



State Water  
Resources  
Control Board

**Annual Report**  
Annual Fiscal Year 2022-23  
**Clean Water**  
State Revolving Fund



Prepared by:  
THE DIVISION OF FINANCIAL ASSISTANCE  
STATE WATER RESOURCES CONTROL BOARD  
STATE OF CALIFORNIA





# MISSION | VISION

## Statements

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

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





# About the State and Regional Water Boards

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The State Water Resources Control Board (State Water Board) was created in 1967. Its comprehensive authority over allocation, planning, and enforcement enables the State Water Board to protect California's water quality and drinking water.

The State Water Board consists of five full-time salaried members, each filling a different specialty position. Each Board member is appointed to a four-year term by the Governor and confirmed by the Senate. The State Water Board is also composed of six divisions that support its water quality missions, including the Division of Financial Assistance and the Division of Drinking Water.

There are also nine Regional Water Quality Control Boards (Regional Water Boards). The Regional Water Boards develop and enforce water quality objectives and implement plans that protect the beneficial uses of the state's waters, recognizing local differences in climate, topography, geology, and hydrology.

Each Regional Water Board has seven part-time members, also appointed by the Governor, and confirmed by the Senate. Regional Water Boards develop "basin plans" for their hydrologic areas, issue waste discharge permits, take enforcement action against violators, and monitor water quality.

# State Water Resources Control Board

## Members and Executive Director

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### E. Joaquin Esquivel, Chair



E. Joaquin Esquivel was appointed to the State Water Resources Control Board by Governor Jerry Brown in March 2017, designated by Governor Gavin Newsom as Chair in February 2019, and reappointed to the board by Governor Newsom in 2021. Previously, he served as Assistant Secretary for federal water policy at the California Natural Resources Agency in the Governor's Washington, D.C. office, where he facilitated the development of policy priorities between the agency, the Governor's Office, the California Congressional delegation, and federal stakeholder

agencies.

For more than eight years prior to that, Joaquin worked for U.S. Senator Barbara Boxer of California, most recently as her legislative assistant covering the agriculture, Native American, water, oceans, and nutrition portfolios, in addition to being the director of Information and Technology.

He was born and raised in California's Coachella Valley. He holds a BA from the University of California, Santa Barbara in English.

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### Dorene D'Adamo, Vice Chair



Dorene D'Adamo was appointed to the State Water Resources Control Board in 2013 and reappointed by Governor Newsom in 2022. She serves as Vice-Chair and as a member with experience in the field of water supply and water quality relating to irrigated agriculture. Ms. D'Adamo is on the Board of the California Partnership for the San Joaquin Valley and previously served on the Valley Coalition for UC Merced's Medical School and on the Governor's Drought Task Force. She was a member of the California Air Resources Board from 1999-2013 under the Brown, Schwarzenegger and Davis Administrations, where she was instrumental in the board's air quality and climate change programs and regulations.

Ms. D'Adamo served in various capacities for Members of Congress from the San Joaquin Valley over a 20-year period, working primarily on environmental, water and agricultural legislative policy.

Ms. D'Adamo earned a Bachelor of Arts degree from the University of California at Davis and a Juris Doctor from the University of the Pacific, McGeorge School of Law.

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### Sean Maquire



Sean Maquire was appointed to the State Water Resources Control Board in December 2018 by Governor Brown and is a registered civil engineer. Mr. Maquire has had a diverse career both in public service and as an engineering consultant, which provides a valuable perspective of the administrative challenges facing a government agency and the needs of a broad array of water interests.

From 2015-2018, Mr. Maquire worked for the State Water Resources Control Board as a manager of the Storm Water Grant Program in the Division of Financial Assistance, and later as a manager in the Division of Water Rights where he oversaw administration of water right change petitions, licensing, and cannabis cultivation permitting. Prior to joining the Board, from 2003-2015, he worked for an engineering consulting firm serving a variety of municipalities and water agencies throughout the state, focused on water resources planning, drinking water, and wastewater infrastructure projects. Much of his work revolved around integrated water management and developing long term water supply solutions to meet the needs of both water users and the environment.

Mr. Maquire has a Bachelor of Science in Civil Engineering from California State University, Sacramento.

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### Laurel Firestone



Laurel Firestone was appointed to the State Water Resources Control Board in 2019 and reappointed by Governor Newsom in February 2023. Prior to joining the Board, Laurel co-founded and co-directed, from 2006-2019, the Community Water Center, a statewide non-profit environmental justice organization based in California's Central Valley and Central Coast. Her career has focused on ensuring all Californians have access to safe, clean, and affordable drinking water, and building increased diversity, equity, and inclusivity into water decision-making.

Laurel has received a variety of awards and recognitions for her work, including the James Irvine Foundation's Leadership Award in 2018, and the Gary Bellow Public Service Award by the Harvard Law School in 2013.

Laurel served on the Tulare County Water Commission from 2007-2012, as well as a variety of state policy advisory committees. She has partnered with universities to develop research and clinical programs to further the human right to water, and written articles and publications related to drinking water and the environment.

Laurel graduated with honors from Harvard Law School and holds B.A. magna cum laude in Environmental Studies from Brown University.

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### Nichole Morgan



Nichole Morgan was appointed as the civil engineer to the State Water Resources Control Board by Governor Gavin Newsom in June 2021. Ms. Morgan most recently served as an Assistant Deputy Director in the State Water Resources Control Board's Division of Financial Assistance, where she worked on projects providing funding for drinking water, wastewater, storm water and groundwater infrastructure improvements. During this time Ms. Morgan also managed a variety of additional programs including the Lead in Childcare Centers, Fish Advisories, and Drinking Water and Wastewater Operator Certification programs.

From 1999 to 2009 Ms. Morgan worked for public agencies and engineering consulting firms. Her responsibilities included planning, designing, and overseeing the construction of drinking water, wastewater and recycled water treatment and conveyance facilities throughout California. Ms. Morgan joined the State Water Resources Control Board in 2009 where she worked as staff in the Division of Financial Assistance, Delta Water Master's Office, and the Division of Water Rights. Ms. Morgan worked as a manager at the Central Valley Regional Water Board from 2012 to 2018, where she managed the region's NPDES program. She returned to the State Water Board in 2018 as the head of the Office of Sustainable Water Solutions and was promoted in 2019 to Assistant Deputy Director with the Division of Financial Assistance.

Ms. Morgan has a bachelor's in science in Civil Engineering from California State University, Sacramento.

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### Eric Oppenheimer, Executive Director



Eric Oppenheimer was appointed as Executive Director of the State Water Board in January 2024, where he is responsible for overall leadership and management of the agency. From 2016 to 2024 he served as a Chief Deputy Director where his responsibilities included water rights, Bay-Delta planning, groundwater management, water conservation, and administration. An environmental scientist by training, Oppenheimer's career began with water quality protection roles in planning and regulatory programs with the Lahontan and Central Valley regional water boards, interspersed with positions at the Department of Water Resources and the California Coastal Commission.

He holds a Bachelor of Arts in Economics from Keene State College and a Bachelor of Science in Environmental Science and Ecology from Sierra Nevada College.

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## I. INTRODUCTION

The California State Water Resources Control Board (State Water Board), Division of Financial Assistance (DFA) presents the Clean Water State Revolving Fund (CWSRF) annual report for State Fiscal Year (SFY) 2022-23. It describes how the State Water Board met the objectives identified in the [SFY 2022-23 CWSRF Intended Use Plan \(IUP\)](#)

[https://www.waterboards.ca.gov/water\\_issues/programs/grants\\_loans/docs/2022/cwsrf-iup-sfy2022-23-final.pdf](https://www.waterboards.ca.gov/water_issues/programs/grants_loans/docs/2022/cwsrf-iup-sfy2022-23-final.pdf)

The federal Clean Water Act provides each state the opportunity to establish a CWSRF to help achieve the goal of clean water. The CWSRF is capitalized with federal and state funds and revolves in perpetuity using the repayments and earnings from financed projects and other investments. The State Water Board has historically provided affordable CWSRF financing for publicly owned treatment works, non-point source (NPS) projects, and estuary projects. More information about California's CWSRF program can be found on the State Water Board's CWSRF website at <http://www.waterboards.ca.gov/cwsrf>.

Through the CWSRF program, the State Water Board has protected and promoted the health, safety, and welfare of Californians since 1989. Every project financed through the CWSRF program is directly related to improving water quality, public health, or both, and many CWSRF recipients use their financing to remedy water quality violations and associated enforcement actions by the Regional Water Quality Control Boards (Regional Water Boards). The State Water Board provided approximately \$600 million in new CWSRF financing to 19 projects in SFY 2022-23. The projects funded in 2022-23 include a variety of project types eligible under the CWSRF.

## II. PROGRAMMATIC RESULTS

### A. Programmatic Outcome Highlights

The State Water Board actively administered the CWSRF in SFY 2022-2023 to provide subsidized financing for a variety of small and large municipalities, which served both disadvantaged and non-disadvantaged communities, throughout California. This below-market financing enabled a variety of wastewater, water recycling and other clean water projects to address a variety of water quality objectives in accordance with State and federal CWSRF requirements. Tables 1 and 2 and Figure 1 below show a variety of CWSRF funding outcomes for the projects funded in SFY 2022-2023.

**Table 1: FY 22-23 CWSRF Summary Outcomes**

Outcome	Amount
Total Number of Agreements	19
Total Funding	\$600,863,639
Total Loan Funding	\$527,267,084
Total Principal Forgiveness Funding	\$73,596,555
Total Green Project Reserve Funding	\$56,289,067
Total Subsidized Interest Savings	\$145,571,270

**Table 2: SFY 2022-2023 CWSRF Disadvantaged and Non-Disadvantaged Community Funding**

Degree of Disadvantaged	No. of Projects	Population	Total Funding
SDAC	7	27,702	\$67,925,516
DAC	4	30,464	\$5,671,039
Non-DAC	8	5,492,049	\$527,267,084
Total	19	5,550,215	\$600,863,639

**Figure 1: SFY 2022-2023 CWSRF Funded Projects Throughout California**



19 Total Projects Funded: \$600 million  
 Note: There are no Projects in Regions 7 and 9.



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## 1. Project Highlights for SFY 2022-2023

Below are two case studies highlighting CWSRF projects that completed construction within SFY 2022-2023. Both projects provide a variety of water quality benefits within their respective communities. Please see below for further project descriptions and details.

**Applicant Name:** Santa Clarita Valley Sanitation District

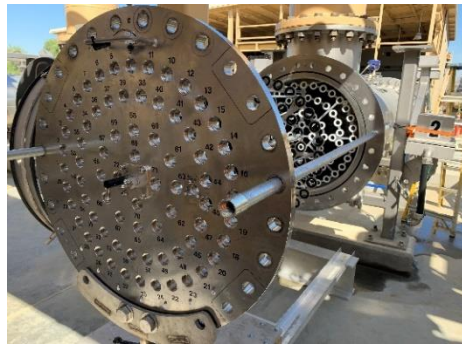
**Project Name:** UV Disinfection Facilities Project

**Funding Amount:** \$20,985,376

**Construction Completed:** 3/2023

**Population:** 266,831

**Community Size:** Large



**Project Description:** Replace the chlorine contact tanks with a UV disinfection system at the Valencia Water Reclamation Plant and Saugus Water Reclamation Plant, including:

Installation of UV reactors, low pressure closed-vessel reactors with high intensity lamps, automatic wiping systems, power distribution control cabinets, and system control cabinets.

The Project's objective is to comply with State-mandated chloride limit of 100 mg/L and minimize the addition of chloride during wastewater treatment improve water quality by upgrading the disinfection process.

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**Applicant Name:** City of Santa Monica  
**Project Name:** Sustainable Water Infrastructure Project (SWIP)  
**Funding Amount:** \$56,045,630  
**Construction Completed:** 12/2022  
**Population:** 92,987  
**Community Size:** Large



**Project Description:** Santa Monica is a coastal urban city that faces concerns over water use and beach water quality. This project increases its capacity to treat wastewater, increasing the city's water recycling short term and eventually, because of the advanced treated quality, allow for indirect potable reuse via aquifer recharge. The City of Santa Monica's Sustainable Water Infrastructure Project (SWIP) is a \$56,045,630, category C project completed in December of 2022. It is considered a large community, serving a population of 92,987. The project involved three elements:

1. Element 1: Installation of a modular containerized RO treatment unit upgrade at the City's existing Santa Monica Urban Runoff Recycling Facility
2. Element 2: Recycled Water Production and Conjunctive Reuse at the Civic Center Parking Lot
3. Element 3: Stormwater Harvesting and Reuse Tank at Memorial Park

This project will reduce the City's use of imported water, replenish groundwater supply, increase drought resilience, improve beach water quality, and meet Enhanced Watershed Management Plan (EWMP) requirements.

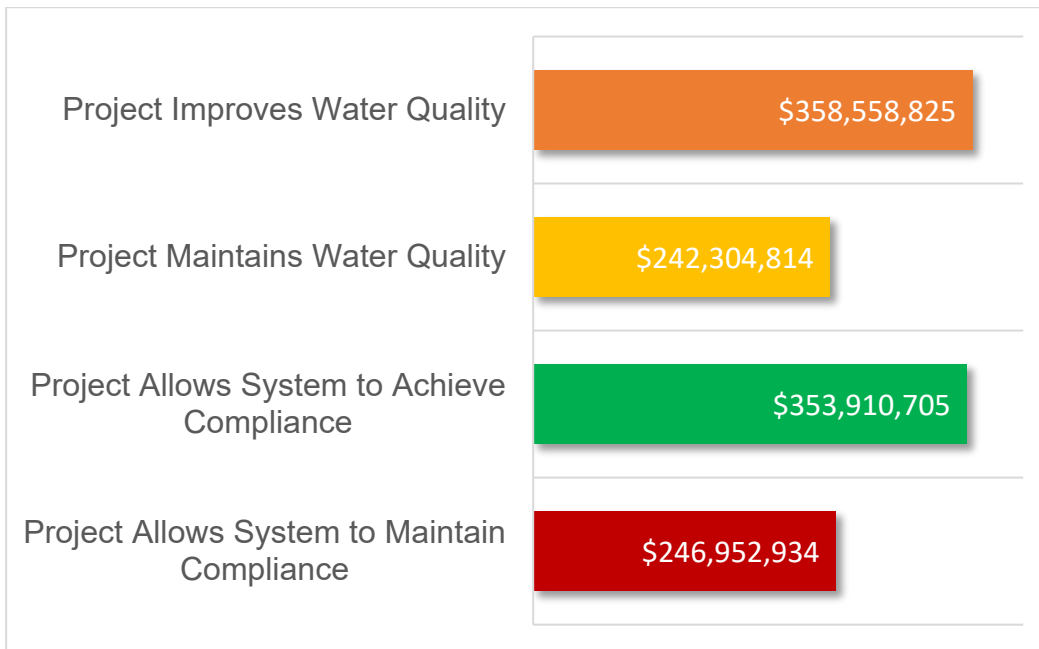
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## B. Water Quality Benefits and Outcomes

The contributions of the CWSRF to water quality are diverse. The program has the strength and versatility in addressing a wide range of water quality and related issues. Figures 2 through 5 summarize the environmental and other benefits derived from the CWSRF projects funded during SFY 2022-23. The data indicates that the CWSRF protected or restored a wide range of beneficial water uses and provided other related benefits. The data supporting this summary has been reported to the USEPA via the Clean Water Benefits Reporting System (CBR) database.

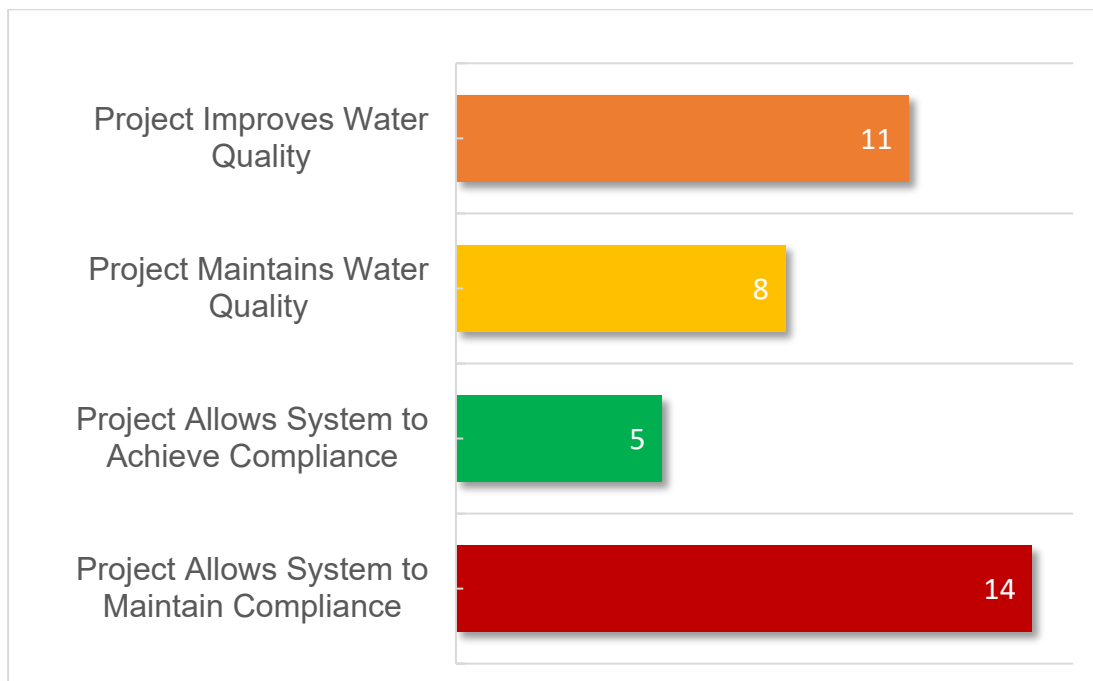


**Figure 2: SFY 2022-2023 CWSRF Funding by Water Quality Objective**



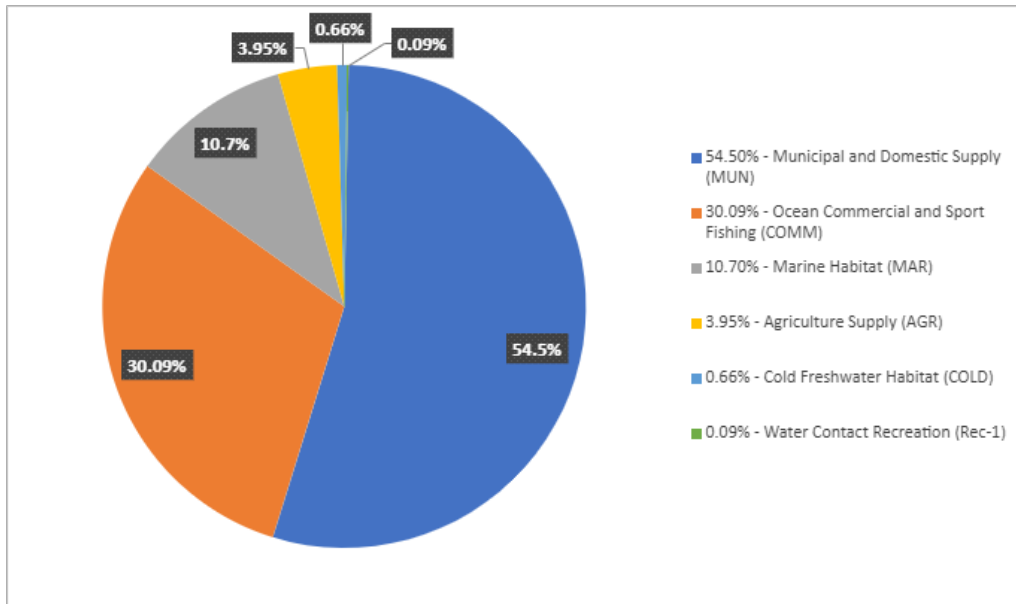
NOTE: Individual projects may achieve multiple objectives listed above.

**Figure 3: SFY 2022-2023 CWSRF Projects by Water Quality Objective**

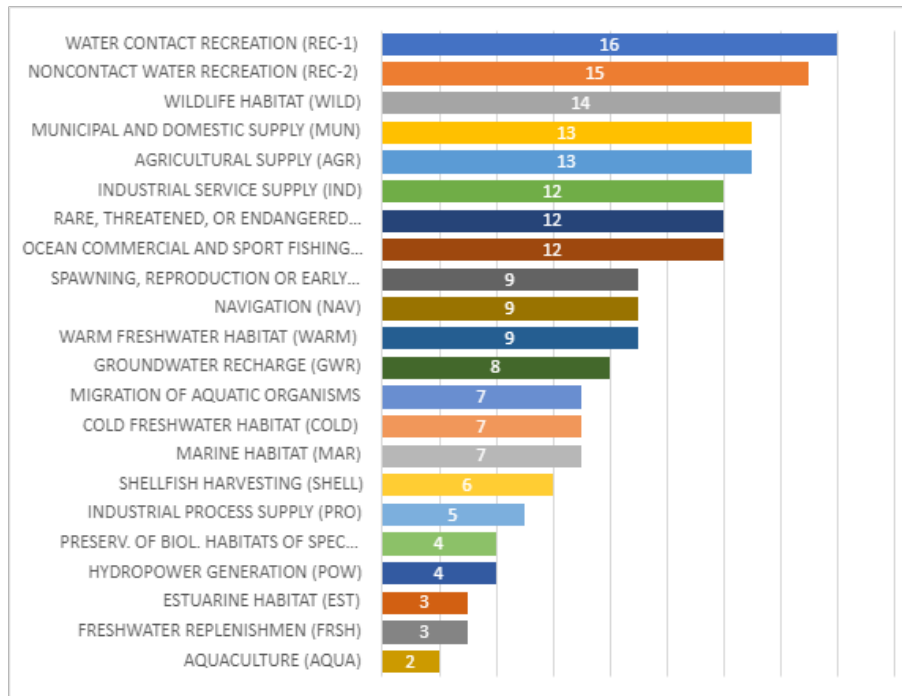


NOTE: Individual projects may achieve multiple objectives listed above

**Figure 4: Percentage of Funding Supporting Designated Waterbody Beneficial Uses<sup>1</sup>**



**Figure 5: Number of Projects Supporting Other Water Beneficial Uses<sup>2</sup>**



<sup>1</sup> This data is based on Primary Designated Waterbody uses, some projects may have one or multiple secondary Designated Waterbody uses.

<sup>2</sup> Individual projects may address multiple beneficial uses.

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### C. Water Quality Project Need Outcomes

CWSRF projects are multi-faceted and generally address wastewater, water recycling and other infrastructure needs through planning and construction financing. Table 3 below shows a breakdown of the many project types funded through the CWSRF in SFY 2022-23. In particular, \$22,130,000 was provided to fund water reuse projects. Approximately 59 percent (59%) of the project costs, or \$352 million, was provided for secondary treatment projects. There was also \$176 million for sewer system rehabilitation.

**Table 3: SFY 2022-2023 CWSRF Infrastructure Funding by Need**

Need	Funding Amount	Number of Projects <sup>3</sup>
Energy Efficiency	\$30,188,647	1
Renewable Energy	\$3,970,420	1
Water Reuse	\$22,130,000	1
Water Efficiency	\$0	0
Secondary Treatment	\$352,106,616	2
Advanced Treatment	\$0	0
Infiltration/Inflow Correction	\$0	0
New Collector Sewers	\$1,529,220	1
Stormwater - Grey Infrastructure	\$0	0
New Interceptors	\$9,135,234	1
Sewer System Rehabilitation	\$176,483,983	4
CSO Correction	\$0	0
Other - Estuary Assistance	\$0	0
Planning and Assessments	\$5,319,519	9
Total	\$600,863,639	20

The State Water Board funded a variety of planning and construction projects through the CWSRF in SFY 2022-23 to address a range of water quality issues and municipal infrastructure. Specifically, the State Water Board funded projects from the CWSRF for the benefit of both small DACs and large municipal systems. Table 4 below displays the number of small DAC and large municipal systems as well as the amount of funding for planning and construction financing in each category.

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<sup>3</sup> The total number of projects for all benefits is greater than the total number of projects funded because individual projects may benefit in multiple ways.



**Table 4: SFY 2022-2023 CWSRF Construction & Planning Financing Summary**

Community Type	Project Type	No. of Projects	Total Funding	Total Population Benefiting from Projects
Small DAC	Planning	9	\$5,319,519	58,166
	Construction	2	\$68,277,036	
Large	Planning	0	\$0	5,491,774
	Construction	8	\$527,267,084	
Total		19	600,863,639	5,549,940

**D. Community Demographics of SFY 2022-2023 CWSRF Funded Projects**

**1. Background**

On November 16, 2021, the State Water Board adopted its [Racial Equity Resolution](#), which condemns racism, xenophobia, bigotry, and racial injustice and strengthens the Board’s commitment to racial equity, diversity, inclusion, access, and anti-racism.

In 2023, the State Water Board published its [2023-2025 Racial Equity Action Plan](#). The Racial Equity Action Plan is a compilation of actions the State Water Board will take to address racial inequities. One of the actions directs the State Water Board to assess race/ethnicity and other relevant demographic data of communities that benefit from funding administered.

State Water Board staff analyzed demographic information of communities that received financial assistance through the Clean Water State Revolving Fund program between July 1, 2022, and June 30, 2023 (Fiscal Year 22-23). Funding recipients represent broad and diverse populations within California. They represent projects that serve a few hundred people in small DAC’s to a utility that serves over 5 million people in the Los Angeles region. Tables 5 and 6 show demographic data associated with each community that received funding in Fiscal Year 22-23.

**2. Methods**

The Clean Water State Revolving Fund program executed 19 financing agreements in Fiscal Year 22-23. State Water Board staff identified over 3,000 census tracts associated with recipients’ service areas. This information comes from the American Community Survey data from 2018-2022, and yes, the range is the lowest and highest values from the census tracts within the community. Staff then retrieved data on race, median household income, and poverty level from the U.S. Census Bureau for each census tract within these service areas. Some communities encompass a large population that cannot be properly captured through weighted average values alone. For example, the median household

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income in the Los Angeles region varies greatly between census tracts within the region. The data above shows the range of values in addition to weighted average values.

### 3. Findings

The demographic data shows that the Clean Water State Revolving Fund currently benefits diverse communities across California.

Staff encountered two key challenges in this analysis:

1. It is difficult to draw conclusions about CWSRF's impacts on various demographics with the current understanding available. A broad universe of water projects is eligible to receive assistance through CWSRF, including wastewater treatment, recycled water and drought resiliency needs, septic system updates, nonpoint source pollution prevention, estuary projects, etc. To draw conclusions on CWSRF's impacts on each demographic would require an understanding of each water issue's demographic impacts across California. With the current understanding available, staff can only reasonably conclude that the CWSRF currently benefits diverse communities that reflect U.S. Census Bureau's overall statistics on California.
2. The State Water Board currently does not collect wastewater service providers' service areas and there is no comprehensive database that stores this information. Staff used project documents submitted by funding recipients and service area maps found on other databases for this effort. For some funding recipients, service areas are not clear or are continuously evolving. CWSRF can also fund estuary and nonpoint source projects, which further complicates pinpointing the demographics of who is currently benefiting from funding.

The current methodology is not final. Staff plans to take an iterative approach to assessing racial equity, improving on current methodology and considering other data sources as they become available.

Suggestions to better assess racial equity in future Annual Reports are welcomed. Please contact [CleanWaterSRF@waterboards.ca.gov](mailto:CleanWaterSRF@waterboards.ca.gov) to share your recommendations.

Data analysis is performed by the State Water Board's Division of Financial Assistance and Office of Information Management and Analysis. More information on the State Water Board's racial equity efforts can be found on [waterboards.ca.gov/racial\\_equity](https://waterboards.ca.gov/racial_equity).

**Table 5 – Percentage of Population by Race in each District Served<sup>4</sup>**

Agency	Project	Population Est.	% Hispanic	Range Hispanic <sup>5</sup>	% White	Range White	% Black or African American	Range Black or African American	% Native American	Range Native American	% Asian or Pacific	Range Asian	% Others or multiple	Range Others or Multiple
Placerville, City of	8374-110	10,200	18.0%	12.7%-21.2%	76.3%	74.3%-80.4%	0.8%	0.1% - 1.6%	0.5%	0.0% - 0.9%	0.8%	0.0% - 2.2%	3.6%	3.1% - 4.1%
Arcata, City of	8272-210	16,900	13.7%	5.7% - 19.3%	72.6%	57.5%-84.9%	2.2%	0.6% - 5.3%	0.7%	0.0% - 1.9%	3.5%	0.0% - 8.0%	7.3%	2.5% - 12.4%
Orick CSD	5924-110	400	7.4%	7.4%	76.0%	76.0%	0.0%	0.0%	2.5%	2.5%	0.5%	0.5%	13.5%	13.5%
Scotia CSD	8467-110	850	13.7%	13.7%	71.2%	71.2%	1.0%	1.0%	0.8%	0.8%	2.0%	2.0%	11.4%	11.4%
Lost Hills Utility District	8360-110	1,900	93.6%	93.6%	6.2%	6.2%	0.0%	0.0%	0.3%	0.3%	0.0%	0.0%	0.0%	0.0%
Kettleman City CSD	8359-110	1,505	69.8%	69.8%	16.2%	16.2%	0.4%	0.4%	11.2%	11.2%	1.4%	1.4%	1.0%	1.0%
Susanville Sanitary District	8616-110	7,500	15.2%	2.8% - 20.4%	71.5%	62.2%-84.9%	2.8%	0.7% - 6.5%	2.2%	0.0% - 4.8%	3.4%	1.4% - 8.4%	4.8%	3.6% - 6.3%
LA County Sanitation	8154-110 (-01-17)	4,000,000	53.4%	0.6% - 99.8%	16.8%	0.0% - 87.2%	8.2%	0.0% - 84.4%	0.2%	0.0% - 8.9%	18.4%	0.0% - 88.3%	3.1%	0.0% - 42.9%
LA County Sanitation	8501-110 (-01-17)	4,000,000	53.4%	0.6% - 99.8%	16.8%	0.0% - 87.2%	8.2%	0.0% - 84.4%	0.2%	0.0% - 8.9%	18.4%	0.0% - 88.3%	3.1%	0.0% - 42.9%
Chester PUD	8587-110	5,000	16.3%	16.3%	82.6%	82.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.1%	1.1%
Elsinore Valley MWD	8514-110	142,359	18.0%	11.1%-86.1%	76.3%	9.8% - 77.6%	0.8%	0.0% - 11.0%	0.5%	0.0% - 3.8%	0.8%	0.0% - 21.6%	3.6%	0.0% - 11.2%
San Miguel CSD	8615-110	2,461	43.2%	43.2%	54.1%	54.1%	0.7%	0.7%	0.0%	0.0%	0.8%	0.8%	1.1%	1.1%

<sup>4</sup> Data from the American Community Survey (2018-2022, 5-year estimates)

<sup>5</sup> The range is the minimum and maximum of value for census tracts within an agency's boundaries



Agency	Project	Population Est.	% Hispanic	Range Hispanic <sup>5</sup>	% White	Range White	% Black or African American	Range Black or African American	% Native American	Range Native American	% Asian or Pacific	Range Asian	% Others or multiple	Range Others or Multiple
El Paso de Robles, City of	8440-110	11,000	30.6%	14.3%-59.4%	60.2%	30.3%-77.8%	0.5%	0.0% - 1.5%	0.4%	0.0% - 2.4%	3.1%	0.1% - 7.0%	5.2%	1.1% - 11.4%
Santa Barbara, City of	8508-110	94,370	32.6%	4.0% - 75.8%	58.7%	14.8%-93.0%	1.2%	0.0% - 4.7%	0.2%	0.0% - 1.2%	3.6%	0.5% - 10.0%	3.8%	0.0% - 9.5%
Santa Barbara, City of	8602-110	94,370	32.6%	4.0% - 75.8%	58.7%	14.8%-93.0%	1.2%	0.0% - 4.7%	0.2%	0.0% - 1.2%	3.6%	0.5% - 10.0%	3.8%	0.0% - 9.5%
Sunnyvale, City of	8483-110	148,000	15.8%	0.9% - 64.4%	26.7%	11.4%-53.7%	1.1%	0.0% - 5.8%	0.1%	0.0% - 1.4%	51.3%	17.9% - 85.1%	4.9%	1.4% - 15.9%
Woodville PUD	8545-110	1,678	92.6%	92.6%	6.6%	6.6%	0.2%	0.2%	0.3%	0.3%	0.3%	0.3%	0.0%	0.0%
Elsinore Valley MWD Sewer	8491-110	2,701	51.6%	51.6%	37.1%	37.1%	2.8%	2.8%	0.1%	0.1%	5.2%	5.2%	3.2%	3.2%
Santa Ana, City of	8478-110	275	43.7%	43.7%	37.3%	37.3%	1.2%	1.2%	0.0%	0.0%	6.8%	6.8%	11.0%	11.0%
California		39,356,104	39.7%		35.2%		5.3%		.3%		15.2%		4.3%	

**Table 6: Median Household Income and Poverty Rate by District<sup>6</sup>**

Agency	Project	Avg MHI <sup>7</sup>	Range MHI <sup>3</sup>	Avg Poverty Rate <sup>2</sup>	Range Poverty Rate <sup>8</sup>
Placerville, City of	8374-110	\$74,192	\$69,681 – \$81,579	11.9%	11.0% - 13.6%
Arcata, City of	8272-210	\$50,320	\$26,719 - \$72,043	30.6%	16.1% - 52.4%
Orick CSD	5924-110	\$63,438	\$63,438	15.4%	15.4%
Scotia CSD	8467-110	\$44,813	\$44,813	12.2%	12.2%
Lost Hills Utility District	8360-110	\$46,915	\$46,915	22.0%	22.0%
Kettleman City CSD	8359-110	\$47,271	\$47,271	26.4%	26.4%
Susanville Sanitary District	8616-110	\$69,419	\$47,664 – \$90,804	13.2%	5.1% - 35.5%
LA County Sanitation	8154-110 -(01-17)	\$89,564	\$21,492 - \$250,001	12.4%	0.0% - 100.0%
LA County Sanitation	8501-110 - (01-17)	\$89,564	\$21,492 – \$250,001	12.4%	0.0% - 100.0%
Chester PUD	8587-110	\$78,657	\$78,657	9.0%	9.0%
Elsinore Valley MWD	8491-110	\$99,162	\$46,614 - \$152,417	10.4%	2.2% - 27.8%
San Miguel CSD	8514-110	\$78,179	\$78,179	19.2%	19.2%
El Paso de Robles, City of	8615-110	\$95,286	\$51,585 - \$163,125	10.6%	3.5% - 25.0%
Santa Barbara, City of	8440-110	\$116,738	\$49,765 - \$250,001	11.7%	1.9% - 28.8%
Santa Barbara, City of	8508-110	\$116,738	\$49,765 - \$250,001	11.7%	1.9% - 28.8%
Sunnyvale, City of	8602-110	\$178,294	\$106,389 - \$250,001	5.6%	0.5% - 11.6%
Woodville PUD	8483-110	\$38,269	\$38,269	29.2%	29.2%
Elsinore Valley MWD Sewer	8545-110	\$80,504	\$80,504	15.3%	15.3%
Santa Ana, City of	8478-110	\$142,865	\$142,865	6.1%	6.1%
California Overall		\$91,905		11.9%	

<sup>6</sup>Data from American Community Survey (2018-2022)

<sup>7</sup> The avg MHI was calculated by summing for every census tract within an agency's boundary, the product of multiplying the population of the census tract by its MHI, and then dividing by the total population of all census tracts in the agency's boundary. This was repeated with Poverty Rate as well.

<sup>8</sup> The range is the minimum and maximum of value for census tracts within an agency's boundaries

### III. FINANCIAL RESULTS

#### A. Cumulative Financial Activity

To satisfy federal requirements and ensure the accuracy of the State Water Board’s financial management of the CWSRF, audited financial statements for the year ending June 30, 2023, were completed January 31, 2024, and are included as Appendix E in this report. This section provides important financial highlights about the CWSRF as of June 30, 2023.

CWSRF Base Program, including the BIL General Supplemental Grant, as of June 30, 2023:

- The cumulative CWSRF federal and state match funds available for planning and construction financial assistance since inception was approximately \$4.4 billion.
- The State Water Board’s cumulative binding commitments (executed agreement) were approximately 333% of available cumulative CWSRF federal and state match funds.
- The State Water Board had disbursed approximately 91% of available CWSRF federal and state match funds for planning and construction projects as of June 30, 2023.
- The State Water Board had committed 243% of the CWSRF fund balance. The CWSRF fund balance may include any undisbursed federal (base grant(s) + BIL General Supplemental grant(s)) and State match funds, principal and interest repayments, investment earnings and any revenue bond proceeds available for disbursement to CWSRF financings.
- Cumulative CWSRF base program activity from inception through the end of SFY 2022-23 is further described in Table 7.

**Table 7: Cumulative CWSRF Base Program Activity, including BIL – General Supplemental Grant**

CWSRF Construction and Planning Funding	
Activity	Amount
Number of Binding Commitments	995
Value of Binding Commitments	\$14.6 billion
Disbursements and Expenditures	\$11.3 billion
Balance of Funding Agreements	\$3.3 billion
CWSRF Set-Aside Funding	
CWSRF Set-Aside Amount	\$115.2 million
CWSRF Set-Aside Expenditures	\$99.9 million
Balance of Set-Asides	\$15.3 million

The State Water Board also administers the CWSRF Small Community Grant fund. The SCG Fund is separate from the CWSRF and derives its revenues from a “fee-in-lieu-of-interest” on CWSRF financings. The CWSRF SCG funds CWSRF eligible projects for small DACs. Table 8 below describes the cumulative CWSRF SCG fund activity as of June 30, 2023.

**Table 8: Cumulative Activity of the CWSRF SCG Fund as of June 30, 2023**

Activity	Amount
Cumulative Revenue Collected for SCG Fund	\$108,140,000
Cumulative Grants Disbursed from SCG Fund	\$66,608,000
SCG Fund Encumbered Balance (Committed Funds)	\$16,212,940
SCG Fund Balance (Uncommitted Funds)	\$25,319,060

**B. Credit Risk for the CWSRF**

The State Water Board continued to mitigate credit risks to the CWSRF in SFY 2022-23. Each financing recipient was required to pledge one or more dedicated sources of revenue toward payment of its CWSRF obligation. Dedicated sources of revenue were generally sewer rate revenue pledges, but may also be other revenue sources, special tax pledges, or other acceptable income.

State Water Board staff also maintained efforts to ensure that existing CWSRF financing agreements, at minimum, met security requirements and that payments due were made in full. The State Water Board used a variety of analysis and monitoring measures to reduce the possibility of non-payment and continued to evaluate additional steps to ensure full and timely payment of all agreements.

During SFY 2022-23, the State Water Board staff continued to closely monitor and work collaboratively with recipients to identify potential financial impacts related to the COVID-19 pandemic and wildfires, affecting their ability to support operations and meet debt obligations. Analysis of CWSRF borrowers’ financial health did not result in a recommendation to restructure any CWSRF agreements.

The allowance for bad debt during SFY 2022-23 was \$9,356,000. As further described in Appendix E, the allowance for bad debt represents the State Water Board’s assessment of at-risk outstanding principal balance as a result of financial challenges with a funding recipient(s). As in prior years, there were no repayment defaults in the CWSRF program and State Water Board staff continued to work diligently to ensure funding agreements were secure, and all payments were made on time and in full. Staff efforts included using a variety of analysis and monitoring measures to reduce the possibility of non-payment and late payment and continually evaluating additional steps to ensure full and timely payments.

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### C. CWSRF Set-Asides and Administration Fund

The State Water Board used a percentage of the FFY 2022 federal capitalization grants, including the BIL- General Supplemental Grant, in SFY 2022-23 to fund the administration of the CWSRF program and other technical assistance activities. The set-asides that were used included CWSRF Administration and the new technical assistance set-aside. The State Water Board budgeted six percent (6%) of the FFY 2022 Capitalization Grants, including the BIL- General Supplemental grant, for both set-asides, totaling \$12,602,580. As of June 30, 2023, the State Water Board had expended approximately \$2.8 million of the funds budgeted for set-aside activities from the FFY 2022 federal grants, including the BIL – General Supplemental Grant, and related state match.

The State Water Board also budgeted and expended from the CWSRF Administration Fund in SFY 2022-2023. The CWSRF Administration Fund is funded from a 1% “fee-in-lieu-of interest” from CWSRF financings. A list of CWSRF loans subject to “fees-in-lieu-of interest” is included in Exhibit K. The CWSRF Administration Fund is separate from the CWSRF and may be used for a variety of eligible purposes, including the administration of the CWSRF program.

#### 1. CWSRF Administration and Technical Assistance Set Asides

The State Water Board budgeted four percent (4%) of the FFY 2022 federal grants, including the BIL – General Supplemental Grant, totaling \$8,401,720 in SFY 2022-23 for the management of the CWSRF program. The State Water Board also budgeted two percent (2%) of the FFY 2022 federal grants, including the BIL – General Supplemental Grant for technical assistance. In general, the CWSRF Administration set-aside funded technical and administrative personnel within DFA who prepared construction and planning approvals and agreements, inspected, and evaluated projects, and processed claims for reimbursement, and funded personnel activities associated with project tracking and reporting required by USEPA as well as other state and federal agencies. The Administration set-aside also funded legal activities within the State Water Board’s Office of Chief Counsel related to reviewing agreements and advising on a variety of programmatic issues including the IUP, anticipated revenue bond requirements, and implementation of various State and federal requirements. Finally, the CWSRF Administration set-aside funded a variety of support activities conducted by Division of Administrative Services (DAS) and DIT, including accounting, human resources, and budget office support as well as Information Technology support.

A portion of the Administration set-aside also funded state procurement contracts with other entities, such as the accounting firm CliftonLarsonAllen. CliftonLarsonAllen completed the federal single-audit of the CWSRF program for FY 2021-22 and produced audited financials for the DWSRF program, which were included in the FY 2021-2022 CWSRF Annual Report. The Administration set-aside also funded a



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contract with Northbridge Environmental for maintenance of the State Water Board's Loans and Grant Tracking System (LGTS).

The CWSRF Technical Assistance set-aside funded DFA staff that provided technical assistance to small DACs in helping these applicants establish their eligibility for CWSRF and other State wastewater infrastructure funding.

The budgeting and expenditures of the CWSRF Administration and Technical Assistance set-asides, as of June 30, 2023, are shown in Exhibit K

## 2. CWSRF Administration Fund

The CWSRF Admin Fund was appropriated approximately ~\$14.5 million in SFY 2022-23 for the additional administration of the CWSRF program. However, given the substantial increase in CWSRF administration funding provided by the FFY 2022 CWSRF federal grants, the State Water Board elected to maximize the expenditure of available CWSRF federal administrative funding in lieu of maximizing the appropriation provided from the CWSRF Admin Fund. In SFY 2022-2023, the CWSRF Administration Fund supported DFA and DAS staff that helped administer the CWSRF program, including the same types of activities and personnel discussed in the CWSRF administration and technical assistance section above. See the SFY 2022-2023 CWSRF Audited Financial Statements in Appendix E for the summary of revenues and expenditures of the CWSRF Administration Fund.

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## IV. PROGRAM HIGHLIGHTS AND UPDATES

In SFY 2022-23, the State Water Board strived to finance CWSRF projects quickly and efficiently to reach the program's full potential as a water quality tool and continued to pair CWSRF financing with other appropriated financing sources to achieve the overall objectives of the State Water Board. This section highlights significant achievements of the program and noteworthy factors that affected the CWSRF program in SFY 2022-23

### A. Fundable List and Sustainable Funding Target Update

The SFY 2022-23 Intended Use Plan Fundable List included 33 scored projects requesting \$2.2 billion, well above the sustainable loan capacity target established at \$600 million. Therefore, new projects added to the Fundable List were limited to \$50 million in CWSRF loan. Due to the maximum loan amount, co-funding from other agencies, and complementary funding, CWSRF loan offerings were estimated at \$1.2 billion on the Fundable List. However, ultimately 8 agreements were executed for \$527 million for the 2022-23 fiscal year. Projects that did not receive funding agreements were generally rolled over to the 2023-24 Fundable List.

Additionally, small DAC projects were added to the Fundable List as applications were completed. These small DAC projects received \$73 million in principal forgiveness. These agreements did not exhaust the available principal forgiveness and small DAC projects that did not receive funding agreements were generally rolled over to the 2023-24 IUP.

### B. BIL Updates

The 2022-23 Intended Use Plan was California's first IUP to reference the federal Infrastructure Investment and Jobs Act, also referred to as the Bipartisan Infrastructure Law (BIL). The BIL established additional funding for two objectives:

- \$127,290,000 in CWSRF General Supplemental funding for SFY 2022-23
- \$6,687,000 in CWSRF Emerging Contaminants funding for SFY 2022-23

The CWSRF General Supplemental funding contributed to the \$600 million sustainable loan capacity, established in the IUP, and also contributed \$62 million in principal forgiveness for projects serving small DACs. The CWSRF General Supplemental funding is intended to supplement the CWSRF base program, and therefore used the same criteria and Fundable List as the base program. In SFY 2022-23, the SWRCB committed all \$57 million of General Supplemental loan funds and none of the \$62 million in principal forgiveness. However, there is a large pipeline of projects and DFA continues to balance multiple complementary sources to fund projects as applications become complete.

The CWSRF Emerging Contaminants funding was transferred to the DWSRF program for SFY 2022-23 and combined with the new DWSRF Emerging Contaminants funding.

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### C. Leveraging Updates

The State Water Board issued approximately \$600 million in CWSRF revenue bonds (~\$545 million par amount and ~\$55 million premium amount) in SFY 2022-2023 to meet the disbursement needs of existing, prior years' commitments and the various construction projects that were underway. The amount of CWSRF revenue bonds sold was higher than recent annual sales namely because of the State Water Board's record level of funding commitments in SFY 2021-2022. The State Water Board continues to monitor its CWSRF cash flows and plans to sell CWSRF revenue bonds regularly to fund, in part, existing CWSRF commitments. See the CWSRF Audited Financial Statements in Appendix E for more details on the outstanding par amount in CWSRF bonds.

### D. Small Disadvantaged Community Update

The State Water Board continued to implement and award funding in SFY 2022-23 to small disadvantaged community projects using Proposition 1 (Prop 1) SCG-Wastewater (WW) funds, SCG Fee funds, 2021 Budget Act Infrastructure Appropriation funds, and CWSRF Principal Forgiveness. As of June 30, 2023, approximately \$237.4 million of the \$241.8 million in available Prop 1 SCG funds have been committed (executed agreements) to eligible projects. Approximately \$4.6 million in Prop 1 SCG, \$76.5 million in 2021 Budget Act Infrastructure Appropriation, and \$73.6 million in Principal Forgiveness was awarded to small DACs in SFY 2022-2023 via 18 funding agreements. The list of small DAC SCG Fee funded projects is included as Exhibit K.

The State Water Board continued to commit SCG-WW funds at a fast pace and will continue to commit available SCG funds in SFY 2023-2024. The SCG-WW funding approach was fully integrated into the SFY 2022-23 IUP. However, CWSRF SCG Fee revenues under the CWSRF SCG program are now declining at a rate that requires the State Water Board to consider assessing additional CWSRF SCG Fees on CWSRF loans to meet small DAC funding demands. This decline has been occurring because the CWSRF SCG Fee is derived from interest payments on CWSRF loans that inherently decline over time as interest owed on outstanding loans declines. The demand on the CWSRF SCG program is expected to increase in next few years as all other available State funds for small DACs (e.g. Prop 1, Prop 68, General Fund, ect) are fully expended. In anticipation of this increase in demand, combined with the declining rate of CWSRF SCG fee revenue, an increase in CWSRF SCG fee revenue is now being considered. An increase in fee revenue combined with an increase in small DAC funding demand could also justify the demand for higher CWSRF SCG appropriations in the future.

The Budget Act of 2021 included \$650 million for wastewater infrastructure. These funds went towards projects that had been under development and were seeking funding from the State Water Board and that could meet applicable construction

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timelines. Funds were prioritized for septic-to-sewer projects with local investment and other projects that serve small DACs.

#### E. Technical Assistance

The State Water Board's Office of Sustainable Water Systems continued to administer a comprehensive, statewide technical assistance program under both the CWSRF and complementary State funding programs. In SFY 2022-23, the State Water Board executed new grant agreements totaling approximately \$14.4 million with two technical assistance providers to conduct wastewater technical assistance; due to the timing of the execution, almost the entire amount was still available at the end of SFY 2022-23. The CWSRF helped fund staff that coordinated and implemented this wastewater technical assistance program in coordination with the technical assistance providers. In general, this technical assistance helped small DACs address infrastructure improvements to correct system deficiencies and prevent pollution, with priority to septic-to-sewer and regionalization projects. It also helped them ensure compliance with water quality objectives; create more stable and sustainable community governance with enhanced public awareness of wastewater issues; improve asset management, fiscal planning, and accountability so that they can be financially sound and creditworthy financial assistance applicants; and assist small DACs in completing their applications for CWSRF and complementary State funding.

#### F. Marketing Updates

State Water Board staff continued to participate in the California Financing Coordinating Committee (CFCC) funding fairs during SFY 2022-23. The funding fairs provide members of the public and infrastructure development professionals with current information on funding options available for different project types.

State Water Board staff also presented and exhibited at the Floodplain Management Association (FMA). FMA is the premier organization for floodplain management professionals interested in reducing flood risk and creating sustainable floodplains. The association serves as an unbiased forum for legislature, government, industry, and science to advance best practices, technologies, policies, regulations, and legal strategies, with a focus on California, Nevada, and Hawaii. FMA's mission is to improve flood safety and maximize floodplain resources through effective dialogue, collaboration, education, legislation, and policy.

#### G. Water Recycling Funding Program Update

The State Water Board continued to implement and award funding in SFY 2022-23 to projects using Prop 1 and Prop 68 water recycling funds. As of June 30, 2023, the State Water Board had been appropriated \$581.25 million of Prop 1 and \$74.0 million of Prop 68 water recycling local assistance funding. Approximately \$543.8 million of Prop 1 water recycling funds (\$307.9 million for grants and \$234.5 million for loans) had been committed (executed agreement) as of June 30, 2023, to 60 projects. Approximately

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\$66.62 million of Prop 68 water recycling funds (\$37 million for grants and \$29.6 million for loans) have been committed as of June 30, 2023, to nine projects. As of June 30, 2023, approximately \$26.3 million in Prop 1 and \$2.98 million in Prop 68 local assistance funds remained for projects. DFA expects that all the remaining Prop 1 and Prop 68 local assistance water recycling funds will be committed to projects during SFY 2023-24.

The Water Recycling Funding Program (WRFP) is part of the State Water Board's long-standing commitment to recycling wastewater. The Prop 1 water recycling financing represents a significant investment by the State Water Board and the California voters to offset or augment fresh water supplies and make California's water supply more sustainable and resilient. Together, the 69 projects receiving Prop 1 and Prop 68 water recycling financing are expected to deliver 268,311 acre-feet per year (AFY) in recycled water once they are fully operational. Roughly 59,772 AFY are planned for agricultural irrigation, 49,933 AFY for urban irrigation, 5,516 AFY for commercial and industrial users, and 153,090 AFY will be used to recharge groundwater basins.

The Budget Acts of 2021 and 2022 included approximately \$175 million in General Fund grants for water recycling projects. These State funds will also be administered through the WRFP and intend to begin committing these funds during SFY 2023-24.



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## V. ACRONYMS

AIS	American Iron and Steel
AFY	Acre-feet Per Year
ARRA	American Recovery and Reinvestment Act of 2009
ASAP	Automated Standard Application of Payments
BABA	Build America Buy America
BIL	Bipartisan Infrastructure Law
CWSRF	Clean Water State Revolving Fund
DAC	Disadvantaged Community
DAS	Division of Administrative Services
DBE	Disadvantaged Business Enterprise
DFA	Division of Financial Assistance
DWSRF	Drinking Water State Revolving Fund
FFATA	Federal Funding Accountability and Transparency Act
FFY	Federal Fiscal Year
FI\$Cal	Financial Information System of California
FSP	Fiscal Sustainability Plan
FSRS	FFATA Subaward Reporting System
IUP	Intended Use Plan
LGTS	Loans and Grants Tracking System
MBE	Minority Owned Business Enterprise
NPS	Nonpoint Source
NIMS	National Information Management System
OMB	Office of Management and Budget
OSWS	Office of Sustainable Water Solutions
SCG	Small Community Grant
SCO	State Controller's Office
SDAC	Severely Disadvantaged Community
SERP	State Environmental Review Process
SFY	State Fiscal Year
USEPA	United States Environmental Protection Agency
WBE	Women Owned Business Enterprise
WRFP	Water Recycling Funding Program

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## VI. EXHIBITS

Exhibit A	SFY 2022-23 CWSRF Projects Funded List
Exhibit B	SFY 2022-23 CWSRF Federal Funding Accountability and Transparency Act (FFATA)/Equivalency Projects
Exhibit C	SFY 2022-23 CWSRF Small Community Grant Fund Projects
Exhibit D	CWSRF Co-Funded Projects
Exhibit E	SFY 2022-23 CWSRF Intended Use Plan (IUP) Non-Funded Projects
Exhibit F	SFY 2022-23 Cumulative CWSRF Administrative and Technical Assistance Allowance Expenditure/Banked Authority
Exhibit G	SFY 2022-23 CWSRF Green Project Reserve Projects
Exhibit H	SFY 2022-23 CWSRF Additional Subsidy Projects (Principal Forgiveness)
Exhibit I	Cumulative CWSRF Revenue Bond (Green Bond) Funded Projects Update
Exhibit J	SFY 2022-23 Disadvantaged Business Enterprise Report Result
Exhibit K	SFY 2022-23 CWSRF Projects with Financing Services Fees

Exhibit A: SFY 2022-23 CWSRF Projects Funded List

APPLICANT	PROJECT NAME/DESCRIPTION	Category	Project Number	Population Benefited	System/Community Type (Small DAC/Large)	Project Type	Agreement Date	Principal Forgiveness Amount	CWSRF Loan Amount	Total Financed	Status/ Degree of Disadvantaged	Green Project Reserve	BIL General Supplemental Equivalency	BIL General Supplemental PF	CWSRF Base Program Equivalency
Orick Community Services District	Orick Wastewater System Project	Septic to Sewer	5924-110	389	Small DAC	Planning	7/22/2022	\$500,000	\$0	\$500,000	Small Severely Disadvantaged	\$0	No	No	No
Scotia Community Services District	Scotia WWTF Replacement Project	Wastewater Treatment Plant Rehabilitation	8467-110	850	Small DAC	Planning	10/26/2022	\$25,000	\$0	\$25,000	Small Severely Disadvantaged	\$0	No	No	No
Woodville Public Utility District	Woodville PUD Wastewater Plant Improvement Project	Wastewater Treatment Plant Rehabilitation	8545-110	1,836	Small DAC	Planning	10/26/2022	\$380,400	\$0	\$380,400	Small Severely Disadvantaged	\$0	No	No	No
Kettleman City Community Services District	Wastewater Treatment Facility Improvement Project	Wastewater Treatment Plant Rehabilitation	8359-110	1505	Small DAC	Planning	10/31/2022	\$500,000	\$0	\$500,000	Small Severely Disadvantaged	\$0	No	No	No
Elsinore Valley Municipal Water District	Diamond Regional Sewer Lift Station and Dual Force Mains	Sewer System Rehabilitation	8514-110	183,333	Large Community	Construction	12/5/2022	\$0	\$36,540,937	\$36,540,937	Not Disadvantaged	\$0	No	No	Yes
Sunnyvale, City of	Secondary Treatment and Dewatering Facilities	Secondary Treatment	8483-110	155,805	Large Community	Construction	1/3/2023	\$0	\$287,800,000	\$287,800,000	Not Disadvantaged	\$0	Yes	No	Yes
County Sanitation District No. 02 of Los Angeles County	Carson JWPCP - Effluent Outfall Tunnel Project	General Improvement Upgrades	8154-110	4,800,000	Large Community	Construction	1/5/2023	\$0	\$127,230,895	\$127,230,895	Not Disadvantaged	\$0	No	No	No
County Sanitation District No. 01 of Los Angeles County	216th Street Replacement Trunk Sewer Phase 2	Sewer System Rehabilitation	8501-110	144,000	Large Community	Construction	1/19/2023	\$0	\$14,416,974	\$14,416,974	Not Disadvantaged	\$0	No	No	No

APPLICANT	PROJECT NAME/DESCRIPTION	Category	Project Number	Population Benefitted	System/Community Type (Small DAC/Large)	Project Type	Agreement Date	Principal Forgiveness Amount	CWSRF Loan Amount	Total Financed	Status/ Degree of Disadvantaged	Green Project Reserve	Bill General Supplemental Equivalency	Bill General Supplemental PF	CWSRF Base Program Equivalency
Arcata, City of	Arcata Wastewater Treatment Facility Upgrades Project	Wastewater Treatment Plant Rehabilitation	8272-210	18,695	Small DAC	Construction	2/24/2023	\$64,306,616	\$0	\$64,306,616	Small Severely Disadvantaged	\$0	No	No	No
Susanville Sanitary District	Wastewater Treatment & Disposal System Improvements	Wastewater Treatment Plant Rehabilitation	8616-110	15,064	Small DAC	Planning	2/27/2023	\$750,000	\$0	\$750,000	Small Disadvantaged	\$0	No	No	No
El Paso de Robles, City of	Paso Robles Recycled Water Distribution System	Water Reuse	8440-110	11,000	Large Community	Construction	4/11/2023	\$0	\$22,130,000	\$22,130,000	Not Disadvantaged	\$22,130,000	No	No	No
Placerville, City of	Solar Photovoltaic (PV) for the WWTP	General Improvement Upgrades	8374-110	10,350	Small DAC	Construction	5/2/2023	\$3,970,420	\$0	\$3,970,420	Small Disadvantaged	\$3,970,420	No	No	No
Elsinore Valley Municipal Water District	Sedco Septic to Sewer Planning Project	Septic to Sewer	8491-110	2,701	Small DAC	Planning	5/11/2023	\$1,713,500	\$0	\$1,713,500	Small Severely Disadvantaged	\$0	No	No	No
Lost Hills Utility District	Wastewater Treatment Plant Expansion	Planning and Assessment	8360-110	1,726	Small DAC	Planning	5/15/2023	\$500,000	\$0	\$500,000	Small Severely Disadvantaged	\$0	No	No	No
Santa Ana, City of	Septic to Sewer Island	Septic to Sewer	8478-110	275	Small non-DAC	Construction	5/16/2023	\$0	\$1,529,220	\$1,529,220	Not Disadvantaged	\$0	No	No	No
Santa Barbara, City of	Braemar Lift Station Rehabilitation Project	Sewer System Rehabilitation	8602-110	98,818	Large Community	Construction	5/24/2023	\$0	\$7,430,411	\$7,430,411	Not Disadvantaged	\$0	No	No	No
Santa Barbara, City of	El Estero Wastewater Treatment Plant Electrical Distribution Renewal	Energy Efficient	8508-110	98,818	Large Community	Construction	6/22/2023	\$0	\$30,188,647	\$30,188,647	Not Disadvantaged	\$30,188,647	No	No	No
San Miguel Community Services District	Sanitary Sewer Lining and Manhole Rehabilitation	Sewer System Rehabilitation	8615-110	2,906	Small DAC	Planning	6/26/2023	\$396,530	\$0	\$396,530	Small Disadvantaged	\$0	No	No	No

APPLICANT	PROJECT NAME/DESCRIPTION	Category	Project Number	Population Benefitted	System/Community Type (Small DAC/Large)	Project Type	Agreement Date	Principal Forgiveness Amount	CWSRF Loan Amount	Total Financed	Status/ Degree of Disadvantaged	Green Project Reserve	BIL General Supplemental Equivalency	BIL General Supplemental PF	CWSRF Base Program Equivalency
Chester Public Utility District	NPDES Permit Compliance Project - Wastewater Treatment Plant	Compliance Project (CDOs, TSOs, ACLs)	8587-110	2,144	Small DAC	Planning	6/28/2023	\$554,089	\$0	\$554,089	Small Disadvantaged	\$0	No	No	No
<b>Totals</b>				<b>5,550,215</b>				<b>\$73,596,555</b>	<b>\$527,267,084</b>	<b>\$600,863,639</b>		<b>\$56,289,067</b>			



## Exhibit B: SFY 2022-23 CWSRF FFATA/ Equivalency Projects

### Base Program

Funding Recipient Name	Project Number	Funding Agreement Number	Agreement Date	FFATA Reporting Due	Actual Date Reported	FFATA <sup>9</sup> Reporting Amount	Total Agreement Amount
Elsinore Valley Municipal Water District	8514-110	D2201002	12/5/2022	1/31/2023	12/30/2022	\$36,540,937	\$36,540,937
Sunnyvale City of	8483-110	D2201001	1/3/2023	2/28/2023	1/31/2023	\$46,212,063	\$287,800,000
					<b>Total</b>	<b>\$82,753,000</b>	<b>\$324,340,937</b>

### BIL General Supplemental

Funding Recipient Name	Project Number	Funding Agreement Number	Agreement Date	FFATA Reporting Due	Actual Date Reported	FFATA <sup>10</sup> Reporting Amount	Total Agreement Amount
Sunnyvale City of	8483-110	D2201001	1/3/2023	2/28/2023	1/31/2023	\$127,290,000	\$287,800,000
					<b>Total</b>	<b>\$127,290,000</b>	<b>\$287,800,000</b>

<sup>9</sup> Based on FFY 2022 CWSRF Base Capitalization Grant of \$82,753,000

<sup>10</sup> Based on FFY 2022 CWSRF BIL General Supplemental Capitalization Grant of \$127,290,000

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## **Exhibit C: SFY 2022-23 CWSRF Small Community Grant Fund Projects**

No agreements for eligible projects were executed under the CWSRF Small Community Grant Fund in SFY 2022-23 because such projects were prioritized for other State funding sources (e.g. general obligation bonds, General Fund, etc.)

**Exhibit D: SFY 2022-23 CWSRF Co-Funded Projects**

Execution Date	Project Number	Funding Recipient	Project Name	Type of Project	Region	County	Prop 1 Grant	Prop 68 Grant	CWSRF-SCG	CWSRF Loan	CWSRF PF	General Fund Grant
10/26/2022	8467-110	Scotia Community Services District	Scotia WWTF Replacement Project	Planning	1	Humboldt	\$0	\$0	\$0	\$0	\$25,000	\$512,000

## Exhibit E: SFY 2022-23 Intended Use Plan (IUP) Non-Funded Projects

Reason for Delay:

1. CWSRF Reviews are not Complete. (Complete Application)
2. Application requires additional studies, more documents, and/or more hearings (Incomplete Application)
3. N/A - CWSRF financing agreement is pending.
4. Project dropped from consideration due to inactive status
5. N/A- application withdrawn
6. N/A- funded with other complementary grant financing

Project Number	Region	Applicant Name	Project Name	Community Size	Disadvantaged Status	Project Type	IUP Amount	Reason for Delay
8366-110	3	Carpinteria Valley Water District	Carpinteria Advanced Purification Project	Small	Non-DAC	Construction	\$44,301,212	1
8502-110	2	Daly City Joint Powers Financing Authority	Vista Grande Drainage Basin Improvement Project	Large	Non-DAC	Construction	\$62,889,860	2
8526-110	8	Inland Empire Utilities Agency	RP-1 Disinfection Improvements Project	Large	Non-DAC	Construction	\$13,015,884	3
8063-110	4	Los Angeles, City of	DCTWRP Advanced Water Purification Facility	Large	Non-DAC	Construction	\$266,000,000	2
8417-110	2	Palo Alto, City of	Advanced Water Purification System (AWPS) 1 MGD Project	Large	Non-DAC	Construction	\$22,353,000	1
8553-110	9	San Diego, City of	South Mission Beach Storm Drain Improvements and Green Infrastructure	Large	Non-DAC	Construction	\$16,678,086	1
8584-110	5	Amador County	Buena Vista Landfill WMU-1 Final Cover Reconstruction and Class II Surface Impoundment Expansion and Liner Replacement	Large	Non-DAC	Construction	\$3,666,288.00	1
8605-110	9	Carlsbad, City of	SCADA Implementation Project	Large	Non-DAC	Construction	\$4,601,000.00	3
8018-210	4	Malibu, City of	Malibu Civic Center Water Treatment Facility Phase 2	Small	Non-DAC	Construction	\$63,000,000.00	2
8504-110	9	San Diego, City of	Los Peñasquitos Lagoon Restoration Phase I	Large	Non-DAC	Construction	\$27,444,700.00	1

Project Number	Region	Applicant Name	Project Name	Community Size	Disadvantaged Status	Project Type	IUP Amount	Reason for Delay
8577-110	4	Santa Paula Utility Authority	City of Santa Paula Advanced Water Treatment Facility	Large	Non-DAC	Construction	\$20,340,000.00	3
8308-210	9	South Coast Water District	Monarch Beach Drive/ Stonehill Recycled Water Distribution	Large	Non-DAC	Construction	\$5,600,000.00	1
8608-110	9	La Mesa, City of	Inflow and Infiltration Mitigation Project Phase 6	Small	Non-DAC	Construction	\$7,000,000.00	3
8432-110	3	Monterey One Water	Modifications to Pure Water Monterey Groundwater Replenishment Project	Large	Non-DAC	Construction	\$20,223,668.00	6
8626-110	4	San Buenaventura, City of	Ventura Water Pure	Small	Non-DAC	Construction	\$49,790,000.00	5
8651-110	2	San Francisco Public Utilities Commission	New Treasure Island Wastewater Treatment Plant	Small	Non-DAC	Construction	\$202,208,000.00	2
8657-110	2	San Francisco Public Utilities Commission	Wawona Area Stormwater Improvement Project	Large	Non-DAC	Construction	\$45,000,000.00	2
8619-110	2	West Bay Sanitary District	Bayfront Recycled Water Facility	Large	Non-DAC	Construction	\$64,303,800.00	2
8662-110	2	West Bay Sanitary District	Avy Altschul Pump Station Project	Large	Non-DAC	Construction	\$950,000.00	1
8692-110	5	Association of Bay Area Governments	State of the Estuary Platform	Large	Non-DAC	Planning	\$1,000,000.00	3
8645-110	4	Central Basin Municipal Water District	Recycled Water Expansion Project in Cities of South Gate, Lynwood, and Bell Gardens	Large	Non-DAC	Construction	\$19,876,193.00	4
8661-110	3	San Juan Bautista, City of	Sewer main from San Juan Bautista to Hollister WWTP	Small	Non-DAC	Construction	\$18,166,220.00	4
8377-110	2	Palo Alto, City of	Regional Water Quality Control Plant Discharge Infrastructure Improvements	Large	Non-DAC	Construction	\$11,760,000.00	4
8507-110	5	Del Puerto Water District	Del Puerto Water District Irrigation System Improvement Project II	Small	Non-DAC	Construction	\$5,000,000.00	4
8535-110	8	Inland Empire Utilities Agency	Philadelphia Force Main Improvements Project	Large	Non-DAC	Construction	\$20,001,412.00	4



Project Number	Region	Applicant Name	Project Name	Community Size	Disadvantaged Status	Project Type	IUP Amount	Reason for Delay
<b>Small DAC and Wastewater Grant Eligible Projects</b>								
8564-110	7	Coachella, City of	Shady Lane Mobile Home Park Septic-to-Sewer Project	Small	SDAC	Construction	\$1,483,375	1
8463-110	7	Coachella Valley Water District	Sunbird/Martinez Septic to Sewer Conversion Project	Small	SDAC	Construction	\$9,345,274	3
8579-110	7	Coachella Valley Water District	Oasis Gardens Mobile Home Park Septic-to-Sewer Project	Small	SDAC	Construction	\$2,806,686	3
8421-110	5	Colusa, City of	Walnut Ranch Construction Project	Small	SDAC	Construction	\$2,868,501	3
8565-110	1	Covelo Community Services District	Covelo CSD Wastewater Treatment Plant Improvements Project	Small	DAC	Construction	\$1,260,633	1
8304-210	5	Franklin County Water District	Franklin County Water District Wastewater Collection and Treatment System Improvements	Small	TBD	Construction	\$15,415,000	3
8534-110	1	Happy Camp Sanitary District	Happy Camp Wastewater Bridge Pipeline Crossing Project	Small	DAC	Construction	\$499,358	3
8138-210	1	Klamath Community Services District	Klamath CSD Wastewater System Renovation	Small	DAC	Construction	\$5,500,000	1
8477-110	5	Lake Berryessa Resort Improvement District	Groundwater Inflow Mitigation	Small	SDAC	Construction	\$2,000,000	3
8198-210	5	Lake County Sanitation District	Middleton Wastewater Treatment Plant Improvements	Small	SDAC	Construction	\$4,751,250	2
8404-210	1	Manila Community Services District	Manila CSD Wastewater Infrastructure Improvement Project	Small	SDAC	Construction	\$3,472,000	3
8276-110	5	McFarland, City of	City of McFarland Wastewater Treatment Plant Expansion	Small	SDAC	Construction	\$14,545,000	1
8457-110	5	Sacramento Area Sewer District	Old Florintown Septic to Sewer Project	Small	TBD	Construction	\$5,611,700	3
8178-210	1	Fortuna, City of	WWTP Treatment and Disposal System Upgrade Construction	Small	DAC	Construction	\$19,212,357	1
8389-210	1	Dorris, City of	Dorris Sewer Project	Small	SDAC	Construction	\$5,690,000	3
8627-110	7	Coachella Valley Water District	Airport Boulevard Sewer Consolidation Project	Small	SDAC	Construction	\$14,229,000	3
8233-110	1	Montague, City of	Wastewater Facility Upgrade	Small	SDAC	Planning	\$500,000	3

Project Number	Region	Applicant Name	Project Name	Community Size	Disadvantaged Status	Project Type	IUP Amount	Reason for Delay
8562-110	1	Tulelake, City of	City of Tulelake Wastewater Improvements	Small	SDAC	Planning	\$360,000	3
8663-110	5	Princeton Water Works District	Princeton Water Works District WWTF Upgrades	Small	SDAC	Planning	\$600,000	1

**Exhibit F: SFY 2022-23 Cumulative CWSRF Administrative & Technical Assistance Allowance Expenditures/Banked Authority**

FFY	Final Cap Grant Amount (incl. In-Kind)	Budget Amount	In-Kind Amount	Expenditure Amount	Balance	Banked Amount
1989 Base	\$127,575,454	\$4,252,609	\$0	\$4,252,609	\$0	\$0
1990 Base	\$119,777,400	\$3,992,564	\$0	\$3,992,564	\$0	\$0
1991 Base	\$146,778,100	\$4,892,584	\$0	\$4,892,584	\$0	\$0
1992 Base	\$138,962,400	\$4,632,061	\$0	\$4,632,061	\$0	\$0
1993 Base	\$137,465,064	\$5,498,601	\$0	\$5,498,601	\$0	\$0
1994 Base	\$85,295,430	\$2,902,944	\$0	\$2,902,944	\$0	\$0
1995 Base	\$88,091,784	\$3,245,794	\$0	\$3,245,794	\$0	\$0
1996 Base	\$144,296,955	\$4,809,879	\$0	\$4,809,879	\$0	\$0
1997 Base	\$44,573,943	\$1,485,792	\$0	\$1,485,792	\$0	\$0
1998 Base	\$96,306,309	\$3,210,197	\$0	\$3,210,197	\$0	\$0
1999 Base	\$104,475,489	\$3,482,503	\$0	\$3,482,503	\$0	\$0
2000 Base	\$95,987,727	\$3,199,578	\$0	\$3,199,578	\$0	\$0
2001 Base	\$95,134,446	\$3,171,136	\$0	\$3,171,136	\$0	\$0
2002 Base	\$95,346,405	\$3,178,201	\$220,000	\$2,938,148	\$20,053	\$0
2003 Base	\$94,726,665	\$3,157,543	\$80,053	\$3,077,490	\$0	\$0
2004 Base	\$94,783,887	\$3,159,450	\$170,000	\$2,989,450	\$0	\$0
2005 Base	\$82,745,541	\$2,758,174	\$80,000	\$2,678,174	\$0	\$0
2006 Base	\$46,383,876	\$1,546,123	\$0	\$1,546,123	\$0	\$0
2007 Base	\$92,791,710	\$3,093,044	\$0	\$3,093,044	\$0	\$0
2008 Base	\$48,922,291	\$1,630,737	\$95,800	\$1,534,937	\$0	\$0
2009	\$280,285,800	\$11,211,432	\$0	\$11,211,432	\$0	\$0
2009 Base	\$48,667,707	\$1,622,250	\$0	\$1,622,250	\$0	\$0
2010 Base	\$145,721,000	\$4,857,347	\$0	\$343,185	\$0	\$4,514,162

FFY	Final Cap Grant Amount (incl. In-Kind)	Budget Amount	In-Kind Amount	Expenditure Amount	Balance	Banked Amount
2011 Base	\$105,570,800	\$3,519,013	\$0	\$156,611	\$0	\$3,362,401
2012 Base	\$101,080,000	\$3,369,320	\$15,000	\$1,110,735	\$0	\$2,243,585
2013 Base	\$95,485,000	\$3,182,821	\$0	\$1,213,356	\$0	\$1,969,464
2014 Base	\$100,277,000	\$3,342,553	\$0	\$770,885	\$0	\$2,571,668
2015 Base	\$99,763,000	\$3,325,420	\$0	\$357,473	\$0	\$2,967,947
2016 Base	\$95,558,000	\$3,185,254	\$268,000	\$372,719	\$0	\$2,544,535
2017 Base	\$94,822,000	\$3,160,721	\$139,125	\$147,049	\$0	\$2,874,547
2018 Base	\$114,792,000	\$3,826,385	\$0	\$462,906	\$0	\$3,363,479
2019 Base	\$113,637,000	\$3,787,885	\$0	\$702,462	\$0	\$3,085,422
2020 Base	\$113,653,000	\$3,788,418	\$0	\$0	\$0	\$3,788,418
2021 Base	\$113,637,000	\$3,787,885	\$0	\$458,750	\$0	\$3,329,135
2022 Base	\$82,753,000	\$4,137,633	\$0	\$320,109	\$3,817,524	\$0
2022 BIL- General	\$127,290,000	\$6,943,091	\$0	\$0	\$6,943,091	\$0
<b>Total</b>	<b>\$3,813,413,183</b>	<b>\$134,346,942</b>	<b>\$1,067,978</b>	<b>\$85,883,533</b>	<b>\$10,780,668</b>	<b>\$36,614,763</b>

NOTE: Amounts do not include the related State Match amount.

## Exhibit G: SFY 2022-23 CWSRF Green Project Reserve Projects<sup>11</sup>

Funding Recipient	Project Number	Funding Agreement	Green Project Reserve Funding Amount	Total Agreement Amount
El Paso de Robles, City of	8440-110	D22-01007	\$22,130,000	\$22,130,000
Placerville, City of	8374-110	D22-01006	\$3,970,420	\$3,970,420
Santa Barbara, City of	8508-110	D22-01009	\$30,188,647	\$30,188,647
<b>Total Projects</b>	<b>3</b>		<b>\$56,289,067</b>	<b>\$56,289,067</b>

## Historical Green Project Reserve Spending

Federal Fiscal Year Grant	State Fiscal Year	Grant Award Amount	Minimum Green Project Reserve Amount by FFY Grant	Committed Green Project Reserve Amount Per FFY Grant	Disbursed Green Project Reserve Amount by State Fiscal Year	Undisbursed Green Project Reserve Amount by State Fiscal Year
2010	10-11	\$145,721,000	\$29,144,200	\$37,106,001.00	\$1,434,330	\$0
2011	11-12	\$105,570,800	\$21,114,160	\$120,930,763.00	\$23,244,100	\$0
2012	12-13	\$101,080,000	\$10,108,000	\$24,779,684.00	\$34,590,115	\$0
2013	13-14	\$95,485,000	\$9,548,500	\$152,836,151.50	\$101,464,932	\$0
2014	14-15	\$100,277,000	\$10,027,700	\$63,278,840.13	\$91,194,006	\$0
2015	15-16	\$99,763,000	\$9,976,300	\$131,361,893.55	\$134,298,128	\$0
2016	16-17	\$95,558,000	\$9,555,800	\$320,930,217.13	\$135,893,731	\$0
2017	17-18	\$94,822,000	\$9,482,200	\$472,337,059.63	\$219,315,922	\$0
2018	18-19	\$114,792,000	\$11,479,000	\$27,016,950.00	\$290,259,519	\$0
2019	19-20	\$113,637,000	\$11,363,700	\$370,181,871.00	\$253,467,568	\$0
2020	20-21	\$113,653,000	\$11,365,300	\$103,058,007.00	\$332,370,023	\$224,947,229
2021	21-22	\$113,637,000	\$11,363,700	\$364,661,594.00	\$0	\$364,661,594
2022 <sup>12</sup>	22-23	\$210,043,000	\$21,004,300	\$56,289,067.00	\$677,362,180	\$621,073,113
	<b>Total</b>	<b>\$1,504,038,800</b>	<b>\$175,532,860</b>	<b>\$2,244,768,099</b>	<b>\$3,924,339,758.94</b>	<b>\$7,848,679,517.88</b>
				<b>Grand Total</b>	<b>\$5,541,872,132.94</b>	<b>\$8,438,288,340.88</b>

<sup>11</sup> Green Project Reserve includes projects that promote Green Infrastructure, Energy Efficiency, Water Efficiency or Environmentally Innovative projects. Projects were categorically eligible or required a business case justification.

<sup>12</sup> 2022 includes both base program and BIL Program Supplemental

**Exhibit H: SFY 2022-23 CWSRF Additional Subsidy Projects (Principal Forgiveness)**

FFY Grant	SFY	Grant Award Amount	Minimum Subsidy Amount by FFY Grant <sup>13</sup>	Maximum Subsidy Amount by FFY Grant	Committed Subsidy Amount by FFY Grant <sup>14</sup>	Uncommitted Subsidy Amount by FFY Grant <sup>15</sup>	Disbursed Subsidy Amount by FFY Grant <sup>16</sup>	Undisbursed Subsidy Amount by FFY Grant <sup>17</sup>
2010	10-11	\$145,721,000	\$21,824,382	\$72,747,939	\$72,747,939	\$0	\$5,430,082	\$0
2011	11-12	\$105,570,800	\$9,786,413	\$32,609,378	\$32,609,378	\$0	\$20,102,590	\$0
2012	12-13	\$101,080,000	\$5,617,660	\$8,426,490	\$8,426,490	\$0	\$32,393,943	\$0
2013	13-14	\$95,485,000	\$4,497,751	\$6,746,627	\$6,746,627	\$0	\$21,666,045	\$0
2014	14-15	\$100,277,000	\$5,456,840	\$8,185,259	\$8,185,259	\$0	\$23,629,119	\$0
2015	15-16	\$99,763,000	\$0	\$29,928,900	\$29,928,900	\$0	\$7,516,289	\$0
2016	16-17	\$95,558,000	\$9,555,800	\$38,223,200	\$38,223,200	\$0	\$5,021,467	\$0
2017	17-18	\$94,822,000	\$9,482,220	\$37,928,800	\$37,928,800	\$0	\$26,979,034	\$0
2018	18-19	\$114,792,000	\$11,479,200	\$45,916,800	\$45,916,800	\$0	\$21,595,601	\$0
2019	19-20	\$113,637,000	\$11,363,700	\$45,454,800	\$45,454,800	\$0	\$22,973,359	\$0
2020	20-21	\$113,653,000	\$11,365,300	\$45,461,200	\$45,461,200	\$0	\$17,994,823	\$0
2021	21-22	\$113,637,000	\$11,363,700	\$45,454,800	\$45,454,800	\$0	\$27,171,171	\$0
2022	22-23	\$82,753,000	\$8,275,300	\$33,101,200	\$25,307,022	\$7,794,178	\$23,343,087	\$194,368,783
2022 BIL General	22-23	\$127,290,000	\$62,372,100	\$62,372,100	\$2,133,000	\$60,239,100	\$0	\$62,372,100
<b>Total</b>		<b>\$1,504,038,800</b>	<b>\$120,068,266</b>	<b>\$512,557,493</b>	<b>\$444,524,215</b>	<b>\$68,033,278</b>	<b>\$255,816,610</b>	<b>\$256,740,883</b>
				<b>Grand Total</b>	<b>\$512,557,493</b>		<b>\$512,557,493</b>	

<sup>13</sup> Additional subsidy must be awarded within a minimum and maximum range of a CWSRF capitalization grant. The State Water Board has directed DFA to utilize the maximum additional subsidy from each capitalization grant

<sup>14</sup> In accordance with USEPA procedures, these amounts are the additional subsidy encumbered by capitalization grant as of 6/30/2022.

<sup>15</sup> In accordance with USEPA procedures, these amounts are the additional subsidy balances that will be encumbered by capitalization grants in the future.

<sup>16</sup> In accordance with State statutes, additional subsidy is directly encumbered against federal capitalization grants. These amounts are the additional subsidy disbursed by capitalization grant as 6/30/2022 based upon USEPA's "first-in-first-out" (FIFO) policy.

<sup>17</sup> In accordance with USEPA procedures, these amounts are the total balances by capitalization grant that will be disbursed in the future.



**Exhibit I: SFY 2022-23 Cumulative CWSRF Revenue Bond (Green Bond) Funded Projects Update**

Project Number	Party	CWSRF Financing Amount <sup>18</sup>	Project Description	Proceeds used for Reimbursement at Closing in FY 22/23	Amount Disbursed from Series 2023 Bonds as of 6/30/2023	Anticipated Future Disbursements from Series 2023 Bonds	Construction Completion Date
7899-110	Carlsbad Municipal Water District	\$22,150,000	The Phase III Recycled Water Project expands the District's recycled water system to the north area of Carlsbad and commences expansion into neighboring water service agencies. The project expands the treatment capacity from 4 to 6 million gallons per day, installs 85,000 linear feet of pipe and relocates or constructs new storage.	\$0	\$0	\$3,744,818	6/30/2024 <sup>19</sup>
7882-110	South Coast Water District	\$102,560,000	The Tunnel Stabilization & Sewer Rehabilitation Project will rehabilitate the existing tunnel and sewer pipeline to eliminate the risk of rock falls and timber support failure. This Project will prevent worker injuries and avoid the release of sewage onto the beach and into the ocean.	\$9,474,420	\$4,827,837	\$7,249,163	7/31/2023
8025-180	Sacramento Regional County Sanitation District	\$564,657,506	The Tertiary Treatment Facility project will treat secondary effluent with filtration and disinfection to the level that meets Department of Public Health Title 22 reclamation criteria during May-October, and filtration at the Title 22 equivalent rates for 217 million gallons per day of treated effluent discharge flows during November-April, followed by disinfection of all effluent. The TTF design is also based on meeting the applicable effluent limitations and performance specifications for disinfected effluent coliform and filter effluent turbidity included in the District's permit.	\$0	\$0	\$49,986,276	5/1/2023
8111-110	San Francisco, Public Utilities Commission of the City and County of	\$176,094,031	The Westside Recycled Water Project includes all facilities to produce and deliver approximately 2 million gallons per day of recycled water for irrigation use in the western end of San Francisco. The project includes a new recycled water treatment facility consisting of membrane filtration, reverse osmosis, and ultraviolet light disinfection; a 1.6 mg storage reservoir; distribution pumping facilities; 5-6 miles of new distribution pipelines; and retrofit of existing irrigation systems for compliance with Title 22 regulations.	\$0	\$4,817,593	\$26,177,863	10/7/2024 <sup>19</sup>

<sup>18</sup>The CWSRF financing amount includes anticipated Series 2023 Bond proceeds as well as other CWSRF funding sources.

<sup>19</sup> Anticipated construction completion date upon execution of pending amendment.

Project Number	Party	CWSRF Financing Amount <sup>18</sup>	Project Description	Proceeds used for Reimbursement at Closing in FY 22/23	Amount Disbursed from Series 2023 Bonds as of 6/30/2023	Anticipated Future Disbursements from Series 2023 Bonds	Construction Completion Date
8211-110 <sup>20</sup>	Santa Monica, City of	\$56,045,630	The Sustainable Water Infrastructure Project (SWIP) will help reduce the City's use of imported water, replenish groundwater supply, increase drought resilience, improve beach water quality, and meet Enhanced Watershed Management Plan requirements. The project will accomplish these objectives via the integrated harvesting and treatment of municipal wastewater, stormwater, and brackish/saline impaired groundwater for conjunctive reuse, and when permitted, for aquifer recharge and indirect potable reuse. The major construction elements include: Brackish/Saline Impaired Groundwater Reuse at Santa Monica Urban Runoff Recycling Facility; Recycled Water Production and Conjunctive Reuse at the Civic Center Parking Lot; and Stormwater Harvesting and Reuse Tank at Memorial Park.	\$1,548,253	\$0	\$13,888,000	12/31/2022
8029-110 <sup>20</sup>	San Luis Obispo, City of	\$140,000,000	The Water Resource Recovery Facility Expansion and Improvements Project will replace aging equipment and meet NPDES and WDR requirements for final effluent discharge. The Project proposes upgrades to secondary treatment and disinfection technologies used, as well as various expansion and improvement throughout the site.	\$16,982,583	\$4,402,265	\$27,354,735	12/31/2023
8095-110 <sup>20</sup>	Brentwood, City of	\$65,102,000	The existing 5 million gallon per day (MGD) tertiary treatment plant was planned to accommodate future expansion to 10 MGD by adding to current unit processes: oxidation ditches, secondary clarifiers, sand filters, belt presses and related infrastructure. Conversion of the chlorine contact basin to ultraviolet disinfection is also included. This Phase II expansion will incrementally increase capacity by 1.4 MGD, from 5 MGD to 6.4 MGD, consistent with current growth projections.	\$14,460,238	\$4,124,961	\$18,773,039	12/30/2024
8215-210 <sup>20</sup>	Roseville, City of	\$29,674,755	The purpose of the Energy Recovery Project is to utilize digester gas (DG) generated by anaerobic digesters constructed to offset the energy footprint of Pleasant Grove Wastewater Treatment Plant (PGWWTP). The selected Energy Recovery Project offers the following financial and environmental benefits: Reduced operating cost, Revenue from the sale of renewable natural gas; Revenue from tipping fees charged for acceptance of high-strength waste; Reduction in electricity costs; Potential future revenues from sale of Low-Carbon Fuel Standard credits; and more.  The Energy Recovery Project will be constructed south of the existing PGWWTP. The City will construct and install equipment for the following: High Strength Waste (HSW); DG conditioning system; DG separation system; Fueling station; and four microturbines.	\$7,297,248	\$445,545	\$11,053,455	1/31/2023

<sup>20</sup>Loan Amount includes an additional Principal Forgiveness (PF) Amount. PF amount will not be reimbursed/disbursed with revenue bond proceeds.

Project Number	Party	CWSRF Financing Amount <sup>18</sup>	Project Description	Proceeds used for Reimbursement at Closing in FY 22/23	Amount Disbursed from Series 2023 Bonds as of 6/30/2023	Anticipated Future Disbursements from Series 2023 Bonds	Construction Completion Date
8215-110	Roseville, City of	\$78,347,000	The Project will address future flows, reduce biosolids related odors and expand the City of Roseville - Pleasant Grove Wastewater Treatment Plant from 9.5 mgd to 12 mgd. Construction will include: four new primary clarifiers and odor control facilities; electrical building, solids thickening building; solids thickening equipment; two anaerobic digesters; sludge pumping systems; a waste gas burner; conversion of an existing waste activated sludge (WAS) holding tank to a concentrate storage tank; conversion of an existing WAS holding tank to a digested sludge holding tank/secondary digester; and ancillary facilities.	\$1,954,355	\$32,028,000	\$0	7/3/2023
8156-110 <sup>20</sup>	Santa Clarita Valley Sanitation District	\$109,627,000	The Advanced Water Treatment Facility Project consists of 6 million gallons per day of microfiltration and reverse osmosis facilities at the Valencia Water Reclamation Plant. These facilities will improve the plant's effluent and thus, help bring the District in compliance with brine management waste discharge requirements.	\$0	\$0	\$17,544,000	7/1/2024
8371-110 <sup>20</sup>	San Francisco, Public Utilities Commission of the City and County of	\$54,387,969	As part of the Digester Gas Utilization Upgrade Project, the gas storage vessel and digester gas conditioning equipment will be replaced. The existing cogeneration Internal-Combustion units (IC engines) and controls will also be replaced. Other improvements include providing an ancillary exhaust gas conditioning and heat exchanger systems to comply with regulatory air board requirements. Improved reliability and redundancy of hot water and electrical energy production systems, as well as, ventilation upgrades will maximize process efficiency within the energy recovery building. The electrical gear at Sub-Station No. 5 will be replaced to provide parallel electrical gear end power system reliability.	\$6,116,548	\$4,569,326	\$13,439,674	3/31/2024
8470-110	Coachella Valley Water District	\$28,632,117	This Non-Potable Water Connections Project involves the construction and operation of approximately 9.5 miles of Non-Potable Water pipeline segments and connections to provide irrigation water to users who currently use groundwater or District-supplied potable water for irrigation. The Project also includes replacement of an existing pump station for a total online pumping capacity of approximately 12,000 gallons per minute (gpm) for the low pressure system and 12,000 gpm for the high pressure system, as well as a standby capacity of 8,000 gpm.	\$0	\$0	\$20,042,000	1/31/2024

Project Number	Party	CWSRF Financing Amount <sup>18</sup>	Project Description	Proceeds used for Reimbursement at Closing in FY 22/23	Amount Disbursed from Series 2023 Bonds as of 6/30/2023	Anticipated Future Disbursements from Series 2023 Bonds	Construction Completion Date
8258-110	Richmond, City of	\$50,000,000	The City proposes to implement critical improvements to the Wastewater Treatment Plant (WWTP). The critical improvements are being implemented to address sanitary sewer overflows, replace aging and unreliable infrastructure, comply with future discharge regulations, and upgrade or replace non-functioning or obsolete treatment processes with efficient, adaptable, and reliable systems. The treatment plant projects would not expand the capacity of the current systems, so as to encourage population growth and development within the City. Rather, these projects would improve the functionality of the existing WWTP. The project will include: Grit removal system upgrades, aeration system upgrades, and secondary clarifier improvements.	\$10,968,670	\$4,975,031	\$6,160,969	9/25/2023
8264-210	Silicon Valley Clean Water	\$51,631,579	The Project will construct new facilities to replace aging infrastructure and convey wastewater from the new gravity pipeline. The project will include the following: Construction of new receiving lift station; Construction of a new headworks treatment facility; Construction of odor control facilities; Electrical improvements, instrumentation and control systems; and other supporting infrastructure.	\$9,255,889	\$7,520,053	\$865,947	10/15/2023
8264-710	Silicon Valley Clean Water	\$57,763,158	The project will make improvements to the Redwood City and Menlo Park Pump Stations, and decommission and repurpose the Belmont Pump Station and connect it to the new gravity sewer. Improvements at the Redwood City Pump Station include repurposing the existing pump station to house dosing chemicals, and constructing a new pump station at the site. New pumps will be installed at the Menlo Park Pump Station. As part of this segment of work, the Belmont gravity pipeline will enter the repurposed San Carlos Pump Station and be routed to the drop shaft that connects to the Gravity Pipeline (Segment 1).	\$0	\$3,043,662	\$8,903,338	10/15/2023
8447-110	Stockton, City of	\$46,800,000	The Regional Wastewater Control Facilities Modifications Project will provide a wastewater treatment capacity of 40.2 million gallons per day. The Project will include upgrades and modifications to the following components: Preliminary Treatment, Primary Treatment, Secondary Treatment, Tertiary Treatment, Effluent Disinfection, Solids Handling, Flow Diversion and Storage, Personnel Facilities, Security, and other minor modifications.	\$0	\$0	\$32,760,000	12/31/2023
8286-110	San Francisco, Public Utilities Commission of the City and County of	\$112,036,181	The New Headworks (Grit) Replacement Project will replace two aging facilities with a single headworks facility designed to: improve process performance (higher screenings and grit removal); minimize grit deposition in channels; handle a wide range of flow and load conditions (30 - 250 million gallons per day); provide operational flexibility and reliability; contain odors within plant site; and provide an operation and maintenance friendly facility. Project components include: new influent junction area; new fine screens and screening handlings; new grit removal and grit handling systems; and a two-stage odor control system.	\$0	\$64,678,136	\$39,358,045	3/1/2024

Project Number	Party	CWSRF Financing Amount <sup>18</sup>	Project Description	Proceeds used for Reimbursement at Closing in FY 22/23	Amount Disbursed from Series 2023 Bonds as of 6/30/2023	Anticipated Future Disbursements from Series 2023 Bonds	Construction Completion Date
8372-110 <sup>20</sup>	San Francisco, Public Utilities Commission of the City and County of	\$132,000,000	The Biosolids Digester Facilities Project would replace the outdated existing solids treatment facilities with more reliable, efficient, and modern technologies and facilities at and adjacent to the existing Southeast Plant (SEP). Many of the existing SEP treatment facilities are over 60 years old, require significant maintenance, and are operating well beyond their useful life. The Project would replace the existing digesters with new digesters and other new facilities that produce higher-quality biosolids, capture and treat odors more effectively, and maximize digester gas utilization and energy recovery for the production of heat, steam, and electrical power. In addition, the Project would locate the digesters farther away from existing residences, limit project-generated odors to the SEP fence line, and make visual improvements in and around the SEP.	\$0	\$128,000,000	\$0	5/1/2026
8524-110	Oro Loma Sanitary District	\$25,000,000	The project proposes to replace existing clay pipe with HDPE pipe using pipe bursting methods. The project proposes to include replacements in designated disadvantaged community areas located within the project target areas. The new HDPE pipe is impervious to tree root intrusion which impacts older clay pipes. Flushing costs will be cut by 90% and losses from inflow and infiltration will be reduced as a result of the project.	\$3,203,341	\$4,705,003	\$3,285,997	12/31/2024
	<b>Eligible Revenue Bond Refinance (Reimbursements)/Disbursements</b>		<b>Total</b>	<b>\$81,261,545</b>	<b>\$268,137,412</b>	<b>\$250,601,043</b>	
			<b>Grand Total</b>		<b>\$600,000,000</b>		

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## Exhibit J: Disadvantaged Business Enterprise Report Results

	MBE	WBE	TOTAL
FFY Annual Disbursements by Category	\$16,010,613.35	\$14,395,573.03	\$30,406,186.38
		Total Disbursements	\$581,570,141.00
Percentage to Total Disbursements	2.75%	2.48%	5.23%

Note: Percentage of DBE participation is determined by taking the funds disbursed to MBE and WBE compared to the total disbursements for the period October 1, 2022, through September 30, 2023. DBE reports are collected annually based on the FFY.



**Exhibit K: SFY 2022-23 CWSRF Projects With Financing Servicing Fees**

Fund 3147 - Small Community Grant Fee (percentage of outstanding principal balance)<sup>21</sup>

Contract Number	Project Number	Recipient	Fee Rates
00-808	4521-110	Riverbank, City of	2.6%
07-810	5051-110	Reedley, City of	2.4%
07-812	4699-110	Crescent City, City of	2.4%
07-828	4438-110	Colusa, City of	2.4%
07-829	5085-110	Union Sanitary District	2.7%
08-804	4729-130	La Mesa, City of	2.6%
08-813	5055-110	Patterson, City of	2.6%
08-814	4352-110	Lake Arrowhead Community Services District	2.6%
08-815	4680-110	Ventura, County of	2.6%
08-816	4916-110	Los Angeles County Sanitation District	2.6%
08-817	4148-110	Rosamond Community Services District	2.6%
08-838	5139-110	Hughson, City of	1.0%
08-854	4729-140	La Mesa, City of	1.0%
09-850	4688-110	Oakdale, City of	2.5%
09-856	5043-110	Galt, City of	2.9%

<sup>21</sup> Constitutes projects with only a Small Community Grant Fee.

Fund 9739 - Administrative Service Fee (1% of outstanding principal balance)

Contract Number	Project Number	Recipient	Fee Rates
00-804	4486-110	Templeton Community Services District	1.0%
00-818	4062-220	Santa Rosa, City of	1.0%
00-825	4062-170	Santa Rosa, City of	1.0%
00-831	4062-250	Santa Rosa, City of	1.0%
01-803	4053-110	McCloud Community Services District	1.0%
01-810	4062-160	Santa Rosa, City of	1.0%
01-811	4062-230	Santa Rosa, City of	1.0%
01-813	6036-110	Santa Cruz, County of	1.0%
01-814	4062-150	Santa Rosa, City of	1.0%
02-821	4812-110	Napa Sanitation District	1.0%
02-826	4845-110	Santa Margarita Water District	1.0%
02-827	4802-110	Corona, City of	1.0%
03-846	4783-110	Los Angeles County Sanitation District	1.0%
03-847	4783-210	Los Angeles County Sanitation District	1.0%
04-802	6085-110	The Nature Conservancy	1.0%
04-814	4450-110	Coachella Sanitary District	1.0%
04-815	4252-510	La Canada Flintridge, City of	1.0%
05-809	4665-210	Stege Sanitary District	1.0%
05-810	4200-110	Yucaipa Valley Water District	1.0%
05-811	4729-110	La Mesa, City of	1.0%
06-810	4899-110	Inland Empire Utilities Agency	1.0%
07-816	4728-120	South San Francisco, City of	1.0%
07-824	4903-110	Novato Sanitary District	1.0%
08-845	5100-110	Eastern Municipal Water District	1.0%
09-800	5098-110	Linda County Water District	1.0%

Contract Number	Project Number	Recipient	Fee Rates
09-858	5490-110	Del Mar, City of	1.0%
10-808	5219-110	Union Sanitary District	1.0%
10-817	5222-110	Union Sanitary District	1.0%
11-800	4971-240	Redding, City of	1.0%
11-810	4971-260	Redding, City of	1.0%
11-813	5319-110	Inland Empire Utilities Agency	1.0%
11-821	4463-110	Orange County Water District	1.0%
11-825	5175-210	Modesto, City of	1.0%
11-827	5216-110	Silicon Valley Clean Water	1.0%
11-849	5380-110	Redding, City of	1.0%
12-807	7613-110	Fallbrook Public Utility District	1.0%
13-836	7891-110	Redding, City of	1.0%
14-817	7893-110	Fresno, City of	1.0%
93-805	6006-110	Davis, City of	1.0%
93-810	6022-110	Pacheco Water District	1.0%
93-819	4330-110	Goleta Sanitary District	1.0%
94-806	4108-110	Cambria Community Services District	1.0%
96-805	6014-110	San Luis Water District	1.0%
96-813	6000-120	Fresno Metropolitan Flood Control District	1.0%
96-820	4360-110	Davis, City of	1.0%
97-804	4001-220	Los Angeles County Sanitation District	1.0%
97-809	4505-110	Placerville, City of	1.0%
97-813	6031-110	Mammoth Lakes, Town of	1.0%
97-814	4648-110	Rialto, City of	1.0%
97-830	4001-230	Los Angeles County Sanitation District	1.0%
98-813	4262-110	Humboldt County Res. Imp. Dist. 1	1.0%
98-818	4001-250	Los Angeles County Sanitation District	1.0%

Contract Number	Project Number	Recipient	Fee Rates
98-823	6045-110	Lost Hills Water District	1.0%
98-837	4452-110	Santa Ana Watershed Project Authority	1.0%
99-802	4704-110	Windsor, Town of	1.0%
99-805	4610-110	Vacaville, City of	1.0%
99-807	4679-110	Los Angeles, County of	1.0%
99-811	4429-120	Thousand Oaks, City of	1.0%
D1501015	8082-110	Sacramento Regional County Sanitation District	1.0%
D1501016	8101-110	Orange County Water District	1.0%
D1501017	7831-110	Eastern Municipal Water District	1.0%
D1501018	8025-150	Sacramento Regional County Sanitation District	1.0%
D1501019	5295-110	Hi-Desert Water District	1.0%
D1501021	8026-110	Pacific Grove, City of	1.0%
D1501031	8075-110	Woodland, City of	1.0%
D1501034	8086-110	North Marin Water District	1.0%
D1601005	8062-110	Modesto, City of	1.0%
D1601014	8096-110	Water Replenishment District of Southern California	1.0%
D1601015	7896-210	Colusa, City of	1.0%
D1601021	8166-110	Piedmont, City of	1.0%
D1601036	8047-110	Eastern Municipal Water District	1.0%

Contract Number	Project Number	Recipient	Fee Rates	
			SCG	Admin
00-801	4610-120	Vacaville, City of	1.7%	1.0%
00-802	4665-110	Stege Sanitary District	0.0%	1.0%
00-805	4596-110	Hilmar County Water District	1.6%	1.0%
00-806	4685-110	Sacramento, City of	1.6%	1.0%
00-809	4708-110	Redding, City of	1.6%	1.0%
00-815	4465-110	Yreka, City of	1.6%	1.0%
00-816	4062-140	Santa Rosa, City of	1.6%	1.0%
00-819	4086-110	Lake County Sanitation District	1.6%	1.0%
01-802	4173-110	Laguna County Sanitation District	1.4%	1.0%
01-804	4655-110	Piedmont, City of	1.4%	1.0%
01-815	4771-110	Union Sanitary District	1.4%	1.0%
01-816	4684-110	Ventura, County of	1.4%	1.0%
01-817	4062-240	Santa Rosa, City of	1.6%	1.0%
01-821	4800-110	Redlands, City of	1.5%	1.0%
01-825	4790-110	Vallejo Flood and Wastewater District	1.5%	1.0%
02-804	4252-410	La Canada Flintridge, City of	1.4%	1.0%
02-809	4846-130	Inland Empire Utilities Agency	1.5%	1.0%
02-810	4772-110	Burlingame, City of	1.5%	1.0%
02-811	6061-120	Napa, County Of, Flood Control and Water	1.5%	1.0%
02-816	4801-110	North San Mateo County Sanitation District	1.5%	1.0%
02-817	4655-120	Piedmont, City of	1.5%	1.0%
02-818	4307-110	San Luis Obispo, City of	1.5%	1.0%
02-823	4007-610	Alameda, City of	1.6%	1.0%
02-824	4728-110	South San Francisco, City of	1.5%	1.0%
02-825	4658-110	Victor Valley Wastewater Rec Authority	1.5%	1.0%
03-801	4695-110	Escondido, City of	1.4%	1.0%

Contract Number	Project Number	Recipient	Fee Rates	
03-804	4657-110	Tahoe-Truckee Sanitation Agency	1.6%	1.0%
03-806	4528-210	Benicia, City of	1.6%	1.0%
03-811	4655-130	Piedmont, City of	1.5%	1.0%
03-848	4783-310	Los Angeles County Sanitation District	1.3%	1.0%
05-803	4693-110	Petaluma, City of	1.4%	1.0%
05-808	4844-110	North Marin Water District	1.4%	1.0%
06-801	4823-110	Sonoma Valley County Sanitation District	1.3%	1.0%
06-802	6090-110	The Conservation Fund	1.3%	1.0%
06-803	4971-110	Redding, City of	1.2%	1.0%
06-806	4969-110	Nevada County Sanitation District #1	1.2%	1.0%
07-813	5053-110	Union Sanitary District	1.4%	1.0%
07-815	4632-110	Alturas, City of	0.0%	1.0%
07-817	6093-110	St. Helena, City of	1.4%	1.0%
07-818	4729-120	La Mesa, City of	0.0%	1.0%
07-819	4971-210	Redding, City of	1.4%	1.0%
07-820	4790-120	Vallejo Flood and Wastewater District	1.4%	1.0%
07-825	4303-110	East Bay Municipal Utility District	1.4%	1.0%
07-826	4971-220	Redding, City of	1.6%	1.0%
07-835	5045-110	Union Sanitary District	1.7%	1.0%
07-836	4470-110	Colfax, City of	1.4%	1.0%
09-814	5044-110	Palo Alto, City of	1.6%	1.0%
09-848	4831-110	Santa Cruz County Sanitation District	1.5%	1.0%
09-851	5152-110	Burlingame, City of	1.9%	1.0%
09-853	5208-110	Fairfield-Suisun Sewer District	1.9%	1.0%
09-857	5539-110	Los Angeles County Sanitation District	1.7%	1.0%
09-861	4395-110	San Diego, City of	1.7%	1.0%
09-864	7476-110	Yucaipa Valley Water District	1.7%	1.0%



Contract Number	Project Number	Recipient	Fee Rates	
10-801	7245-110	El Toro Water District	1.7%	1.0%
10-805	6601-110	Yolo County Flood Control and Water Conservation District	1.7%	1.0%
10-810	5376-110	Victor Valley Wastewater Rec Authority	1.7%	1.0%
10-812	5351-110	Castro Valley Sanitary District	1.6%	1.0%
10-818	5571-110	Delta Diablo	1.6%	1.0%
10-820	5160-110	Sunnyslope County Water District	1.6%	1.0%
10-835	5533-110	Burbank, City of	1.6%	1.0%
10-838	5310-110	Seal Beach, City of	1.6%	1.0%
10-842	5310-120	Seal Beach, City of	1.6%	1.0%
11-809	4971-230	Redding, City of	1.6%	1.0%
11-812	4841-110	Vacaville, City of	1.6%	1.0%
11-818	4841-130	Vacaville, City of	1.6%	1.0%
11-822	5610-110	Santa Ana Watershed Project Authority	1.6%	1.0%
11-832	4905-110	San Diego, City of	1.2%	1.0%
11-833	5602-110	Turlock, City of	1.2%	1.0%
11-836	5256-110	Turlock, City of	1.2%	1.0%
12-802	4250-310	Mission Springs Water District	1.2%	1.0%
12-804	7113-110	Yuba City, City of	0.8%	1.0%
12-811	4905-130	San Diego, City of	1.2%	1.0%
12-816	5069-110	San Diego, City of	0.7%	1.0%
12-820	5400-110	El Paso de Robles, City of	0.7%	1.0%
12-821	5006-110	El Toro Water District	0.7%	1.0%
13-805	5283-110	Placer County Sewer Maintenance District #3	0.9%	1.0%
13-811	5892-110	Los Angeles County Sanitation District	1.1%	1.0%
14-810	7894-110	Western Riverside County Regional WW Authority	0.9%	1.0%
14-832	8025-110	Sacramento Regional County Sanitation District	0.6%	1.0%
97-812	4504-110	Chico, City of	1.6%	1.0%

Contract Number	Project Number	Recipient	Fee Rates	
97-815	4155-110	San Elijo Joint Powers Authority	1.5%	1.0%
97-817	4251-110	Colton, City of	1.5%	1.0%
97-827	4614-110	South San Francisco, City of	1.6%	1.0%
97-829	4441-120	Sacramento, City of	1.2%	1.0%
98-810	4243-110	Wasco, City of	1.6%	1.0%
98-811	6050-110	Merced, County of	1.6%	1.0%
98-816	4429-110	Thousand Oaks, City of	1.4%	1.0%
98-817	4001-260	Los Angeles County Sanitation District	1.4%	1.0%
98-826	6026-110	South Lake Tahoe, City of	1.6%	1.0%
98-828	6061-110	Napa, County Of, Flood Control and Water	1.4%	1.0%
98-830	4529-110	Banning, City of	1.6%	1.0%
99-809	4452-120	Santa Ana Watershed Project Authority	1.7%	1.0%
99-819	4666-110	American Canyon, City of	1.7%	1.0%
99-825	4452-130	Santa Ana Watershed Project Authority	1.6%	1.0%
99-829	4616-110	Calistoga, City of	1.6%	1.0%
99-830	4452-140	Santa Ana Watershed Project Authority	1.6%	1.0%
99-831	4653-110	Sacramento, City of	1.6%	1.0%
D1501005	8025-140	Sacramento Regional County Sanitation District	0.6%	1.0%
D1501006	8004-120	Rodeo Sanitary District	0.6%	1.0%
D1501007	8019-110	Davis, City of	0.6%	1.0%
D1501008	8004-140	Rodeo Sanitary District	0.6%	1.0%
D1501010	8042-110	South Tahoe Public Utility District	0.6%	1.0%
D1501012	8034-110	McKinleyville Community Services District	0.6%	1.0%
D1501014	7824-110	La Mesa, City of	0.8%	1.0%
D1501020	8004-150	Rodeo Sanitary District	0.6%	1.0%
D1501030	8025-160	Sacramento Regional County Sanitation District	0.7%	1.0%
D1501032	8004-130	Rodeo Sanitary District	0.7%	1.0%

Contract Number	Project Number	Recipient	Fee Rates	
D1501035	8025-170	Sacramento Regional County Sanitation District	0.7%	1.0%
D1601003	8116-110	Valley Sanitary District	0.7%	1.0%
D1601006	8057-110	South Tahoe Public Utility District	0.7%	1.0%
D1601007	8066-110	South Tahoe Public Utility District	0.7%	1.0%
D1601009	8188-110	Elsinore Valley Municipal Water District	0.7%	1.0%
D1601011	8189-110	Los Angeles County Sanitation District	0.7%	1.0%
D1601012	8204-110	Los Angeles County Sanitation District	0.7%	1.0%
D1601013	8205-110	Los Angeles County Sanitation District	0.7%	1.0%
D1601019	8164-110	El Toro Water District	0.7%	1.0%
D1601020	8012-110	Jackson, City of	0.7%	1.0%
D1601034	8190-110	Palo Alto, City of	0.8%	1.0%
D1701002	8129-110	San Francisco, Public Utilities Commission of the City and County of	0.8%	1.0%
D1701003	8132-110	San Francisco, Public Utilities Commission of the City and County of	0.8%	1.0%
D1701010	8115-110	Escondido, City of	0.8%	1.0%

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## VII. APPENDICES

Appendix A	Short-Term Goals
Appendix B	Long-Term Goals
Appendix C	Operating Agreement and Capitalization Grant Conditions
Appendix D	Program Evaluation Report (PER)
Appendix E	SFY 2022-23 CWSRF Audited Financial Statements

## Appendix A: Short-Term Goals

This section describes the CWSRF program’s efforts to meet the following short-term goals established in the SFY 2022-23 IUP. These goals provided the framework that guided the State Water Board’s decision-making, maximization, and prioritization of both staff and funding sources during SFY 2022-23.

	<b>Short-Term Goal</b>	<b>Comments</b>
1	Prepare and review cash management reports regularly	<ul style="list-style-type: none"> <li>State Water Board’s Division Administration Services have not prepared cash management reports for the CWSRF since 2018 due to implementation challenges and delays with Fi\$Cal. Nonetheless, the Division of Financial Assistance has created and reviewed in cooperation of DAS certain CWSRF fiscal reports from LGTS that have provided sufficient quarterly fiscal oversight of the CWSRF.</li> </ul>
2	Continue regular staff level finance/audit coordination meetings	<ul style="list-style-type: none"> <li>DFA and DAS staff conducted regular finance/audit coordination meetings on July 26, 2022, October 28, 2022, January 27, 2023, and April 21, 2023 to ensure oversight of the CWSRF’s finances. Standing topics at finance/audit coordination meetings included (a) reviewing cash flow of projects under contract, short and long-term cash flow projections, and cash flow needs for upcoming projects; (b) comparing actual performance with target performance measures; and (c) reviewing audit issues, program control issues, tax compliance issues, and planning for upcoming audits.</li> </ul>
3	Apply for and accept the Federal Fiscal Year 2022 Capitalization Grants	<ul style="list-style-type: none"> <li>The State Water Board finalized its FFY 2022 Capitalization Grant applications on June 21, 2022. USEPA awarded the FFY 2022 Grants on September 2, 2022, in the amount of \$210,043,000.</li> </ul>
4	Maintain compliance with the SRF Debt Management Policy	<ul style="list-style-type: none"> <li>The State Water Board staff complied with the Debt Management Policy in SFY 2022-2023, including securing State Water Board authorization for the 2023 CWSRF revenue bond sale. Compliance, surveillance and reporting requirements were met</li> </ul>

		for all outstanding bond issuances consistent with the Debt Management Policy.
5	Prepare Annual Report and Audited Financial Statements for SFY 2022-23.	<ul style="list-style-type: none"> <li>To satisfy federal requirements and ensure the CWSRF's finances are reliable, audited financial statements for the year ending June 30, 2023 were completed December 20, 2023</li> <li>The audited financial statements can be found in Appendix E of this Annual Report.</li> <li>This CWSRF SFY 2021-22 Annual Report Was submitted to USEPA on July 17, 2023.</li> </ul>
6	Maintain bond compliance	<ul style="list-style-type: none"> <li>The State Water Board complied with all reporting requirements and compliance obligations associated with outstanding revenue bonds.</li> </ul>
7	Provide funds for high-priority projects	<ul style="list-style-type: none"> <li>The State Water Board continued to provide CWSRF financing for high-priority projects that were ready to proceed to a financing agreement in SFY 2022-23. Section III and Exhibit A provide further details about the projects funded by the State Water Board in SFY 2022-23.</li> </ul>
8	Adopt the SFY 2022-23 IUP	<ul style="list-style-type: none"> <li>The State Water Board adopted the SFY 2022-23 IUP on October 3, 2022, to establish its business plan for the CWSRF and ensure timely submission of its FFY 2022 Capitalization Grant applications to US EPA.</li> </ul>
9	Report activities supporting the <a href="#">Water Resilience Portfolio</a> , <a href="#">State Water Board's Strategic Plan</a> , and <a href="#">U.S. EPA's Strategic Plan</a> in the CWSRF Annual Report, CBR, NIMS, and the FFATA Reporting System	<ul style="list-style-type: none"> <li>In SFY 2022-23, the State Water Board reported activities supporting the USEPA strategic goals via the CWSRF Annual Report, Clean Water Benefits Reporting System, and Clean Water National Information Management System (NIMS)<sup>22</sup>.</li> <li>State Water Board staff also reported via the Federal Funding Accountability and Transparency Act (FFATA) Reporting System for amounts equal to the FFY 2022 CWSRF Capitalization Grants. Exhibit B lists the projects reported to the FFATA database for FFY 2022.</li> </ul>
10	Coordinate internally for efficient program implementation	<ul style="list-style-type: none"> <li>State Water Board staff conducted monthly staging meetings in SFY 2022-23 to coordinate and prioritize application reviews to work towards executing agreements for all projects on the Fundable List by June 30, 2023.</li> </ul>

<sup>22</sup> CBR and NIMS are now the Office of Water State Revolving Funds (OWSRF) system.



11	External CWSRF Program review to improve program management efficiency	<ul style="list-style-type: none"> <li>• DFA coordinated with the Environmental Finance Center (EFC) at California State University, Sacramento on a program management review of California’s DWSRF program. The final EFC report was published in July 2022 and identified recommendations for potential efficiencies, improvements, or enhancements that would facilitate application reviews and execution of loan agreements and disbursements. DFA is meeting with the SRF Stakeholder Advisory Group to further explore these recommendations.</li> </ul>
12	Develop an electronic disbursement request submittal system	<ul style="list-style-type: none"> <li>• State Water Board staff developed a system for funding recipients to submit electronic disbursement requests, including submittal platforms, standardized forms, signature requirements, and a written procedure for funding recipients. Planning for a more comprehensive online disbursement request portal continued in FY 2022-23</li> </ul>

## Appendix B: Long-Term Goals

This section discusses the State Water Board’s efforts to meet the following long-term goals for the CWSRF program established in the SFY 2022-23 IUP. These long-term goals also provided a framework that guided the State Water Board’s decision-making, maximization, and prioritization of both staff and funding sources during SFY 2022-23.

	<b>Long-Term Goal</b>	<b>Comments</b>
1	Continue to maximize non-restricted and restricted cash flows	<ul style="list-style-type: none"> <li>State Water Board executed additional financing agreements that will use future CWSRF receipts and help preclude the growth of the CWSRF’s cash balance. The State Water Board continued to monitor individual projects to ensure that cash was being requested on a regular basis; projects that had not requested funds for significant periods of time were prompted to submit disbursement requests. Throughout the year, the State Water Board received cash through a variety of sources, and disbursed cash for a variety of projects and program expenses. DFA also continued to monitor projects and their disbursements to ensure that final disbursements are made within six (6) months of construction completion to ensure that funds are disbursed timely.</li> </ul>
2	Continue to use revenue and capital effectively	<ul style="list-style-type: none"> <li>DFA continued to monitor cash and financing forecasts to determine whether additional capital would be needed.</li> <li>Due to additional loan commitments and capital needs, the State Water Board sold additional CWSRF bonds in SFY 2022-23.</li> <li>In FY 2022-2023 General Fund State Match was prioritized for disbursement to (1) ensure match for a federal grant was disbursed entirely before disbursing from such federal grant and (2) because the appropriation timeline for the General Fund match was limited and subject to reversion. Thereafter, revenue bond proceeds were prioritized to ensure compliance with spending requirements associated with tax-exempt proceeds followed by federal capitalization grant funds.</li> </ul>
3	Continue to maintain financial integrity	<ul style="list-style-type: none"> <li>State Water Board staff analyzed the creditworthiness of all applicants to ensure CWSRF is repaid on time and in full and imposed</li> </ul>

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		<p>special conditions where appropriate on applicants to lower the credit risk.</p> <ul style="list-style-type: none"><li>• Approvals and transactions associated with individual CWSRF projects were documented in each project’s file. In general, a hard-copy or electronic file was established and maintained for each project.</li><li>• Each approval and transaction in SFY 2022-2023 required multiple reviews and signoffs from staff and management to ensure accuracy and validity. Written internal procedures for the CWSRF program were also maintained.</li><li>• State Water Board staff also surveilled financing recipients with outstanding obligations. Recipients are generally required to provide ongoing financial information after loan closing for at least five years, or longer in some cases, or to complete public outreach if there was significant public disapproval during their rate setting process.</li><li>• DFA staff maintained its “watch list” of financing recipients and potential applicants that show signs of financial weakness. Financial weakness was assessed using the financing recipients’ annual financial statements, a variety of news outlets, and periodic interactions with applicants, the Regional Water Boards, and the public.</li><li>• CWSRF monitored payments of all outstanding agreements in SFY 2022-23 to identify late payments and prevent delinquent payments, that is payments greater than 10 days past the payment due date, especially payments on agreements that have been pledged to repay CWSRF revenue bonds.</li><li>• State Water Board staff prepared financial statements for the CWSRF, and the financial statements were audited by an independent auditor in accordance with Government Auditing Standards. A copy of the audited financial statements is included in this report (Appendix E).</li><li>• Designated State Water Board supervisors and managers were required to file an annual “Statement of Economic Interest” with the California Fair Political Practices Commission. In addition, State Water Board supervisors and managers completed conflict of interest training</li></ul>
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		and are required to complete ethics training biennially.
4	Continue to finance infrastructure that maintains compliance with federal and state water quality requirements	<ul style="list-style-type: none"> <li>State Water Board financed approximately \$600 million of infrastructure improvements during SFY 2022-23, which will support the State's efforts to implement water quality control plans. Water quality control plans are developed on a watershed basis.</li> </ul>

5	<p>Continue to invest in small SDACs and small DACs disproportionately affected by pollution and water contamination consistent with the <a href="#">Capacity Development Strategy</a></p>	<ul style="list-style-type: none"> <li>• The Office of Sustainable Water Solutions (OSWS) was established on March 27, 2015 as a result of the Governor signing Assembly Bill 92. OSWS is part of State Water Board’s DFA. OSWS was created to promote permanent and sustainable drinking water and wastewater solutions to ensure effective and efficient provision of safe, clean, affordable, and reliable drinking water and wastewater treatment services, focusing on addressing financial and technical assistance needs, particularly for small DAC’s. OSWS manages the Small Community Funding Program and provides small disadvantaged and small severely disadvantaged communities low interest loans and principal forgiveness through the CWSRF program and grants through the CWSRF Small Community Grant Fund (CWSRF-SCG) and Small Community Grant Wastewater (SCG-WW) programs utilizing federal and state funds respectively.</li> <li>• OSWS continued to implement the State Water Board’s combined technical, managerial and financial capacity development strategy for small and/or DAC wastewater and drinking water communities. The combined strategy provides an overview of the challenges the communities face, including failing septic systems, failing and undersized wastewater treatment plants, higher per capita costs, lower household incomes for DACs, and prohibitive rates. The combined strategy also discusses options and offered solutions to help address the communities’ pollution and water contamination issues. These include offering grants, principal forgiveness, and reduced interest rates for new infrastructure financing and providing technical assistance. Additional information on technical assistance provided to small DACs in SFY 2022-23 is described in Section IV(E).</li> </ul>
6	<p>Achieve compliance statewide with</p>	<ul style="list-style-type: none"> <li>• The State Water Board continued its efforts to set and enforce water quality objectives. The State Water Board provided financial assistance from the CWSRF to correct pollution problems to help</li> </ul>

	water quality objectives.	meet these objectives. The environmental benefits of the projects that received CWSRF financing during SFY 2022-23 are summarized in Section II of this report.
7	Achieve sustainable water resource management consistent with the <a href="#">Human Right to Water</a> .	<ul style="list-style-type: none"> <li>• State Water Board continued to make California’s water supply more sustainable and resilient, by funding water quality and water recycling projects. Funding was provided to help communities have access to sanitation services that are physically accessible within, or in the immediate vicinity of, their household, workplace and educational or health institutions.</li> <li>• 3 projects funded during SFY 2022-23 met the USEPA’s “Green Project Reserve” criteria. Green projects reduce the environmental footprint of water and wastewater treatment, collection, and distribution; help utilities adapt to climate change; enhance water and energy conservation; adopt more sustainable solutions to wet weather flows; and promote innovative approaches to water management problems.</li> <li>• All applicants for CWSRF infrastructure financing are required to certify the existence, or current development of, fiscal sustainability plans (FSP). A certified FSP includes an inventory of critical treatment works assets; an evaluation of the condition and performance of the assets; a certification that the applicant evaluated and will be implementing water and energy conservation; and a plan for maintaining, repairing, and replacing the treatment works and funding those activities.</li> <li>• All public agencies that received CWSRF funds were required to certify they have performed a cost and effectiveness analysis and selected a project to maximize the efficient use, reuse, and recapture of water. Financed projects must maximize conservation of water and energy and consider the costs of construction, operation, and maintenance over the life of the project, as well as replacement of the project.</li> <li>• State Water Board applied water conservation requirements to recipients and required compliance with several specific state water management laws, where applicable, including urban water management planning, agricultural water management planning, Delta Plan compliance, and water metering requirements.</li> </ul>

8	<p>Fund projects identified in the State Water Board’s <a href="#">Plan for California's Nonpoint Source Pollution Control Program</a> and California’s Estuary Comprehensive Conservation and Management Plans.</p>	<ul style="list-style-type: none"> <li>• The State Water Board did not fund any projects in SFY 2022-23 that will help address non-point source pollution or estuaries. However, State Water Board staff continue to engage with stakeholders and interested parties on these issues.</li> </ul>
9	<p>Support the State’s greenhouse gas reduction and climate adaptation goals to the maximum extent practicable consistent with State Water Board <a href="#">Resolution No. 2017-0012</a>.</p>	<ul style="list-style-type: none"> <li>• The State Water Board worked to meet its sustainability objectives by helping funding recipients adapt to climate change. The State Water Board adopted <a href="#">Resolution No. 2017-0012</a> on March 7, 2017, outlining a comprehensive response to climate change for all the State Water Boards’ activities and programs. In response, DFA considered the potential effects of climate change on the viability of funded projects. Also, consistent with the California Air Resources Board’s Climate Change Scoping Plan, the State Water Board looked for actions to incentivize sustainable water-related infrastructure and water quality protection and improvement projects.</li> <li>• DFA continued to evaluate information provided by applicants through the climate change worksheet required as part of all CWSRF funding applications. The climate change worksheet considers the impacts of climate change on projects being considered for CWSRF funding.</li> <li>• DFA provides technical assistance where appropriate to support water and wastewater systems’ efforts to prepare for and mitigate the impacts of climate change including preparing and implementing climate adaptation plans, implementing drought resiliency and preparedness efforts, improving public health outcomes and providing access to safe and affordable drinking water, and efficiently and sustainably managing their drinking water systems and resources.</li> </ul>



		<ul style="list-style-type: none"> <li>DFA ensured that applications and environmental reviews for potential projects evaluated the impacts related to climate change and accounted for potential mitigation measures, including potential effects of climate change on the viability of funded projects, and worked with applicants to ensure that mitigation and adaptation measures are implemented as fully as practicable.</li> </ul>
10	Consistently provide good customer service with a special emphasis on assisting SDACs and DACs.	<ul style="list-style-type: none"> <li>DFA continued to emphasize good customer service, especially assisting small SDACs and DACs with technical assistance and staff dedicated to helping these communities.</li> </ul>
11	Ensure that application forms and review procedures are updated on a regular basis so that they are clear, flexible, and efficient.	<ul style="list-style-type: none"> <li>In SFY 2022-23, State Water Board updated its CWSRF planning and construction application forms and instructions to ensure that they are clear, flexible, and efficient for funding applicants.</li> </ul>
12	Consistently and clearly communicate to applicants their statuses and expectations for funding.	<ul style="list-style-type: none"> <li>DFA regularly updated the CWSRF Application Status Report posted on its website.</li> <li>Each application submitted to DFA was also assigned a Project Manager to assist the applicant through the application process. The Project Manager is the applicant's primary source of information regarding the application's status and timeframe for funding.</li> </ul>
13	Ensure staff remains well trained and ready to help applicants resolve technical, legal, environmental, and financial issues needed to receive financing.	<ul style="list-style-type: none"> <li>CWSRF management conducted regular staff meetings and training sessions to ensure that staff received up-to-date information about the current policies and procedures affecting the CWSRF program.</li> </ul>

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## Appendix C: Operating Agreement and Capitalization Grant Conditions

The State Water Board agreed to several conditions in the CWSRF Operating Agreement and the CWSRF Federal Capitalization Grant Agreements. These conditions were met as described below.

### 1. Assistance Activity

The State Water Board continued to provide CWSRF funding for activities in SFY 2022-23 that were eligible under Section 603(c) of the Clean Water Act. In summary, a total of \$600 billion in new CWSRF funding was awarded to 19 projects in SFY 2022-23. CWSRF funds were provided to eligible recipients to enhance wastewater treatment, collection systems, or wastewater recycling. The projects and eligible recipients funded in SFY 2022-23 are detailed in Exhibit A.

However, in SFY 2022-23, 29 projects listed on the Fundable List were not funded. Exhibit E lists these projects and the reasons why they did not receive CWSRF or other complementary funding in SFY 2022-23. The high demand for water quality improvement funding in California requires the State Water Board to prioritize projects based upon their water quality benefits as well as the recipient's readiness to proceed to a funding agreement.

### 2. Eligible Categories of Projects and Financing Terms

The State Water Board offered funding to all eligible categories of projects in SFY 2022-23. The types of assistance included installment sales agreements, loans, and purchase of debt for the construction of treatment works. Additional subsidy in the form of principal forgiveness was also provided to those applicants that met the conditions specified by the State Water Board in Section III.C.2. of the SFY 2022-23 IUP.

The State Water Board offered planning, design, and construction financing during SFY 2022-23. Planning and design financing was provided in the form of principal forgiveness. Construction or implementation financing was generally amortized for periods up to 30 years or the useful life of the project if less than 30 years.

The standard interest rate applied to financing agreements was established at the time the project's financing agreement was prepared. The interest rate was one-half the state's most recent general obligation bond rate, rounded up to the nearest one-tenth of a percent (0.1%). However, small DACs and SDACs, NPS, and estuary management projects were generally offered a lower interest rate, not less than zero percent (0%), under certain conditions where necessary to make a project affordable as directed by the State Water Board in the IUP. Finally, although the CWSRF is over-matched, as explained

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in the next section, the State Water Board offered the zero percent (0%) CWSRF local match financing option during SFY 2022-23, but no agreements were executed for local match financing due to the current low interest rate environment.

### **3. Provide a State Match**

The State Water Board met its match requirement by identifying state funds equal to at least 20 percent (20%) of each capitalization grant amount. See the CWSRF Audited Financial Statements for information on State Match compliance in Appendix E

California has historically used a combination of general obligation funds, local match, short-term financings and recently General Fund appropriations to satisfy the CWSRF State Match requirement. The State Match requirement for the FFY 2022 CWSRF grants were satisfied through an allocation of General Fund appropriation in the Spring of 2022 as well as a prior year short-term \$50 million CWSRF State Match financing with the California Infrastructure and Economic Development Bank.

*Note: The National Information Management System Report includes all state match contributed to the CWSRF.*

### **4. Binding Commitments within One Year**

The State Water Board continued to commit CWSRF funding to projects in an amount equal to or greater than 120 percent (120%) of each federal quarterly payment within one year of that payment. As of June 30, 2023, cumulative executed funding agreements totaled approximately \$14.66 billion, or approximately 326% of the total \$4.5 billion in cumulative federal payments and State Match received as of June 30, 2023.

### **5. Expeditious and Timely Expenditure**

The State Water Board continued to make timely and expeditious use of CWSRF funds, especially federal capitalization grant funds. As of June 30, 2023, the State Water Board had approximately \$227.7 million of unspent FFY 2020 - 2022 CWSRF base grant funds, and approximately \$120.3 million of unspent FFY 2022 CWSRF BIL grant funds. These funds were not further liquidated in SFY 2022-2023 because related General Fund State Match and revenue bond proceeds were prioritized for timely and expeditious disbursement given (1) the earlier reversion date of the General Fund match

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and the (2) timeline required for the expenditure of tax-exempt bond proceeds.

The CWSRF funds was also satisfied through the prompt and efficient processing of CWSRF reimbursement claims and the CWSRF disbursement rate is now trending on average of approximately 57 days in SFY 2022-23. DFA continuously monitors processing times as a means to identify areas in need of improvement and to streamline processes.

The State Water Board also continued to draw federal funds in SFY 2022-23 from the United States Treasury via the Automated Standard Application for Payments (ASAP) system as warrants were issued by SCO. ASAP is a request and delivery system of federal funds developed by the Financial Management Service of the United States Treasury and the Federal Reserve Bank. By using ASAP, the State Water Board draws funds from USEPA for expenditures incurred by the CWSRF program in an expeditious and timely manner. Draw requests are made within one week of an issued warrant. Requested funds are also deposited electronically the next business day to account(s) specified by the State Water Board.

#### **6. Disadvantaged Business Enterprise (DBE) Participation, Davis-Bacon, American Iron and Steel (AIS), and Build America, Buy America (BABA) Requirements**

Effective October 1, 2019, USEPA approved a temporary exception to suspend the fair share objective requirement for the CWSRF program. Additional information regarding the temporary exception can be found at <https://www.epa.gov/grants/rain-2019-g10>. Exhibit J provides a detailed analysis of DBE participation for FY 2022-2023. The State Water Board will continue to monitor participation to ensure that the “positive effort process” is followed by funding recipients.

All CWSRF funded projects were required to comply with Davis-Bacon prevailing wage requirements in SFY 2022-23. Each funding agreement included provisions requiring applicants to follow Davis-Bacon requirements. DFA conducted a variety of surveillance activities throughout SFY 2022-23 to ensure each recipient’s compliance with Davis-Bacon requirements. Surveillance activities included (1) reviewing recipient and sub-recipient reports and compliance certifications; (2) tracking compliance with federal annual monitoring requirements; and (3) annually reviewing quarterly site inspection reports to verify the adequacy of site inspections and control activities.

CWSRF funding recipients were also required to use AIS products in SFY 2022-23 pursuant to USEPA guidelines for projects involving the construction,

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alteration, maintenance, or repair of a public treatment works funded after January 16, 2014, unless a national or project specific waiver from the USEPA applied. Each funding agreement included provisions requiring applicants to follow AIS requirements. DFA also examined recipient records for AIS certifications and/or any AIS waivers during project inspections.

New Build America, Buy America (BABA) provisions requiring domestically sourced construction materials and manufactured products (in addition to iron and steel products) were introduced with BIL and are a requirement for all FFATA reported projects. For SFY 2022-23, the applicable FFATA projects complied with BABA through use of the Adjustment Period Waiver issued by US EPA on September 2, 2022.

### 7. Use of Capitalization Grant Administration Allowance and Technical Assistance Cost Expenditures

In accordance with federal requirements, CWSRF funds can be used for administration of the CWSRF program<sup>23</sup>. In SFY 2022-23, the State Water Board had four (4) options to determine the maximum amount of CWSRF funds that could be expended for administration of the CWSRF program:

Option	CWSRF Administration Allowance Options	Maximum CWSRF Administration Allowance for SFY 2022-23
A	Cumulative 4% of cap grants awarded	\$52,924,078
B	1/5%/year of net position	\$9,272,484
C	\$400,000	\$400,000

In addition to the administrative allowances of the CWSRF, the State Water Board may also administer the CWSRF program from the CWSRF Administration Fund, where revenues are derived from CWSRF loan fees deposited into the CWSRF Administration Fund.

Administration and technical assistance expenses, namely personnel costs, were paid in part from the CWSRF Administration Fund in SFY 2022-2023 as well as 6% of the FFY 2022 CWSRF base and BIL – General Supplemental grants (4% Admin + 2% technical assistance). See Exhibit F above for the budgeting expenditure of the CWSRF Administration and Technical Assistance Allowances. See also Appendix E for the CWSRF audited

<sup>23</sup> Per section 603 (d)(7) of the Federal Pollution Control Act (Clean Water Act) the CWSRF may be used “for the reasonable costs of administering the fund and conducting activities under this subchapter, except that such amounts shall not exceed 4 percent of all grant awards to such fund under this subchapter, \$400,000 per year, or 1/5 percent per year of the current valuation of the fund, whichever amount is greatest, plus the amount of any fees collected by the State for such purpose regardless of the source.”

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financial statements and the expenditure of the CWSRF Administration Fund in FY 2022-2023.

## **8. Additional Subsidy and Green Project Reserve Requirements**

In accordance with USEPA requirements, a portion of each CWSRF capitalization grant must be used for additional subsidy and the Green Project Reserve. Exhibit G shows the minimum and maximum additional subsidy established by USEPA. The State Water Board has directed DFA to use the maximum allowable additional subsidy in the form of principal forgiveness for every annual capitalization grant awarded by USEPA. Exhibit G also shows the additional subsidy amounts committed and uncommitted by capitalization grant as of June 30, 2023. Additionally, Exhibit G shows the disbursement of additional subsidy by capitalization grant as of June 30, 2023, based on USEPA's capitalization grant disbursement policies.

Exhibit G shows the minimum amounts of Green Project Reserve that must be awarded by capitalization grant per USEPA requirements. It also shows the amounts of Green Project Reserve funding committed and disbursed by capitalization grant to CWSRF projects as of June 30, 2023.

## **9. Federal Cross-Cutters**

The State Water Board ensured that CWSRF financing recipients comply with applicable federal laws, known as "cross-cutters" through a variety of program procedures.

CWSRF financing agreements included a list of applicable federal statutes and requirements taken from the most recent capitalization grant. Every financing recipient agreed to comply with these federal requirements by signing the financing agreement.

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The State Water Board Staff updated the [State Environmental Review Process](#) (SERP), and the USEPA Region 9 Administrator approved it on June 26, 2017. The State Water Board Staff reviewed CWSRF projects consistent with the approved SERP. While the SERP generally follows the requirements of the California Environmental Quality Act, each applicant was also required to complete and submit an [Evaluation Form for Federal Environmental Coordination](#) (Evaluation Form) along with relevant supporting federal environmental cross-cutters documents. The State Water Board Staff reviewed the completed Evaluation Form and the supporting federal environmental cross-cutters documents to assure compliance with the federal environmental cross-cutters requirements. Staff coordinated with the USEPA, Region 9 to initiate consultations with relevant federal agencies on projects with known (or suspected) effects under federal environmental regulations, consistent with the SERP approved by the USEPA.

DFA also required compliance with DBE and Davis-Bacon wage requirements for all CWSRF financing, except planning and design financing, and required Single Audit Act (Office of Management and Budget [OMB] Circular A-133 and 2 CFR Part 200, subpart F, and updates or revisions, thereto) compliance and reporting on all recipients that received \$750,000 or more in federal funds in any one year. DFA also required compliance with AIS requirements beginning in 2014, as required by the Consolidated Appropriations Act of 2014 (Public Law 113-76) and by the Clean Water Act, unless the project qualified for a waiver.

As of October 1, 2010, FFATA, along with associated OMB directives, requires non-ARRA recipients of federal dollars to report recipient and sub-recipient information into the FFATA Subaward Reporting System (FSRS) by the end of the month following recipient or sub-recipient award greater than or equal to \$25,000. The CWSRF program began reporting FFATA data in FFY 2011, on an equivalency basis, by choosing financing agreements that equaled the total CWSRF grant amount received from USEPA. The CWSRF program continued to report FFATA financing agreement data, on an equivalency basis, to the FSRS as described in Exhibit B.



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## Appendix D: Program Evaluation Report (PER)

USEPA Region 9 conducted its annual review of California's CWSRF program for SFY 2020-21 and SFY 2021-22 jointly in accordance with EPA's SRF annual review guidance. Based upon the transaction tests, file and program reviews and interviews, EPA concluded that the State Water Board has administered the program in compliance with the capitalization grant agreements. USEPA Region 9 found that all financing executed by the State Water Board assisted wastewater and water systems to maintain or bring them into compliance with federal and state clean water requirements.

USEPA Region 9 also found that California demonstrated strong CWSRF performance in SFY 2020-21, followed by an unprecedented, exceptional year in SFY 2021-22. USEPA Region 9 acknowledged that the State Water Board executed \$2.073 billion in CWSRF assistance in SFY 2021-22. This level comprised the highest amount of lending of any state nationally. Any additional program observations by USEPA Region 9 will be addressed in separate correspondence.

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**Appendix E: SFY 2022-23 CWSRF Audited Financial Statements**