

**California Clean Water and Drinking Water
State Revolving Fund Program Evaluation Report
August 2019**

I. Executive Summary

EPA conducted its annual review of the California Clean Water State Revolving Fund (CWSRF) and Drinking Water State Revolving Fund (DWSRF) programs in accordance with EPA's SRF annual review guidance. Based upon the transaction tests, file and program reviews and interviews, EPA concludes that the State of California has administered the program in general compliance with the capitalization grant agreement. All financing executed by the California State Water Resources Control Board (State Water Board) assisted wastewater and water systems to maintain or bring them into compliance with federal and state clean water and drinking water requirements.

II. Introduction

In accordance with the Safe Drinking Water Act and Clean Water Act, EPA provides funds to states to capitalize their DWSRF and CWSRF programs, respectively. EPA is required to conduct an annual oversight review of each state's DWSRF and CWSRF program. The purpose of the annual review process is to assess the cumulative program effectiveness; fiscal health; compliance with the statutes and regulations; operating agreement; and grant conditions governing the state's DWSRF and CWSRF program.

To provide EPA with timely information on the progress and many accomplishments of the California SRF programs for the review period ending June 30, 2018, the State Water Board submitted to EPA the California DWSRF Annual Report on December 14, 2018, and the California CWSRF Annual Report on November 20, 2018.

EPA conducted its annual on-site reviews of the two California SRF programs December 3-4 and 6-7, 2018. Staff from EPA visited State offices to review selected project files and cash draws, and to talk with state staff about various aspects of the California SRF programs. To ensure that the annual review addressed all the major elements for the SRF programs, EPA staff completed the SRF Annual Program Review Checklist for each SRF program, **Attachment A**.

After review of the California annual reports for SFY 2017/2018, the on-site review, and evaluation conducted at EPA's office, EPA prepared this program evaluation report (PER), which covers all program activities from program inception to the present, with major emphasis on the activities performed during the last state fiscal year. The PER evaluates the State's ability to achieve the intent of the DWSRF and CWSRF programs and comply with grant agreements. This PER highlights the review findings and identifies follow-up actions to be addressed in SFY 2018/2019.

III. Background and Scope

The California DWSRF uses federal capitalization grants, state match funds, loan repayments, and interest earning to make loans for construction of drinking water treatment facilities and support

several Safe Drinking Water Act programs. As reported in the National Information Management System (NIMs), California has received \$2.0 billion from EPA in DWSRF capitalization grants since the inception of the program. Together with the state match and American Recovery and Reinvestment Act (ARRA) funds, the total state-federal investment is \$2.5 billion. Since the program's inception in 1998 through June 30, 2018, the California DWSRF has executed 459 loans totaling approximately \$3.1 billion.

The California CWSRF uses federal capitalization grants, state match funds, loan repayments, bond proceeds and interest earnings to make loans for construction of wastewater treatment facilities, the implementation of nonpoint source water quality control projects, and the development and implementation of estuary enhancement projects. As reported in NIMs, California has received \$3.3 billion from EPA in CWSRF capitalization grants since inception of the program. Together with the state match and American Recovery and Reinvestment Act (ARRA) funds, the total state-federal investment is \$3.8 billion. Since the program's inception in 1988 through June 30, 2018, the California CWSRF has executed 829 loans totaling approximately \$10.7 billion.

The scope of the annual review includes consideration of the legal, managerial, technical, financial and operational capabilities of the State of California to manage the CWSRF and DWSRF programs. EPA Region 9 used the *SRF Review Guidance* and *SRF Program Review Checklist* to ensure that all major annual elements of the program were reviewed and discussed with the California DWSRF and CWSRF management and staff.

In response to the Improper Payments Elimination and Recovery Act of 2012 the Office of Management and Budget through the EPA Office of the Chief Financial Officer directed that the SRFs be subjected to testing of a random selection of SRF transactions to develop a national estimate of improper payments from these programs. For this review EPA selected four DWSRF and four CWSRF program cash transactions for testing.

The California DWSRF and CWSRF programs are required to maintain the following program and financial elements, which EPA assessed during its review. Elements noted with an asterisk are discussed in Sections IV and V of this report. The other elements were found to be acceptable and do not require further discussion.

Required Program Elements

- Annual/Biennial Report
- Funding Eligibility
- Compliance with Disadvantaged Business Enterprise (DBE) Requirements
- Compliance with Federal Requirements and Grant Conditions: i.e., Cross-Cutting Authorities, American Iron and Steel, Davis-Bacon, Additional Subsidy, and Green Projects Reporting
- Compliance with Environmental Review Requirements
- Operating Agreement
- Staff Capacity
- Set-aside Activity (DWSRF only)

Required Financial Elements

- State Match
- Binding Commitment Requirements
- Rules of Cash Draw (including improper payments)*
- Timely and Expeditious Use of Funds
- Compliance with Audit Requirements
- Assistance Terms
- Use of Fees
- Assessment of Financial Capability and Loan Security
- Financial Management
- Other Program and/or Financial Elements*

IV. California DWSRF Program: Observations and Follow-up Actions

EPA's review assessed program, financial and project management practices as they relate to the State's ability to effectively administer DWSRF program activities. This section presents EPA's specific observations and suggested or required follow-up actions to be incorporated into future operations, annual reports, or management of the program. EPA will continue to meet regularly with the State to discuss these and other issues related to the California DWSRF.

A. Program Management

DWSRF Set-aside Activity

Operator Certification and Capacity Development Program: The State Water Board has continued to meet the program's operator certification and capacity development objectives set forth in the Safe Drinking Water Act. EPA's determination is based on comprehensive program reviews and annual program reports submitted by the State. EPA supports and encourages continuing management discussions to continue to meet the needs of California communities.

Recommended follow-up: none

PWSS Program: The State Water Board's Division of Drinking Water implements the Public Water System Supervision (PWSS) program, which received 10% of the DWSRF for implementation. EPA reviews usage of this allotment via review of the PWSS grant, both are within the same work plan. The 10% set-aside and the PWSS grant account for less than 50% of the total operating budget of the PWSS program. No issues of concern for the 10% set-aside were found during this year's review.

Recommended follow-up: none

Compliance with Federal Requirements and Grant Conditions- American Iron and Steel

The State Water Board complies with the American Iron and Steel requirements by reviewing certifications of compliance prepared by assistance recipients. Generally, this is performed during on-site project visits by the State Water Board project manager. Review of both DWSRF project files showed that projects are in the early stages of development and no inspections have been

performed yet by the State. Project staff at the State Water Board confirmed they will review the AIS files during the first inspection for each project.

Recommended follow-up: none

B. Financial Management

Rules of Cash Draw and Improper Payments

Cash draws from the U.S. Treasury for DWSRF expenses must be based on eligible incurred project or set-aside costs. Any inconsistency between the eligible incurred costs, the allowable draw proportion, and amount drawn is considered an improper payment. As part of EPA's oversight of the DWSRF, EPA reviews state cash draws to protect against waste, fraud and abuse, and to minimize and document improper payments.

To comply with the Improper Payments Elimination and Recovery Act of 2012 and implementing requirement established by the Office of Management and Budget to evaluate improper payments, EPA is required to perform transaction testing of separate payments for state DWSRF funded transactions annually.

EPA randomly-selected and tested 4 DWSRF cash transactions with a total draw of \$31.1 million from the U.S. Treasury between July 2017 and June 2018. The review of these program financial transactions found no instances of cash draw rule violation and no improper payments. The details for each cash draw tested can be found in **Attachment B**.

EPA also tests transactions to review the suitability of incurred project costs. EPA found that the State Water Board continues doing a great job of scrutinizing the eligibility for DWSRF project construction, engineering/design, and administrative costs submitted for reimbursement. However, as mentioned in past PERs, sometimes cost adjustments and reimbursements are not well documented or are difficult to follow, thus complicating authentication. These issues were resolved and confirmed as justified after discussions with the DWSRF disbursement analysts. Similarly, some project claim adjustments varied in the level of detail presented in the file, this was also noted in the 2017 PER.

Recommended Follow-up: EPA welcomes the improvements that the State Water Board has implemented to streamline the project claim adjustments and reimbursement documentation procedure, as described in the 2018 DWSRF Annual Report. EPA understands that this is a work in progress and encourages the State Water Board to consider developing or updating a comprehensive standard operating procedure for the disbursement analysts and project managers to follow.

Timely and Expeditious Use of Funds

A state must commit and expend all funds as efficiently as possible and in an expeditious and timely manner to maximize the effectiveness of SRF assets in meeting the public health needs of the state per 40 CFR § 35.3550(l).

As developed through the State/EPA SRF Workgroup, several SRF financial performance indicators are incorporated into the NIMs and used annually to measure the progress of the SRF

program. These financial indicators serve as tools to help understand and assess state programs. EPA has reviewed these financial indicators for FY2018 against the State Water Board’s performance in prior years and against national averages. In general, these indicators are used as a suite, and not individually. EPA considers all the indicators together to gain a comprehensive picture of the State’s program.

Fund Utilization Rate: The fund utilization rate shows how quickly funds are committed to finance DWSRF projects, it represents the cumulative assistance committed as a percentage of cumulative SRF funds available for projects. This is one of the most significant metrics EPA utilizes to evaluate the effectiveness with which an SRF is being managed. The tables below show California’s performance against the national average.

The State Water Board has demonstrated a commendable capacity to properly manage the flow of funds over this time. The fund utilization rate has increased in recent years and remains above the national average and above 100%. This indicates that the State Water Board is anticipating funds received and planning for their use prior to having them deposited.

Table 1. California DWSRF Fund Utilization Rates

| DWSRF Fund Utilization (NIMS Line 397) | ‘13 | ‘14 | ‘15 | ‘16 | ‘17 | ‘18 |
|---|------------|------------|------------|------------|------------|------------|
| National (%) | 91 | 92 | 93 | 95 | 95 | 96 |
| California (%) | 95 | 109 | 108 | 113 | 110 | 115 |

Note that historical values will have changed slightly from prior PER’s as a result of data clean-up efforts in NIMs.

Recommended Follow-up: As this figure remains aggressive, EPA recommends the State Water Board continue its open dialogue with EPA about fund utilization and the possibility of leveraging to meet the needs of the state.

Disbursement as a Percentage of Assistance Provided - Based on Cumulative Activity:

The disbursement rate reflects how quickly the California DWSRF disburses funds (i.e., federal capitalization grants, state match, and repayments) to systems. The California DWSRF disbursement ratio continues to improve though it does still lag the national average. Per the 2018 DWSRF Annual Report, the State uses LGTS as a tool to track project budgets and record pay request details. EPA commends the State for this effort.

Table 2. California DWSRF Cumulative Disbursements as a Percentage of Assistance Provided

| Cumulative Disbursements as a % of Assistance Provided (NIMS Line 409) | ‘13 | ‘14 | ‘15 | ‘16 | ‘17 | ‘18 |
|---|------------|------------|------------|------------|------------|------------|
| National (%) | 86 | 85 | 86 | 87 | 87 | 87 |
| California (%) | 68 | 64 | 71 | 70 | 76 | 77 |

Note that historical values will have changed slightly from prior PER’s as a result of data clean-up efforts in NIMs.

Recommended follow-up: In the SFY 18-19 annual report, EPA requests the State Water Board include a discussion about disbursements including but not limited to how the transition to FISCAL is affecting the disbursement process and what the outlook for future performance is.

Set-Aside Spending Rate- Based on Cumulative Activity: Expressed as a percentage, this indicator reflects the rate at which set-aside funds are disbursed to assist state and local activities. For the DWSRF, EPA commends the state of California for improvements in the management of set-asides that have led to an increased spending rate.

Table 3. California DWSRF Set-Aside Spending Rate - Based on Cumulative Activity

| Set-aside Spending Rate (NIMS Line 424) | '13 | '14 | '15 | '16 | '17 | '18 |
|---|------|------|------|------|------|------|
| National (%) | 84.9 | 86.5 | 88.2 | 89.9 | 91.3 | 92.2 |
| California (%) | 76.8 | 83.0 | 86.4 | 91.2 | 91.3 | 94.3 |

Note that historical values will have changed slightly from prior PER's as a result of data clean-up efforts in NIMS.

Recommended follow up: None

GAO Financial Indicators

Undispersed Cash to 3-year Average Disbursement Ratio: This new indicator looks at available funds that a state has at the Treasury and in state accounts and divides this by the prior three-year average annual disbursement figure. It is a metric to gauge how long it will take a state to disburse its funds.

The California DWSRF has a figure of 1.2, which means that it has a little over a year's worth of cash on hand to pay disbursement requests. This is one of the lowest figures in the nation indicating that California is aggressively managing its cash supply.

Total Net: This new indicator seeks to gauge if an SRF program is growing. A positive figure indicates that a program is maturing.

The California DWSRF has a total net of \$88.5 million.

Net Interest Margin: This indicator seeks to gauge if an SRF program is growing through interest earnings. A positive figure indicates that a program is maturing.

The California DWSRF has a net interest margin of 1.1%, indicating the program is growing through interest earnings.

Recommended Follow-up: EPA has no recommended follow up but will continue to monitor these financial indicators annually and discuss with the state.

C. **Project File Review**

EPA's review of DWSRF project files found the projects to be eligible and in compliance with the program requirements. The project file review checklists for each of the projects listed below can be found in **Attachment C**.

* Recipient: Coachella Valley Water District

Assistance Amount: \$26,703,000, of which \$5,000,000 was a principal forgiveness loan.
Project Description: Consolidation of existing water systems.

Recommended Follow-up: None

* Recipient: City of South Pasadena

Assistance Amount: \$12,205,642 (assistance loan)

Project Description: Design, construction, and environmental review of treatment system.

Recommended Follow-up: None

V. **California CWSRF Program: Observations and Follow-up Actions**

EPA's review assessed program, financial and project management practices as they relate to the State's ability to effectively administer CWSRF program activities. This section presents EPA's specific observations and suggested or required follow-up actions to be incorporated into future operations, annual reports, or management of the program. EPA will continue to meet regularly with the State to discuss these and other issues related to the California CWSRF.

A. **Program Management**

Sustainability:

Since 2012, EPA has required states to separate a portion of the annual CWSRF allocation for Green Project Reserve (GPR) projects including green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities.

California stimulates a pipeline of sustainability projects by including language in all marketing materials highlighting eligible sustainability projects and in some cases providing financial incentives in the form of additional subsidization. This has allowed California to continue funding water recycling projects as well as other sustainability projects that are a priority. EPA commends California for meeting the GPR requirements of the program and continues to view sustainability projects as a priority for the agency.

Recommended follow-up: None

B. Financial Management:

Rules of Cash Draw and Improper Payments:

Cash draws from the U.S. Treasury for SRF expenses must be based on eligible incurred project costs. Any inconsistency between the eligible incurred costs, the allowable draw proportion, and amount drawn is considered an improper payment. As part of EPA's oversight of the CWSRF program, EPA reviews state cash draws to protect against waste, fraud and abuse, and to minimize and document improper payments.

To comply with the Improper Payments Elimination and Recovery Act 2012 and implementing requirements established by the Office of Management and Budget to evaluate improper payments, EPA is required to test several state CWSRF-funded transactions annually.

EPA tested 4 CWSRF cash transactions selected through random sampling with a total draw of \$14.6 million from the U.S. Treasury between July 2017 and June 2018. The review of these program financial transactions found 2 violations of cash draw rules and \$81.47 improper payments. The details for each cash draw tested can be found in **Attachment B**.

- * Improper payment 1
Payment Amount: \$7

Description: Originating out of draw \$3,551,748.00 on 8/24/18. This was a transposition error

Recommended Follow-up: None, the state corrected this error in a subsequent draw and provided documentation to EPA.

- * Improper payment 2
Payment Amount: \$74.47

Description: Originating out of draw \$91,832.00 on 3/30/18. This was an underpayment.

It occurred because proper back up was not originally provided to justify the amount. The back-up was subsequently provided but the amount of \$74.47 was accidentally overlooked in the releasing of funds in the draw thus an underpayment.

Recommended Follow-up: None, the state corrected this error by releasing the funds in a subsequent draw and provided documentation to EPA.

Timely and Expeditious Use of Funds:

A state must agree to commit and expend all funds as efficiently as possible and in an expeditious and timely manner to maximize the effectiveness of SRF assets in meeting the objectives of the Clean Water Act per 40 CFR § 35.3135(d).

As developed through the State/EPA SRF Workgroup, several SRF financial performance indicators are incorporated into the NIMs and used annually to measure the progress of the SRF program. These financial indicators serve as tools to help understand and assess state programs. EPA has reviewed these financial indicators for FY2018 against the State Water Board’s performance in prior years and against national averages. In general, these indicators are used as a suite, and not individually. EPA considers all the indicators together to gain a comprehensive picture of the State’s program.

Fund Utilization Rate: The fund utilization rate shows how quickly funds are committed to finance CWSRF projects, it represents the cumulative assistance committed as a percentage of cumulative SRF funds available for projects. This is one of the most significant metrics EPA utilizes to evaluate the effectiveness with which an SRF is being managed. The tables below show California’s performance against the national average.

Table 4. California CWSRF Fund Utilization Rates

| CWSRF Fund Utilization (NIMS Line 285) | ‘13 | ‘14 | ‘15 | ‘16 | ‘17 | ‘18 |
|---|------------|------------|------------|------------|------------|------------|
| National (%) | 96 | 97 | 97 | 98 | 98 | 99 |
| California (%) | 109 | 110 | 116 | 113 | 117 | 114 |

Note that historical values will have changed slightly from prior PER’s as a result of data clean-up efforts in NIMs. California Clean Water maintains a very high fund utilization rate.

Recommended follow-up: None

GAO Indicators

Undispersed Cash to 3-year Average Disbursement Ratio: This new indicator looks at available funds that a state has at the U.S. Treasury and in state accounts and divides this by the prior three-year average annual disbursement figure. It is a metric to gauge how long it will take a state to disburse its funds.

California CWSRF has a figure just under 2.5, which means there is roughly 2.5 years of cash on hand. This figure is up from a low of roughly 0.75 in 2015. While there is no correct figure for this metric, maintaining only the cash on hand needed for projects in the near term is indicative of managing the fund in a timely and expeditious behavior. California is aware of the cash balance, and as a result did not sell any bonds for the CWSRF in 2019. State staff continues to monitor cash flow forecasts and plan bonds sales based on predicted future cash flows. This may result in elevated levels of cash at times.

Total Net: This indicator seeks to gauge if an SRF program is growing. A positive figure indicates that a program is maturing.

California CWSRF currently has a total net of over \$200 million in 2018. This figure while quite large has diminished from a high two years prior of \$400 million. EPA will work with the

SWRCB to verify these numbers and monitor this figure in the coming year.

Net Interest Margin: This indicator seeks to gauge if an SRF program is growing through interest earnings. A positive figure indicates that a program is growing.

California CWSRF appears to have a net interest margin of just above 0%. Based on independent calculations using audited financials done by State staff, though, there is likely a discrepancy with the NIMS data used to calculate the Net Interest Margin. The SWRCB and EPA are looking into this and will continue to monitor this indicator in the coming year.

Recommended Follow-up: The State Water Board and EPA should continue to look into these metrics to verify the numbers as well as monitor the indicators and discuss them during the next annual review.

C. Project File Review

EPA's review of CWSRF project files found the projects to be eligible and in compliance with the program requirements. The project file review checklists for each of the projects listed below can be found in **Attachment C**.

* Recipient: City of Brentwood
Assistance Amount \$14,596,500
Description: Water recycling project
Recommended Follow-up: None

* Recipient: South Tahoe Public Utility District
Assistance Amount \$35,000

Description: Energy Audit 100% Principal Forgiveness

Recommended Follow-up: None

Recommended follow up: None

VI. Follow up from the 2017 PER

American Iron and Steel: In the 2017 PER, EPA noted that the AIS certification was missing from the Lanare Community Services District's DWSRF project file. The recipient promptly provided AIS certification documents and notified EPA that these were added to the project file. After review, EPA concluded that the documents and recipient's action satisfied the follow-up requirement.

Staff Capacity: Thanks in large part to the State Water Board's outreach and marketing efforts throughout California, the DWSRF program has seen an incremental rise in demand over the past several years. As discussed in last year's PER, this increase comes with increased workload and

overall demand for staff. EPA's suggestions to look for efficiencies in processes were met positively by the State Water Board. They have since implemented reorganizations in both the technical and financial sections, per the 2018 DWSRF Annual Report, aimed at addressing the augmented workload, not only affecting DWSRF, but also CWSRF. EPA commends the State Water Board for taking swift and constructive steps towards improving this issue. Both agencies will maintain their ongoing open dialogue to ensure that staff capacity's adequacy persists.

Recommended follow-up: EPA and State Water Board staff should continue their open dialogue of staffing trends, needs and capacity.

VII. Summary of Required Follow-up

EPA has identified no required follow-up actions:

VIII. Attachments

- A. Program checklist
- B. Transaction testing checklists
- C. Project file checklist

| | | | | | | |
|--|-------------|--|----------------------------|-----------------|--------------|---------------------------------|
| State: California | | Cash Draw Amount: \$ 36,690.11 | General Notes: | | | |
| Indicate CW/DW Review: DW | | Cash Draw Date: 4/16/2017 | | | | |
| Reviewer: Gabriela Baeza-Castaneda | | Purpose of Cash Draw (Loan, Admin or Set-Aside): Set-Asides | | | | |
| Review Date: 12/4/2018 | | Grant Number: FS98934917 | | | | |
| Selected by Region <input checked="" type="checkbox"/> Selected by Statistical Sampling <input type="checkbox"/> | | | | | | |
| Totals : | SRF | Cash Draw Amount: | State Match Amount: | Improper | Other | Federal Cash Draw Ratio: |
| Project Totals: | \$36,690.11 | \$36,690.11 | \$0.00 | \$0.00 | \$0.00 | 100.00% |
| Set-Aside: | \$36,690.11 | \$36,690.11 | \$0.00 | \$0.00 | \$0.00 | 100.00% |
| Click here for Additional Project | | Click here for Additional Invoice | | | | |

| Review Item | Yes | No | N/A | Descriptions/Comments |
|---|-------------------------------------|--------------------------|--------------------------|--|
| 1. The State is reviewing and approving invoices in a timely manner | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 2. State accounting records accurately reflect the cash draw | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 3. Funds are being disbursed to recipients in a timely manner following requests for reimbursement and cash draw | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 4. State used the correct proportionality ratio to calculate value drawn (enter the proportionality ratio from the State's IUP or grant application in the Comments section) | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 5. Project sponsor submits invoice with backing documentation attached such as descriptive receipts, employee timecards and/or invoices from subcontractors. State will review documentation and check for claim accuracy and eligibility. Once this has been checked, reviewers will sign off on Request for Disbursement. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Project sponsor submits invoice with backing documentation attached such as descriptive receipts, employee timecards and/or invoices from subcontractors. State will review documentation and check for claim accuracy and eligibility. Once this has been checked, reviewers will sign off on Request for Disbursement. |
| 6. Provide a brief summary of the State's disbursement process, including what documentation is required for disbursement requests, and the disbursement request review process | | | | |

| | | | | | |
|---|----------------|--------------------------------------|---|-------------------------------|--|
| Project Name: Admin 4% | | Project Number: N/A | | Project Notes: | |
| Disbursement Request Date: 4/17/2018 | | Improper Payment (Yes/No): No | | | |
| Improper Payment Resolution: | | | | | |
| Invoice Date | Invoice Number | Invoice Amount | Payee | Notes on Invoice | |
| 4/13/2017 | 5016 | \$36,690.11 | 4% Admin | FY2017/2018 3rd Quarter SWCAP | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| Invoiced Total: | | \$36,690.11 | Explanation if Paid Amount is Different from Invoiced Total: | | |
| Amount Paid from Other Sources: | | \$0.00 | | | |
| Amount Paid from SRF funds: | | \$36,690.11 | Additional Notes: | | |

| | |
|-------------------------------------|-------------|
| Project: | |
| (a) Total SRF Disbursements: | \$36,690.11 |
| (b) Total Cash Draw Amount: | \$36,690.11 |

| | | | |
|--|---------|--|--|
| State Match Amount(if applicable): | | | |
| Improper Payment Amount (if applicable): | | | |
| Other: | | | |
| Calculate the Federal cash draw ratio (b/a): | 100.00% | | |

Set-Aside:

| | | | |
|--|-------------|--|--|
| (a) Total SRF Disbursements: | \$36,690.11 | | |
| (b) Total Cash Draw Amount: | \$36,690.11 | | |
| State Match Amount(if applicable): | | | |
| Improper Payment Amount (if applicable): | | | |
| Other: | | | |
| Calculate the Federal cash draw ratio (b/a): | 100.00% | | |

SF PUC ALLOWANCES: Highlighted cells transfer

| Company | Invoice | date | amount |
|---|-------------------|------------|---------------------|
| AECOM Parsons JV | T055.PP0001 | 10/30/2015 | \$17,085.06 |
| AECOM Parsons JV | T055.PP0002 | 3/25/2016 | \$25,446.44 |
| AECOM Parsons JV | T055.PP0003 | 6/24/2016 | \$13,291.69 |
| AECOM Parsons JV | T055.PP0004 | 6/24/2016 | \$12,828.48 |
| Total carried to other tab | | | \$68,651.67 |
| AECOM Parsons JV | T075.PP0001 | 8/26/2016 | \$99.89 |
| AECOM Parsons JV | T075.PP0002 | 9/30/2016 | \$415.13 |
| AECOM Parsons JV | T075.PP0004 | 11/25/2016 | \$78.81 |
| AECOM Parsons JV | T075.PP0005 | 12/30/2016 | \$157.62 |
| AECOM Parsons JV | T075.PP0007 | 2/24/2017 | \$199.51 |
| AECOM Parsons JV | T075.PP0009 | 3/31/2017 | \$99.76 |
| AECOM Parsons JV | T075.PP0010 | 4/28/2017 | \$99.76 |
| Total carried to other tab | | | \$1,150.48 |
| Avila and Associates consulting engineers inc | 2428-042817-16 | 4/28/2017 | \$6,533.66 |
| Avila and Associates consulting engineers inc | 2437-052617-16 | 5/26/2017 | \$22,627.19 |
| Total carried to other tab | | | \$29,160.85 |
| Baseline Env Consulting | 12219-01.001 | 6/30/2014 | \$2,919.55 |
| Baseline Env Consulting | 12219-01.002 | 7/31/2014 | \$5,935.97 |
| Baseline Env Consulting | 12219-01.003 | 8/31/2014 | \$6,541.71 |
| Baseline Env Consulting | 12219-01.004 | 9/30/2014 | \$9,671.96 |
| Baseline Env Consulting | 12219-01.005 | 1/31/2015 | \$9,136.62 |
| Baseline Env Consulting | 12219-01.006 | 2/28/2015 | \$21,743.08 |
| Baseline Env Consulting | 12219-01.007 | 3/31/2015 | \$9,051.17 |
| Baseline Env Consulting | 12219-01.008 | 4/30/2015 | \$20,015.18 |
| Baseline Env Consulting | 12219-01.009 | 5/31/2015 | \$14,039.60 |
| Baseline Env Consulting | 12219-01.010 | 6/30/2015 | \$12,435.94 |
| Baseline Env Consulting | 12219-01.011 | 7/31/2015 | \$19,224.19 |
| Baseline Env Consulting | 12219-01.012 | 8/31/2015 | \$13,561.15 |
| Baseline Env Consulting | 12219-01.013 | 9/30/2015 | \$12,048.15 |
| Baseline Env Consulting | 12219-01.014 | 10/31/2015 | \$3,304.89 |
| Baseline Env Consulting | 12219-01.015 | 12/31/2015 | \$478.60 |
| Baseline Env Consulting | 12219-01.016 | 2/29/2016 | \$128.58 |
| Baseline Env Consulting | 12219-01.017 | 3/31/2016 | \$3,102.27 |
| Baseline Env Consulting | 12219-01.018 | 3/31/2017 | \$749.26 |
| Baseline Env Consulting | 12219-01.019 | 4/30/2017 | \$3,188.10 |
| Baseline Env Consulting | 12219-01.020 | 5/31/2017 | \$7,487.94 |
| Total carried to other tab | | | \$174,763.91 |
| Brown and Caldwell SRT JV | 11240391-11261494 | 2/17/2016 | \$3,837.31 |
| Brown and Caldwell SRT JV | 11240391A | 3/31/2015 | \$4,145.62 |
| Brown and Caldwell SRT JV | 11242014 | 4/30/2015 | \$11,281.45 |
| Brown and Caldwell SRT JV | 11244387 | 5/31/2015 | \$10,415.02 |
| Brown and Caldwell SRT JV | 11246232-1700-16 | 6/30/2015 | \$11,543.68 |
| Brown and Caldwell SRT JV | 11250743 | 8/31/2015 | \$8,035.96 |
| Brown and Caldwell SRT JV | 11253552 | 9/30/2015 | \$6,936.60 |

| | | | | |
|--|----------------|----------|------------|---------------------|
| Brown and Caldwell SRT JV | | 11255457 | 10/31/2015 | \$3,729.02 |
| Brown and Caldwell SRT JV | | 11257434 | 11/30/2015 | \$6,598.77 |
| Brown and Caldwell SRT JV | | 11261494 | 2/18/2016 | \$11,476.65 |
| Total carried to other tab | | | | \$78,000.08 |
| Environmental & construction SLTNS Inc | 70T1 | | 2/27/2015 | \$8,956.69 |
| Environmental & construction SLTNS Inc | 71T1 | | 3/27/2015 | \$1,821.24 |
| Environmental & construction SLTNS Inc | 72T1 | | 8/28/2015 | \$567.27 |
| Total carried to other tab | | | | \$11,345.20 |
| Environmental & construction SLTNS Inc | *01 | | 6/26/2015 | \$2,436.24 |
| Environmental & construction SLTNS Inc | *10-2 | | 11/27/2015 | \$8,706.05 |
| Environmental & construction SLTNS Inc | *10-3 | | 12/25/2015 | \$2,515.16 |
| Environmental & construction SLTNS Inc | *10-4 | | 1/29/2016 | \$4,158.43 |
| Environmental & construction SLTNS Inc | *10-5 | | 3/25/2016 | \$836.01 |
| Environmental & construction SLTNS Inc | *10-6 | | 4/29/2016 | \$1,787.05 |
| Environmental & construction SLTNS Inc | *10-7 | | 7/29/2016 | \$1,164.72 |
| Environmental & construction SLTNS Inc | *10-8 | | 11/25/2016 | \$1,137.00 |
| Total carried to other tab | | | | \$22,740.66 |
| Environmental & construction SLTNS Inc | *11-2 | | 3/31/2017 | \$4,587.59 |
| Environmental & construction SLTNS Inc | *11-1 | | 10/28/2016 | \$3,828.58 |
| Total carried to other tab | | | | \$8,416.17 |
| Environmental & construction SLTNS Inc | *15-1 | | 3/31/2017 | \$764.60 |
| Environmental & construction SLTNS Inc | *15-2 | | 5/26/2017 | \$10,704.37 |
| Total carried to other tab | | | | \$11,468.97 |
| JDH Corrosion Consultants | | 5318 | 3/31/2015 | \$38,586.38 |
| JDH Corrosion Consultants | | 5365 | 5/31/2015 | \$65,149.27 |
| JDH Corrosion Consultants | | 5416 | 6/30/2015 | \$17,255.72 |
| JDH Corrosion Consultants | | 5559 | 10/31/2015 | \$53,110.13 |
| Total carried to other tab | | | | \$174,101.50 |
| KJ AGS JV | 01-146805003 | | 4/24/2015 | \$65,001.82 |
| KJ AGS JV | 02-146805003 | | 6/30/2015 | \$77,460.39 |
| KJ AGS JV | 03-146805003 | | 7/31/2015 | \$19,865.02 |
| KJ AGS JV | 04-146805003 | | 8/28/2015 | \$13,740.80 |
| KJ AGS JV | 05-146805003 | | 10/16/2015 | \$53,713.96 |
| KJ AGS JV | 06-146805003 | | 11/27/2015 | \$7,706.28 |
| KJ AGS JV | 07-146805003 | | 12/25/2015 | \$3,297.08 |
| KJ AGS JV | 08-146805003 | | 3/25/2016 | \$846.78 |
| KJ AGS JV | 09-146805003 | | 6/30/2016 | \$946.18 |
| KJ AGS JV | 10-146805003 | | 8/26/2016 | \$3,205.19 |
| KJ AGS JV | 11-146805003 | | 10/28/2018 | \$2,268.71 |
| KJ AGS JV | RET-146805003 | | 10/28/2016 | \$13,055.37 |
| Total carried to other tab | | | | \$261,107.58 |
| KJ AGS JV | 01-146805015 | | | \$0.00 |
| KJ AGS JV | 02-146805015 | | | \$0.00 |
| KJ AGS JV | 03-146805015 | | | \$0.00 |
| KJ AGS JV | 04-146805015 | | | \$0.00 |
| Total carried to other tab | | | | \$0.00 |
| Leidos | INV-0003357186 | | 9/19/2014 | \$3,280.25 |

| | | | |
|-----------------------------------|----------------|------------|---------------------|
| Leidos | INV-0003408855 | 11/24/2014 | \$31,887.30 |
| Leidos | INV-0003505856 | 2/3/2015 | \$28,068.78 |
| Leidos | INV-0003610005 | 6/4/2015 | \$141,374.54 |
| Leidos | INV-0003660809 | 8/6/2015 | \$68,948.05 |
| Leidos | INV-0003833243 | 2/22/2016 | \$18,004.89 |
| Leidos | INV-003511670 | | \$0.00 |
| Total carried to other tab | | | \$291,563.81 |
| MCK Americas Inc | 33.3-2015-1001 | 11/12/2015 | \$416.96 |
| MCK Americas Inc | 33.3-2015-601 | 7/15/2015 | \$15,773.15 |
| MCK Americas Inc | 33.3-2015-701 | 8/13/2015 | \$4,332.86 |
| MCK Americas Inc | 33.3-2015-901 | 10/6/2015 | \$7,810.79 |
| Total carried to other tab | | | \$28,333.76 |
| MCK Americas Inc | 33.27-17-301 | 4/26/2017 | \$50,813.63 |
| MCK Americas Inc | 33.27-17-401 | 5/26/2017 | \$40,089.62 |
| MCK Americas Inc | 33.27-17-501 | 6/14/2017 | \$33,260.64 |
| Total carried to other tab | | | \$124,163.89 |
| Daily Journal Corp | B2818930 | 11/24/2015 | \$799.87 |
| Daily Journal Corp | B2928343 | 9/26/2016 | \$985.50 |
| Total carried to other tab | | | \$1,785.37 |
| Daily Journal Corp | B2818930 | 11/24/2015 | \$88.88 |
| Daily Journal Corp | B2928343 | 9/26/2016 | \$109.50 |
| Total carried to other tab | | | \$198.38 |
| SF Water Power Sewer | 2014.1261E | 11/9/2015 | \$60.00 |
| SF Water Power Sewer | 2014.1261E | 10/19/2015 | \$3,724.00 |
| Total carried to other tab | | | \$3,784.00 |

Rodeo Sanitary District ALLOWANCES: Highlighted cells transfer

| | | | | |
|----------------------------|-------|-------|------------|-------------|
| Advnaced Hydro Engineering | *0307 | | 1/31/2017 | \$1,045.00 |
| Cunha Engineering Inc | | 15122 | 2/17/2017 | \$3,500.00 |
| L.R.Paulsell Consulting | 17-11 | | 3/4/2017 | \$840.00 |
| Advnaced Hydro Engineering | *0309 | | 2/28/2017 | \$4,180.00 |
| L.R.Paulsell Consulting | 17-15 | | 3/31/2017 | \$240.00 |
| Advnaced Hydro Engineering | 0311R | | 3/31/2017 | \$11,400.00 |
| L.R.Paulsell Consulting | 17-22 | | 4/30/2017 | \$300.00 |
| Advnaced Hydro Engineering | *0313 | | 4/30/2017 | \$5,320.00 |
| Advnaced Hydro Engineering | *0315 | | 3/31/2017 | \$2,660.00 |
| Cunha Engineering Inc | | 15346 | 10/3/2017 | \$5,620.00 |
| Advnaced Hydro Engineering | *0317 | | 3/31/2017 | \$95.00 |
| Advnaced Hydro Engineering | *0333 | | 9/30/2017 | \$1,520.00 |
| L.R.Paulsell Consulting | 17-57 | | 10/2/2017 | \$120.00 |
| Advnaced Hydro Engineering | *0335 | | 10/31/2017 | \$380.00 |
| Advnaced Hydro Engineering | *0338 | | 11/30/2017 | \$6,270.00 |
| L.R.Paulsell Consulting | 17-71 | | 12/11/2017 | \$1,320.00 |
| L.R.Paulsell Consulting | 17-72 | | 12/19/2017 | \$440.00 |
| Cunha Engineering Inc | | 9966 | 1/3/2018 | \$1,880.00 |
| Cunha Engineering Inc | | 9965 | 1/3/2018 | \$11,520.00 |

| | | | | |
|-------------------------------|---------------------|----------|------------|--------------------|
| Advnaced Hydro Engineering | *0340 | | 12/31/2017 | \$13,490.00 |
| ABC Imaging of Washington Inc | I-8841425 | | 3/19/2017 | \$1,366.88 |
| | martinez electronic | | | |
| Ghilotti Construction | deposit permit | | 3/30/2017 | -\$125.00 |
| | martinez electronic | | | |
| Ranger Pipelines | deposit permit | | 3/30/2017 | -\$125.00 |
| | martinez electronic | | | |
| California Trenchless | deposit permit | | 3/30/2017 | -\$125.00 |
| | martinez electronic | | | |
| Cratus Inc | deposit permit | | 3/30/2017 | -\$125.00 |
| | martinez electronic | | | |
| Darcy and Harty Construction | deposit permit | | 3/30/2017 | -\$125.00 |
| | martinez electronic | | | |
| Pacific Trenchless | deposit permit | | 3/30/2017 | -\$125.00 |
| | martinez electronic | | | |
| KJ Woods Construction | deposit permit | | 3/30/2017 | -\$125.00 |
| Bay Area News Group East Bay | *0001041612 | | 3/31/2017 | \$913.50 |
| CMD Group | | 123122 | 4/11/2017 | \$25.00 |
| | martinez electronic | | | |
| ABC Imaging of Washington Inc | deposit permit | | 5/18/2017 | -\$272.79 |
| | martinez electronic | | | |
| CMD Group | deposit permit | | 5/18/2017 | -\$150.00 |
| ABC Imaging of Washington Inc | I-8991066 | | 6/4/2017 | \$1,207.93 |
| Admin and Design Total | | | | \$74,355.52 |
| L.R.Paulsell Consulting | 17-35 | | 6/30/2017 | \$1,920.00 |
| L.R.Paulsell Consulting | 17-39 | | 7/31/2017 | \$120.00 |
| Jacobs Associates | | 55990007 | 8/9/2017 | \$125.00 |
| Advnaced Hydro Engineering | *0325 | | 7/31/2017 | \$3,420.00 |
| Jacobs Associates | 1603-0717 | | 7/3/2017 | \$5,072.50 |
| L.R.Paulsell Consulting | 17-44 | | 8/16/2017 | \$880.00 |
| L.R.Paulsell Consulting | 17-46 | | 8/31/2017 | \$360.00 |
| Jacobs Associates | 1603-0817 | | 9/1/2017 | \$7,220.00 |
| Advnaced Hydro Engineering | *0328 | | 8/31/2017 | \$7,600.00 |
| Advnaced Hydro Engineering | *0332 | | 9/30/2017 | \$5,130.00 |
| L.R.Paulsell Consulting | 17-55 | | 10/2/2017 | \$180.00 |
| Jacobs Associates | 1603-0917 | | 10/3/2017 | \$8,855.00 |
| L.R.Paulsell Consulting | 17-53 | | 10/2/2017 | \$385.00 |
| Advnaced Hydro Engineering | *0334 | | 10/31/2017 | \$2,945.00 |
| Jacobs Associates | 1603-1017 | | 11/10/2017 | \$3,425.00 |
| Advnaced Hydro Engineering | *0337 | | 11/30/2017 | \$2,185.00 |
| Jacobs Associates | 1603-1117 | | 12/7/2017 | \$3,035.00 |
| Advnaced Hydro Engineering | *0340 | | 12/31/2017 | \$95.00 |
| L.R.Paulsell Consulting | 17-75 | | 12/30/2017 | \$360.00 |
| Jacobs Associates | 1603-1217 | | 1/5/2018 | \$1,030.00 |
| Advnaced Hydro Engineering | *0339 | | 12/31/2017 | \$3,230.00 |
| Advnaced Hydro Engineering | *0317 | | 5/31/2017 | \$7,505.00 |
| Jacobs Associates | 1702-0417 | | 5/2/2017 | \$1,965.00 |

| | | | | |
|----------------------------|------------|----------|------------|---------------------|
| Jacobs Associates | | 56710001 | 6/6/2017 | \$500.00 |
| L.R.Paulsell Consulting | 17-25 | | 5/31/2017 | \$480.00 |
| Jacobs Associates | 1702-0517 | | 6/6/2017 | \$1,435.00 |
| Advnaced Hydro Engineering | *0322 | | 6/30/2017 | \$12,540.00 |
| Jacobs Associates | 1702-0617 | | 6/6/2017 | \$29,025.00 |
| L.R.Paulsell Consulting | 17-37 | | 6/30/2017 | \$8,880.00 |
| Jacobs Associates | | 56710002 | 7/6/2017 | \$2,750.00 |
| Testing Engineers Inc | 7006386-IN | | 7/10/2017 | \$2,294.20 |
| Cunha Engineering Inc | | 15358 | 10/17/2017 | \$600.00 |
| Jacobs Associates | | 56710003 | 8/9/2017 | \$125.00 |
| Jacobs Associates | | 56710004 | 9/8/2017 | \$896.40 |
| Advnaced Hydro Engineering | *0326 | | 7/31/2017 | \$5,415.00 |
| L.R.Paulsell Consulting | 17-40 | | 7/31/2017 | \$10,560.00 |
| Jacobs Associates | 1702-0717 | | 8/3/2017 | \$33,185.00 |
| L.R.Paulsell Consulting | 17-45 | | 8/16/2017 | \$880.00 |
| L.R.Paulsell Consulting | 17-47 | | 8/31/2017 | \$4,560.00 |
| Advnaced Hydro Engineering | *0329 | | 8/31/2017 | \$9,405.00 |
| Jacobs Associates | 1702-0817 | | 9/1/2017 | \$31,925.00 |
| L.R.Paulsell Consulting | 17-49 | | 9/9/2017 | \$5,060.00 |
| Testing Engineers Inc | 7006408-IN | | 9/14/2017 | \$2,254.92 |
| Testing Engineers Inc | 2065479-IN | | 9/27/2017 | \$228.00 |
| Advnaced Hydro Engineering | *0333 | | 9/30/2017 | \$8,740.00 |
| L.R.Paulsell Consulting | 17-51 | | 9/13/2017 | \$3,190.00 |
| L.R.Paulsell Consulting | 17-56 | | 10/2/2017 | \$3,060.00 |
| Jacobs Associates | 1702-0917 | | 10/3/2017 | \$18,462.50 |
| Jacobs Associates | 1702-1017 | | 11/10/2017 | \$6,810.00 |
| Advnaced Hydro Engineering | *0335 | | 10/31/2017 | \$8,170.00 |
| Jacobs Associates | 1702-1117 | | 12/8/2017 | \$6,540.00 |
| Advnaced Hydro Engineering | *0338 | | 11/30/2017 | \$6,935.00 |
| L.R.Paulsell Consulting | 17-76 | | 12/30/2017 | \$180.00 |
| LSA Associates | | 157356 | 1/11/2018 | \$312.50 |
| Jacobs Associates | 1702-1217 | | 1/5/2017 | \$1,097.50 |
| Advnaced Hydro Engineering | *0340 | | 12/31/2017 | \$1,425.00 |
| CM Total | | | | \$294,963.52 |

Valley Sanitary Dsitrict ALLOWANCES: Highlighted cells transfer

| | | | | |
|-------------------|---------|---------|------------|-------------|
| SCST Inc | | 378580 | 7/31/2017 | \$11,851.00 |
| SCST Inc | | 378835 | 8/31/2017 | \$12,658.50 |
| SCST Inc | | 379194 | 9/30/2017 | \$10,127.00 |
| SCST Inc | | 379441 | 10/31/2017 | \$10,442.00 |
| SCST Inc | 379828R | | 11/30/2017 | \$1,930.50 |
| SCST Inc | | 379908 | 12/27/2017 | \$2,363.00 |
| CV Strategies | | 4179 | 8/10/2017 | \$786.25 |
| CV Strategies | | 4214 | 9/11/2017 | \$1,757.50 |
| CV Strategies | | 4267 | 10/13/2017 | \$1,017.50 |
| MWH Contstructors | | 1763000 | 8/31/2017 | \$44,620.84 |
| MWH Contstructors | | 1764227 | 9/21/2017 | \$36,981.70 |

| | | | |
|-------------------|-------------|------------|--------------|
| MWH Contstructors | 1769579 | 10/19/2017 | \$28,423.68 |
| MWH Contstructors | 1774510 | 9/11/2017 | \$38,868.81 |
| MWH Contstructors | 1778395 | 12/21/2017 | \$23,588.71 |
| MWH Contstructors | 1785753 | 1/17/2018 | \$8,545.86 |
| MWH Contstructors | 1791059 | 2/20/2018 | \$4,125.50 |
| MWH Contstructors | 1794047 | 3/26/2018 | \$16,070.00 |
| HDR | 1200077373 | 9/29/2017 | \$6,996.25 |
| HDR | 1200099369 | 1/23/2018 | \$4,277.50 |
| HDR | 1200083071 | 10/31/2017 | \$4,651.25 |
| HDR | 1200088970 | 11/30/2017 | \$1,802.50 |
| HDR | 1200099369 | 1/23/2018 | \$9,058.75 |
| HDR | 1200101187 | 2/7/2018 | \$5,350.00 |
| HDR | *00256215-B | 1/14/2016 | \$7,617.50 |
| Birdseye | 1218 | 12/22/2017 | \$8,010.00 |
| Birdseye | 1107 | 6/17/2016 | \$1,400.00 |
| | | | \$303,322.10 |

Project File Review Checklist
for the Clean Water and Drinking Water State Revolving Funds

State: California
Project or Borrower: Coachella Valley

Equivalency Project: (Yes/No)
CW Treatment Works Project: (Yes/No) No

| Review Item and Question to Answer | Required Technical Elements | | | Comments |
|--|-----------------------------|----|-----|--|
| | Yes | No | N/A | |
| 2.1 Bid, Procurement, and Construction Contracts | | | | |
| <i>The project file contains the following:</i> | | | | |
| 1 Request for proposals or bid announcement | X | | | Posted on 4-27-18 |
| 2 Bid specifications OR construction contracts OR documentation that these items were reviewed by the State | X | | | CVWD Bidder forms |
| 3 Bid specifications and/or construction contracts contain the following: | | | | |
| a. Equal Employment Opportunity requirements (Executive Order 11246) | X | | | Funding Requirements section |
| b. Suspension and Debarment prohibitions (Executive Order 12549) | X | | | CVWD Bidder forms |
| c. EPA Davis-Bacon grant term and condition (<i>for CWSRF projects, Davis-Bacon applies to treatment works only</i>) | X | | | Exhibit G of project agreement |
| d. The correct Davis-Bacon wage determination(s) | X | | | |
| e. American Iron and Steel requirements | X | | | CVWD Bidder forms |
| 2.2 Certifications and Reporting | | | | |
| <i>The project file includes the following:</i> | | | | |
| 1 Certifications of Davis-Bacon Compliance covering the construction period to date, indicating specific weekly payrolls reviewed (<i>note: this is frequently submitted with disbursement requests</i>) | X | | | Exhibit G of project agreement |
| 2 Cost & Effectiveness analysis or certification (<i>N/A for nongovernmental entities</i>) | X | | | Engineering Report |
| 3 [CW Only] Fiscal Sustainability Plan (FSP) or certification that an FSP will be developed and implemented (<i>required only for projects to repair, replace or expand a POTW; N/A for bond purchase agreements</i>) | | | X | DW |
| 4 [CW Only] Project information has been entered into the CWSRF Benefits Reporting (CBR) database | | X | | DW |
| 5 [DW Only] Project information has been entered into the DWSRF Project and Benefits Reporting (PBR) database (including PWSID, project start date and project completion date) | X | | | Project Stat Date 8-6-18 |
| 6 [DW Only] If the project is for a community with 500 or fewer persons served, and if the community was not already using a publicly-owned well as a water source, does the project file contain a certification that the community considered a publicly-owned well (individual, shared or community) as an option for their DW supply? <i>Implementation of DWSRF-Related SDWA Amendments in the WIIN Act Memo (June 6, 2017)</i> | | | X | Community served by project >500 persons |
| 2.3 State Inspections | | | | |
| 1 Does the State perform construction inspections? | | | | |
| a. If so, when are inspections performed (e.g., monthly, quarterly, final)? | X | | | Inspections are performed at the beginning and/or middle of construction, then towards the end. First inspection scheduled for Jan 15th. |
| 2 Inspection reports indicate project is in compliance with: | | | | |
| a. Davis-Bacon requirements | | X | | No inspections yet |
| b. American Iron and Steel requirements | | X | | No inspections yet |
| c. Green Project Reserve eligibility (when applicable) | | X | | No inspections yet |
| 3 All issues and concerns identified in inspection reports were adequately resolved | | X | | No inspections yet |
| 2.4 American Iron and Steel Compliance | | | | |
| 1 Project file includes applicable American Iron and Steel documentation: | | | | |
| a. Documentation from the assistance recipient on utilization of the American Iron and Steel de minimis waiver, if applicable (if there is a de minimis list, check that the total cost for products covered by this waiver is less than 5% of the total material cost for the project) | | | X | No waiver |
| b. For projects covered by an American Iron and Steel national waiver, documentation of qualifications for that waiver | | | X | |
| c. For projects that have received a project-specific American Iron and Steel waiver, documentation of compliance with the requirements of the waiver (may be included in inspection reports) | | | X | |
| 2.5 Equivalency Requirements (This section should be completed for equivalency projects only*) | | | | |
| <i>The project file includes the following:</i> | | | | |
| Certification from the assistance recipient confirming that A/E contracts were procured in accordance with 40 CFR 1101 et seq [CW Only] | | | | |
| 1 OR documentation showing that an equivalent State requirement was followed (<i>N/A if A/E costs were not included in the SRF assistance agreement</i>) | | | X | Not an equivalency project |
| 2 The assistance recipient submitted a Single Audit report [<i>N/A if assistance recipient has not expended more than \$750,000 in Federal funds from all sources in the fiscal year</i>] | | | X | |
| a. The state ensured that the assistance recipient addressed findings and resolved any issues identified in a Single Audit Report | | | X | |
| 3 Project is included in the list of equivalency projects in the State's Annual Report | | | X | |

Project File Review Checklist
for the Clean Water and Drinking Water State Revolving Funds

Required Technical Elements

| Review Item and Question to Answer | Yes | No | N/A | Comments |
|------------------------------------|-----|----|-----|----------|
|------------------------------------|-----|----|-----|----------|

*The requirements in this section apply to projects in an amount equal to the Federal capitalization grant. Some States choose to apply these requirements only to projects in an amount equal to the cap grant ("equivalency projects"), whereas other States apply the requirements to all SRF projects. If the State is applying the requirements to all SRF projects, the reviewer must complete this section for **all projects** undergoing file review. If the State is only applying the requirements to projects in an amount equal to the capitalization grant, this section must only be completed for one equivalency project, as selected by the reviewer.

**Project File Review Checklist
for the Clean Water and Drinking Water State Revolving Funds**

State: California

Equivalency Project: (Yes/No)

Project or Borrower: City of South Pasadena

CW Treatment Works Project: (Yes/No) No

Required Program Elements

| Review Item and Question to Answer | | Yes | No | N/A | Comments |
|---|---|--------------|----|-----|---|
| 1.1 Funding Eligibility | | | | | |
| 1 | The project is listed on the State's Project Priority List (N/A for CWSRF projects that are not 212 projects) | X | | | |
| 2 | The assistance recipient and project are eligible for SRF assistance (briefly describe the project and assistance recipient in the Comments section) | X | | | With an aging existing reservoir, the City of South Pasadena is seeking funds for environmental review, design and reconstruction of a new reservoir, pump station and related appurtenances along with a wellhead treatment system for Graves Reservoir. |
| 3 | Project file contains documentation showing that the useful life of the project is at least as long as the loan term | X | | | Useful life of major components: 80 yrs. Section 2B of project Master File |
| 1.2 Green Project Reserve (GPR) | | | | | |
| 1 | [CW Only] Project file indicates that any portion of the project designated to receive GPR funding is either: | | | | |
| | a. Categorically qualified for the GPR | | | X | |
| | b. Supported as GPR eligible by a State-approved business case posted on the State website | | | X | |
| 2 | [DW Only] Project file indicates that any portion of the project is designated as a GPR project | | X | | Not a GPR project |
| 1.3 State Environmental Review (For CWSRF, this section should be completed for treatment works projects only) | | | | | |
| 1 | Project File includes the following [Note: may be included in the Preliminary Engineering Report or Facilities Plan]: | | | | |
| | a. Discussion of required mitigation measures | X | | | MMRP, Section 3 of the project Master File |
| | b. Analysis of other sites and/or other projects considered | X | | | Preliminary Design Report |
| | c. Environmental Information Document (EID) from the assistance recipient | X | | | |
| | d. The state's decision memo documenting <u>one</u> of the following: | | | | |
| | Decision to classify the project as a Categorical Exclusion (CE or CatEx) | | X | | |
| | Decision to grant a Finding of No Significant Impact (FNSI or FONSI) | X | | | Section 3 of the project Master File |
| | Decision to require an Environmental Impact Statement (EIS) (Note: if required, confirm that the EIS is in the project file) | | | X | |
| | e. Evidence of public notification, as required: | | | | |
| | State environmental decision memo received public notification or an announcement was distributed to a list of interested parties and agencies, as specified in the SERP | X | | | Clearinghouse number 2016041012 |
| | The state addressed all comments | X | | | Section 3 of the project Master File |
| 2 | Documentation of a State determination of "no potential effect", OR concurrence from the agency responsible for administering the law, for each of the laws listed below: | | | | |
| | a. Archeological and Historic Preservation Act | X | | | Section 3 of the project Master File |
| | d. National Historic Preservation Act | X | | | Section 3 of the project Master File |
| | b. Endangered Species Act | X | | | Section 3 of the project Master File |
| | c. Magnuson-Stevens Fishery Conservation and Management Act (essential fish habitat) | | | X | Project located inland |
| | e. Wild and Scenic Rivers Act | | | X | Site does not contain wild or scenic rivers |
| | f. Coastal Zone Management and Coastal Barriers Resources Act | | | X | Project located inland |
| | g. Farmland Protection Policy Act | | | X | Site does not contain farmland |
| | h. Wetland Protection (Executive Order 11990) | | | X | Site contains no federally protected wetlands |
| | i. Floodplain Management (Executive Order 11988) | | | X | Not located within a 100 or 500 year flood zone |
| | j. Clean Air Act | X | | | Section 3 of the project Master File |
| | k. Sole-source Aquifers (Safe Drinking Water Act) | | | X | Site is not within boundaries of a sole source aquifer |

Project File Review Checklist
for the Clean Water and Drinking Water State Revolving Funds

| Required Program Elements | | | | |
|---|-----|----|-----|--------------------------------------|
| Review Item and Question to Answer | Yes | No | N/A | Comments |
| l. Protection and Enhancement of the Cultural Environment | X | | | Section 3 of the project Master File |
| m. Fish and Wildlife Coordination Act | X | | | Section 3 of the project Master File |
| n. Migratory Bird Treaty Act | X | | | Section 3 of the project Master File |

**Project File Review Checklist
for the Clean Water and Drinking Water State Revolving Funds**

State: California

Project or Borrower: City of Brentwood

Equivalency Project: (Yes/No) No

Treatment Works Project: (Yes/No) Yes Water Recycling

| Required Financial Elements | | | | |
|---|-----|----|-----|---|
| Review Item and Question to Answer | Yes | No | N/A | Comments |
| 3.1 Financial Review | | | | |
| 1 [CW Only] File includes documentation that the applicant underwent a financial capability review [may be N/A for projects receiving 100% principal forgiveness or grant] | Yes | | | Financial tab 4b in master file binder |
| a. The financial capability review requires the applicant to identify a dedicated source of revenue for repayment (or for private applicants, ensures adequate security to assure repayment) | Yes | | | Revenues 4G in the master file binder rates/fees |
| 2 [DW Only] File includes documentation that applicant has TMF capacity, as required under SDWA | | | NA | |
| 3.2 Loan or Bond Purchase Agreement | | | | |
| 1 The loan agreement or bond purchase document: | | | | |
| a. Is signed by the state and assistance recipient (record date in comments) | Yes | | | Recipient: 9/27/18, Board:10/4/8 Amendment 1 (original recipient 7/13/17, board 7 |
| b. Includes a budget and/or description of eligible costs | Yes | | | exhibit A and B in loan |
| c. Includes the interest rate | yes | | | exhibit A and B in loan |
| d. Includes the fee rate (if applicable) | yes | | | |
| e. Includes an amortization schedule or includes the repayment period and the date when repayments must begin [N/A for projects receiving 100% grant or principal forgiveness] | yes | | | exhibit C in loan |
| f. Requires the assistance recipient to maintain project accounts in accordance with Generally Accepted Accounting Principals (GAAP), including GAAP requirements relating to the reporting of infrastructure assets (N/A for nongovernmental entities) | yes | | | Pg 8 in loan agreement |
| 2 [CW Only] If the project is receiving additional subsidy, the borrower is a municipal, intermunicipal, state or interstate agency | | | NA | |
| 3 Principal repayments start within one year of project completion and end within the useful life of the project | yes | | | |
| 4 Does the loan or bond purchase document require the assistance recipient to comply with the following: | | | | |
| a. Davis-Bacon | Yes | | | Exhibit E and G |
| b. Equal Employment Opportunity requirements (Executive Order 11246) | Yes | | | Exhibit E (D) |
| c. Civil Rights Act of 1964 | Yes | | | Exhibit E |
| d. Section 504 of the Rehabilitation Act of 1973 | Yes | | | Exhibit E |
| e. American Iron and Steel | Yes | | | exhibit e |
| f. EPA signage requirement [equivalency requirement] | Yes | | | Exhibit E #4 |
| g. Single Audit requirements (2 CFR 200 Subpart F) [equivalency requirement] | Yes | | | loan Section 3.8 |
| h. Disadvantaged Business Enterprise requirements [equivalency requirement] | Yes | | | loan exhibit E |

**Project File Review Checklist
for the Clean Water and Drinking Water State Revolving Funds**

State: California
Project or Borrower: South Tahoe Public Utilities District

Equivalency Project: (Yes/No) No
Treatment Works Project: (Yes/No) no

| | | Required Technical Elements | | | |
|---|---|-----------------------------|----|-----|-----------------------------------|
| Review Item and Question to Answer | | Yes | No | N/A | Comments |
| 2.1 Bid, Procurement, and Construction Contracts | | | | | |
| <i>The project file contains the following:</i> | | | | | |
| 1 | Request for proposals or bid announcement | Yes | | | SOW in masterfile |
| 2 | Bid specifications OR construction contracts OR documentation that these items were reviewed by the State | Yes | | | |
| 3 | Bid specifications and/or construction contracts contain the following: | | | | |
| | a. Equal Employment Opportunity requirements (Executive Order 11246) | | | NA | No construction contracts or bids |
| | b. Suspension and Debarment prohibitions (Executive Order 12549) | | | NA | No construction contracts or bids |
| | c. EPA Davis-Bacon grant term and condition (for CWSRF projects, Davis-Bacon applies to treatment works only) | | | NA | No construction contracts or bids |
| | d. The correct Davis-Bacon wage determination(s) | | | NA | No construction contracts or bids |
| | e. American Iron and Steel requirements | | | NA | No construction contracts or bids |
| 2.2 Certifications and Reporting | | | | | |
| <i>The project file includes the following:</i> | | | | | |
| 1 | Certifications of Davis-Bacon Compliance covering the construction period to date, indicating specific weekly payrolls reviewed (note: this is frequently submitted with disbursement requests) | | | NA | No Davis Bacon Labor |
| 2 | Cost & Effectiveness analysis or certification (N/A for nongovernmental entities) | | | | |
| 3 | [CW Only] Fiscal Sustainability Plan (FSP) or certification that an FSP will be developed and implemented (required only for projects to repair, replace or expand a POTW; N/A for bond purchase agreements) | | | | |
| 4 | [CW Only] Project information has been entered into the CWSRF Benefits Reporting (CBR) database | | | | |
| 5 | [DW Only] Project information has been entered into the DWSRF Project and Benefits Reporting (PBR) database (including PWSID, project start date and project completion date) | | | | |
| 2.3 State Inspections | | | | | |
| 1 | Does the State perform construction inspections? | | | | |
| | a. If so, when are inspections performed (e.g., monthly, quarterly, final)? | | | NA | No construction to inspect |
| 2 | Inspection reports indicate project is in compliance with: | | | | |
| | a. Davis-Bacon requirements | | | | |
| | b. American Iron and Steel requirements | | | | |
| | c. Green Project Reserve eligibility (when applicable) | | | | |
| 3 | All issues and concerns identified in inspection reports were adequately resolved | | | | |
| 2.4 American Iron and Steel Compliance | | | | | |
| 1 | Project file includes applicable American Iron and Steel documentation: | | | | |
| | a. Documentation from the assistance recipient on utilization of the American Iron and Steel de minimis waiver, if applicable | | | NA | No Construction |
| | b. For projects covered by an American Iron and Steel national waiver, documentation of qualifications for that waiver | | | NA | |
| | c. For projects that have received a project-specific American Iron and Steel waiver, documentation of compliance with the requirements of the waiver (may be included in inspection reports) | | | NA | |
| 2.5 Equivalency Requirements (This section should be completed for equivalency projects only*) | | | | | |
| <i>The project file includes the following:</i> | | | | | |
| 1 | Certification from the assistance recipient confirming that A/E contracts were procured in accordance with 40 CFR 1101 et seq [CW Only] OR documentation showing that an equivalent State requirement was followed (N/A if A/E costs were not included in the SRF assistance) | | | NA | |
| 2 | The assistance recipient submitted a Single Audit report [N/A if assistance recipient has not expended more than \$750,000 in Federal funds from all sources in the fiscal year] | Yes | | | |
| | a. The state ensured that the assistance recipient addressed findings and resolved any issues identified in a Single Audit Report | Yes | | | |
| 3 | Project is included in the list of equivalency projects in the State's Annual Report | | No | | |

*The requirements in this section apply to projects in an amount equal to the Federal capitalization grant. Some States choose to apply these requirements only to projects in an amount equal to the cap grant ("equivalency projects"), whereas other States apply the requirements to all SRF projects. If the State is applying the requirements to all SRF projects, the reviewer must complete this section for all projects undergoing file review. If the State is only applying the requirements to projects in an amount equal to the capitalization grant, this section must only be completed for one equivalency project, as selected by the reviewer.