

# State of California

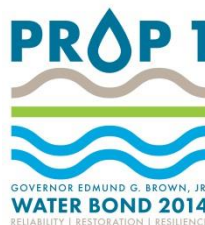
## DRINKING WATER STATE REVOLVING FUND

And The Water Quality, Supply, and Infrastructure Improvement  
Act of 2014

(Proposition 1 – Chapter 5, Section 79724)

# INTENDED USE PLAN

STATE FISCAL YEAR 2017-18  
(FEDERAL FISCAL YEAR 2017 CAPITALIZATION GRANT)



Prepared by:

State Water Resources Control Board, Division of Financial Assistance

Approved XXXX

|

Resolution No. 2017-XXXX

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# I. INTRODUCTION

## A. STATE OF CALIFORNIA'S DRINKING WATER STATE REVOLVING FUND

The 1996 amendments to the federal Safe Drinking Water Act (SDWA) responded to national drinking water infrastructure needs by establishing the Safe Drinking Water State Revolving Fund (DWSRF). 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, and other technical assistance derived from federal capitalization grants, associated state match, and revolving principal and interest repayments.

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 allocates \$260 million for drinking water grants and loans for public water system (PWS) infrastructure improvements and related actions to meet safe drinking water standards, to ensure affordable drinking water, or both (Prop 1 Drinking Water). Prop 1 Drinking Water funds will be administered consistent with the this IUP and the Policy for Implementing the Drinking Water State Revolving Fund (DWSRF Policy) to the extent allowed by federal regulations and state law. The Prop 1 Drinking Water funds will supplement the additional subsidies provided by the Federal Fiscal Year (FFY) 2017 DWSRF capitalization grant (2017 Capitalization Grant) and any prior DWSRF capitalization grants that have not been committed to projects.

The State Water Resources Control Board (State Water Board), Division of Financial Assistance (DFA) manages the DWSRF and Prop 1 Drinking Water funds. This State fiscal year (SFY) 2017-18 DWSRF Intended Use Plan (IUP) serves as part of the State Water Board's application for the 2017 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. The joint administration of the DWSRF and Prop 1 Drinking Water funds allows the Prop 1 Drinking Water funds to leverage the low-interest financing available through the DWSRF program.

The United States Environmental Protection Agency (U.S. EPA), in cooperation with the State of California (State), has 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 its Division of Drinking Water (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 and provides information on drought preparedness and water conservation; oversees water recycling projects; certifies drinking water treatment and distribution operators; supports and promotes water system security; provides support for small water systems (SWSs) and for improving PWS technical, managerial, and financial (TMF) capacity; and provides funding opportunities for PWS improvements.

Based on the 2011 Drinking Water Infrastructure Needs Survey, California drinking water needs are over \$2.2 billion per year for the next 20 years. For FFY 2017, California is applying for a federal DWSRF Capitalization Grant of up to \$115 million. The federal funding, in coordination with principal and interest repayments on existing loans and other debt, as well as associated state match funds, will help ensure funding for drinking water projects that address the State's highest public health priorities.

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. The State Water Board intends to use 23 percent (23%) of the 2017 Capitalization Grant for these set-aside activities. The remaining 77 percent (77%) of federal funds, plus state matching funds, and all interest and repayments are intended to be used for project funding.

Federal regulations require that the IUP include a description of how the program is structured as well as the planned use of the 2017 Capitalization Grant, state match funds, principal and interest from repayments, other interest earnings of the DWSRF, and funds designated for set-aside activities. This IUP provides specific details on key aspects of the DWSRF program including short and long-term goals, the priority setting process used to rank projects, and a list of projects considered eligible to receive available DWSRF funding.

In SFY 2017-18, the State Water Board will continue to focus on implementing the public health aspects of the SDWA and will ensure that funds are expeditiously disbursed from all available sources.

## **B. HIGHLIGHTS FOR SFY 2017-18**

### **1. 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.

### **2. DWSRF Administration Fee**

The State Water Board will begin applying a 1% fee-in-lieu of interest charge to eligible DWSRF financings to support the State Water Board's administration of the DWSRF. As further described in Section V.B.1 of this IUP, the DWSRF administration fee will be collected in lieu of an equal amount of interest that would otherwise be due on the outstanding balance of the financing agreement. The revenue from the administration fee will eventually supplement the State Water Board's use of the DWSRF set-asides to administer the DWSRF, thereby making such set-asides funds available for more infrastructure financing or other eligible set-aside activities.

### **3. DWSRF Small Community Emergency Drinking Water Fee**

The State Water Board will begin applying a fee-in-lieu of interest charge to eligible DWSRF financings to begin generating revenue for the Safe Drinking Water Small Community Emergency Grant (DWSCEG) Fund. As further described in Section V.B.1

of this IUP, the DWSCEG fee will not exceed the standard interest rate of the financing and will be collected in lieu of interest that would otherwise be due on the outstanding balance of the financing agreement. The revenue generated by this fee will be deposited into the DWSCEG Fund for the future awarding of grants to eligible planning and construction projects.

#### **4. DWSRF Local Match Program**

Continuing in SFY 2017-18, the State Water Board will offer zero percent (0%) financing to eligible applicants that contribute a local match to a DWSRF-funded project. Local match funds will be used as state match for future DWSRF federal capitalization grants. The details of the DWSRF Local Match program are described in Section V.B.1.

#### **5. Increased Amount for Consolidation Incentive Project**

Starting in SFY 2017-18, up to \$10 million in zero percent (0%) interest rate financing may be awarded for an eligible construction project that benefits an eligible PWS, if the PWS completes a full consolidation with a water system serving a small disadvantaged community or small severely disadvantaged community. Further information is included in Section V.B.2 of this IUP.

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

Starting in SFY 2017-18, 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 also serving a severely disadvantaged community, may be eligible for grant/principal forgiveness. Additional information is included in Section V.B.2 of this IUP.

#### **7. Added Criteria Regarding Second Home Communities**

To ensure the effective and equitable use of limited grant and principal forgiveness funds, in making eligibility determinations, the State Water Board will consider whether the households benefitting from the project are primarily second homes.

#### **8. PWS Water Losses Prioritized in Accordance with the California Governor's Executive Order**

On April 7, 2017, California Governor Jerry Brown issued Executive Order B-40-17, which directed the State Water Board to prioritize projects that address water leaks and other system losses after projects that address health and safety. More information on the prioritization of such projects can be found in Section III.C and Section IV.C.1 of this IUP.

**9. State Water Board Resolution No. 2017-0012 and California's Climate Change Leadership**

On March 7, 2017, the State Water Board adopted Resolution No. 2017-0012 to establish a comprehensive and robust response to climate change that will support California's ongoing climate leadership. Section III.C of this IUP includes information on how this IUP and the DWSRF program support the objectives of Resolution No. 2017-0012.

**10. TMF Capacity Coordinator to Division of Drinking Water (DDW)**

DDW will now lead the implementation of the State Water's Board PWS TMF Capacity Development Strategy. DFA will continue to participate in the strategy by providing TMF technical assistance and requiring certain TMF elements when approving projects for DWSRF financing.

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## II. STRUCTURE OF THE DWSRF/PROP 1 DRINKING WATER PROGRAM

California's DWSRF/Prop 1 Drinking Water program has two 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, small water system (SWS) technical assistance, PWS supervision (PWSS) support, and other eligible activities.

### 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 community water systems (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. 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.

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, including associated water rights. 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.

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.

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

## B. SET-ASIDE FUNDING

The 2017 DWSRF set-asides will be used to administer the DWSRF program and provide additional support for DDW. The 2017 DWSRF set-asides will also be used to assist PWSs in developing enhanced TMF capacity for the future as well as to assure compliance with the SDWA and assist in establishing eligibility for DWSRF/Prop 1 Drinking Water funding. Additional information on the 2017 DWSRF set-asides may be found in Section VI of this IUP.

- **Administration Set-Aside** – The DWSRF Administration Set-Aside will fund DFA’s administration of the DWSRF program.
- **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 or will provide other technical assistance to SWSs in project development. The SWSTA Set-Aside will also fund contracts for technical assistance to SWSs in support of project environmental documentation.
- **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.
- **Local Assistance Set-Aside** – The Local Assistance Set-aside will fund State contracts with third parties to provide technical assistance to PWSs to bolster TMF capacity and will be used to identify and address PWS TMF deficiencies that are identified during the DWSRF funding application review process. 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.



### III. DWSRF GOALS

The short-term and long-term goals developed for the DWSRF are presented below. They provide a framework that will guide the State Water Board's decision-making, maximization, and prioritization of both staff and funding resources.

#### A. SHORT-TERM GOALS

1. Work with DDW Consolidation Specialists to identify public health issues and evaluate solutions for SWSs, including technical assistance and consolidation where feasible.
2. 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.
3. Apply for and accept the anticipated 2017 Capitalization Grant from U.S. EPA. Upon award, commit funds from the 2017 Capitalization Grant, including the associated state match, by June 30, 2018, such that the federal funds can be utilized in an efficient and timely manner in accordance with 40 CFR §35.3550(c). As of March 22, 2017, the anticipated allotment amount of the 2017 Capitalization Grant has not been provided to the State Water Board from U.S. EPA. California may qualify for a capitalization grant amount greater than the recent annual average of \$82 million. Therefore, the State Water Board will be applying for \$115 million for the 2017 Capitalization Grant, but will assume \$82 million for the 2017 Capitalization Grant for all other financial representations in this IUP.
4. Ensure that the maximum allowable amount of the 2017 Capitalization Grant is provided to eligible recipients in the form of additional subsidy (i.e., forgiveness of principal).
5. 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.
6. 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.
7. Reduce instances of noncompliance with drinking water standards by providing technical and consolidation assistance to SWSs with significant SDWA violations.
8. Continue to require PWSs receiving assistance to undergo a TMF assessment to improve sustainability and resiliency.
9. Develop a long-term leveraging strategy and debt management policy for the DWSRF (estimated December 2017) as a means to manage the demand for DWSRF funding as well as ensure the perpetuity of the DWSRF.

## B. LONG-TERM GOALS

1. **Address Significant Risks to Public Health:** The State Water Board will continue coordination meetings between DWSRF project managers and regulatory staff within DDW to target DWSRF/Prop 1 Drinking Water funding to address the most significant public health and compliance issues.
2. **Promote SDWA Compliance:** DFA will 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. DFA will also continue to provide and prioritize subsidized financing for planning and construction projects that address SDWA compliance.
3. **Improve Information Exchange:** Increase communication between applicants and DFA staff through the State Water Board's Human Right to Water Portal and mobile applications. Also, employ Geographic Information Systems (GIS) technology to provide accurate and timely reporting of funding activities and help identify opportunities for consolidation.
4. **Improve Affordability and Sustainability:** Strategically use the DWSRF additional subsidy, set-aside funds and Prop 1 Drinking Water funds to achieve affordable compliance. Also, use DWSRF funds to maximize opportunities for consolidation, in coordination with DDW to increase economies of scale to improve project affordability and PWS sustainability.
5. **Promote Program Outcomes:** Continue to monitor and manage the DWSRF for fiscal sustainability and to increase PWSs' achievement and maintenance of long-term SDWA compliance.

## C. CONNECTIONS TO OTHER PLANS AND GOALS

California's 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.

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 a number of 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 has been recommending 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 17-18 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 Drinking Water State Revolving Fund to prioritize local projects that reduce leaks and other water system losses." Projects to address excessive water losses within a PWS 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

#### D. 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>
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.

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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.

## IV. CRITERIA AND METHOD FOR DISTRIBUTION OF FUNDS

### A. DISTRIBUTION OF FUNDS

The DWSRF program is managed on a cash flow basis, meaning funding commitment amounts for eligible projects are based upon an analysis of cash disbursements for such projects relative to the present and future revenues of the DWSRF. Such revenues may include existing and future federal capitalization grants and associated state match, as well as principal and interest repayments from existing repayable financing, and potential leveraged funds through the sale of revenue bonds. Section V.A details the anticipated fiscal impact on the DWSRF based upon the estimated financing amounts for SFY 2017-18 and the Fundable List included herein as Appendix B. A general cash flow analysis of the DWSRF has determined no minimum is required for commitment this year to maximize the lending capacity of the DWSRF, without consideration of any potential leveraging of the DWSRF through the future sale of revenue bonds under the DWSRF. The minimum commitment amount is derived from iterating a prorated lump sum commitment amount within the DWSRF cash flow model based upon the following assumptions:

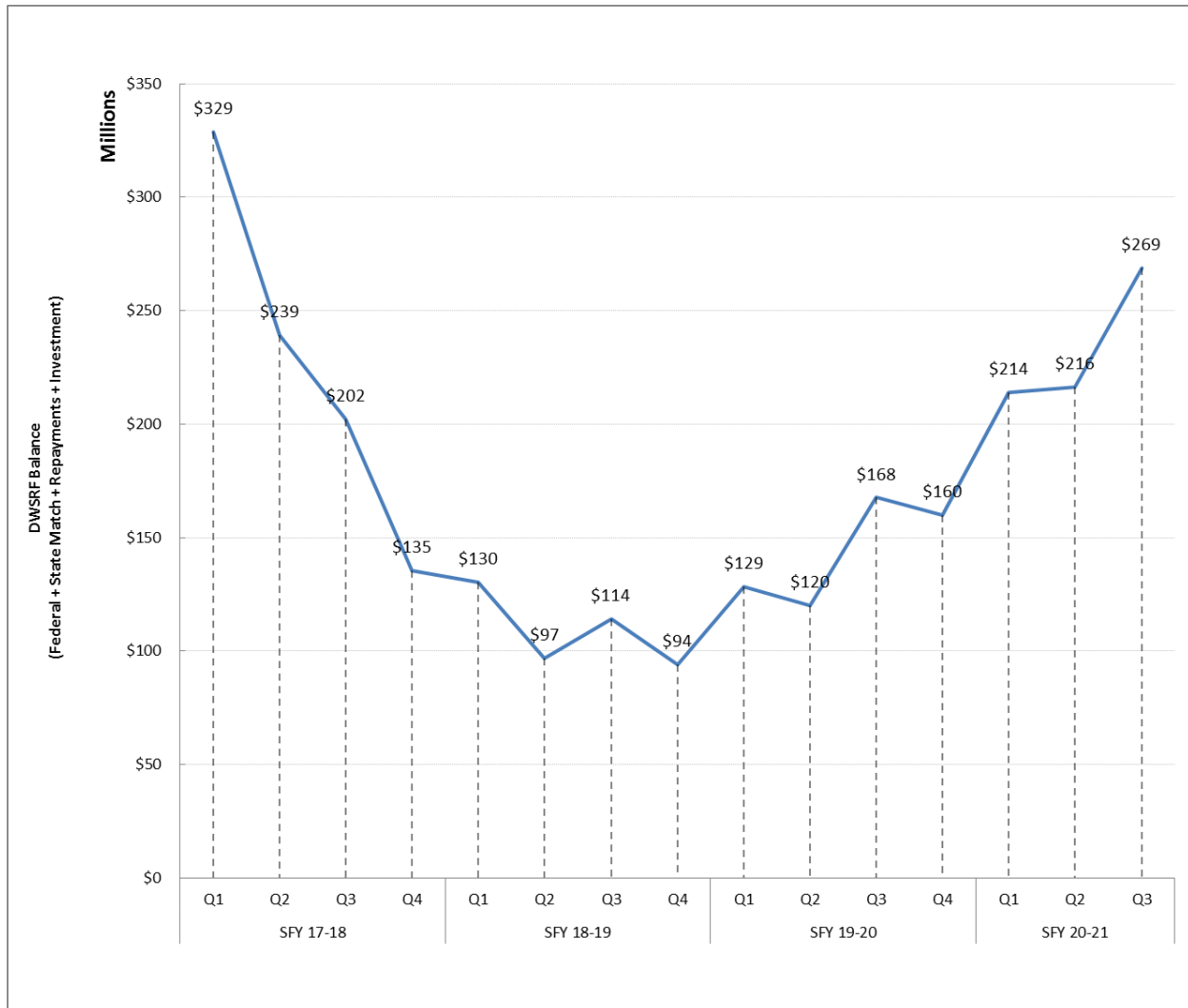
1. Assume no new additional capitalization grants beyond the 2017 DWSRF Capitalization Grant.
2. Assume the current standard DWSRF interest rate.
3. Assume a recent historical proration of annual repayable financing and additional subsidy.
4. Incorporate balances from existing DWSRF capitalization grants (not including set-aside funds), associated state match sources, principal and interest repayments, and investment earnings.
5. Assume projected disbursements for a generalized suite of project types based upon historical averages.
6. Assume the DWSRF quarterly cash balances do not decrease below an average \$100 million. This amount represents approximately six months of average quarterly disbursements, which is anticipated to be an aggressive time frame under this analysis to plan for a potential revenue bond sale, if needed.

Based upon the foregoing assumptions, and considering existing encumbrances, Figure 1 and Table 1 demonstrate there is no minimum commitment amount necessary to ensure the prudent and proper financial management of the DWSRF, absent any leveraging of the DWSRF.

Table 1: DWSRF Fiscal Impact and Minimum DWSRF Commitment Amount

State Fiscal Year	Projected 2016-17	Projected 2017-18	Projected 2018-19	Projected 2019-20	Projected 2020-21
Beginning Balance	\$466,390,287.43	\$333,363,199.35	\$135,389,076.71	\$94,225,914.08	\$159,747,998.73
Estimated Principal Payments + Interest Earnings	\$58,908,026.83	\$90,556,369.22	\$100,753,955.86	\$116,675,784.75	\$122,757,940.22
Estimated SMIF Interest Earnings	\$800,000.00	\$800,000.00	\$800,000.00	\$800,000.00	\$800,000.00
State Match Financing Revenue (2016 IBank)	\$36,000,000.00	\$0.00	\$0.00	\$0.00	\$0.00
State Match Financing Repayment (2016 IBank)	(\$36,025,000.00)	\$0.00	\$0.00	\$0.00	\$0.00
Federal Capitalization Grant (Project Funds) Award	\$57,879,100.00	\$63,140,000.00	\$0.00	\$0.00	\$0.00
Prop 1 State Match Encumbrances*	\$80,878,928.30	\$0.00	\$0.00	\$0.00	\$0.00
Estimated Disbursements	(\$342,153,015.66)	(\$376,732,034.91)	(\$152,540,742.29)	(\$55,529,820.55)	(\$14,462,114.07)
Adjusted Estimated Disbursements **	(\$331,468,143.21)	(\$352,470,491.86)	(\$142,717,118.48)	(\$51,953,700.11)	(\$13,530,753.92)
Adjusted Year-End Balances	\$333,363,199	\$135,389,077	\$94,225,914	\$159,747,999	\$269,775,185
<p>* Prop 1 Drinking Water funds have been appropriated to the State Water Board by the Legislature and the Governor. However, Prop 1 Drinking Water Funds are not recorded in this cash flow presentation until the associated projects have been, or are projected to be encumbered against the DWSRF as Prop 1 drinking water state match.</p> <p>**This amount represents an adjustment to the "Estimated Disbursements" based upon the recent historical accuracy of the estimated disbursement profiles employed in DFA's fiscal forecasting.</p>					

Figure 1: DWSRF Fiscal Impact and \$0 Minimum DWSRF Commitment Amount



Unlike the DWSRF, Prop 1 Drinking Water funding is managed based upon available appropriation to the State Water Board under the State Budget. 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. The State Water Board has been appropriated \$241.8 million in Prop 1 Drinking Water funding for encumbrance and expenditure on eligible drinking water planning, construction and technical assistance projects, including projects serving as state match for the DWSRF. Appropriated funds are available for encumbrance until June 30, 2018.

Prop 1 Drinking Water funding is available for grants and loans for PWS infrastructure improvements and related actions to meet safe drinking water standards, ensure affordable drinking water or both. To maximize future state match against federal capitalization grants, the State Water Board will allocate at least \$128 million in Prop 1 Drinking Water funds to be made available as DWSRF-eligible repayable financing, leaving the remaining portion of Prop 1 Drinking Water funds available for repayable



financing, grants, technical assistance, and Drinking Water Capital Reserve. Prop 1 Drinking Water repayable financing assigned as state match may contain a 100 percent (100%) principal forgiveness component. Additional details on the allocation of Prop 1 Drinking Water as state match for the DWSRF are included in Section V.A.

## B. COMPREHENSIVE LIST

The Comprehensive List (Appendix A) 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. 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, 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 DWSRF application is available online via the Financial Assistance Application Submittal Tool (FAAST). The application consists of four separate/specific packages (General, Technical, Environmental, and Financial), all of which can be submitted separately. An application is deemed complete when all four packages are submitted and determined complete by the State Water Board.

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.

## C. PRIORITY SYSTEM

DWSRF and Prop 1 Drinking Water projects are reviewed and ranked by categories and other factors described below:

### Categories

Each project will be assigned to one of the following 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 Maximum Contaminant Level (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) 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>3</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.

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<sup>3</sup> Projects may include the replacement of leaking infrastructure that is causing a PWS to not meet existing demand because of excessive water loss.

*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).

**Other Factors**

A project that includes one or more of the following will receive priority over other projects within the same category:

- 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.

**D. DWSRF AND PROP 1 DRINKING WATER FUNDING APPROACH**

The State Water Board will fund eligible and complete applications for DWSRF and Prop 1 Drinking Water funding during SFY 2017-18 consistent with the DWSRF Policy, applicable federal and state statutes, regulations, and guidance, including this IUP. The State Water Board will also 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. Existing procedures for providing funding will govern the administration and management of both DWSRF and Prop 1 Drinking Water funding, to the extent feasible.

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, disadvantaged community with the lowest median household income and to consolidation or extension of service projects.

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. A funded system must also demonstrate TMF, regardless of the amount or type of funding provided.

#### **E. DISADVANTAGED AND SEVERELY DISADVANTAGED COMMUNITY ADDITIONAL SUBSIDY FUNDING**

Subject to certain affordability criteria as detailed in Section V.B, the State Water Board intends to provide the maximum amount allowed from the 2017 Capitalization Grant as principal forgiveness to eligible PWSs that serve disadvantaged and severely disadvantaged communities for projects that represent California's highest public health priorities and that are ready to proceed to a financing agreement. The SDWA allows up to 30 percent (30%) of a federal capitalization grant to be provided as additional subsidy for PWSs serving disadvantaged communities. Additional subsidy may be provided in the form of principal forgiveness, negative interest rates, or grants. Similar to the FFY 2016 DWSRF capitalization grant, the 2017 Capitalization Grant may also require states to provide an additional 20 percent (20%) of the 2017 Capitalization Grant as additional subsidy to eligible projects. The additional 20 percent allocation for principal forgiveness may be mandatory and additive to the 30 percent (30%) allocation provided under the SDWA, but may not be restricted, like the 30 percent (30%) allocation, to solely PWSs serving disadvantaged communities.

Additionally, Prop 1 Drinking Water and Prop 1 Groundwater provide for additional subsidy in the form of grants and principal forgiveness for public water systems serving disadvantaged communities. 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 PWSs serving disadvantaged communities. To assist disadvantaged communities in addressing drinking water emergencies, the State Water Board may 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, Prop 1 Groundwater grants may also be available.

See Section V.B for the additional subsidy and reduced terms provided to eligible PWSs that serve disadvantaged communities. 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 eligible grant and/or principal forgiveness funding amount for any project may be reduced for good cause.

## F. SMALL WATER SYSTEM FUNDING

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 ready to proceed to a funding agreement. 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.

The Office of Sustainable Water Solutions has redirected staff to form two Small Community Drinking Water Units to help SWSs apply for funding and successfully implement projects. DFA staff will continue to work with applicants and DDW to facilitate consolidation of SWSs, as well as provide technical assistance to help SWSs achieve TMF capacity.

## G. CAPACITY ASSESSMENT

The State Water Board conducts TMF capacity assessments of all DWSRF and 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. If a system does not have adequate TMF capacity, DWSRF assistance may only be provided if it will help the PWSs 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 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, in order to receive planning funds from the DWSRF or Prop 1 Drinking Water. DWSRF or Prop 1 Drinking Water planning funds 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 eventual construction financing. 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.

## H. CONSOLIDATION

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."

Many small water systems 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, small water systems face technical, managerial, and financial 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 small water systems, particularly when confronted with compliance-related problems or depleted water sources. DFA requires all funding applicants to evaluate the feasibility of consolidation, and will continue to work closely with DDW by facilitating consolidation discussions and providing technical assistance. If planning funding is being provided to a small water system, DFA may require an evaluation of consolidation prior to other planning activities. If consolidation is considered infeasible, the applicant will be required to discuss the reasons supporting that determination. Recognizing the critical role of the State Water Board in the success of funded projects, DFA will strive to achieve the best service for the consumer and help ensure the system can be maintained for the long term.

The State Water Board also encourages consolidation by providing financing as described in Section V.B.2 of this IUP.

During SFY 2017-18, the State Water Board will continue to provide incentives to encourage the consolidation of PWSs, especially those systems with serious drinking water public health problems. Incentives for consolidation may include, but are not limited to:



- Up to \$10 million in zero percent interest rate financing may be awarded for an eligible construction project (incentive project) that benefits an eligible PWS, if such a PWS completes a full consolidation with a water system serving a small disadvantaged or small severely disadvantaged community, or if such a PWS completes an extension of water service to at least 15 connections with a disadvantaged or severely disadvantaged population currently not served by a PWS. Additional information on this consolidation incentive is included in Section V.B.2 of this IUP.
- Giving priority financing to consolidation projects ranked within the same category.
- Using the financial assistance terms that the smaller consolidating entity would be eligible for.
- Funding to replace any capacity lost as a result of the consolidation.

Other incentives may be considered and consolidating agencies are encouraged to discuss other potential incentives with State Water Board staff.

## I. FUNDABLE LIST

The SFY 2017-18 Fundable List consists of both planning and construction projects that the State Water Board anticipates will have executed financing agreements by June 30, 2018. The Fundable List includes projects to be funded either by Prop 1 Drinking Water or by DWSRF. Prop 1 Drinking Water funds will also be used as DWSRF state match based upon the cash flow needs of the DWSRF and criteria for Prop 1 Drinking Water project funding contained herein to fund the eligible principal forgiveness portion of DWSRF projects.

The Fundable list includes 123 projects for a total of approximately \$994 million (Appendix B). Of this list, 57 projects totaling approximately \$691 million are expected to be funded solely by the DWSRF. Additionally, 60 projects totaling approximately \$44 million, and consisting mostly of planning projects, are expected to be funded solely by Prop 1 Drinking Water grant funds. Finally, six projects totaling approximately \$259 million are expected to be co-funded between DWSRF and Prop 1 Drinking Water grant funding. Some of these projects may be funded by the end of SFY 2016-17. The Fundable List breakdown by system size and type of project is anticipated as shown in



Table 2 below:

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**Table 2: SFY 2017-18 DWSRF Fundable List Summary**

Summary	Projected Number of Projects	Projected Total Funding Amount	Projected PF/Grant Amount
Small Water System Planning	49	\$19,241,508	\$18,024,543
Large Water System Planning	4	\$5,265,000	\$0
Small Water System Construction	41	\$90,902,088	\$56,567,624
Large Water System (Including Expanded SWS) Construction	29	\$878,744,426	\$20,066,099
<b>TOTAL</b>	123	\$994,148,022	\$94,658,266

Of the projects included on the Fundable List, the State Water Board reasonably expects approximately 80-85 projects to be funded in SFY 17-18 based upon DFA staffing resources. All 33 large water system planning and construction projects are expected to be financed if they continue to be ready for funding in SFY 2017-18. However, past experience indicates that many of the SWS applicants will require more technical assistance than the others and that not all of the 90 SWS planning and construction projects will be ready for a financing agreement by SFY 2017-18. The State Water Board expects that DFA will utilize all resources available to process and fund any SWS projects as they become ready, thereby meeting federal requirements that at least 15 percent (15%) of available funds will be used to fund small water systems.

The State Water Board will update the Fundable List periodically to add or remove projects as they progress toward financing agreements based on project readiness and DFA staff resources in processing such financing agreements. It is anticipated that no project on the Fundable List will be bypassed unless that project is not ready to proceed to a financing agreement or if funding, include principal forgives/grant, is not available. The State Water Board anticipates meeting federal deadlines relating to the obligation of DWSRF funds with more than \$900 million worth of projects on the DWSRF portion of the SFY 2017-18 Fundable List.

## J. PROJECT REMOVAL AND/OR BYPASS

### 1. Project Removals

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.

## 2. Project Bypass

Pursuant to the DWSRF Policy, the State Water Board may bypass any project where it determines that it is not ready to proceed to financing within SFY 2017-18. Bypassed projects will remain on the Comprehensive List and may be funded at a later date when it becomes feasible to fund the project and the project becomes ready to proceed.

## K. 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 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.

The State Water Board will use its State Environmental Review Process (SERP) to review any potential environmental impacts of projects during SFY 2017-18. 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.

In addition to the federal environmental requirements, the State Water Board generally requires compliance with other cross-cutters, such as Disadvantaged Business Enterprise solicitations, for all DWSRF financing. 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.

## V. DWSRF AND PROP 1 FINANCIAL MANAGEMENT

### A. SOURCES AND USES OF FUNDS

#### 1. Federal Capitalization Grants

Including the estimated \$82 million 2017 Capitalization Grant, California will have received approximately \$1.86 billion in federal DWSRF capitalization grant funding for both project financing and set-aside activities since the inception of the DWSRF program. See Table 6 and Table 7 for the sources and uses of DWSRF funds, including the State Water Board's receipt of federal capitalization grants.

U.S. EPA provides for a payment schedule of the 2017 Capitalization Grant. Based upon the State Water Board's cash flow modeling and projected disbursements for SFY 2017-18, the State Water Board has requested the following federal payment schedule from U.S. EPA for the 2017 Capitalization Grant, as detailed in Table 3 below.

**Table 3: 2017 Capitalization Grant Payment Schedule**

FFY	Payment Date	Estimated Amount	Description	Site Code*
2017	Award Date	\$3,280,000	4% DWSRF Administration	DD
2017	Award Date	\$1,640,000	2% SWS Technical Assistance	DE
2017	Award Date	\$8,200,000	10% State Program Management	DF
2017	Award Date	\$5,740,000	7% Local Assistance & Other Programs	DG
2017	Award Date	\$63,140,000	77% 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.

Finally, the 2017 Capitalization Grant provides additional subsidy to PWSs that serve disadvantaged communities. Subject to the 2017 Capitalization Grant terms and conditions, the State Water Board intends to commit the maximum allowed under the 2017 Capitalization Grant as additional subsidy for eligible DWSRF projects. The estimated maximum additional subsidy amount for the 2017 Capitalization Grant is provided in Table 4 below:

Any additional subsidy available from prior DWSRF capitalization grants will also be used to fund eligible projects for the SFY 2017-18. Also, in accordance with the FFY 2016 DWSRF capitalization (2016 Capitalization Grant) grant terms and conditions and the SFY 16-17 IUP, an additional 20 percent (20%) of the 2016 Capitalization Grant, for a combined 50 percent (50%) of such grant, has been made available as additional subsidy to eligible projects. The additional subsidy provided under the 2016 Capitalization Grant will further allow the State Water Board to leverage Prop 1 Drinking Water funds as additional state match for the DWSRF while also providing additional

debt relief for California’s disadvantaged communities. As of April 6, 2017, the additional subsidy still available for eligible projects from prior year capitalization grants is detailed in Table 4 below.

**Table 4: Prior Year Capitalization Grant and Estimated FFY 2017 Capitalization Grant Additional Subsidy Amounts**

FFY DWSRF Capitalization Grant	Existing Additional Subsidy Balance (as of April 6, 2017)	New Additional Subsidy Balance (as of April 6, 2017)
2016	\$17,143,147	\$0
2017	\$0	\$41 million (estimate)

## 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. The State match for the 2017 Capitalization Grant will be provided through an allocation of Prop 1 Drinking Water funding. As of June 30, 2017, approximately \$128.16 million of Prop 1 Drinking Water funds are expected to be allocated 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. Table 5 below documents the State Match provided from the SFY 2014-15 and SFY 2015-16 Prop 1 Drinking Water appropriations.

**Table 5: 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 \$82 million for the 2017 Capitalization Grant, the 2017 set-aside amounts of \$18,860,000 and the associated 2017 state match of \$16,400,000, the disbursement proportionality for the 2017 Capitalization Grant is 79.39% / 20.61% (Federal/State). The State Water Board will disburse the State match for the 2017 Capitalization Grant prior to disbursing funds allocated for project financing from such grant. However, if the expenditure rate of the state match for the 2017 Capitalization Grant begins to substantially slow or stall the disbursement of the 2017 Capitalization Grant, then the State Water Board may disburse the associated State match on a proportional basis with the 2017 Capitalization Grant.

## 3. DWSRF State Program Management-PWSS 1:1 State Match

In addition to the 20 percent (20%) state match already provided by the State, an additional 1:1 State Match is required for the amount budgeted under State Program Management Set-Aside. For SFY 2017-18, the State Water Board is budgeting the full

10 percent (10%) of the 2017 Capitalization Grant (\$8,200,000) for the State Program Management Set-Aside. A 1:1 State Match for the State Program Management Set-Aside equals \$8,200,000 and is anticipated under a State budget appropriation to the DDW's Safe Drinking Water Account in SFY 2017-18 totaling approximately \$24.068 million. The source of funding for this appropriation is derived from a fee structure charged to California's PWSs for permitting, inspection, compliance, monitoring, and enforcement activities performed by DDW.

#### 4. Principal and Interest Repayment Sources

As of June 30, 2017, the State Water Board will have received approximately \$577.8 million in principal and interest repayments as well as investment earnings since the inception of the DWSRF program. For SFY 2017-18, the State Water Board anticipates receipt of approximately \$118 million in principal repayments and interest earnings, which will continue to be committed to eligible DWSRF projects.

#### 5. Summary of Sources of all DWSRF Funds

Table 6 below constitutes a summary of all sources of funds of the DWSRF, including the funds anticipated for SFY 2017-18.

Table 6: Sources of all DWSRF Funds

Description	Projected Cumulative Total through 6/30/2017**	Projected 7/1/17-6/30/18* (This IUP)	Projected Cumulative Total through 6/30/2018*
<b>Federal Capitalization Grants</b>			
Loans (including ARRA)	\$1,558,041,721	\$63,140,000	\$1,621,181,721
<b>Set-Asides (including ARRA)</b>			
Administration	\$69,678,330	\$3,280,000	\$72,958,330
Small Water System Technical Assistance	\$33,498,669	\$1,640,000	\$35,138,669
State Program Management	\$90,240,202	\$8,200,000	\$98,440,202
Local Assistance & Other State Programs	\$32,675,664	\$5,740,000	\$38,415,664
<b>State Match</b>			
20% Capitalization Grant Match***	\$457,471,571	\$21,294,456	\$478,766,027
State Program Management Set-Aside 1:1 Match (minimum amount)	\$90,240,202	\$8,200,000	\$98,740,202
<b>Principal Repayments</b>			
Interest Repayments (incl. Penalties)	\$146,129,811	\$18,067,511	\$164,197,322
Investment Earnings	\$17,200,000	\$800,000.00	\$18,000,000
<b>Sources Total</b>	<b>\$2,905,273,469</b>	<b>\$195,242,162</b>	<b>\$3,100,515,631</b>
*Based upon current estimates for SFY 16-17 ending June 30, 2017			
**Based upon current reconciliation			
***Includes allocation Prop 1 Drinking Water funds as overmatch to the DWSRF			

6. Use of All DWSRF Funds Available

Including estimates for the remainder of SFY 2016-17, the State Water Board expects to have executed over 424 funding agreements for a combined total of approximately \$2.7 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 is presented in Table 7 below.

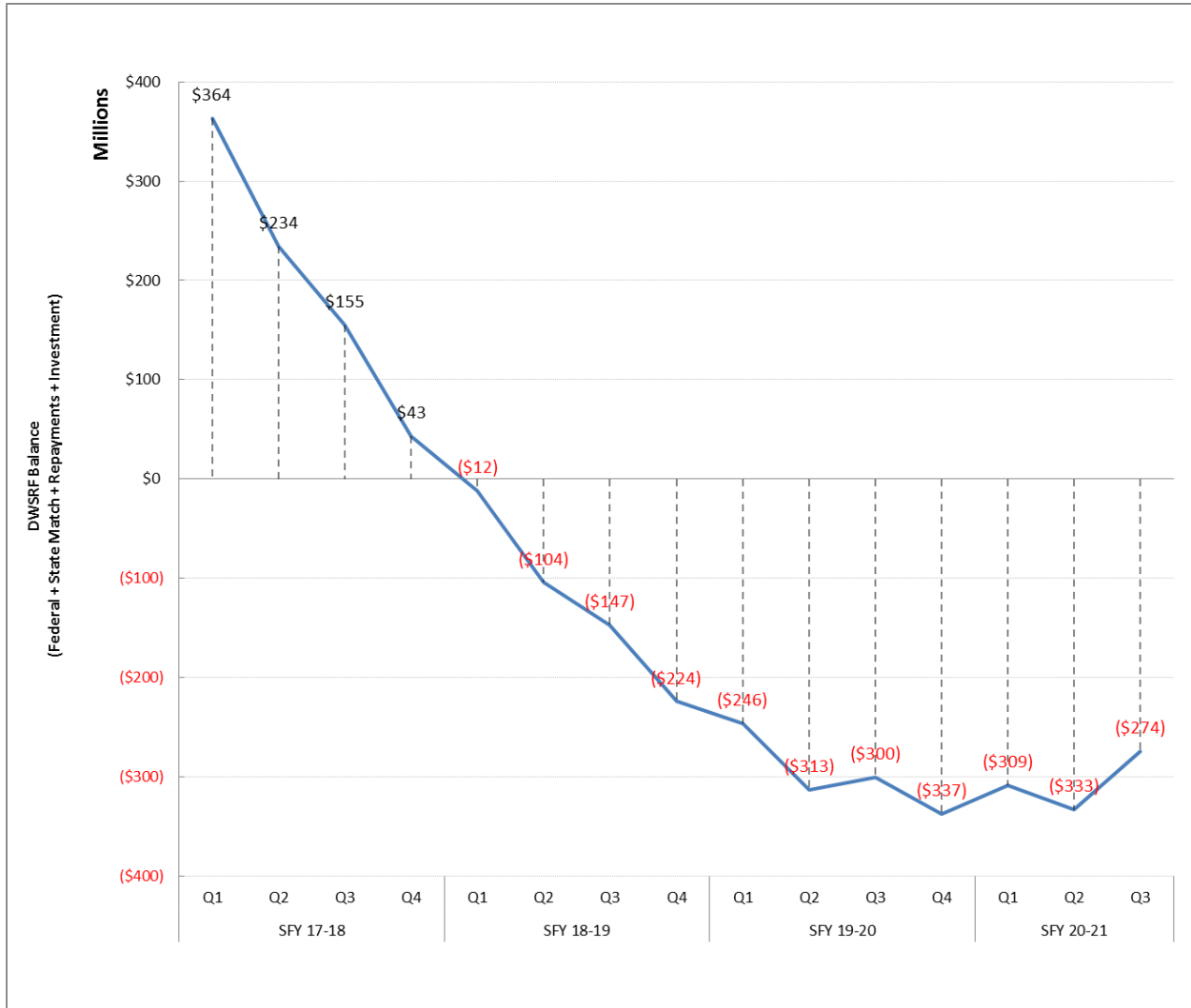
Table 7: Uses of All DWSRF Funds

Description	Projected Cumulative Total through 6/30/2017**	Projected 7/1/17-6/30/18* (This IUP)	Projected Cumulative Total through 6/30/2018*
<b>Loans/Repayable Financing</b>			
To Large Systems (>10,000 population)	\$2,377,875,657	\$869,857,352	\$ 3,247,733,009
To Small Systems (<10,000 population)	\$393,292,387	\$64,586,045	\$ 457,878,432
<b>Additional Subsidy</b>	\$ 348,703,251	\$41,000,000	\$ 389,703,251
<b>Set-Aside Funding</b>			
DWSRF Administration	\$69,678,330	\$3,280,000	\$72,958,330
Small Water System Technical Assistance	\$33,498,669	\$1,640,000	\$35,138,669
State Program Management	\$90,240,202	\$8,200,000	\$98,440,202
Local Assistance and Other Programs	\$32,675,664	\$5,740,000	\$38,415,664
*Based upon current estimates			
**Based upon current reconciliation			

As a result of the anticipated new executed funding agreements for SFY 2017-18, as represented in the SFY 2017-18 Fundable List (Appendix B), the State Water Board is estimating a DWSRF fiscal impact demonstrated in Figure 2 below and Table 8.



Figure 2: Estimated DWSRF Fiscal Impact for SFY 2017-18 When Considering the 2017 Capitalization Grant



**Table 8: Estimated DWSRF Fiscal Impact for SFY 2017-2018 Based Upon 2017 DWSRF Capitalization Grant**

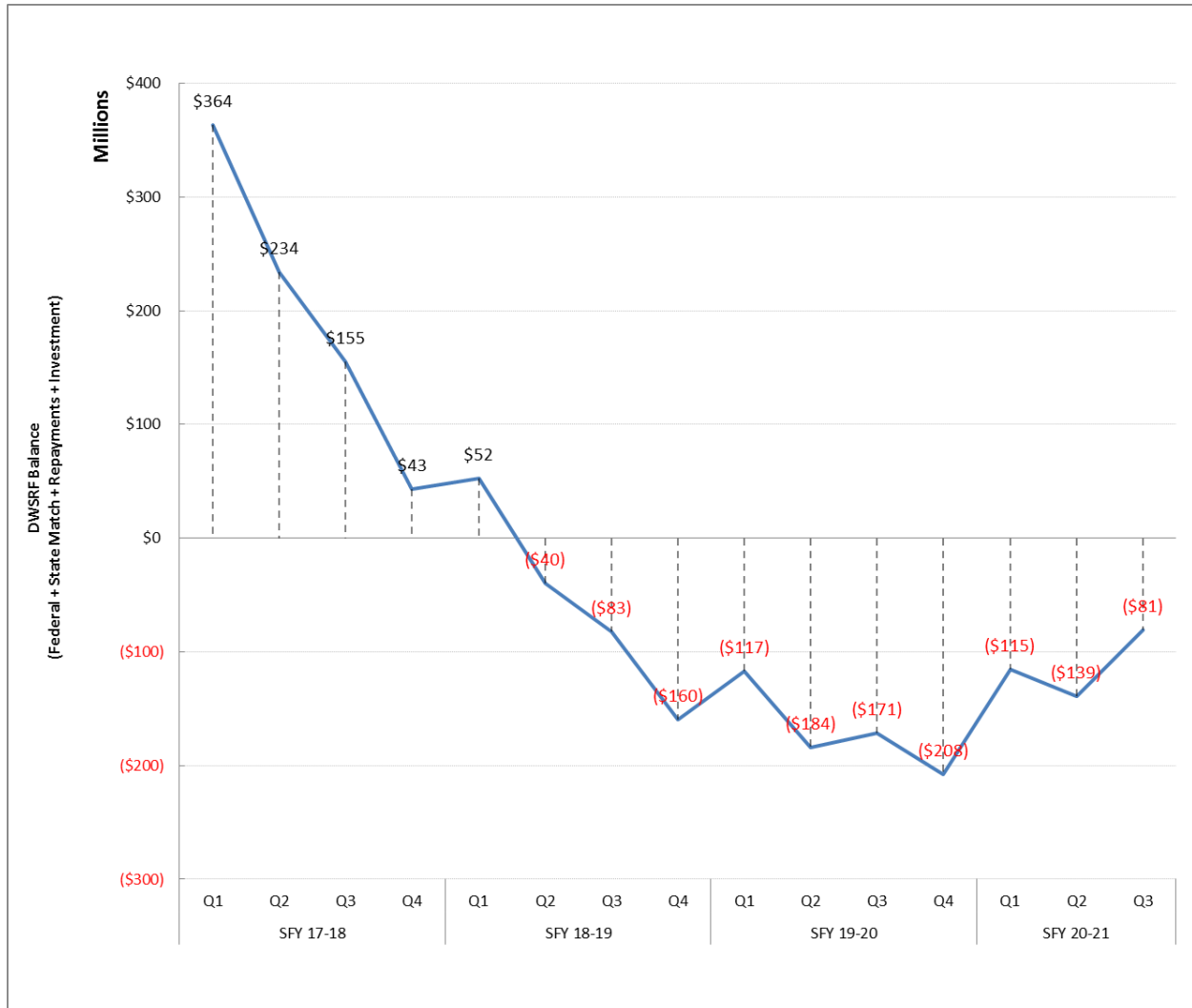
State Fiscal Year	Projected 2016-17	Projected 2017-18	Projected 2018-19	Projected 2019-20	Projected 2020-21
Beginning Balance	\$466,390,287.43	\$333,363,199.35	\$43,469,208.98	(\$224,170,424.14)	(\$336,945,156.54)
Estimated Principal Payments + Interest Earnings	\$58,908,026.83	\$90,556,369.22	\$100,753,955.86	\$117,814,268.05	\$142,395,015.73
Estimated SMIF Interest Earnings	\$800,000.00	\$800,000.00	\$800,000.00	\$800,000.00	\$800,000.00
State Match Financing Revenue (2016 IBank)	\$36,000,000.00	\$0.00	\$0.00	\$0.00	\$0.00
State Match Financing Repayment (2016 IBank)	(\$36,025,000.00)	\$0.00	\$0.00	\$0.00	\$0.00
Federal Capitalization Grant (Project Funds) Awarded	\$57,879,100.00	\$63,140,000.00	\$0.00	\$0.00	\$0.00
Prop 1 State Match *	\$80,878,928.30	\$34,937,141.29	\$0.00	\$0.00	\$0.00
Estimated Disbursements	(\$342,153,015.66)	(\$512,320,971.44)	(\$394,606,230.21)	(\$247,316,161.23)	(\$97,035,948.81)
Adjusted Estimated Disbursements **	(\$331,468,143.21)	(\$479,327,500.88)	(\$369,193,588.98)	(\$231,389,000.45)	(\$90,786,833.71)
Adjusted Year-End Balances	\$333,363,199	\$43,469,209	(\$224,170,424)	(\$336,945,157)	(\$284,536,975)
<p>* Prop 1 Drinking Water funds have been appropriated to the State Water Board by the Legislature and the Governor. However, Prop 1 Drinking Water Funds are not recorded in this cash flow presentation until the associated projects have been, or are projected to be encumbered against the DWSRF as Prop 1 drinking water state match.</p> <p>**This amount represents an adjustment to the "Estimated Disbursements" based upon the recent historical accuracy of the estimated disbursement profiles employed in DFA's fiscal forecasting.</p>					

Figure 2 and Table 8 above demonstrate the estimated year-end cash balances for the DWSRF and resulting summary fiscal impact on the DWSRF for SFY 2017-18, assuming the projected disbursements for existing DWSRF encumbrances as well as estimated DWSRF encumbrances for SFY 2017-18 based upon the SFY 2017-18 Fundable List. Figure 2 and Table 8 also consider the existing principal and interest cash balances within the DWSRF as well as anticipated repayment revenues from both existing loans and new loans projected under the 2017-18 Fundable List. Finally, both Figure 2 and Table 8 consider existing DWSRF capitalization grant balances as well as the anticipated 2017 DWSRF Capitalization Grant, and all associated state match balances. The need for additional revenue is apparent beginning in SFY18-19, if no additional DWSRF capitalization grants are awarded beyond the 2017 DWSRF Capitalization Grant. Conversely, assuming the receipt of an average DWSRF capitalization grant each year, over the next several years, then the need for additional revenue from the sale of revenue bonds diminishes somewhat as demonstrated in Figure 3 and Table 9 below.

Nonetheless, current commitment/disbursement trends suggest the potential need for a DWSRF revenue bond sale in the next few years, even assuming the receipt of additional DWSRF capitalization grants beyond the 2017 DWSRF Capitalization Grant. Based upon a review of the cash flow scenarios above, and in consideration of the

anticipated funding demand listed on the Fundable List, the current estimated, maximum leveraging amounts relative to lending capacity in SFY 2017-18 are described in Table 10 below. DFA will continue to closely monitor its existing and forecasted cash balances for the potential need of additional revenue through the sale of DWSRF revenue bonds.

**Figure 3: Estimated DWSRF Fiscal Impact for SFY 2017-18 Based Upon 2017 DWSRF Capitalization Grant and Estimated Future Capitalization Grants**



**Table 9: Estimated DWSRF Fiscal Impact for SFY 2017-2018 Based Upon 2017 DWSRF Capitalization Grant and Estimated Future Capitalization Grants**

State Fiscal Year	Projected 2016-17	Projected 2017-18	Projected 2018-19	Projected 2019-20	Projected 2020-21
<b>Beginning Balance</b>	\$466,390,287.43	\$333,363,199.35	\$43,469,208.98	(\$159,670,424.14)	(\$207,945,156.54)
<b>Estimated Principal Payments + Interest Earnings</b>	\$58,908,026.83	\$90,556,369.22	\$100,753,955.86	\$117,814,268.05	\$142,395,015.73
<b>Estimated SMIF Interest Earnings</b>	\$800,000.00	\$800,000.00	\$800,000.00	\$800,000.00	\$800,000.00
<b>State Match Financing Revenue (2016 IBank)</b>	\$36,000,000.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>State Match Financing Repayment (2016 IBank)</b>	(\$36,025,000.00)	\$0.00	\$0.00	\$0.00	\$0.00
<b>Federal Capitalization Grant (Project Funds) Awarded</b>	\$57,879,100.00	\$63,140,000.00	\$64,500,000.00	\$64,500,000.00	\$64,500,000.00
<b>Prop 1 State Match *</b>	\$80,878,928.30	\$34,937,141.29	\$0.00	\$0.00	\$0.00
<b>Estimated Disbursements</b>	(\$342,153,015.66)	(\$512,320,971.44)	(\$394,606,230.21)	(\$247,316,161.23)	(\$97,035,948.81)
<b>Adjusted Estimated Disbursements **</b>	(\$331,468,143.21)	(\$479,327,500.88)	(\$369,193,588.98)	(\$231,389,000.45)	(\$90,786,833.71)
<b>Adjusted Year-End Balances</b>	\$333,363,199	\$43,469,209	(\$159,670,424)	(\$207,945,157)	(\$91,036,975)
<p>* Prop 1 Drinking Water funds have been appropriated to the State Water Board by the Legislature and the Governor. However, Prop 1 Drinking Water Funds are not recorded in this cash flow presentation until the associated projects have been, or are projected to be encumbered against the DWSRF as Prop 1 drinking water state match.</p> <p>**This amount represents an adjustment to the "Estimated Disbursements" based upon the recent historical accuracy of the estimated disbursement profiles employed in DFA's fiscal forecasting.</p>					

Table 10: Estimated Maximum DWSRF Leveraging Scenarios

Estimated DWSRF Repayable Financing (Loan) Capacity in SFY 17-18*	Assume future capitalization grant awards****	Estimated Maximum Future Leveraging**
~\$0	No	\$0
~\$100 million	Yes	\$0
~900 million***	Yes	~\$300 million
~900 million***	No	~\$450 million
<p>* Does not include DWSRF/P1 PF and grants because additional subsidy for disadvantaged communities will be funded with Prop 1</p> <p>** Based upon current disbursement projections, which are being actively monitored and tested in the State Water Board's Loans and Grants Tracking System (LGTS)</p> <p>***Based upon estimated total loan amount in SFY 17-18 DWSRF Fundable List</p> <p>****Assume \$82M as the recent annual average of DWSRF capitalization grants.</p>		

## 7. DWSRF Fiscal Impact and Extended Term Financing for Publicly Owned Public Water Systems Serving Non-Disadvantaged Communities

U.S. EPA has recently indicated 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 17-18 Fundable List (Appendix B) identifies approximately \$575 million in repayable financing for publically 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 decrease (28%) 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. Additionally, 30-year financing projected for public water systems serving non-disadvantaged communities in SFY 17-18 will actually contribute approximately \$56 million more interest returns to the DWSRF over the long-term, than would an equivalent amount of 20-year financing.

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

Table 11 below represents the State Water Board's anticipated federal draw schedule for SFY 2017-18 as well as the anticipated liquidation of the 2017 Capitalization Grant in SFY 2017-18. 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. It is anticipated that the remaining balance of the 2014 DWSRF Capitalization Grant of approximately \$1.7 million (as of March 29, 2017) will be liquidated by June 30, 2017. It is also anticipated that the remaining balances of the

FFY 2015 and 2016 DWSRF capitalization grants are projected be fully liquidated by June 30, 2018.<sup>4</sup>

Current cash flow projections suggest that the 2017 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 2017 State Match in accordance with procedures detailed in Section V.A of this IUP.

**Table 11: 2017 Capitalization Grant Draw Schedule**

FFY DWSRF Cap Grant	Estimated Balance (as of 6/30/2017)	Projected SFY 2017-18 Disbursements				Projected Balance (as of 6/30/2018)
		Q1	Q2	Q3	Q4	
2017 -Project Loan Account	63.14 <sup>5</sup>	-	63.14	-	-	
Cap Grant Set-Aside Accounts (2015, 2016, 2017) <sup>6</sup>	26.12	5.13	5.13	5.13	5.13	5.59

Table 12 below represents the State Water Board’s projected DWSRF project disbursements, per quarter, for SFY 2017-18. The estimated project disbursements assume all existing DWSRF agreements with estimated unspent balances as of June 30, 2017 as well as the projected disbursements resulting from the anticipated planning and construction agreements included in the SFY 2017-18 DWSRF Fundable List.

**Table 12: SFY 2017-18 Projected Disbursements by Quarter**

State Fiscal Year	Q1	Q2	Q3	Q4	Total Projected Disbursement
Est. SFY 2017-18 (as of 3/20/2016)	\$113,480,489.62	\$143,062,513.83	\$131,590,056.87	\$124,187,911.12	\$512,320,971.44
Adj. Est. - SFY 2017-18 (as of 3/20/2016)	\$106,172,346.09	\$133,849,287.94	\$123,115,657.21	\$116,190,209.64	\$479,327,500.88

## 9. Proposition 1 Drinking Water Funds

Section 79724 of the Water Code allocates \$260 million for drinking water grants and loans for PWS infrastructure improvements and related actions to meet safe drinking water standards, ensure affordable drinking water, or both. For SFY 2014-15,

<sup>4</sup> It is currently anticipated that the State Water Board will request from U.S. EPA a transfer of 2015 capitalization grant funds to the 2015 Local Assistance set-aside for expenditure in SFY 2017-18 in support of DFA and DDW’s capacity development technical assistance to PWSs. All other loan and set-aside funds from the 2015 DWSRF capitalization grant are projected for liquidation by September 30, 2017 in accordance with U.S. EPA’s ULO Reduction Strategy.

<sup>5</sup> The 2017 Capitalization Grant will likely not be awarded until September of 2017 but is nonetheless represented as an available balance as of 6/30/2017 for purposes of subsequently representing the disbursement of the 2017 Capitalization Grant.

<sup>6</sup> Set-Aside balances and disbursements assume a transfer of approximately \$3 million (estimate as March 31, 2017) to the 2015 Local Assistance Set-Aside from the DWSRF loan account to support DDW capacity development activities.

\$67.5 million of Prop 1 Drinking Water funds were appropriated to the State Water Board for eligible Prop 1 Drinking Water financing and the administration of such financing. Additionally, \$174.3 million in Prop 1 Drinking Water funds were appropriated for 2015-16 for both local assistance and State Water Board administration of Prop 1 Drinking Water financing. The State Water Board will continue to encumber funding for eligible Prop 1 Drinking Water projects against these existing appropriations in SFY 2017-18.

## B. DWSRF AND PROP 1 FINANCING TERMS

### DEFINITIONS

To the extent consistent with State or Federal law, the following definitions apply to Section V.B of this IUP, for the purposes of defining repayable financing terms as well as additional subsidy from the DWSRF/Prop 1 Drinking Water funding.

- a) "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 technical, managerial, and financial 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.
- b) "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.
- c) "Cost Effective" means achieves an acceptable result at the most reasonable cost.
- d) "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.
- e) "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.
- f) "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.
- g) "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.



- h) “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.
- i) “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.
- j) “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.
- k) “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 SCWS serving a DAC or a NTNC serving a disadvantaged community.
- l) “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.
- m) “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.
- n) “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.
- o) “Small Disadvantaged Community” means a community with a population less than 10,000 persons and with a combined median household income (MHI) is less than 80 percent of the statewide MHI.
- p) “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.

## 1. Standard DWSRF and Proposition 1 Financing Terms

### **Standard Planning Financing Terms**

The State Water Board’s standard interest rate for DWSRF and Prop 1 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.

### **Standard Construction Financing Terms**

The State Water Board's standard interest rate for DWSRF and Prop 1 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.

### **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.

### **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, assuming that the federal capitalization grant funded the remainder, regardless of whether any federal capitalization grant monies are actually 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.

### **DWSRF Administration Fee-in-Lieu of Interest**

In SFY 2017-18 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 Administration 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 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 now requires this administration 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 Administration Fund in the near future to support the continued administration of projects jointly funded through Prop 1 Drinking Water and DWSRF.

In SFY 17-18, the DWSRF administration fee will be applied to agreements to establish and maintain DWSRF Administrative Fund revenue consistent with the anticipated administrative budget needs of the DWSRF program in the near future 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.

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

In anticipation of the full commitment of Prop 1 Drinking Water funds in the next few years, the State Water Board will begin applying 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 SCG 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.

## **2. 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:

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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.

- a. A SCWS serving a DAC that is owned by a public agency or a Not-For-Profit Water Company.
- b. A SCWS serving a DAC that is owned by a For-Profit Entity or a Native American Tribe.
- c. 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
- d. A PWS that is extending service to a Small Disadvantaged Community or a Small Severely Disadvantaged Community not currently served by a PWS.

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 primarily second homes. In general, at least 50 percent of the dwellings or dwelling units must be the primarily 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.

#### **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 consolidated 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.

**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 per project for their proportional share of planning project in accordance with Table 13 below, regardless of water rates/affordability criteria. 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 13 below if available grant 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 13: 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

**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 14 below and Table 15 below shall apply.

**Table 14: 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			
<p>*Based upon PWSs proportional share of a construction project</p> <p>***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</p> <p>****The Deputy Director of the Division may approve financing for construction projects with a total eligible project cost less than \$500,000 regardless of the amount per connection.</p> <p>SCWS with eligible projects may be eligible for both Prop 1 Drinking Water and Prop 1 Groundwater Grant Funds</p> <p>CWS with eligible projects may be eligible for Prop 1 Groundwater Grant Funds</p> <p>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.</p>				

**Table 15: 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
<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)</p> <p>**Financing Term shall not exceed the useful life of the facilities being financed</p>				

**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 Table 16 below and Table 17 below shall apply.



**Table 16: 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

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

\*\*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

ESCWS with eligible projects may be eligible for Prop 1 Groundwater Grant Funds

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 17: 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.

**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 18 below shall apply. Principal forgiveness/grant funds may 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 determined 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 18: 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>* 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)</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>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>					

**Projects that “Provide Regional Benefit”**

Notwithstanding the foregoing, projects that Provide Regional Benefit may be 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 Benefit 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 14, Table 15, and/or Table 18 above. Projects that Provide Regional Benefit may not exceed 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 a Project that Provides Regional Benefit 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.

**Consolidation Incentive**

Up to \$10 million in zero percent interest rate financing may be awarded for a construction project (Incentive Project) that benefits an eligible PWS, if such a PWS completes a full consolidation with a water system serving a small disadvantaged or small severely disadvantage community, or if such a PWS completes an extension of water service to at least 15 connections with a disadvantaged or severely disadvantaged population currently not served by a PWS. The subsidized financing for the Incentive

Project is an addition to any subsidized financing for the full consolidation project. A full consolidation is defined as the restructuring of two or more public water systems into a single public water system, as discussed in the DWSRF Policy. If the consolidation or extension of water service project is not fully constructed, in successful operation, or permitted by DDW, then the standard interest rate at the time will apply to the Incentive Project, and may be applied retroactively as well. In the case where a single construction project benefits the remaining entity and the consolidated water system, zero percent interest rate may apply to the portion of the project costs that has been deemed ineligible for principal forgiveness or grant funding, up to \$10 million, as determined by DFA.

**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 19 and Table 20 below.

**Table 19: 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

\*Based upon proportional share of a construction project

\*\*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.

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 20: 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
* 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 shall not exceed the useful life of the facilities being financed.				

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## VI. 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 capacity development; SWS technical assistance; DDW program management; and other special activities. For SFY 2017-18, the State Water Board will set-aside 23 percent (23%) of the 2017 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 2017 Grant:	4%	\$3,280,000 (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. The DWSRF Administrative Set-Aside Work Plan for SFY 2017-18 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.

<b>Contracts:</b>	DWSRF Annual Single Audit	\$150,000 (estimate)
	EPA/Northbridge Environmental Management Consultants "In-Kind" Contract for LGTS financial modeling development	\$100,000 (estimate)
	California Municipal Statistics	\$50,000 (estimate)

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

Max Allowed:	2%	
Budgeted from FFY 2017 Grant:	2%	\$1,640,000 (estimate)

The Small Water Systems Technical Assistance 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 2017-18 will contain detailed information about the specific tasks and full-time equivalent personnel that will be supported in DFA by the DWSRF Small Water Systems Technical Assistance Set-Aside.

**Contracts:** California Department of General Services- Environmental Services \$500,000

### C. STATE PROGRAM MANAGEMENT SET-ASIDE

Max Allowed:	10%	
Budgeted from FFY 2017	10%	\$8,200,000 (estimate)
1:1 State Match (Safe Drinking Water Account):		\$8,200,000 (estimate)

The State Program Management Set-Aside funds will subsidize the PWS permitting, inspection, compliance and monitoring (PICM) 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 2017-18 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:** none

### D. LOCAL ASSISTANCE SET-ASIDE

Max Allowed:	7%	
Budgeted from FFY 2017	7%	\$5,740,000 (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 2017-18 for the benefit of PWSs and their TMF capacity development. The DWSRF Local Assistance Set-Aside Work Plan for SFY 2017-18 contains detailed information about the specific tasks and full-time equivalent personnel that will be supported in DFA by the DWSRF Local Assistance Set-Aside. Below is 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.

<b>Contracts:</b> California Rural Water Association	\$1,441,392
Rural Community Assistance Corporation	\$1,324,154
Self-Help Enterprises	\$358,756

- 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 as a result 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 Office of Sustainable Water Solutions 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).

## VII. SCHEDULE

The estimated schedule for public comment and State Water Board adoption of the SFY 2017-18 DWSRF IUP, and the application, award, and acceptance of the 2017 DWSRF Capitalization Grant is as follows:

Draft IUP posted for public comment, as part of State Water Board Meeting agenda	April 25, 2017
Deadline for Public Comments on Draft IUP	May 25, 2017
State Water Board adopts IUP at regularly scheduled meeting	June 20, 2017
Submit FFY 2017 Capitalization Grant application to U.S. EPA	July 2017
Execute FFY 2017 Capitalization Grant agreement with U.S. EPA	September 2017



## VIII. AUDITS AND REPORTING

Ensuring transparency and accountability, all program materials are posted on the State Water Board at [http://www.waterboards.ca.gov/drinking\\_water/services/funding/SRF.shtml](http://www.waterboards.ca.gov/drinking_water/services/funding/SRF.shtml).

The State Water Board commits to entering project and benefits data into the EPA Drinking Water National Information Management System and Project and Benefits Reporting System 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.

The State Water Board will use the Federal Funding Accountability and Transparency Act (FFATA) reporting system to report on all DWSRF equivalency projects (i.e., projects meeting all of 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).

The State Water Board will produce a SFY 2017-18 DWSRF Annual Report on the uses of the DWSRF funds during SFY 2017-18, and provide a final draft of the SFY 2017-18 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.

## 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 Water Board's adoption of the DWSRF Policy superseded and nullified state DWSRF regulations, effective January 1, 2015. 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 2017 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 minimum of \$16.4 million of the \$241.8 million appropriation will be allocated as 2017 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 2017 State Match has been appropriated to the State Water Board by the California Legislature prior to the award date of the 2017 federal Capitalization Grant.

- **The State will deposit net bond proceeds, interest earnings, and repayments into the Drinking Water State Revolving Fund**

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

- **The State will match capitalization grant funds the State uses for 1542(g)(2) set-asides**

As detailed in Section V.A of this IUP, an amount in excess of the 1:1 State Match for the State Program Management Set-Aside (Section 1542 (g)(2)) will be provided under a California State budget appropriation to the DDW's Safe Drinking Water Account, totaling \$24.068 million (current estimate).

- **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 2017 Capitalization Grant and 2017 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 2017 Capitalization Grant payment and proportional 2017 State Match within one year of such a 2017 Capitalization Grant payment.

- **DWSRF funds will be used in accordance with this SFY 2017-18 IUP**

The State Water Board will use DWSRF funds in SFY 2017-18 in accordance with this SFY 2017-18 IUP.

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

As detailed in Section VII of this IUP, the State Water Board will publish a SFY 2017-18 DWSRF Annual Report on the uses of the DWSRF funds during SFY 2017-18, and provide a final draft of the SFY 2017-18 DWSRF Annual Report to U.S. EPA Region 9.

- **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. 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.

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## X. ACRONYMS

AIS	American Iron and Steel
ARRA	American Recovery and Reinvestment Act of 2009
CalTAP	California Technical Assistance Providers
CAP	Corrective Action Plan
CDPH	California Department of Public Health
CWS	Community Water System
CWSs	Community Water Systems
DAC	Disadvantaged Community
DBE	Disadvantaged Business Enterprise
DDW	Division of Drinking Water
DFA	Division of Financial Assistance
DWSRF	Drinking Water State Revolving Fund
ELAP	Environmental Lab Accreditation Program
FAAST	Financial Assistance Application Submittal Tool
FFATA	Federal Funding Accountability and Transparency Act
FFY	Federal Fiscal Year
GIS	Geographic Information Systems
GWUDI	Groundwater Under the Direct Influence
IUP	Intended Use Plan
LEFA	Legal Entity Formation Assistance
LGTS	Loans and Grants Tracking System
LPA	Local Primary Agency
LWS	Large Water System
MCL	Maximum Contaminant Level
MHI	Median Household Income
NIMS	National Information Management System
NPNCWSs	Non Profit Non Community Water Systems
NTNC	Non Transient Non Community Water System
PICM	Permitting Inspection Compliance Monitoring
PWS	Public Water System
PWSs	Public Water Systems
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
SERP	State Environmental Review Process
SFY	State Fiscal Year
SHE	Self-Help Enterprises
SWS	Small Water System
SWsS	Small Water Systems
SWSTA	Small Water Systems Technical Assistance
TMF	Technical, Managerial and Financial
ULO	Unliquidated Obligation
U.S. EPA	United States Environmental Protection Agency

**DRINKING WATER STATE REVOLVING FUND  
INTENDED USE PLAN**

SFY 2017-18

**Appendix A: Drinking Water State Revolving Fund - Updated Comprehensive List**

**Drinking Water State Revolving Fund - Updated Comprehensive List  
(January 2017)**

Project Manager	District	Project Number	Project Type	Applicant	Project Title / Description	Class	Sustainability Score	Estimated Project Costs	Month/Year Placed on Comprehensive List
Rios, Deisy	1 2	5410050-001C	Construction	Alpaugh Community Services District	Alpaugh Arsenic Remediation Project	C	1	3,000,000	June-16
Blanco, John Paul	1 3	3610002-001C	Construction	Alpine Water Users Association	Alpine Water Users Association Meter Replacement Project	D	0	498,288	January-17
Fua, Francine Anne	0 2	4510001-001C	Construction	Anderson, City of	Storage Tank Replacement	F	1	2,250,000	October-16
Guillen, Tatiana	0 4	0710001-001P	Planning	Antioch, City of	Brackish Water Desalination Project	F	0	1,000,000	June-16
Pauli, Brenda	2 0	3301180-001C	Construction	Anza Mutual Water Co., Inc.	Anza Mutual Water System Improvements Project	F	1	3,000,000	July-15
Guillen, Tatiana	1 3	3600009-001P	Planning	Apple Valley Heights County Water District	Storage Tanks & Transmission Pipeline Improvements	F	0	377,900	January-16
Vue, Mally	1 3	3610003-001C	Construction	Apple Valley Ranchos Water Company	Consolidation and Rehabilitation of Yermo Water System	F	1	7,992,016	June-16
Pauli, Brenda	1 3	3600012-002P	Planning	Apple Valley View Mutual Water Company	Treatment Plant - Fluoride Compliance Study	F	0	500,000	January-17
Lopez, Victor	1 2	1510001-003C	Construction	Arvin Community Services District	Arsenic Mitigation Project - Phase II	C	1	12,914,000	October-16
Guerrero, Oscar	1 2	1510001-002C	Construction	Arvin Community Services District	Son Shine Properties (PWS#1500588) Consolidation Project	A	2	559,330	January-17
Warring, Kevin	1 1	2400167-001P	Planning	Ballico Community Services District	Secondary Well Construction	C	1	468,000	October-16
Ngai, Michael	2 0	3310006-001P	Planning	Banning, City of	Hexavalent Chromium Compliance	F	0	3,596,246	January-17
Pauli, Brenda	1 3	3600025-001P	Planning	Bar-Len Mutual Water Company	Water Quality (arsenic) and Infrastructure Efficiency	C	1	429,300	June-16
Greathouse, Joel	1 1	2000614-001C	Construction	Bass Lake Joint Unified Elementary School District	Oak Creek Intermediate School Consolidation with Hillview Water Company	C	1	569,480	January-16
Greathouse, Joel	1 1	2010003-003C	Construction	Bass Lake Water Company	Willow Creek Surface Water Treatment Plant	C	1	4,600,000	January-17
Warring, Kevin	0 1	1200643-001P	Planning	Beach Creek LLC	Beach Creek Water Distribution Upgrade Planning Project	C	1	25,000	October-16
Silva, Lorri	1 5	1910108-008P	Planning	Bell Gardens, City of	Bell Gardens Well No. 1 Improvements project	F	1	500,000	January-16
Ngai, Michael	1 3	3610008-012C	Construction	Big Bear City CSD	Well 8 Replacement	F	1	2,500,000	June-16
Chan, Gary	0 1	0800532-003C	Construction	Big Rock Community Services District	Big Rock CSD Water Tank Replacement Project	F	0	688,589	January-17
Orellana, Lucio		090605164-001P	Planning	Big Valley Band of Pomo Indians	Drinking Water Treatment and Supply Improvements	E	0	498,000	January-16

**DRINKING WATER STATE REVOLVING FUND  
INTENDED USE PLAN**

SFY 2017-18

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	2 1	0410001-001C	Construction	Biggs, City of	Water Meter Installation	D	1	353,000	January-16
Sanchez, Lawrence	1 3	3610009-001C	Construction	Bighorn-Desert View Water Agency	Alternate Power Improvements	F	1	400,000	January-16
Sanchez, Lawrence	1 3	3610009-002P	Planning	Bighorn-Desert View Water Agency	CSA 70, W-1 Consolidation and HDWD Interconnection	F	1	241,145	January-16
Sanchez, Lawrence	1 3	3610009-003P	Planning	Bighorn-Desert View Water Agency	Combined w/ 002P - Bighorn-Desert View /Imp. Dist Goat Mtn Integration	F	1	365,570	January-16
Orellana, Lucio	0 3	2300663-001C	Construction	Branscomb Mutual Water Company	Branscomb Mutual Water Company Surface Treatment Plant	B	1	250,000	June-16
Sanchez, Lawrence	1 3	2610003-005C	Construction	Bridgeport Public Utility District	Arsenic Removal Project	C	1	1,689,671	June-16
Chan, Gary	2 0	3310047-001P	Planning	Cabazon Water District	Well Improvements Project	F	1	107,000	October-16
Chan, Gary	2 0	3310047-002P	Planning	Cabazon Water District	Pipeline Project	F	1	170,000	October-16
Orellana, Lucio	2 1	0400107-001C	Construction	California Rural Water Association	Feather Falls School Emergency Well Replacement #0400107	A	1	325,000	October-16
Stamas, Pete	0 1	4700503-004P	Planning	Callahan Water District	Water Treatment Plant	F	1	500,000	July-15
Dinh, Kim	1 2	5410022-001P2	Planning	Camp Nelson Water Company	Water Treatment Plant Improvement	B	0	170,100	January-17
Pauli, Brenda	1 4	3702459-001P	Planning	Camp Oliver	Camp Oliver Water Tank Replacement	F	0	43,956	October-16
Rios, Deisy	2 3	1010039-002C	Construction	Caruthers Community Services District	Installation of Arsenic Treatment Plant Components and Water Meters	D	1	1,984,400	June-16
Greathouse, Joel	1 1	2000509-006P	Planning	Cascadel Mutual Water Company	Well Replacement, Radionuclide Contamination ER	C	1	174,328	January-17
Ngai, Michael	0 4	0105008-002C	Construction	Castlewood Domestic Water System	Castlewood Redwood Tank Replacement	F	0	2,600,000	January-17
Greathouse, Joel	1 1	2000538-001P	Planning	Cedar Valley Mutual Water Company	Arsenic Compliance Project	C	1	100,000	June-16
Greathouse, Joel	1 1	2000612-001P3	Planning	Chawanakee Unified School District	North Fork Water Project	C	1	237,575	October-16
Siddiqui, Mehreen	2 0	3301115-001C	Construction	Chiriaco Summit Water Dist.	Chiriaco Summit Water District Water System Improvement Project	C	1	2,415,300	January-17
Mitchell, Ryan	0 2	3110034-001P	Planning	Christian Valley Park Community Service District	Phase 1 Water Storage Tank Project	F	0	235,000	October-16
Pang, Maria	2 0	3301153-001C	Construction	Coachella Valley Unified School District	Consolidation/extension of service to Westside school-Coachella Valley USD	C	1	946,000	January-17
Pang, Maria	2 0	3310001-006C	Construction	Coachella Valley Water District	Chromium-6 Treatment Project	C	1	221,000,000	June-16
Pang, Maria	2 0	3310001-007C	Construction	Coachella Valley Water District	Highway 86 Transmission Main and Pump Station Project	C	1	26,703,000	January-17
Pang, Maria	2 0	3310007-001P	Planning	Coachella, City of	Hexavalent Chromium Treatment	C	1	3,337,367	October-16
Orellana, Lucio		1710012-002P	Planning	Cobb Area County Water District	Summit Area Improvements	F	1	500,000	January-17
Stamas, Pete	2 1	0600008-001P	Planning	Colusa Co. W.D. #1 - Grimes	Arsenic Exceedance Feasibility Study	C	1	500,000	January-17



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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	2 1	0600008-002C	Construction	Colusa Co. W.D. #1 - Grimes	Installation of Customer Meters	D	1	518,100	January-17
Vue, Mally	2 2	1910026-012P	Planning	Compton-City, Water Dept.	City of Compton Water Quality Improvement Project	F	1	500,000	October-16
Vue, Mally		4000637-001C	Construction	Country Hills Estates	Arsenic Remediation	C	0	185,000	October-16
Stamas, Pete	1 0	5000005-001P	Planning	Crows Landing Community Services District	Well 5 Remediation Project	C	1	500,000	June-16
Stamas, Pete	1 0	5000005-002P	Planning	Crows Landing Community Services District	Crows Landing CSD Water System Improvement Planning Project	F	1	300,000	January-17
Pauli, Brenda	2 4	5410001-006C	Construction	Cutler Public Utility District	Water Meters	D	0	440,000	June-16
Orellana, Lucio	0 5	4400571-005C	Construction	Davenport County Sanitation District	Old Coast Water Line Extension	D	1	240,066	October-16
Orellana, Lucio	0 5	4400571-006P	Planning	Davenport County Sanitation District	Davenport Diversion Facility Upgrade Feasibility Study	F	1	475,000	October-16
Stamas, Pete	0 9	5700623-001C	Construction	Davis Joint Unified School District	Fairfield Elementary School Cr6 Drinking Water Compliance Project	C	1	763,000	October-16
Chan, Gary	1 2	5400666-004P	Planning	Del Oro Water Company	Tulare District - Grandview Gardens & East Plano Systems	F	2	347,900	January-17
Lopez, Victor	1 2	5400665-003C	Construction	Del Oro Water Company	River Island Water Treatment Plant	F	0	6,597,077	October-16
Rios, Deisy	0 1	4710001-007C	Construction	Dorris, City of	Meter Project	D	1	2,105,485	January-16
Siddiqui, Mehreen	0 1	4710002-002P	Planning	Dunsmuir, City of	Water Main Replacement Project	F	1	500,000	January-17
Pang, Maria	0 4	0110005-012C	Construction	East Bay Municipal Utility District	South Reservoir Replacement	F	0	22,215,600	June-16
Pang, Maria	0 4	0110005-013C	Construction	East Bay Municipal Utility District	Macarthur Davenport Pipeline Replacement Project	F	0	11,290,000	October-16
Orellana, Lucio	1 8	4900799-001P	Planning	El Portal Mobile Estates	El Portal Consolidation Planning Project	C	1	175,000	October-16
Ruehlig, Joshua	1 0	3910003-001P	Planning	Escalon, City of	Well No. 1 Improvement Project	F	0	465,000	October-16
Reilly, Montarat	0 2	4510008-001P	Planning	Fall River Valley Community Services District	Fall River CSD Well No. 1 Retrofit, Tank, Booster Plant and SCADA Improvement Project	D	1	187,300	October-16
Lopez, Victor	1 4	3710008-003C	Construction	Fallbrook Public Utility District	Santa Margarita Conjunctive Use Project	F	0	45,000,000	October-16
Stamas, Pete	2 1	2900502-002P2	Planning	Floriston Property Owners Association, Inc.	Floriston Spring Filtration Project	A	1	180,000	October-16
Mitchell, Ryan	0 5	4400608-002P	Planning	Forest Springs	Forest Springs Water Upgrade	B	0	85,800	March-15
Sanchez, Lawrence	1 9	1510007-001P	Planning	Frazier Park Public Utility District	Frazier Park/Lake of the Woods Regional Consolidation Planning Project	A	0	500,000	January-17
Tamanaha, Marques	2 3	1010007-030C	Construction	Fresno, City of	Fresno Priority 2 Regional Transmission Mains	F	1	63,100,000	July-15
Greathouse, Joel	2 3	1000359-005C	Construction	Fresno, County of	Westside Groundwater Project	C	0	7,000,000	January-17
Guerrero, Oscar	2 0	3303003-001P	Planning	Galindo Housing Facility No. Three, LLC	Galindo Housing Facility Water System Improvements	C	1	418,900	January-17

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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
Uppal, Parmdeep	2 1	2910001-004C	Construction	Grass Valley, City of	Water Distribution System Pipeline Repair and Replacement	F	0	5,000,000	January-17
Greathouse, Joel	1 2	1510024-001C	Construction	Greenfield County Water District	Arsenic Mitigation Project	C	1	5,000,000	January-17
Chan, Gary	0 5	2710008-001C	Construction	Greenfield, City of	Apple Avenue Water System Consolidation	C	2	389,000	October-16
Stamas, Pete	0 2	3200104-006P	Planning	Grizzly Lake Community Services District	Intertie with Portola and Well Renovation	C	1	500,000	January-16
Pauli, Brenda	1 3	3600600-001P	Planning	Habonim Camp Kvutza	Water Tank Replacement	F	0	67,000	January-16
Reilly, Montarat	0 1	4710012-002C	Construction	Happy Camp Community Services District	Happy Camp CSD Water Treatment System Upgrade	B	1	854,000	June-16
Guerrero, Oscar	1 2	1600507-002C	Construction	Hardwick Water Company	Hardwick Water Company Groundwater Well Replacement	C	1	1,086,690	June-16
Stamas, Pete	0 2	3100038-001P	Planning	Heather Glen Community Services District	Water Treatment Plant Storage and Reliability Project	F	1	434,350	October-16
Chan, Gary	0 2	1805007-001P	Planning	Herlong Public Utility District	Herlong PUD/West Patton Village CSD Distribution System Replacement Plan	F	1	118,000	January-17
Noorda, Angie	1 3	3600123-001P	Planning	Hi-Desert Mutual Water Company	Infrastructure Improvements Planning Project	F	1	500,000	January-17
Ramos, Fabian	2 0	3301775-001P	Planning	High Valleys Water District	Northeast Waterline Replacement	F	1	2,700,000	October-16
Ramos, Fabian	1 4	1310005-006C	Construction	Holtville, City of	Holtville Water Tank & System Improvements	C	1	1,778,600	June-16
Guerrero, Oscar	1 2	1610007-003P	Planning	Home Garden Community Services District	Home Garden System Deficiencies Planning Project	F	1	350,000	October-16
Orellana, Lucio		0605126-001P	Planning	Hoopa Valley Public Utilities District	Leak Investigation and Repair Project	F	0	200,000	January-17
Chan, Gary	0 3	2810001-001P	Planning	Howell Mountain Mutual Water Company	HMMWC Pipeline Project	F	0	500,000	January-17
Greathouse, Joel	1 0	5010008-011C	Construction	Hughson, City of	Well #7 Replacement and Arsenic Treatment	C	1	8,327,753	March-15
Greathouse, Joel	1 0	5010008-012C	Construction	Hughson, City of	Hughson Water System Extension Improvements (Cobles Corner/County Villa)	C	2	4,116,274	January-16
Tamanaha, Marques	2 2	1910049-001P	Planning	Huntington Park, City of	Miles Avenue Water Quality Improvement Project	E	1	500,000	January-17
Guerrero, Oscar	2 3	1010044-001C	Construction	Huron, City of	Surface Water Treatment Facility	C	1	7,992,250	March-15
Guerrero, Oscar	2 3	1010044-008P	Planning	Huron, City of	Domestic Water Well Planning Project	F	1	280,000	July-15
Ramos, Fabian	0 2	3200510-002P	Planning	Indian Valley Community Services District	IVCSD-Crescent Mills Filter PLC and Scada Rehabilitation Project	F	1	78,000	January-17
Ramos, Fabian	0 2	3210001-005P	Planning	Indian Valley Community Services District	Greenville Water System Leak Improvement Project	F	1	500,000	January-16
Ngai, Michael	1 9	1510017-001C	Construction	Indian Wells Valley Water District	Automated Metering Infrastructure (AMI) Installation Project	F	0	3,721,000	January-16

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Lopez, Victor	20	3310020-001C	Construction	Indio Water Authority	Consolidation of Boe Del Heights & Waller Tract Mutual Water Associations into Indio Water Authority	C	1	5,525,025	January-17
Chan, Gary	10	0300037-002C	Construction	Jackson Valley Irrigation District	Treated Water Project, Phase 2	B	2	6,042,729	March-15
Chan, Gary	13	3610025-001P	Planning	Joshua Basin Water District	Chromium VI Remediation Project	C	1	500,000	January-16
Chan, Gary	13	3610025-001P	Planning	Joshua Basin Water District	Chromium VI Remediation Project	C	1	1,516,000	January-16
Orellana, Lucio	18	4900688-001P	Planning	Journey's End Mobile Home Park	Journeys End Mobile Home Park Consolidation Planning Project	C	2	205,000	October-16
Blanco, John Paul	13	3600222-001P	Planning	Juniper Riviera County Water District	Juniper Riviera CWD Water System Improvements	F	0	423,000	October-16
Blanco, John Paul	23	1010018-003P	Planning	Kerman, City of	Kerman Hexachromium Planning project	C	1	2,725,000	January-17
Dinh, Kim	12	1610009-005C	Construction	Kettleman City Community Services District	New SWTP [Construction Phase]	C	1	3,000,000	March-15
Stamas, Pete	10	5010009-003C	Construction	Keyes Community Services District	Regional Benefit Arsenic Mitigation Project	C	1	13,839,184	March-15
Orellana, Lucio	23	1000316-001P	Planning	Kings Canyon Unified School District	DBCP MCL Compliance	C	1	468,000	January-16
Sanchez, Lawrence	19	1500475-002P	Planning	Krista Mutual Water Company	Krista Fluoride Contamination Planning Project	C	1	496,565	March-15
Guerrero, Oscar	14	3700923-002C	Construction	Lake Morena Oak Shore Mutual Water Company	Distribution System Improvements for Lake Morena Oak Shores MWC	F	1	720,000	January-17
Quilatan, Joseph	01	4710013-001P	Planning	Lake Shastina Community Services District	Lake Shastina Drinking Water Rehabilitation and Upgrade Project	F	1	500,000	January-17
Fua, Francine Anne	03	1710022-008C	Construction	Lake, County of (CSA 20)	Soda Bay Water System Improvements	F	1	161,328	January-16
Fua, Francine Anne	03	1710022-009C	Construction	Lake, County of (CSA 20)	Soda Bay Water Treatment Plant Improvements	F	1	6,406,000	October-16
Rios, Deisy	19	1500525-001C	Construction	Lakeview Ranchos Mutual Water Company	Arsenic Exceedance Compliance Project	C	0	2,160,000	January-17
Greathouse, Joel	11	2000534-001P	Planning	Leisure Acres Mutual Water Company	Leisure Acres Arsenic MCL Compliance Planning Project	C	1	400,000	March-15
Ramos, Fabian	24	5400616-001P	Planning	Lemon Cove Sanitary District	New Well and Storage Tank Installation	A	1	500,000	June-16
Chan, Gary	24	5410006-007P	Planning	Lindsay, City of	Well 14 DBCP Mitigation and New Production Well Project	C	1	120,000	March-15

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Stamas, Pete	09	3400138-001C	Construction	Locke Water Works Company	Locke Water System Intertie w/ SCWA	C	1	1,000,000	January-17
Garrett, James	21	5800803-001C	Construction	Loma Rica Water Company	Loma Rica Reservoir Replacement and Source Improvement Project	C	0	217,409	October-16
Greathouse, Joel	12	5410017-003C	Construction	London Community Services District	London Community Services District Water System Reliability Project	C	1	4,944,655	October-16
Tamanaha, Marques	16	1910204-001C	Construction	Los Angeles County Waterworks District 29	Malibu Branch Feeder 30-inch Realignment	F	0	1,510,000	June-16
Guillen, Tatiana	16	1910204-002C	Construction	Los Angeles County Waterworks District 29	Coastline Drive 12-inch Waterline Replacement	F	0	2,025,000	June-16
Guillen, Tatiana	16	1910204-003C	Construction	Los Angeles County Waterworks District 29	Owen Tank Replacement	C	0	3,306,320	March-15
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	June-16
Tamanaha, Marques	16	1910204-005C	Construction	Los Angeles County Waterworks District 29	Lower Busch Tank	F	0	2,405,000	June-16
Guillen, Tatiana	16	1910204-006C	Construction	Los Angeles County Waterworks District 29	Creek Crossing Repairs	F	0	1,945,000	June-16
Tamanaha, Marques	16	1910204-009P	Planning	Los Angeles County Waterworks District 29	Sweetwater Mesa System Improvements	C	0	2,024,000	January-17
Mitchell, Ryan	16	1910185-001C	Construction	Los Angeles County Waterworks District 36	Del Valle Road Water Main Replacement	F	0	2,558,000	June-16
Mitchell, Ryan	16	1910248-001C	Construction	Los Angeles County Waterworks District 37	Acton Well 37-5	C	0	1,365,000	June-16
Mitchell, Ryan	16	1910248-002P	Planning	Los Angeles County Waterworks District 37	3220 Tank	F	0	1,365,000	June-16
Mitchell, Ryan	16	1910070-001C	Construction	Los Angeles County Waterworks District 40	Avenue K Transmission Main Phase IV	F	0	5,600,000	June-16
Dinh, Kim	15	1910067-011C	Construction	Los Angeles, City of Acting by and through the Department of Water & Power	Upper Stone Canyon Reservoir WQIP	D	0	42,540,823	January-17
Dinh, Kim	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	March-15
Dinh, Kim	15	1910067-048C	Construction	Los Angeles, City of Acting by and through the Department of Water & Power	Headworks West Reservoir	B	0	153,969,200	March-15
Dinh, Kim	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	31,839,032	January-16
Chan, Gary	21	5210003-001C	Construction	Los Molinos Community Services District	LMCSD Arsenic Compliance and Consolidation Project	C	2	1,444,000	January-16
Greathouse, Joel	12	1510046-008C	Construction	Lost Hills Utility District	Well Number Three	F	1	1,361,000	January-16
Guerrero, Oscar	09	0910007-001C	Construction	Lukins Brothers Water Company	Phase 2 Waterline Project - James Avenue	D	1	1,330,000	March-15

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Guerrero, Oscar	09	0910007-002P	Planning	Lukins Brothers Water Company	GAC Treatment Upgrades for PCE	C	1	150,000	January-17
Ngai, Michael	22	1910079-001P	Planning	Lynwood, City of	Well 19 Improvement Project	F	1	100,000	January-17
Greathouse, Joel	11	2000737-002C	Construction	Madera, County of	Pipeline Construction and Consolidation	C	1	2,138,584	June-16
Greathouse, Joel	11	2000544-002P	Planning	Madera, County of	MD-1 Water Distribution System Improvements Planning Project	F	1	280,000	October-16
Guillen, Tatiana	11	2010004-002P	Planning	Madera, County of	Madera CMD#19AB Parkwood- Consolidation, New well & tank connection & Distribution Main Replacement	C	2	500,000	March-15
Greathouse, Joel	11	2010008-003C	Construction	Madera, County of (Maintenance District 10A)	Consolidation with Valley Teen Ranch	C	2	2,955,000	September-15
Greathouse, Joel	11	2000552-001P	Planning	Madera, County of (Maintenance District 24)	New Well	C	1	500,000	March-15
Greathouse, Joel	11	2000728-001C	Construction	Madera, County of (Maintenance District 37)	Water Meter Installation	D	0	352,000	March-15
Greathouse, Joel	11	2000293-002P	Planning	Madera, County of (Maintenance District 46)	Well Replacement and Arsenic Treatment	C	1	500,000	June-16
Greathouse, Joel	11	2000800-001P	Planning	Mahal Apartments	Marquez Rentals (Mahal Apts.): New well construction	C	0	100,000	March-15
Reilly, Montarat	11	1010042-014C	Construction	Malaga County Water District	Malaga County Water District Water Meters	F	1	1,635,500	June-16
Uppal, Parmdeep	12	0202504-002P	Planning	Markleeville Water Company	Water Line Replacement	D	1	500,000	October-16
Greathouse, Joel	23	1010021-001C	Construction	Mendota, City of	Mendota AMR	F	1	2,698,100	June-16
Sanchez, Lawrence	16	1900100-003P	Planning	Mettler Valley Mutual	Mettler Valley Mutual	C	0	439,610	March-15
Uppal, Parmdeep	14	1300555-002P	Planning	Mitchell'S Camp Family Association	Mitchells Camp - Storage and water source construction	D	1	100,000	June-16
Rios, Deisy	19	1510014-002P	Planning	Mojave Public Utility District	Cache Creek Potable Water Pipeline Replacement	F	1	500,000	January-16
Reilly, Montarat	13	3610033-001C	Construction	Mount Baldy Homeowners Association, Inc.	Bear Canyon Hookup	F	0	43,000	October-16
Chan, Gary	04	0105009-001C	Construction	Mountain House Elementary School District	Mountain House Well Replacement Project	C	1	416,875	January-17
Siddiqui, Mehreen	01	4710008-002P	Planning	Mt. Shasta, City of	Spring Hill Water Supply & Storage Project	F	1	500,000	January-17

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Siddiqui, Mehreen	0 1	4710008-001P	Planning	Mt. Shasta, City of	Tank 1 and Roseburg Water System Improvements	F	1	480,000	October-16
Siddiqui, Mehreen	0 1	4710008-003P	Planning	Mt. Shasta, City of	City of Mt. Shasta Water Distribution System Improvements	F	1	500,000	January-17
Sanchez, Lawrence	1 1	5500064-001P	Planning	Muller Mutual Water Company	Muller MWC consolidation with Tuolumne Utility District	D	1	175,000	January-16
Stamas, Pete	0 1	1200538-002P	Planning	Myers Flat M.W.S. Inc.	Distribution System Improvement Project	D	1	230,000	October-16
Pang, Maria	0 3	2810003-014P	Planning	Napa, City of	Compliance for Hennessey Treatment Plant Washwater Discharge	C	0	220,000	March-15
Reilly, Montarat	1 3	3610032-001P	Planning	Needles, City of	Lily Hill Boosting Station Replacement/Relocation	F	1	504,865	October-16
Reilly, Montarat	1 0	5010013-001P	Planning	Newman, City of	City of Newman Hexavalent Chromium Compliance Project	C	1	497,000	June-16
Reyes, Elvira	1 8	2100582-001C	Construction	Nicasio School District	Nicasio School District Water System Upgrade	F	1	55,000	June-16
Ramos, Fabian		1710008-001C	Construction	Nice Mutual Water Company	Nice Mutual Water Company Meter Renovation Project WS#1710008	D	0	255,000	January-17
Ramos, Fabian	2 1	5810006-001P	Planning	North Yuba Water District	Forbestown Ditch	F	1	500,000	October-16
Stamas, Pete	0 2	4500190-001C	Construction	Oak Run Elementary School District	Oak Run Well Replacement Project	A	1	273,000	October-16
Sanchez, Lawrence	2 0	3303100-001P	Planning	Oasis Gardens Water Company	Oasis Gardens Water Company Chrom 6 Contamination & Consolidation	C	1	26,000	January-17
Stamas, Pete	0 1	1200729-003P	Planning	Orleans Community Services District	Filtration and Disinfection Water Treatment Plant Upgrades	B	1	160,500	March-15
Pauli, Brenda	1 4	1300616-001C	Construction	Palo Verde County Water District	Palo Verde County Water District Improvement Project	B	1	1,248,022	March-15
Greathouse, Joel	2 3	1000345-002C	Construction	Panoche Water District	Surface Water Treatment Plant	D	1	5,000,000	October-16
Greathouse, Joel	2 4	5402038-001P	Planning	Patterson Tract Community Service District	Patterson Tract CSD Water System Improvements Planning Project	D	1	285,000	October-16
Stamas, Pete	0 1	1200541-003P	Planning	Phillipsville Community Services District	Treatment Deficiency Remediation	B	1	267,720	March-15
Greathouse, Joel	1 1	2000526-001P	Planning	Pike Ranch Mutual Water Company	Uranium/Coliform MCL Compliance Project	C	1	110,000	June-16

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Sanchez, Lawrence	19	1500540-008P	Planning	Pinion Valley Water Company	Pinon Valley Water Company Sustainable Infrastructure Study	D	1	95,000	January-17
Garrett, James	02	3110005-006C	Construction	Placer County Water Agency	Castle City MHP Consolidation	F	1	1,768,423	January-17
Pauli, Brenda	12	5400682-002P	Planning	Plainview Mutual Water Company	Plainview MWC-Central Water System Nitrate Remediation Feasibility Study	A	1	500,000	March-15
Orellana, Lucio	18	4900787-001P	Planning	Plaza Mobile & RV Park	Plaza Mobile Home & RV Park Consolidation	C	2	205,000	October-16
Sanchez, Lawrence	06	4000774-001C	Construction	Pleasant Valley Joint Union Elementary School District	Repair, Replace and Modernize the Pleasant Valley School Water Supply	C	1	1,200,000	October-16
Garrett, James	02	3210011-005P	Planning	Plumas Eureka Community Services District	Arsenic Remediation Project	C	0	451,600	June-16
Garrett, James	05	4400598-004C	Construction	Puresource Water, Inc	New Well, Customer Meters, Intertie Electricity, Storage Tank Improvements	A	0	406,670	October-16
Guerrero, Oscar	02	3210004-004P	Planning	Quincy Community S.D.	Quincy Community Services District Water System Planning and Modernization Project	F	1	500,000	June-16
Chan, Gary	12	1600048-001C	Construction	Reef-Sunset Unified School District	Water and Irrigation System Modification Project	C	2	306,000	October-16
Rios, Deisy	01	1210022-002C	Construction	Resort Improvement District No. 1	Shelter Cove Water Tank Replacement Construction Project	F	1	4,433,765	October-16
Warring, Kevin	01	1210012-008P	Planning	Rio Dell, City of	Rio Dell Infrastructure Improvement Project	F	1	475,700	June-16
Ngai, Michael	09	3410020-034C	Construction	Sacramento, City of	Meter and Pipe Installation	D	0	173,141,875	January-17
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	January-16
Blanco, John Paul	14	3710020-071C	Construction	San Diego, City of	La Jolla View Reservoir	F	0	16,000,000	June-16
Blanco, John Paul	14	3710020-074C	Construction	San Diego, City of	69th Street and Mohawk Pump Station	F	0	18,800,000	July-15
Reilly, Montarat	10	3910018-001P	Planning	San Joaquin River Club, Inc.	Chrome VI Compliance	C	1	100,000	June-16
Lopez, Victor	05	4410014-002C	Construction	San Lorenzo Valley Water District	Swim Tank Replacement	F	0	650,000	October-16
Lopez, Victor	05	4410014-003C	Construction	San Lorenzo Valley Water District	Probation Tank Replacement	F	0	1,770,000	October-16
Ngai, Michael	08	3010038-001C	Construction	Santa Ana, City of	Water Distribution Improvements	F	0	10,800,000	January-17
Ngai, Michael	08	3010038-002C	Construction	Santa Ana, City of	Automated Meter Infrastructure	F	0	13,700,000	January-17
Greathouse, Joel	11	2410018-002C	Construction	Santa Nella County Water District	Mobile Home Park Water Metering Project	F	1	4,601,014	June-16



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Sanchez, Lawrence	2 2	1910147-011P	Planning	Sativa-L.A. County Water District	Well No. 5 Water Quality Improvement Project	E	1	500,000	January-16
Greathouse, Joel	2 4	5400558-001P	Planning	Saucelito Elementary School District	Saucelito Elementary School Planning Application	C	1	500,000	January-16
Greathouse, Joel	1 1	2000828-002P	Planning	Shady Oaks Mobile Home Park	Uranium MCL Exceedance	C	1	390,000	January-17
Warring, Kevin	0 2	1800575-001P	Planning	Shaffer Union Elementary School District	Shaffer Source Capacity Planning Project	C	1	331,058	October-16
Reilly, Montarat	0 2	4510013-004C	Construction	Shasta Community Services District	Shasta CSD Tanks/Pump Stations Replacement Project	F	1	4,292,840	January-16
Stamas, Pete	0 2	4600019-001P	Planning	Sierra County (Calpine) Waterworks District No. 1	Calpine Water Quality and Supply Project	C	1	301,400	January-16
Stamas, Pete	0 2	4600019-002C	Construction	Sierra County (Calpine) Waterworks District No. 1	Calpine Metering Project	D	1	397,300	January-16
Pauli, Brenda	1 3	2600622-001C	Construction	Sierra East Homeowners' Association, Inc.	Water System Improvement Project	B	0	993,400	January-17
Rios, Deisy	1 1	2000506-001C	Construction	Sierra Linda Mutual Water Company	Sierra Linda Mutual Water Company Consolidation, Metering, and Water Treatment	D	1	4,159,000	October-16
Stamas, Pete	0 2	4600018-001P	Planning	Sierraville Public Utility District	New Water Source	D	1	320,100	January-16
Stamas, Pete	0 2	4600018-002P	Planning	Sierraville Public Utility District	Storage Tank Replacement	E	1	84,000	January-16
Stamas, Pete	2 1	5200562-001P	Planning	Sky View County Water District	Reliable Source Project	C	1	500,000	January-17
Guillen, Tatiana	1 6	1910154-001C	Construction	South Pasadena, City of	GRAVES RESERVOIR REPLACEMENT PROJECT	F	0	10,000,000	June-16
Ruehlig, Joshua	0 9	0910002-027C	Construction	South Tahoe Public Utility District	Waterline Replacement Program	F	1	3,627,000	June-16
Vue, Mally	1 0	5010043-001C	Construction	Stanislaus Regional Water Authority	Stanislaus Regional Water Authority Surface Water Supply	F	0	200,000,000	January-17
Siddiqui, Mehreen	1 2	1610006-006P	Planning	Stratford Public Utility District	Test Well, Facilities Assessment and Municipal Well Contract Documents	F	1	500,000	July-15
Orellana, Lucio		1700536-004P	Planning	Sunrise Shore Mutual Water Company	Compliance and Sustainability for Sunrise Shore Mutual Water Company	C	1	500,000	July-15
Stamas, Pete	2 1	5100107-008C	Construction	Sutter, County of	Robbins Water Meter Installation and Water Main Repairs	D	1	1,060,000	January-17
Tamanaha, Marques	0 2	3110011-005C	Construction	Tahoe City Public Utility District	West Lake Tahoe Regional Water Treatment Plant	B	0	7,725,000	January-16

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Ramos, Fabian	1 2	5410038-004C	Construction	Terra Bella Irrigation District	Disinfection Byproducts Compliance Project	B	1	1,186,200	January-16
Uppal, Parmdeep	2 4	5400641-003P	Planning	Teviston Community Services District	Teviston South Well Replacement Project	D	1	475,000	June-16
Orellana, Lucio	1 8	4900584-001C	Construction	Timber Cove County Water District	DS1 Amanita, Cypress, Pine Pipe Project	F	1	405,000	January-16
Orellana, Lucio	1 8	4901267-001C	Construction	TLC Child and Family Services	Arsenic Mitigation Plan	A	1	70,000	January-17
Lopez, Victor	2 2	1910213-009C	Construction	Torrance, City of	Yukon Well Field	F	0	15,007,137	January-16
Ramos, Fabian	0 7	1910160-009C	Construction	Tract 349 Mutual Water Company	New Water Well and Production Facilities at Site 2	F	1	3,030,000	October-16
Stamas, Pete	0 1	5301102-004C	Construction	Trinity Knolls Mutual Water Company	Source Capacity Improvement and Distribution Rehabilitation Project	C	1	3,492,340	October-16
Guerrero, Oscar	0 1	5310002-002P	Planning	Trinity, County of (Waterworks District 1)	Water Treatment Plant Modification	B	1	270,000	July-15
Pauli, Brenda	2 4	5400550-002C	Construction	Tulare, County of	Seville Water Co. Consolidation with Yetttem Water System	C	1	4,000,000	January-17
Pauli, Brenda	2 4	5400550-001C	Construction	Tulare, County of	Seville Water Companys Distribution System Replacement	A	1	7,770,000	January-17
Greathouse, Joel	1 1	5510003-001C	Construction	Tuolumne Utilities District	Apple Colony & Mt. Eaton Rd. Waterline Extension Project	F	0	292,948	January-17
Greathouse, Joel	1 1	5510013-010C	Construction	Tuolumne Utilities District	Cuesta Heights Tank	F	0	2,700,000	October-16
Ngai, Michael	1 3	3610049-005P	Planning	Twentynine Palms Water District	Potable Groundwater Management Project	F	1	1,800,000	June-16
Garrett, James	1 7	4300575-001P	Planning	Twin Valley Incorporated	Well, Tank and Control Replacement	F	0	313,000	January-17
Greathouse, Joel	1 1	2000592-001P	Planning	Two Twenty Four Mobile Home Park	New Well	C	0	100,000	July-15
Orellana, Lucio	0 3	1710009-001P	Planning	Upper Lake County Water District	Cal 20 Consolidation	F	0	500,000	January-17
Vue, Mally	1 6	1910163-001C	Construction	Valencia Heights Water Company	Reservoir No. 2 Pump Station and Water Line	F	0	1,578,800	January-16
Chan, Gary	1 8	4900568-001C	Construction	Valley Ford Water Association	VFWA New Well	A	0	1,300,000	January-17
Pauli, Brenda	1 4	3701010-003P	Planning	Warner Unified School District	Arsenic MCL Violation Planning Study	C	1	1,000	March-15
Pauli, Brenda	1 4	3701010-003P	Planning	Warner Unified School District	Arsenic MCL Violation Planning Study	C	1	466,000	March-15

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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
Pauli, Brenda	2 3	1000204-001P	Planning	Washington Unified School District	Uranium MCL Compliance	C	1	425,300	January-17
Pauli, Brenda		0054005-001C	Construction	Water Resources, Department of	Okieville Highland Acres Emergency Water Supply Project	A	1	1,600,000	January-17
Dinh, Kim	2 4	5410010-017C	Construction	Water Resources, Department of	The East Porterville Project	A	1	25,000,000	January-17
Uppal, Parmdeep	0 1	4710009-001P	Planning	Weed, City of	North Weed Water Supply Project	C	1	425,300	October-16
Guillen, Tatiana	1 3	3610004-001P	Planning	West Valley Water District	District 39 Nitrate Removal Wellhead Treatment Plant	F	0	450,000	January-17
Chan, Gary	1 8	4900893-001P	Planning	West Water Company	Water Main Replacement	F	1	300,000	January-17
Orellana, Lucio	1 8	4900791-001P	Planning	Western Mobile Home Park	Western Mobile Home Park Consolidation Planning Project	C	1	160,000	October-16
Warring, Kevin	1 0	5000408-001C	Construction	Westley Community Services District	Westley Community Services District Metering Project	D	1	456,500	June-16
Ramos, Fabian	2 1	0610004-001C	Construction	Williams, City of	New Well 11, Filtration Treatment Installation, and Water Meter Replacement	F	1	4,991,000	October-16
Stamas, Pete	2 1	5100145-001C	Construction	Winship-Robbins Elementary School District	Winship Elementary School Well #2	C	1	400,000	January-17
Ruehlig, Joshua	0 9	5700788-001P	Planning	Yolo, County of	North Davis Meadows Public Water System Consolidation with the City of Davis	E	0	430,000	October-16
Greathouse, Joel	1 1	2000527-001P	Planning	Yosemite Forks Estates Mutual Water Company	Arsenic MCL Compliance Planning Project	C	1	135,000	October-16
Greathouse, Joel	1 1	2000567-002C	Construction	Yosemite Unified School District	Yosemite High School Uranium, Fluoride and Arsenic Exceedance-Remediation Project	C	2	1,230,000	July-15
Quilatan, Joseph	0 1	4710011-001P	Planning	Yreka, City of	City of Yreka Water System Improvements	F	1	500,000	October-16
Ngai, Michael	2 1	5110002-016C	Construction	Yuba City, City of	Barry Elementary School Water Service	F	0	2,383,651	October-16
Orellana, Lucio	0 1	090605003-001C	Construction	Yurok Tribe	Kenek Water Treatment Facility	B	0	224,300	June-16
Ruehlig, Joshua	0 4	0110010-001C	Construction	Zone 7 Water Agency	Ozone at Del Valle and Patterson Pass WTPs	F	0	41,500,000	January-17

Appendix B: DWSRF SFY 2016-17 Fundable List

Appendix B - DWSRF SFY 2016-17 Fundable List

The fundable list includes all projects (planning and construction) that currently are projected to be ready to proceed to as SRF Funding Agreement (FA) by June 30, 2017

Small Water Systems: Population <= 10,000 (Planning Projects)

Applicant	Cat.	Project Number	DDW Dist.	Estimated Project Cost	DWSRF - Loan	DWSRF - PF	Prop 1 - Grant	Disadvantaged Status	Description	Pop.	Svc. Conn.
Apple Valley Heights County Water District	F	3600009-001P	San Bernardino	\$377,900.00	\$0.00	\$0.00	\$377,900.00	Disadvantaged	Storage Tanks & Transmission Pipeline Improvements	550	324
Ballico Community Services District	C	2400167-001P	Merced	\$468,000.00	\$0.00	\$0.00	\$468,000.00	Severely Disadvantaged	Secondary Well Construction	309	72
Bar-Len Mutual Water Company	C	3600025-001P	San Bernardino	\$429,300.00	\$0.00	\$0.00	\$429,300.00	Disadvantaged	Water Quality (arsenic) and Infrastructure Efficiency	124	39
Bighorn-Desert View Water Agency	F	3610009-002P	San Bernardino	\$241,145.00	\$0.00	\$0.00	\$241,145.00	Severely Disadvantaged	CSA 70, W-1 Consolidation and HDWD Interconnection	5000	1903
Bighorn-Desert View Water Agency	F	3610009-003P	San Bernardino	\$365,570.00	\$0.00	\$0.00	\$365,570.00	Severely Disadvantaged	Combined w/ 002P - Bighorn-Desert View /Imp. Dist Goat Mtn Integration	5000	1903
Camp Nelson Water Company	B	5410022-001P2	Visalia	\$170,100.00	\$170,100.00	\$0.00	\$0.00	Not Disadvantaged	Water Treatment Plant Improvement	150	300
Cascadel Mutual Water Company	C	2000509-006P	Merced	\$174,328.00	\$0.00	\$0.00	\$174,328.00	Severely Disadvantaged	Well Replacement, Radionuclide Contamination ER	300	137
Colusa Co. W.D. #1 - Grimes	C	0600008-001P	Valley	\$500,000.00	\$0.00	\$0.00	\$500,000.00	Severely Disadvantaged	Arsenic Exceedance Feasibility Study	500	104
Crows Landing Community Services District	C	5000005-001P	Stockton	\$500,000.00	\$0.00	\$0.00	\$500,000.00	Severely Disadvantaged	Well 5 Remediation Project	500	138
Crows Landing Community Services District	F	5000005-002P	Stockton	\$300,000.00	\$0.00	\$0.00	\$300,000.00	Severely Disadvantaged	Crows Landing CSD Water System Improvement Planning Project	500	138
Davenport County Sanitation District	F	4400571-006P	Monterey	\$475,000.00	\$0.00	\$0.00	\$475,000.00	Severely Disadvantaged	Davenport Diversion Facility Upgrade Feasibility Study	350	130
Dunsmuir, City of	F	4710002-002P	Klamath	\$500,000.00	\$0.00	\$0.00	\$500,000.00	Severely Disadvantaged	Water Main Replacement Project	1923	1285
El Portal Mobile Estates	C	4900799-001P	Sonoma	\$175,000.00	\$0.00	\$0.00	\$175,000.00	Disadvantaged	El Portal Consolidation Planning Project	200	123
Frazier Park Public Utility District	A	1510007-001P	Tehachapi	\$1,000,000.00	\$0.00	\$0.00	\$1,000,000.00	Disadvantaged	Frazier Park/Lake of the Woods Regional Consolidation Planning Project	2348	1362
Hi-Desert Mutual Water Company	F	3600123-001P	San Bernardino	\$500,000.00	\$0.00	\$0.00	\$500,000.00	Disadvantaged	Infrastructure Improvements Planning Project	112	32
Joshua Basin Water District	C	3610025-001P	San Bernardino	\$1,516,000.00	\$1,016,000.00	\$0.00	\$500,000.00	Disadvantaged	Chromium VI Remediation Project	9000	4370
Joshua Basin Water District	C	3610025-001P	San Bernardino	\$500,000.00	\$0.00	\$0.00	\$500,000.00	Disadvantaged	Chromium VI Remediation Project	9000	4370
Journey's End Mobile Home Park	C	4900688-001P	Sonoma	\$205,000.00	\$0.00	\$0.00	\$205,000.00	Severely Disadvantaged	Journeys End Mobile Home Park Consolidation Planning Project	180	161
Lake Shastina Community Services District	F	4710013-001P	Klamath	\$500,000.00	\$0.00	\$0.00	\$500,000.00	Disadvantaged	Lake Shastina Drinking Water Rehabilitation and Upgrade Project	2400	1013
Lemon Cove Sanitary District	A	5400616-001P	Tulare	\$500,000.00	\$0.00	\$0.00	\$500,000.00	Severely Disadvantaged	New Well and Storage Tank Installation	200	50
Lindsay, City of	C	5410006-007P	Tulare	\$500,000.00	\$0.00	\$0.00	\$500,000.00	Disadvantaged	Well 14 DBCP Mitigation and New Production Well Project	12400	2542
Lukins Brothers Water Company	C	0910007-002P	Sacramento	\$150,000.00	\$0.00	\$0.00	\$150,000.00	Disadvantaged	GAC Treatment Upgrades for PCE	250	947
Markleeville Water Company	D	0202504-002P	Visalia	\$500,000.00	\$0.00	\$0.00	\$500,000.00	Disadvantaged	Water Line Replacement	40	16
Mitchell'S Camp Family Association	D	1300555-002P	San Diego	\$100,000.00	\$0.00	\$0.00	\$100,000.00	Severely Disadvantaged	Mitchells Camp - Storage and water source construction	80	62
Mojave Public Utility District	F	1510014-002P	Tehachapi	\$500,000.00	\$0.00	\$0.00	\$500,000.00	Severely Disadvantaged	Cache Creek Potable Water Pipeline Replacement	3900	1306
Mt. Shasta, City of	F	4710008-002P	Klamath	\$500,000.00	\$0.00	\$0.00	\$500,000.00	Severely Disadvantaged	Spring Hill Water Supply & Storage Project	3642	1675
Mt. Shasta, City of	F	4710008-003P	Klamath	\$500,000.00	\$0.00	\$0.00	\$500,000.00	Severely Disadvantaged	City of Mt. Shasta Water Distribution System Improvements	3642	1675
Muller Mutual Water Company	D	5500064-001P	Merced	\$175,000.00	\$0.00	\$0.00	\$175,000.00	Disadvantaged	Muller MWC consolidation with Tuolumne Utility District	120	54
Myers Flat M.W.S. Inc.	D	1200538-002P	Klamath	\$230,000.00	\$0.00	\$0.00	\$230,000.00	Severely Disadvantaged	Distribution System Improvement Project	400	102
Needles, City of	F	3610032-001P	San Bernardino	\$504,865.00	\$4,865.00	\$0.00	\$500,000.00	Severely Disadvantaged	Lily Hill Boosting Station Replacement/Relocation	3631	1832
North Yuba Water District	F	5810006-001P	Valley	\$500,000.00	\$0.00	\$0.00	\$500,000.00	Disadvantaged	Forbestown Ditch	5303	695

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Applicant	Cat.	Project Number	DDW Dist.	Estimated Project Cost	DWSRF - Loan	DWSRF - PF	Prop 1 - Grant	Disadvantaged Status	Description	Pop.	Svc. Conn.
Oasis Gardens Water Company	C	3303100-001P	Riverside	\$26,000.00	\$0.00	\$0.00	\$26,000.00	Severely Disadvantaged	Oasis Gardens Water Company Chrom 6 Contamination & Consolidation	314	157
Orleans Community Services District	B	1200729-003P	Klamath	\$160,500.00	\$0.00	\$0.00	\$160,500.00	Disadvantaged	Filtration and Disinfection Water Treatment Plant Upgrades	430	139
Patterson Tract Community Service District	D	5402038-001P	Tulare	\$285,000.00	\$0.00	\$0.00	\$285,000.00	Severely Disadvantaged	Patterson Tract CSD Water System Improvements Planning Project	550	114
Pinon Valley Water Company	D	1500540-008P	Tehachapi	\$95,000.00	\$0.00	\$0.00	\$95,000.00	Disadvantaged	Pinon Valley Water Company Sustainable Infrastructure Study	75	37
Placer County Water Agency-Dutch Flat	F	3110005-007P	Lassen	\$480,000.00	\$0.00	\$0.00	\$480,000.00	Disadvantaged	Dutch Flat Mutual Consolidation Project	350	101
Plainview Mutual Water Company	A	5400682-002P	Visalia	\$500,000.00	\$0.00	\$0.00	\$500,000.00	Severely Disadvantaged	Plainview MWC-Central Water System Nitrate Remediation Feasibility Study	170	42
Plaza Mobile & RV Park	C	4900787-001P	Sonoma	\$205,000.00	\$0.00	\$0.00	\$205,000.00	Disadvantaged	Plaza Mobile Home & RV Park Consolidation	125	71
Rio Dell, City of	F	1210012-008P	Klamath	\$475,700.00	\$0.00	\$0.00	\$475,700.00	Severely Disadvantaged	Rio Dell Infrastructure Improvement Project	3174	1134
Sativa-L.A. County Water District	E	1910147-011P	Angeles	\$500,000.00	\$0.00	\$0.00	\$500,000.00	Disadvantaged	Well No. 5 Water Quality Improvement Project	6813	1488
Shady Oaks Mobile Home Park	C	2000828-002P	Merced	\$390,000.00	\$0.00	\$0.00	\$390,000.00	Severely Disadvantaged	Uranium MCL Exceedance	40	21
Sierra County (Calpine) Waterworks District No. 1	C	4600019-001P	Lassen	\$301,400.00	\$0.00	\$0.00	\$301,400.00	Severely Disadvantaged	Calpine Water Quality and Supply Project	225	142
Sierraville Public Utility District	D	4600018-001P	Lassen	\$320,100.00	\$0.00	\$0.00	\$320,100.00	Severely Disadvantaged	New Water Source	200	102
Sky View County Water District	C	5200562-001P	Valley	\$500,000.00	\$0.00	\$0.00	\$500,000.00	Severely Disadvantaged	Reliable Source Project	120	98
Washington Unified School District	C	1000204-001P	Fresno	\$425,300.00	\$0.00	\$0.00	\$425,300.00	Severely Disadvantaged	Uranium MCL Compliance	250	4
Weed, City of	C	4710009-001P	Klamath	\$425,300.00	\$0.00	\$0.00	\$425,300.00	Severely Disadvantaged	North Weed Water Supply Project	2963	1042
West Water Company	F	4900893-001P	Sonoma	\$300,000.00	\$0.00	\$0.00	\$300,000.00	Disadvantaged	Water Main Replacement	50	16
Western Mobile Home Park	C	4900791-001P	Sonoma	\$160,000.00	\$0.00	\$0.00	\$160,000.00	Disadvantaged	Western Mobile Home Park Consolidation Planning Project	225	73
Yosemite Forks Estates Mutual Water Company	C	2000527-001P	Merced	\$135,000.00	\$0.00	\$0.00	\$135,000.00	Severely Disadvantaged	Arsenic MCL Compliance Planning Project	110	99
<b>TOTAL:</b>				<b>\$19,241,508.00</b>	<b>\$1,190,965.00</b>	<b>\$0.00</b>	<b>\$18,050,543.00</b>				

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

Applicant	Cat.	Project Number	DDW Dist.	Estimated Project Cost	DWSRF - Loan	DWSRF - PF	Prop 1 - Grant	Disadvantaged Status	Description	Pop.	Svc. Conn.
Arvin Community Services District	C	1510001-004P	Tehachapi	\$941,000.00	\$941,000.00	\$0.00	\$0.00	Severely Disadvantaged	Arsenic Mitigation Project - Phase II Test Wells and Design	11847	3865
Huntington Park, City of	E	1910049-001P	Angeles	\$500,000.00	\$500,000.00	\$0.00	\$0.00	Severely Disadvantaged	Miles Avenue Water Quality Improvement Project	18569	5574
Los Angeles County Waterworks District 29	C	1910204-009P	Central	\$2,024,000.00	\$2,024,000.00	\$0.00	\$0.00	Not Disadvantaged	Sweetwater Mesa System Improvements	27807	7733
Twentynine Palms Water District	F	3610049-005P	San Bernardino	\$1,800,000.00	\$1,800,000.00	\$0.00	\$0.00	Disadvantaged	Potable Groundwater Management Project	17500	7704
<b>TOTAL:</b>				<b>\$5,265,000.00</b>	<b>\$5,265,000.00</b>	<b>\$0.00</b>	<b>\$0.00</b>				

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**Small Water Systems: Population <= 10,000 (Construction Projects)**

Applicant	Cat.	Project Number	DDW Dist.	Estimated Project Cost	DWSRF - Loan	DWSRF - PF	Prop 1 - Grant	Disadvantaged Status	Description	Pop.	Svc. Conn.
Alpaugh Community Services District	C	5410050-001C	Visalia	\$3,000,000.00	\$0.00	\$0.00	\$3,000,000.00	Severely Disadvantaged	Alpaugh Arsenic Remediation Project	1091	340
Alpaugh Community Services District	C	5410050-001C	Visalia	\$3,000,000.00	\$3,000,000.00	\$0.00	\$0.00	Severely Disadvantaged	Alpaugh Arsenic Remediation Project	1091	340
Bass Lake Water Company	C	2010003-003C	Merced	\$4,600,000.00	\$0.00	\$0.00	\$4,600,000.00	Severely Disadvantaged	Willow Creek Surface Water Treatment Plant	2800	995
Big Rock Community Services District	F	0800532-003C	Klamath	\$688,589.00	\$0.00	\$0.00	\$688,589.00	Disadvantaged	Big Rock CSD Water Tank Replacement Project	650	101
Biggs, City of	D	0410001-001C	Valley	\$353,000.00	\$353,000.00	\$0.00	\$0.00	Disadvantaged	Water Meter Installation	1805	650
Bighorn-Desert View Water Agency	F	3610009-001C	San Bernardino	\$400,000.00	\$0.00	\$0.00	\$400,000.00	Severely Disadvantaged	Alternate Power Improvements	5000	1903
Bridgeport Public Utility District	C	2610003-005C	San Bernardino	\$1,689,671.00	\$0.00	\$0.00	\$1,689,671.00	Disadvantaged	Arsenic Removal Project	3000	227
Caruthers Community Services District	D	1010039-002C	Fresno	\$1,984,400.00	\$0.00	\$1,984,400.00	\$0.00	Disadvantaged	Installation of Arsenic Treatment Plant Components and Water Meters	2103	672
Caruthers Community Services District	D	1010039-002C	Fresno	\$1,984,400.00	\$1,984,400.00	\$0.00	\$0.00	Disadvantaged	Installation of Arsenic Treatment Plant Components and Water Meters	2103	672
Chiriaco Summit Water Dist.	C	3301115-001C	Riverside	\$2,415,300.00	\$0.00	\$0.00	\$2,415,300.00	Severely Disadvantaged	Chiriaco Summit Water District Water System Improvement Project	400	24
Colusa Co. W.D. #1 - Grimes	D	0600008-002C	Valley	\$518,100.00	\$0.00	\$518,100.00	\$0.00	Severely Disadvantaged	Installation of Customer Meters	500	104
Davenport County Sanitation District	D	4400571-005C	Monterey	\$240,066.00	\$0.00	\$0.00	\$240,066.00	Disadvantaged	Old Coast Water Line Extension	350	130
Fresno, County of	C	1000359-005C	Fresno	\$7,000,000.00	\$7,000,000.00	\$0.00	\$0.00	Pending	Westside Groundwater Project	230	81
Greenfield County Water District	C	1510024-001C	Visalia	\$5,000,000.00	\$0.00	\$0.00	\$5,000,000.00	Disadvantaged	Arsenic Mitigation Project	6500	2522
Happy Camp Community Services District	B	4710012-002C	Klamath	\$854,000.00	\$0.00	\$0.00	\$854,000.00	Severely Disadvantaged	Happy Camp CSD Water Treatment System Upgrade	1100	334
Hughson, City of	C	5010008-012C	Stockton	\$4,116,274.00	\$4,116,274.00	\$0.00	\$0.00	Disadvantaged	Hughson Water System Extension Improvements (Cobles Corner/County Villa)	6082	1779
Huron, City of	C	1010044-001C	Fresno	\$7,992,250.00	\$2,992,250.00	\$0.00	\$5,000,000.00	Severely Disadvantaged	Surface Water Treatment Facility	7306	862
Lake Morena Oak Shore Mutual Water Company	F	3700923-002C	San Diego	\$720,000.00	\$0.00	\$720,000.00	\$0.00	Severely Disadvantaged	Distribution System Improvements for Lake Morena Oak Shores MWC	700	205
Lake, County of (CSA 20)	F	1710022-008C	Mendocino	\$161,328.00	\$161,328.00	\$0.00	\$0.00	Disadvantaged	Soda Bay Water System Improvements	1342	596
Loma Rica Water Company	C	5800803-001C	Valley	\$217,409.00	\$217,409.00	\$0.00	\$0.00	Not Disadvantaged	Loma Rica Reservoir Replacement and Source Improvement Project	140	68
London Community Services District	C	5410017-003C	Visalia	\$4,944,655.00	\$4,944,655.00	\$0.00	\$0.00	Severely Disadvantaged	London Community Services District Water System Reliability Project	1638	432

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Applicant	Cat.	Project Number	DDW Dist.	Estimated Project Cost	DWSRF - Loan	DWSRF - PF	Prop 1 - Grant	Disadvantaged Status	Description	Pop.	Svc. Conn.
Los Molinos Community Services District	C	5210003-001C	Valley	\$1,444,000.00	\$0.00	\$1,444,000.00	\$0.00	Severely Disadvantaged	LMCSD Arsenic Compliance and Consolidation Project	1500	358
Lost Hills Utility District	F	1510046-008C	Visalia	\$1,361,000.00	\$0.00	\$1,334,502.29	\$26,497.71	Severely Disadvantaged	Well Number Three	2772	373
Lukins Brothers Water Company	D	0910007-001C	Sacramento	\$1,330,000.00	\$0.00	\$1,330,000.00	\$0.00	Disadvantaged	Phase 2 Waterline Project - James Avenue	250	947
Madera, County of	C	2000737-002C	Merced	\$2,138,584.00	\$0.00	\$0.00	\$2,138,584.00	Disadvantaged	Pipeline Construction and Consolidation	100	34
Madera, County of (Maintenance District 10A)	C	2010008-003C	Merced	\$2,955,000.00	\$0.00	\$2,955,000.00	\$0.00	Severely Disadvantaged	Consolidation with Valley Teen Ranch	50	4
Malaga County Water District	F	1010042-014C	Merced	\$1,635,500.00	\$0.00	\$1,635,500.00	\$0.00	Severely Disadvantaged	Malaga County Water District Water Meters	900	446
Mendota, City of	F	1010021-001C	Fresno	\$2,698,100.00	\$0.00	\$2,698,100.00	\$0.00	Severely Disadvantaged	Mendota AMR	8656	1680
Reef-Sunset Unified School District	C	1600048-001C	Visalia	\$306,000.00	\$0.00	\$306,000.00	\$0.00	Disadvantaged	Water and Irrigation System Modification Project	350	12
Santa Nella County Water District	F	2410018-002C	Merced	\$3,301,014.00	\$0.00	\$3,301,014.00	\$0.00	Severely Disadvantaged	Mobile Home Park Water Metering Project	1500	454
Sierra East Homeowners' Association, Inc.	B	2600622-001C	San Bernardino	\$993,400.00	\$993,400.00	\$0.00	\$0.00	Pending	Water System Improvement Project	50	29
Sierra Linda Mutual Water Company	D	2000506-001C	Merced	\$4,159,000.00	\$0.00	\$4,159,000.00	\$0.00	Severely Disadvantaged	Sierra Linda Mutual Water Company Consolidation, Metering, and Water Treatment	180	89
TLC Child and Family Services	A	4901267-001C	Sonoma	\$75,000.00	\$0.00	\$75,000.00	\$0.00	Severely Disadvantaged	Arsenic Mitigation Plan	35	4
Tulare, County of	A	5400550-001C	Tulare	\$5,000,000.00	\$0.00	\$5,000,000.00	\$0.00	Severely Disadvantaged	Seville Water Companys Distribution System Replacement	400	77
Tulare, County of	C	5400550-002C	Tulare	\$4,000,000.00	\$4,000,000.00	\$0.00	\$0.00	Pending	Seville Water Co. Consolidation with Yetttem Water System	400	77
Tuolumne Utilities District	F	5510003-001C	Merced	\$292,948.00	\$292,948.00	\$0.00	\$0.00	Pending	Apple Colony & Mt. Eaton Rd. Waterline Extension Project	1576	668
Tuolumne Utilities District	F	5510013-010C	Merced	\$2,700,000.00	\$2,700,000.00	\$0.00	\$0.00	Pending	Cuesta Heights Tank	3646	1545
Valencia Heights Water Company	F	1910163-001C	Central	\$1,578,800.00	\$1,578,800.00	\$0.00	\$0.00	Not Disadvantaged	Reservoir No. 2 Pump Station and Water Line	5500	1581
Water Resources, Department of	A	0054005-001C	Tulare	\$1,600,000.00	\$0.00	\$1,600,000.00	\$0.00	Disadvantaged	Okieville Highland Acres Emergency Water Supply Project	300	80
Yosemite Unified School District	C	2000567-002C	Merced	\$1,230,000.00	\$0.00	\$0.00	\$1,230,000.00	Severely Disadvantaged	Yosemite High School Uranium, Fluoride and Arsenic Exceedance-Remediation Project	1200	1
Yurok Tribe	B	090605003-001C	Klamath	\$224,300.00	\$0.00	\$0.00	\$224,300.00	Severely Disadvantaged	Kenek Water Treatment Facility	43	10
<b>TOTAL:</b>				<b>\$90,902,088.00</b>	<b>\$34,334,464.00</b>	<b>\$29,060,616.29</b>	<b>\$27,507,007.71</b>				



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INTENDED USE PLAN**

SFY 2017-18

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

Applicant	Cat.	Project Number	DDW Dist.	Estimated Project Cost	DWSRF - Loan	DWSRF - PF	Prop 1 - Grant	Disadvantaged Status	Description	Pop.	Svc. Conn.
Apple Valley Ranchos Water Company	F	3610003-001C	San Bernardino	\$7,992,016.00	\$7,992,016.00	\$0.00	\$0.00	Severely Disadvantaged	Consolidation and Rehabilitation of Yermo Water System	52879	18744
Arvin Community Services District	C	1510001-003C	Visalia	\$12,914,000.00	\$12,914,000.00	\$0.00	\$0.00	Severely Disadvantaged	Arsenic Mitigation Project - Phase II	11847	3446
Coachella Valley Water District	C	3310001-006C	Riverside	\$221,000,000.00	\$216,000,000.00	\$0.00	\$5,000,000.00	Severely Disadvantaged	Chromium-6 Treatment Project (CVWD and ID-8 system)	206152	103076
Coachella Valley Water District	C	3310001-007C	Riverside	\$26,703,000.00	\$21,703,000.00	\$0.00	\$5,000,000.00	Severely Disadvantaged	Highway 86 Transmission Main and Pump Station Project (for ID-11 system)	206152	103076
East Bay Municipal Utility District	F	0110005-012C	San Francisco	\$22,215,600.00	\$22,215,600.00	\$0.00	\$0.00	Not Disadvantaged	South Reservoir Replacement	1300000	386065
East Bay Municipal Utility District	F	0110005-013C	San Francisco	\$11,290,000.00	\$11,290,000.00	\$0.00	\$0.00	Not Disadvantaged	Macarthur Davenport Pipeline Replacement Project	1300000	386065
Fallbrook Public Utility District	F	3710008-003C	San Diego	\$45,000,000.00	\$45,000,000.00	\$0.00	\$0.00	Not Disadvantaged	Santa Margarita Conjunctive Use Project	32000	8752
Greenfield, City of	C	2710008-001C	Monterey	\$389,000.00	\$0.00	\$389,000.00	\$0.00	Severely Disadvantaged	Apple Avenue Water System Consolidation	17547	3469
Indio Water Authority	C	3310020-001C	Riverside	\$5,525,025.00	\$0.00	\$5,525,025.00	\$0.00	Severely Disadvantaged	Consolidation of Boe Del Heights & Waller Tract Mutual Water Associations into Indio Water Authority	58823	19453
Los Angeles County Waterworks District 29	F	1910204-001C	Central	\$1,510,000.00	\$1,510,000.00	\$0.00	\$0.00	Not Disadvantaged	Malibu Branch Feeder 30-inch Realignment	27807	7733
Los Angeles County Waterworks District 29	F	1910204-002C	Central	\$2,025,000.00	\$2,025,000.00	\$0.00	\$0.00	Not Disadvantaged	Coastline Drive 12-inch Waterline Replacement	27807	7733
Los Angeles County Waterworks District 29	C	1910204-003C	Central	\$3,306,320.00	\$3,306,320.00	\$0.00	\$0.00	Not Disadvantaged	Owen Tank Replacement	27807	7733
Los Angeles County Waterworks District 29	F	1910204-006C	Central	\$1,945,000.00	\$1,945,000.00	\$0.00	\$0.00	Not Disadvantaged	Creek Crossing Repairs	27807	7733
Los Angeles County Waterworks District 29	F	1910204-004C	Central	\$6,090,000.00	\$6,090,000.00	\$0.00	\$0.00	Not Disadvantaged	Pacific Coast Highway 8-inch Water Line Replacement, Zumirez Dr. to Escondido Beach Rd.	27807	7733
Los Angeles County Waterworks District 29	F	1910204-005C	Central	\$2,405,000.00	\$2,405,000.00	\$0.00	\$0.00	Not Disadvantaged	Lower Busch Tank	27807	7733
Los Angeles, City of Acting by and through the Department of Water & Power	F	1910067-054C	Metropolitan	\$22,471,652.00	\$22,471,652.00	\$0.00	\$0.00	Not Disadvantaged	Elysian Reservoir Water Quality Improvement Project	4071873	680607
Los Angeles, City of Acting by and through the Department of Water & Power	C	1910067-035C	Metropolitan	\$18,731,841.00	\$18,731,841.00	\$0.00	\$0.00	Not Disadvantaged	99th Street Wells Ammoniation Station	4071873	680607
Los Angeles, City of Acting by and through the Department of Water & Power	B	1910067-048C	Metropolitan	\$153,969,200.00	\$153,969,200.00	\$0.00	\$0.00	Not Disadvantaged	Headworks West Reservoir	4071873	680607
Los Angeles, City of Acting by and through the Department of Water & Power	D	1910067-011C	Metropolitan	\$42,540,823.00	\$42,540,823.00	\$0.00	\$0.00	Not Disadvantaged	Upper Stone Canyon Reservoir WQIP	4071873	680607
Placer County Water Agency	F	3110005-006C	Lassen	\$1,768,423.00	\$0.00	\$0.00	\$1,768,423.00	Disadvantaged	Castle City MHP Consolidation	27199	8242
Sacramento, City of	D	3410020-034C	Sacramento	\$173,141,875.00	\$173,141,875.00	\$0.00	\$0.00	Not Disadvantaged	Meter and Pipe Installation	407018	135639
San Diego, City of	F	3710020-074C	San Diego	\$18,800,000.00	\$18,800,000.00	\$0.00	\$0.00	Not Disadvantaged	69th Street and Mohawk Pump Station	1266731	271962
San Diego, City of	F	3710020-071C	San Diego	\$16,000,000.00	\$16,000,000.00	\$0.00	\$0.00	Not Disadvantaged	La Jolla View Reservoir	1266731	271962
Santa Ana, City of	F	3010038-001C	Santa Ana	\$10,800,000.00	\$10,800,000.00	\$0.00	\$0.00	Not Disadvantaged	Water Distribution Improvements	353428	44610

**DRINKING WATER STATE REVOLVING FUND  
INTENDED USE PLAN**

SFY 2017-18

Applicant	Cat.	Project Number	DDW Dist.	Estimated Project Cost	DWSRF - Loan	DWSRF - PF	Prop 1 - Grant	Disadvantaged Status	Description	Pop.	Svc. Conn.
Santa Ana, City of	F	3010038-002C	Santa Ana	\$13,700,000.00	\$13,700,000.00	\$0.00	\$0.00	Not Disadvantaged	Automated Meter Infrastructure	353428	44610
South Pasadena, City of	F	1910154-001C	Central	\$10,000,000.00	\$10,000,000.00	\$0.00	\$0.00	Not Disadvantaged	GRAVES RESERVOIR REPLACEMENT PROJECT	25899	6221
South Tahoe Public Utility District	F	0910002-027C	Sacramento	\$3,627,000.00	\$3,627,000.00	\$0.00	\$0.00	Disadvantaged	Waterline Replacement Program	60000	13635
Watsonville, City of	C	4410011-002C	Monterey	\$20,500,000.00	\$20,500,000.00	\$0.00	\$0.00	Disadvantaged	Hexavalent Chromium Well Treatment	65739	14774
Yuba City, City of	F	5110002-016C	Valley	\$2,383,651.00	\$0.00	\$0.00	\$2,383,651.00	Severely Disadvantaged	Barry Elementary School Water Service	51504	13550
<b>TOTAL:</b>				<b>\$878,744,426.00</b>	<b>\$858,678,327.00</b>	<b>\$5,914,025.00</b>	<b>\$14,152,074.00</b>				

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