water Rates as a Percentage of MHI>+1.5%. Eligible projects include drinking water treatment projects that treat groundwater for direct potable use, with no cleanup or remediation of the aquifer. Eligible drinking water treatment projects generally address regional contamination, ongoing discharge, or naturally elevated levels of the contaminant.

Note: DFA may deny DWSRF/Prop 1 Drinking Water grant, principal forgiveness or a combination thereof if the construction project has already been funded in part by other drinking water funding sources, including DWSRF and Prop 1 Drinking Water funding. Where a PWS is privately owned, DFA may also consider the private owner(s)' assets and ability to repay a loan beyond residential water rate considerations before otherwise awarding principal forgiveness, grant or combination thereof.

**Table 11: Construction Project-Repayable Financing Terms for an Eligible ESCWS that Serves an SDAC**

Affordability Criteria		Repayable Construction Financing Terms		
Type of Community Served by ESCWS	Residential Water Rates as a Percentage of MHI	Interest Rate	Maximum Financing Term*	Local Cost Share**
SDAC	<1.5%	½ General Obligation Bond Rate***	30 Years	Waived
	>=1.5%	0%	30 Years	

\* Financing Term shall not exceed the useful life of the facilities being financed

\*\* The applicant may choose to fund the remainder of the total project cost (Local Cost Share) from other sources (e.g. repayable DWSRF/Prop 1 financing; grant funding from sources other than the State Water Board; or other sources)

\*\*\* See "Standard DWSRF and Prop 1 Financing Terms" for additional information.

**4. Subsidized Construction Financing Terms for NTNCs that Serve a Small Disadvantaged Community**

To facilitate affordable construction financing for an eligible NTNC that serves a Small Disadvantaged Community, the financing terms in Table 12 below shall apply. Principal forgiveness/grant funds will only be awarded to an eligible NTNC to the extent such NTNC cannot afford the full cost of repayable financing. The current operating budget shall be evaluated when determining an eligible NTNC's ability to afford repayable financing. An eligible NTNC owned by a public school district is deemed to have limited repayable financing capacity and is therefore automatically eligible for maximum principal forgiveness/grant, subject to all other eligibility rules and requirements.

**Table 12: Construction Project-Repayable Financing Terms and Principal Forgiveness/Grant for an Eligible NTNC that Serves a Small DAC or a Severely Disadvantaged Community**

Repayable Construction Financing Terms					
Type of Community Served by NTNC*	Maximum Grant/ Construction Project**	Maximum Principal Forgiveness/Grant Amount/ Connection/ Construction Project**	Interest Rate	Maximum Financing Term***	Local Cost Share****
Small Disadvantaged Community*	\$5 million	\$30,000	0%	30 years	Amount Not Funded by Prop 1
Small Severely Disadvantaged Community*					Waived
<p>* See Section V.A. of this IUP for the specific definition of this term.</p> <p>**Based upon NTNC's proportional share of a construction project.</p> <p>***The financing term shall not exceed the useful life of the facilities being financed.</p> <p>****The applicant may choose to fund the remainder of the total project cost (Local Cost Share) from other sources (e.g. repayable DWSRF/Prop 1 financing; grant funding from sources other than the State Water Board; or other sources). NTNCs with eligible projects may be eligible for both Prop 1 Drinking Water and Prop 1 Groundwater Grant Funds.</p> <p>NOTE: DFA may deny a DWSRF/Prop 1 Drinking Water grant, principal forgiveness or a combination thereof if the construction project has already been funded in part by other drinking water funding sources, including DWSRF and Prop 1 Drinking Water funding.</p>					

## **5. Projects that “Provide Regional Benefit”**

Notwithstanding the foregoing, Projects that Provide Regional Benefits are eligible for no more than \$60,000 in grant and/or principal forgiveness per service connection-per participating SCWS serving a DAC/SDAC, or NTNC serving a Small Disadvantaged Community or Small Severely Disadvantaged Community. Projects that Provide Regional Benefits may receive up to \$5 million in grant and/or principal forgiveness per each participating SCWS serving a DAC/SDAC, or NTNC serving a Small Disadvantaged Community or Small Severely Disadvantaged Community per Table 8 (page 41), Table 9 (Page 42), and/or Table 12 (page 44). Projects that Provide Regional Benefits are not eligible to receive more than a total of \$20 million in principal forgiveness/grant funding and such principal forgiveness/grant funding may not necessarily be limited to the proportional share of the participating SCWS serving a DAC/SDAC, or NTNC serving a Small Disadvantaged Community or Small Severely Disadvantaged Community. Principal forgiveness/grant funding awarded for Projects that Provide Regional Benefits may only be allocated for the benefit of participating SCWSs serving a DAC/SDAC and/or NTNCs serving a Small Disadvantaged Community or Small Severely Disadvantaged Community.

## **6. Consolidation Incentive**

During SFY 2018-19, the State Water Board will continue to provide incentives to encourage the consolidation of PWSs, especially those systems experiencing serious drinking water public health issues.

Incentives for consolidation may include, but are not limited to:

- Prioritization of consolidation projects for DWSRF/Prop 1 Drinking Water funding over other projects within the same DWSRF project category;
- Eligible grant/principal forgiveness funding to increase a receiving PWS's water supply capacity if such PWS does not have sufficient capacity to additionally serve the customers of the subsumed PWS;
- Up to \$10 million in zero percent (0%) interest rate financing from the DWSRF/Prop 1 Drinking Water program for a construction project that benefits a receiving PWS (Incentive Project) when such PWS fully consolidates one or more small water systems that serve disadvantaged or severely disadvantaged communities or extends service to one or more disadvantaged or severely disadvantaged communities - each having at least 15 service connections or a year-round population of at least 25 people that are not currently served by a PWS (Consolidation Incentive Program).

The Consolidation Incentive Program is a special financing program that applies to one Incentive Project for a receiving PWS that is also eligible for DWSRF funding. Incentive Projects may be chosen by the receiving PWS and the Incentive Project financing may be combined with other DWSRF financing options to fully fund such Incentive Project. The subsidized financing for the Incentive Project is in addition to any subsidized financing for the associated consolidation project.

Additional criteria and application requirements for the Consolidation Incentive Program include the following:

- The receiving PWS must submit, at minimum, a DWSRF General Application Package to DFA before the date of execution of the funding agreement for the associated consolidation project(s).
- Such DWSRF application must indicate that it is for an Incentive Project associated with a specific consolidation project or group of consolidation projects.
- The receiving PWS must complete and submit a full DWSRF application for the Incentive Project within one year of the date of execution of the funding agreement for the associated consolidation project.
- In the case where the consolidation project has been designed to include the Incentive Project, then up to \$10 million in zero percent (0%) funding shall apply to those proportional costs deemed a part of the Incentive Project. The remaining costs associated with the consolidation project shall be funded in accordance with the repayable and grant/principal forgiveness financing terms discussed in this Section V of this IUP.
- Both the consolidation project and the Incentive Project must be construction projects that are eligible for DWSRF funding.

#### **7. Subsidized Construction Financing Terms for Eligible Extension of Water Service Projects**

A project involving a PWS extending water service to a Small Disadvantaged Community or a Small Severely Disadvantaged Community not currently served by a PWS may be eligible for financing terms included in Table 13 and Table 14 (page 47).

**Table 13: Construction Project-Principal Forgiveness/Grant for an eligible PWS Extending Water Service to a Small Disadvantaged Community or Small Severely Disadvantaged Community Not Currently Served by a PWS**

Affordability Criteria		Maximum Grant Per Construction Project		
Type of Community Served by PWS	Residential Water Rates as a Percentage of MHI**	Percentage of Total Eligible Project Cost***	Maximum Principal Forgiveness/Grant Amount /Construction Project***	Maximum Amount Per Connection/ Construction Project***
Small Disadvantaged Community*	<1.5%	Not eligible for principal forgiveness, grant or combination thereof		
	>=1.5%			
Small Severely Disadvantaged Community*	NA	up to 100%	\$5 million	\$30,000

\* See Section V.A. of this IUP for the specific definition of this term.

\*\*For the purposes of an extension of water service project, the average residential rate of the community resulting from the extension of water service from a PWS may be considered.

\*\*\*Based upon proportional share of a construction project.

NOTE: DFA may deny a DWSRF/Prop 1 Drinking Water grant, principal forgiveness or a combination thereof if the construction project has already been funded in part by other drinking water funding sources, including DWSRF and Prop 1 Drinking Water funding.

**Table 14: Construction Project-Repayable Financing Terms for an eligible PWS Extending Water Service to a Small Disadvantaged Community or Small Severely Disadvantaged Community Not Currently Served by a PWS**

Affordability Criteria		Repayable Construction Financing Terms		
Type of Community Served by PWS	Residential Water Rates as a Percentage of MHI	Interest Rate	Maximum Financing Term***	Local Cost Share**
Small Disadvantaged Community*	<1.5%	0%	30 years	Amount Not Funded by Prop 1
	>=1.5%			
Small Severely Disadvantaged Community*	NA			Waived

\* See Section V.A. of this IUP for the specific definition of this term.

\*\* The applicant may choose to fund the remainder of the total project cost (Local Cost Share) from other sources (e.g. repayable DWSRF/Prop 1 financing; grant funding from sources other than the State Water Board; or other sources)

\*\*\*Financing Term will not exceed the useful life of the facilities being financed.

## VI. PROGRAMMATIC REQUIREMENTS

### A. CAP GRANT PAYMENT SCHEDULE

U.S. EPA provides for a payment schedule of the 2018 Capitalization Grant. Based upon the State Water Board’s cash flow modeling and projected disbursements for SFY 2018-19, the State Water Board has requested the following federal payment schedule from U.S. EPA for the 2018 Capitalization Grant, as detailed in Table 15 below.

**Table 15: 2018 Capitalization Grant Payment Schedule**

FFY	Payment Date	Percentage of Cap Grant	Estimated Amount	Description	Site Code*
2018	Award Date	4%	\$4,400,000	DWSRF Administration Set-Aside	DD
2018	Award Date	2%	\$2,200,000	SWS Technical Assistance Set-Aside	DE
2018	Award Date	10%	\$11,000,000	State Program Management Set-Aside	DF
2018	Award Date	10%	\$11,000,000	Local Assistance & Other Programs Set-Aside	DG
2018	Award Date	74%	\$81,400,000	Loan Fund	DA

\*Site Codes reference the federal accounts in which the various loan and set-aside funds of a capitalization grant are deposited and made available for liquidation by the State Water Board.

#### 1. DWSRF Federal Draw Schedule and Estimated DWSRF Project Disbursements

Table 16 (page 49) represents the State Water Board’s anticipated federal draw schedule for SFY 2018-19 as well as the anticipated liquidation of the 2017 Capitalization Grant in SFY 2018-19. The federal draw schedule assumes U.S. EPA’s “first-in-first-out” policy for the liquidation of DWSRF capitalization grants and therefore includes the anticipated liquidation of the projected remaining balances of the 2015 and 2016 DWSRF capitalization grants.

Current cash flow projections suggest that the 2018 DWSRF Capitalization Grant may not be liquidated until late calendar year 2019, due to the expenditure rate of the set-asides. The State Water Board will also disburse the 2018 State Match in accordance with procedures detailed in Section VI.B of this IUP.

**Table 16: 2018 Capitalization Grant Draw Schedule**

FFY DWSRF Cap Grant	Estimated Balance (as of 6/30/2018)	Projected SFY 2018-19 Disbursements (millions)				Projected Balance (as of 6/30/2019)
		Q1	Q2	Q3	Q4	
2018 -Project Loan Account	81.4 million <sup>8</sup>	-	81.4	-	-	
Cap Grant Set-Aside Accounts (2016, 2017, 2018) <sup>9</sup>	8.7 million	6.4	6.4	6.4	6.4	11.7

Table 17 below represents the State Water Board's projected DWSRF project disbursements, per quarter, for SFY 2018-19. The estimated project disbursements assume all existing DWSRF agreements with estimated unspent balances as of March 31, 2018 as well as the projected disbursements resulting from the anticipated planning and construction agreements included in the DWSRF SFY 2018-19 Fundable List.

**Table 17: SFY 2018-19 Projected Disbursements by Quarter**

State Fiscal Year	Q1	Q2	Q3	Q4	Total Projected Disbursement
Est. SFY 2018-19 (as of 3/20/2018)	\$63,256,167	\$110,072,351	\$145,067,098	\$241,778,498	\$560,174,116

**B. 2018 STATE MATCH SOURCE AND PROPORTIONALITY DRAW**

The State match for the 2018 Capitalization Grant will be provided through an allocation of Prop 1 Drinking Water funding. As of June 30, 2018, approximately \$128.16 million of Prop 1 Drinking Water funds is estimated to be allocated and encumbered as State match for repayable financing and grant/principal forgiveness funding to drinking water projects eligible under both the DWSRF and Prop 1 Drinking Water programs, as set forth in this IUP. Based upon estimates, it is anticipated that Prop 1 Drinking Water funds will have provided approximately \$88.5 million in over-match for future capitalization grants, when considering an estimated \$22 million in Prop 1 Drinking Water state match budgeted for the 2018 Capitalization Grant. Table 18 (page 50) documents the State Match provided from the SFY 2014-15 and SFY 2015-16 Prop 1 Drinking Water appropriations.

<sup>8</sup> The 2018 Capitalization Grant will likely not be awarded until September of 2018 but is nonetheless represented as an available balance as of 6/30/2018 for purposes of subsequently representing the disbursement of the 2018 Capitalization Grant.

<sup>9</sup> Set-Aside balances and disbursements assume a transfer of approximately \$6.6 million to the 2015 Local Assistance Set-Aside from the DWSRF loan account to support DDW capacity development activities.

**Table 18: SFY 2014-15 and SFY 2015-16 Prop 1 \$241.8 million Prop 1 Local Assistance Appropriation Allocation for DWSRF State Match**

California Prop 1 Drinking Water Appropriation	Prop 1 Drinking Water Appropriation Allocation for DWSRF State Match
2015	\$32,659,746.80
2016	\$95,500,000.00
Total	\$128,159,746.80

Based upon a projected amount of \$110 million for the 2018 Capitalization Grant, the 2018 set-aside amounts of \$28,600,000 and the associated 2018 state match of \$22,000,000, the disbursement proportionality for the 2018 Capitalization Grant is 78.72% / 21.28% (Federal/State). The State Water Board will disburse the state match for the 2018 Capitalization Grant prior to disbursing funds allocated for project financing from such grant. However, if the expenditure rate of the state match for the 2018 Capitalization Grant begins to substantially slow or stall the disbursement of the 2018 Capitalization Grant, then the State Water Board may disburse the associated State match on a proportional basis with the 2018 Capitalization Grant.

**C. DWSRF FISCAL IMPACT AND EXTENDED TERM FINANCING FOR PUBLICLY OWNED PUBLIC WATER SYSTEMS SERVING NON-DISADVANTAGED COMMUNITIES**

U.S. EPA has determined that 30-year extended term financing is permissible for publicly owned public water systems serving non-disadvantaged communities. As further described in Section V.B.1 of this IUP, the State Water Board intends to provide 30-year extended term financing to eligible PWSs serving non-disadvantaged communities without jeopardizing the State Water Board’s commitment to prioritize funding for small, disadvantaged communities. The SFY 2018-19 Fundable List (Appendix A, page 63) identifies approximately \$448 million in repayable financing for publicly owned PWSs serving non-disadvantaged communities. Providing 30-year financing for such projects – as opposed to 20-year financing – will result in an approximately a 28 percent (28%) decrease in repayments over a 5-year period following their respective project completions. Such a decrease in repayment funds over this 5-year period does not jeopardize funding for California’s small disadvantaged communities because of the State Water Board’s anticipated ability to supplement such short-term loss in lending capacity with the sale of DWSRF revenue bonds.

#### **D. APPLICATION OF FEDERAL CROSS-CUTTERS**

Construction projects partially or fully funded by the DWSRF program must generally comply with federal laws commonly known as “cross-cutters.” The State Water Board will ensure that DWSRF financing recipients comply with applicable federal laws through a variety of program procedures. The DWSRF financing agreements will generally include a list of applicable federal statutes and requirements taken from the most recent capitalization grant. All projects funded through the DWSRF or Prop 1 Drinking Water programs will be required to comply with federal cross-cutters unless waived by the Deputy Director of DFA for good cause. Described below are those federal cross-cutters that often require greater efforts of compliance by DWSRF/Prop 1 Drinking Water funding recipients.

#### **E. ENVIRONMENTAL CROSS-CUTTERS**

In addition to the requirements of the California Environmental Quality Act, a suite of federal environmental acts, rules and requirements are applied to projects receiving DWSRF funding. The State Water Board will use its State Environmental Review Process (SERP) to review any potential environmental impacts of projects during SFY 2018-19. The State Water Board staff will consult with the appropriate federal agency on projects that will or are likely to have an effect under federal regulations.

All applicants applying for drinking water construction funding will provide complete information for the DWSRF federal environmental cross-cutters by completing each of the sections in the Environmental Package of the Construction Application in preparation of the DWSRF Construction Application. DFA staff will review the Environmental Package of the Construction Application in preparation for consultation with federal agencies.

#### **F. DAVIS-BACON**

Federal Davis-Bacon rules apply to the construction of treatment works carried out in whole or in part with assistance made available by the DWSRF. The State Water Board, therefore, will continue to require that DWSRF recipients comply with Davis-Bacon rules. Recipients of DWSRF financing must also agree to provide information necessary to show compliance with Davis-Bacon requirements as a condition of DWSRF funding.

## **G. GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP)**

Federal rules require that recipients of DWSRF financing maintain project accounts in accordance with generally accepted government accounting standards, including standards relating to the reporting of infrastructure assets. Recipients must agree to comply with GAAP. For governmental entities, the Government Accounting Standards Board establishes these standards. The State Water Board, therefore, will require as a condition of financing that governmental applicants maintain project accounts in accordance with generally accepted government accounting standards.

## **H. AMERICAN IRON AND STEEL (AIS)**

Federal rules require DWSRF recipients, absent an exclusion or waiver, to use iron and steel products that are produced in the United States for treatment works projects. U.S. EPA implementation of these provisions is described on its [State Revolving Fund American Iron and Steel \(AIS\) Requirement](#) website.

## **I. DISADVANTAGED BUSINESS ENTERPRISE**

DWSRF funding recipients will generally be required to seek and encourage the “fair share” employment of businesses categorized as Disadvantaged Business Enterprises (DBE) for the DWSRF funded project. This requirement will apply to all sub-agreements of the DWSRF funded project for equipment, supplies, construction, and services. Additional reporting to the State Water Board on the outcomes of DBE activities will also generally be required of DWSRF funding recipients. However, recipients with planning projects funded by the DWSRF will not be required to comply with federal DBE requirements.

## **J. SINGLE AUDIT ACT**

Federal rules require DWSRF recipients to comply with applicable provisions of the federal Single Audit Act of 1984, OMB Circular No. A-133 and 2 CFR Part 200, subpart F, and updates or revisions, thereto. The State Water Board will include applicable Single Audit Act provisions in all DWSRF funding agreements and require Single Audit Act reporting by recipients if such funding recipients receive more than \$750,000 in combined federal funds for a given fiscal year thereafter.

## **K. CAPITALIZATION GRANT CONDITIONS AND OTHER FEDERAL REQUIREMENTS**

The State Water Board will comply with all conditions included in the 2018 Capitalization Grant agreement and will require that DWSRF financing recipients also comply with applicable federal pass-through requirements. Provisions specific to the FFY 2018 appropriation will take effect only if the State Water Board receives the FFY 2018 Capitalization Grant, and will apply only as directed by Congress or U.S. EPA. The State Water Board Recipients of DWSRF financing must agree to provide information necessary to show compliance with all applicable federal requirements.

## **L. OTHER STATE AND STATE WATER BOARD REQUIREMENTS**

Other State laws not specific to the DWSRF/Prop 1 Drinking Water may also apply to projects funded in SFY 2018-19. These may include but are not limited to laws affecting urban water suppliers, charter cities, agricultural water users, projects located in the Delta and debt reporting.

To be eligible for DWSRF and Prop 1 Drinking Water funding, a project proposed by a PWS owned by a for-profit entity or a not-for-profit water company, including utilities regulated by the Public Utilities Commission, shall have a clear and definite public purpose and shall solely benefit the customers of such PWSs.

The costs of purchasing water systems may be eligible under the DWSRF/Prop 1 Drinking Water, including associated water rights. However, acquisition of real property, right-of-way, and easements are eligible only if integral to the project. The eligible cost is limited to the fair market value as determined by a California licensed appraiser. DFA will determine real property eligibility.

As a condition of eligibility for planning funding, DWSRF/Prop 1 Drinking Water applicants shall submit evidence to DFA of a contract for professional engineering services between the funding recipient and its engineering consultant(s) unless waived for good cause as determined by the Deputy Director of DFA. This agreement shall include the scope of work, cost, and deliverable due dates. DFA will review the budget and identify costs that are ineligible or raise questions related to waste, fraud, or abuse. DFA will also review the professional services agreement(s) for compliance with applicable DWSRF federal and state requirements.

DFA will continually evaluate all planning/design expenditures and deliverables of funding recipients to ensure the most cost-effective project is developed and to protect against potential waste, fraud or abuse of DWSRF/Prop 1 Drinking Water funds. All suspected cases of potential waste, fraud or abuse of DWSRF/Prop 1 Drinking Water funds will be forwarded to the U.S. EPA Office of Inspector General, the California Department of Finance, the State Water Board's Office of Enforcement, and/or the California Bureau of State Audits for further audit and investigation.

DWSRF/Prop 1 Drinking Water construction funding recipients will be required to submit construction contracts to DFA for review of their compliance with applicable state and federal funding requirements. DFA will incorporate the approved construction budget into the funding agreement.

The State Water Board may limit funding to amounts necessary to enable a PWS to meet primary drinking water standards, as defined in the California Health and Safety code, commencing with Section 116270. The State Water Board may also limit funding for a project to address the public health category in which it was ranked, as further described in Section IV.D.

The installation of a private lateral to an existing residential or school structure by a PWS is eligible under the DWSRF/Prop 1 Drinking Water program if the private lateral is not primarily constructed to serve future growth. For the purposes of this eligibility criteria, “private lateral” means the water pipe from a service connection (as defined in Section 116275 of the California Health and Safety Code) to a residential or school structure. However, for the private lateral to be eligible for reimbursement through the DWSRF/Prop 1 Drinking Water program, the PWS must incur the installation cost of the private lateral and ensure its operation and maintenance (O&M) for its useful life.

The date used to determine the interest rate of the DWSRF/Prop 1 Drinking Water repayable financing shall be the date that DFA approves the associated DWSRF/Prop 1 Drinking Water financing application.

DFA may reimburse eligible construction costs for projects on the SFY 2018-19 DWSRF Fundable List incurred as early as the notice to proceed date for the project. Please note that construction costs incurred before State Water Board execution of a financial assistance agreement are AT THE APPLICANT’S RISK. Starting construction before the State Water Board has completed environmental review may render a project ineligible for funding. Additionally, changes to laws or requirements that occur prior to execution of a financial assistance agreement may affect some or all funding eligibility.

## VII. SET-ASIDE ACTIVITIES

The SDWA allows each state to set aside up to 31 percent (31%) of its federal capitalization grant to support various DWSRF and DDW program activities, including the administration of the DWSRF; PWS TMF capacity development; SWS technical assistance; DDW program management; and other special activities. For SFY 2018-19, the State Water Board will set-aside 26 percent (26%) of the 2018 Capitalization Grant for set-aside activities as further described below. The State Water Board will submit detailed work plans to U.S. EPA for approval in accordance with federal requirements and will report on the progress of set-aside activities to U.S. EPA in its DWSRF Annual Report. The State Water Board is also committed to maintaining a set-aside spending rate in accordance with U.S. EPA Memorandum from Peter Grevatt, Director, Office of Ground Water and Drinking Water, dated April 14, 2014, *Drinking Water State Revolving Fund (DWSRF) Unliquidated Obligations (ULO) Reduction Strategy*.

### A. DWSRF ADMINISTRATION SET-ASIDE

Max Allowed:	4%	
Budgeted from FFY 2018 Grant:	4%	\$4,400,000 (estimate)

The DWSRF Administration Set-Aside funds will be used to subsidize DFA’s costs for administering the DWSRF program, including the review and processing of drinking water funding applications, project management and general oversight of DWSRF construction and planning projects. The DWSRF administration set-aside will also provide indirect funding for accounting, legal, budgetary, and general DWSRF administration costs. The DWSRF administration set-aside may also fund the contracts listed below as well as up to \$200,000 of additional “in-kind” funding from U.S. EPA for the final testing and implementation of a web-enabled Loans and Grants Tracking System (LGTS). The DWSRF Administrative Set-Aside Work Plan for SFY 2018-19 will contain detailed information about the specific tasks and full-time equivalent personnel that will be supported in DFA by the DWSRF Administration Set-Aside.

Contracts:	DWSRF Annual Single Audit	\$150,000 (estimate)
	EPA/Northbridge Environmental Management Consultants Maintenance Contract for the State Water Board’s Loans and Grants Tracking System (LGTS)	\$100,000 (estimate)

**B. SMALL WATER SYSTEM TECHNICAL ASSISTANCE SET-ASIDE**

Max Allowed: 2%  
Budgeted from FFY 2018 Grant: 2% \$2,200,000 (estimate)

The SWSTA Set-Aside will be used to provide technical assistance to SWSs by DFA staff as well as the contracts identified below. DFA staff will assist such SWSs in qualifying for DWSRF, Proposition 84, and Prop 1 Drinking Water infrastructure financing. The DWSRF Small Water Systems Technical Assistance Work Plan for SFY 2018-19 will contain detailed information about the specific tasks and full-time equivalent personnel that will be supported in DFA by the DWSRF SWSTA Set-Aside.

Contracts: California Department of General Services- \$200,000 (estimate)  
Environmental Services

**C. STATE PROGRAM MANAGEMENT SET-ASIDE**

Max Allowed: 10%  
Budgeted from FFY 2018 10% \$11,000,000 (estimate)

The State Program Management Set-Aside funds will subsidize the PWS permitting, inspection, compliance and monitoring activities of DDW in accordance with the SDWA and delegated PWSS responsibilities by U.S. EPA. The DWSRF State Program Management Set-Aside Work Plan for SFY 2018-19 will contain detailed information about the specific tasks and full-time equivalent personnel that will be supported in DDW by the DWSRF State Program Management Set-Aside.

Contracts: N/A

**D. LOCAL ASSISTANCE SET-ASIDE**

Max Allowed: 10%  
Budgeted from FFY 2018 10% \$11,000,000 (estimate)

The Local Assistance Set-Aside funds will be used to support DFA's PWS TMF capacity development staff activities. It will also finance third-party technical assistance contracts in SFY 2018-19 for the benefit of PWSs and their TMF capacity development. Finally, the Local Assistance Set-Aside funds will be used to also support DDW's technical assistance to small water systems in support of the TMF Capacity Development Strategy. The DWSRF Local Assistance Set-Aside Work Plan for SFY 2018-19 will contain detailed information about the specific tasks and full-time equivalent personnel that will be supported in DFA by the DWSRF Local Assistance Set-Aside. Page 57 provides a summary of some the tasks that the DWSRF third-party technical assistance providers will perform in support of the State Water Board's Capacity Development Strategy.

Contracts: California Rural Water Association	\$1,441,392 (estimate)
Rural Community Assistance Corporation	\$1,324,154 (estimate)
Self-Help Enterprises	\$358,756 (estimate)

- Assist in preparing preliminary engineering, funding application, required documents for DWSRF financing, and navigating the DWSRF funding process.
- Develop and conduct training workshops covering all aspects of PWS operation and maintenance and legal responsibilities of PWS board members.
- Develop and conduct workshops for the treatment of arsenic and nitrate.
- Conduct income surveys to determine a community's median household income.
- Conduct water rate studies.
- Participate in networking and outreach events to increase PWS sustainability by promoting regionalization and consolidation efforts.
- Assist SWSs in procuring necessary engineering and other contracting services.
- Provide community education services, i.e., facilitate public meetings to inform customers of utility rate increases needed to cover operation and maintenance costs because of new treatment facilities.
- Monitor the requirements for funding placed on SWSs to ensure that conditions for funding are met within stated timelines.
- Assist SWSs in assessing the current level of TMF capacities.
- Assist existing SWSs with permit applications.
- Assist SWSs in the consolidation, annexation, and formation of joint power agreements between two or more PWSs.
- Assist SWSs with the submittal of claims and processing of payments to contractors for planning and infrastructure improvement projects funded by the State Water Board.

In addition to the baseline PWS technical assistance provided under the DWSRF Local Assistance Set-Aside, DFA may direct a percentage of the funds available from Prop 1 Drinking Water to a multi-disciplinary technical assistance program. The OSWS has implemented this program. More information is available online at [http://www.waterboards.ca.gov/water\\_issues/programs/grants\\_loans/proposition1/tech\\_asst\\_funding.shtml](http://www.waterboards.ca.gov/water_issues/programs/grants_loans/proposition1/tech_asst_funding.shtml).

## VIII. SCHEDULE

The estimated schedule for public comment and State Water Board adoption of the SFY 2018-19 DWSRF IUP, and the application, award, and acceptance of the 2018 DWSRF Capitalization Grant is as follows:

Draft IUP posted for public comment, as part of State Water Board Meeting agenda	April 19, 2018
Submit FFY 2018 Capitalization Grant application to U.S. EPA	June 2, 2018
Deadline for Public Comments on Draft IUP	May 19, 2018
State Water Board adopts IUP at regularly scheduled meeting	June 19, 2018
Execute FFY 2018 Capitalization Grant agreement with U.S. EPA	September 2018

## IX. ASSURANCES AND CERTIFICATIONS

- **The State has the authority to establish a fund and to operate the DWSRF program in accordance with the SDWA**

In California, the responsibility for regulating PWSs and overseeing the safety of drinking water rests with the State Water Board. U.S. EPA recognized California's primacy status beginning in 1978 and has acknowledged the State Water Board's primacy authority, effective July 1, 2014.

- **The State will comply with state statutes and the DWSRF Policy Handbook**

State statutes governing California's DWSRF program are set forth in California's Health & Safety Code, Division 104, Part 12, Chapter 4.5, commencing with section 116760. The state statutes and DWSRF Policy conform to federal requirements. California will implement its DWSRF program in compliance with all applicable state and federal laws, regulations, and guidelines.

- **The State will deposit all capitalization grant funds in the DWSRF or Set-Aside Accounts**

The State Water Board will maintain identifiable and separate accounts for all portions of the capitalization grant to be used. The capitalization grant will be deposited into either the DWSRF or the set-aside accounts.

- **The State will deposit revenues generated from the DWSRF Administration Fee and the DWSCEG Fee into their respective funds**

In accordance with Health and Safety Code § 116761.70, the State Water Board will deposit revenues generated from the DWSRF Administration Fee into the Safe Drinking Water State Revolving Fund Administration Fund. The State Water Board will also deposit revenues generated from the DWSCEG Fee into Safe Drinking Water Small Community Emergency Grant Fund, in accordance with Health and Safety Code § 116760.46.

- **The State will provide an amount at least equal to 20 percent (20%) of the Capitalization Grant (State Match)**

The 2018 State Match will be provided through an existing \$241.8 million state budget appropriation of Chapter 5, Section 79724(a)(1) of Prop 1. A portion of the \$241.8 million appropriation will be allocated as 2018 State Match for repayable financing, or principal forgiveness funding to eligible drinking water projects under the DWSRF and Prop 1 Drinking Water programs. The State Water Board will also provide evidence to U.S. EPA that the 2018 State Match has been appropriated to the State Water Board by the California Legislature prior to the award date of the 2018 federal Capitalization Grant.

- **The State will deposit net bond proceeds, interest earnings, and repayments into the DWSRF**

All interest, earnings, principal repayments, and other proceeds will be deposited into the DWSRF.

- **The State will adopt policies and procedures to ensure that borrowers have a dedicated source of revenue for repayments (or in the case of a privately-owned system, demonstrated that there is adequate security)**

The State Water Board has developed policies and procedures for ensuring that borrowers have a dedicated source of repayment and that privately owned systems have adequate security. These policies and procedures are contained in the State Water Board's DWSRF Policy.

- **The State will commit and expend funds as efficiently as possible, and in an expeditious and timely manner**

The IUP provides the basis for how the State Water Board will use DWSRF funds. The State Water Board will commit and expend both 2018 Capitalization Grant and associated state match funds as efficiently as possible, and in an expeditious and timely manner. The State Water Board will enter into binding commitments with recipients equal to the total amount of each 2018 Capitalization Grant payment and proportional 2018 State Match within one year of such a 2018 Capitalization Grant payment. Additionally, the State Water Board will use cash-flow modeling to over-commit funds in amount greater than cash within the funds and undrawn federal grant funds to continually and timely disburse 100 percent (100%) of those funds.

- **DWSRF funds will be used in accordance with this SFY 2018-19 IUP**

The State Water Board will use DWSRF funds in SFY 2018-19 in accordance with this SFY 2018-19 IUP.

- **The State will provide the U.S. EPA with an Annual Report on the performance of the DWSRF**

The State Water Board will publish a SFY 2018-19 DWSRF Annual Report on the uses of the DWSRF funds during SFY 2018-19, and provide a final draft of the SFY 2018-19 DWSRF Annual Report to U.S. EPA Region 9. The report will document the projects funded through the DWSRF; financial and programmatic outcomes of the DWSRF; and reflect upon the accomplishments of the DWSRF program as it relates to the long-term and short-term goals contained within this IUP and the tasks included in the associated DWSRF work plans.

- **The State will comply with all federal cross-cutting authorities**

All set-aside activities will be performed in accordance with the Civil Rights Act of 1964, section 504 of the Rehabilitation Act of 1973, and the Age Discrimination Act of 1975. All other cross-cutters applicable to the set-aside activities will be adhered to. The State Water Board has developed policies and procedures to ensure that the State Water Board and all DWSRF financing recipients conform to applicable federal cross-cutter requirements as well. Required documentation will be provided for each of these requirements. To the extent necessary, cross-cutter requirements will be incorporated as conditions in financing agreements.

- **The State will report DWSRF financing activities into U.S. EPA's National Information Management System (NIMS) as well as its Project Benefits and Reporting (PBR) System as well as Federal Funding Accountability and Transparency Act (FFATA) database**

The State Water Board commits to entering project and benefits data into U.S. EPA's NIMS and PBR systems to evaluate the benefits of the California DWSRF program. Among other parameters, the reporting systems will evaluate the number of California DWSRF projects that provide the following public health benefits:

- Achieve compliance with SDWA;
- Maintain compliance with SDWA; and
- Meet future requirements of SDWA

The State Water Board will enter project benefits information into the Project Benefits Report by the end of the quarter in which a funding agreement is signed and will enter NIMS data by U.S. EPA's annual deadline (generally end of August).

The State Water Board will also use FFATA reporting system to report on all DWSRF equivalency projects (i.e., projects meeting all the federal cross-cutting requirements whose sum is at least equal to or greater than the capitalization grant amount less any non-applicable set-aside funds).

## X. ACRONYMS

AIS	American Iron and Steel
ARRA	American Recovery and Reinvestment Act of 2009
CWS	Community Water System
DAC	Disadvantaged Community
DBE	Disadvantaged Business Enterprise
DDW	Division of Drinking Water
DFA	Division of Financial Assistance
DWSRF	Drinking Water State Revolving Fund
FFATA	Federal Funding Accountability and Transparency Act
FFY	Federal Fiscal Year
GWUDI	Groundwater Under the Direct Influence
IUP	Intended Use Plan
LPA	Local Primacy Agency
MCL	Maximum Contaminant Level
MHI	Median Household Income
NIMS	National Information Management System
NTNC	Non-Transient Non-Community Water System
OSWS	Office of Sustainable Water Solutions
PBR	Project Benefits and Reporting
PWS	Public Water System
PWSS	Public Water System Supervision
SCWS	Small Community Water System
SDAC	Severely Disadvantaged Community
SDWA	Safe Drinking Water Act
DWSCEG	Safe Drinking Water Small Community Emergency Grant
SFY	State Fiscal Year
SWS	Small Water System
SWSTA	Small Water Systems Technical Assistance
TMF	Technical, Managerial and Financial
ULO	Unliquidated Obligation
U.S. EPA	United States Environmental Protection Agency

## XI. APPENDIX A: DWSRF-SFY 2018-19 FUNDABLE LIST

The fundable list includes all prioritized projects (planning and construction) currently projected to be ready to proceed to a funding agreement by June 30, 2019, subject to the availability of additional principal forgiveness/grant for those applicants that are eligible for such additional subsidy										
Small Water Systems: Population <= 10,000 (Planning Projects)										
Applicant	Cat.	Project Number	DDW Dist.	Estimated Project Cost	Loan	PF/Grant	Disadvantaged Status	Description	Pop.	Project Manager
Ballico Community Service District	C	2400167-001P	Merced	\$468,000.00	\$0.00	\$468,000.00	Severely Disadvantaged	Secondary Well Construction	309	Warring, Kevin
Bar-Len Mutual Water Company	C	3600025-001P	San Bernardino	\$480,800.00	\$0.00	\$480,800.00	Disadvantaged	Water Quality (arsenic) and Infrastructure Efficiency	124	Sanchez, Lawrence
Big Sandy Rancheria of Western Mono Indians of California	C	0600121-001P		\$120,000.00	\$0.00	\$120,000.00	Pending	Big Sandy Rancheria Water System Capital Improvement		Quilatan, Joseph
Burney Water District	F	4510003-001P	Lassen	\$500,000.00	\$0.00	\$500,000.00	Severely Disadvantaged	Burney Water District Well 9 Planning Project	3000	Siddiqui, Mehreen
Burney Water District	F	4510003-002P	Lassen	\$500,000.00	\$0.00	\$500,000.00	Severely Disadvantaged	Burney Water District Water Storage Planning Project	3000	Siddiqui, Mehreen
Cabazon Water District	F	3310047-002P	Riverside	\$187,000.00	\$0.00	\$187,000.00	Disadvantaged	Pipeline Project	2535	Chan, Gary
Cabazon Water District	F	3310047-001P	Riverside	\$416,000.00	\$0.00	\$416,000.00	Disadvantaged	Well Improvements Project	2535	Chan, Gary
Cascadel Mutual Water Company	C	2000509-006P	Merced	\$300,000.00	\$0.00	\$300,000.00	Disadvantaged	Well Replacement Planning Project	300	Greathouse, Joel
Cedar Valley Mutual Water Company	C	2000538-001P	Merced	\$100,000.00	\$0.00	\$100,000.00	Severely Disadvantaged	Arsenic MCL Compliance	137	Greathouse, Joel
Cobb Area County Water District	C	1710012-001P	Mendocino	\$4,000,000.00	\$1,500,000.00	\$2,500,000.00	Disadvantaged	Multi-System Consolidation Project	2500	Orellana, Lucio

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Applicant	Cat.	Project Number	DDW Dist.	Estimated Project Cost	Loan	PF/Grant	Disadvantaged Status	Description	Pop.	Project Manager
Enos Lane Public Utility District	C	1500544-004P	Visalia	\$495,150.00	\$495,150.00	\$0.00	Not Disadvantaged	Nitrate and Arsenic Mitigation Project-Enos Lane PUD	250	Blanco, John Paul
Etna, City of	B	4710004-001P	Klamath	\$500,000.00	\$0.00	\$500,000.00	Severely Disadvantaged	City of Etna Surface Water Treatment Compliance Planning	769	Reilly, Montarat
Frazier Park Public Utility District	A	1510007-001P	Tehachapi	\$1,210,550.00	\$0.00	\$1,210,550.00	Severely Disadvantaged	Frazier Park/Lake of the Woods Regional Consolidation Planning Project	2348	Sanchez, Lawrence
Indian Valley Community Services District	C	3210001-005P	Lassen	\$280,000.00	\$0.00	\$280,000.00	Severely Disadvantaged	Greenville Replacement of Aged Water Transmission Lines	1891	Ramos, Fabian
Lower Lake County Water District	C	1710010-001P	Mendocino	\$500,000.00	\$0.00	\$500,000.00	Severely Disadvantaged	Lower Lake CWD - Source Capacity & Treatment Plant	1902	Orellana, Lucio
Madera, County of (MD10A - Madera Ranchos)	F	2010008-004P	Merced	\$355,000.00	\$355,000.00	\$0.00	Not Disadvantaged	Madera Ranchos Pipe Replacement & Metering Planning Project	2255	Guillen, Tatiana
Mendocino Unified School District	C	2300584-001P	Mendocino	\$500,000.00	\$0.00	\$500,000.00	Severely Disadvantaged	MUSD Grant Assistance and Master Planning	750	Chan, Gary
Mettler Valley Mutual Water Company	A	1900100-003P	Central	\$495,000.00	\$0.00	\$495,000.00	Disadvantaged	Arsenic Exceedance-Remediation	200	Sanchez, Lawrence
Mojave Public Utility District	C	1510014-002P	Tehachapi	\$500,000.00	\$0.00	\$500,000.00	Severely Disadvantaged	Cache Creek Potable Water Pipeline Replacement	4200	Rios, Deisy

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Applicant	Cat.	Project Number	DDW Dist.	Estimated Project Cost	Loan	PF/Grant	Disadvantaged Status	Description	Pop.	Project Manager
Mojave Public Utility District	C	1510014-002P	Tehachapi	\$500,000.00	\$0.00	\$500,000.00	Severely Disadvantaged	Cache Creek Potable Water Pipeline Replacement	4200	Rios, Deisy
Mountain Gate Community Services District	E	4510002-006P	Lassen	\$500,000.00	\$0.00	\$500,000.00	Disadvantaged	Water System Improvements Project	2500	Padgett, Karmina
Pike Ranch Mutual Water Company	C	2000526-001P	Merced	\$110,000.00	\$0.00	\$110,000.00	Disadvantaged	Pike Ranch Mutual Water Company Uranium/Coliform MCL	75	Greathouse, Joel
Reeds Creek Elementary School District	C	5200540-001P	Valley	\$67,200.00	\$0.00	\$67,200.00	Severely Disadvantaged	Reeds Creek School CA5200540 Hexavalent Chromium Compliance Planning	180	Siddiqui, Mehreen
Shady Oaks Mobile Home Park	C	2000828-002P	Merced	\$390,000.00	\$0.00	\$390,000.00	Disadvantaged	Shady Oak Water Project	40	Greathouse, Joel
Sierraville Public Utility District	D	4600018-001P	Lassen	\$320,100.00	\$0.00	\$320,100.00	Severely Disadvantaged	New Water Source	200	Stamas, Pete
Sky View County Water District	C	5200562-001P	Valley	\$500,000.00	\$0.00	\$500,000.00	Severely Disadvantaged	Reliable Source Project	120	Stamas, Pete
Trinity, County of (Waterworks District 1)	B	5310002-002P	Klamath	\$270,000.00	\$0.00	\$270,000.00	Severely Disadvantaged	Water Treatment Plant Modification	1500	Guerrero, Oscar
Turlock Unified School District	C	5000116-001P	Stockton	\$500,000.00	\$0.00	\$500,000.00	Severely Disadvantaged	Roselawn High School Water System Improvement Project	223	Chan, Gary
Yosemite Forks Estates Mutual Water Company	C	2+C5:C32000527-001P	Merced	\$135,000.00	\$0.00	\$135,000.00	Severely Disadvantaged	Arsenic MCL Compliance	110	Greathouse, Joel
			TOTAL:	\$14,644,410.00	\$2,294,760.00	\$12,349,650.00				

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Large Water Systems: Population > 10,000 (Planning Projects)										
Applicant	Cat.	Project Number	DDW Dist.	Estimated Project Cost	Loan	PF/Grant	Disadvantaged Status	Description	Pop.	Project Manager
Huntington Park, City of	E	1910049-001P	Angeles	\$236,500.00	\$236,500.00	\$0.00	Severely Disadvantaged	Miles Avenue Water Quality Improvement Project	18569	Tamanaha, Marques
Placer County Water Agency	F	3110005-007P	Lassen	\$480,000.00	\$480,000.00	\$0.00	Disadvantaged	Dutch Flat Mutual Consolidation	27199	Garrett, James
Twentynine Palms Water District	F	3610049-005P	San Bernardino	\$1,800,000.00	\$1,800,000.00	\$0.00	Disadvantaged	Potable Groundwater Management Project	17500	Ngai, Michael
			TOTAL:	\$2,516,500.00	\$2,516,500.00	\$0.00				
Small Water Systems: Population <= 10,000 (Construction Projects)										
Applicant	Cat.	Project Number	DDW Dist.	Estimated Project Cost	Loan	PF/Grant	Disadvantaged Status	Description	Pop.	Project Manager
Bass Lake Water Company	C	2010003-003C	Merced	\$4,600,000.00	\$4,600,000.00	\$0.00	Not Disadvantaged	Willow Creek Surface Water Treatment Plant	2800	Greathouse, Joel
Callente Union School District	C	1502607-001C	Tehachapi	\$965,912.00	\$0.00	\$965,912.00	Pending	Plute Mountain Elementary School Fluoride Remediation Project	200	Rios, Deisy
California Water Service Company	C	1510033-001C	Tehachapi	\$1,000,000.00	\$0.00	\$1,000,000.00	Disadvantaged	Secondary Treatment at Kernville Surface Water Plant	5435	Chan, Gary
Clearlake Oaks County Water District	F	1710001-003C	Mendocino	\$1,625,000.00	\$0.00	\$1,625,000.00	Severely Disadvantaged	Harvey Area Storage Tank, Booster Pump Station, Pipelines and Access Road Infrastructure Project	2458	Orellana, Lucio

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Applicant	Cat.	Project Number	DDW Dist.	Estimated Project Cost	Loan	PF/grant	Disadvantaged Status	Description	Pop.	Project Manager
Clearlake Oaks County Water District	F	1710001-004C	Mendocino	\$4,582,206.00	\$0.00	\$4,582,206.00	Severely Disadvantaged	Water Distribution System, Storage, and Booster Pump Station Infrastructure Project	2458	Orellana, Lucio
Coachella Valley Unified School District	C	3301153-001C	Riverside	\$800,000.00	\$0.00	\$800,000.00	Severely Disadvantaged	Consolidation/extension of service to Westside school-Coachella Valley USD	975	Pang, Maria
Colusa County Waterworks District No. 1	D	0600008-002C	Valley	\$495,000.00	\$0.00	\$495,000.00	Severely Disadvantaged	Installation of Customer Meters	500	Stamas, Pete
Colusa, City of	C	0610002-001C	Valley	\$2,022,580.00	\$0.00	\$2,022,580.00	Severely Disadvantaged	Walnut Ranch Construction Project	5625	Stamas, Pete
Davenport County Sanitation District	D	4400571-005C	Monterey	\$240,066.00	\$0.00	\$240,066.00	Disadvantaged	Old Coast Water Line Extension	350	Orellana, Lucio
Del Oro Water Company	A	5400665-003C	Visalia	\$5,189,176.00	\$5,189,176.00	\$0.00	Pending	River Island Water Treatment Plant	810	Lopez, Victor
Emerald Valley Estates Mutual Water Company	A	4301004-002C	Santa Clara	\$178,025.00	\$178,025.00	\$0.00	Not Disadvantaged	Test Well Integration	35	Mitchell, Ryan
Feather Falls Union Elementary School District	A	0400107-001C	Valley	\$325,000.00	\$0.00	\$325,000.00	Severely Disadvantaged	Feather Falls School Emergency Well Replacement #0400107	50	Orellana, Lucio
Floriston Property Owners Association, Inc.	A	2900502-002C	Valley	\$2,750,000.00	\$0.00	\$2,750,000.00	Disadvantaged	Spring Filtration Project	100	Stamas, Pete
Fresno, County of	C	1000359-005C	Fresno	\$8,026,165.00	\$0.00	\$8,026,165.00	Severely Disadvantaged	Westside Groundwater Project	704	Garrett, James
Greenfield County Water District	C	1510024-001C	Visalia	\$6,589,900.00	\$6,589,900.00	\$0.00	Not Disadvantaged	Arsenic Mitigation Project	6500	Greathouse, Joel

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Applicant	Cat.	Project Number	DDW Dist.	Estimated Project Cost	Loan	PF/Grant	Disadvantaged Status	Description	Pop.	Project Manager
Holtville, City of	C	1310005-006C	San Diego	\$1,778,600.00	\$0.00	\$1,778,600.00	Severely Disadvantaged	Holtville Water Tank & System Improvements	6032	Ramos, Fabian
Hughson, City of	C	5010008-012C	Stockton	\$4,116,274.00	\$0.00	\$4,116,274.00	Severely Disadvantaged	Cobles Corner/County Villa Consolidation with City of Hughson	6082	Greathouse, Joel
Keyes Community Services District	A	5010009-005C	Stockton	\$10,410,000.00	\$5,410,000.00	\$5,000,000.00	Disadvantaged	1,2,3-TCP Removal Treatment System	4575	Stamas, Pete
Lake Morena's Oak Shores Mutual Water Company, Inc.	F	3700923-002C	San Diego	\$756,500.00	\$0.00	\$756,500.00	Severely Disadvantaged	Eastside Pipeline Looping and Pipeline Abandonment Improvements	710	Guerrero, Oscar
Lakeside Joint School District	B	4300779-001C	Santa Clara	\$559,600.00	\$0.00	\$559,600.00	Severely Disadvantaged	Lakeside Joint School District Water Supply Project	110	Orellana, Lucio
Livingston, City of	C	2410004-003C	Merced	\$4,000,000.00	\$4,000,000.00	\$0.00	Not Disadvantaged	Livingston WS Improvements Project	13795	Blanco, John Paul
Locke Water Works Company	C	3400138-001C	Sacramento	\$1,000,000.00	\$0.00	\$1,000,000.00	Severely Disadvantaged	Locke Water System Intertie w/ SCWA	65	Stamas, Pete
Loma Rica Water Company	C	5800803-001C	Valley	\$126,734.00	\$126,734.00	\$0.00	Not Disadvantaged	Reservoir Replacement Project	140	Garrett, James
London Community Services District	C	5410017-003C	Visalia	\$4,944,655.00	\$0.00	\$4,944,655.00	Severely Disadvantaged	Water System Reliability Project	1638	Greathouse, Joel
Lost Hills Utility District	F	1510046-008C	Visalia	\$1,732,039.00	\$0.00	\$1,732,039.00	Severely Disadvantaged	Well Number Three	2772	Greathouse, Joel
Madera, County of	C	2000737-002C	Merced	\$2,138,584.00	\$2,138,584.00	\$0.00	Not Disadvantaged	Maintenance District 42 Pipeline Construction and Consolidation	100	Blanco, John Paul

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Applicant	Cat.	Project Number	DDW Dist.	Estimated Project Cost	Loan	PF/Grant	Disadvantaged Status	Description	Pop.	Project Manager
Madera, County of	C	2000554-002C	Merced	\$1,299,438.00	\$0.00	\$1,299,438.00	Severely Disadvantaged	Fairmead Drinking Water Construction Project	568	Stamas, Pete
Mt. Shasta, City of	A	4710008-001C	Klamath	\$5,000,000.00	\$0.00	\$5,000,000.00	Severely Disadvantaged	City of Mt. Shasta Tank 1 & Roseburg Water System Improvements	3642	Siddiqui, Mehreen
Nicasio School District	B	2100582-001C	Sonoma	\$55,000.00	\$0.00	\$55,000.00	Severely Disadvantaged	Nicasio School District Water System Upgrade	70	Orellana, Lucio
North Edwards WD	C	1510052-003C	Tehachapi	\$4,000,000.00	\$0.00	\$4,000,000.00	Disadvantaged	Arsenic Treatment - includes pipelines to Fountain Trailer Park and Sunset Apartments and a 12? pipeline to connect the treatment plant.	887	Guerrero, Oscar
R.S. Mutual Water Company	C	1500458-002C	Tehachapi	\$538,000.00	\$0.00	\$538,000.00	Severely Disadvantaged	R.S. Mutual Water Company consolidation project	25	Chan, Gary
Rand Communities Water District	C	1510016-005C	Tehachapi	\$3,218,000.00	\$0.00	\$3,218,000.00	Severely Disadvantaged	Arsenic Remediation New Well	344	Rios, Deisy
Reef-Sunset Unified School District	C	1600048-001C	Visalia	\$315,000.00	\$0.00	\$315,000.00	Disadvantaged	Water and Irrigation System Modification Project	350	Chan, Gary
San Bernardino, County of	C	3600196-007C	San Bernardino	\$5,045,000.00	\$0.00	\$5,045,000.00	Severely Disadvantaged	CSA 70 W-4 Pioneertown & Hi Desert WD Interconnection Piping	625	Reilly, Montarat
Sierra East Homeowners' Association, Inc.	B	2600622-001C	San Bernardino	\$993,400.00	\$0.00	\$993,400.00	Severely Disadvantaged	Water System Improvement Project	50	Sanchez, Lawrence
Trinity Knolls Mutual Water Company	C	5301102-004C	Klamath	\$3,492,340.00	\$3,492,340.00	\$0.00	Not Disadvantaged	Source Capacity Improvement and Distribution Rehabilitation Project	36	Ngai, Michael

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Applicant	Cat.	Project Number	DDW Dist.	Estimated Project Cost	Loan	PF/Grant	Disadvantaged Status	Description	Pop.	Project Manager
Weed, City of	C	4710009-002C	Klamath	\$5,000,000.00	\$0.00	\$5,000,000.00	Severely Disadvantaged	City of Weed Bypass Water Supply Pipeline Project	2963	Uppal, Parmdeep
Westley Community Services District	D	5000408-001C	Stockton	\$456,500.00	\$0.00	\$456,500.00	Severely Disadvantaged	Westley Community Services District Metering Project	70	Warring, Kevin
Winship-Robbins Elementary School District	C	5100145-001C	Valley	\$350,000.00	\$0.00	\$350,000.00	Severely Disadvantaged	Winship Elementary School Well #2	50	Stamas, Pete
Yosemite Unified School District	C	20+C55:C8300567-002C	Merced	\$1,230,000.00	\$0.00	\$1,230,000.00	Severely Disadvantaged	Yosemite Unified School District Water System Upgrade Project	1200	Sanchez, Lawrence
			TOTAL:	\$101,944,694.00	\$31,724,759.00	\$70,219,935.00				

**Large Water Systems: Population > 10,000 (Construction Projects)**

Applicant	Cat.	Project Number	DDW Dist.	Estimated Project Cost	Loan	PF/Grant	Disadvantaged Status	Description	Pop.	Project Manager
Apple Valley Ranchos Water Company	C	3610003-001C	San Bernardino	\$5,884,193.12	\$884,193.12	\$5,000,000.00	Severely Disadvantaged	Consolidation and Rehabilitation of Yermo Water System	52879	Vue, Mally
Arvin Community Services District	A	1510001-002C	Visalia	\$559,330.00	\$0.00	\$559,330.00	Severely Disadvantaged	ACSD/Son Shine Properties Water System Consolidation Project	11847	Guerrero, Oscar
Arvin Community Services District	C	1510001-005C	Visalia	\$3,150,350.00	\$1,575,175.00	\$1,575,175.00	Severely Disadvantaged	123 TCP Treatment for Well No.8 and Well No. 13	11847	Lopez, Victor
Arvin Community Services District	C	1510001-003C	Visalia	\$12,914,000.00	\$7,914,000.00	\$5,000,000.00	Severely Disadvantaged	Arsenic Mitigation Project - Phase II	11847	Lopez, Victor

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Applicant	Cat.	Project Number	DDW Dist.	Estimated Project Cost	Loan	PF/Grant	Disadvantaged Status	Description	Pop.	Project Manager
Castaic Lake Water Agency	C	1910017-001C	Angeles	\$2,771,500.00	\$2,111,500.00	\$660,000.00	Disadvantaged	LARC Ranch Water Pipeline	111000	Vue, Mally
Coachella Valley Water District	C	3310001-009C	Riverside	\$974,160.00	\$0.00	\$974,160.00	Severely Disadvantaged	Thermal Mutual Water Company Consolidation Project	244472	Pang, Maria
Coachella Valley Water District	C	3310001-011C	Riverside	\$1,151,000.00	\$0.00	\$1,151,000.00	Severely Disadvantaged	Consolidation of Oasis Gardens WC	244472	Pang, Maria
Coachella Valley Water District	C	3310001-007C	Riverside	\$26,703,000.00	\$21,703,000.00	\$5,000,000.00	Severely Disadvantaged	Highway 86 Transmission Main and Pump Station Project	244472	Pang, Maria
East Bay Municipal Utility District	F	0110005-014C	San Francisco	\$27,836,000.00	\$27,836,000.00	\$0.00	Not Disadvantaged	San Pablo Clearwell Replacement and Water Treatment Plant Rehabilitation Project	1300000	Pang, Maria
East Bay Municipal Utility District	F	0110005-013C	San Francisco	\$18,041,600.00	\$18,041,600.00	\$0.00	Not Disadvantaged	Macarthur Davenport Pipeline Replacement Project	1300000	Pang, Maria
Fallbrook Public Utility District	F	3710008-003C	San Diego	\$45,000,000.00	\$45,000,000.00	\$0.00	Not Disadvantaged	Santa Margarita Conjunctive Use Project	32000	Lopez, Victor
Fresno, City of	F	1010007-032C	Fresno	\$14,000,000.00	\$14,000,000.00	\$0.00	Disadvantaged	Fresno NE Surface Water Treatment Facility 6MG Finished Water Reservoir	457511	Tamanaha, Marques
Hemet, City of	F	3310016-009C	Riverside	\$16,992,000.00	\$16,992,000.00	\$0.00	Severely Disadvantaged	Water Distribution System Improvements	20047	Blanco, John Paul

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Applicant	Cat.	Project Number	DDW Dist.	Estimated Project Cost	Loan	PF/Grant	Disadvantaged Status	Description	Pop.	Project Manager
Indio Water Authority	C	3310020-001C	Riverside	\$5,525,025.00	\$0.00	\$5,525,025.00	Severely Disadvantaged	Consolidation of Boe Del Heights & Waller Tract Mutual Water Associations into Indio Water Authority	58823	Lopez, Victor
Los Angeles County Waterworks District 29	C	1910204-003C	Central	\$3,306,320.00	\$3,306,320.00	\$0.00	Not Disadvantaged	Owen Tank Replacement	27807	Guillen, Tatiana
Los Angeles, City of Acting by and through the Department of Water & Power	B	1910067-048C	Metropolitan	\$155,107,400.00	\$155,107,400.00	\$0.00	Not Disadvantaged	Headworks West Reservoir	4071873	Tamanaha, Marques
Los Angeles, City of Acting by and through the Department of Water & Power	C	1910067-035C	Metropolitan	\$12,725,229.00	\$12,725,229.00	\$0.00	Not Disadvantaged	99th Street Wells Ammoniation Station	4071873	Tamanaha, Marques
Los Angeles, City of Acting by and through the Department of Water & Power	D	1910067-011C	Metropolitan	\$27,230,000.00	\$27,230,000.00	\$0.00	Not Disadvantaged	Upper Stone Canyon Reservoir WQIP	4071873	Tamanaha, Marques
Los Angeles, City of Acting by and through the Department of Water & Power	F	1910067-054C	Metropolitan	\$12,790,147.00	\$12,790,147.00	\$0.00	Not Disadvantaged	Elysian Reservoir Water Quality Improvement Project	4071873	Tamanaha, Marques
Placer County Water Agency	C	3110005-006C	Lassen	\$1,768,423.00	\$0.00	\$1,768,423.00	Severely Disadvantaged	Castle City MHP Consolidation	27199	Garrett, James
Rosamond Community Services District	C	1510018-016C	Tehachapi	\$8,500,000.00	\$0.00	\$8,500,000.00	Disadvantaged	RCSD Arsenic Regional Consolidation Project	10633	Ruehlig, Joshua
South Pasadena, City of	F	1910154-001C	Central	\$10,803,550.00	\$10,803,550.00	\$0.00	Not Disadvantaged	Graves Reservoir Replacement Project	25899	Guillen, Tatiana
South Tahoe Public Utility District	F	0910002-027C	Sacramento	\$3,627,005.00	\$3,627,005.00	\$0.00	Not Disadvantaged	Waterline Replacement Program	60000	Ruehlig, Joshua
Yuba City, City of	C	5110002-016C	Valley	\$2,383,651.00	\$0.00	\$2,383,651.00	Disadvantaged	Barry Elementary School Water Service	51504	Ngai, Michael
Zone 7 Water Agency	F	0110010-002C	San Francisco	\$30,000,000.00	\$30,000,000.00	\$0.00	Not Disadvantaged	Del Valle Water Treatment Plant Ozonation Project	195000	Ruehlig, Joshua
			<b>TOTAL:</b>	<b>\$449,743,883.12</b>	<b>\$411,647,119.12</b>	<b>\$38,096,764.00</b>				

## XII. APPENDIX B: DWSRF-SFY 2018-19 COMPREHENSIVE LIST

Project Manager	District	Project Number	Project Type	Applicant	Project Title / Description	Class	Sustainability Score	Estimated Project Costs	Month / Year Placed on Comprehensive List
Blanco, John Paul	20	3301491-003P	Planning	Alpine Village	Planning for Uranium treatment and Meter Installation	F	0	221,200	17-Apr
Blanco, John Paul	13	3610002-001C	Construction	Alpine Water Users Association	Alpine Water Users Association Meter Replacement Project	D	0	498,288	17-Jan
Sanchez, Lawrence	11	2000597-001P	Planning	Alview-Dairyland Union School District	Dairyland Elementary School New Well Planning Project	D	1	33,000	
Sanchez, Lawrence	11	2000598-002P	Planning	Alview-Dairyland Union School District	Alview Elementary School Back-Up Source Planning Project	C	0	33,000	
Stamas, Pete	10	0310012-007C	Construction	Amador Water Agency	Redwood Tank and Floating Cover Replacement Project	F	0	307,273	
Pang, Maria	2	4510001-001C	Construction	Anderson, City of	Anderson Heights Reservoir Replacement and Pressure Regulating Valve (PRV) Station Project	F	1	2,250,000	16-Oct
Sanchez, Lawrence	20	3301180-001C	Construction	Anza Mutual Water Co., Inc.	Anza Mutual Water System Improvements Project	F	1	3,000,000	15-Jul
Vue, Mally	13	3610003-001C	Construction	Apple Valley Ranchos Water Company	Consolidation and Rehabilitation of Yermo Water System	C	2	5,884,193	16-Jun
Sanchez, Lawrence	13	3600012-002P	Planning	Apple Valley View Mutual Water Company	Treatment Plant - Fluoride Compliance Study	F	1	500,000	17-Jan
Guerrero, Oscar	12	1510001-002C	Construction	Arvin Community Services District	ACSD/Son Shine Properties Water System Consolidation Project	A	2	559,330	17-Jan
Lopez, Victor	12	1510001-005C	Construction	Arvin Community Services District	123 TCP Treatment for Well No.8 and Well No. 13	C	1	3,150,350	
Lopez, Victor	12	1510001-003C	Construction	Arvin Community Services District	Arsenic Mitigation Project - Phase II	C	1	12,914,000	16-Oct
Warring, Kevin	11	2400167-001P	Planning	Ballico Community Service District	Secondary Well Construction	C	1	468,000	16-Oct
Ngai, Michael	20	3310006-001P	Planning	Banning, City of	Hexavalent Chromium Compliance	F	1	3,596,246	17-Jan
Sanchez, Lawrence	13	3600025-001P	Planning	Bar-Len Mutual Water Company	Water Quality (arsenic) and Infrastructure Efficiency	C	1	480,800	16-Jun
Greathouse, Joel	11	2010003-003C	Construction	Bass Lake Water Company	Willow Creek Surface Water Treatment Plant	C	0	4,600,000	17-Jan
Sanchez, Lawrence	15	1910108-008P	Planning	Bell Gardens, City of	Bell Gardens Well No. 1 Improvements project	F	1	471,000	16-Jan

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Project Manager	District	Project Number	Project Type	Applicant	Project Title / Description	Class	Sustainability Score	Estimated Project Costs	Month / Year Placed on Comprehensive List
Ngai, Michael	13	3610008-012C	Construction	Big Bear City CSD	Well 8 Replacement	F	1	2,500,000	16-Jun
Garrett, James	1	0800532-003C	Construction	Big Rock Community Services District	Big Rock CSD Water Tank Replacement Project	F	1	688,589	17-Jan
Quilatan, Joseph	0	0600121-001P	Planning	Big Sandy Rancheria of Western Mono Indians of California	Big Sandy Rancheria Water System Capital Improvement	C	0	120,000	
Reilly, Montarat	23	1010049-008C	Construction	Biola Community Services District	Biola CSD Water Distribution System Upgrades	F	0	3,239,000	
Ramos, Fabian	3	1700561-001P	Planning	Blue Lakes Improvement Club Water, Inc.	Blue Lakes Improvement Club Water System Improvements	F	1	90,000	17-Dec
Guerrero, Oscar	14	3710036-001C	Construction	Borrego Water District	Water Pump Diesel Engine Upgrade and Tank Rehabilitation	F	1	615,000	17-Apr
Siddiqui, Mehreen	2	4510003-003C	Construction	Burney Water District	Burney Water District Water System Improvement Project	E	1	5,135,000	
Siddiqui, Mehreen	2	4510003-001P	Planning	Burney Water District	Burney Water District Well 9 Planning Project	F	1	500,000	
Siddiqui, Mehreen	2	4510003-002P	Planning	Burney Water District	Burney Water District Water Storage Planning Project	F	1	500,000	
Chan, Gary	20	3310047-001P	Planning	Cabazon Water District	Well Improvements Project	F	1	416,000	16-Oct
Chan, Gary	20	3310047-002P	Planning	Cabazon Water District	Pipeline Project	F	1	187,000	16-Oct
Lopez, Victor	10	0510002-002P	Planning	Calaveras Public Utilities District	Calaveras PUD SCADA System Upgrade	F	0	537,000	17-Jul
Rios, Deisy	19	1502607-001C	Construction	Caliente Union School District	Piute Mountain Elementary School Fluoride Remediation Project	C	0	965,912	17-Dec
Chan, Gary	19	1510033-001C	Construction	California Water Service Company	Secondary Treatment at Kernville Surface Water Plant	C	1	1,000,000	
Reilly, Montarat	3	1710013-004C	Construction	Callayomi County Water District	Callayomi CWD Big Canyon Production Well Improvements	F	1	1,830,737	17-Dec
Stamas, Pete	14	3702459-001P	Planning	Camp Oliver	Camp Oliver Water Tank Replacement	F	0	43,956	16-Oct
Rios, Deisy	23	1010039-002C	Construction	Caruthers Community Services District	Installation of Arsenic Treatment Plant Components and Water Meters	D	1	1,984,400	16-Jun
Greathouse, Joel	11	2000509-006P	Planning	Cascadel Mutual Water Company	Well Replacement Planning Project	C	1	300,000	17-Jan
Vue, Mally	22	1910017-001C	Construction	Castaic Lake Water Agency	LARC Ranch Water Pipeline	C	2	2,771,500	18-Mar
Ngai, Michael	4	0105008-002C	Construction	Castlewood Domestic Water System	Castlewood Redwood Tank Replacement	F	0	2,600,000	17-Jan
Greathouse, Joel	11	2000538-001P	Planning	Cedar Valley Mutual Water Company	Arsenic MCL Compliance	C	1	100,000	16-Jun

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Project Manager	District	Project Number	Project Type	Applicant	Project Title / Description	Class	Sustainability Score	Estimated Project Costs	Month / Year Placed on Comprehensive List
Sanchez, Lawrence	12	1600008-001P	Planning	Central Union Elementary School District	Central Union School Water Treatment and System Improvements Planning	C	0	80,000	
Garrett, James	17	4300517-003C	Construction	Chemeketa Park Mutual Water Company	Main Booster Pump and Pipeline	F	0	60,000	17-Apr
Garrett, James	17	4300517-004P	Planning	Chemeketa Park Mutual Water Company	Short Well	F	0	200,000	17-Apr
Mitchell, Ryan	2	3110034-001P	Planning	Christian Valley Park Community Service District	Phase 1 Water Storage Tank Project	F	0	235,000	16-Oct
Ruehlig, Joshua	10	5010026-001C	Construction	City of Waterford	Hickman Water System Improvements Construction Project	D	1	2,350,000	
Blanco, John Paul	2	4510016-002C	Construction	Clear Creek Community Services District	Meter Transmitter Upgrade	C	0	590,000	15-Jul
Orellana, Lucio	3	1700546-001C	Construction	Clear Water Mutual Water Company	Upper Storage Tank Replacement Project	F	0	1,000,000	17-Jul
Orellana, Lucio	3	1710001-005C	Construction	Clearlake Oaks County Water District	Water Treatment Plant, Meter and Cross Connection Control	F	1	3,759,644	
Orellana, Lucio	3	1710001-003C	Construction	Clearlake Oaks County Water District	Harvey Area Storage Tank, Booster Pump Station, Pipelines and Access Road Infrastructure Project	F	1	1,625,000	
Orellana, Lucio	3	1710001-004C	Construction	Clearlake Oaks County Water District	Water Distribution System, Storage, and Booster Pump Station Infrastructure Project	F	1	4,582,206	
Pang, Maria	20	3301153-001C	Construction	Coachella Valley Unified School District	Consolidation/extension of service to Westside school-Coachella Valley USD	C	2	800,000	17-Jan
Pang, Maria	20	3310001-009C	Construction	Coachella Valley Water District	Thermal Mutual Water Company Consolidation Project	C	2	974,160	17-Apr
Pang, Maria	20	3310001-010C	Construction	Coachella Valley Water District	Galindo MHP Consolidation	C	2	1,572,719	
Pang, Maria	20	3310001-011C	Construction	Coachella Valley Water District	Consolidation of Oasis Gardens WC	C	2	1,151,000	
Pang, Maria	20	3310001-007C	Construction	Coachella Valley Water District	Highway 86 Transmission Main and Pump Station Project	C	2	26,703,000	17-Jan
Pang, Maria	20	3310007-002C	Construction	Coachella, City of	Mesquite Mutual Water Company Consolidation Project	C	2	937,000	17-Apr
Orellana, Lucio	3	1710012-001P	Planning	Cobb Area County Water District	Multi-System Consolidation Project	C	2	4,000,000	16-Jun
Orellana, Lucio	3	1710012-002P	Planning	Cobb Area County Water District	Summit Area Improvements	F	1	500,000	17-Jan

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Project Manager	District	Project Number	Project Type	Applicant	Project Title / Description	Class	Sustainability Score	Estimated Project Costs	Month / Year Placed on Comprehensive List
Stamas, Pete	21	060008-002C	Construction	Colusa County Waterworks District No. 1	Installation of Customer Meters	D	1	518,100	17-Jan
Stamas, Pete	21	0610002-001C	Construction	Colusa, City of	Walnut Ranch Construction Project	C	2	2,022,580	17-Apr
Reilly, Montarat	21	0610002-002C	Construction	Colusa, City of	Bridge Street Waterline Consolidation & Replacement Project	F	0	1,409,506	
Mitchell, Ryan	1	0810001-003P	Planning	Crescent City, City of	Water Improvement Project	F	0	500,000	
Sanchez, Lawrence	6	4210009-001C	Construction	Cuyama Community Services District	Backup well installation	D	1	762,000	
Orellana, Lucio	5	4400571-005C	Construction	Davenport County Sanitation District	Old Coast Water Line Extension	D	1	240,066	16-Oct
Orellana, Lucio	5	4400571-006P	Planning	Davenport County Sanitation District	Davenport Diversion Facility Upgrade Feasibility Study	F	1	475,000	16-Oct
Lopez, Victor	12	5400665-003C	Construction	Del Oro Water Company	River Island Water Treatment Plant	A	0	5,189,176	16-Oct
Lopez, Victor	21	0410018-001P	Planning	Del Oro Water Company	Storage Tank/Clear Well Addition	C	0	73,000	
Greathouse, Joel	0	1100404-001P	Planning	Del Oro Water Company	Black Butte District - Secondary Well Planning	D	0	14,450	
Guerrero, Oscar	12	5400666-004P	Planning	Del Oro Water Company	Consolidation of Grandview Gardens & East Plano to City of Porterville	F	2	347,900	17-Jan
Greathouse, Joel	19	1500314-002P	Planning	Del Oro Water Company, Inc.	Country Estates District - Source Capacity Enhancement	D	1	186,500	
Lopez, Victor	21	5200574-001P	Planning	Del Oro Water Company, Inc.	Larkspur Meadows - Secondary Well	D	0	14,450	
Greathouse, Joel	12	5410034-001P	Planning	Del Oro Water Company, Inc.	California Pines - Main Storage Tank	D	0	75,000	
Greathouse, Joel	23	1010035-005C	Construction	Del Rey Community Services District	Water Meter Installation Project	D	0	905,472	
Orellana, Lucio	16	1900130-001P	Planning	Del Rio Mutual Water Company	Del Rio MWC Water System Capital Improvements	D	1	180,000	
Guillen, Tatiana	2	4610002-003C	Construction	Downieville Public Utility District	Storage Tanks Replacement	F	1	577,500	
Siddiqui, Mehreen	1	4710002-001C	Construction	Dunsmuir, City of	Downtown Tank Replacement Project	F	1	3,406,000	
Pang, Maria	4	0110005-013C	Construction	East Bay Municipal Utility District	Macarthur Davenport Pipeline Replacement Project	F	0	18,041,600	16-Oct
Pang, Maria	4	0110005-014C	Construction	East Bay Municipal Utility District	San Pablo Clearwell Replacement and Water Treatment Plant Rehabilitation Project	F	0	27,836,000	

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Project Manager	District	Project Number	Project Type	Applicant	Project Title / Description	Class	Sustainability Score	Estimated Project Costs	Month / Year Placed on Comprehensive List
Tamanaha, Marques	12	1510006-001C	Construction	East Niles Community Services District	North Weedpatch Hwy Water System Consolidation Project	C	2	15,289,500	
Vue, Mally	22	1910020-001C	Construction	East Pasadena Water Company	Well #8 Treatment and Blending for 123 TCP	C	0	1,500,000	
Tamanaha, Marques	18	4900788-001P	Planning	El Crystal Mobile Home Park	El Crystal MHP planning consolidation with Santa Rosa-	B	0	205,000	
Mitchell, Ryan	17	4301004-002C	Construction	Emerald Valley Estates Mutual Water Company	Test Well Integration	A	0	178,025	
Blanco, John Paul	12	1500544-004P	Planning	Enos Lane Public Utility District	Nitrate and Arsenic Mitigation Project-Enos Lane PUD	C	0	495,150	
Reilly, Montarat	1	4710004-001P	Planning	Etna, City of	City of Etna Surface Water Treatment Compliance Planning	B	1	500,000	17-Dec
Reilly, Montarat	2	4510008-001C	Construction	Fall River Valley Community Services District	Fall River Valley CSD Phase One Implementation	D	1	1,216,000	17-Dec
Lopez, Victor	14	3710008-003C	Construction	Fallbrook Public Utility District	Santa Margarita Conjunctive Use Project	F	0	45,000,000	16-Oct
Orellana, Lucio	21	0400107-001C	Construction	Feather Falls Union Elementary School District	Feather Falls School Emergency Well Replacement #0400107	A	1	325,000	16-Oct
Greathouse, Joel	23	1010005-003C	Construction	Firebaugh, City of	HUD Tank	E	1	5,000,000	
Stamas, Pete	21	2900502-002C	Construction	Floriston Property Owners Association, Inc.	Spring Filtration Project	A	1	572,715	17-Apr
Mitchell, Ryan	5	4400608-002P	Planning	Forest Springs	Forest Springs Water Upgrade	B	0	85,800	15-Mar
Sanchez, Lawrence	19	1510007-001P	Planning	Frazier Park Public Utility District	Frazier Park/Lake of the Woods Regional Consolidation Planning Project	A	2	1,210,550	17-Jan
Tamanaha, Marques	23	1010007-032C	Construction	Fresno, City of	Fresno NE Surface Water Treatment Facility 6MG Finished Water Reservoir	F	1	14,000,000	
Garrett, James	23	1000359-005C	Construction	Fresno, County of	Westside Groundwater Project	C	1	8,026,165	17-Jan
Stamas, Pete	5	2710007-001P	Planning	Gonzales, City of	Water Extension to Alpine Court Planning	F	1	100,000	17-Dec
Greathouse, Joel	12	1510024-001C	Construction	Greenfield County Water District	Arsenic Mitigation Project	C	0	5,000,000	17-Jan
Chan, Gary	5	2710008-001C	Construction	Greenfield, City of	Apple Avenue Water System Consolidation	C	2	389,000	16-Oct
Ramos, Fabian	11	5510009-003C	Construction	Groveland Community Services District	Big Creek and Second Garrotte Clearwell Rehabilitation	F	1	2,450,000	17-Dec
Stamas, Pete	13	3600600-001P	Planning	Habonim Camp Kvutza	Water Tank Replacement	F	0	67,000	16-Jan

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Project Manager	District	Project Number	Project Type	Applicant	Project Title / Description	Class	Sustainability Score	Estimated Project Costs	Month / Year Placed on Comprehensive List
Reilly, Montarat	1	4710012-002C	Construction	Happy Camp Community Services District	Happy Camp Water Treatment System Upgrade	B	1	1,593,000	16-Jun
Guerrero, Oscar	12	1600507-002C	Construction	Hardwick Water Company	Hardwick Water Company Groundwater Well Replacement	C	1	1,086,690	16-Jun
Stamas, Pete	2	3100038-001P	Planning	Heather Glen Community Services District	Water Treatment Plant Storage and Reliability Project	F	1	434,350	16-Oct
Blanco, John Paul	20	3310016-009C	Construction	Hemet, City of	Water Distribution System Improvements	F	1	16,992,000	
Uppal, Parmdeep	2	1805007-001C	Construction	Herlong Public Utility District	West Patton Water System Project	D	1	2,398,128	
Noorda, Angie	13	3600123-001P	Planning	Hi-Desert Mutual Water Company	Infrastructure Improvements Planning Project	F	1	484,500	17-Jan
Ramos, Fabian	20	3301775-001P	Planning	High Valleys Water District	Northeast Waterline Replacement	D	1	500,000	16-Oct
Ramos, Fabian	3	1710003-001P	Planning	Highlands Water Company	Plant and Distribution Improvements	F	1	500,000	17-Dec
Ramos, Fabian	14	1310005-006C	Construction	Holtville, City of	Holtville Water Tank & System Improvements	C	1	1,778,600	16-Jun
Guerrero, Oscar	12	1610007-003P	Planning	Home Garden Community Services District	Home Garden System Deficiencies Planning Project	F	1	350,000	16-Oct
Orellana, Lucio	0	0012002-001P	Planning	Hoopa Valley Public Utilities District	Leak Investigation and Repair Project	F	0	350,000	17-Jan
Greathouse, Joel	10	5010008-012C	Construction	Hughson, City of	Cobles Corner/County Villa Consolidation with City of Hughson	C	2	4,116,274	16-Jan
Tamanaha, Marques	22	1910049-001P	Planning	Huntington Park, City of	Miles Avenue Water Quality Improvement Project	E	1	236,500	17-Jan
Guerrero, Oscar	23	1010044-008P	Planning	Huron, City of	Domestic Water Well Planning Project	F	1	280,000	15-Jul
Guerrero, Oscar	23	1010044-001C	Construction	Huron, City of	Surface Water Treatment Facility	C	1	7,992,250	15-Mar
Ramos, Fabian	2	3210001-005P	Planning	Indian Valley Community Services District	Greenville Replacement of Aged Water Transmission Lines	C	1	280,000	16-Jan
Ramos, Fabian	2	3200510-002P	Planning	Indian Valley Community Services District	Crescent Mills Filters, PLC & SCADA Rehabilitation	F	1	78,000	17-Jan
Lopez, Victor	20	3310020-001C	Construction	Indio Water Authority	Consolidation of Boe Del Heights & Waller Tract Mutual Water Associations into Indio Water Authority	C	2	5,525,025	17-Jan
Ngai, Michael	18	2110001-001C	Construction	Inverness Public Utility District	Tenney Tank Replacement	F	0	400,000	
Orellana, Lucio	18	4900799-001P	Planning	Janice Patterson and Laurie Parish	El Portal Consolidation Planning Project	C	1	175,000	16-Oct

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Project Manager	District	Project Number	Project Type	Applicant	Project Title / Description	Class	Sustainability Score	Estimated Project Costs	Month / Year Placed on Comprehensive List
Blanco, John Paul	13	3600222-001P	Planning	Juniper Riviera County Water District	Juniper Riviera CWD Water System Improvements	F	0	423,000	16-Oct
Stamas, Pete	10	5010009-005C	Construction	Keyes Community Services District	1,2,3-TCP Removal Treatment System	A	1	10,410,000	17-Dec
Orellana, Lucio	23	1000316-001P	Planning	Kings Canyon Unified School District	DBCP MCL Compliance	C	1	498,000	16-Jan
Greathouse, Joel	10	5000008-001P	Planning	Knights Ferry Community Services District	Water Supply Improvement Planning Project	A	0	290,000	
Rios, Deisy	9	5710004-002P	Planning	Knights Landing Community Services District	Water System Evaluation and Well Replacement	D	1	473,000	17-Jun
Orellana, Lucio	3	1710006-005C	Construction	Konocti County Water District	Water System Improvements Project	C	1	7,092,000	
Fua, Francine Anne	3	1710018-002P	Planning	Lake County Special Districts	Spring Valley Distribution System Upgrades	F	1	500,000	
Guerrero, Oscar	14	3700923-002C	Construction	Lake Morena's Oak Shores Mutual Water Company, Inc.	Eastside Pipeline Looping and Pipeline Abandonment Improvements	F	1	756,500	17-Jan
Quilatan, Joseph	1	4710013-001P	Planning	Lake Shastina Community Services District	Lake Shastina Drinking Water Rehabilitation and Upgrade Project	F	1	500,000	17-Jan
Fua, Francine Anne	3	1710022-009C	Construction	Lake, County of (CSA 20)	Soda Bay Water Treatment Plant Improvements	F	1	6,406,000	16-Oct
Orellana, Lucio	17	4300779-001C	Construction	Lakeside Joint School District	Lakeside Joint School District Water Supply Project	B	1	566,000	
Greathouse, Joel	12	1510012-008C	Construction	Lamont Public Utility District	Lamont PUD and El Adobe POA consolidation project	C	0	5,000,000	
Chan, Gary	2	4500510-006C	Construction	Lassen Pines Mutual Water Co., Inc.	Lassen Pines MWC Construction Project	F	0	1,961,000	
Stamas, Pete	1	5301002-002P	Planning	Lewiston Community Services District	BUD FINE Consolidation Feasibility Study	B	1	174,000	
Stamas, Pete	1	5301003-001C	Construction	Lewiston Park Mutual Water Company	Trinity Dam Blvd Tank Replacement Project	F	1	1,200,000	17-Jul
Ngai, Michael	14	3700922-001P	Planning	Live Oak Springs Water Company	New Well	D	0	90,000	
Blanco, John Paul	11	2410004-003C	Construction	Livingston, City of	Livingston WS Improvements Project	C	0	4,000,000	
Stamas, Pete	9	3400138-001C	Construction	Locke Water Works Company	Locke Water System Intertie w/ SCWA	C	1	1,000,000	17-Jan
Garrett, James	21	5800803-001C	Construction	Loma Rica Water Company	Reservoir Replacement Project	C	0	126,734	16-Oct
Greathouse, Joel	12	5410017-003C	Construction	London Community Services District	Water System Reliability Project	C	1	4,944,655	16-Oct
Guillen, Tatiana	16	1910204-003C	Construction	Los Angeles County Waterworks District 29	Owen Tank Replacement	C	0	3,306,320	15-Mar

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Guillen, Tatiana	16	1910204-002C	Construction	Los Angeles County Waterworks District 29	Coastline Drive 12-inch Waterline Replacement	F	0	2,025,000	16-Jun
Guillen, Tatiana	16	1910204-006C	Construction	Los Angeles County Waterworks District 29	Creek Crossing Repairs	F	0	1,945,000	16-Jun
Tamanaha, Marques	16	1910204-005C	Construction	Los Angeles County Waterworks District 29	Lower Busch Tank	F	0	2,405,000	16-Jun
Tamanaha, Marques	16	1910204-001C	Construction	Los Angeles County Waterworks District 29	Malibu Branch Feeder 30-inch Realignment	F	0	1,510,000	16-Jun
Tamanaha, Marques	16	1910204-004C	Construction	Los Angeles County Waterworks District 29	Pacific Coast Highway 8-inch Water Line Replacement, Zumirez Dr. to Escondido Beach Rd.	F	0	6,090,000	16-Jun
Tamanaha, Marques	16	1910204-009P	Planning	Los Angeles County Waterworks District 29	Sweetwater Mesa System Improvements	C	0	2,024,000	17-Jan
Mitchell, Ryan	16	1910185-001C	Construction	Los Angeles County Waterworks District 36	Del Valle Road Water Main Replacement	F	0	2,558,000	16-Jun
Mitchell, Ryan	16	1910248-001C	Construction	Los Angeles County Waterworks District 37	Acton Well 37-5	C	0	1,365,000	16-Jun
Mitchell, Ryan	16	1910248-002P	Planning	Los Angeles County Waterworks District 37	3220 Tank	F	0	1,365,000	16-Jun
Tamanaha, Marques	15	1910067-048C	Construction	Los Angeles, City of Acting by and through the Department of Water & Power	Headworks West Reservoir	B	0	155,107,400	15-Mar
Tamanaha, Marques	15	1910067-035C	Construction	Los Angeles, City of Acting by and through the Department of Water & Power	99th Street Wells Ammoniation Station	C	0	18,731,841	15-Mar
Tamanaha, Marques	15	1910067-011C	Construction	Los Angeles, City of Acting by and through the Department of Water & Power	Upper Stone Canyon Reservoir WOIP	D	0	27,230,000	17-Jan
Tamanaha, Marques	15	1910067-054C	Construction	Los Angeles, City of Acting by and through the Department of Water & Power	Elysian Reservoir Water Quality Improvement Project	F	0	12,800,000	16-Jan
Chan, Gary	21	5210003-001C	Construction	Los Molinos Community Services District	LMCSD Arsenic Compliance and Consolidation Project	C	2	1,600,000	16-Jan
Greathouse, Joel	12	1510046-008C	Construction	Lost Hills Utility District	Well Number Three	F	1	1,732,039	16-Jan
Orellana, Lucio	3	1710010-001P	Planning	Lower Lake County Water District	Lower Lake CWD - Source Capacity & Treatment Plant	C	1	500,000	
Guerrero, Oscar	9	0910007-001C	Construction	Lukins Brothers Water Company	Phase 2 Waterline Project - James Avenue	D	1	1,330,000	15-Mar
Guerrero, Oscar	9	0910007-003C	Construction	Lukins Brothers Water Company	Two Well Replacements	C	0	1,500,000	
Ngai, Michael	22	1910079-001P	Planning	Lynwood, City of	Well 19 Improvement Project	F	1	100,000	17-Jan
Stamas, Pete	11	2000554-002C	Construction	Madera, County of	Fairmead Drinking Water Construction Project	C	1	1,299,438	17-Dec

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Blanco, John Paul	11	2000737-002C	Construction	Madera, County of	Maintenance District 42 Pipeline Construction and Consolidation	C	1	2,138,584	16-Jun
Blanco, John Paul	11	2010003-004C	Construction	Madera, County of	MD-6 & MD-7 Consolidation Project, New Well and Treatment	C	1	6,533,008	
Stamas, Pete	11	2010008-003C	Construction	Madera, County of (MD10A - Madera Ranchos)	Consolidation of Valley Teen Ranch and Golden Valley Unified School District	C	2	6,596,815	15-Sep
Guillen, Taliana	11	2010008-004P	Planning	Madera, County of (MD10A - Madera Ranchos)	Madera Ranchos Pipe Replacement & Metering Planning Project	F	0	355,000	
Stamas, Pete	11	2010006-001P	Planning	Madera, County of (MD3)	CSA No. 3 Parksdale Drinking Water Project	F	1	480,500	17-Dec
Stamas, Pete	11	2000727-001P	Planning	Madera, County of (MD36 - Eastin Arcola)	MD-36 Eastin Arcola Water System Improvements Project	C	0	500,000	
Stamas, Pete	11	2000728-001C	Construction	Madera, County of (MD37 - La Vina)	Water Meter Installation (La Vina)	D	0	277,250	15-Mar
Stamas, Pete	11	2000511-001P	Planning	Madera, County of (MD85 - Valeta)	Valeta Water Consolidation Planning Project	C	0	500,000	
Uppal, Parmdeep	9	0202504-002P	Planning	Markleeville Water Company	Water Line Replacement	D	1	500,000	16-Oct
Sanchez, Lawrence	16	1910086-001C	Construction	Maywood Mutual Water Company #3	Water Quality Improvement Project	F	0	2,650,000	
Chan, Gary	3	2300584-001P	Planning	Mendocino Unified School District	MUSD Grant Assistance and Master Planning	C	1	500,000	17-Jul
Greathouse, Joel	23	1010021-001C	Construction	Mendota, City of	Mendota AMR	F	1	2,698,100	16-Jun
Sanchez, Lawrence	21	5100141-001P	Planning	Meridian Elementary School District	Treatment Plant Improvement Planning Project	F	0	152,000	
Sanchez, Lawrence	16	1900100-003P	Planning	Mettler Valley Mutual Water Company	Arsenic Exceedance-Remediation	A	1	439,610	15-Mar
Rios, Deisy	19	1510014-002P	Planning	Mojave Public Utility District	Cache Creek Potable Water Pipeline Replacement	C	1	500,000	16-Jan
Rios, Deisy	19	1510014-003C	Construction	Mojave Public Utility District	Roof Repair at the Two 1.5 Million Gallon Navy Tanks	D	1	1,860,000	17-Dec
Padgett, Karmina	2	4510002-006P	Planning	Mountain Gate Community Services District	Water System Improvements Project	E	1	500,000	17-Dec
Siddiqui, Mehreen	1	4710008-001C	Construction	Mt. Shasta, City of	City of Mt. Shasta Tank 1 & Roseburg Water System Improvements	A	1	5,000,000	
Sanchez, Lawrence	11	5500064-001P	Planning	Muller Mutual Water Company	Muller MWC consolidation with Tuolumne Utility District	D	2	175,000	16-Jan

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Orellana, Lucio	18	4900798-001P	Planning	MV Estates, LLC	Consolidation with city of Santa Rosa Planning	F	1	500,000	
Stamas, Pete	1	1200538-002C	Construction	Myers Flat Mutual Water System, Inc.	Distribution System Improvement Project	F	1	1,837,760	15-Jul
Blanco, John Paul	20	3310051-001P	Planning	Myoma Dunes Mutual Water Company	Chromium-6 Treatment and Compliance	C	0	2,671,640	
Pang, Maria	3	2810003-014P	Planning	Napa, City of	Compliance for Hennessey Treatment Plant Washwater Discharge	C	0	1,800,000	15-Mar
Reilly, Montarat	13	3610032-001C	Construction	Needles, City of	City of Needles Lily Hill Boosting Station Replacement/Relocation	F	1	516,651	17-Dec
Greathouse, Joel	23	1000063-005C	Construction	New Auberry Water Association	Drinking Water Project	F	1	3,131,200	
Orellana, Lucio	18	2100582-001C	Construction	Nicasio School District	Nicasio School District Water System Upgrade	B	1	55,000	16-Jun
Ramos, Fabian	3	1710008-001C	Construction	Nice Mutual Water Company	Meter Renovation Project	D	1	255,000	17-Jan
Ruehlig, Joshua	4	0103040-001P	Planning	Norris Canyon Property Owners Association	NCPOA Water System Upgrades	F	0	245,000	
Guerrero, Oscar	19	1510052-003C	Construction	North Edwards WD	Arsenic Treatment - includes pipelines to Fountain Trailer Park and Sunset Apartments and a 12? pipeline to connect the treatment plant.	C	2	4,000,000	
Lopez, Victor	17	4110019-001P	Planning	O'Connor Tract Co-Operative Water Company	Plan and Design of Manganese Treatment Plant	E	0	150,000	
Chan, Gary	23	1010023-006P	Planning	Orange Cove, City of	City of Orange Cove Water Supply Reliability Project	F	1	481,000	
Quilatan, Joseph	1	1200701-001P	Planning	Orick Community Services District	Water Tank Replacement Project	E	0	374,000	
Reilly, Montarat	21	1110001-004P	Planning	Orland, City of	Suisun Storage Tank Design & Environmental	F	0	130,000	
Stamas, Pete	1	1200566-001P	Planning	Orleans Mutual Water Company	Water Treatment System Upgrade Project	B	1	180,000	17-Jul
Guillen, Tatiana	11	1010025-001C	Construction	Parlier, City of	1,2,3-TCP Removal Treatment Systems	C	1	17,322,726	
Greathouse, Joel	24	5402038-001P	Planning	Patterson Tract Community Service District	Meter Replacement – System Upgrade Project	D	1	285,000	16-Oct
Stamas, Pete	1	1200541-003P	Planning	Phillipsville Community Services District	Treatment Deficiency Remediation	B	1	267,720	15-Mar

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Greathouse, Joel	11	2000526-001P	Planning	Pike Ranch Mutual Water Company	Pike Ranch Mutual Water Company Uranium/Coliform MCL	C	1	110,000	16-Jun
Greathouse, Joel	10	0310005-001P	Planning	Pine Grove Community Services District	Water Tank Replacement Planning Project	F	0	500,000	
Garrett, James	2	3110005-006C	Construction	Placer County Water Agency	Castle City MHP Consolidation	C	2	1,768,423	17-Jan
Garrett, James	2	3110005-007P	Planning	Placer County Water Agency	Dutch Flat Mutual Consolidation	F	2	480,000	
Chan, Gary	11	2410007-001P	Planning	Planada CSD	Planada Community Services District- Water Supply Project	F	1	500,000	
Pang, Maria	24	5410010-018C	Construction	Porterville, City of	Consolidation of Akin Water Co (5401038)	C	1	3,387,000	
Garrett, James	5	4400598-004C	Construction	Puresource Water, Inc	New Well, Customer Meters, Intertie Electricity, Storage Tank Improvements	A	0	406,670	16-Oct
Guerrero, Oscar	2	3210004-004P	Planning	Quincy Community Services District	Quincy Community Services District Water System Planning and Modernization Project	F	1	500,000	16-Jun
Chan, Gary	19	1500458-002C	Construction	R.S. Mutual Water Company	R.S. Mutual Water Company consolidation project	C	2	538,000	17-Dec
Rios, Deisy	19	1510016-005C	Construction	Rand Communities Water District	Arsenic Remediation New Well	C	1	3,218,000	17-Dec
Siddiqui, Mehreen	21	5200540-001P	Planning	Reeds Creek Elementary School District	Reeds Creek School CA5200540 Hexavalent Chromium Compliance Planning	C	1	67,200	
Chan, Gary	12	1600048-001C	Construction	Reef-Sunset Unified School District	Water and Irrigation System Modification Project	C	2	315,000	16-Oct
Rios, Deisy	1	1210022-002C	Construction	Resort Improvement District No. 1 and Shelter Cove Sewer and Other Facility	Shelter Cove Water Tank Replacement Construction Project	F	1	4,573,000	16-Oct
Warring, Kevin	1	1210012-008P	Planning	Rio Dell, City of	Rio Dell Infrastructure Improvement Project	F	1	433,300	16-Jun
Lopez, Victor	21	5200555-001C	Construction	Rio Ranch Community Services District	Source Water Capacity Improvement	F	0	112,314	
Guerrero, Oscar	10	5000058-001P	Planning	River Park Newman LLC	Fisherman's Bend Mobile Home Park Drinking Water Project Hexavalent Chromium	F	1	465,000	17-Dec
Ruehlig, Joshua	19	1510018-016C	Construction	Rosamond Community Services District	RCSD Arsenic Regional Consolidation Project	C	2	8,500,000	
Rios, Deisy	1	5304501-006C	Construction	Salyer Mutual Water Company	Water Line Replacement	F	1	349,253	

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Reilly, Montarat	13	3600196-007C	Construction	San Bernardino, County of	CSA 70 W-4 Pioneertown & Hi Desert WD Interconnection Piping	C	1	5,045,000	16-Jan
Blanco, John Paul	14	3710020-071C	Construction	San Diego, City of	La Jolla View Reservoir	F	0	16,000,000	16-Jun
Blanco, John Paul	14	3710020-077C	Construction	San Diego, City of	Morena Pipeline	F	0	38,180,000	
Reilly, Montarat	10	3910018-001P	Planning	San Joaquin River Club, Inc.	Chrome VI Compliance	F	1	250,700	16-Jun
Reilly, Montarat	10	3910018-002P	Planning	San Joaquin River Club, Inc.	SJRC Water Distribution Improvement Project	F	1	304,400	17-Dec
Vue, Mally	8	3010101-001C	Construction	Santa Margarita Water District	San Juan Aquifer Storage Recovery	F	0	20,900,000	
Greathouse, Joel	11	2410018-001C	Construction	Santa Nella County Water District	Santa Nella/Volta Water Quality Improvement	F	0	10,288,924	
Garrett, James	6	4210020-001P	Planning	Santa Ynez River Water Conservation District, Improvement District 1	Chromium 6 Mitigation Program	F	0	1,791,171	
Sanchez, Lawrence	22	1910147-011P	Planning	Sativa-L.A. County Water District	Well No. 5 Water Quality Improvement Project	E	1	253,000	16-Jan
Greathouse, Joel	11	2000828-002P	Planning	Shady Oaks Mobile Home Park	Shady Oak Water Project	C	1	390,000	17-Jan
Reilly, Montarat	2	4500006-001P	Planning	Shasta, County of	County Service Area No. 2 - Sugarloaf Water Improvement Project	A	1	500,000	17-Apr
Reilly, Montarat	2	4500015-001P	Planning	Shasta, County of	Shasta County CSA No. 3 - Castella Intake Replacement	F	1	500,000	17-Dec
Sanchez, Lawrence	13	2600622-001C	Construction	Sierra East Homeowners' Association, Inc.	Water System Improvement Project	B	1	993,400	17-Jan
Rios, Deisy	11	2000506-001C	Construction	Sierra Linda Mutual Water Company	Sierra Linda Mutual Water Company Consolidation, Metering, and Water Treatment	D	1	4,159,000	16-Oct
Reilly, Montarat	11	5510016-001P	Planning	Sierra Park Water Company, Inc.	Sierra Park Water Company Water System Improvements	E	1	500,000	17-Dec
Stamas, Pete	2	4600018-001P	Planning	Sierraville Public Utility District	New Water Source	D	1	320,100	16-Jan
Stamas, Pete	21	5200562-001P	Planning	Sky View County Water District	Reliable Source Project	C	1	500,000	17-Jan
Noorda, Angie	1	0810002-001P	Planning	Smith River Community Services District	Smith River CSD water system rehabilitation planning project	F	0	455,000	
Mitchell, Ryan	0	4900510-001P	Planning	South Cloverdale Water Corporation	South Cloverdale Water Company Metering	F	0	241,500	
Garrett, James	8	3010055-001C	Construction	South Coast Water District	Doheny Ocean Desalination	F	0	102,056,000	

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Guillen, Tatiana	16	1910154-001C	Construction	South Pasadena, City of	GRAVES RESERVOIR REPLACEMENT PROJECT	F	0	10,803,550	16-Jun
Ruehlig, Joshua	9	0910002-028C	Construction	South Tahoe Public Utility District	Keller Heavenly Water System Improvements Project	F	0	5,504,500	
Ruehlig, Joshua	9	0910002-027C	Construction	South Tahoe Public Utility District	Waterline Replacement Program	F	0	3,627,005	16-Jun
Vue, Mally	10	5010043-001C	Construction	Stanislaus Regional Water Authority	Stanislaus Regional Water Authority Surface Water Supply	F	0	200,000,000	17-Jan
Guillen, Tatiana	10	3910012-001C	Construction	Stockton, City of	Century Mobile Home Park and Sunny Road Water Main Extension	F	2	800,000	
Stamas, Pete	24	5400824-001C	Construction	Sultana Community Services District	Sultana - Monson Safe Drinking Water Project	D	2	5,000,000	17-Dec
Stamas, Pete	21	5100107-008C	Construction	Sutter, County of (Waterworks District 1)	Robbins Water Meter Installation and Water Main Repairs	D	1	1,060,000	17-Dec
Tamanaha, Marques	2	3110011-005C	Construction	Tahoe City Public Utility District	West Lake Tahoe Regional Water Treatment Plant	B	0	7,725,000	16-Jan
Guerrero, Oscar	1	4700531-005P	Planning	Tennant Community Services District	Water Distribution Replacement Project	D	1	253,000	17-Dec
Ramos, Fabian	12	5410038-004C	Construction	Terra Bella Irrigation District	Disinfection Byproducts Compliance Project	B	1	1,186,200	16-Jan
Ruehlig, Joshua	13	3600306-005P	Planning	Thunderbird CWD	Planning for Water Production Facility (Well 5)	F	0	494,500	
Rios, Deisy	12	5410014-004P	Planning	Tipton Community Services District	Water Supply Improvements Project	C	0	476,500	
Guerrero, Oscar	9	3400172-001C	Construction	Tokay Park Water Company	TOKAY PARK New Production Well and Interconnection Project	A	0	462,000	
Lopez, Victor	22	1910213-010C	Construction	Torrance, City of	Torrance Van Ness Well Field	F	0	16700000	
Padgett, Karmina	23	1010030-006C	Construction	Tranquillity Irrigation District	Tranquillity Irrigation District Water Meters Project	D	1	1400000	
Rios, Deisy	23	1010030-007C	Construction	Tranquillity Irrigation District	TID Rural Water System Improvement Project	C	1	4700000	17-Dec
Rios, Deisy	23	1010030-008C	Construction	Tranquillity Irrigation District	TID Ag Well 19B Treatment	D	1	4237000	17-Dec
Ngai, Michael	1	5301102-004C	Construction	Trinity Knolls Mutual Water Company	Source Capacity Improvement and Distribution Rehabilitation Project	C	0	3492340	16-Oct
Guerrero, Oscar	1	5310002-002P	Planning	Trinity, County of (Waterworks District 1)	Water Treatment Plant Modification	B	1	270000	15-Jul
Rios, Deisy	24	5410015-001C	Construction	Tulare, City of	Consolidation of City of Tulare, Pratt, and Soult's Mutual Water Systems	D	0	2000000	16-Oct
Stamas, Pete	24	5400550-002C	Construction	Tulare, County of	Seville Water Co. Consolidation with Yettem Water System	C	2	7878775.5	17-Jan

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Greathouse, Joel	11	5510013-010C	Construction	Tuolumne Utilities District	Cuesta Heights Tank	F	1	2700000	16-Oct
Chan, Gary	10	5000116-001P	Planning	Turlock Unified School District	Roselawn High School Water System Improvement Project	C	1	500000	17-Jul
Ngai, Michael	13	3610049-005P	Planning	Twentynine Palms Water District	Potable Groundwater Management Project	F	1	1800000	16-Jun
Garrett, James	17	4300575-001P	Planning	Twin Valley Incorporated	Well, Tank and Control Replacement	F	0	313000	17-Jan
Ngai, Michael	13	3610050-001C	Construction	Upland, City of	Replacement of 7.5 MG Reservoir at 17th Street and Benson Avenue	F	0	16500000	
Chan, Gary	18	4900568-001C	Construction	Valley Ford Water Association	VFWA New Well	A	1	1300000	17-Jan
Ramos, Fabian	13	3610051-001P	Planning	Valley of Enchantment Mutual Water Company	Infrastructure Replacements, tanks, services lines, auto metering systems	F	1	500000	17-Dec
Ngai, Michael	5	2700799-003P	Planning	Vista Del Toro Property Owners Association	Arsenic and Cadmium Treatment	C	0	250000	
Sanchez, Lawrence	0	1910169-001C	Construction	Walnut Park Mutual Water Company	Water Meter Replacement	D	1	1240000	
Greathouse, Joel	23	1000204-001P	Planning	Washington Unified School District	American Union Elementary School Uranium MCL Compliance	C	1	500000	17-Jan
Sanchez, Lawrence	16	0019001-001C	Construction	Water Replenishment District of Southern California	Maywood Avenue Well Improvement Project	E	1	948000	
Lopez, Victor	5	4410011-002C	Construction	Watsonville, City of	Hexavalent Chromium Well Treatment	C	0	20500000	
Uppal, Parmdeep	1	4710009-002C	Construction	Weed, City of	City of Weed Bypass Water Supply Pipeline Project	C	1	5000000	
Uppal, Parmdeep	1	4710009-003C	Construction	Weed, City of	City of Weed Meter Replacement Project	F	0	1000000	
Guillen, Taliana	13	3610004-001P	Planning	West Valley Water District	District 39 Nitrate Removal Wellhead Treatment Plant	F	0	450000	17-Jan
Warring, Kevin	10	5000408-001C	Construction	Westley Community Services District	Westley Community Services District Metering Project	D	1	456500	16-Jun
Ramos, Fabian	21	0610004-002P	Planning	Williams, City of	New Well No. 11	E	1	425000	17-Dec
Ramos, Fabian	21	0610004-001C	Construction	Williams, City of	Manganese Filtration Treatment Installation, New Water Meters, and SCADA Improvements	E	1	4991000	16-Oct
Stamas, Pete	21	5100145-001C	Construction	Winship-Robbins Elementary School District	Winship Elementary School Well #2	C	1	350000	17-Jan
Ruehlig, Joshua	9	5700788-001P	Planning	Yolo, County of	North Davis Meadows Public Water System Consolidation with the City of Davis	A	1	430000	16-Oct
Greathouse, Joel	11	2000527-001P	Planning	Yosemite Forks Estates Mutual Water Company	Arsenic MCL Compliance	C	1	135000	16-Oct
Sanchez, Lawrence	11	2000567-002C	Construction	Yosemite Unified School District	Yosemite Unified School District Water System Upgrade Project	C	2	1230000	15-Jul
Quilatan, Joseph	1	4710011-001P	Planning	Yreka, City of	City of Yreka Water System Improvements	F	1	393000	16-Oct
Quilatan, Joseph	1	4710011-001C	Construction	Yreka, City of	City of Yreka E. Lennox Street Water Line Replacement & WTP Filter Improvements	F	0	0	

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Ngai, Michael	21	5110002-016C	Construction	Yuba City, City of	Barry Elementary School Water Service	C	2	2383651	16-Oct
Ruehlig, Joshua	4	0110010-002C	Construction	Zone 7 Water Agency	Del Valle Water Treatment Plant Ozonation Project	F	0	30000000	
Ruehlig, Joshua	4	0110010-001C	Construction	Zone 7 Water Agency	Ozone at Patterson Pass WTP	F	0	41500000	17-Jan