State of California

DRINKING WATER STATE REVOLVING FUND

and

The Water Quality, Supply, and Infrastructure Improvement Act of 2014
(Proposition 1)

and

The California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018
(Proposition 68)

INTENDED USE PLAN

STATE FISCAL YEAR 2021-22
(FEDERAL FISCAL YEAR 2021 CAPITALIZATION GRANT)

WITH REVISED SUPPLEMENTAL INTENDED USE PLAN

(ADDITIONAL SUPPLEMENTAL APPROPRIATIONS FOR DISASTER RELIEF ACT, 2019 (ASADRA) CAPITALIZATION GRANT)

Division of Financial Assistance • 1001 I Street • Sacramento, CA 95814
Approved by: State Water Resources Control Board
June XX, 2021 - Resolution No. XXXX-XXXX

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April 28, 2021

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ES. EXECUTIVE SUMMARY

The Drinking Water State Revolving Fund (DWSRF) program finances infrastructure improvements to mitigate drinking water risks and support the human right to water. This Intended Use Plan (IUP) describes the State Water Resources Control Board's (State Water Board) plan for implementing the DWSRF and its complementary financing programs for State Fiscal Year (SFY) 2021-22.

This Executive Summary is intended to provide a condensed overview of highlights and notable changes for SFY 2021-22.

A. State Water Board Guidance

The DWSRF program and associated state funding sources will be used to provide financial assistance that (1) addresses the most serious human health risks to drinking water, (2) is necessary to comply with the federal Safe Drinking Water Act (SDWA), and (3) assists eligible drinking water systems most in need on a per household basis. To meet this goal, the State Water Board will use the DWSRF and complementary funds timely and expeditiously and manage the available funding responsibly.

The State Water Board's drinking water funding priorities in SFY 2021-22 continue to stress helping small severely disadvantaged communities (SDACs) and small disadvantaged communities (DACs) solve their drinking water problems. In particular, available Small Community Grant Drinking Water (SCG DW) funds, DWSRF Principal Forgiveness (PF) funds, and Drinking Water Small Community Emergency Grant (DWSCEG) funds will be used to address the most serious health risks for these communities. The DWSRF program will be managed so that sufficient funds are available to finance the eligible drinking water projects of small SDACs and small DACs.

B. Connections to Other Plans and Goals

The Safe and Affordable Drinking Water (SADW) Fund Expenditure Plan and Safe and Affordable Funding for Equity and Resilience (SAFER) Policy are intended to work in tandem with the DWSRF Policy and this IUP where addressing drinking water capital infrastructure.

C. Application Demand

Demand on the DWSRF Program and complementary funding remains high. The State Water Board's Division of Financial Assistance (DFA) has received applications requesting approximately $3.4 billion as of February 2021 for drinking water planning and construction projects.

Priority Ranking	Description	No. of Applications	Estimated Requested Funding
A	Immediate Health Risk	29	$76,208,831
B	Untreated or At-Risk Sources	14	$353,201,089
C	Compliance or Shortage	95	$317,450,775
D	Inadequate Reliability	51	$76,036,597
E	Secondary Risks	10	$29,628,989
F	Other Projects	146	$2,543,194,813
Total		**345**	**$3,395,721,094**

Given the ongoing high demand on the DWSRF, the State Water Board will not be able to fund all projects currently requesting funding in SFY 2021-22. Applicants whose projects are not on the Fundable List are encouraged to evaluate all viable, alternative financing options for their projects considering any deadlines they must meet.

D. General Funding Approach

This IUP updates the Fundable List, which represents those projects for which DFA plans to execute financing agreements by June 30, 2022.

Projects are added to the Fundable List in two ways:

1. Projects for Small DAC/SDAC, expanded small DAC/SDAC, and Category A-C projects for small non-DACs are considered automatically added to the Fundable List provided they submit a complete application and meet all eligibility requirements.
2. For all other applications, projects expected to receive a financing agreement in SFY 2021-22 are placed on the Fundable List with priority given to those that 1) address the most serious risk to human health, 2) are necessary to ensure compliance with the requirements of the SDWA, and 3) assist systems most in need on a per household basis.

As project application statuses are expected to change throughout the year, DFA will periodically post an updated Comprehensive List on the DWSRF website which also identifies those projects which are on the Fundable List. This updated Fundable List will include all projects for small DAC/SDAC, expanded small DAC/SDAC, and Category A-C projects for small non-DACs with a complete application and meeting all eligibility requirements.

E. Financing Terms

The standard interest rate for DWSRF (repayable) financing is 50 percent (50%) of California's average general obligation bond rate obtained by the State Treasurer for the previous calendar year, rounded up to the next highest ten basis points (0.10%). Therefore, the interest rate for the 2021 calendar year is 1.2%.

The standard term for a planning loan is five or ten years, at the applicant's option.

The standard term for a construction loan is the lesser of 30 years or the useful life of the financed facilities. SDAC and DAC communities may finance drinking water construction facilities over the lesser of 40 years or the useful life of the financed facilities.

Eligible small community water systems (SCWS) serving a small DAC/small SDAC, eligible Non-Transient Non-Community Water Systems (NTNCs) serving a small DAC or small SDAC, and Public Water Systems (PWSs) extending service to small DACs and small SDACs may receive grant/PF in accordance with Appendices D and E.

Criteria for consolidation projects are described in Section III.A.4.

F. Recent Financing Activity

The level of DWSRF and complementary financing was below average in SFYs 2018-19 and 2019-20 due to the State Water Boards' transition to California's new, statewide accounting and budgeting system, the Financial Information System for California or "FI$Cal." As of early 2021, DFA is continuing to adapt to FI$Cal and expects that the overall pace of financing will continue to normalize in SFY 2021-22.

Number of Executed Agreements and Total Financing ($, in millions) per SFY

SFY	Number of Agreements	$ of Agreements (in millions)
2017-18	64	$316
2018-19	17	$237
2019-20	49	$193
2020-21	24	$167
Draft Agreements in process	33	$173

DFA has executed 24 DWSRF agreements during SFY 2020-21 as of March 1, 2021. DFA is currently drafting agreements for another 33 DWSRF projects for an additional $173 million in funding. Some of these agreements will be executed by June 30, 2021.

G. Available Funding

Available DWSRF and complementary financing programs for SFY 2021-22 are summarized below. The amounts included below are estimated amounts, which may fluctuate due to a number of reasons, including project cancellations, the disencumberment of undisbursed funds, or any appropriation of additional amounts.

1. **DWSRF**
   The Funding Target is a long-term sustainable loan capacity for the DWSRF Program, established as $330 million for SFY 2021-22. However, the program's financing history should be viewed as a long-term average. The DWSRF has

historically committed funds below its capacity. Therefore, temporarily committing funds above the sustainable funding level is justified.

2. **DWSRF Principal Forgiveness (PF) and Grants for Small Communities**
   Small DACs/SDACs, expanded small DACs/SDACs, and small non-DACs with Category A-C projects may be eligible for DWSRF/PF as described in Appendices D and E. Current grant funding is provided by Prop 1 and Prop 68. The funding sources are generally interchangeable but may have different eligibility requirements. DFA will allocate the most appropriate grant/PF funds for eligible projects with a complete application.

Estimated Available Grant/PF funds for SFY 2021-22

Funding Type	Total (Million)
PF	$151.0
Prop 1 grant	$13.4
Prop 68 grant	$141.6
Total	**$306.0**

3. **Safe and Affordable Drinking Water (SADW) Fund**
   The SADW Fund was established through Senate Bill 200 in July 2019. Expenditures from the SADW Fund will be made consistent with the State Water Board's larger Safe and Affordable Funding for Equity and Resilience (SAFER) Drinking Water program and associated annual Fund Expenditure Plan. The annual Fund Expenditure Plan is intended to complement this IUP as SADW funds are used in combination with DWSRF and SCG DW to address similar goals.

4. **ASADRA funds**
   California's DWSRF is eligible to receive about $46[1] million in supplemental funds from the "Additional Supplemental Appropriations for Disaster Relief Act of 2019" (ASADRA). The funds are available to help any DWSRF-eligible entity that was damaged, demonstrates an impact, or had a loss or disruption of a mission-essential function, including loss of function where there was potential impact to public health, from calendar year 2018 wildfires.

   The DWSRF will use 30 percent of its ASADRA grant as PF to eligible recipients with the remaining funds provided as loan at zero percent (0.0%). Additional information regarding the availability of and requirements associated with ASADRA funds can be found in the ASADRA Revised Supplemental Intended Use Plan in Appendix H.

[1] In addition to the $42 million originally allocated to California, U.S. EPA recently announced that California is eligible to receive an additional $4.2 million in funds reallocated from funds originally allocated to Alaska.

5. **Other Funding**
   Groundwater Grant Program (GWGP) – GWGP funds may be available for projects benefitting PWS serving DACs and SDACs for projects that prevent and cleanup contamination of groundwater that serves or has served as a source of drinking water. See the guidelines and funding available from the State Water Board's Groundwater Sustainability Program for more information.

   American Rescue Plan – The American Rescue Plan was signed by President Biden on March 11, 2021 and includes $350 billion under the State and Local Fiscal Recovery Fund which can be invested in infrastructure, including water, sewer, and broadband services. Additional specifics on state allocations, funding requirements, and timing are expected in the future. It is unknown how these funds will affect the DWSRF Program at this time.

H. Fundable List

The recommended Fundable List includes approximately $2.1 billion in estimated loans/repayable financing which is significantly greater than the Funding Target as explained above. Projects serving either small DAC/SDAC or expanded small DAC/SDAC, and Category A-C projects for small non-DACs are automatically added to the Fundable List provided they submit a complete application and meet all eligibility requirements. For readability, all small DAC/SDAC and expanded small DAC/SDAC projects are shown on the Comprehensive List, which includes all projects with active applications. The Comprehensive List is included as Appendix C.

SFY 2021-22 DWSRF Repayable Loan Fundable List Summary

Summary	Projected Number of Projects	Estimated DWSRF Loan Amount	Estimated PF/Prop 68 Grant Amount
Small Water System Planning	1	$108,000	$0
Large Water System Planning	0	$0	$0
Small Water System Construction	4	$37,875,770	$3,000,000
Large Water System Construction	30	$1,522,101,113	$30,750,000
TOTAL	**35**	**$1,560,084,883**	**$33,750,000**

I. Set-Aside Activities

The SDWA allows each state to set aside up to 31 percent (31%) of its federal capitalization grant to support various DWSRF and Division of Drinking Water (DDW) program activities, including (1) the administration of the DWSRF, (2) SWS technical assistance, (3) PWS supervision by DDW and (4) other technical assistance to PWSs in support of technical, managerial, and financial capacity development. The Set-Asides

are especially beneficial to SWSs serving SDACs and DACs.

For SFY 2021-22, the State Water Board will set-aside 26 percent (26%) of the 2021 Capitalization Grant for set-aside activities as further described below.

SFY 2021-22 Set-Aside Budget

Set-Aside Category	Max Allowed	Budgeted from FFY 2021 Grant	Estimate
Administration	4%	4%	$3,880,000
SWS Technical Assistance	2%	2%	$1,940,000
PWS Supervision	10%	10%	$9,700,000
Other Local Assistance	10%	10%	$9,700,000
Total		**26%**	**$25,220,000**

J. Programmatic Requirements

DWSRF requirements are substantially similar to those described in the SFY 2020-21 DWSRF IUP. Any new provisions specific to the FFY Capitalization Grant will apply as directed by Congress or U.S. EPA and would take effect after receiving the Capitalization Grant.

The State Water Board is required to apply federal environmental requirements "cross-cutters" in addition to the requirements of the California Environmental Quality Act (CEQA), to equivalency projects. DFA will apply an alternative environmental review process for projects identified as non-equivalency projects. The selection of the non-equivalency projects is described in further detail in Section V.D.1. and Appendix F.

K. Other Activities

DFA is currently working with the Environmental Finance Center (EFC) at California State University, Sacramento on a program management review of California's CWSRF program. The findings from this review will be beneficial to the DWSRF program because DFA administers the DWSRF program using many of the same administrative staff and processes. EFC has developed a draft Program Review Work Plan, in coordination with stakeholders and State Water Board staff, and expects to deliver a final report and recommendations in Fall 2021. The report will identify potential efficiencies, improvements, or enhancements that would facilitate application reviews and execution of loan agreements and disbursements.

L. Schedule

Draft IUP with Revised Supplemental IUP posted for public comment	April 29, 2021
Informational Workshop/Webinar #1	April 29, 2021
Information Workshop/Webinar #2	May 14, 2021
Deadline for Public Comments on Draft IUPs	June 1, 2021
Submit FFY 2021 Capitalization Grant application to U.S. EPA	June 1, 2021
State Water Board considers IUP with Revised Supplemental IUP at regularly scheduled meeting	June 15, 2021
Receive FFY 2021 Capitalization Grant agreement from U.S. EPA	September 2021

I. INTRODUCTION

Clean, affordable, accessible, and safe water adequate for human consumption, cooking, and sanitary purposes is a human right[2], and is essential to health and well-being. The State Water Board's DDW and DFA work cooperatively to protect California's drinking water and help ensure that all Californians have access to clean, safe, accessible, and affordable drinking water through several regulatory and financial assistance programs.

The DWSRF program finances infrastructure improvements to mitigate drinking water risks and support the human right to water. In accordance with federal rules, the DWSRF program generally prioritizes financing for projects that (1) address the most serious human health risks, (2) are necessary to comply with federal SDWA requirements and (3) assist public water systems (PWSs) most in need on a per household basis. The DWSRF program is also managed to ensure expeditious use of DWSRF funds and long-term financial strength for future generations.

The State of California (State) also periodically allocates funding to the State Water Board for programs that help provide clean and safe water. Many of these programs can be used in combination with the DWSRF program.

In July 2019, Senate Bill 200 established the Safe and Affordable Drinking Water Fund (SADW Fund). The SADW Fund is one tool in the State Water Board's larger Safe and Affordable Funding for Equity and Resilience (SAFER) Drinking Water program. The State Water Board administers the SAFER Drinking Water program primarily through DDW, DFA, and the Office of Public Participation (OPP). The SAFER Drinking Water program's goals are to provide safe drinking water in every California community, for every Californian. The Policy for Developing the Fund Expenditure Plan for the Safe and Affordable Drinking Water Fund (SAFER Policy) was adopted by the State Water Board on May 5, 2020. The SAFER Policy establishes the State Water Board's direction on how the Fund Expenditure Plan will be developed and implemented. The SADW Fund will be used in combination with the DWSRF program to complement the State Water Board's existing suite of financial assistance programs.

This Intended Use Plan (IUP) describes the State Water Board's plan for implementing the DWSRF and its complementary financing programs for drinking water projects to be funded in SFY 2021-22.

A. Authority and Past Achievements

In 1996, the United States Congress and the President amended the SDWA to establish the DWSRF program nationally, based in part on the success of the Clean Water State Revolving Fund (CWSRF) program. All 50 states and Puerto Rico are currently

[2] Wat. Code, § 106.3.

operating DWSRF programs. The total DWSRF program financing nationwide currently exceeds $41.0 billion.

The federal DWSRF program provides each state the opportunity to establish a drinking water public health and infrastructure bank capitalized by federal and state funds. This capital along with its earnings is used to provide financial assistance to a wide variety of drinking water planning and construction projects. The DWSRF program can also provide technical assistance (TA) to help PWSs solve their drinking water problems. States may offer a variety of financing options and customize terms to meet their drinking water public health needs. Financing options include loans, refinancing debt, purchasing or guaranteeing local debt, and purchasing bond insurance. Interest rates must be below the market rate. Repayment periods are generally the lesser of 30 years or the expected useful life of the financed asset and can be as long as 40 years for some communities. Federal statute, regulations and appropriations, as well as California law, have also authorized "additional subsidy" in the form of grants, negative interest rates, and PF on a limited basis. The State Water Board is currently authorized to manage the DWSRF program pursuant to Chapter 4.5 of Part 12 of Division 104 of the Health and Safety Code and an Operating Agreement with the United States Environmental Protection Agency (U.S. EPA), Region 9. The DFA, in cooperation with DDW, the Division of Administrative Services (DAS), and the Office of Chief Counsel (OCC), implements the DWSRF program in accordance with the Policy for Implementing the Drinking Water State Revolving Fund (DWSRF Policy) adopted by the State Water Board.

California's DWSRF has grown since financing its first project in 2000. It has executed more than $3.50 billion in financial assistance agreements and annual repayments to the DWSRF have recently been approximately $97.6 million.

The DWSRF program has funded a broad range of projects since its inception. As of April 2021, approximately 85 percent (85%) of DWSRF funds have been for the benefit of large water systems, while approximately 15 percent (15%) of DWSRF funds have been awarded to small water systems (SWSs). However, approximately 69 percent (69%) of funded projects have been for the benefit of SWSs, while 31 percent (31%) of funded projects have been for the benefit of large water systems. The DWSRF has also provided approximately $422.9 million of grants/PF to disadvantaged communities since 2000.

B. Connections to Other Plans and Goals

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

policy when "revising, adopting, or establishing policies, regulations, and grant criteria when those policies, regulations, and criteria are pertinent to the uses of water." State Water Board Resolution No. 2016-0010 adopted the human right to water as a core value and directed its implementation in Water Board programs and activities. This IUP, in addition to the SAFER Drinking Water program, directly supports this policy.

The SADW Fund complements the DWSRF program which addresses capital infrastructure. The SADW Fund may be used for various types of assistance for Public Water Systems (PWS), state small water systems, and domestic wells with demonstrated failure or risk of failure, including but not limited to projects that: (1) provide interim access to safe water sources; (2) contract or provide a grant to an administrator to address or prevent failure to provide safe and affordable drinking water; (3) improve water delivery infrastructure; (4) provide technical assistance to disadvantaged communities; (5) consolidate systems; and (6) fund operation and maintenance for disadvantaged and low-income communities.

U.S. EPA, in cooperation with the State, has designated the State Water Board as the "primacy agency" to implement and enforce the federal SDWA. As the state primacy agency, the State Water Board, through DDW, regulates more than 7,500 PWSs located throughout the State. To assist in this effort, through DDW, the State Water Board has also delegated its primacy authority to 29 local health departments, known as local primacy agencies (LPA), to regulate PWSs serving less than 200 service connections. The State Water Board also promotes safe and reliable drinking water through drought preparedness and water conservation measures; promoting water recycling projects; certifying drinking water treatment and distribution operators; supporting and promoting water system security; providing for small water system technical assistance (SWSTA) and mandating minimum standards for PWS technical, managerial, and financial (TMF) capacity.

The DWSRF program supports the U.S. EPA Strategic Plan Goal 1 (Core Mission), Objective 1.2: Provide for Clean and Safe Water – "Ensure waters are clean through improved water infrastructure and, in partnership with states and tribes, sustainably manage programs to support drinking water, aquatic ecosystems, and recreational, economic, and subsistence activities." Specifically, California established and is managing the DWSRF to provide affordable financing and other types of assistance to water systems to finance the cost of infrastructure projects to achieve or maintain compliance with SDWA requirements.

The DWSRF program supports the four goals of the Water Resilience Portfolio (July 2020): maintain and diversify water supplies; protect and enhance natural ecosystems; build connections and be prepared. The State Water Board is tasked as the responsible agency for 17 actions of which 8 actions require direct involvement from DFA.

Additionally, the DWSRF program supports the State Water Board Resolution No. 2017-0012, which was adopted on March 7, 2017 to establish a comprehensive and

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

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

Similarly, U.S. EPA confirmed in recent years that DWSRF funds may be awarded to projects that address "green" infrastructure, water and energy efficiency improvements, or other environmentally innovative activities. In response to Resolution No. 2017-0012, as well as the "green" objectives of U.S. EPA, the State Water Board will continue to prioritize DWSRF funding in SFY 2021-22 for the installation of new or replacement water meters as a means of promoting effective water conservation and management and energy efficiency and sustainable energy projects. Other Green Project Reserve (GPR) projects may include ones that reduce water losses and energy consumption, reduce the environmental footprint of water treatment and distribution, help utilities adapt to climate change, adopt more sustainable solutions, and promote innovative approaches to water conservation and source protection, as long as they meet all DWSRF criteria and requirements.

The DWSRF program and its project priority approach also support the Governor's Executive Order B-40-17 of April 7, 2017, which states, "The Water Board and [the Department of Water Resources] shall continue to direct actions to minimize water system leaks that waste large amounts of water. The State Water Board, after funding projects to address health and safety, shall use loans from the DWSRF to prioritize local projects that reduce leaks and other water system losses".

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

- Strategic Goal 1 - Use available resources to continuously improve the Capacity Development program

- Strategic Goal 2 - Identify systems with low TMF capacity

- Strategic Goal 3 - Assist water systems identified in Goal 2 to improve their TMF and if they are in violation, return to compliance

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- Strategic Goal 4 – Ensure all new systems, systems changing ownership and systems using public funds to construct projects have TMF capacity to remain sustainable into the foreseeable future

- Strategic Goal 5 –Strengthen existing and foster new partnerships with federal, state, local governmental entities, environmental justice organizations, local non-profits and drinking water organizations

- Strategic Goal 6 – Provide a system of technical assistance and training for operators, managers and board members to ensure that drinking water provided by public drinking water systems is consistently safe

In 2017, the Drinking Water Capacity Development program, as required by the Safe Drinking Water Act, was moved from DFA to DDW. To preserve the distinction between the capacity development program implemented by DDW and the capacity development strategy implemented by DFA, the strategy implemented by DFA will be renamed the Small Community Capacity Development Strategy when it gets updated. The updated strategy will focus on the priorities of the Office of Sustainable Water Solutions (Office), specifically on the financial and technical needs of small disadvantaged and small severely disadvantaged communities, over the next three fiscal years. The updated strategy will continue to support the above strategic goals.

Per- and polyfluoroalkyl substances (PFAS) are a class of chemicals of emerging concern (CEC). These anthropogenic chemicals may be present in drinking water sources and pose a potential human health risk. The State Water Board's Division of Water Quality and DDW are investigating, in coordination with the Regional Water Quality Control Boards (Regional Water Boards), the magnitude and distribution of PFAS. The DWSRF can provide funding to treat drinking water for the presence of PFAS and will provide funding to eligible entities with projects that are ready to proceed consistent with the "General Project Funding Approach" described in Section III.A below.

C. Intended Use Plan (IUP) and Capitalization Grant Application

This IUP contains elements required under federal law. The State Water Board will submit this IUP as part of its application for the Federal Fiscal Year (FFY) 2021 Capitalization Grant from U.S. EPA and the Revised Supplemental IUP in Appendix H for ASADRA Capitalization Grants. The SFY 2021-22 IUP also serves as guidelines for the State Water Board's administration of Proposition 1 (Prop 1) and Proposition 68 (Prop 68) Drinking Water funds - in general referred to as the "Small Community Grant Drinking Water (SCG DW) funds."

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In summary, these IUPs establish the State Water Board's business plan for the DWSRF and its associated state funding programs for SFY 2021-22 and discuss the State Water Board's general approach and ability to successfully carry out that business plan with the available financial and programmatic resources. It also describes how the State Water Board will operate the DWSRF and its associated state funding programs in conjunction with other funding sources, outside the State Water Board, that may be used to jointly finance projects.

This IUP outlines the funding and resources available for SFY 2021-22, the prioritization approach used to rank projects for DWSRF and SCG DW funding, and describes the State Water Board's plans for using the FFY 2021 Capitalization Grant and ASADRA Capitalization Grants from U.S. EPA, including a summary of applicable DWSRF federal requirements. The IUPs identify projects that the State Water Board anticipates financing in SFY 2021-22 (Appendix A – the Fundable List and Appendix H, – the ASADRA Fundable List), and forecasts the potential effect they would have on DWSRF cash flows and availability of SCG DW funds over the next several years. This IUP also describes the financing terms for SFY 2021-22, including special financing terms for small disadvantaged communities (DACs) and small severely disadvantaged communities (SDACs). The Revised Supplemental IUP describes the financing terms applicable to projects receiving ASADRA funds. Finally, this IUP details key aspects of the DWSRF program including short and long-term goals, associated performance metrics, and the methods used to achieve the DWSRF program's goals and metrics.

Federal and State laws allow a portion of federal capitalization funds to be used for specified set-aside activities in addition to providing financial assistance to PWSs for infrastructure improvements. In summary, the State Water Board intends to use 74 percent (74%) of the 2021 Capitalization Grant for financing the planning, design, and construction of drinking water infrastructure projects. The remaining 26 percent (26%) of the 2021 Capitalization Grant will be reserved for set-aside activities. Further detail about the planned use of the set-asides can be found in Section IV of this IUP.

The State Water Board may also amend this IUP and the ASADRA IUP, but only after the public and interested parties are given an opportunity to comment on the proposed amendments. The Executive Director, or designee, may update stakeholders during SFY 2021-22 on DFA's progress implementing this IUP and the ASADRA IUP and the current capacity of the DWSRF and its complementary programs to provide financing to applicants.

The State Water Board will continue to implement the DWSRF and its complementary financing programs consistent with applicable state and federal statutes, regulations and policies. These include, but are not limited to:

- The DWSRF Policy;
- The SAFER Policy;

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- The SADW Fund Expenditure Plan;
- The Operating Agreement between the State Water Board and U.S. EPA;
- The Clean Water and Drinking Water State Revolving Funds Debt Management Policy (CWSRF/DWSRF Debt Management Policy);
- The Clean Water and Drinking Water Capacity Development Strategy (Capacity Development Strategy);
- U.S. EPA Interpretive Guidance regarding the DWSRF;
- U.S. EPA's October 23, 2019, Memorandum "Award of State Revolving Funds Appropriated by the 'Additional Supplemental Appropriations for Disaster Relief Act, 2019'";
- U.S. EPA's February 23, 2021, Memorandum "Reallotment of FY 2019 ASADRA SRF Funds";
- Any additional federal requirements in the 2021 budget appropriation, the 2021 Capitalization Grant Agreement, and/or guidance from U.S. EPA.

D. Supplementary Definitions

Unless otherwise defined below, the definitions in the DWSRF Policy shall apply to funding under this IUP.

1. "Consolidation" means joining two or more public water systems, state small water systems, or affected residences not served by a public water system, into a single public water system.

2. "Native American Tribe" means a federally recognized Indian tribe, or a State Indian tribe listed on the Native American Heritage Commission's California Tribal Consultation List.

3. "Non-transient Non-Community Water System" or "NTNC" means a public water system that is not a community water system and that regularly serves at least 25 of the same persons over six months per year.

4. "Receiving Water System" means the public water system that provides service to a Subsumed Water System through consolidation or extension of service.

5. "Subsumed Water System" means the public water system consolidated into or receiving service from the Receiving Water System.

6. "Small Disadvantaged Community" means a community with a population less than 10,000 persons and with a combined median household income (MHI) less than 80 percent of the statewide MHI.

7. "Small Non-Disadvantaged Community" means a community with a population less than 10,000 persons and with a combined MHI greater than or equal to 80 percent of the statewide MHI.

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8. “Small Severely Disadvantaged Community” means a community with a population less than 10,000 persons and whose combined MHI is less than 60 percent of the statewide MHI.

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II. DRINKING WATER FINANCING NEEDS

A. Drinking Water Needs Survey and Assessment

Based on the 2015 Drinking Water Infrastructure Needs Survey and Assessment (DWINSA), California needs approximately $51.03 billion to adequately fund drinking water infrastructure. Based on the survey, California's greatest need is for drinking water transmission and distribution repair/replacement ($31.2 billion), followed by drinking water treatment ($9.2 billion), and storage ($7.0 billion) infrastructure. The DWINSA is to be conducted every four years and results are used to determine allotment of capitalization grants for state DWSRF programs. The next DWINSA began in January 2021 and will continue for most of 2021. California is conducting its assessment during 2021 on 182 large and medium water systems selected by U.S. EPA.

In 2018, the Legislature appropriated $3 million to the State Water Board to perform a statewide safe and affordable drinking water needs analysis (Needs Analysis). In July 2018, the State Water Board's DDW used this allocation to enter into a service contract with the University of California, Los Angeles and multiple subcontractors to do the following:

(1) Identify PWSs in violation and at risk of failure, including the development of an interactive geographic information systems (GIS) map;

(2) Identify state small water systems and domestic wells with known or high risk of unsafe water, including interactive GIS map; and

(3) Develop a cost analysis for interim and long-term solutions.

The 2021 Drinking Water Needs Assessment was completed in April 2021 and will be updated on an annual basis. Section XI.B. of the SAFER Policy further defines the above three elements of the Needs Analysis with up to date information available online at: https://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/needs.html.

B. Comprehensive List of Financing Requests

As a result of California's statewide need, the State Water Board currently has approximately 345 funding requests totaling approximately $3.4 billion for drinking water planning and construction funding on its Comprehensive List. The Comprehensive List (Appendix B) identifies PWSs seeking financial assistance for specific drinking water infrastructure projects. The funding applications and the due diligence reviews by DFA vary in completeness. A summary of the total funding requested is shown in Table 1 below.

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The Comprehensive List includes all funding requests submitted to DFA as of February 2021 and is used to identify potentially eligible projects for the Fundable List. Placement of a project on the Comprehensive List does not constitute a commitment to provide financing. The Deputy Director of the Division will periodically post an updated Comprehensive List on the DWSRF website that will include all projects for both small DAC/SDAC and expanded small DAC/SDAC, and Category A-C projects for small non-DACs, for which applications were received by DFA after the development of this IUP.

Table 1: SFY 2021-22 DWSRF Comprehensive List Loan Funding Request Summary by Priority Ranking

Priority Ranking	Description	No. of Applications	Estimated Requested Funding
A	Immediate Health Risk	29	$76,208,831
B	Untreated or At-Risk Sources	14	$353,201,089
C	Compliance or Shortage	95	$317,450,775
D	Inadequate Reliability	51	$76,036,597
E	Secondary Risks	10	$29,628,989
F	Other Projects	146	$2,543,194,813
Total		**345**	**$3,395,721,094**

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III. PROJECT FUNDING CAPACITY AND DISTRIBUTION OF FUNDS

A. General Project Funding Approach

A primary goal of DFA is to use the DWSRF program and its associated state funding sources to provide drinking water project financing that (1) addresses the most serious human health risks, (2) is necessary to comply with the SDWA, and (3) assists the PWSs most in need on a per household basis. To meet this goal, the State Water Board will use the DWSRF and its complementary funds timely and expeditiously and manage the available funding responsibly.

The State Water Board's drinking water funding priorities in SFY 2021-22 will stress helping small SDACs and small DACs solve their drinking water problems. In particular, available SCG DW funds, DWSRF PF funds, and Drinking Water Small Community Emergency Grant (DWSCEG) funds will be prioritized to address the most serious health risks for these communities. The State Water Board also directs DFA to manage the DWSRF program so that sufficient funds are available under all circumstances to meet the repayable financing needs of small SDACs and small DACs for drinking water projects.

This IUP establishes for SFY 2021-22 a Fundable List (Appendix A) of projects. The Fundable List was developed from applications in process[3] as of February 2021 and includes those projects DFA believes will achieve the most favorable drinking water results in California during SFY 2021-22 with the financial and programmatic resources available to the DWSRF and its complementary financing programs. All projects that serve a small DAC/SDAC or expanded small DAC/SDAC as well as Category A-C projects for small non-DACs are automatically added to the Fundable List based on this IUP but will be prioritized based on their public health ranking. All other projects were ranked for potential placement on the Fundable List as described in Section VI.B. of the DWSRF Policy. DFA's objective is to execute financing agreements for all eligible projects on the Fundable List for which sufficient funds are available by June 30, 2022.

Projects that serve a small DAC, small SDAC, expanded small DAC, or expanded small SDAC, and Category A-C projects that serve small non-DACs are automatically added to the Fundable List, provided they submit a complete application and meet all eligibility requirements. If one of these projects is not on the Comprehensive List at the time this IUP is approved by the State Water Board, it will be added automatically to the Comprehensive List when the applicant starts an application. DFA will periodically post an updated Comprehensive List on the DWSRF website which identifies all projects on the Fundable List, including all small DAC/SDAC, expanded small DAC/SDAC, and Category A-C projects for small non-DACs, for which applications were received by DFA after the development of this IUP. All other projects identified on the Fundable List

[3] "In process" means that some portion of the DWSRF application was submitted to the State Water Board.

may receive financing during SFYs 2021-22 and 2022-23, and other projects not included on the Fundable List may be added to the List consistent with the Bypass Procedure in the DWSRF Policy.

Appended to this IUP is a supplementary ASADRA IUP that establishes for SFY 2021-22 a Fundable List (Appendix H) of projects. The ASADRA Fundable List was developed from applications submitted by eligible water systems that were adversely affected by wildfires and earthquakes in calendar year 2018. The Revised Supplemental IUP describes the opportunities to use ASADRA funds and the additional requirements associated with the funds. DFA's objective is to commit all ASADRA funds by June 30, 2022.

Applications for the DWSRF program and associated funding are accepted on a continuous basis. After DFA receives a complete application, a detailed technical, environmental, legal, and financial review is conducted to determine the applicant's eligibility for DWSRF and associated drinking water funding. On a case-by-case basis, the Deputy Director of DFA may approve a limited review of the credit application for general obligation grant funded projects instead of the credit review set forth in the DWSRF Policy. Eligible projects are funded as applications are completed and approved in accordance with the applicable federal and state rules and requirements, including the DWSRF Policy. The online portal to submit an application for the DWSRF and its associated drinking water funding sources can be found at: https://faast.waterboards.ca.gov/.

Funding will be consistent with the DWSRF Policy[4], the SRF Debt Management Policy, the Operating Agreement, U.S. EPA's October 23, 2019, Memorandum "Award of State Revolving Funds Appropriated by the 'Additional Supplemental Appropriations for Disaster Relief Act, 2019,'" federal capitalization grant conditions, applicable federal and state statutes, regulations, and guidance, and any guidelines applicable to the complementary funding sources that may be used to fund a project jointly with DWSRF program funds.

In addition, funding will be consistent with the requirements of the DWSRF program's Master Trust Indenture and associated bond documents to ensure compliance with the U.S. Securities and Exchange Commission, Internal Revenue Service, and Municipal Securities Rulemaking Board (MSRB) rules and regulations and ensure that all DWSRF revenue bonds are secure and repaid in full and on time.

The funds available to fund drinking water projects generally consist of:

- State bond funds;
- Capitalization Grants from U.S. EPA, potentially including PF;
- Repayments of DWSRF principal and interest on past loans and investment earnings;

[4] Please refer to Section V.F. of this IUP for an exception to the DWSRF Policy regarding reimbursement of eligible construction costs.

- Proceeds from revenue bond sales secured by past DWSRF loans and approved by the State Water Board;
- SADW Fund

DFA may also regulate project commitment or cash disbursement levels, suspend project approvals, or do some combination of these actions to ensure prior commitments are fulfilled. A detailed financial analysis is described in Section III.C.

The State Water Board's disbursement priorities for the DWSRF program during SFY 2021-22 will be:

- Liquidating revenue bond proceeds;
- Liquidating capitalization grants once awarded; and
- Liquidating repayments and investment earnings.

Without restricting the approach described in this IUP, the Executive Director (or designee), should update the State Water Board members and the public at State Water Board meetings or by other appropriate communications regarding the finances of the DWSRF and its complementary financing programs. They should also recommend appropriate adjustments to this IUP or other changes in policy or procedure necessary to achieve the maximum drinking water benefit in California.

General provisions applicable to financing projects in SFY 2021-22 may include, but are not limited to:

1. Best Use of Available Financing Sources and Terms

DFA will consider the requirements associated with all available sources of funds, and pair available funds with projects to achieve the maximum drinking water benefits. In order to provide the best funding package for an applicant, DFA will combine funding sources where appropriate. This includes the use of PF and grant funds, reduced interest rates, match financing, other state sources of funds appropriated to the State Water Board, and other state and federal funding sources managed by other agencies to the extent they are available and compatible with the State Water Board's funding to maximize the financing of drinking water projects.

2. Financing Terms in General

Unless otherwise noted below, the terms established in the DWSRF Policy will be used for drinking water funding.

The State Water Board will provide funding for the planning, design, and construction of eligible drinking water improvements to publicly and privately-owned Community Water Systems (CWSs) and non-profit, non-community water systems. Eligible planning, preliminary engineering studies, environmental review, project design, and construction costs are described in the DWSRF Policy, Sections X.B. and XI.B. An eligible applicant may apply solely for planning funding with the option to later apply for construction funding. An eligible applicant may also apply for

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construction funding with the option to be reimbursed for eligible planning costs as part of the construction financing agreement.

The standard interest rate for repayable planning and construction financing is 50 percent (50%) of California's average general obligation bond rate obtained by the State Treasurer for the previous calendar year. The term for repayable planning projects is a maximum of five or ten years at the applicant's request. Repayable construction financing can be amortized for the lesser of 30 years or the useful life of the financed facilities for all communities; SDAC and DAC communities may finance drinking water construction facilities over the lesser of 40 years or the useful life of the financed facilities.

Privately-owned water systems that serve small or expanded small DACs/SDACs may be eligible for grant/PF based on the following criteria:

a. Consolidation projects are eligible for 100% grant/PF funding, regardless of project category. The system owner's ability to pay will not be considered in determining funding for reasonable connection fees and work outside of the private property. However, the system owner's ability to pay will be considered for any work occurring on the private property. In most cases, funding will be provided to the Receiving Water System. To the extent that the Receiving Water System requires infrastructure improvements (e.g., storage tank, new well, treatment) for the consolidation, those improvements may be eligible for 100% grant/PF. The Deputy Director of DFA may reduce or limit reimbursement of connection fees if infrastructure improvements are being funded with grant/PF.
b. For non-consolidation Category A-C projects, work on private property may be eligible for up to 100% grant/PF. The system owner's ability to pay is considered when determining the grant/PF amount to be provided for construction projects. Planning projects may receive 100% grant/PF or be funded through Technical Assistance.
c. For non-consolidation Category D-F projects, the system owner's ability to pay will be considered in determining whether to provide any financial assistance.

The State Water Board will prioritize funding to systems experiencing serious drinking water public health issues (Category A-C) and consolidation projects. Grant/PF criteria for projects serving small and expanded small communities addressing Categories A-F, as defined in the DWSRF Policy, can be found in Appendix D and Appendix E of this IUP.

3. Financing Terms and Limitations for Specific Applicants

a. MHI Determinations for Small Community Water System (SCWS), NTNC & Communities Not Currently Served by a PWS

In general, the MHI determination for a SCWS will be based on the entire permitted service area of the SCWS. The MHI is determined using the Census geography that best represents the community (i.e., city/Census Designated

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Place [CDP] or block group). DFA utilizes the American Community Survey (ACS) data set to determine the MHI of a community. ACS data is updated annually using a five-year rolling average. New ACS data is utilized by DFA as of April 1st of each year. If the MHI cannot be determined due to unavailable ACS data or the available data is not considered representative based on consultation with DDW or Regional Board staff, an income survey may be conducted. An impartial third party must conduct an income survey in accordance with the current Multiagency Income Survey Guidelines.

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

For the purposes of a consolidation project, the MHI of the Receiving Water System may be considered when evaluating for reduced interest rates and PF/grant.

If DWSRF funding is used to finance a project for the extension of water service by a PWS to a small community not currently being served by a PWS, then for purposes of providing reduced interest rates and PF, the MHI of the PWS extending service will be considered. If Prop 68 Drinking Water funds are used for a project, then the MHI of the small community not currently being served by a PWS may be considered for the evaluation of possible Prop 68 and Prop 1 Drinking Water reduced interest rates and grant/PF funding.

In making DAC determinations, the State Water Board will consider whether the households benefitting from the project are primary residences. If a community includes second homes in an amount that is greater than 50 percent of the total number of dwellings, the community will not be considered a DAC. A community with between 25 percent and 50 percent second homes will be evaluated on a case-by-case basis to determine eligibility for grant/PF or partial grant/PF. Typically, permanent residents are those residing in the community at least six months out of the year; however, seasonal, migrant laborers can also be counted as permanent residents.

If a project will benefit a system that has industrial/commercial connections that account for greater than ten percent of the total water consumption, then grant/PF funding may be reduced for costs attributable to industrial/commercial use. In addition, project components that are solely for industrial/commercial use (e.g., water meters) are not grant/PF eligible.

b. Subsidized Planning Financing

Eligible SCWSs serving a small DAC/small SDAC, eligible NTNCs serving a small DAC or small SDAC, and eligible PWSs extending service to small DACs and small SDACs may receive grant/PF in accordance with Appendix D.

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Repayable financing will also be made available if grant/PF funding is insufficient to fully fund a planning project.

c. Subsidized Construction Financing

The following PWSs may be eligible for reduced interest rates and PF, grant, or a combination of PF and grant for a construction project in accordance with the terms in Appendix E.

1. A SCWS serving a small DAC or small SDAC.

2. A SCWS serving a small DAC or small SDAC that is owned by a Native American Tribe.

3. A NTNC that serves a small DAC or a small SDAC, if the system serves solely the following:

   - a public K-12 school[5]; and/or
   - a not-for profit K-12 private school; and/or
   - a not-for-profit daycare facility, and/or
   - a not-for profit labor camp; and/or
   - a not-for-profit elder care facility; and/or
   - a not-for-profit health care facility

   Grant/PF funds will only be awarded to an eligible NTNC to the extent the NTNC cannot afford the full cost of repayable financing. With the exception of a PWS owned by a public school district, the current operating budget shall be evaluated when determining an eligible NTNC's ability to afford repayable financing. As stated in the DWSRF Policy, a PWS eligible NTNC owned by a public school district is deemed to have no ability to repay any financing, and is therefore eligible for 100% grant/PF, subject to all other eligibility rules and requirements. To determine the equivalent service connections for a school, the total number of staff and students is divided by 3.3.

4. A PWS that is extending service to a small DAC or a small SDAC not currently served by a PWS.

5. An expanded SCWS that serves a DAC or an SDAC.

The Prop 1 and Prop 68 Drinking Water local cost share may be reduced for a SCWS that serves a small DAC or small SDAC and a NTNC that serves a small DAC or small SDAC and a PWS extending service to a small DAC or small SDAC.

[5] Notwithstanding the definition of "not-for-profit" in the DWSRF Policy, NTNCs owned by public schools are deemed to be not-for-profit and may be eligible for PF.

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In evaluating project eligibility, DFA will consider any drinking water-related settlement funds received by or due to the applicant, including those related to 1,2,3- Trichloropropane (1,2,3-TCP), when determining grant/PF eligibility. Pending or unrestricted funds must either be allocated to a capital improvement project related to the settlement or placed in a restricted account (e.g., escrow or other restricted account) reserved specifically for operation and maintenance of the portion of the system that removes or treats the contaminant. If neither of these options is available, a condition of State Water Board funding will be that settlement funds are held in a capital reserve and/or emergency reserve account to help bolster the financial capacity of the system.

4. Consolidation

It is the intent of the State Water Board to promote consolidation where appropriate and feasible, especially among SCWS serving DACs and SDACs. Many SCWSs struggle to meet minimum state and federal requirements to provide safe and reliable drinking water. Due to their smaller scale and limited resources, SCWSs face many TMF challenges and have difficulty maintaining long-term compliance. Infrastructure projects are increasingly costly, the technical complexity of compliance grows, and economic constraints are especially onerous for these systems. Consolidation is a promising solution to many difficulties faced by SCWSs, particularly when confronted with compliance-related problems or depleted water sources. To support consolidation, DFA, in coordination with DDW, will continue to emphasize consolidation opportunities by providing project financing and technical assistance.

Specifically, DFA will continue to require that all funding applicants evaluate the feasibility of consolidation to be eligible for DWSRF construction funding. If planning funding is being provided to a SCWS, DFA may also require an evaluation of consolidation prior to reimbursement of other planning activities under a planning funding agreement. If consolidation is considered infeasible, the applicant will be required to discuss the reasons supporting that determination. If consolidation is determined to be the most feasible alternative, grant/PF funding will only be available for a consolidation project.

Consolidation projects will be prioritized for DWSRF and associated drinking water funding. If a Receiving Water System does not have sufficient capacity to serve the additional customers of the Subsumed Water System, grant/PF funding may be available to increase a Receiving Water System's water supply capacity. The Deputy Director may approve grant funding for necessary improvements to recently consolidated systems for good cause.

During SFY 2021-22, the State Water Board may continue to offer incentives to encourage the consolidation of PWSs, especially those systems experiencing serious drinking water public health issues. Incentives available to the Receiving Water System for consolidation (Consolidation Incentives) may include, but are not limited to:

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- A PWS fully consolidates one or more communities having at least 15 service connections or a year-round population of at least 25 people that are not currently served by a PWS.
    - Up to $10 million in zero percent (0%) interest rate financing from available sources for a construction project that solely benefits a Receiving Water System (Incentive Project); and
    - Grant/PF funding of up to $5,000 per connection when consolidating a small DAC or up to $10,000 per connection when consolidating a small SDAC water system for an Incentive Project. Maximum of $5 million grant/PF per water system.
- A PWS either managerially consolidates or provides water via an interconnection/master meter agreement to one or more SCWS.
    - Up to $2 million in zero percent (0%) interest rate financing for an Incentive Project; and
    - Grant/PF funding of up to $2,500 per connection when managerially consolidating or providing water via an interconnection/master meter to a small DAC water system or up to $5,000 per connection for a small SDAC water system for an Incentive Project. Maximum of $1 million grant/PF per water system.
- PWS acts as an administrator to one or more SCWSs.
    - Up to $5 million in zero percent (0%) interest rate financing for an Incentive Project; or
    - Grant/PF funding of up to $2,500 per connection when acting as an administrator for a small DAC water system or up to $5,000 per connection for a small SDAC water system for an Incentive Project. Maximum of $1 million grant/PF per water system.

The Consolidation Incentive may be applied to one or more DWSRF- or SADW-eligible projects chosen by a Receiving Water System. Consolidation Incentives may include, but aren't limited to, infrastructure improvements to mitigate drinking water risks and support the human right to water, O&M support, refinancing existing loans, and/or loan forgiveness to the extent allowed by applicable statutes. Incentive Project financing may be combined with other DWSRF or SADW financing options to fully fund an Incentive Project. The subsidized financing for the Incentive Project is in addition to any subsidized financing for the associated Consolidation Project.

Additional criteria and application requirements for the Consolidation Incentive include:

- The Receiving Water System should submit, at minimum, a DWSRF General Application Package or Urgent Drinking Water Needs (UDWN) Application for the Incentive Project(s) to DFA before the execution of the funding agreement for the associated Consolidation Project(s).
- The DWSRF or UDWN application must indicate that it is for an Incentive Project associated with a specific Consolidation Project or group of Consolidation Projects.

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- The Receiving Water System must complete and submit a full DWSRF or UDWN application for the Incentive Project(s) within one year of the execution of the funding agreement for the associated Consolidation Project. The Deputy Director of the Division can allow for additional time for good cause.
- In the case where the Consolidation Project has been designed to include the Incentive Project, then up to $10 million in zero percent (0%) funding shall apply to those proportional costs that are part of the Incentive Project. The Consolidation Project may also receive up to $5 million grant/PF funding towards the Incentive Project as described above. The remaining costs associated with the Consolidation Project shall be funded in accordance with the repayable and financing terms discussed in Section V of this IUP. For example, the Receiving Water System may choose to replace some of its distribution system pipeline at the same time as the Consolidation Project. If the distribution system replacement that solely benefits a Receiving Water System is estimated to cost $15 million, then that portion of the project may receive up to $5 million incentive grant/PF (depending on the community that is being consolidated) and up to $10 million in 0% financing.

5. Small Water System Reserve

Federal rules require that at least 15 percent (15%) of available DWSRF funding be provided to PWSs that serve less than 10,000 people to the extent that projects for these PWSs are eligible and ready to proceed to a funding agreement (Small Water System Reserve). Based on the DWSRF SFY 2021-22 Funding Target of approximately $330 million, the minimum that must be reserved for small water systems (SWSs) is approximately $49.5 million. Regardless of the minimum federal funding requirements for SWSs, the State Water Board will prioritize DWSRF funding for eligible SWSs that are ready to proceed to a funding agreement, to the maximum extent practicable, bearing in mind all other federal and State requirements regarding the prioritization of DWSRF funding.

6. Green Project Reserve (GPR)

Like prior years' capitalization grants, the FFY 2021 Capitalization Grant may provide for an optional reserve of DWSRF funds for projects to address green infrastructure, water or energy efficient improvements, or other environmentally innovative activities (Green Project Reserve). While DWSRF funding is to be prioritized first for "ready-to proceed" projects that address risks to human health and ensure compliance with safe drinking water standards, the State Water Board also acknowledges the importance of the Green Project Reserve, especially in cases of promoting water conservation through the installation of water meters. The SFY 2021-22 Fundable List includes at least four projects with water meter installations for more than $35 million that may be ready-to-proceed to funding in SFY 2021-22.Other Green Project Reserve (GPR) projects may include ones that reduce water losses and energy consumption, reduce the environmental footprint of water treatment and distribution, help utilities adapt to climate change, adopt more sustainable solutions, and promote innovative approaches to water conservation and source protection, as long as they meet all DWSRF criteria and requirements.

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7. Match Financing Option

California is required to contribute to the DWSRF at least one dollar of matching funds for every five federal dollars contributed to the program. Section V.C. provides a more detailed discussion of California's matching contribution to the DWSRF. Offering match financing in accordance with Section VII of the DWSRF Policy, where the applicant provides the funds to match the federal grants, is one way California meets the match requirement.

DFA may offer local match financing to eligible DWSRF program applicants in accordance with Section VII of the DWSRF Policy. DFA will generally use the state's contribution ratio, i.e., one matching dollar for every five federal dollars, for each participating project. If the current interest rate makes a local match loan at the state's contribution ratio uncompetitive, DFA may lower the contribution ratio on any given project so that the imputed interest rate is competitive with the standard DWSRF interest rate for construction financing.

8. Advance Payment

Proposition 1 and Proposition 68 state that, "not more than 25 percent of a grant may be awarded in advance of actual expenditures." (Wat. Code, § 79724, subd. (a)(1), incorporated in Pub. Resources Code, § 80140, subd. (a).) An advance payment program will be established and approved by the Deputy Director of the DFA and will be posted to the DFA webpage at a later date.

B. Recent Financing Activity[6]

From July 1, 2020 to March 1, 2021 the State Water Board has provided the following financing from the DWSRF and complementary financing programs.

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[6] Prop 1 funding activity can be found at http://www.waterboards.ca.gov/water_issues/programs/grants_loans/proposition1.shtml.

Table 2: SFY 2020-21 DWSRF Financing to March 1, 2021

	DWSRF Repayable Loan	DWSRF PF	SCG DW	Other[7]	DWSCEG	Totals
Number of Agreements[8]	4	7	23	1	0	26
$ in millions	$111	$6	$49	$30	$0	$196

DFA is currently drafting agreements for another 33 projects for an additional $173 million in funding. Some of these agreements will be executed by June 30, 2021. DFA estimates that cumulative SFY 2020-21 financing through the DWSRF and complementary financing programs will be approximately $350 million.

Table 3: Recent DWSRF and Complementary Financing

SFY	Number of Agreements, Estimated	$ of Agreements (in millions), Estimated
2017-18	72	$336
2018-19	24	$250
2019-20	49	$193

C. Financial Outlook

1. DWSRF Cash Flow[9] and Funding Target

Appendix C shows the forecasted cash flow (sources and uses) of the DWSRF program as of April 2021. Except for capitalization grants, the future cash flow of the DWSRF program can be predicted with reasonable certainty. The estimated cash flow includes:

- The cash balance at the beginning of SFY 2020-21;
- U.S. EPA capitalization grants[10];

[7] City of San Diego's Pure Water Project received funds from Prop 68, but is not considered a SCG DW project.
[8] Seven projects received funding from more than one source. Therefore, the number of unique financing agreements was 26.
[9] The overall cash flow includes the available PF funds.
[10] Based on the recent adoption of the federal budget for FFY 2021, the 2021 Capitalization Grant is estimated at $97,047,000, of which $71.8 million will be available for project funding and the remainder $25.2 million reserved for set-asides. Future

- Principal and interest payments on outstanding receivables;
- Investment earnings;
- Disbursements to projects with executed financing agreements; and
- Debt service payments.

The DWSRF estimated year-end cash balances through June 30, 2024 generally range from approximately $31 million to $467 million as seen in Appendix C. The DWSRF's Municipal Advisor, in cooperation with DFA staff, has analyzed the DWSRF's lending capacity as part of developing this IUP. Given current capitalization and debt levels, and assuming conservative future capitalization, loan terms and earnings levels, and bond and coverage terms, the DWSRF can operate at an estimated sustainable financing level of approximately $330 million per year. The capacity is the amount of new lending that could be done per year with the existing loan pool and new loans pledged to potential bonds. The annual capacity is a level amount that could be originated each year for the next 20 years. The Funding Target, therefore, for SFY 2021-22 will be $330 million in new financing.

2. DWSRF Additional Subsidy (PF)

The SDWA allows states to award up to 35 percent (35%) of the federal capitalization grants as "additional subsidy" to PWSs serving disadvantaged communities in the form of PF, negative interest rates, or grants. As with the FFY 2020 DWSRF Capitalization Grant, the FFY 2021 Capitalization Grant also mandates that states provide an additional 14 percent (14%) of the capitalization grant as Additional Subsidy to eligible projects/recipients. This additional 14 percent (14%) allocation of Additional Subsidy is not restricted to PWSs serving DACs.

Given the foregoing, and subject to the final FFY 2021 Capitalization Grant terms and conditions, the State Water Board will provide the maximum Additional Subsidy allowed by the FFY 2021 Capitalization Grant. The Additional Subsidy will be provided as PF to eligible PWSs that serve small DACs/SDACs, expanded small DACs/SDACs, and small non-DACs with projects in Categories A-C. Current estimates suggest that the FFY 2021 Additional Subsidy will be approximately $47 million. Any prior year Additional Subsidy will also be committed to fund eligible projects. The total PF available for projects in SFY 2021-22 is estimated at $151 million.

It is the intent of the State Water Board to provide for the effective and equitable use of the limited amount of grant/PF funds. Therefore, the Additional Subsidy shall be prioritized in accordance with the DWSRF Policy and be awarded in accordance with the affordability criteria detailed in Section III.A.3. The eligible grant/PF funding amount for any project may also be reduced by the Deputy Director of DFA for good cause.

Capitalization Grants are based on the historical annual average of $85 million per grant and the maximum reservation of DWSRF set-asides allowed.

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DFA will administer available PF consistent with the conditions and limitations in Appendices D and E.

3. Small Community Grant Drinking Water (SCG DW)

The Office of Sustainable Water Solutions (Office) was established on March 27, 2015 as a result of the Governor signing Assembly Bill 92. The Office is part of the State Water Board's DFA. The Office was created to promote permanent and sustainable drinking water and wastewater treatment 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 disadvantaged communities. The Office provides small DACs and small SDACs low interest loans and PF through the DWSRF program and grants through the Small Community Grant Drinking Water (SCG DW) program and Safe and Affordable Drinking Water Fund utilizing state and federal funds. The Office administers the funds consistent with this IUP and the DWSRF Policy to the extent allowed by federal regulations and state law and consistent with the conditions and limitations in Appendices D and E.

a. Prop 1 grant

Proposition 1, the Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Assembly Bill 1471, Rendon) authorized $7.545 billion in general obligation bonds for water projects including surface and groundwater storage, ecosystem and watershed protection and restoration, and drinking water protection. Section 79724 of Prop 1 allocated $260 million for drinking water grants and loans for PWS infrastructure improvements and related actions to meet safe drinking water standards, to ensure affordable drinking water, or both.

b. Prop 68 grant

Proposition 68, the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018 (Senate Bill 5, De León) authorizes $4 billion in general obligation bonds for water projects including surface and groundwater storage, ecosystem and watershed protection and restoration, and drinking water protection. Section 80140 of Prop 68 allocates $220 million for drinking water and clean water grants and loans for PWS infrastructure improvements and related actions to improve water quality or help provide clean, safe, and reliable drinking water.

The SCG DW funds from Prop 1 and Prop 68, as well as Props 13, 50, 84 and future state funds, will be administered consistent with this IUP and the DWSRF Policy to the extent allowed by federal regulations and state law. The joint administration of the DWSRF and SCG DW funds allows the State Water Board to leverage the low-interest and PF financing available through the DWSRF program with additional subsidies provided through state bond funds.

To the maximum extent practicable, the State Water Board will direct available SCG DW funds for grants to SWSs serving DACs and SDACs. To further assist

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DACs and SDACs in addressing drinking water emergencies, the State Water Board may also provide SCG DW grants to state agencies that act on behalf of disadvantaged communities where a PWS has been identified as an otherwise eligible applicant.

As of SFY 2017-18 all Prop 1 drinking water funds were substantially committed to eligible projects. If existing encumbrances of Prop 1 funds are de-obligated because projects are completed under budget, then these funds will be made available to eligible projects consistent with State budget authority. See Table 4 below for Prop 1 and Prop 68 fund appropriations and uncommitted balances.

Table 4: Status of SCG DW Funds

As of March 1, 2021

Source	Enactment Year	Appropriation* (in Millions)	Uncommitted (in Millions)	Encumbrance End Date	Liquidation End Date
Prop 1 DW	2014-15	$67.5	$6.6	6/30/2021	6/30/2023
Prop 1 DW	2015-16	$174.3	$6.8	6/30/2021	6/30/2023
Prop 68 DW	2018-19	$62.2	$0	6/30/2021	6/30/2023
Prop 68 DW	2019-20	$169	$141.6	6/30/2022	6/30/2024

*Includes projects serving as state match for the DWSRF and administration of Prop 1 funds

c. Drinking Water Small Community Emergency Grant (DWSCEG)

The State Water Board may apply a DWSCEG charge as a charge-in-lieu of interest[11] to any eligible DWSRF repayable financing in an amount not to exceed the standard interest rate of the financing. Once the charge is applied to an agreement, the rate shall remain unchanged for the duration of the agreement, unless the Deputy Director of DFA determines any of the following:

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

[11] Like the administrative service charge (see Section III.G.3. below), the DWSCEG charge is also a fee "other than program income not included as principal in DWSRF financing" for federal purposes. The DWSCEG charge is collected, as is the administrative service charge, in-lieu of an equal amount of interest that would otherwise be due on the outstanding balance of the financing agreement so that the annual payment stays the same.

The revenue generated by this charge shall be deposited into the DWSCEG Fund and used for small SDAC and small DAC drinking water projects after SCG DW and DWSRF PF funds are fully encumbered.

DFA did not have any DWSCEG available during SFY 2020-21 and is not currently collecting a DWSCEG charge on any active projects.

The State Water Board may apply the DWSCEG charge to eligible loans in SFY 2021-22 subject to the availability of eligible loans and any projected demand for grant funding that exceeds all other available funding sources. If applied to an eligible loan then the DWSCEG charge will be set so that it does not jeopardize the long-term growth of the DWSRF, the State Water Board's ability to leverage the DWSRF, or the State Water Board's ability to collect sufficient revenue to administer the DWSRF.

4. Groundwater Grant Program (GWGP)

Groundwater Grant Program (GWGP) Chapter 10 of Prop 1 provides $670 million to the State Water Board for grants for projects to prevent or clean up the contamination of groundwater that serves or has served as a source of drinking water. The third and final solicitation is planned for 2021. GWGP funds may be available for projects benefitting PWS serving DACs and SDACs for projects that prevent and cleanup contamination of groundwater that serves or has served as a source of drinking water. GWGP funds will be administered consistent with Appendices D and E, except that: (1) GWGP funds may be available for projects benefitting SDACs, and for DACs with water rates at least 1.5% of MHI, regardless of the number of service connections or population served, and (2) GWGP grants may be awarded in addition to grants or principal forgiveness awarded through the DWSRF/SCG DW. DFA staff will coordinate with applicants to determine if projects meet the applicable requirements for GWGP funds. See the guidelines and funding available from the State Water Board's Groundwater Sustainability Program for more information.

5. Additional Supplemental Appropriations for Disaster Relief Act of 2019 (ASADRA)

California's DWSRF is eligible to receive $46,339,000 in supplemental funds from ASADRA. The funds are available to help any DWSRF-eligible entity that was damaged, demonstrates an impact, or had a loss or disruption of a mission-essential function, including loss of function where there was potential impact to public health, from calendar year 2018 disasters.

The ASADRA Fundable Project List has an estimated total of $60,015,239 in requested financing for an available $46,339,000 in ASADRA loan and principal forgiveness. The Deputy Director of DFA is authorized to offer DWSRF loan at 0% interest for the difference in requested and available ASADRA financing.

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ASADRA application demand, availability, and Fundable Project List are described in Appendix H.

6. Other Programs

The actions taken to address the current Covid-19 pandemic have had a dramatic economic impact on millions of Californians. The potential exists for additional state or federal stimulus funding for water infrastructure to aid in the economic recovery from the Covid-19 pandemic. The American Rescue Plan was signed by President Biden on March 11, 2021 and includes $350 billion under the State and Local Fiscal Recovery Fund which can be invested in infrastructure, including water, sewer, and broadband services. Additional specifics on state allocations, funding requirements, and timing are expected in the future.

Other sources of funds may become available to the State Water Board that are similar in nature to the DWSRF and its complementary funding sources. If additional state or federal funding becomes available during SFY 2021-22, the State Water Board will commit the funds consistent with any guidelines or requirements associated with their authorization and may be committed consistent with this IUP if appropriate. Alternatively, additional funding sources may require an amendment to this IUP or additional guidance from the State Water Board.

D. Development and Implementation of the Fundable List

To the maximum extent practicable, priority for funding and placement on the Fundable List is given to projects which: 1) address the most serious risk to human health, 2) are necessary to ensure compliance with the requirements of the SDWA, and 3) assist systems most in need on a per household basis. Projects for small SDACs and small DACs are automatically on the Fundable List but grant funding will be prioritized based on their public health ranking. All other projects were ranked and placed on the Fundable List in accordance with Section VI.C. of the DWSRF Policy.

The State Water Board acknowledges that the grant/PF applications currently exceed the estimated balance of grant/PF funds. Therefore, projects requesting grant/PF will be prioritized based on their public health ranking and their actual readiness to proceed to a funding agreement per the DWSRF Policy and this IUP. DFA intends to commit funds to Category A-C projects or consolidation projects.

State Water Board staff resources and eligibility reviews will be prioritized for Project Categories A-C from small DACs or SDACs prior to other projects included on the Fundable List. The DWSRF Policy directs staff to review and approve financing for eligible projects that have complete applications in the order they are ranked and are ready to proceed to a financing agreement. DFA's goal is to execute financing agreements for all eligible projects on the Fundable List for which sufficient funds are available by June 30, 2022.

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The SFY 2021-22 DWSRF Loan Fundable List includes both planning and construction projects. There are 35 projects from non-disadvantaged PWSs or large PWSs on the Fundable List for a total request of approximately of $2.1 billion in repayable financing (Appendix A). Of these, three construction projects may receive an estimated total of $33.7 million in ASADRA principal forgiveness or grant funding. Table 5 shows a summary of funding requested by system size and type of project.

Table 5: SFY 2021-22 DWSRF Repayable Loan Fundable List Summary by System Size and Project Financing Type

Summary	Projected Number of Projects	Estimated DWSRF Loan Amount	Estimated PF/Prop 68 Grant Amount
Small Water System Planning	1	$108,000	$0
Large Water System Planning	0	$0	$0
Small Water System Construction	4	$37,875,770	$3,000,000
Large Water System Construction	30	$1,522,101,113	$30,750,000
TOTAL	35	**$1,560,084,883**	**$33,750,000**

Several projects on the Fundable List have been approved for financing as of February 2021 and may receive an executed agreement by June 30, 2021. One project may be co-financed with the Clean Water State Revolving Fund because it appears to be eligible for both programs[12].

E. Financing Forecast

Past experience indicates that many of the SWS applicants will require technical assistance and that not all of the SWS planning and construction projects will be ready for a funding agreement by SFY 2021-22. DFA will execute financing agreement with as

[12] The amounts on the Fundable List for projects or interrelated programs that are recommended for partial repayable funding may be allocated or reallocated to multiple financing agreements at the request of the applicant. The Deputy Director of DFA is authorized to coordinate or limit the cash draws for projects or interrelated programs identified for partial funding to limit the collective impact of these financing agreements on the DWSRF. The Deputy Director of DFA is also authorized to coordinate or limit the cash draws for projects or interrelated programs identified for funding with a combination of the CWSRF and DWSRF to control the impact of these financing agreements on those programs. The funding amounts are subject to increase in a future IUP. Each applicant recommended for partial funding appears capable of obtaining the remaining financing necessary to successfully complete the projects or interrelated programs.

many SWS as possible and continue to assist the remaining communities toward a financing agreement so they are ready to sign an agreement quickly when funds do become available.

Although the SFY 2021-22 Fundable List includes projects that cumulatively exceed the repayable Funding Target, the Deputy Director of DFA, or designee, may add projects to the Fundable List in accordance with the bypass procedure in the DWSRF Policy. Average financing over the previous five years has been approximately $276 million. dollars annually - below the estimated sustainable capacity of $330 million per year. In addition, given the recent slowdown in new commitments, the Fundable List should promote ready to proceed projects. Past experience also indicates that not all of the projects on the Fundable List will be ready for a financing agreement this fiscal year. Having a larger Fundable List allows DFA to better manage the DWSRF loan financing, and the flexibility to add projects that are ready for a loan allows the State Water Board to make full use of the repayable financing capacity of the DWSRF.

F. Future Financing Trends

The current application/commitment trends suggest that the State Water Board can fund additional projects with DWSRF program repayable financing. The ability of the DWSRF program to leverage current assets remains underutilized and DFA continues to emphasize projects that are "ready-to-proceed to a financing agreement."

If DFA is successful at making a substantial portion of the commitments on the recommended SFY 2021-22 Fundable List, additional capital through the sale of DWSRF debt may be required. DFA will continue to evaluate the need for additional debt relative to average long-term funding levels and the State Water Board's direction in the *SRF Debt Management Policy*.

Grants/PF will be available in SFY 2021-22, but it will be necessary this year to prioritize the requests for this funding due to their limited availability. PF is expected to continue to be available from the capitalization grants. However, it is likely that requests for PF and grant funds will continue to outpace the availability of those non-repayable funds. Therefore, DFA and DDW will continue to prioritize projects receiving those funds based on projects addressing the most pressing public health risks and readiness to proceed to a financing agreement.

G. DWSRF Resources and Workload

1. Organization, Program Resources, and Skills

   Approximately 36.6 Personnel Years (PY) are budgeted for the DWSRF Program[13]

[13] In addition to positions funded directly by the DWSRF, the State Water Board has other state-funded positions associated with its complementary funding programs as noted earlier. Many projects may be financed by a combination of DWSRF and state funds. Staff is trained to help applicants receive financing for their projects regardless of

in SFY 2021-22 and the number of positions is not expected to change substantially. These positions are distributed between DFA and the Office of Chief Counsel (OCC) as follows:

- 3.9 PYs for Environmental Scientists to ensure compliance with state and federal environmental and cultural resources requirements (DFA);
- 16.2 PYs for Water Resources Control Engineers and Sanitary Engineers to manage project applications (DFA), and provide technical assistance, with approximately 10 PYs dedicated to processing applications from SDACs and DACs and providing associated technical assistance[14];
- 7.4 PYs for administrative support (DFA);
- 7.8 PYs for Program management and staff oversight (DFA);
- 2.0 PYs for legal support (OCC); and
- 0.9 PYs for other environmental and engineering support of project eligibility reviews

Additional indirect cost support is provided by accounting, personnel, budget, and contract support staff in the Division of Administrative Services.

The DWSRF program relies on some contracted services that (i) cannot be provided economically by Water Boards staff, (ii) require skills not available in the State Water Boards, or (iii) require independence from the DWSRF program. Approximately $750,000 is budgeted for the following contract services:

- Independent accounting firm for annual audits;
- Outside legal counsel for specialized tax and bond advice;
- Vendor to provide maintenance for the Loans and Grants Tracking System (LGTS); and
- Independent Municipal Advisor

2. Servicing and Program Administration

Servicing existing agreements and fulfilling ongoing program requirements represents a significant workload for the DWSRF staff. There are approximately 211 DWSRF program agreements in repayment. Payments on these agreements are generally collected two times per year, and DFA conducts regular surveillance on many of these recipients. At present, the DWSRF is servicing approximately 125 agreements in disbursement. On average, staff typically process 300 to 400 DWSRF disbursement requests per year. Staff also oversee and perform periodic construction inspections of financed projects to ensure that work is performed

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the funding sources; therefore, state-funded positions indirectly provide benefit to the DWSRF program and vice versa.

[14] These DWSRF staff members are part of the Office of Sustainable Water Solutions within DFA, which includes two supervising engineers, six senior engineers, and 34 technical staff dedicated to addressing both drinking water and wastewater funding and technical assistance needs of small SDACs and small DACs.

consistent with previous approvals, and to ensure that work is being performed in conformance with program requirements, including but not limited to, Davis-Bacon wage rates, American Iron and Steel procurement requirements, Disadvantaged Business Enterprise solicitation rules, and environmental special conditions.

The DWSRF program sold revenue bonds in SFY 2018-19 and may sell additional bonds in the future. The outstanding revenue bonds require separate accounting of payments from pledged obligations, semi-annual bond payments, and specific monitoring, reporting, and continuing disclosure actions. The DWSRF program prepares annual financial statements that are audited independently. The DWSRF program is subject to yearly review by U.S. EPA and is periodically subject to audit or oversight by other federal or state agencies.

3. Administrative Funding

Administrative funding for the DWSRF program currently comes from the capitalization grants awarded yearly by U.S. EPA via the DWSRF Administration Set-Aside. See Section IV.A. below for budgeted use of the 2021 DWSRF Administration Set-Aside. The DWSRF Administration Set-Aside is limited to the greatest of: $400,000, one-fifth percent of the current valuation of the fund, or an amount equal to four percent (4.0 %) of all grant awards to the fund for the fiscal year. Since the inception of the DWSRF program, the DWSRF Administration Set-Aside from U.S. EPA capitalization grants has provided a reliable source of funding for the administration of the DWSRF program.

Similarly, Section 116761.70 of the Health and Safety Code allows the State Water Board to apply an annual service charge[15] on a financing agreement. Revenue generated by this service charge is deposited into the DWSRF Administrative Fund and may be used for administration. Under state law, the service charge rate cannot exceed one percent (1.0 %) of the outstanding balance of a financing agreement. Once the service charge is applied to an agreement, the rate remains unchanged for the duration of the agreement.

Since the service charge is a percentage of the outstanding principal on each agreement, it produces a declining amount of revenue each year. Each year, the State Water Board must evaluate the need for the service charge revenue and establish an appropriate rate. The service charge will then be applied to additional agreements to maintain the Administrative Fund revenue consistent with the budget established by the Governor and the Legislature for the DWSRF program.

[15] For federal purposes, the DWSRF Administrative Fund service charge is a fee “other than program income not included as principal in DWSRF financing.” The service charge is collected in lieu of an equal amount of interest that would otherwise be due on the outstanding balance of the financing agreement. The service charge is offset by the reduction in the interest rate so that financing recipients’ payments remain the same whether or not they pay the service charge.

The State Water Board will continue an Administrative Service charge rate of one percent (1.0 %); this shall be the effective rate until the State Water Board establishes a different rate. The State Water Board also anticipates applying this charge to agreements in SFY 2021-22 to eventually provide further administrative funding for the DWSRF program and thereby make DWSRF Set-Aside funds available for other eligible purposes. The Administrative Service charge may also eventually offset declining administration funds from Prop 1 and Prop 68 and the need to continue supporting the administration of projects jointly funded by those propositions and the DWSRF. However, the actual expenditure of funds from the DWSRF Administrative Fund is still dependent upon appropriation from future State budgets.

H. Risks

The following are financial or programmatic risks to the DWSRF Program. DFA management will focus on identifying potential problems and acting early to maintain the integrity and success of the DWSRF Program.

1. Application Demand vs. Resources

   Demand for financing exceeds the administrative resources needed to review, approve, and finance all complete applications. Staff resources are the most inflexible aspect of the DWSRF program. Additional staff cannot be quickly added to address high demand because they must be approved through the State's budget process. In addition, hiring may be frozen or work hours reduced due to State budget concerns. DFA will prioritize applications consistent with this IUP and the DWSRF Policy. DFA may also adjust its review procedures and work with U.S. EPA or other agencies to resolve delays, schedule financing with applicants, or seek additional resources. DFA can also work with stakeholders to evaluate changes to the DWSRF Policy or further adjustments to its application and the application review process.

2. Applicants' Schedule Changes or Delays in Executing Agreements

   Beneficial and eligible projects may not be financed if the applicants' schedules change or are delayed. To minimize and avoid delays, DWSRF program staff will coordinate regularly with applicants identified in this IUP, and with others that submit applications during the year, to maintain a consistent demand on the program. As project schedules shift, lower priority projects may be funded if they are ready for financing, bearing in mind the PF and GPR requirements established in this IUP. This funding flexibility maximizes the use of the DWSRF and increases the number of projects funded.

   Beneficial and eligible projects may not be financed if DFA encounters delays completing its reviews of the applications. To minimize and avoid delays, DWSRF program staff will internally coordinate regularly during the year to expeditiously complete its reviews and maintain consistent progress toward the goal of executing agreements for all projects on the Fundable List by June 30, 2022. As delays are

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encountered, other projects on the Fundable List should continue to move forward, bearing in mind the PF and GPR requirements established in this IUP and the amount of leveraging authority approved by the State Water Board. This funding flexibility maximizes the use of the DWSRF and increases the number of projects funded.

After financing is approved, the recipient must start and complete planning or construction promptly. Applicants are required by their financing agreements to report delays to DFA staff so that appropriate action can be taken to address those delays.

3. Cash Balance

   The amount of disbursements requested may exceed the DWSRF program's cash balance. DFA staff will maintain accurate account balances and prepare forecasts regularly to identify potential cash shortages in advance. If additional cash is needed, the DWSRF has several options. The DWSRF program has considerable assets it can leverage through revenue bond sales in the municipal bond market or through the Water Infrastructure Finance and Innovation Act (WIFIA) program to obtain additional cash. The State Water Board can prioritize or limit new commitments or potentially negotiate disbursement schedules with applicants. The DWSRF program can also investigate alternative financing (e.g., providing bond insurance) to reduce cash outlays.

   Excess cash may accumulate if applications, and the associated disbursements, are too low. Holding excess cash provides no water quality benefit for California and tends to reduce the DWSRF's earnings. DFA will use its marketing, customer assistance, and project development resources to maintain a pipeline of projects ready for financing. It will closely monitor undrawn balances on outstanding financing agreements to ensure that financing recipients request funds expeditiously.

4. Defaults and Late Payments

   Pursuant to the DWSRF Policy, DFA will implement prudent lending standards and borrower surveillance practices that safeguard the DWSRF program's equity. The State Water Board also contracts with a professional financial advisor to provide additional financial expertise.

   The DWSRF program has many tools to reduce the risk of default, including loan monitoring and surveillance, as well as enforcement remedies. For example, DFA collects and reviews audited financial statements of all borrowers for the first five years of repayment and may request audited financials for some borrowers for longer periods of time. DFA has an agreement with independent accounting firm CliftonLarsonAllen to audit select borrowers identified as having a higher risk of experiencing financial difficulties. These audits can be conducted to evaluate the financial and management capacities of an entity and provide recommended solutions. The State Water Board will also continue to provide SCG DW funds in SFY 2021-22 to reduce debt service and default risk for small SDACs and small

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DACs or projects that regionalize water infrastructure. Additional subsidies for small SDACs and small DACs will reduce borrowing costs and the risk of default. Additionally, the State Water Board can offer water-related technical assistance to SDACs and DACs in areas such as evaluating project alternatives, financial management, rate setting, and operation and maintenance.

5. Accountability and Oversight

The DWSRF is capitalized with public funds, and the State Water Board is responsible for using them lawfully and effectively.

The State Water Board regularly reports to U.S. EPA through the National Information Management System (NIMS) and the Project Benefits Reporting (PBR) system on use of the funds. Among other parameters, the reporting systems will evaluate the number of California DWSRF program projects that provide the following public health benefits:

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

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

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

In addition, U.S. EPA reviews the management and performance of the DWSRF annually. The results are summarized in its annual Program Evaluation Reports. The DWSRF Program produces an annual report and audited financial statements.

Additional actions are required of the State Water Board to comply with provisions of the Internal Revenue Code applicable to the DWSRF outstanding bond debt. The DWSRF program's Post-Issuance Tax Compliance Policy for Tax-Exempt Bond Issues provides further detail about actions required of the program's staff to help ensure that its bonds remain exempt from federal income taxes. Additional reporting is required by the program's Continuing Disclosure Agreement; information on the program's bonds can be found on the Electronic Municipal Market Access system maintained by the Municipal Securities Rulemaking Board.

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DFA staff will continue to oversee projects to ensure that they meet the terms of the financing agreements by conducting periodic site visits during construction or implementation. All projects are subject to a “Final Project Inspection,” and a final summary report is submitted on each project to confirm that it was completed. DFA maintains copies of inspection and final summary reports in the project files.

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IV. SET-ASIDE ACTIVITIES

In addition to the project funding discussed in Section III, the SDWA allows each state to set aside up to 31 percent (31%) of its federal capitalization grant to support various DWSRF and DDW program activities, including (1) the administration of the DWSRF, (2) SWS technical assistance, (3) PWS supervision by DDW and (4) other technical assistance to PWSs in support of technical, managerial, and financial capacity development. The Set-Asides are especially beneficial to SWSs serving SDACs and DACs. The Office of Sustainable Water Solutions in DFA uses the technical assistance, in conjunction with subsidized project financing from the DWSRF and state sources, to help SWSs achieve compliance with safe drinking water standards, establish and maintain TMF compliance, and foster consolidation.

For SFY 2021-22, the State Water Board will set-aside 26 percent (26%) of the 2021 Capitalization Grant for set-aside activities as further described below. The State Water Board will submit detailed work plans to U.S. EPA for approval in accordance with federal requirements; the Deputy Director of DFA may adjust the 2021 Capitalization Grant budget between these activities for good cause. DFA will report on the progress of set-aside activities to U.S. EPA in its DWSRF Annual Report. The State Water Board is also committed to maintaining a set-aside spending rate in accordance with U.S. EPA Memorandum from Peter Grevatt, Director, Office of Ground Water and Drinking Water, dated April 14, 2014, *Drinking Water State Revolving Fund (DWSRF) Unliquidated Obligations (ULO) Reduction Strategy*.

A. Administration Set-Aside

The DWSRF Administration Set-Aside will fund administration of the DWSRF program in SFY 2021-22. This will include the review and processing of drinking water funding applications, project management and general oversight of DWSRF construction and planning projects. The DWSRF Administration Set-Aside will also cover the costs for accounting, legal, budgetary, and general management and oversight of the DWSRF, and may be used for the contracts listed below. The DWSRF Administrative Set-Aside Work Plan for SFY 2021-22 will contain detailed information about the specific tasks and full-time equivalent personnel that will be supported in DFA by the DWSRF Administration Set-Aside.

Max Allowed:	4%	
Budgeted from FFY 2021 Grant:	4%	$3,880,000 (estimate)

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Contracts:	DWSRF Annual Audit of Financial Statements including Single Audit		$150,000 (estimate)
	U.S. EPA/Northbridge Environmental Management Consultants Maintenance Contract for the State Water Board's Loans and Grants Tracking System (LGTS)		$250,000 (estimate)

B. Small Water System Technical Assistance Set-Aside

The SWSTA Set-Aside will fund DFA technical assistance to small PWSs serving less than 10,000 people, particularly those systems with fewer than 200 service connections. SWSTA will help SWS applicants establish eligibility for DWSRF or complementary funding and provide other technical assistance necessary for project development. The SWSTA Set-Aside may also fund technical assistance contracts to SWSs in support of project environmental documentation. The DWSRF Small Water Systems Technical Assistance Work Plan for SFY 2021-2022 will contain detailed information about the specific tasks and full-time equivalent personnel that will be supported in DFA by the DWSRF SWSTA Set-Aside.

Max Allowed:	2%	
Budgeted from FFY 2021 Grant:	2%	$1,940,000 (estimate)

C. State Program Management Set-Aside

The State Program Management Set-Aside will be used to partially fund DDW's administration of the State Water Board's PWSS program. The set-aside will supplement the annual PWSS grant from U.S. EPA and the charges paid by California's regulated PWSs. The Set-Aside will provide funds for DDW's permitting, inspection, compliance, and monitoring activities in accordance with the SDWA and delegated PWSS responsibilities by U.S. EPA. The DWSRF State Program Management Set-Aside Work Plan for SFY 2021-22 will contain detailed information about the specific tasks and full-time equivalent personnel that will be supported in DDW by the DWSRF State Program Management Set-Aside.

Max Allowed:	10%	
Budgeted from FFY 2021	10%	$9,700,000 (estimate)

D. Local Assistance Set-Aside

The Local Assistance Set-Aside will be used in SFY 2021-22 to fund personnel costs of the Office of Sustainable Water Systems within DFA and DDW. These staff costs are associated with State Water Board's implementation of its Capacity Development

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Strategy and providing direct technical assistance to PWSs in support of this strategy. Historically, the State Water Board has used the Local Assistance Set-Asides to provide third-party technical assistance to small SDACs and DACs to support technical, managerial, and financial (TMF) capacity development. Beginning in SFY 2021-22, the State Water Board intends to utilize the new Safe and Affordable Drinking Water (SADW) Fund to provide third-party technical assistance to help SDACs and DACs achieve compliance with the State Water Board's Capacity Development Strategy.

Max Allowed:	10%	
Budgeted from FFY 2021	10%	$9,700,000 (estimate)

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V. FINANCING AND PROGRAMMATIC REQUIREMENTS

A. Technical, Managerial and Financial (TMF) Capacity

A PWS generally must demonstrate TMF capacity to be eligible for construction funding, regardless of the amount or type of funding provided, and to receive a permit to operate a drinking water facility from DDW. The State Water Board conducts TMF capacity assessments of all drinking water construction applicants to ensure sustainability, resilience, and responsible use of public funds. Where a state agency applicant acts on behalf of a disadvantaged community in applying for state grant funding, the State Water Board will analyze the TMF capacity of the appropriate PWS.

For Project Categories A-C, construction funding may be provided even if a system does not have adequate TMF capacity. In these cases, a TMF capacity evaluation and improvement plan will be required as a condition for funding. For Project Categories D-F, construction funding will not be provided if a system does not have adequate TMF capacity.

1. Technical Capacity

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

2. Managerial Capacity

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

3. Financial Capacity

A PWS generally must demonstrate it has the financial capacity to own and operate its water system, including the proposed construction project, as a condition for the award of construction financing. The PWS must show that the system has sufficient revenues to cover necessary operation and maintenance costs and demonstrate credit worthiness with adequate fiscal controls. The PWS must also demonstrate financial planning for future capital improvements, including providing any water rate

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studies to demonstrate overall financial capacity. The State Water Board staff will review the PWS's project budget, audited annual financial reports, and other financial information to determine whether the PWS has adequate financial capacity to operate and maintain its system, including the proposed infrastructure project.

A PWS is generally not required to demonstrate financial capacity to operate and maintain its system, or a proposed construction project, to receive planning funding, or if it will be consolidated into another PWS. Planning funding may be provided to a PWS to assist it with establishing its financial capacity to operate and maintain its system, and undertake a construction project, in preparation for an eventual construction funding agreement. Examples of tasks financed with planning funds may include, but are not limited to, water rate studies, budget development, Prop 218 technical assistance, and capital improvement planning.

B. Cap Grant Payments and draws

1. Federal DWSRF Capitalization Payments

Based upon the State Water Board's cash flow for SFY 2021-22, the State Water Board has requested the following federal payment schedule from U.S. EPA for the 2021 Capitalization Grant, as detailed in Table 6.

Table 6: 2021 Capitalization Grant Payment Schedule

FFY	Payment Date	Percentage of Cap Grant	Estimated Amount	Description	Site Code*
2021	Award Date	4%	$3,880,000	DWSRF Administration Set-Aside	DD
2021	Award Date	2%	$1,940,000	SWS Technical Assistance Set-Aside	DE
2020	Award Date	10%	$9,700,000	State Program Management Set-Aside	DF
2021	Award Date	10%	$9,700,000	Local Assistance & Other Programs Set-Aside	DG
2021	Award Date	74%	$71,780,000	Loan Fund	DA

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

2. DWSRF Federal Draw Schedule and Estimated DWSRF Project Disbursements

Appendix G represents the State Water Board's anticipated federal draw schedule for SFY 2021-22 as well as the anticipated liquidation of the 2021 Capitalization Grant in SFY 2021-22. The federal draw schedule assumes U.S. EPA's "first-in-first-out" policy for liquidating DWSRF capitalization grants. Therefore, the draw schedule includes the anticipated liquidation of the balances of the 2018, 2019 and 2020 DWSRF capitalization grants.

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Current cash flow projections suggest that the 2021 DWSRF Capitalization Grant may not be liquidated until late calendar year 2023, due to the expenditure rate of the set-asides. The State Water Board will also disburse the 2021 State Match in accordance with procedures detailed in Section V.C of this IUP.

C. 2021 State Match Source and Proportionality Draw

The State Water Board must provide one dollar of match for each five dollars received through U.S. EPA capitalization grants. California's DWSRF has been capitalized with a variety of state match sources including general fund appropriations, general obligation bonds not repaid by the DWSRF, short-term financings with the California Economic and Infrastructure Bank, and local match funds.

The State Water Board has allocated a portion of the Prop 1 Drinking Water funds for use as state match. Both DWSRF repayable and PF funds may be counted as match consistent with federal DWSRF rules so long as such financing is funded with associated Prop 1 Drinking Water funds through the DWSRF. The balance of Prop 1 Drinking Water funds may be awarded as repayable financing, grants, technical assistance, and Drinking Water Capital Reserve funds.

The 2021 State Match will be provided through an existing $241.8 million state budget appropriation from Prop 1. A portion of the $241.8 million Prop 1 appropriation will be allocated as 2021 State Match for repayable financing or PF to eligible drinking water projects under the DWSRF and Prop 1. As of June 30, 2021, an estimated $102.3 million of Prop 1 drinking water funds will have been allocated and encumbered as state match for repayable financing and grant/PF funding to drinking water projects eligible under both the DWSRF and Prop 1, as set forth in this IUP. When considering the estimated $20.3 million in Prop 1 state match for the 2021 Capitalization Grant and the additional ASADRA funding, Prop 1 will have also provided an additional $3.9 million in over-match for future capitalization grants. Table 7 below documents the state match provided from the SFY 2014-15 and SFY 2015-16 Prop 1 drinking water appropriations.

Table 7: SFY 2014-15 and SFY 2015-16 Prop 1 $241.8 million Prop 1 Local Assistance Appropriation Allocation for DWSRF State Match

California Prop 1 Drinking Water Appropriation	Prop 1 Drinking Water Appropriation Allocation for DWSRF State Match
2014	$32,659,747
2015	$69,606,190
Total	$102,265,937

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Based on a projected 2021 Capitalization Grant of $97 million, the 2021 set-aside amount of $25.2 million and the 2021 state match of $19.4 million, the disbursement proportionality for the 2021 Capitalization Grant is 78.72% / 21.28% (Federal/State). However, the State Water Board will have disbursed the entire state match for the 2021 Capitalization Grant prior to drawing funds from the grant. Therefore, the draw ratio of federal capitalization funds for the 2021 capitalization grant will be 100%.

D. Application of Federal Cross-Cutters

Construction projects partially or fully funded by the DWSRF program must generally comply with federal laws[16] commonly known as "cross-cutters." The State Water Board will ensure that DWSRF financing recipients comply with applicable federal laws through a variety of program procedures. The DWSRF financing agreements will generally include a list of applicable federal statutes and requirements taken from the most recent capitalization grant. Described below are those federal cross-cutters that often require greater efforts of compliance by DWSRF/ SCG DW funding recipients.

All projects and set-aside activities will be performed in accordance with the Civil Rights Act of 1964, section 504 of the Rehabilitation Act of 1973, and the Age Discrimination Act of 1975. All other cross-cutters applicable to the set-aside activities will be adhered to.

1. Environmental Cross-Cutters

Under the DWSRF Operating Agreement, all projects must undergo an environmental review process prior to funding. The State Water Board will use its U.S. EPA-approved State Environmental Review Process (SERP) to review project applications submitted for funding during SFY 2021-22.

The SERP sets forth a process including compliance with federal environmental cross-cutters and SRF requirements, in addition to the requirements of the California Environmental Quality Act. State Water Board staff will consult with the appropriate federal agencies on projects as required by the SERP.

All applicants must provide a completed Environmental Package as part of their DWSRF Construction Applications. State Water Board staff will conduct an initial review to verify a complete package has been received and identify any missing information. Once all required environmental documents have been received, State Water Board staff will conduct a thorough review of all items to determine whether 1) sufficient information has been provided to enable the State Water Board to make environmental determinations, 2) consultation(s) are required with relevant state and federal agencies, and/or 3) if any additional information is needed.

[16] See also Appendix O of the DWSRF Policy.

Non-equivalency Environmental Review

The State Water Board must apply the additional federal environmental cross-cutters to equivalency projects (i.e., projects identified as having a cumulative amount equal to the amount of the federal DWSRF capitalization grant and designated as "equivalency projects" for compliance purposes, minus certain set-aside activities). In March 2020, DFA temporarily exempted small DAC and small SDAC projects designated as non-equivalency from federal cross-cutters, and instead applied CEQA-only environmental review to those projects. On September 30, 2020, DFA extended CEQA-only environmental review to include planning projects; expanded small DAC and SDAC construction projects; certain non-transient non-community water system projects serving small DACs/SDACs; small non-DAC construction projects in Categories A through C; and ASADRA projects. The 2021-22 IUP adopts this procedure. These categories of projects, set forth in Appendix F, will be designated as non-equivalency projects that will undergo a CEQA-only review, unless the Deputy Director determines that additional projects are required to satisfy the equivalency requirement.

DFA staff will continue applying federal environmental cross-cutter review requirements to equivalency projects reportable to the U.S. EPA. DFA treats all applications not identified as a non-equivalency project, as an equivalency project. There are currently 24 complete DWSRF applications requesting $1.3 billion in funding. DFA staff have historically selected projects for equivalency as funding agreements are executed. Based on the current list of potential equivalency projects on the fundable list, DFA staff expect to fulfill all equivalency requirements without the non-equivalency projects for SFY 2021/22.

2. Davis-Bacon

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

3. Generally Accepted Accounting Principles (GAAP)

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

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4. American Iron and Steel (AIS)

Federal rules require DWSRF recipients, absent an exclusion or waiver, to use iron and steel products that are produced in the United States for treatment works projects.

U.S. EPA implementation of these provisions is described on its State Revolving Fund American Iron and Steel (AIS) Requirement website.

5. Disadvantaged Business Enterprise

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

6. Single Audit Act

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

E. Capitalization Grant Conditions and Other Federal Requirements

The State Water Board will comply with all conditions included in the 2021 Capitalization Grant agreement and will require that DWSRF financing recipients also comply with applicable federal pass-through requirements. Provisions specific to the FFY 2021 appropriation will take effect only if the State Water Board receives the FFY 2021 Capitalization Grant and will apply only as directed by Congress or U.S. EPA. The State Water Board will require that recipients of DWSRF financing must agree to provide information necessary to show compliance with all applicable federal requirements.

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F. Other State and State Water Board Requirements

Other State laws not specific to the DWSRF/SCG DW may also apply to projects[17] funded in SFY 2021-22. These may include but are not limited to laws affecting urban water suppliers, charter cities, agricultural water users, projects located in the Delta and debt reporting.

Commencing with construction of a project and continuing throughout the reasonably expected useful life of the project, recipients must implement water conservation practices consistent with compliance obligations under governing statutes, regulations, and Executive Orders. More information about water conservation can be found at the State Water Board's website at https://www.waterboards.ca.gov/water_issues/programs/conservation_portal/california_statutes.html.

To be eligible for DWSRF and SCG DW funding, a project proposed by a PWS owned by a private entity, including utilities regulated by the Public Utilities Commission, shall have a clear and definite public purpose and shall solely benefit the customers of the PWSs.

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

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

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

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

[17] See also Appendix O of the DWSRF Policy.

Although the DWSRF Policy authorizes reimbursement of eligible construction costs for projects on the Fundable List going back to the notice to proceed date for the project, applicants should note that **CONSTRUCTION COSTS INCURRED BEFORE EXECUTION OF A FINANCIAL ASSISTANCE AGREEMENT ARE AT THE APPLICANT'S RISK.** Various factors may restrict reimbursement of costs incurred prior to execution of a funding agreement, including, but not limited to failure of the applicant to adopt a satisfactory reimbursement resolution, appropriations limits of funding sources, and other factors. **Further, starting construction before the State Water Board has completed its environmental review may render the project ineligible for funding.** Additionally, changes to laws or requirements that occur prior to execution of a financial assistance agreement may affect some or all funding eligibility.

G. Other Assurances and Certifications

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

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

2. The State will comply with state statutes and the DWSRF Policy handbook

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

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

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

4. The State will deposit revenues generated from the DWSRF Administration Charge and the DWSCEG Charge into their respective funds

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

5. The State will deposit net bond proceeds, interest earnings, and repayments into the DWSRF

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

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

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

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

   The IUP explains how the State Water Board will use DWSRF funds. The State Water Board will commit and expend both 2021 Capitalization Grant and associated state match funds as efficiently as possible, and in an expeditious and timely manner. The State Water Board will enter into binding commitments with recipients equal to the total amount of each 2021 Capitalization Grant payment and proportional 2021 State Match within one year of each 2021 Capitalization Grant payment. Additionally, the State Water Board will use cash-flow modeling to over-commit cash and undrawn federal funds to continually and timely disburse 100 percent (100%) of those funds.

8. **DWSRF funds will be used in accordance with this SFY 2021-22 IUP**

   The State Water Board will use DWSRF funds in SFY 2021-22 in accordance with this IUP.

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

   The State Water Board will publish a SFY 2021-22 DWSRF Annual Report on the uses of the DWSRF funds during SFY 2021-22 and provide a final draft of the SFY 2021-22 DWSRF Annual Report to U.S. EPA Region 9. The report will document the projects funded through the DWSRF; financial and programmatic outcomes of the DWSRF; and summarize the accomplishments of the DWSRF program as it relates to the long-term and short-term goals contained within this IUP and the tasks included in the associated DWSRF work plans.

H. Cross-Collateralization

The State Water Board will implement cross-collateralization between the DWSRF and the CWSRF loan programs as necessary to support the goals and objectives of the State Water Board as documented in the Operating Agreement for Implementing and Managing the Drinking Water State Revolving Fund Program between the State of California and the United States Environmental Protection Agency Region IX, as amended March 2020.

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VI. OUTCOMES, GOALS, ACTIVITIES, AND MEASURES

The following are the short-term and long-term goals of the State Water Board for its administration of the DWSRF. These goals will help the State Water Board maximize and prioritize its staff and funding resources.

A. Prioritizing DWSRF Funds for Public Health Benefits

Long-Term Goals

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

Short-Term Goals

1. Identify public health issues and evaluate solutions for SWSs, including technical assistance and consolidation where feasible.
2. Reduce instances of noncompliance with drinking water standards by providing technical and consolidation assistance to SWSs with significant SDWA violations, including those PWSs that are violating the arsenic maximum contaminant level (MCL).

B. Managing the DWSRF Responsibly to Ensure Its Perpetuity

Long-Term Goals

1. **Use revenue and capital effectively**: Maximize the funding capacity of the DWSRF while minimizing long-term costs to the DWSRF to maximize safe drinking water results. In accordance with the CWSRF/DWSRF *Debt Management Policy*, the State Water Board may also consider leveraging the DWSRF for greater funding capacity. However, additional debt should be balanced against the long-term financial health of the program and the federal requirement to maintain the DWSRF in perpetuity.

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2. **Maintain financial integrity**: Financial integrity is a core value of the DWSRF program. Effective internal controls ensure that the program's finances are dependable and trustworthy. Prudent lending practices and reasonable interest rates ensure the stability and continued growth of the DWSRF program.
3. **Provide good customer service with a special emphasis on assisting DACs.** Ensure that the application forms and review procedures are clear, flexible, up-to-date, and efficient. Ensure staff is well trained and ready to help applicants resolve technical, legal, environmental, and financial issues needed to receive financing. Effectively communicate the status of funding applications as well as the general availability of DWSRF funding through a variety of channels.

Short-Term Goals

1. Continue marketing and outreach efforts to PWSs, including application status reports, Spanish translation services, newsletters, and social media to advertise the availability of technical assistance to assist small, and disadvantaged communities as well as large PWSs.
2. Continue regular staff level finance/audit coordination meetings to ensure the immediate and long-term health of the DWSRF.
    a. Review cash flow forecasts of existing and potential commitments to assess the State Water Board's ability to meet its DWSRF commitments and to evaluate the need for leveraging or actions to regulate cash flows.
    b. Compare actual performance with targeted performance measures.
    c. Verify compliance with post-issuance tax compliance and continuing disclosure requirements associated outstanding DWSRF bonds.
    d. Review audit issues, program control issues, and prepare for any anticipated audits.
3. Continue to maximize all available DWSRF state match sources for future capitalization grants, including DWSRF Local Match financing options.
4. Coordinate with Environmental Finance Center and stakeholders on completing a program management review of the CWSRF and DWSRF Programs to identify potential efficiencies, improvements, or enhancements that would facilitate review processing, and execution of loan agreements and disbursements. (Fall 2021).

C. Ensuring Timely and Expeditious Use of DWSRF Funds

Long-Term Goals

1. **Ensure the timely commitment and disbursement of DWSRF funds:** Prioritize staff and financial resources to the maximum extent possible to ensure that the State Water Board can timely disburse DWSRF funds on existing obligations before considering new obligations.

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2. **Maximize cash flow and the disbursement of funds**: Engage in the over-commitment of DWSRF funds based upon cash-flow modeling of projected disbursements relative to anticipated receipt of repayments and other funding sources, including leveraged funds.

Short-Term Goals

1. Apply for and accept the anticipated 2021 Capitalization Grant from U.S. EPA. Upon award, commit funds from the 2021 Capitalization Grant, including the associated state match, by June 30, 2021, so that the federal funds can be utilized in an efficient and timely manner in accordance with 40 Code of Federal Regulations (CFR) §35.3550(c). The anticipated allotment amount of the 2021 Capitalization Grant provided to the State Water Board from U.S. EPA dated March 1, 2021 is $97,047,000. To maximize available federal funding, the State Water Board will be applying for $150 million for the 2021 Capitalization Grant but will assume an estimate of $97 million for the 2021 Capitalization Grant for all other financial forecasts in this IUP (June 30, 2021).
2. Continue to liquidate DWSRF capitalization grants within two to three years of their award by prioritizing disbursements for federal funds to the maximum extent possible.
3. Review cash flow forecasts of existing and potential commitments to assess the State Water Board's ability to satisfy its obligations timely and to also evaluate the need for leveraging or other actions to regulate cash outflows.

D. DWSRF Performance Metrics

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

1. One-hundred percent (100%) of complete disbursement requests should be fulfilled in 45 days or less.[18]
2. DWSRF Fund utilization rate > 105 percent (105%) of available funds.

The SAFER Policy establishes additional metrics that DFA will be tracking and for which goals will be set (see Section XI.I of the SAFER Policy). The SAFER Fund Expenditure Plan will identify the specific numeric goals and include a summary of progress made. These performance metrics will be used across programs.

E. Response to Climate Change

DFA will support and provide technical assistance where appropriate water systems' efforts to prepare for and mitigate the impacts of climate change including preparing and

[18] Disbursement fulfillment time is the time from receipt of a complete disbursement request to warrant date.

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.

DFA will ensure that applications and environmental reviews for potential projects evaluate the impacts related to climate change and account for potential mitigation measures, including potential effects of climate change on the viability of funded projects and will work with applicants to ensure that mitigation and adaptation measures are implemented as fully as practicable.

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VII. SCHEDULE

The estimated schedule for public comment and State Water Board adoption of the SFY 2021-22 DWSRF IUP, and the application, award, and acceptance of the 2021 DWSRF Capitalization Grant is as follows:

Draft IUP with Revised Supplemental IUP posted for public comment	April 29, 2021
Informational Workshop/Webinar #1	April 29, 2021
Informational Workshop/Webinar #2	May 14, 2021
Deadline for Public Comments on Draft IUPs	June 1, , 2021
Submit FFY 2021 Capitalization Grant application to U.S. EPA	June 1, 2021
State Water Board considers IUP with Revised Supplemental IUP at regularly scheduled meeting	June 15, 2021
Receive FFY 2021 Capitalization Grant agreement from U.S. EPA	September 2021

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VIII. ACRONYMS

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

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IX. APPENDICES

APPENDIX A: SFY 2021-2022 DWSRF Fundable List

Sort Order: Applicant, Project Number

Project Number	District Number	Project Type	Applicant	Project Title / Description	Priority Class	Population	Service Connections	Water System Size	Estimated Project Costs	Estimated PF/Grant Amount	Estimated DWSRF Loan
0110001-001C	04	Construction	Alameda County Water District	Advanced Metering Infrastructure Phase-3 Project	F	324,796	79,362	LWS	$ 36,375,767	$ -	$ 19,500,000
0710001-002C	04	Construction	Antioch, City of	Antioch Brackish Water Desalination Project	F	100,945	31,058	LWS	$ 55,000,000	$ -	$ 55,000,000
3610008-012C	13	Construction	Big Bear City CSD	Well 8 Replacement	F	25,000	6,356	LWS	$ 2,500,000	$ -	$ 2,500,000
7844-110	05	Construction	California American Water Company	Monterey Peninsula Water Supply Project	F	98,500	37,850	LWS	$ 279,200,000	$ -	$ 279,200,000
5610024-001C	06	Construction	Casitas Municipal Water District	Ventura-Santa Barbara Counties Intertie (ASADRA)	F	10,471	3,184	SWS	$ 15,520,270	$ 3,000,000	$ 12,520,270
3610012-007C	13	Construction	Chino, City of	123 TCP and Nitrate Treatment Plant	F	62,000	16,677	LWS	$ 18,869,396	$ -	$ 16,038,987
3310001-012C	20	Construction	Coachella Valley Water District	Talavera Phase 1, Booster Station 05513/05514 Upgrade and Tank 5514-2	F	244,472	97,789	LWS	$ 12,500,000	$ -	$ 12,500,000
3310001-013C	20	Construction	Coachella Valley Water District	Tri-Palms Phase 1, Sun City Phase 2, and Adams Street Water Main Replacement Project	F	244,472	97,789	LWS	$ 19,760,000	$ -	$ 19,760,000
3910003-002C	10	Construction	Escalon, City of	Well Site No. 1A Improvement Project	F	7,137	2,390	SWS	$ 1,355,500	$ -	$ 1,355,500

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Project Number	District Number	Project Type	Applicant	Project Title / Description	Priority Class	Population	Service Connections	Water System Size	Estimated Project Costs	Estimated PF/Grant Amount	Estimated DWSRF Loan
0910013-006C	09	Construction	Georgetown Divide Public Utility District	Automated Meter Reading and Meter Replacement Project	F	9,021	3,589	LWS	$ 1,726,046	$ -	$ 1,726,046
2410004-004C	11	Construction	Livingston, City of	Livingston 1,2,3-TCP Removal Treatment System Project	C	13,795	2,948	SWS	$ 12,000,000	$ -	$ 12,000,000
1910204-003C	16	Construction	Los Angeles County Waterworks District 29	Owen Tank Replacement	F	27,807	7,733	LWS	$ 3,500,000	$ -	$ 3,500,000
1910067-056C	15	Construction	Los Angeles, City of Acting by and through the Department of Water & Power (Los Angeles DWP)	Century Trunk Line Unit 2	F	4,071,873	680,607	LWS	$ 46,840,000	$ -	$ 46,840,000
1910067-057C	15	Construction	Los Angeles DWP	Manhattan Wellfield On-site Hypochlorite Generation Station	F	4,071,873	680,607	LWS	$ 9,000,000	$ -	$ 9,000,000
1910067-058C	15	Construction	Los Angeles DWP	City Trunk Line North Unit 2	F	4,071,873	680,607	LWS	$ 62,468,400	$ -	$ 62,468,400
1910067-059C	15	Construction	Los Angeles DWP	City Trunk Line North Unit 1	F	4,071,873	680,607	LWS	$ 112,800,000	$ -	$ 112,800,000
1910067-060C	15	Construction	Los Angeles DWP	Headworks Flow Control Station	B	4,071,873	680,607	LWS	$ 63,400,000	$ -	$ 63,400,000

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Project Number	District Number	Project Type	Applicant	Project Title / Description	Priority Class	Population	Service Connections	Water System Size	Estimated Project Costs	Estimated PF/Grant Amount	Estimated DWSRF Loan
4210007-001C	06	Construction	Montecito Water District	Montecito Water Resilience Project (ASADRA)	F	13,500	4,529	LWS	$ 18,093,000	$ 3,000,000	$ 15,093,000
5010017-001C	10	Construction	Patterson, City of	Metering System Replacement Project	F	21,229	5,681	LWS	$ 4,000,000	$ -	$ 4,000,000
4100510-003P	17	Planning	Redwood Terrace Water System	Planning Update for Surface Treatment	B	75	75	SWS	$ 108,000	$ -	$ 108,000
3610039-052C	13	Construction	San Bernardino, City of - Municipal Water Department	Seismic Retrofit of Steel Reservoirs	F	173,359	42301	LWS	$ 7,573,000	$ -	$ 7,573,000
3610039-053C	13	Construction	San Bernardino, City of - Municipal Water Department	Water Distribution Mainline Replacement	F	173,359	42301	LWS	$ 3,406,000	$ -	$ 3,406,000
3710020-077C	14	Construction	San Diego, City of	Morena Pipeline	F	1,266,731	271,962	LWS	$ 38,180,000	$ -	$ 38,180,000
3710020-079C	14	Construction	San Diego, City of	Alvarado 2nd Pipeline Extension	F	1,266,731	271,962	LWS	$ 86,800,000	$ -	$ 86,800,000
8419-210	14	Construction	San Diego, City of	Pure Water North City Water Reclamation Plant Expansion	F	1,266,731	271,962	LWS	$ 233,702,298	$ -	$ 127,557,815
3810001-001C	04	Construction	San Francisco, Public Utilities Commission of the City and County of	Mountain Tunnel Improvement Project	F	2,700,000	175,000	LWS	$ 238,220,000	$ -	$ 238,220,000
3410021-001C	09	Construction	San Juan Water District	Hinkle Reservoir Rehabilitation Project	F	33,792	10,240	LWS	$ 17,092,000	$ -	$ 17,092,000
3010038-002C	08	Construction	Santa Ana, City of	Automated Meter Infrastructure	F	353,428	44,610	LWS	$ 10,117,365	$ -	$ 10,117,365

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Project Number	District Number	Project Type	Applicant	Project Title / Description	Priority Class	Population	Service Connections	Water System Size	Estimated Project Costs	Estimated PF/Grant Amount	Estimated DWSRF Loan
4410010-001C	05	Construction	Santa Cruz, City of	Graham Hill Water Treatment Plant Concrete Tanks Replacement Project	F	90,000	24,228	LWS	$ 45,900,000	$ -	$ 45,900,000
0910002-028C	09	Construction	South Tahoe Public Utility District	Keller Heavenly Water System Improvements Project	F	60,000	13,635	LWS	$ 5,504,500	$ -	$ 5,504,500
0910002-029C	09	Construction	South Tahoe Public Utility District	2019 Waterline Replacement Program	F	60,000	13,635	LWS	$ 9,000,000	$ -	$ 9,000,000
5010043-001C	10	Construction	Stanislaus Regional Water Authority	Surface Water Supply Project	F	118,032	30,332	LWS	$ 212,674,000	$ 27,750,000	$ 184,924,000
3110011-005C	02	Construction	Tahoe City Public Utility District	West Lake Tahoe Regional Water Treatment Plant	F	750	453	SWS	$ 12,000,000	$ -	$ 12,000,000
1910213-010C	22	Construction	Torrance, City of	Van Ness Avenue Wellfield	F	113,136	26,461	LWS	$ 16,000,000	$ -	$ 16,000,000
3710026-003C	14	Construction	Valley Center Municipal Water District	2020 Pipeline Replacement Project	F	25,572	9,704	LWS	$ 8,500,000	$ -	$ 8,500,000
Total Fundable List					**Projects =**	**35**			**$ 1,719,685,542**	**$ 33,750,000**	**$ 1,560,084,883**

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Notes:
1. Small DAC/SDAC, expanded small DAC/SDAC, and Category A-C projects are considered automatically on the Fundable List provided they submit a complete application and meet all eligibility requirements. These projects are included on the Comprehensive List.
2. Priority is given to projects
2. Project numbers and project names are for administrative purposes only. DFA may assign or reassign project numbers and names as necessary to administer projects.
3. SWS = Small Water System; LWS = Large Water System.
4. Casitas Municipal Water District and Montecito Water District have requested Principal Forgiveness from ASADRA funds. Stanislaus Regional Water Authority was identified to receive Prop 68 grant.

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APPENDIX B: SFY 2021-22 DWSRF Comprehensive List

Sort Order: Consolidation Project, Applicant, Project Number

Project Number	District Number	Project Type	Applicant	Project Title / Description	Priority Class	Consolidation Project	Population	Service Connections	Degree of Disadvantaged	Estimated Project Costs
Loan Projects (Non-DAC or Large DAC)										
5700788-003C	09	Construction	Yolo, County of	North Davis Meadows Water Consolidation Project	A	TRUE	110	95	non-DAC	$ 8,250,000
0110001-001C	04	Construction	Alameda County Water District	Advanced Metering Infrastructure Phase-3 Project	F	FALSE	324,796	79,362	non-DAC	$ 31,832,794
0710001-002C	04	Construction	Antioch, City of	Antioch Brackish Water Desalination Project	F	FALSE	100,945	31,058	non-DAC	$ 55,000,000
1000004-001C	23	Construction	Belmont Water Corporation	Belmont Water Corporation 1,2,3-TCP Mitigation - Construction	D	FALSE	86	46	Pending	$ 1,442,700
3610008-012C	13	Construction	Big Bear City CSD	Well 8 Replacement	F	FALSE	25,000	6,356	DAC	$ 2,500,000
7844-110	5	Construction	California American Water Company	Calam Monterey Peninsula Water Supply Project	B	FALSE	93,000	38,500	non-DAC	$ 279,200,000
5610024-001C	06	Construction	Casitas Municipal Water District	Ventura-Santa Barbara Counties Intertie (ASADRA)	F	FALSE	65,000	3,184	Pending	$ 15,520,270
3610012-007C	13	Construction	Chino, City of	123 TCP and Nitrate Treatment Plant	F	FALSE	62,000	16,677	non-DAC	$ 18,000,000
3310001-012C	20	Construction	Coachella Valley Water District	Talavera Phase 1, Booster Station 05513/05514 Upgrade and Tank 5514-2	F	FALSE	244,472	97,789	non-DAC	$ 12,500,000

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Project Number	District Number	Project Type	Applicant	Project Title / Description	Priority Class	Consolidation Project	Population	Service Connections	Degree of Disadvantaged	Estimated Project Costs
3310001-013C	20	Construction	Coachella Valley Water District	Tri-Palms Phase 1, Sun City Phase 2, and Adams Street Water Main Replacement Project	F	FALSE	244,472	97,789	non-DAC	$ 19,760,000
1000016-001C	23	Construction	Dorabelle MWC	Dorabelle MWC Construction Project	F	FALSE	70	18	non-DAC	$ 29,900
3910003-002C	10	Construction	Escalon, City of	Well Site No. 1A Improvement Project	F	FALSE	7,137	2,390	non-DAC	$ 1,355,500
1210004-001C	01	Construction	Eureka, City of	City of Eureka Energy and Water Conservation Project	F	FALSE	32,800	9,949	Pending	$ 5,000,000
4400608-002P	05	Planning	Forest Springs	Forest Springs Water Upgrade	B	FALSE	385	128	non-DAC	$ 85,800
0910013-006C	09	Construction	Georgetown Divide Public Utility District	Automated Meter Reading and Meter Replacement Project	F	FALSE	9,021	3,589	non-DAC	$ 1,726,046
3310016-009C	20	Construction	Hemet, City of	Water Distribution System Improvements	F	FALSE	20,047	8,667	non-DAC	$ 16,992,000
8342-110	03	Construction	Hidden Valley Lake Community Services District	Hidden Valley Lake Community Services District water and energy conservation project	C	FALSE	7,250	2,491	non-DAC	$ 2,000,000
3310021-020C	20	Construction	Jurupa Community Services District	Etiwanda Intervalley Water Quality & Water Resiliency Project	F	FALSE	68,297	24,684	Pending	$ 186,920,000
4901381-001C	18	Construction	Lichau Hylands MWC	Redwood Tank Replacement and Volume Upgrade	F	FALSE	37	16	non-DAC	$ 60,000
2410004-004C	11	Construction	Livingston, City of	Livingston 1,2,3-TCP Removal Treatment System Project	C	FALSE	13,795	2,948	non-DAC	$ 12,000,000
1910204-001C	16	Construction	Los Angeles County Waterworks District 29	Malibu Branch Feeder 30-inch Realignment	F	FALSE	27,807	7,733	non-DAC	$ 1,510,000

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Project Number	District Number	Project Type	Applicant	Project Title / Description	Priority Class	Consolidation Project	Population	Service Connections	Degree of Disadvantaged	Estimated Project Costs
1910204-002C	16	Construction	Los Angeles County Waterworks District 29	Coastline Drive 12-inch Waterline Replacement	F	FALSE	27,807	7,733	non-DAC	$ 2,025,000
1910204-003C	16	Construction	Los Angeles County Waterworks District 29	Owen Tank Replacement	F	FALSE	27,807	7,733	non-DAC	$ 3,500,000
1910204-004C	16	Construction	Los Angeles County Waterworks District 29	Pacific Coast Highway 8-inch Water Line Replacement, Zumirez Dr. to Escondido Beach Rd.	F	FALSE	27,807	7,733	non-DAC	$ 6,090,000
1910204-005C	16	Construction	Los Angeles County Waterworks District 29	Lower Busch Tank	F	FALSE	27,807	7,733	non-DAC	$ 2,405,000
1910204-006C	16	Construction	Los Angeles County Waterworks District 29	Creek Crossing Repairs	F	FALSE	27,807	7,733	non-DAC	$ 1,945,000
1910204-009P	16	Planning	Los Angeles County Waterworks District 29	Sweetwater Mesa System Improvements	C	FALSE	27,807	7,733	non-DAC	$ 2,024,000
1910248-001C	16	Construction	Los Angeles County Waterworks District 37	Acton Well 37-5	C	FALSE	4,282	1,377	non-DAC	$ 1,365,000
1910248-002P	16	Planning	Los Angeles County Waterworks District 37	3220 Tank	F	FALSE	4,282	1,377	non-DAC	$ 653,000
1910067-055C	15	Construction	Los Angeles, City of Acting by and through the Department of Water & Power (Los Angeles DWP)	Fairmont Sedimentation Plant	F	FALSE	4,071,873	680,607	non-DAC	$ 524,700,000
1910067-056C	15	Construction	Los Angeles DWP	Century Trunk Line Unit 2	F	FALSE	4,071,873	680,607	non-DAC	$ 46,840,000
1910067-057C	15	Construction	Los Angeles DWP	Manhattan Wellfield On-site Hypochlorite Generation Station	F	FALSE	4,071,873	680,607	non-DAC	$ 9,000,000

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Project Number	District Number	Project Type	Applicant	Project Title / Description	Priority Class	Consolidation Project	Population	Service Connections	Degree of Disadvantaged	Estimated Project Costs
1910067-058C	15	Construction	Los Angeles DWP	City Trunk Line North Unit 2	F	FALSE	4,071,873	680,607	non-DAC	$ 62,468,400
1910067-059C	15	Construction	Los Angeles DWP	City Trunk Line North Unit 1	F	FALSE	4,071,873	680,607	non-DAC	$ 112,800,000
1910067-060C	15	Construction	Los Angeles DWP	Headworks Flow Control Station	B	FALSE	4,071,873	680,607	non-DAC	$ 63,400,000
1910079-001P	22	Planning	Lynwood, City of	Well 19 Improvement Project	F	FALSE	73,212	9,035	DAC	$ 100,000
2010003-004C	11	Construction	Madera, County of	MD-6 & MD-7 Consolidation Project, New Well and Treatment	C	FALSE	2,800	995	non-DAC	$ 6,533,008
2010008-002C	11	Construction	Madera, County of	MD #10A- Consolidation Incentive Construction Project	D	FALSE	2,255	922	non-DAC	$ 15,508,940
2000865-001P	11	Planning	Madera, County of (MD#58 Sierra Highlands)	MD-58 Sierra Highlands Water System Improvements	F	FALSE	75	25	non-DAC	$ 350,000
4210007-001C	06	Construction	Montecito Water District	Montecito Water Resilience Project (ASADRA)	F	FALSE	13,500	4,529	Pending	$ 18,093,000
3310051-001P	20	Planning	Myoma Dunes Mutual Water Company	Chromium-6 Treatment and Compliance	C	FALSE	6,600	2,408	non-DAC	$ 2,671,640
0103040-001P	04	Planning	Norris Canyon Property Owners Association	NCPOA Water System Upgrades	B	FALSE	100	19	non-DAC	$ 245,000
5810003-001P	21	Planning	Olivehurst Public Utility District	Olivehurst PUD Water Main Replacement Project	F	FALSE	12,200	3,534	DAC	$ 225,000
5010017-001C	10	Construction	Patterson, City of	Metering System Replacement Project	F	FALSE	21,229	5,681	non-DAC	$ 4,000,000
4400598-004C	05	Construction	Puresource Water, Inc	New Well, Customer Meters, Intertie Electricity, Storage Tank Improvements	A	FALSE	450	79	non-DAC	$ 406,670

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Project Number	District Number	Project Type	Applicant	Project Title / Description	Priority Class	Consolidation Project	Population	Service Connections	Degree of Disadvantaged	Estimated Project Costs
4100510-003P	17	Construction	Redwood Terrace Water System	Planning Update for Surface Treatment	B	FALSE	75	28	non-DAC	$ 108,000
5200555-001C	21	Construction	Rio Ranch Community Services District	Water Source Capacity Improvement	F	FALSE	25	21	DAC	$ 112,314
3310044-015C	20	Construction	Rubidoux Community Services District	RCSD Advanced Meter Infrastructure (AMI) Project	F	FALSE	26,177	6,206	non-DAC	$ 3,000,000
3610039-052C	13	Construction	San Bernardino, City of - Municipal Water Department	Seismic Retrofit of Steel Reservoirs	F	FALSE	173,359	42,301	DAC	$ 7,573,000
3610039-053C	13	Construction	San Bernardino, City of - Municipal Water Department	Water Distribution Mainline Replacement	F	FALSE	173,359	42,301	non-DAC	$ 3,406,000
3710020-077C	14	Construction	San Diego, City of	Morena Pipeline	F	FALSE	1,266,731	271,962	non-DAC	$ 38,180,000
3710020-079C	14	Construction	San Diego, City of	Alvarado 2nd Pipeline Extension	F	FALSE	1,266,731	271,962	Pending	$ 86,800,000
3710020-080C	14	Construction	San Diego, City of	Otay 2nd Pipeline Steel Replacement Phase 3	F	FALSE	1,266,731	271,962	Pending	$ 19,420,000
3710020-081C	14	Construction	San Diego, City of	Lakeside Valve Station Replacement	F	FALSE	1,266,731	271,962	Pending	$ 36,000,000
3710020-082C	14	Construction	San Diego, City of	El Monte Pipeline Number 2	F	FALSE	1,266,731	271,962	Pending	$ 28,000,000
3710020-083C	14	Construction	San Diego, City of	La Jolla View Reservoir	F	FALSE	1,266,731	271,962	Pending	$ 37,000,000
8419-210	14	Construction	San Diego, City of	Pure Water North City Water Reclamation Plant Expansion	F	FALSE	1,266,731	271,962	non-DAC	$ 233,702,298

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Project Number	District Number	Project Type	Applicant	Project Title / Description	Priority Class	Consolidation Project	Population	Service Connections	Degree of Disadvantaged	Estimated Project Costs
3810001-001C	04	Construction	San Francisco, Public Utilities Commission of the City and County of	Mountain Tunnel Improvement Project	F	FALSE	2,700,000	175,000	non-DAC	$ 238,220,000
3410021-001C	09	Construction	San Juan Water District	Hinkle Reservoir Rehabilitation Project	F	FALSE	33,792	10,240	non-DAC	$ 17,092,000
3410021-002C	09	Construction	San Juan Water District	Kokila Reservoir Replacement	F	FALSE	33,792	10,240	non-DAC	$ 7,850,000
3010038-002C	08	Construction	Santa Ana, City of	Automated Meter Infrastructure	F	FALSE	353,428	44,610	non-DAC	$ 10,117,365
3010038-003C	08	Construction	Santa Ana, City of	Well 32 Nitrate Treatment & Rehabilitation	F	FALSE	353,428	44,610	non-DAC	$ 5,290,000
4400617-001C	05	Construction	Santa Cruz Mountains Summit West, Inc	Mountain Charlie Tank Replacement	F	FALSE	400	139	non-DAC	$ 250,000
4410010-001C	05	Construction	Santa Cruz, City of	Graham Hill Water Treatment Plant Concrete Tanks Replacement Project	F	FALSE	90,000	24,228	non-DAC	$ 45,900,000
5510016-001C	11	Construction	Sierra Park Water Company, Inc.	Sierra Park Water Company Water System Improvements	F	FALSE	300	363	Pending	$ 1,250,000
3010055-001C	08	Construction	South Coast Water District	Doheny Ocean Desalination	F	FALSE	20,500	5,619	non-DAC	$ 102,056,000
0910002-028C	09	Construction	South Tahoe Public Utility District	Keller Heavenly Water System Improvements Project	F	FALSE	60,000	13,635	non-DAC	$ 5,504,500
0910002-029C	09	Construction	South Tahoe Public Utility District	2019 Waterline Replacement Program	F	FALSE	60,000	13,635	non-DAC	$ 9,000,000
5010043-001C	10	Construction	Stanislaus Regional Water Authority	Surface Water Supply Project	F	FALSE	118,032	30,332	DAC	$ 212,674,000

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Project Number	District Number	Project Type	Applicant	Project Title / Description	Priority Class	Consolidation Project	Population	Service Connections	Degree of Disadvantaged	Estimated Project Costs
3110011-005C	02	Construction	Tahoe City Public Utility District	West Lake Tahoe Regional Water Treatment Plant	F	FALSE	750	453	non-DAC	$ 12,000,000
1910213-010C	22	Construction	Torrance, City of	Van Ness Avenue Wellfield	F	FALSE	113,136	26,461	non-DAC	$ 16,000,000
4300575-001P	17	Planning	Twin Valley Incorporated	Well, Tank and Control Replacement	A	FALSE	250	83	non-DAC	$ 313,000
3710026-002C	14	Construction	Valley Center Municipal Water District	Pipeline Replacement	F	FALSE	25,572	9,704	non-DAC	$ 13,970,000
3710026-003C	14	Construction	Valley Center Municipal Water District	2020 Pipeline Replacement Project	F	FALSE	25,572	9,704	non-DAC	$ 8,500,000
3610004-001P	13	Planning	West Valley Water District	District 39 Nitrate Removal Wellhead Treatment Plant	F	FALSE	63,693	18,198	non-DAC	$ 450,000
				Projects =		**75**			**Subtotal =**	**$ 2,758,772,145**
Small SDAC/DAC and Expanded Small SDAC/DAC Construction Projects										
4510001-002C	02	Construction	Anderson, City of	Anderson Park Village Consolidation	F	TRUE	10,050	3,077	SDAC	$ 1,151,500
3310001-010C	20	Construction	Coachella Valley Water District	Galindo MHP Consolidation	C	TRUE	244,472	97,789	Pending	$ 1,572,719
3310001-014C	20	Construction	Coachella Valley Water District	Saint Anthony and Valley View Mobile Home Parks Water Consolidation Project	C	TRUE	30,000	110,000	DAC	$ 64,000,000
3310007-002C	20	Construction	Coachella, City of	Mesquite Mutual Water Company Consolidation Project	C	TRUE	38,406	7,460	SDAC	$ 1,575,100
0610002-002C	21	Construction	Colusa, City of	Walnut Ranch Construction Project	C	TRUE	5,625	2,126	SDAC	$ 2,022,580

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Project Number	District Number	Project Type	Applicant	Project Title / Description	Priority Class	Consolidation Project	Population	Service Connections	Degree of Disadvantaged	Estimated Project Costs
0810001-004C	01	Construction	Crescent City, City of	West Park Properties Mobile Home Park Consolidation	C	TRUE	14,000	3,416	SDAC	$ 523,746
0810001-005C	01	Construction	Crescent City, City of	Butte Court Mobile Home Park Consolidation	C	TRUE	14,000	3,416	SDAC	$ 349,662
1510006-001C	12	Construction	East Niles Community Services District	North Weedpatch Hwy Water System Consolidation Project	C	TRUE	25,500	7,406	SDAC	$ 15,289,500
1510007-002C	19	Construction	Frazier Park Public Utility District	Frazier Park Public Utility District Meter Replacement Project and Emergency Well Supply Project	D	TRUE	2,348	1,362	SDAC	$ 3,997,427
5010008-012C	10	Construction	Hughson, City of	Cobles Corner/County Villa Consolidation with City of Hughson	C	TRUE	6,082	1,779	SDAC	$ 4,116,274
3600139-001C	13	Construction	Jubilee Mutual Water Company	Gordon Acres Consolidation Project	A	TRUE	855	171	SDAC	$ 7,900,000
3700923-003C	14	Construction	Lake Morena's Oak Shores Mutual Water Company, Inc.	Consolidation of Lake Morena Views MWC and Lake Morena's Oak Shores MWC	C	TRUE	1,030	320	Pending	$ 2,000,000
1910070-002C	16	Construction	Los Angeles County Waterworks District 40	Desert Palms Mobile Home Park Intertie Project	C	TRUE	140	55	SDAC	$ 839,584
2010004-002C	11	Construction	Madera, County of (MD19 - Parkwood)	MD-19 A/B Parkwood new Well and Pipeline Project	C	TRUE	1,637	496	Pending	$ 2,973,600
2000561-002C	11	Construction	Madera, County of (MD8 - North Fork)	MD-8A North Fork Water System Improvements Project	C	TRUE	766	131	DAC	$ 3,944,000
3110005-007C	02	Construction	Placer County Water Agency	Dutch Flat Mutual Consolidation	F	TRUE	27,199	8,242	SDAC	$ 3,332,000
5410010-018C	24	Construction	Porterville, City of	Akin/Central Water Consolidation Project	C	TRUE	221	67	SDAC	$ 4,787,664

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Project Number	District Number	Project Type	Applicant	Project Title / Description	Priority Class	Consolidation Project	Population	Service Connections	Degree of Disadvantaged	Estimated Project Costs
1500458-002C	19	Construction	R.S. Mutual Water Company	R.S. Mutual Water Company consolidation project	C	TRUE	67	23	SDAC	$ 538,000
5210004-001C	21	Construction	Red Bluff, City of	Gurnsey Avenue Mutual Water Company Consolidation	A	TRUE	14,005	4,350	SDAC	$ 354,000
5410024-003C	12	Construction	Richgrove Community Services District	Richgrove Community Services District Water System Improvement Project	A	TRUE	2,698	528	SDAC	$ 8,764,900
1910017-001C	22	Construction	Santa Clarita Valley Water Agency	LARC Ranch Water Pipeline	A	TRUE	111,000	28,014	SDAC	$ 3,931,991
2410018-001C	11	Construction	Santa Nella County Water District	Santa Nella/Volta Water Quality Improvement Project	F	TRUE	1,458	773	SDAC	$ 9,718,316
2000506-001C	11	Construction	Sierra Linda Mutual Water Company, Inc.	Consolidation, Metering, and Water Treatment	C	TRUE	180	89	SDAC	$ 1,133,900
5400805-005C	24	Construction	Soults Mutual Water Company	Water System Improvement Project	A	TRUE	120	36	DAC	$ 2,193,697
3310017-001C	20	Construction	South Mesa Water Company	County Line Pipeline Replacement Project	F	TRUE	9,018	2,934	non-DAC	$ 2,700,000
3910012-001C	10	Construction	Stockton, City of	Century Mobile Home Park and Sunny Road Water System Consolidation with City of Stockton	C	TRUE	158,113	46,119	DAC	$ 1,223,750
5400550-002C	24	Construction	Tulare, County of	Yettem and Seville Water System Improvement Project - Phase 2	C	TRUE	400	77	SDAC	$ 7,878,776
5510013-010C	11	Construction	Tuolumne Utilities District	Cuesta Heights Water Storage	E	TRUE	3,646	1,545	DAC	$ 3,142,689
5510033-001C	11	Construction	Tuolumne Utilities District	Curtis Creek Elementary School Water System Consolidation Project	C	TRUE	625	265	SDAC	$ 1,962,575

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Project Number	District Number	Project Type	Applicant	Project Title / Description	Priority Class	Consolidation Project	Population	Service Connections	Degree of Disadvantaged	Estimated Project Costs
5010026-001C	10	Construction	Waterford, City of	Hickman Water System Improvements Construction Project	D	TRUE	565	181	DAC	$ 3,543,673
5110002-016C	21	Construction	Yuba City, City of	Barry Elementary School Water Service	C	TRUE	51,504	13,550	SDAC	$ 2,383,651
5400544-001C		Construction	Allensworth Community Services District	Water System Improvement Project	A	FALSE	527	161	SDAC	$ 3,876,503
3610002-001C	13	Construction	Alpine Water Users Association	Alpine Water Users Association Meter Replacement Project	D	FALSE	3,000	932	DAC	$ 498,288
4510001-001C	02	Construction	Anderson, City of	Anderson Heights Reservoir Replacement and Pressure Regulating Valve (PRV) Station Project	F	FALSE	10,050	3,077	SDAC	$ 2,250,000
3301180-001C	20	Construction	Anza Mutual Water Co., Inc.	Anza Mutual Water System Improvements Project	F	FALSE	200	82	SDAC	$ 5,000,000
3600009-001C	13	Construction	Apple Valley Heights County Water District	Storage Tanks and Transmission Pipeline Improvements Project	F	FALSE	550	324	DAC	$ 3,350,000
1210001-001C	01	Construction	Arcata, City of	Steel Water Line Replacement	F	FALSE	16,651	5,278	SDAC	$ 4,945,963
1610001-008C	12	Construction	Armona Community Services District	Armona CSD Meter Replacement Project	F	FALSE	4,143	1,236	DAC	$ 3,465,000
1510001-005C	12	Construction	Arvin Community Services District	123 TCP Treatment for Well No.8 and Well No. 13	C	FALSE	11,847	3,446	SDAC	$ 3,115,350
1610002-003C	12	Construction	Avenal, City of	Water Meter Replacement Project	D	FALSE	13,218	1,953	SDAC	$ 1,652,850
2010009-003C	11	Construction	Bakman Water Company	Rolling Hills Water Meter Project	D	FALSE	727	333	Pending	$ 5,000,000

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Project Number	District Number	Project Type	Applicant	Project Title / Description	Priority Class	Consolidation Project	Population	Service Connections	Degree of Disadvantaged	Estimated Project Costs
1910108-001C	15	Construction	Bell Gardens, City of	Bell Gardens Water Reservoir Construction Project	F	FALSE	5,247	1,590	Pending	$ 4,205,000
0410001-002C	21	Construction	Biggs, City of	Storage Tank and Pump Station	E	FALSE	1,805	650	DAC	$ 5,000,000
1010049-008C	23	Construction	Biola Community Services District	Biola CSD Water System Upgrades	D	FALSE	1,200	250	SDAC	$ 4,090,000
3500507-001C	05	Construction	Bitterwater-Tully Union School District	Water System Upgrade	F	FALSE	55	2	Pending	$ 498,000
4400751-002C	05	Construction	Bonny Doon Union Elementary School District	Bonny Doon School Water System Storage Tank Replacement	F	FALSE	165	9	Pending	$ 1,500,000
3710036-001C	14	Construction	Borrego Water District	Water Pump Diesel Engine Upgrade and Tank Rehabilitation	F	FALSE	4,087	2,087	SDAC	$ 2,048,362
4510003-003C	02	Construction	Burney Water District	Burney Water District Water System Improvement Project	E	FALSE	3,000	1,377	SDAC	$ 5,135,000
3600155-001C	13	Construction	California Rural Water Association	River Ranch Mobile Park VWD consolidation	D	FALSE	300	136	Pending	$ 1,859,950
1010039-003C	23	Construction	Caruthers Community Services District	New Well No. 7	C	FALSE	2,103	672	SDAC	$ 2,922,000
1800512-001C	02	Construction	Clear Creek Community Services District	Drinking Water System Improvements	C	FALSE	400	156	SDAC	$ 4,996,800
4510016-003C	02	Construction	Clear Creek Community Services District	Clear Creek Community Services District Backwash Ponds Repair Project	C	FALSE	6,250	2,352	DAC	$ 1,849,451
1700546-001C	03	Construction	Clear Water Mutual Water Company	Upper Storage Tank Replacement Project	C	FALSE	250	93	SDAC	$ 1,364,000

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Project Number	District Number	Project Type	Applicant	Project Title / Description	Priority Class	Consolidation Project	Population	Service Connections	Degree of Disadvantaged	Estimated Project Costs
1710001-003C	03	Construction	Clearlake Oaks County Water District	Harvey Area Storage Tank, Booster Pump Station, Pipelines and Access Road Infrastructure Project	C	FALSE	2,458	1,667	SDAC	$ 1,625,000
3310007-003C	20	Construction	Coachella, City of	Shady Lane MHP Water Consolidation Project	C	FALSE	38,406	7,460	SDAC	$1,500,000
0610002-001C	21	Construction	Colusa, City of	City of Colusa Well Consolidation Project	C	FALSE	5,625	2,126	Pending	$ 3,495,624
1610004-001C	12	Construction	Corcoran, City of	Water Meter Project	D	FALSE	26,047	3,156	SDAC	$ 1,720,078
4400571-005C	05	Construction	Davenport County Sanitation District	Old Coast Water Line Extension	D	FALSE	350	130	DAC	$ 240,066
1010035-005C	23	Construction	Del Rey Community Services District	Water Meter Installation Project	D	FALSE	1,100	362	SDAC	$ 905,472
1010035-006C	23	Construction	Del Rey Community Services District	Wellhead Treatment for TCP at Wells 4, 5, and 7	A	FALSE	1,100	362	Pending	$ 5,002,000
5410002-002C	24	Construction	Dinuba, City of	Well 21 Project	C	FALSE	22,614	6,719	SDAC	$ 2,500,000
4610002-003C	02	Construction	Downieville Public Utility District	Storage Tanks Replacement	F	FALSE	391	224	SDAC	$ 709,500
4710002-001C	01	Construction	Dunsmuir, City of	Downtown Tank Replacement Project	C	FALSE	1,923	1,285	SDAC	$ 4,688,000
5410021-001C	24	Construction	Earlimart Public Utility District	Front Street Well Improvements Project	C	FALSE	8,300	1,568	Pending	$ 2,200,000
1910020-001C	22	Construction	East Pasadena Water Company	Well #8 Treatment and Blending for 123 TCP	C	FALSE	9,745	2,953	non-DAC	$ 1,500,000

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Project Number	District Number	Project Type	Applicant	Project Title / Description	Priority Class	Consolidation Project	Population	Service Connections	Degree of Disadvantaged	Estimated Project Costs
3610064-008C	13	Construction	East Valley Water District	Plant 134 Disinfection Byprodut Mitigation	C	FALSE	68,000	21,827	DAC	$ 4,000,000
4510008-001C	02	Construction	Fall River Valley Community Services District	Fall River Valley CSD - Water Tank and Booster Pump Station Project	D	FALSE	1,600	490	SDAC	$ 1,696,250
1010005-003C	23	Construction	Firebaugh, City of	HUD Water Storage Tank	E	FALSE	6,500	1,347	DAC	$ 4,851,300
2900502-002C	21	Construction	Floriston Property Owners Association, Inc.	Spring Filtration Project	A	FALSE	100	40	DAC	$ 2,750,000
4710003-001C	01	Construction	Fort Jones, Town of	Water Meter Replacement	F	FALSE	675	342	Pending	$ 883,202
5100107-009C	21	Construction	Golden State Water Company - Robbins System	Robbins System - New Well and Arsenic Removal Treatment (Sutter Co. WWD#1)	C	FALSE	336	94	DAC	$ 3,826,475
2910001-004C	21	Construction	Grass Valley, City of	Water Distribution System Pipeline Repair and Replacement	F	FALSE	5,600	2,328	SDAC	$ 5,000,000
2710008-002C	05	Construction	Greenfield, City of	Elm Avenue Well, Booster Station, Reservoir, and Connecting Distribution Pipeline	F	FALSE	17,547	3,469	Pending	$ 5,500,000
0410004-001C	21	Construction	Gridley, City of	Waterline Replacement Project	F	FALSE	6,403	2,077	DAC	$ 12,824,400
5510009-002C	11	Construction	Groveland Community Services District	GCSD Water System Improvements	F	FALSE	3,400	3,293	DAC	$ 5,352,675
1600507-002C	12	Construction	Hardwick Water Company	Safe Drinking Water Project	C	FALSE	40	16	DAC	$ 1,296,000
1805007-001C	02	Construction	Herlong Public Utility District	West Patton Water Distribution Project	F	FALSE	1,200	1	DAC	$ 2,398,127

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Project Number	District Number	Project Type	Applicant	Project Title / Description	Priority Class	Consolidation Project	Population	Service Connections	Degree of Disadvantaged	Estimated Project Costs
1502307-001C	19	Construction	Kern, County of	Westside Mountain Park Permanent Drinking Water Source	C	FALSE	75	17	SDAC	$ 1,165,000
5010009-005C	10	Construction	Keyes Community Services District	1,2,3-TCP Removal Treatment System	C	FALSE	4,575	1,450	DAC	$ 10,410,000
1710006-006C	03	Construction	Konocti County Water District	Cache Creek Mobile Home Estates Water Service Connection Project	F	FALSE	4,986	1,733	Pending	$ -
1500475-003C	19	Construction	Krista Mutual Water Company	Meter Installation, Well Site Improvements and Generator Installation Project	D	FALSE	428	171	SDAC	$ 800,000
2800526-006C	03	Construction	Lake Berryessa Resort Improvement District	Water Tank No. 3 Replacement and Distribution Improvements	F	FALSE	500	188	Pending	$ 2,000,000
1710021-001C	03	Construction	Lake County CSA 21-North Lakeport	North Lakeport Water Treatment Plant Upgrades (ASADRA)	F	FALSE	2,868	1,214	SDAC	$ 7,128,000
1510023-002C	19	Construction	Lake of The Woods Mutual Water Company	Lake of the Woods Waterline Replacement Project	C	FALSE	990	396	SDAC	$ 3,500,000
1710022-009C	03	Construction	Lake, County of (CSA 20)	Soda Bay Water Treatment Plant Improvements	F	FALSE	1,342	596	SDAC	$ 5,000,000
4500008-001C	02	Construction	Lakeshore Villa Mutual Water Company	Meter Installation	D	FALSE	134	48	SDAC	$ 32,600
4300779-001C	17	Construction	Lakeside Joint School District	Lakeside Joint School District Water Supply Project	B	FALSE	110	3	SDAC	$ 1,598,360
1510012-009C	12	Construction	Lamont Public Utility District	El Adobe Property Owners Association and Lamont PUD Consolidation Project (Part 2)	C	FALSE	13,296	3,475	Pending	$ -
1900038-001C	16	Construction	Lancaster Park Mobile Home Park	Lancaster Park Mobile Home Project	A	FALSE	53	21	Pending	$ 1,000,000

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Project Number	District Number	Project Type	Applicant	Project Title / Description	Priority Class	Consolidation Project	Population	Service Connections	Degree of Disadvantaged	Estimated Project Costs
5301002-004C	01	Construction	Lewiston Community Services District	Water Distribution System Replacement & Well 8 Project	D	FALSE	150	37	SDAC	$ 2,380,000
5810002-001C	21	Construction	Linda County Water District	Linda County Water District Well 17 Project	F	FALSE	10,000	3,975	SDAC	$ 5,000,000
1900158-001C	16	Construction	Little Baldy Water Company	Transmission Pipeline Improvements	C	FALSE	76	27	SDAC	$ 1,620,000
3400138-001C	09	Construction	Locke Water Works Company	(I) Locke Water System Intertie w/ SCWA	C	FALSE	65	55	SDAC	$ 1,000,000
4300721-001C	17	Construction	Loma Prieta Joint Union School District	Loma Prieta Joint Unified School District Drinking Water Supply	D	FALSE	462	6	Pending	$ 264,988
1910147-013C	22	Construction	Los Angeles, County of	Sativa Los Angeles County Water District Phase I	A	FALSE	6,813	1,488	DAC	$ 2,000,000
1710010-002C	03	Construction	Lower Lake County Water District	Lower Lake/Konocti/Highlands Emergency Interties	F	FALSE	1,902	851	Pending	$ 1,200,000
0910007-001C	09	Construction	Lukins Brothers Water Company	Phase 2 Waterline Project - James Avenue	D	FALSE	3,168	968	DAC	$ 1,330,000
0910007-003C	09	Construction	Lukins Brothers Water Company	Two Well Replacements	C	FALSE	3,168	968	DAC	$ 1,500,000
0910007-004C	09	Construction	Lukins Brothers Water Company	Lukins Brothers Water Company Inc. Meter Project	D	FALSE	3,168	968	DAC	$ 3,301,000
2000729-001C	11	Construction	Madera County of (CSA #16 - Sumner Hill)	CSA #16 Sumner Hill Water System Improvements	C	FALSE	135	41	non-DAC	$ 5,195,000
2000544-003C	11	Construction	Madera, County of	MD-1 Hidden Lakes Surface Water Treatment Plant	C	FALSE	150	53	Pending	$ 1,000,000
2000728-001C	11	Construction	Madera, County of (MD37 - La Vina)	MD37 La Vina - Water Meter Installation	D	FALSE	350	100	SDAC	$ 277,250

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Project Number	District Number	Project Type	Applicant	Project Title / Description	Priority Class	Consolidation Project	Population	Service Connections	Degree of Disadvantaged	Estimated Project Costs
1210017-001C	01	Construction	Manila Community Services District	Manila CSD Drinking Water Infrastructure Improvement Project	F	FALSE	1,000	343	SDAC	$ 3,504,000
1910086-001C	16	Construction	Maywood Mutual Water Company #3	Water Quality Improvement Project	F	FALSE	9,500	2,036	Pending	$ 2,000,000
5010010-005C	10	Construction	Modesto, City of	Riverdale Park Tract CSD Consolidation	C	FALSE	212,000	68,497	Pending	$ 2,774,400
3700118-001C	14	Construction	Mountain Empire Unified School District	Camp Lockett Middle School Water System Improvement Project	D	FALSE	25	3	SDAC	$ -
4510002-007C	02	Construction	Mountain Gate Community Services District	Water System Improvements Project	F	FALSE	2,500	664	Pending	$ 9,999,920
4710008-001C	01	Construction	Mt. Shasta, City of	City of Mt. Shasta Tank 1 & Roseburg Water System Improvements	C	FALSE	3,642	1,675	SDAC	$ 5,000,000
4710008-003C	01	Construction	Mt. Shasta, City of	Water Distribution System Improvements	F	FALSE	3,642	1,675	SDAC	$ 5,000,000
1200538-002C	01	Construction	Myers Flat Mutual Water System, Inc.	Distribution System Improvement Project	F	FALSE	400	102	SDAC	$ 2,410,105
1000063-005C	23	Construction	New Auberry Water Association	New Auberry Water Association Project	B	FALSE	80	40	DAC	$ 3,131,200
2100582-001C	18	Construction	Nicasio School District	Nicasio School District Water System Upgrade	B	FALSE	70	5	SDAC	$ 55,000
2310007-018C	03	Construction	North Gualala Water Company, Incorporated	Parr Tank and Pipeline Improvement	F	FALSE	2,630	1,068	DAC	$ 1,440,000
5810006-002C	21	Construction	North Yuba Water District	NYWD Meter Replacement Project	D	FALSE	5,303	695	DAC	$ 3,361,000
1010023-004C	23	Construction	Orange Cove, City of	Water Treatment Plant Improvements	C	FALSE	9,571	1,705	SDAC	$ 10,309,000

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Project Number	District Number	Project Type	Applicant	Project Title / Description	Priority Class	Consolidation Project	Population	Service Connections	Degree of Disadvantaged	Estimated Project Costs
1200701-001C	01	Construction	Orick Community Services District	Water System Improvement Project	F	FALSE	400	139	SDAC	$ 1,246,220
2700771-001C	05	Construction	Pajaro/Sunny Mesa Community Services District	Springfield MWC - Nitrate	A	FALSE	200	42	Pending	$ 8,589,000
0400060-001C	21	Construction	Palermo Union School District	Honcut School Well Project	A	FALSE	40	2	Pending	$ 776,200
5400519-001C	24	Construction	Palo Verde Union Elementary School District	Palo Verde Union Elementary School Well	D	FALSE	635	192	SDAC	$ 705,000
0410007-003C	21	Construction	Paradise Irrigation District	Paradise Irrigation District Water System Recovery and Reservoir B Replacement Project	C	FALSE	4,631	8,240	DAC	$ 7,039,562
1010025-001C	11	Construction	Parlier, City of	1,2,3-TCP Removal Treatment Systems	A	FALSE	15,138	2,429	SDAC	$ 14,233,850
5402038-001C	24	Construction	Patterson Tract Community Service District	PTCSD Water System Improvements	D	FALSE	550	114	SDAC	$ 3,651,712
0310005-002C	10	Construction	Pine Grove Community Services District	Meter Replacement Project	D	FALSE	900	361	DAC	$ 2,725,000
0310005-003C	10	Construction	Pine Grove Community Services District	Infrastructure Replacement	F	FALSE	900	361	DAC	$ 5,000,000
1510054-001C	19	Construction	Pinon Pines Estates Mutual Water Company	Pinon Pines Fluoride Mitigation Project	C	FALSE	740	242	DAC	$ 2,031,810
3110005-009C	02	Construction	Placer County Water Agency	Auburn Mobile Home Village Consolidation	C	FALSE	27,199	8,242	SDAC	$ 431,000
3301380-001C	20	Construction	Pueblo Unido Community Development Corporation	St. Anthony On-Site Water Distribution System	C	FALSE	250	60	Pending	$ 7,760,000

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0310006-002C	10	Construction	River Pines Public Utility District	River Pines PUD Storage and Distribution Rehab Project	F	FALSE	510	210	SDAC	$ 5,000,000
3600114-003C	13	Construction	San Bernardino, County of	CSA 70 W3 Hacienda Uranium Treatment Facilities	C	FALSE	695	139	DAC	$ 56,000
3600220-001C	13	Construction	San Bernardino, County of	CSA 42 Oro Grande Reservoir Rehabilitation/Replacement Project	F	FALSE	700	140	SDAC	$ 552,000
3600226-001C	13	Construction	San Bernardino, County of	CSA 70 F Morongo Uranium Treatment Facilities	C	FALSE	450	90	DAC	$ 455,000
1010034-004C	23	Construction	San Joaquin, City of	Well #3 and Well #5 Manganese Removal System	E	FALSE	4,021	656	SDAC	$ 5,000,000
1010034-005C	23	Construction	San Joaquin, City of	San Joaquin Phase 2 Water System Improvement Project	E	FALSE	4,021	656	SDAC	$ 5,000,000
3910014-001C	10	Construction	San Joaquin, County of	Raymus Village TCP Mitigation Project	D	FALSE	1,086	329	Pending	$ -
3510002-002C	05	Construction	San Juan Bautista, City of	Water Main from West Hills Water Treatment Plant	F	FALSE	2,030	802	Pending	$ 13,150,000
3510002-003C	05	Construction	San Juan Bautista, City of	Sewer Main from San Juan Bautista to Hollister WWTP	F	FALSE	2,030	802	Pending	$ 7,300,000
4910009-001C	18	Construction	Santa Rosa, City of	City of Santa Rosa Mobile Home Park Consolidation Project	C	FALSE	157,985	54,603	non-DAC	$ 5,588,000
4510013-005C	02	Construction	Shasta Community Services District	Shasta CSD Office Building Project	F	FALSE	2,320	708	DAC	$ 2,800,000
4510004-006C	02	Construction	Shasta, County of	CSA6-Jones Valley Water Meter Replacement, Backwash Pump Installation and SCADA Improvement Project	D	FALSE	1,119	377	SDAC	$ 793,000

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Project Number	District Number	Project Type	Applicant	Project Title / Description	Priority Class	Consolidation Project	Population	Service Connections	Degree of Disadvantaged	Estimated Project Costs
4500195-007C	02	Construction	Starlite Pines Mutual Water Company	Storage Capacity Improvements	F	FALSE	510	160	SDAC	$ 2,247,000
1700536-004C	03	Construction	Sunrise Shore Mutual Water Company	Compliance and Sustainability Project	C	FALSE	45	37	DAC	$ 1,245,000
5410014-002C	12	Construction	Tipton Community Services District	North Burnett Road Permanent Connection Project	C	FALSE	1,992	592	DAC	$ 415,000
3400172-001C	09	Construction	Tokay Park Water Company	New Production Well and Interconnection Project	A	FALSE	525	190	DAC	$ 462,000
1910160-010C	07	Construction	Tract 349 Mutual Water Company	Tract 349 Water Quality Improvement Project	E	FALSE	7,500	905	Pending	$ -
1010030-006C	23	Construction	Tranquillity Irrigation District	Tranquillity Irrigation District Water Meters Project	D	FALSE	897	348	SDAC	$ 1,382,500
1010030-007C	23	Construction	Tranquillity Irrigation District	TID Rural Water System Improvement Project	C	FALSE	897	348	SDAC	$ 4,700,000
1010030-008C	23	Construction	Tranquility Irrigation District	TID Ag Well 19B Treatment	D	FALSE	897	348	SDAC	$ 4,237,000
5410015-001C	24	Construction	Tulare, City of	Pratt Water System Improvement Project	D	FALSE	63,515	18,130	DAC	$ 3,898,800
0510001-002C	10	Construction	Union Public Utility District	Treatment Plant Backwash/Recycling and Storage Tank Aeration Project	F	FALSE	4,300	1,521	Pending	$ 1,377,000
4900568-001C	18	Construction	Valley Ford Water Association	VFWA New Well	A	FALSE	40	16	SDAC	$ 1,500,000
5610003-001C	06	Construction	Ventura County Waterworks District No. 17	Bell Canyon Reservoir #3	C	FALSE	2,154	711	non-DAC	$ 10,400,000
1510021-004C	12	Construction	Wasco, City of	Water System Improvement & Treatment Project	C	FALSE	19,448	3,936	SDAC	$ 15,975,965

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4710009-002C	01	Construction	Weed, City of	City of Weed Bypass Water Supply Pipeline Project	C	FALSE	2,963	1,042	SDAC	$ 5,000,000
1500578-003C	19	Construction	Weldon Regional Water District	Weldon Regional Water Project	D	FALSE	-	-	Pending	$ 20,000
1200553-001C	01	Construction	Weott Community Services District	Water Tank Replacement and Water Treatment Improvement Project	B	FALSE	364	150	Pending	$ 3,974,226
3301529-001C	20	Construction	Western Water Conservation	ANZA-RAMONA Water System Improvement Project	C	FALSE	250	106	Pending	$ 5,780,000
1310008-003C	14	Construction	Westmorland, City of	Westmorland Water Treatment Plant Improvements	C	FALSE	2,444	501	SDAC	$ 5,661,000
1210015-002C	06	Construction	Willow Creek Community Services District	Brannon Mountain Water Storage Tank	F	FALSE	1,030	344	Pending	$ 1,907,550
4710011-003C	01	Construction	Yreka, City of	Water Supply and Storage Improvements	C	FALSE	7,290	2,876	SDAC	$ 5,000,000
				Small SDAC/DAC Construction Projects =		**159**			**Subtotal=**	**$ 597,685,178**
Planning Projects										
5400666-004P	12	Planning	Del Oro Water Company	Grandview Gardens & East Plano Consolidation with Porterville	A	TRUE	373	113	SDAC	$ 257,475
1500525-002P	19	Planning	Lakeview Ranchos Mutual Water Company	Lakeview Ranchos MWC Consolidation With Hillview Acres MWC	F	TRUE	120	74	SDAC	$ 435,000
2010006-001P	11	Planning	Madera, County of (MD3 - Parksdale)	MD3 Parksdale - Parksdale Drinking Water Project	F	TRUE	1,789	542	SDAC	$ 480,500
4200842-001P	06	Planning	Saint Marie Mobile Home Park	City of Santa Maria Water Service Connection	A	TRUE	250	78	Pending	$ -

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3301491-003P	20	Planning	Alpine Village	Planning for Uranium treatment and Meter Installation	F	FALSE	130	33	DAC	$ 221,200
0600121-001P		Planning	Big Sandy Rancheria of Western Mono Indians of California	Big Sandy Rancheria Water System Capital Improvement	C	FALSE	235	55	DAC	$ 213,607
0600122-001P		Planning	Bishop Paiute-Shoshone Tribe	Bishop Paiute Tribe Water System Improvements	C	FALSE	2,150	748	Pending	$ 233,932
5500040-001P	11	Planning	Blue Bell Valley Mutual Water Company	The Blue Bell Valley Nitrate Removal & Water System Improvements	C	FALSE	230	90	Pending	$ 49,000
1700561-001P	03	Planning	Blue Lakes Improvement Club Water, Inc.	Blue Lakes Water System Improvements	F	FALSE	150	43	SDAC	$ 90,000
3301045-001P	20	Planning	Blythe Mobile Home Estates	Water Filtration System for Iron and Manganese Project	D	FALSE	30	23	Pending	$ -
3310003-002P	20	Planning	Blythe, City of	Water Filtration System for Iron and Manganeese	D	FALSE	12,155	3,414	DAC	$ 500,000
5200008-001P	21	Planning	Breese Mutual Water Company	Breese Subdivision 2 Consolidation	D	FALSE	90	33	Pending	$ -
1200587-003P		Planning	Briceland Community Services District	Briceland Water Sytem Rehabilitation	F	FALSE	-	-	DAC	$ 280,000
4510003-002P	02	Planning	Burney Water District	Burney Water District Water Storage Planning Project	F	FALSE	3,000	1,377	SDAC	$ 380,000
0510002-004P	10	Planning	Calaveras Public Utilities District	Jeff Davis Water Treatment Plant Improvements	F	FALSE	4,758	1,903	DAC	$ 500,000
1010039-004P	23	Planning	Caruthers Community Services District	Well 5 GAC/1,2,3-TCP Treatment	C	FALSE	2,103	672	SDAC	$ 351,000

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Project Number	District Number	Project Type	Applicant	Project Title / Description	Priority Class	Consolidation Project	Population	Service Connections	Degree of Disadvantaged	Estimated Project Costs
1010039-005P	23	Planning	Caruthers Community Services District	Well 3 GAC/1,2,3-TCP Treatment	C	FALSE	2,103	672	SDAC	$ 352,000
2000509-006P	11	Planning	Cascadel Mutual Water Co.	Well Replacement Planning Project	C	FALSE	300	137	DAC	$ 300,000
2510002-001P	01	Planning	Cedarville County Water District	Cedarville Capital Improvements	F	FALSE	500	265	SDAC	$ 490,000
10000206-002P	23	Planning	Central Unified School District	CUSD Houghton Kearney Well Assessment	C	FALSE	310	4	SDAC	$ 500,000
5000109-001P	10	Planning	Ceres Unified School District	Westport Elementary - Ceres Unified School District Water Quality Project	C	FALSE	100	1	SDAC	$ 500,000
5000255-001P	10	Planning	Chatom Union School District	Mountain View Middle School Drinking Water Project	C	FALSE	364	8	SDAC	$ 480,000
4510016-004P	02	Planning	Clear Creek Community Services District	Distribution Pipe Replacement	F	FALSE	8,000	2,645	SDAC	$ 500,000
3200509-001P	02	Planning	Clio Public Utility District	Clio Public Utility District Meter Project	D	FALSE	74	49	Pending	$ 500,000
5610068-001P	06	Planning	Cloverdale Mutual Water Company	Cloverdale MWC Water System Improvements	B	FALSE	450	136	Pending	$ -
3310001-009P	20	Planning	Coachella Valley Water District	Highway 86 Phases 3 and 4	F	FALSE	244,472	97,789	Pending	$ 233,744
0600005-005P	21	Planning	Colusa, County of	CSA1/CSA2 Consolidation project	D	FALSE	200	66	Pending	$ 433,600
5410001-004P	24	Planning	Cutler Public Utility District	Water Supply Improvements Project	C	FALSE	6,200	1,218	SDAC	$ 406,900
5410001-005P	24	Planning	Cutler Public Utility District	Surface Water Treatment Plant Project	C	FALSE	6,200	1,218	Pending	$ 500,000

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4400571-006P	05	Planning	Davenport County Sanitation District	Davenport Diversion Facility Upgrade Feasibility Study	F	FALSE	350	130	DAC	$ 475,000
5700623-001P	9	Planning	David Joint Unified School District	Fairfield Elementary School Improvements to Water Quality	A	FALSE	65	20	SDAC	$ 500,000
5410034-001P	12	Planning	Del Oro Water Company	California Pines - Main Storage Tank	D	FALSE	200	131	Pending	$ 75,000
2410006-001P	11	Planning	Delhi County Water District	Drinking Water Planning Project	C	FALSE	5,548	2,253	DAC	$ 761,000
0710007-002P	04	Planning	Diablo Water District	Willow Mobile Home Park Consolidation	F	FALSE	33,250	9,907	Pending	$ 450,000
1100616-001P	21	Planning	Elk Creek Community Services District	Elk Creek CSD-Water Treatment Plant Improvements	B	FALSE	300	90	DAC	$ 180,000
4710004-001P	01	Planning	Etna, City of	City of Etna Surface Water Treatment Compliance Planning	B	FALSE	769	383	SDAC	$ 500,000
2400084-001P	11	Planning	Evergreen Mobile Home Park	Drinking Water Project	C	FALSE	24	14	Pending	$ -
0400081-003P	21	Planning	Feather Ridge Estates Water Association	Water System Improvements	A	FALSE	25	38	Pending	$ 54,445
1000471-001P	23	Planning	Fresno, County of	CSA39AB Request for Additional Connections	A	FALSE	135	21	DAC	$ 500,000
1210008-007P	01	Planning	Garberville Sanitary District	Meadows Aerial Waterline Reconstruction Project	F	FALSE	1,500	420	Pending	$ 300,000
1210008-008P	01	Planning	Garberville Sanitary District	Robertson and Wallen Road Tank Replacement Project	D	FALSE	1,500	420	SDAC	$ 240,000
5000273-002P	10	Planning	Gratton School District	Gratton Elementary School Drinking Water Planning Project	C	FALSE	110	2	SDAC	$ 500,000

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Project Number	District Number	Project Type	Applicant	Project Title / Description	Priority Class	Consolidation Project	Population	Service Connections	Degree of Disadvantaged	Estimated Project Costs
0410004-002P	21	Planning	Gridley, City of	Waterline Replacement Project	F	FALSE	6,403	2,077	Pending	$ 500,000
0910006-001P	09	Planning	Grizzly Flats Community Services District	Water System Improvement Planning Project	F	FALSE	1,300	609	DAC	$ 385,000
3610017-001P	13	Planning	Havasu Water Company	Havasu Water Company Improvements Plan	C	FALSE	350	211	SDAC	$ 442,200
3100038-001P	02	Planning	Heather Glen Community Services District	Water Treatment Plant Storage and Reliability Project	F	FALSE	250	86	SDAC	$ 434,350
1710003-001P	03	Planning	Highlands Water Company	Highlands Water Treatment Plant and Distribution Improvements	F	FALSE	5,300	2,303	SDAC	$ 500,000
1610007-003P	12	Planning	Home Garden Community Services District	Home Garden System Deficiencies Planning Project	F	FALSE	1,750	453	SDAC	$ 350,000
4700513-004P	01	Planning	Hornbrook Community Services District	Water Treatment Plant Rehabilitation	F	FALSE	280	141	SDAC	$ 497,000
1010044-008P	23	Planning	Huron, City of	Domestic Water Well Planning Project	F	FALSE	7,306	862	SDAC	$ 280,000
1010044-009P	23	Planning	Huron, City of	New Groundwater Well and Miscellaneous Potable Water System Improvements	C	FALSE	7,306	862	Pending	$ -
1210019-001P	01	Planning	Hydesville County Water District	Hydesville County Water District Water System Improvements	F	FALSE	1,200	394	DAC	$ 500,000
1510036-001P	19	Planning	Inyokern Community Services District	Water Meter, Distribution and Storage Upgrades	D	FALSE	984	297	Pending	$ 257,900
5410019-001P	24	Planning	Ivanhoe Public Utility District	Well No. 6 Improvements	C	FALSE	4,474	1,113	SDAC	$ 382,180

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Project Number	District Number	Project Type	Applicant	Project Title / Description	Priority Class	Consolidation Project	Population	Service Connections	Degree of Disadvantaged	Estimated Project Costs
0310001-001P	10	Planning	Jackson, City of	Martell Reservoir Replacement	F	FALSE	5,223	2,089	SDAC	$ 250,000
5304209-001P	01	Planning	Junction City Elementary School District	Junction City School Water System Evaluation and Source Improvement Project	F	FALSE	100	1	DAC	$ 138,000
1000185-001P	23	Planning	Kings Canyon Unified School District	Great Western Redundant Water Supply Project	D	FALSE	567	5	Pending	$ 310,000
1000193-001P	23	Planning	Kings Canyon Unified School District	Navelencia Redundant Water Supply Project	D	FALSE	203	6	Pending	$ 500,000
1710018-002P	03	Planning	Lake County Special Districts	Spring Valley Distribution System Upgrades	F	FALSE	1,018	420	SDAC	$ 500,000
5510008-014P	11	Planning	Lake Don Pedro Community Services District	Surface Water Reliability and Water Treatment Plant Modernization	F	FALSE	3,600	1,442	Pending	$ 500,000
4710013-001P	01	Planning	Lake Shastina Community Services District	Lake Shastina Drinking Water Rehabilitation and Upgrade Project	F	FALSE	2,400	1,013	DAC	$ -
2410011-001P	11	Planning	Le Grand Community Services District	Le Grand Community Services District Well Site Seven	F	FALSE	1,700	415	DAC	$ 297,600
5301002-005P	01	Planning	Lewiston Community Services District	Bud Fine Lewiston CSD Consolidation Project	D	FALSE	150	37	Pending	$ -
5410017-004P	12	Planning	London Community Services District	1,2,3-TCP Compliance Improvements	C	FALSE	1,638	432	SDAC	$ 500,000
1710010-001P	03	Planning	Lower Lake County Water District	Lower Lake CWD - Source Capacity & Treatment Plant	C	FALSE	1,902	851	SDAC	$ 500,000
2000553-001P	11	Planning	Madera, County of (MD28 - Ripperdan Self Help)	MD-28 Ripperdan Water System Improvements	C	FALSE	48	20	DAC	$ 400,000

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Project Number	District Number	Project Type	Applicant	Project Title / Description	Priority Class	Consolidation Project	Population	Service Connections	Degree of Disadvantaged	Estimated Project Costs
2000727-001P	11	Planning	Madera, County of (MD36 - Eastin Arcola)	MD36 Eastin Arcola - Eastin Arcola Water System Improvements Project	C	FALSE	150	28	Pending	$ 400,000
2000511-001P	11	Planning	Madera, County of (MD85 - Valeta)	MD85 Valeta - Valeta Water System Improvements Project	C	FALSE	45	19	SDAC	$ 400,000
2000589-001P	11	Planning	Mammoth Pool Mobile Home Park	MPMH Well Replacement	C	FALSE	60	32	Pending	$ 320,000
1910084-001P	16	Planning	Maywood Mutual Water Company #1	Water Quality Improvement Project	F	FALSE	5,500	1,161	Pending	$ 485,000
4710006-001C	01	Planning	McCloud Community Services District	McCloud CSD Distribution System Improvements Project	F	FALSE	1,020	728	Pending	$ 500,011
1010021-002P	23	Planning	Mendota, City of	Water Supply Planning Project	E	FALSE	8,656	1,680	Pending	$ 500,000
1200707-001P	01	Planning	Miranda Community services District	MCSD Tank Replacement	F	FALSE	600	143	Pending	$ 185,000
2702317-001P	05	Planning	Mission Union Elementary School District	Long Term Solution for nitrate contamination	A	FALSE	100	1	Pending	$ -
5010033-001P	10	Planning	Modesto, City of	Grayson Community Water System Facilities	F	FALSE	1,100	275	DAC	$ 500,000
5000389-003P	10	Planning	Monterey Park Tract Community Services District	Monterey Park Tract Community Services District Water Lines Project	F	FALSE	186	50	Pending	$ 500,000
3900805-001P	10	Planning	Morepark Properties, LP	Morehead Park CWS Meter Project	D	FALSE	300	108	non-DAC	$ 50,000
3700117-001P	14	Planning	Mountain Empire Unified School District	Mountain Empire High School Water Facility Reconstruction Project	D	FALSE	1,000	11	Pending	$ -
3700963-001P	14	Planning	Mountain Empire Unified School District	Potrero Elementary School Water Facility Reconstruction Project	D	FALSE	300	19	SDAC	$ -

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Project Number	District Number	Project Type	Applicant	Project Title / Description	Priority Class	Consolidation Project	Population	Service Connections	Degree of Disadvantaged	Estimated Project Costs
5000072-001P	10	Planning	Mulberry Mobile Home Park	Water System Metering and Consolidation	F	FALSE	49	42	SDAC	$ 243,000
5500243-001P	11	Planning	OLA Rambling Hills, LLC	Water Source Planning	F	FALSE	78	39	Pending	$ 500,000
1010023-006P	23	Planning	Orange Cove, City of	City of Orange Cove Water Supply Reliability Project	F	FALSE	9,571	1,705	SDAC	$ 500,000
1200701-001P	01	Planning	Orick Community Services District	Water Tank Replacement Project	C	FALSE	400	139	SDAC	$ 374,000
1110001-005P	21	Planning	Orland, City of	Domestic well and ground storage tank	A	FALSE	6,525	2,615	DAC	$ 245,000
1995015-001P	07	Planning	Palmdale Water District	Alpine Mobile Home Park Consolidation and Palmdale Water District Sierra Highway Reservoir Project	A	FALSE	-	-	SDAC	$ 475,000
4110020-001P	17	Planning	Palo Alto Park MWC	PAPMWC Iron and Manganese Removal System	F	FALSE	2,500	652	SDAC	$ 500,000
1200541-003P	01	Planning	Phillipsville Community Services District	Treatment Deficiency Remediation	B	FALSE	300	65	SDAC	$ 267,720
1010026-001P	11	Planning	Pinedale County Water District	Pinedale County Water District - Water Meter Project	E	FALSE	16,735	2,200	DAC	$ 500,000
5410009-001P	12	Planning	Pixley Public Utilities District	Well 2A/3A/4A/5 TCP Study	C	FALSE	2,722	825	Pending	$ 500,000
1210011-001P	01	Planning	Redway Community Services District	Drinking Water Improvements Planning Project	C	FALSE	1,500	638	DAC	$ 485,790
1200518-001P	01	Planning	Riverside Community Services District	Riverside CSD Backup Well	F	FALSE	293	98	Pending	$ 50,573

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Project Number	District Number	Project Type	Applicant	Project Title / Description	Priority Class	Consolidation Project	Population	Service Connections	Degree of Disadvantaged	Estimated Project Costs
5304502-001P	01	Planning	Salyer Heights Water Supply, Inc.	Salyer Heights Water Treatment Plant Rehabilitation	A	FALSE	82	42	SDAC	$ 159,500
2701676-006P	05	Planning	San Lucas County Water District	Treated Groundwater Feasibility Report	A	FALSE	500	96	non-DAC	$ 1,288,600
4010028-001P	06	Planning	San Luis Obispo, County of	Shandon (CSA 16) - Water System Improvement Project	F	FALSE	1,030	344	Pending	$ 547,988
1210010-001P	01	Planning	Scotia Community Services District	Scotia Water Treatment Facility Replacement	F	FALSE	1,000	309	SDAC	$ 500,000
4500317-001P	02	Planning	Shasta, County of	Shasta County CSA#11 - French Gulch Modernization	F	FALSE	185	100	SDAC	$ 455,000
5000295-001P	10	Planning	Shiloh School District	Shiloh School Planning Project	A	FALSE	105	7	Pending	$ 425,000
0810002-001P	01	Planning	Smith River Community Services District	Smith River Infrastructure Rehabilitation	F	FALSE	2,568	508	SDAC	$ 455,000
4900510-001P		Planning	South Cloverdale Water Corporation	South Cloverdale Water Company Metering	D	FALSE			SDAC	$ 241,500
5110007-001P	21	Planning	Sutter Community Services District	Sutter CSD Water Storage Reservoir	C	FALSE	2,885	1,025	non-DAC	$ -
4700531-005P	01	Planning	Tennant Community Services District	Water Distribution Replacment Project	D	FALSE	94	94	DAC	$ 253,000
3600306-005P	13	Planning	Thunderbird CWD	Planning for Water Production Facility (Well 5)	F	FALSE	720	332	DAC	$ 494,500
5510005-001P	11	Planning	Twain Harte Community Services District	Twain Harte CSD Water System Evaluation and Modernization Project	D	FALSE	2,568	1,562	DAC	$ 499,053
1500371-001P	19	Planning	Union Pacific Railroad Company	Keene Water System - New Water Supply and System Modifications	E	FALSE	147	42	Pending	$ 500,000

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Project Number	District Number	Project Type	Applicant	Project Title / Description	Priority Class	Consolidation Project	Population	Service Connections	Degree of Disadvantaged	Estimated Project Costs
3610051-001P	13	Planning	Valley of Enchantment Mutual Water Company	Infrastructure Replacements, tanks, services lines, auto metering systems	F	FALSE	1,815	823	DAC	$ 500,000
2900523-003P	21	Planning	Washington Water District	Water System Improvements	F	FALSE	250	130	SDAC	$ 499,120
5310001-012P	01	Planning	Weaverville Community Services District	East Weaver WTP Construction Project	D	FALSE	3,554	1,577	SDAC	$ -
1200553-001P	01	Planning	Weott Community Services District	Replacement of Raw and Treated Water Transmission Pipelines	B	FALSE	364	150	Pending	$ 455,783
1210024-004	01	Planning	Westhaven Community Services District	Disinfection Byproduct Reduction	F	FALSE	490	213	Pending	$ 500,000
5400647-001P	24	Planning	Yokohl Mutual Water Company	Yokohl Mutual Water Company Water System Improvements Project	D	FALSE	75	32	Pending	$ 335,000
2210925-001P	11	Planning	Yosemite Terrace Estates LLC	Yosemite Terrace Estates-Iron & Manganese Mitigation & Source Capacity Improvements	D	FALSE	40	52	Pending	$ 526,000
				Planning Projects =		**111**			**Subtotal =**	**$ 39,263,771**
				Total Comprehensive List Projects =		**345**			**Total =**	**$ 3,395,721,094**

Notes:
1. Small DAC/SDAC, expanded small DAC/SDAC, and Category A-C projects are considered automatically on the Fundable List provided they submit a complete application and meet all eligibility requirements.
2. Project numbers and project names are for administrative purposes only. DFA may assign or reassign project numbers and names as necessary to administer projects.

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APPENDIX C: SFY 2021-22 DWSRF IUP Fiscal Impact Summary[19]

	Projected SFY 2020-21	Projected SFY 2021-22	Projected SFY 2022-23	Projected SFY 2023-24	Projected SFY 2024-25
Beginning Balance (Cash + Undrawn Federal Capitalization Grants)	$251,664,871	$165,567,980	$31,165,373	$137,191,590	$300,425,305
Estimated Principal Payments + Interest Earnings	$144,937,973	$108,864,226	$114,526,521	$114,318,336	$113,016,357
Estimated SMIF[20]Interest Earnings	$500,000	$500,000	$500,000	$500,000	$500,000
Estimated Federal Capitalization Grants Received[21] (Loan Fund)	$71,879,160	$62,900,000	$62,900,000	$62,900,000	$62,900,000
DWSRF Revenue Bond Debt Service	($9,290,450)	($9,320,000)	($9,376,750)	($9,435,500)	($9,100,375)
Estimated Disbursements[22]	($294,123,575)	($297,346,833)	($62,523,554)	($5,049,121)	$0
Estimated Year-End Balances[23]	$165,567,980	$31,165,373	$137,191,590	$300,425,305	$467,741,287

	SFY 2020-21	SFY 2021-22	SFY 2022-23	SFY 2032-24	SFY 2024-25
Estimated Yearly Cash Flows[24]	($86,096,891)	($134,402,606)	$106,026,217	$163,233,715	$167,315,982

[19] Forecast as of April 2021.
[20] SMIF means Surplus Money Investment Fund.
[21] These numbers include a final amount for the FFY 2020 grant that the State Water Board received on September 10, 2020. The amounts for all grants after FFY 2020 are estimated. The forecasted capitalization grants are listed in the aggregate amounts. Principal forgiveness, if available, is included in the aggregate grant amount in the forecast.
[22] Estimated disbursements are a forecast of the cash disbursements for projects with executed financing agreements.
[23] Estimated Year End Balances represent a running total based on the previous year's ending balance.
[24] Estimated Yearly Cash Flows represent the projected difference between revenues and capitalization grants (inflows) and disbursements and expenses (outflows) for each year, and do not include the previous year's ending balance. Positive numbers indicate that inflows are projected to be greater than outflows for that year. Negative numbers indicate that outflows are projected to be greater than inflows for that year.

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APPENDIX D: Planning Project SCG DW and PF for an Eligible PWS

Affordability Criteria		Grant Amount	
Population	Community MHI[25]	Percent of Total Project Cost	Maximum Grant/PF Per Project[26]
<10,000	<80% of Statewide MHI	Up to 100%	N/A
To the extent consistent with state law, this grant/PF may be awarded to the extent that DFA reasonably believes that there may be subsequent construction financing resulting from this planning/design that will be considered for repayable financing per the affordability criteria included in this IUP or subsequent IUPs. DFA may deny SCG DW grant funding if the planning project has already been funded in part by other drinking water funding sources, including DWSRF and/or SCG DW funding.			

[25] The Deputy Director of DFA may approve planning grants/PF for small, non-DAC Category A-C projects for good cause.

[26] The maximum grant/PF for a community is based on all funding the community receives in a five-year period. This includes planning, TA, and construction funding for all DWSRF projects for the community. Funds disbursed to the community under planning will be subtracted from the maximum eligible construction grant.

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APPENDIX E: Construction Project SCG DW and PF Limitations for an Eligible PWS

Maximum PF, Grant or Combination Thereof Per Construction Project			
Type of Community[29] Served by CWS	**Residential Water Rates as a Percentage of MHI [30]**	**Percentage of Total Eligible Project Cost[31, 32, 33]**	**Maximum Amount Per Connection[34,35, 36]**
Category A – C Projects[37]			
Small DAC, Small SDAC or Eligible NTNC That Serves a Small DAC	N/A	up to 100%	$60,000 [38]
Expanded Small DAC/SDAC or Small Non-DAC		up to 75%[39]	
Category D – F Projects[35]			
Small SDAC or Eligible NTNC That Serves a Small DAC	N/A	up to 90%[37]	$45,000[38]
Small DAC	>=1.5%	up to 75%[37]	
	<1.5%	Not Eligible for PF, Grant or Combination Thereof	
Expanded Small SDAC	>=1.5%	up to 50%	$45,000[38]

[29] See Section I.D. of this IUP for the specific definitions of each type of community. To be eligible for PF, California Public Utilities Commission (CPUC)-regulated water systems must serve DACs and have fewer than 3,300 service connections, and DFA will consider the water system's rate of return for three fiscal years.
[30] For the purposes of a consolidation project, the residential water rate of the Receiving Water System may be considered. For systems that do not charge monthly wastewater rates, including, but not limited to, migratory labor camps, mobile home parks, or tribes, residential water rates as a percentage of MHI is considered not applicable and DFA may approve grant/PF funding per other limitations specified above.
[31] The Deputy Director of DFA may approve up to 100% grant/PF for capital costs required to complete a consolidation.
[32] The Deputy Director of DFA may approve up to 100% grant/PF if the community's residential water rates are > 2.5% of their MHI.
[33] A water system that is not a water corporation regulated by CPUC and serves a SDAC with fewer than 200 service connections is deemed to have no ability to repay any financing for a project serving the SDAC.
[34] The Deputy Director of DFA may approve financing for construction projects with a total eligible project cost less than $2,000,000 regardless of the amount per connection.
[35] The maximum grant/PF is based on all funding the community receives in a five-year period. This includes planning, TA, and construction funding for all DWSRF projects for the community.
[36] Construction projects that receive only Prop 1 and Prop 68 grant funds shall be limited to $5,000,000 per project ($20,000,000 limit for projects that provide regional benefits or are shared among multiple entities).
[37] Funding priority will be given to Category A-C Projects and consolidation projects.
[38] The Deputy Director of DFA may approve up to $80,000 per connection for good cause.
[39] The Deputy Director of DFA may approve up to 100% grant/PF for good cause.
[38] The Deputy Director of DFA may approve up to $60,000 per connection for good cause.

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	<1.5%	Not Eligible for PF, Grant or Combination Thereof	
Expanded Small DAC	>=1.5%	up to 25%	$45,000 [38]
	<1.5%	Not Eligible for PF, Grant or Combination Thereof	

Repayable Construction Financing Terms				
Type of Community[27] Served by SCWS	**Residential Water Rates as a Percentage of MHI[28]**	**Interest Rate**	**Maximum Financing Term[39]**	**Local Cost Share[40]**
Small SDAC or Eligible NTNC That Serves a Small DAC	N/A	0%	40 Years	Waived
Small DAC or Expanded Small DAC/SDAC	>=1.5%			
	<1.5%	½ General Obligation Bond Rate		

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

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

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[39] Financing Term shall not exceed the useful life of the facilities being financed.
[40] The applicant may choose to fund the remainder of the total project cost (Local Cost Share) from other sources (e.g. repayable DWSRF/Prop 1/Prop 68 financing; grant funding from sources other than the State Water Board; or other sources).

APPENDIX F: Non-Equivalency Environmental Review

Non-equivalency drinking water projects excluded from federal environmental cross-cutters, include the following[41]:

1) Planning projects

2) Construction projects that serve one of the following community types, as defined in this IUP:

a. Small DAC/SDAC;

b. Non-transient non-community water system that serves a small DAC/SDAC, if the system serves solely the following:

i. A public K-12 school;

ii. A not-for-profit K-12 private school;

iii. A not-for-profit daycare facility;

iv. A not-for-profit labor camp;

v. A not-for-profit elder care facility; and/or

vi. A not-for-profit health care facility.

c. Expanded small DAC/SDAC; or

d. Small non-DAC with a Category A-C project.

3) Additional Supplemental Appropriations for Disaster Relief Act, 2019 projects.

Applying CEQA-only review to these categories of projects will promote operational efficiency. Consultation under federal environmental cross-cutters can add time to the State Water Board's review of projects that might never receive DWSRF funding, are not viable equivalency projects, or are not needed to fulfill the equivalency requirement. A non-equivalency project consistent with categories identified above would undergo CEQA-only review, and the State Water Board would not undertake federal environmental cross-cutter review on these projects, resulting in a more expedited environmental review process for non-equivalency projects.

CEQA-only review of all non-equivalency drinking water projects includes projects that are in one of the categories listed above and are in the following groups:

- Projects in the planning phase during the term of this IUP (either in an existing planning agreement or completing planning work through an approved technical assistance [TA] workplan) regardless of whether federal environmental cross-cutters are listed in the existing scope of work.

[41] The Deputy Director may designate projects in these categories as equivalency projects subject to federal cross-cutters to the extent necessary to satisfy the equivalency requirement.

    - If federal environmental cross-cutters are part of the scope of work, the applicant/TA provider will be notified by DFA Project Manager (PM) not to prepare the relevant federal environmental cross-cutters documents.
    - PM will also notify DFA Contracts Staff of the changes to the scope of work, to amend the project financing agreement to relieve the applicant/TA provider of the obligation to prepare the relevant federal environmental cross-cutter documents.
- Projects with a complete planning application submitted to DFA or with an environmental review requested by the PM by June 30, 2022.
- Projects with complete construction applications submitted by June 30, 2022 (including environmental documents). This may include projects in which the applicant has self-funded the environmental documents.
- Projects with construction applications submitted by June 30, 2022, that had environmental review completed under a planning agreement or TA workplan with CEQA-only review.

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APPENDIX G: FFY 2021 Estimated Federal Capitalization Grant Cash Draw Schedule

FFY 2021 DWSRF Capitalization Grant/Accounts	Total Amount (Date of Award)	SFY 2021-22 Federal Draws				SFY 2022-23 Federal Draws				SFY 2023-24 Federal Draws			
Project Loan Fund		**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**
2021 Loan Funds	$71,780,000			$35,890,000	$35,890,000								
Set-Aside Accounts													
2021 DWSRF Administration	$3,880,000					$970,000	$970,000	$970,000	$970,000				
2021 SWS Administration	$1,940,000								$485,000	$485,000	$485,000	$485,000	
2021 PWSS	$9,700,000					$4,850,000				$4,850,000			
2021 Local Assistance	$9,700,000									$2,425,000	$2,425,000	$2,425,000	$2,425,000

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APPENDIX H: Additional Supplemental Appropriations for Disaster Relief Act, 2019 (ASADRA) Revised Supplemental Intended Use Plan

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California State Water Resources Control Board
Division of Financial Assistance

Drinking Water State Revolving Fund (DWSRF)
& Clean Water State Revolving Fund (CWSRF)

Additional Supplemental Appropriations for Disaster Relief Act, 2019 (ASADRA)

REVISED SUPPLEMENTAL INTENDED USE PLAN

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I. BACKGROUND AND PURPOSE

Over 8,500 wildfires burned in California during calendar year 2018, with devastating effects for the residents and the environment. The fire season started early, and many large and destructive fires occurred between June and November. In addition to drought and climate change, the wildfires negatively impacted drinking water systems across the state.

The "Additional Supplemental Appropriations for Disaster Relief Act, 2019" (ASADRA) became law on June 6, 2019 to provide additional funding for water and wastewater infrastructure to aid in recovery from specific natural disasters. The U. S. Environmental Protection Agency (U.S. EPA) section of the ASADRA includes $349.4 million in supplemental funding for the State Revolving Fund (SRF) programs. There are $53.3 million for Clean Water State Revolving Fund (CWSRF) and $296.1 million for the Drinking Water State Revolving fund (DWSRF).

The ASADRA funds are available only to states or territories in U.S. EPA Regions 4, 9, 10 for wastewater treatment works and drinking water facilities impacted by Hurricanes Florence and Michael, Typhoon Yutu, and calendar year 2018 wildfires and earthquakes. The states of Alabama, Alaska, California, Georgia, Florida, North Carolina, South Carolina, and the Territory of the Northern Mariana Islands are eligible to apply for these supplemental funds. The allocation of the ASADRA funds between the states and the CWSRF and DWSRF programs on a state-by-state basis was determined by U.S. EPA based on its analysis of each state's needs.

The State Water Resources Control Board (State Water Board) applied for the full ASADRA funds of $41,903,000 and $183,000 that are allocated to the California DWSRF and CWSRF respectively. The State Water Board will also be applying for the reallotment of Alaska's ASADRA funds. This Revised Supplemental Intended Use Plan (Revised Supplemental IUP) describes the State Water Board's plan for administering the funds in accordance with the ASADRA specific requirements noted in U.S. EPA's October 23, 2019, memorandum "Award of State Revolving Funds Appropriated by the 'Additional Supplemental Appropriations for Disaster Relief Act, 2019'" and February 23, 2021, memorandum "Reallotment of FY 2019 ASADRA SRF Funds."

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II. TRANSFER OF CLEAN WATER STATE REVOLVING FUNDS

Due to the extensive fire damage to Public Water Systems (PWS) in California from the 2018 wildfires, the State Water Board transferred California's $183,000 CWSRF allocation from the CWSRF program to the DWSRF program. The DWSRF statutes allow for the transfer of up to 33% of the DWSRF capitalization grants from the CWSRF to the DWSRF or vice versa. The resulting total amount of available supplemental funds for the DWSRF program, therefore, will be $42,086,000.

III. ADDITIONAL APPROPRIATION FROM REALLOTMENT

In July 2020, the State of Alaska declined its $26,272,000 ASADRA DWSRF allotment. California's portion of the appropriation reallotment is $4,253,000 and the State Water Board will apply for the full amount. DFA has received more demand for ASADRA funds than has funds available. Assuming California receives the full reallotment, the resulting total amount of available ASADRA funds will be $46,339,000.

IV. PROGRAM GOALS

California's ASADRA funds will be "used for eligible projects whose purpose is to reduce flood or fire damage risk and vulnerability or to enhance resiliency to rapid hydrologic change or natural disaster at …any eligible facilities under section 1452 of the Safe Drinking Water Act, and for other eligible tasks at such … facilities necessary to further such purposes …"

The State Water Board's Division of Financial Assistance (DFA) will offer ASADRA funds to eligible PWS in California that were affected by the calendar year 2018 wildfires and earthquakes for the repair, replacement, rehabilitation, and otherwise DWSRF-eligible projects that involve infrastructure improvements and emergency preparations to increase system resiliency.

The ASADRA program goals are in concert with the long-term and short-term goals listed in the 2021-2022 DWSRF IUP for public health benefits, ensuring its perpetuity, and expeditious use of funds under section VI. Outcomes, Goals, Activities, and Measures.

V. PROGRAM REQUIREMENTS

All existing requirements for implementation of the DWSRF program and execution of a DWSRF funding agreement apply to projects receiving ASADRA funds and remain in effect unless such requirements are inconsistent with the statutory requirements of the

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ASADRA. Applicants' ASADRA funded projects must meet the requirements of the DWSRF program and be otherwise eligible DWSRF projects. In addition, projects receiving ASADRA funds must meet the specific requirements noted in U.S. EPA's October 23, 2019, memorandum "Award of State Revolving Funds Appropriated by the 'Additional Supplemental Appropriations for Disaster Relief Act, 2019.'"

VI. ELIGIBLE ENTITIES AND PROJECTS

PWS that experienced negative impacts as a result of the calendar year 2018 wildfires and earthquakes are eligible to apply for ASADRA funding.

An ASADRA eligible entity is any otherwise DWSRF eligible entity that was damaged, demonstrates impact, or had a loss or disruption of a mission-essential function, including loss of function where there was potential impact to public health, caused by the listed natural disasters.

ASADRA is made available for 1) preparations for, adaptation to, or recovery from rapid hydrologic change or any other type of natural disaster for a drinking water system or related facility; 2) reduction of the likelihood of physical damage to a drinking water system; 3) reduction to a drinking water system's susceptibility to physical damage or ancillary impacts caused by floods, earthquakes, and fires.

PWS can apply for ASADRA funding without affecting their FEMA funding eligibility. Refer to details in the "Memorandum of Understanding between U.S. EPA and FEMA Regarding Coordination between U.S. EPA and FEMA Pertaining to State Revolving Fund Programs from May 2019" (https://www.epa.gov/sites/production/files/2019-05/documents/mou_between_epa_and_dhs.pdf). If a PWS is awarded FEMA grant after an ASADRA funding agreement has been executed, the ASADRA funding amount may be adjusted based on the FEMA grant received for the same project. There is no penalty for early repayment of an ASADRA funding agreement.

Examples of eligible projects related to wildfire or earthquakes are listed in the October 23, 2019 U.S. EPA memo.

VII. PROGRAM SCHEDULE AND FUNDING APPROACH

The schedule for public comment, application to the U.S. EPA, State Water Board adoption of this ASADRA Revised Supplemental IUP, and award of the ASADRA funds is the same as the schedule for the FY 2021-2022 DWSRF IUP as presented in Section VII of the FY 2021-2022 DWSRF IUP.

The existing DWSRF application process and forms were used for ASADRA applications. Applicants can refer to the State Water Board's website https://www.waterboards.ca.gov/drinking_water/services/funding/SRF.html and the

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FAAST portal https://faast.waterboards.ca.gov/ where details of the application and supporting documentation are described in order to complete the DWSRF application. Based on the initial ASADRA Supplemental IUP, applications were submitted to the State Water Board by September 30, 2020, with additional submittals and documentation provided by January 31, 2021. ASADRA applications were received from seven water agencies affected by natural disasters in the calendar year 2018 for drinking water projects. Based on this level of interest, the Fundable List in Section XX was developed to determine how best to allocate the ASADRA funds.

The Deputy Director of DFA is authorized to bypass any project with a complete application and fund any other ASADRA eligible project that is ready to proceed to an agreement if the applicant is non-responsive to DFA's request for information or consultation after notifying the applicant and giving the applicant a reasonable opportunity to respond.

Any ASADRA funds that are uncommitted as of June 30, 2022 may be committed to any eligible project on the basis of readiness for an agreement.

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VIII. FUNDING AVAILABILITY AND TERMS

The State Water Board will provide 30 percent of the available ASADRA funds as principal forgiveness to eligible PWS regardless of their size or median household income levels. ASADRA funds will be provided to each eligible PWS for ASADRA eligible activities under the following terms: 70 percent repayable financing funds at zero percent (0%) and 30 percent principal forgiveness.

As with a standard DWSRF financing, ASADRA financing will have a repayment period of up to 30 years for non-disadvantaged PWS, or up to 40 years for disadvantaged PWS, so long as the repayment period is no longer than the useful life of the financed project. In contrast to standard DWSRF and CWSRF financing conditions that require the consent of the Deputy Director of DFA for prepayment, ASADRA financing may be prepaid at any time without penalty.

The first principal and interest payment will be due 18 months after project completion for the disadvantaged PWS, and 12 months for non-disadvantaged PWS. Thereafter, DWSRF repayments are due annually.

ASADRA project funding will be capped at a maximum of $10 million per PWS. Partial project funding may also be offered to applicants if the requested funding exceeds the available ASADRA funds. Base program DWSRF low-interest financing funds may be used in conjunction with ASADRA funds to fully fund the remaining portions of the ASADRA projects.

Section XX provides a summary table of ASADRA applications – the ASADRA Fundable Project List. Currently, the ASADRA project list includes seven entities, 18 projects for a total cost of $60,015,239. The requested funding amount exceeds the available ASADRA funding of $46,339,000 from the U.S. EPA (including the reallotment funds). The total amount of ASADRA funding requested is $48,499,909, given the $10 million cap per PWS. The requested total of ASADRA funding to be provided as principal forgiveness is $14,549,973, and the total to be provided as repayable financing is $33,949,936, given the $10 million cap per PWS.

The State Water Board anticipates all funding available from the U.S. EPA ASADRA Program to be provided to eligible drinking water projects in the current applications we have received. Other funding needed to meet the total requested project costs of $60,015,239 is $13,676,239. Additional funding from other funding sources will be sought and offered to PWSs where ASADRA funds available are less than the total project costs requested. The Deputy Director of DFA may offer DWSRF financing at 0% interest to fully fund projects on the ASADRA Fundable List. The Deputy Director of DFA may add to the list any additional projects that request ASADRA funds and appear

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to be eligible and to adjust ASADRA funding amounts above $10 million per PWS, should additional funding become available.

IX. ADMINISTRATION AND SET-ASIDE FUNDS

The State Water Board does not plan to take any set-asides from the ASADRA capitalization grant.

X. REPORTING

The State Water Board's DFA will report on ASADRA projects to the Drinking Water Project and Benefits Reporting System (PBR) and the Federal Funding Accountability and Transparency Act of 2010 (FFATA) Subaward Reporting System. ASADRA project characteristics and milestone information will be reported to PBR, and the PWS receiving federal dollars will be reported in the FFATA Subaward Reporting System.

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XI. ASADRA FUNDABLE PROJECT LIST

Project Number	Applicant	Project Name	Amount Requested	Amount Funding Capped at $10m	PF	Loan at 0%	Other Funding Sources	Population	Small WS	DAC / SDAC	DDW District Number
5610024-001C	Casitas Municipal Water District	Ventura-Santa Barbara Counties Intertie	$15,520,270	$10,000,000	$3,000,000	$7,000,000	$5,520,270	70,000	No	Non-DAC	DISTRICT 06 - SANTA BARBARA
4510016-003C	Clear Creek Community Services District	Clear Creek Community Services District Backwash Ponds Repair Project	$1,762,347	$1,762,347	$528,704	$1,233,643	$ -	6,250	Yes	DAC (<1.5% water rate to MHI ratio)	DISTRICT 02 - LASSEN
1710021-001C	Lake County CSA 21 - North Lakeport	North Lakeport Water Treatment Plant Upgrades	$7,128,000	$7,128,000	$2,138,400	$4,989,600	$ -	4,360	Yes	SDAC	DISTRICT 03 - MENDOCINO
4210007-001C	Montecito Water District	Montecito Water Resilience Project	$15,595,060	$10,000,000	$3,000,000	$7,000,000	$5,595,060	11,428	No	Non-DAC	DISTRICT 06 - SANTA BARBARA

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Project Number	Applicant	Project Name	Amount Requested	Amount Funding Capped at $10m	PF	Loan at 0%	Other Funding Sources	Population	Small WS	DAC / SDAC	DDW District Number
0410007-003C	Paradise Irrigation District	Paradise Irrigation District Water System Recovery and Reservoir B Replacement Project	$7,039,562	$7,039,562	$2,111,869	$4,927,693	$ -	2,034	Yes	Small DAC after Camp Fire	DISTRICT 21 - VALLEY
5610003-001C	Ventura County Waterworks District No. 17	Bell Canyon Reservoir #3	$10,400,000	$10,000,000	$3,000,000	$7,000,000	$400,000	2,391	Yes	Non-DAC	DISTRICT 06 - SANTA BARBARA
4510013-005C	Shasta CSD	Shasta CSD Office Building Project	$2,570,000	$2,570,000	$771,000	$1,799,000	$ -	2,234	Yes	DAC	DISTRICT 02 - LASSEN
		Total =	**$60,015,239**	**$48,499,909**	**$14,549,973**	**$33,949,936**	**$11,515,330**				

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