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 2020-21
(FEDERAL FISCAL YEAR 2020 CAPITALIZATION GRANT)

WITH SUPPLEMENTAL INTENDED USE PLAN

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

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Approved by: State Water Resources Control Board
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I. INTRODUCTION

Clean and safe drinking water is a fundamental human right[1], and is essential to health and well-being. The State Water Resources Control Board's (State Water Board) Division of Drinking Water (DDW) and Division of Financial Assistance (DFA) work cooperatively to protect California's drinking water and help ensure that all Californians have access to clean, safe, and affordable drinking water through several regulatory and financial assistance programs.

The Drinking Water State Revolving Fund (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 Safe Drinking Water Act (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 will establish and document 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 2020-21.

[1] Water Code, Section 106.3

A. SFY 2020-21 Highlights

The DWSRF Policy was amended by the State Water Board on December 3, 2019. The major change made in the December 3 Policy amendment was to streamline the final budget approval process to allow most recipients to draw construction funds without the need for a "Final Budget" amendment. This streamlined procedure includes finalizing project budgets during the application review step and establishing these final project budgets in the agreements from the outset. Minimizing the volume of agreement amendments will also allow DFA staff to focus more attention on executing new funding agreements. Certain changes requested by a recipient, including increases to the project budget, still require an agreement amendment.

California's DWSRF is eligible to receive about $42 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. For an activity to be eligible to receive ASADRA funds, it must be otherwise DWSRF-eligible and serve one or more of the following purposes:

- Facilitate preparation for, adaptation to, or recovery from rapid hydrologic change or any other type of natural disaster for a drinking water system or related facility;
- Reduce the likelihood of physical damage to a treatment works or drinking water system;
- Reduce a treatment works' or water system's susceptibility to physical damage or ancillary impacts caused by floods, earthquakes, and fires; or
- Facilitate preparation for, adaptation to, or recovery from a sudden, unplanned change in the amount of and movement of water in proximity to a treatment works or water system.

The DWSRF may use not less than 20 percent but not more than 30 percent of its ASADRA grant as principal forgiveness (PF) to eligible recipients. Additional information regarding the availability of and requirements associated with ASADRA funds can be found in the ASADRA Supplemental Intended Use Plan in Appendix G (page 82).

California's DWSRF program continues to evolve since its transfer from the California Department of Public Health to the State Water Board in 2014. The level of DWSRF and complementary financing was below average in SFY 2018-19 due to the State Water Boards' transition to California's new, statewide accounting and budgeting system, the Financial Information System for California or "FI$Cal." Subsequently, the overall pace of financing has begun to normalize in SFY 2019-20. DFA expects this trend to continue in SFY 2020-21 now that FI$Cal has been implemented by the State Water Board.

B. 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 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 $3.36 billion in financial assistance agreements. The net position of the DWSRF is approximately $1.88 billion, and annual repayments to the DWSRF have recently been approximately $80 million.

The DWSRF program has funded a broad range of projects since its inception. As of June 30, 2019, 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 $399 million of PF/grants to disadvantaged communities since 2000.

C. 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 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 disadvantaged communities, voluntary participants, and Public Water Systems (PWS) 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 30 local health departments, known as local primacy agencies (LPA), to regulate PWSs serving less than 200 service connections. The State Water Board also promotes safe and reliable drinking water through drought preparedness and water conservation measures; promoting water recycling projects; certifying drinking water treatment and distribution operators; supporting and promoting water system security; providing for small water system 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 goals of the California Water Action Plan (Updated 2016), including more reliable water supplies and sustainably managed water resources system (water supply, water quality, flood protection, and environment) that can better withstand inevitable and unforeseen pressures in the coming decades. The DWSRF program also supports the California Water Action Plan actions of providing safe water for all communities, identifying sustainable and integrated financing opportunities and managing and preparing for dry periods.

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 2020-21 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
- 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.

D. 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) 2020 Capitalization Grant from U.S. EPA and the supplemental IUP in Appendix G for the ASADRA Capitalization Grant. The SFY 2020-21 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 "SCG DW funds.")

In summary, these IUPs establish the State Water Board's business plan for the DWSRF and its associated state funding programs for SFY 2020-21 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 2020-21, the prioritization approach used to rank projects for DWSRF and Small Community Grant Drinking Water (SCG DW) funding, and describes the State Water Board's plans for using the FFY 2020 Capitalization Grant and ASADRA Capitalization Grant 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 2020-21 (Appendix A – the Fundable List, Page 55 and Appendix G, Section X – the ASADRA Fundable List, Page 90), 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 2020-21, including special financing terms for small disadvantaged communities (DACs) and small severely disadvantaged communities (SDACs). The 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 2020 Capitalization Grant for financing the planning, design, and construction of drinking water infrastructure projects. The remaining 26 percent (26%) of the 2020 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 2020-21 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;

- 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'".
- Any additional federal requirements in the 2020 budget appropriation, the 2020 Capitalization Grant Agreement, and/or guidance from U.S. EPA.

E. Supplementary Definitions

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

1. "For Profit Entity" means a corporation, partnership, trust, association, sole proprietorship, or limited liability company that is not exempt from taxes under Section 501(c) of the United State Internal Revenue Code, including those entities that are regulated by the California Public Utilities Commission.

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. "Not-For-Profit Water Company" means a mutual benefit water company, public benefit corporation, homeowner's association, or cooperative that is exempt from taxes under Section 501(c) of the United States Internal Revenue Code.

5. 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.

6. "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.

7. "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.

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 will be used to determine allotment for state DWSRF programs. The next DWINSA is anticipated to begin in July 2020 and the Report to Congress will be in February 2022.

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) to be completed by June 2021. 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.

These three elements are further defined in Section XI.B. of the SAFER Policy 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 314 funding requests totaling approximately $2.96 billion for drinking water planning and construction funding on its Comprehensive List. The Comprehensive List (Appendix B, page 58) 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.

The Comprehensive List includes all funding requests submitted to DFA as of February 2020 and is used to identify potentially eligible projects for a 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 generally update the Comprehensive List quarterly on the State Water Board's website, or more frequently, if necessary, or less frequently if there are no new projects to be added.

Table 1: SFY 2020-21 DWSRF Comprehensive List Funding Request Summary by Priority Ranking

Priority Ranking	Description	No. of Applications	Estimated Requested Funding
A	Immediate Health Risk	20	$43,418,745
B	Untreated At-Risk Sources	13	$297,874,780
C	Compliance or Shortage	85	$219,595,210
D	Inadequate Reliability	41	$67,474,958
E	Secondary Risks	11	$24,897,375
F	Other Projects	144	$2,309,855,022
	Total	314	$2,963,116,090

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 2020-21 will stress helping small SDACs and small DACs solve their drinking water problems. In particular, all available SCG DW grant funds, PF funds, and Small Community Emergency Grant (SCEG) funds will be used 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 2020-21 a Fundable List (Appendix A, page 55) of projects. The Fundable List was developed from applications in process[2] as of February 2020 and includes those projects DFA believes will achieve the most favorable drinking water results in California during SFY 2020-21 with the financial and programmatic resources available to the DWSRF and its complementary financing programs. All small SDAC and small DAC projects are Fundable 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, 2021.

Small SDAC and small DAC projects may be funded at any time provided they submit a complete application and meet all eligibility requirements. A small SDAC or small DAC project not on the Fundable List at the time this IUP is approved by the State Water Board will be added automatically to the Fundable List when the applicant starts an application, but they are not guaranteed funding and will be prioritized based on their public health ranking. All other projects identified on the Fundable List may receive financing during SFYs 2019-20 and 2020-21, and other projects not included on the Fundable List may be added to the List consistent with the Bypass Procedure in the DWSRF Policy.

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

Appended to this IUP is a supplementary ASADRA IUP that establishes for SFY 2020-21 a Fundable List (Appendix G, Section X, page 90) of projects. The ASADRA Fundable List was developed from information obtained from DDW and U.S. EPA about water systems that were adversely affected by wildfires in calendar year 2018. The ASADRA Fundable List includes projects DFA believes will be eligible for ASADRA funds. The 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, 2021.

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 waive the review of the credit application for general obligation grant funded projects as defined 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[3], 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,'" 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;
- Proceeds from revenue bond sales secured by past DWSRF loans and approved by the State Water Board;
- SADW Fund

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

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 2020-21 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 2020-21 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 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 30 years or the useful life of the financed facilities for all communities; SDAC and DAC communities may finance drinking water construction facilities over 40 years or the useful life of the financed facilities.

Private for-profit systems that serve small DACs may be eligible for PF/grant based on the following criteria:

1. Consolidation projects are eligible for 100% PF/grant funding. The ability to pay of the private system owner will not be considered in determining funding for reasonable connection fees and work outside of the private property. The private system owner's ability to pay will be considered for any work occurring on the private property. In most cases, the PF/grant will be provided to the water system subsuming the consolidating system. To the extent that the consolidation requires infrastructure improvements (e.g., storage tank, new well) to the restructured water system, those improvements may be eligible for 100% PF/grant.

2. For non-consolidation projects, work on private for-profit property is only PF/grant eligible for Categories A-C projects. Planning projects for private for-profit systems falling in these categories may receive 100% planning grants/PF or be funded through Technical Assistance. The system owner's ability to pay is considered when determining how much grant a project may receive for construction projects.

3. For non-consolidation projects in Categories D-F, the 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. PF/grant criteria for DAC and SDAC projects addressing Categories A-F, as defined in the DWSRF Policy, can be found in Appendix E (page 79).

3. Financing Terms and Limitations for Specific Applicants

a. MHI Determinations for 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.

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

For the purposes of a consolidation project, the MHI of the receiving PWS may be considered when evaluating for 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 PF/grant funding.

DFA will be revising the procedures used for MHI determinations and those procedures will be added as a future appendix to the DWSRF Policy.

b. Subsidized Planning Financing – SCWSs Serving a DAC/SDAC, Eligible NTNCs Serving a Small DAC or Small SDAC, and PWSs Extending Service to Small DACs and Small SDACs

Eligible SCWSs serving a small DAC/small SDAC, eligible NTNCs serving a small DAC or small SDAC, and PWSs extending service to small DACs and small SDACs may receive PF/grant in accordance with Appendix D (page 78). Repayable financing will also be made available if PF/grant funding is insufficient to fully fund a planning project.

c. Subsidized Construction Financing – SCWSs Serving a DAC/SDAC[4] and Extension of Water Service Projects to a Small DAC or a Small SDAC Not Currently Served by a PWS

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 (page 79).

1. A SCWS serving a small DAC or small SDAC that is owned by a public agency or a Not-For Profit Water Company.

2. Notwithstanding the DWSRF Policy, a SCWS serving a small DAC or small SDAC that is owned by a For-Profit Entity.

[4] Where a state agency acts as a conduit recipient of SCG DW funding, the qualifying characteristics of the underlying recipient PWS will be analyzed.

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

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

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

   PF/grant funds will only be awarded to an eligible NTNC to the extent the NTNC cannot afford the full cost of repayable financing. The current operating budget shall be evaluated when determining an eligible NTNC's ability to afford repayable financing. An eligible NTNC owned by a public-school district is deemed to have limited repayable financing capacity, and is, therefore, automatically eligible for maximum PF/grant, subject to all other eligibility rules and requirements.

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

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

On a case-by-case basis, for good cause, the Deputy Director of the DFA may approve up to $80,000 per connection per construction project. In addition, regardless of the amount per connection, the Deputy Director may approve financing for construction projects with total eligible project costs less than or equal to $2 million.

The Prop 68 Drinking Water local cost share may also 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.

4. Consolidation

It is the intent of the State Water Board to promote consolidation[5] 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

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

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.

During SFY 2020-21, the State Water Board will continue to provide incentives to encourage the consolidation of PWSs, especially those systems experiencing serious drinking water public health issues.

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

- Prioritization of consolidation projects for DWSRF and associated drinking water funding;
- Eligible PF/grant funding to increase a receiving PWS's water supply capacity if the PWS does not have sufficient capacity to serve the additional customers of the subsumed PWS; if repayable financing is needed to provide additional capacity to consolidate a PWS, it will be provided at zero percent (0%);
- Up to $10 million in zero percent (0%) interest rate financing from available sources for a construction project that solely benefits a receiving PWS (Incentive Project) when the PWS fully consolidates one or more small water systems or extends service to 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 (Consolidation Incentive); the Deputy Director may approve an interest rate for repayable DWSRF financing for the consolidation project not less than 0%.
- PF/grant funding of up to $5,000 per connection when consolidating a small DAC water system, and up to $10,000 per connection for a small SDAC water system, with maximum of $5 million per water system. Grant funding will be prioritized for category A-C projects.

The Consolidation Incentive applies to one DWSRF eligible project chosen by a receiving PWS. Incentive Projects financing may be combined with other DWSRF 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 PWS must submit, at minimum, a DWSRF General Application Package, to DFA before the execution of the funding agreement for the associated Consolidation Project(s).
- The DWSRF application must indicate that it is for an Incentive Project associated with a specific Consolidation Project or group of Consolidation Projects.
- The receiving PWS must complete and submit a full DWSRF application for the Incentive Project within one year of the execution of the funding agreement for the associated Consolidation Project.
- In the case where the Consolidation Project has been designed to include the Incentive Project, then up to $10 million in zero percent (0%) funding shall apply to those proportional costs that are part of the Incentive Project. The Consolidation Project may also receive up to $5 million PF/grant 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 PF/grant financing terms discussed in Section V of this IUP.
- Both the Consolidation Project and the Incentive Project must be construction projects that are eligible for DWSRF funding.

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 2020-21 Funding Target of approximately $308 million, the minimum that must be reserved for small water systems is approximately $46.2 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 2020 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 2020-21 Fundable List includes at least three projects with water meter installations that may be ready-to-proceed to funding in SFY 2020-21. 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.

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, 2019 to March 1, 2020 the State Water Board has provided the following financing from the DWSRF and complementary financing programs.

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

Table 2: SFY 2019-20 DWSRF Financing to March 1, 2020

	DWSRF Loan[7]	SCG	SCEG	Totals
Number of Agreements	23	10	0	33
$ in millions	$130	$14	$0	$144

DFA estimates that cumulative, SFY 2019-20 financing by the DWSRF and complementary financing programs will be approximately $350 million.

Table 3: Recent DWSRF and Complementary Financing

SFY	Number of Agreements	$ of Agreements (in millions)
2016-17	93	$307
2017-18	72	$336
2018-19	24	$250

C. Financial Outlook

1. DWSRF Cash Flow[8] and Funding Target

Appendix C (page 77) shows the forecasted cash flow (sources and uses) of the DWSRF program as of April 2020. 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 2019-20;
- U.S. EPA capitalization grants[9];
- 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 $67 million to $476 million as seen in Appendix C (page 77). The DWSRF's Municipal Advisor, in cooperation with DFA staff, has analyzed the DWSRF's lending capacity as part of developing this IUP. Given

[7] 17 projects received a total of $23.8 million in PF funds.
[8] The overall cash flow includes the available PF funds.
[9] Based on the recent adoption of the federal budget for FFY 2020, the 2020 Capitalization Grant is $97,134,000. Future Capitalization Grants are conservatively estimated at $62,900,000 per year.

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 $308 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 2020-21 will be $308 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. DFA anticipates that, as with the FFY 2019 DWSRF Capitalization Grant, the FFY 2020 Capitalization Grant may also mandate that states provide an additional 14 percent (14%) of the capitalization grant as Additional Subsidy to eligible projects/recipients. However, this additional 14 percent (14%) allocation of Additional Subsidy may not be restricted to PWSs serving disadvantaged communities.

Given the foregoing, and subject to the final FFY 2020 Capitalization Grant terms and conditions, the State Water Board will provide the maximum Additional Subsidy allowed by the FFY 2020 Capitalization Grant. The Additional Subsidy will be provided as PF to eligible PWSs that serve DACs and SDACs. Current estimates suggest that the FFY 2020 Additional Subsidy will be approximately $47 million. Any prior year Additional Subsidy will also be committed to fund eligible projects.

It is the intent of the State Water Board to provide for the effective and equitable use of the limited amount of PF/grant 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 PF/grant funding amount for any project may also be reduced by the Deputy Director of DFA for good cause.

3. Proposition 1, Proposition 68, and Other Appropriated State Funds

a. Small Community Grant Drinking Water (SCG DW)

The Office of Sustainable Water Solutions 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 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.

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.

Proposition 68, the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018 (Senate Bill 5, De León) authorizes $7.545 billion in general obligation bonds for water projects including surface and groundwater storage, ecosystem and watershed protection and restoration, and drinking water protection. Section 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 PF/grants to SWSs serving DACs and SDACs. To further assist 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 April 17, 2020

Source	EY	Appropriation* (in Millions)	Uncommitted (in Millions)	Encumbrance End Date	Liquidation End Date
Prop 1 DW	2014-15	$67.5	$8.3	6/30/2021	6/30/2023
Prop 1 DW	2015-16	$174.3	$17.7	6/30/2021	6/30/2023
Prop 68 DW	2018-19	$62.2	$7.8	6/30/2021	6/30/2023
Prop 68 DW	2019-20	$169	$168.5	6/30/2022	6/30/2024

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

Additionally, the State Water Board's Groundwater Sustainability Grant Program under Prop 1 may provide grants to 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.

b. Drinking Water Small Community Emergency Grant (DWSCEG)

The State Water Board may apply a DWSCEG charge as a charge-in-lieu of interest[10] 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.

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.

[10] 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 State Water Board anticipates applying the DWSCEG charge to eligible loans in SFY 2020-21. 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.

c. 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.

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. These additional funding sources, if they become available during SFY 2020-21, may require an amendment to this IUP or additional guidance from the State Water Board. Additional state or federal funding will be committed consistent with any guidelines or requirements associated with their authorization and may be committed consistent with the DWSRF and its complementary funding sources.

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 PF/grant applications currently exceed the estimated balance of PF/grant funds. Therefore, projects requesting PF/grant 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, 2021.

The SFY 2020-21 DWSRF Fundable List includes both planning and construction projects. There are 39 projects from non-disadvantaged PWSs or large PWSs on the Fundable List for a total request of approximately of $2.2 billion in repayable financing (Appendix A, page 55). Of these, four construction projects may receive an estimated total of $65 million in grant funding. Table 5 shows a summary of funding requested by system size and type of project.

Table 5: SFY 2020-21 DWSRF Fundable List Summary by System Size and Project Financing Type

Summary	Projected Number of Projects	Estimated DWSRF Loan Amount	Estimated Prop 1/Prop 68 Grant Amount
Small Water System Planning	1	$493,200	$0
Large Water System Planning	0	$0	$0
Small Water System Construction	7	$37 million	$0
Large Water System Construction	31	$2.2 billion	$65 million
TOTAL	39	$2,2 billion	$65 million

Several projects on the Fundable List have been approved for financing as of February 28, 2020 and may receive an executed agreement by June 30, 2020. One project may be co-financed with the Clean Water State Revolving Fund because it appears to be eligible for either program[11].

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 2020-21. DFA will execute financing agreement with as 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.

[11] 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 potential 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.

Although the SFY 2020-21 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 $240 million dollars annually - below the estimated sustainable capacity of $308 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 is underutilized at present, 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 2020-21 Fundable List, additional capital through the sale of DWSRF revenue bonds may be required. DFA will continue to evaluate the need for additional revenue bonds relative to average long-term funding levels and the State Water Board's direction in the *SRF Debt Management Policy*.

PF/grants will be available in SFY 2020-21, 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 35.6 Personnel Years (PY) are budgeted for the DWSRF Program[12] in SFY 2020-21 and the number of positions is not expected to change substantially. These positions are distributed between DFA and the Office of Chief Counsel (OCC)

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

as follows:

- 3.4 PYs for Environmental Scientists to ensure compliance with state and federal environmental and cultural resources requirements (DFA);
- 15.6 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[13];
- 7.4 PYs for administrative support (DFA);
- 8.3 PYs for Program management and staff oversight (DFA);
- 0.4 PYs for legal support (OCC); and
- 0.5 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 $3,919,699 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);
- Independent Municipal Advisor; and
- Technical Assistance to public water systems in support of the Capacity Development Strategy and other related services

2. Loan Servicing and Program Administration

Servicing existing agreements and fulfilling ongoing program requirements represents a significant workload for the DWSRF staff. There are approximately 226 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 137 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 consistent with previous approvals, and to ensure that work is being performed in conformance with program requirements, including but not limited to, Davis-Bacon

[13] These DWSRF staff members are part of the Office of Sustainable Water Solutions within DFA, which includes two supervising engineers, six senior engineers, one senior specialist, and 30 technical staff dedicated to addressing both drinking water and wastewater funding and technical assistance needs of small SDACs and small DACs.

wage rates, American Iron and Steel procurement requirements, disadvantaged business 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 2020 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[14] 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.

[14] 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 2020-21 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, 2021. As delays are

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 2020-21 to reduce debt service and default risk for small SDACs and small 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.

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.

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) small water system 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 2020-21, the State Water Board will set-aside 26 percent (26%) of the 2020 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 2020 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 2020-21. 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 2020-21 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 2020 Grant:	4%	$3,880,000 (estimate)

Contracts:	DWSRF Annual Audit of Financial Statements including Single Audit		$150,000 (estimate)

Contracts:	DWSRF Annual Audit of Financial Statements including Single Audit		$150,000 (estimate)
	EPA/Northbridge Environmental Management Consultants Maintenance Contract for the State Water Board's Loans and Grants Tracking System (LGTS)		$300,000 (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 2020-2021 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 2020 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 2020-21 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 2020	10%	$9,700,000 (estimate)

D. Local Assistance Set-Aside

The Local Assistance Set-Aside will fund third-party contractors who provide technical assistance to PWSs as part of the Capacity Development Strategy as noted below. This may include assistance with the development of a DWSRF funding application. The Local Assistance Set-Aside will also fund DFA staff who provide technical

assistance to PWSs as part of developing TMF capacity and establishing eligibility for DWSRF or complementary funding. Finally, the Local Assistance Set-Aside may also fund DDW's technical assistance to PWSs to support the State Water Board's Capacity Development Strategy as part of DDW's regulatory oversight of California's PWSs. The DWSRF Local Assistance Set-Aside Work Plan for SFY 2020-21 will contain detailed information about the specific tasks and full-time equivalent personnel that will be supported in DFA by the DWSRF Local Assistance Set-Aside.

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

In addition to the baseline PWS technical assistance provided under the DWSRF Local Assistance Set-Aside, DFA may direct a percentage of the funds available from Prop 1 and the Safe and Affordable Drinking Water Fund to a multi-disciplinary technical assistance program. The Office has implemented this program. More information is available online at https://www.waterboards.ca.gov/water_issues/programs/grants_loans/tech_asst_funding.html

DFA staff will develop an internal procedures document for technical assistance which will be added as a future appendix to the DWSRF Policy.

Max Allowed:		10%	
Budgeted from FFY 2020		10%	$9,700,000 (estimate)
Contracts:	California Rural Water Association		$1,232,229 (estimate)
	Rural Community Assistance Corporation		$1,266,180 (estimate)
	Self-Help Enterprises		$971,290 (estimate)

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 or 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 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 2020-21, the State Water Board has requested the following federal payment schedule from U.S. EPA for the 2020 Capitalization Grant, as detailed in Table 6.

Table 6: 2020 Capitalization Grant Payment Schedule

FFY	Payment Date	Percentage of Cap Grant	Estimated Amount	Description	Site Code*
2020	Award Date	4%	$3,880,000	DWSRF Administration Set-Aside	DD
2020	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
2020	Award Date	10%	$9,700,000	Local Assistance & Other Programs Set-Aside	DG
2020	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 F (page 81) represents the State Water Board's anticipated federal draw schedule for SFY 2020-21 as well as the anticipated liquidation of the 2020

Capitalization Grant in SFY 2020-21. 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 2017, 2018 and 2019 DWSRF capitalization grants.

Current cash flow projections suggest that the 2020 DWSRF Capitalization Grant may not be liquidated until late calendar year 2021, due to the expenditure rate of the set-asides. The State Water Board will also disburse the 2020 State Match in accordance with procedures detailed in Section V.C of this IUP.

C. 2020 State Match Source and Proportionality Draw

The SDWA requires states to provide a 20 percent (20%) match to the capitalization grants received from the federal government. California's DWSRF has been capitalized with a variety of state match sources including general fund appropriations, general obligation bonds 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 2020 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 2020 State Match for repayable financing or PF to eligible drinking water projects under the DWSRF and Prop 1. As of June 30, 2020, an estimated $105.8 million of Prop 1 drinking water funds will have been allocated and encumbered as state match for repayable financing and PF/grant funding to drinking water projects eligible under both the DWSRF and Prop 1, as set forth in this IUP. When considering the estimated $19.4 million in Prop 1 state match for the 2020 Capitalization Grant, Prop 1 will have also provided an additional $36.1 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	$73,091,644
Total	$105,751, 391

Based on a projected 2020 Capitalization Grant of $97 million, the 2020 set-aside amount of $25.2 million and the 2020 state match of $19.4 million, the disbursement proportionality for the 2020 Capitalization Grant is 78.72% / 21.28% (Federal/State). However, the State Water Board will have disbursed the entire state match for the 2020 Capitalization Grant prior to drawing funds from the grant. Therefore, the draw ratio of federal capitalization funds for the 2020 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[15] 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 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

In addition to the requirements of the California Environmental Quality Act, a suite of federal environmental requirements are applied to projects receiving DWSRF funding. All projects will be required to comply with federal environmental cross-cutters unless the Deputy Director of DFA determines to apply an alternative review process for good cause. The State Water Board will use its State Environmental Review Process (SERP) to review project applications submitted for funding during SFY 2020-21. The 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, the 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.

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

2. Davis-Bacon

Federal Davis-Bacon 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.

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 2020 Capitalization Grant agreement and will require that DWSRF financing recipients also comply with applicable federal pass-through requirements. Provisions specific to the FFY 2020 appropriation will take effect only if the State Water Board receives the FFY 2020 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.

F. Other State and State Water Board Requirements

Other State laws not specific to the DWSRF/SCG DW may also apply to projects[16] funded in SFY 2020-21. 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 for-profit entity or a not-for-profit water company, including utilities regulated by the Public Utilities Commission, shall have a clear and definite public purpose and shall solely benefit the customers of 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.

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

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.

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**

   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 2020 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 2020 Capitalization Grant payment and proportional 2020 State Match within one year of each 2020 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 2020-21 IUP

The State Water Board will use DWSRF funds in SFY 2020-21 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 2020-21 DWSRF Annual Report on the uses of the DWSRF funds during SFY 2020-21 and provide a final draft of the SFY 2020-21 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.

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.

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.

C. Ensuring Timely and Expeditious Use of DWSRF Funds

Long-Term Goals

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

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

Short-Term Goals

1. Apply for and accept the anticipated 2020 Capitalization Grant from U.S. EPA. Upon award, commit funds from the 2020 Capitalization Grant, including the associated state match, by June 30, 2020, 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). As of March 28, 2020, the anticipated allotment amount of the 2020 Capitalization Grant has not been officially provided to the State Water Board from U.S. EPA. However, the estimate for California's 2020 Capitalization Grant is currently $97.134 million based upon the recent adoption of the FFY 2020 federal budget. To maximize available federal funding absent more information from U.S. EPA, the State Water Board will be applying for $150 million for the 2020 Capitalization Grant but will assume an estimate of $97 million for the 2020 Capitalization Grant for all other financial forecasts in this IUP. (June 30, 2020)

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.[17]

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.

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

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 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.

VII. SCHEDULE

The estimated schedule for public comment and State Water Board adoption of the SFY 2020-21 DWSRF IUP, and the application, award, and acceptance of the 2020 DWSRF Capitalization Grant is as follows:

Draft IUP with Supplemental IUP posted for public comment	May 11, 2020
Informational Workshop/Webinar	May 20, 2020
Submit FFY 2020 Capitalization Grant application to U.S. EPA	June 5, 2020
Deadline for Public Comments on Draft IUP	June 10, 2020
State Water Board adopts IUP with Supplemental IUP at regularly scheduled meeting	June 16, 2020
Execute FFY 2020 Capitalization Grant agreement with U.S. EPA	September 2020

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
SCWS	Small Community Water System
SDAC	Severely Disadvantaged Community
SDWA	Safe Drinking Water Act
DWSCEG	Safe Drinking Water Small Community Emergency Grant

SFY	State Fiscal Year
SWS	Small Water System
SWSTA	Small Water Systems Technical Assistance
TMF	Technical, Managerial and Financial
ULO	Unliquidated Obligation
U.S. EPA	United States Environmental Protection Agency

IX. APPENDICES

APPENDIX A: SFY 2020-2021 DWSRF Fundable List*

Project Number	District Number	Project Type	Applicant	Project Title / Description	Class	Estimated Project Costs	Estimated DWSRF Loan	Estimated PF/Grant Amount	Population	Service Connections	Water System Size
0105008-002C	04	Construction	Alameda, County of	Castlewood Redwood Tank Replacement	F	$ 2,600,000	$ 2,600,000	$ -	499	190	SWS
0710001-002C	04	Construction	Antioch, City of	Brackish Water Desalination Construction Project	F	$ 55,000,000	$ 55,000,000	$ -	100,945	31,058	LWS
3610008-012C	13	Construction	Big Bear City CSD	Well 8 Replacement	F	$ 2,500,000	$ 2,500,000	$ -	12,500	6,356	LWS
7844-110	05	Construction	California American Water Company	Monterey Peninsula Water Supply Project	F	$ 279,200,000	$ 279,200,000	$ -	98,500	37,850	LWS
1510005-008C	24	Construction	Delano, City of	TCP Removal Plant for Wells 26, 30, and 33	F	$ 6,200,000	$ -	$ 5,000,000	53,855	8,829	LWS
3610117-001P	13	Planning	Devore WC	Water System Improvements for Nitrate Exceedance	A	$ 493,200	$ 493,200	$ -	1,500	459	SWS
0910013-006C	09	Construction	Georgetown Divide Public Utility District	Automated Meter Reading and Meter Replacement Project	F	$ 1,933,171	$ 1,933,171	$ -	9,021	3,589	SWS
2110001-001C	18	Construction	Inverness Public Utility District	Tenney Tank Replacement	F	$ 800,000	$ 800,000	$ -	702	501	SWS
2410004-004C	11	Construction	Livingston, City of	Livingston 1,2,3-TCP Removal Treatment System Project	C	$ 12,000,000	$ 12,000,000	$ -	13,795	2,948	SWS
1910185-001C	16	Construction	Los Angeles County Waterworks District 36	Del Valle Road Water Main Replacement	F	$ 3,750,000	$ 3,750,000	$ -	4,660	1,320	SWS
1910067-055C	15	Construction	Los Angeles, City of Acting by and through the Department of Water & Power	Fairmont Sedimentation Plant	F	$ 524,700,000	$ 524,700,000	$ -	4,071,873	680,607	LWS
1910067-056C	15	Construction	Los Angeles, City of Acting by and through the Department of Water & Power	Century Trunk Line Unit 2	F	$ 46,840,000	$ 46,840,000	$ -	4,071,873	680,607	LWS

Project Number	District Number	Project Type	Applicant	Project Title / Description	Class	Estimated Project Costs	Estimated DWSRF Loan	Estimated PF/Grant Amount	Population	Service Connections	Water System Size
1910067-057C	15	Construction	Los Angeles, City of Acting by and through the Department of Water & Power	Manhattan Wellfield On-site Hypochlorite Generation Station	F	$ 9,000,000	$ 9,000,000	$ -	4,071,873	680,607	LWS
1910067-058C	15	Construction	Los Angeles, City of Acting by and through the Department of Water & Power	City Trunk Line North Unit 2	F	$ 62,468,400	$ 62,468,400	$ -	4,071,873	680,607	LWS
5010013-001C	10	Construction	Newman, City of	Hexavalent Chromium Drinking Water Compliance Project	C	$ 9,452,000	$ 9,452,000	$ -	10,586	3,410	LWS
5010017-001C	10	Construction	Patterson, City of	Metering System Replacement Project	F	$ 4,000,000	$ 4,000,000	$ -	23,764	6,506	LWS
3710020-079C	14	Construction	San Diego, City of	Alvarado 2nd Pipeline Extension	F	$ 86,800,000	$ 86,800,000	$ -	1,266,731	271,962	LWS
3710020-080C	14	Construction	San Diego, City of	Otay 2nd Pipeline Steel Replacement Phase 3	F	$ 19,420,000	$ 19,420,000	$ -	1,266,731	271,962	LWS
3710020-077C	14	Construction	San Diego, City of	Morena Pipeline	F	$ 38,180,000	$ 38,180,000	$ -	1,266,731	271,962	LWS
8419-110	14	Construction	San Diego, City of	Pure Water North City Morena Blvd Pump Station & Pipeline (Wastewater Portion)	F	$ 359,245,400	$ 96,511,179	$ -	1,266,731	271,962	LWS
8419-210	14	Construction	San Diego, City of	Pure Water North City Water Reclamation Plant Expansion	F	$ 244,557,601	$ 53,100,333	$ 12,600,000	1,266,731	271,962	LWS
8419-310	14	Construction	San Diego, City of	Pure Water North City Metropolitan BioSolids Center Improvements	F	$ 7,424,262	$ 1,994,526	$ -	1,266,731	271,962	LWS
8419-410	14	Construction	San Diego, City of	Pure Water North City Water Reclamation Plant Expansion and Influent Conveyance	F	$ 45,652,900	$ 12,264,639	$ -	1,266,731	271962	LWS
8419-510	14	Construction	San Diego, City of	Pure Water North City Pure Water Pump Station	F	$ 21,224,438	$ 5,701,939	$ -	1,266,731	271,962	LWS
8419-610	14	Construction	San Diego, City of	Pure Water North City Pure Water Pipeline	F	$ 142,312,108	$ 38,232,109	$ -	1,266,731	271,962	LWS
8419-710	14	Construction	San Diego, City of	Pure Water North City Pure Water Facility	F	$ 579,596,282	$ 138,308,384	$ 17,400,000	1,266,731	271,962	LWS

Project Number	District Number	Project Type	Applicant	Project Title / Description	Class	Estimated Project Costs	Estimated DWSRF Loan	Estimated PF/Grant Amount	Population	Service Connections	Water System Size
8419-810	14	Construction	San Diego, City of	Pure Water North City Morena Blvd Pump Station & Pipeline (Water Portion)	F	$ 59,592,510	$ 16,009,512	$ -	1,266,731	271,962	LWS
3810001-001C	04	Construction	San Francisco, Public Utilities Commission of the City and County of	Mountain Tunnel Improvement Project	F	$ 238,220,000	$ 238,220,000	$ -	2,700,000	175,000	LWS
3410021-001C	09	Construction	San Juan Water District	Hinkle Reservoir Rehabilitation Project	F	$ 14,720,000	$ 14,720,000	$ -	33,792	10,240	LWS
3010038-002C	08	Construction	Santa Ana, City of	Automated Meter Infrastructure	F	$ 16,000,000	$ 10,117,365	$ -	353,428	44,610	LWS
3010038-003C	08	Construction	Santa Ana, City of	Well 32 Nitrate Treatment & Rehabilitation	F	$ 5,290,000	$ 5,290,000	$ -	353,428	44,610	LWS
4410010-002C	05	Construction	Santa Cruz, City of	Newell Creek Inlet-Outlet Replacement Project	F	$ 103,453,000	$ 103,453,000	$ -	90,000	24,228	LWS
4410010-001C	05	Construction	Santa Cruz, City of	Graham Hill WTP Storage Tank Replacement	F	$ 45,900,000	$ 45,900,000	$ -	90,000	24,228	LWS
3010055-001C	08	Construction	South Coast Water District	Doheny Ocean Desalination	F	$ 102,056,000	$ 102,056,000	$ -	20,500	5,619	LWS
0910002-028C	09	Construction	South Tahoe Public Utility District	Keller Heavenly Water System Improvements Project	F	$ 5,504,500	$ 5,504,500	$ -	45,000	13,635	LWS
5010043-001C	10	Construction	Stanislaus Regional Water Authority	Stanislaus Regional Water Authority Surface Water Supply	F	$ 230,000,000	$ 200,000,000	$ 30,000,000	118,032	30,332	LWS
3110011-005C	02	Construction	Tahoe City Public Utility District	West Lake Tahoe Regional Water Treatment Plant	B	$ 7,725,000	$ 7,725,000	$ -	750	453	SWS
1910213-010C	22	Construction	Torrance, City of	Torrance Van Ness Well Field	F	$ 16,700,000	$ 16,700,000	$ -	113,136	26,461	LWS
5700788-003C	09	Construction	Yolo, County of	North Davis Meadows Water Consolidation Project	C	$ 8,250,000	$ 8,250,000	$ -	110	95	SWS

**All projects from small SDACs and small DACs are not specifically listed but are automatically considered part of the Fundable List.*

APPENDIX B: SFY 2020-21 DWSRF Comprehensive List

Project Number	District Number	Project Type	Applicant	Project Title / Description	Class	Consolidation Project	Population	Service Connections	Estimated Requested Funding
0110001-001C	04	Construction	Alameda County Water District	Advanced Metering Infrastructure Phase-3 Project	F	FALSE	324,796	79,362	$ 31,832,794
0105008-002C	04	Construction	Alameda, County of	Castlewood Redwood Tank Replacement	F	FALSE	499	190	$ 2,600,000
3301491-003P	20	Planning	Alpine Village	Planning for Uranium treatment and Meter Installation	F	FALSE	130	33	$ 221,200
3610002-001C	13	Construction	Alpine Water Users Association	Alpine Water Users Association Meter Replacement Project	D	FALSE	3,000	932	$ 498,288
0310012-007C	10	Construction	Amador Water Agency	Redwood Tank and Floating Cover Replacement Project	F	FALSE	8,508	2,558	$ 307,273
3210004-004P	02	Planning	American Valley Community Services District	Water System Improvement Project	C	FALSE	1,879	769	$ 493,000
4510001-001C	02	Construction	Anderson, City of	Anderson Heights Reservoir Replacement and Pressure Regulating Valve (PRV) Station Project	F	FALSE	10,050	3,077	$ 2,250,000
0710001-002C	04	Construction	Antioch, City of	Brackish Water Desalination Construction Project	F	FALSE	100,945	31,058	$ 55,000,000
3301180-001C	20	Construction	Anza Mutual Water Co., Inc.	Anza Mutual Water System Improvements Project	F	FALSE	200	82	$ 5,000,000
3600012-002P	13	Planning	Apple Valley View Mutual Water Company	Treatment Plant - Fluoride Compliance Study	C	FALSE	200	81	$ 495,000
1210001-001C	01	Construction	Arcata, City of	Steel Water Line Replacement	F	FALSE	16,651	5,278	$ 4,945,963
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	$ 3,115,350
1610002-002C	12	Construction	Avenal, City of	Avenal 18" Water Transmission Line Replacement Project	D	FALSE	16,737	1,936	$ 6,190,000
1610002-003C	12	Construction	Avenal, City of	Water Meter Replacement Project	D	FALSE	16,737	1,936	$ 1,652,850
3610008-012C	13	Construction	Big Bear City CSD	Well 8 Replacement	F	FALSE	25,000	6,356	$ 2,500,000

Project Number	District Number	Project Type	Applicant	Project Title / Description	Class	Consolidation Project	Population	Service Connections	Estimated Requested Funding
0600121-001P		Planning	Big Sandy Rancheria of Western Mono Indians of California	Big Sandy Rancheria Water System Capital Improvement	C	FALSE			$ 120,000
0410001-002C	21	Construction	Biggs, City of	Storage Tank and Pump Station	E	FALSE	1,805	650	$ 5,000,000
1010049-008C	23	Construction	Biola Community Services District	Biola CSD Water Distribution System Upgrades	E	FALSE	1,200	250	$ 4,740,000
3500507-001C	05	Construction	Bitterwater-Tully Union School District	Water System Upgrade	F	FALSE	55	2	$ 498,000
1700561-001P	03	Planning	Blue Lakes Improvement Club Water, Inc.	Blue Lakes Improvement Club Water System Improvements	F	FALSE	150	43	$ 90,000
4400751-002C	05	Construction	Bonny Doon Union Elementary School District	Bonny Doon School Water System Storage Tank Replacement	F	FALSE	165	9	$ 1,500,000
3710036-001C	14	Construction	Borrego Water District	Water Pump Diesel Engine Upgrade and Tanl Rehabilitation	F	FALSE	2,535	2,016	$ 1,865,600
4510003-002P	02	Planning	Burney Water District	Burney Water District Water Storage Planning Project	F	FALSE	3,000	1,377	$ 380,000
4510003-003C	02	Construction	Burney Water District	Burney Water District Water System Improvement Project	E	FALSE	3,000	1,377	$ 5,135,000
3310047-001P	20	Planning	Cabazon Water District	Drinking Water Improvements	F	FALSE	2,535	961	$ 42,000
7844-110		Construction	California American Water Company	Calam Monterey Peninsula Water Supply Project	B	FALSE	98,500	37850	$279,200,000
1710005-003P	03	Planning	California Water Service Company	California Water Service - Intake Water Quality	F	FALSE	2,870	1,280	$ 385,936
1010039-003C	23	Construction	Caruthers Community Services District	New Well No. 7	C	FALSE	2,103	672	$ 2,922,000
2000509-006P	11	Planning	Cascadel Mutual Water Co.	Well Replacement Planning Project	C	FALSE	300	137	$ 300,000
2000538-001P	11	Planning	Cedar Valley Development Mutual Water Company	Arsenic MCL Compliance	C	FALSE	137	67	$ 430,000
2510002-001P	01	Planning	Cedarville County Water District	Cedarville Capital Improvements	F	FALSE	500	265	$ 490,000
5400655-001C	24	Construction	Central Mutual Water Company	Porterville Consolidation Project	D	FALSE	115	23	$ 918,000

Project Number	District Number	Project Type	Applicant	Project Title / Description	Class	Consolidation Project	Population	Service Connections	Estimated Requested Funding
5000255-001P	10	Planning	Chatom Union School District	The Mountain View Middle School Drinking Water Project	C	FALSE	364	8	$ 500,000
0400073-001C	21	Construction	Chico Unified School District	Nord Country School New Well	A	FALSE	66	5	$ 343,560
0400073-001P	21	Planning	Chico Unified School District	Nord Country New Well	F	FALSE	66	5	$ 306,170
3610012-007C	13	Construction	Chino, City of	123 TCP and Nitrate Treatment Plant	F	FALSE	62,000	16,677	$ 18,000,000
1800512-001C	02	Construction	Clear Creek Community Services District	Drinking Water System Improvements	C	FALSE	400	156	$ 4,996,800
1700546-001C	03	Construction	Clear Water Mutual Water Company	Upper Storage Tank Replacement Project	D	FALSE	250	93	$ 1,000,000
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	$ 1,625,000
3200509-001P	02	Planning	Clio Public Utility District	Clio Public Utility District Meter Project	D	FALSE	74	49	$ 500,000
3301153-001C	20	Construction	Coachella Valley Water District	Consolidation/extension of service to Westside school-Coachella Valley USD	C	TRUE	975	1	$ 880,155
3310001-009C	20	Construction	Coachella Valley Water District	Thermal MWC & Oasis Gardens Consolidation Project	C	TRUE	244,472	97,789	$ 2,463,985
3310001-010C	20	Construction	Coachella Valley Water District	Galindo MHP Consolidation	C	TRUE	244,472	97,789	$ 1,572,719
3310007-002C	20	Construction	Coachella, City of	Mesquite Mutual Water Company Consolidation Project	C	TRUE	38,406	7,460	$ 937,000
0610002-001C	21	Construction	Colusa, City of	City of Colusa Well Consolidation Project	C	FALSE	5,625	2,126	$ 3,495,624
0610002-002C	21	Construction	Colusa, City of	Walnut Ranch Construction Project	C	TRUE	5,625	2,126	$ 2,022,580
0610002-003C	21	Construction	Colusa, City of	Bridge Street Waterline Consolidation & Replacement Project	F	FALSE	5,625	2,126	$ 1,409,506
0600005-005P	21	Planning	Colusa, County of	CSA1/CSA2 Consolidation project	D	FALSE	200	66	$ 433,600
1610004-001C	12	Construction	Corcoran, City of	Water Meter Project	D	FALSE	26,047	3,156	$ 2,000,000

Project Number	District Number	Project Type	Applicant	Project Title / Description	Class	Consolidation Project	Population	Service Connections	Estimated Requested Funding
0810001-004C	01	Construction	Crescent City, City of	West Park Properties Mobile Home Park Consolidation	C	TRUE	14,000	3,416	$ 523,746
0810001-005C	01	Construction	Crescent City, City of	Butte Court Mobile Home Park Consolidation	C	TRUE	14,000	3,416	$ 349,662
5410001-004P	24	Planning	Cutler Public Utility District	Water Supply Improvements Project	C	FALSE	6,200	1,218	$ 406,900
4210009-001C	06	Construction	Cuyama Community Services District	Well No. 4 Drilling and Equipping Project	D	FALSE	820	253	$ 40,000
4400571-005C	05	Construction	Davenport County Sanitation District	Old Coast Water Line Extension	D	FALSE	350	130	$ 240,066
4400571-006P	05	Planning	Davenport County Sanitation District	Davenport Diversion Facility Upgrade Feasibility Study	F	FALSE	350	130	$ 475,000
5410034-001P	12	Planning	Del Oro Water Company	California Pines - Main Storage Tank	D	FALSE	200	131	$ 75,000
0410018-001P	21	Planning	Del Oro Water Company	Storage Tank/Clear Well Addition	C	FALSE	313	162	$ 73,000
5200574-001P	21	Planning	Del Oro Water Company	Larkspur Meadows - Secondary Well	D	FALSE	130	31	$ 14,450
5400666-004P	12	Planning	Del Oro Water Company	Grandview Gardens & East Plano Consolidation with Porterville	F	TRUE	350	102	$ 347,900
1010035-005C	23	Construction	Del Rey Community Services District	Water Meter Installation Project	D	FALSE	1,100	362	$ 905,472
1510005-008C	12	Construction	Delano, City of	TCP Removal Plant for Wells 26, 30, and 33	C	FALSE	53,855	8,829	$ 5,000,000
3610117-001P	13	Planning	Devore WC	Water System Improvements for Nitrate Exceedance	A	FALSE	1,500	459	$ 493,200
0707574-001C	04	Construction	Diablo Water District	Santiago Island Village Consolidation Project	E	TRUE	33,250	9,907	$ 171,075
5410002-002C	24	Construction	Dinuba, City of	Well 21 Project	C	FALSE	22,614	6,719	$ 2,500,000
1000016-001C	23	Construction	Dorabelle MWC	Dorabelle MWC Construction Project	F	FALSE	70	18	$ 29,900
4710001-007C	01	Construction	Dorris, City of	Water Meter Installation Project	D	FALSE	887	481	$ 2,685,504
4610002-003C	02	Construction	Downieville Public Utility District	Storage Tanks Replacement	F	FALSE	391	224	$ 709,500
4710002-001C	01	Construction	Dunsmuir, City of	Downtown Tank Replacement Project	C	FALSE	1,923	1,285	$ 4,535,000

Project Number	District Number	Project Type	Applicant	Project Title / Description	Class	Consolidation Project	Population	Service Connections	Estimated Requested Funding
5410021-001P	24	Planning	Earlimart Public Utility District	Replacement Well Project	C	FALSE	8,300	1,568	$ 500,000
1510006-001C	12	Construction	East Niles Community Services District	North Weedpatch Hwy Water System Consolidation Project	C	TRUE	25,500	7,406	$ 15,289,500
1910020-001C	22	Construction	East Pasadena Water Company	Well #8 Treatment and Blending for 123 TCP	C	FALSE	9,745	2,953	$ 1,500,000
3910003-002C	10	Construction	Escalon, City of	Well Site No. 1A Improvement Project	F	FALSE	7,137	2,390	$ 1,355,500
4710004-001P	01	Planning	Etna, City of	City of Etna Surface Water Treatment Compliance Planning	B	FALSE	769	383	$ 500,000
1010005-003C	23	Construction	Firebaugh, City of	HUD Water Storage Tank	E	FALSE	6,500	1,347	$ 4,851,300
2900502-002C	21	Construction	Floriston Property Owners Association, Inc.	Spring Filtration Project	A	FALSE	100	40	$ 2,750,000
4400608-002P	05	Planning	Forest Springs	Forest Springs Water Upgrade	B	FALSE	385	128	$ 85,800
1210008-007P	01	Planning	Garberville Sanitary District	Meadows Aerial Waterline Reconstruction Project	F	FALSE	1,500	420	$ 300,000
1210008-008P	01	Planning	Garberville Sanitary District	Robertson and Wallen Road Tank Replacement Project	F	FALSE	1,500	420	$ 350,000
0910013-006C	09	Construction	Georgetown Divide Public Utility District	Automated Meter Reading and Meter Replacement Project	F	FALSE	9,021	3,589	$ 1,933,171
1710002-001P	03	Planning	Golden State Water Company - Clearlake System	Intake Treatment Planning Project	E	FALSE	7,544	2,286	$ 500,000
2710007-001P	05	Planning	Gonzales, City of	Water Extension to Alpine Court Planning	A	TRUE	8,803	1,894	$ 375,000
2910001-004C	21	Construction	Grass Valley, City of	Water Distribution System Pipeline Repair and Replacement	F	FALSE	5,600	2,328	$ 5,000,000
2910001-005C	21	Construction	Grass Valley, City of	Water Treatment Plant Improvement Project	F	FALSE	5,600	2,328	$ 5,000,000
2910001-006C	21	Construction	Grass Valley, City of	Water Service, Earthquake Preparation, and Control Project	F	FALSE	5,600	2,328	$ 5,000,000
2710008-001C	05	Construction	Greenfield, City of	Apple Avenue Water System Consolidation	C	TRUE	17,547	3,469	$ 389,000

Project Number	District Number	Project Type	Applicant	Project Title / Description	Class	Consolidation Project	Population	Service Connections	Estimated Requested Funding
2710008-002C	05	Construction	Greenfield, City of	Elm Avenue Well, Booster Station, Reservoir, and Connecting Distribution Pipeline	F	FALSE	17,547	3,469	$ 5,500,000
0410004-001C	21	Construction	Gridley, City of	Waterline Replacement Project	F	FALSE	6,403	2,077	$ 12,824,400
0910006-001P	09	Planning	Grizzly Flats Community Services District	Water System Improvement Planning Project	F	FALSE	1,300	609	$ 385,000
5510009-002C	11	Construction	Groveland Community Services District	GCSD Water System Improvements	F	FALSE	3,400	3,293	$ 5,352,675
5510009-003C	11	Construction	Groveland Community Services District	Big Creek and Second Garrotte Clearwell Rehabilitation	F	FALSE	3,400	3,293	$ 3,402,000
1600507-002C	12	Construction	Hardwick Water Company	Hardwick Water Company Meter and Main Replacement	C	FALSE	40	16	$ 1,086,690
3610017-001P	13	Planning	Havasu Water Company	Havasu Water Company Improvements Plan	C	FALSE	350	211	$ 498,500
3100038-001P	02	Planning	Heather Glen Community Services District	Water Treatment Plant Storage and Reliability Project	F	FALSE	250	86	$ 434,350
3310016-009C	20	Construction	Hemet, City of	Water Distribution System Improvements	F	FALSE	20,047	8,667	$ 16,992,000
1805007-001C	02	Construction	Herlong Public Utility District	West Patton Water System Project	D	FALSE	1,200	1	$ 2,398,128
1710003-001P	03	Planning	Highlands Water Company	Highlands Water Treatment Plant and Distribution Improvements	F	FALSE	5,300	2,303	$ 500,000
P84C-2010007-005C	11	Construction	Hillview Water Company	Treatment to reduce arsenic and uranium	C	FALSE	3,006	1,026	$ 6,004
1610007-003P	12	Planning	Home Garden Community Services District	Home Garden System Deficiencies Planning Project	F	FALSE	1,750	453	$ 350,000
5400994-001P	24	Planning	Hope Elementary School	Hope Elementary School Water Well Planning Project	A	FALSE	100	1	$ 500,000
4700513-004P	01	Planning	Hornbrook Community Services District	Water Treatment Plant Rehabilitation	F	FALSE	280	141	$ 497,000
5010008-012C	10	Construction	Hughson, City of	Cobles Corner/County Villa Consolidation with City of	C	TRUE	6,082	1,779	$ 4,116,274

Project Number	District Number	Project Type	Applicant	Project Title / Description	Class	Consolidation Project	Population	Service Connections	Estimated Requested Funding
				Hughson					
1010044-008P	23	Planning	Huron, City of	Domestic Water Well Planning Project	F	FALSE	7,306	862	$ 280,000
1210019-001P	01	Planning	Hydesville County Water District	Hydesville County Water District Water System Improvements	F	FALSE	1,200	394	$ 500,000
3200510-002P	02	Planning	Indian Valley Community Services District	Crescent Mills Filters, PLC, & SCADA Rehabilitation	F	FALSE	380	85	$ 124,000
2110001-001C	18	Construction	Inverness Public Utility District	Tenney Tank Replacement	F	FALSE	702	501	$ 800,000
3600139-001C	13	Construction	Jubilee Mutual Water Company	Gordon Acres Consolidation Project	A	TRUE	855	171	$ 7,282,600
3600222-001P	13	Planning	Juniper Riviera County Water District	Juniper Riviera CWD Water System Improvements	F	FALSE	332	168	$ 423,000
1502307-001C	19	Construction	Kern, County of	Peak-to-Peak Mountain Charter School water system permanent source	C	FALSE	75	17	$ 836,000
5010009-005C	10	Construction	Keyes Community Services District	1,2,3-TCP Removal Treatment System	C	FALSE	4,575	1,450	$ 10,410,000
1000577-001C	23	Construction	Kings Canyon Unified School District	Dunlap Leadership Academy Water Supply Upgrade and Consolidation Project	C	FALSE	75	3	$ 1,636,000
5000008-001P	10	Planning	Knights Ferry Community Services District	Water Supply Improvement Planning Project	C	FALSE	85	62	$ 255,000
1710006-005C	03	Construction	Konocti County Water District	Water System Improvements Project	C	FALSE	4,986	1,733	$ 3,410,000
1500475-003C	19	Construction	Krista Mutual Water Company	Meter Installation and Valve Replacement Project	D	FALSE	428	171	$ 600,500
1710018-002P	03	Planning	Lake County Special Districts	Spring Valley Distribution System Upgrades	F	FALSE	1,018	420	$ 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	$ 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	$ 500,000
1710022-009C	03	Construction	Lake, County of (CSA 20)	Soda Bay Water Treatment Plant Improvements	F	FALSE	1,342	596	$ 5,000,000

Project Number	District Number	Project Type	Applicant	Project Title / Description	Class	Consolidation Project	Population	Service Connections	Estimated Requested Funding
4500008-001C	02	Construction	Lakeshore Villa Mutual Water Company	Meter Installation	D	FALSE	88	46	$ 32,600
4500008-001C	02	Construction	Lakeshore Villa Mutual Water Company	Meter Installation	D	FALSE	134	48	$ 32,600
4300779-001C	17	Construction	Lakeside Joint School District	Lakeside Joint School District Water Supply Project	B	FALSE	110	3	$ 1,598,360
1510012-008C	12	Construction	Lamont Public Utility District	Lamont PUD and El Adobe POA consolidation project	C	TRUE	13,296	3,475	$ 6,760,000
1510012-009P	12	Planning	Lamont Public Utility District	Lamont PUD Arsenic Treatment	C	FALSE	13,296	3,475	$ 457,000
2410011-001P	11	Planning	Le Grand Community Services District	Le Grand Community Services District Well Site Seven	F	FALSE	1,700	433	$ 297,600
5301002-003C	01	Construction	Lewiston Community Services District	Lewiston CSD Well 8 Project	F	FALSE	150	37	$ 674,000
5301002-004C	01	Construction	Lewiston Community Services District	Lewiston CSD Water Distribution System Replacement Project	D	FALSE	150	37	$ 2,380,000
3610003-001C	13	Construction	Liberty Utilities (Apple Valley Ranchos Water) Co.	Rehabilitation of the Yermo Water System	C	FALSE	52,879	18,744	$ 5,000,000
4901381-001C	18	Construction	Lichau Hylands MWC	Redwood Tank Replacement and Volume Upgrade	F	FALSE	37	16	$ 60,000
5810002-001C	21	Construction	Linda County Water District	Linda County Water District Well 17 Project	F	FALSE	10,000	3,975	$ 5,000,000
2410004-004C	11	Construction	Livingston, City of	Livingston 1,2,3-TCP Removal Treatment System Project	C	FALSE	13,795	2,948	$ 12,000,000
3400138-001C	09	Construction	Locke Water Works Company	(I) Locke Water System Intertie w/ SCWA	C	FALSE	65	55	$ 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	$ 264,988
5410017-003C	12	Construction	London Community Services District	Water System Reliability Project	C	FALSE	1,638	432	$ 50,000
5410017-004P	12	Planning	London Community Services District	1,2,3-TCP Compliance Improvements	C	FALSE	1,638	432	$ 500,000
1910204-002C	16	Construction	Los Angeles County Waterworks District 29	Coastline Drive 12-inch Waterline Replacement	F	FALSE	27,807	7,733	$ 2,025,000

Project Number	District Number	Project Type	Applicant	Project Title / Description	Class	Consolidation Project	Population	Service Connections	Estimated Requested Funding
1910204-003C	16	Construction	Los Angeles County Waterworks District 29	Owen Tank Replacement	C	FALSE	27,807	7,733	$ 3,306,320
1910204-006C	16	Construction	Los Angeles County Waterworks District 29	Creek Crossing Repairs	F	FALSE	27,807	7,733	$ 1,945,000
1910204-001C	16	Construction	Los Angeles County Waterworks District 29	Malibu Branch Feeder 30-inch Realignment	F	FALSE	27,807	7,733	$ 1,510,000
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	$ 6,090,000
1910204-005C	16	Construction	Los Angeles County Waterworks District 29	Lower Busch Tank	F	FALSE	27,807	7,733	$ 2,405,000
1910204-009P	16	Planning	Los Angeles County Waterworks District 29	Sweetwater Mesa System Improvements	C	FALSE	27,807	7,733	$ 2,024,000
1910185-001C	16	Construction	Los Angeles County Waterworks District 36	Del Valle Road Water Main Replacement	F	FALSE	4,660	1,320	$ 3,750,000
1910248-001C	16	Construction	Los Angeles County Waterworks District 37	Acton Well 37-5	C	FALSE	4,282	1,377	$ 1,365,000
1910248-002P	16	Planning	Los Angeles County Waterworks District 37	3220 Tank	F	FALSE	4,282	1,377	$ 653,000
1910070-002C	16	Construction	Los Angeles County Waterworks District 40	Desert Palms Mobile Home Park Intertie Project	C	TRUE	144,215	46,878	$ 100,000
1910067-055C	15	Construction	Los Angeles, City of Acting by and through the Department of Water & Power	Fairmont Sedimentation Plant	F	FALSE	4,071,873	680,607	$524,700,000
1910067-056C	15	Construction	Los Angeles, City of Acting by and through the Department of Water & Power	Century Trunk Line Unit 2	F	FALSE	4,071,873	680,607	$ 46,840,000
1910067-057C	15	Construction	Los Angeles, City of Acting by and through the Department of Water & Power	Manhattan Wellfield On-site Hypochlorite Generation Station	F	FALSE	4,071,873	680,607	$ 9,000,000
1910067-058C	15	Construction	Los Angeles, City of Acting by and through the Department of Water & Power	City Trunk Line North Unit 2	F	FALSE	4,071,873	680,607	$ 62,468,400
1910147-013C	22	Construction	Los Angeles, County of	Sativa Los Angeles County Water District Phase I	A	FALSE	6,813	1,488	$ 1,768,825
1710010-002C	03	Construction	Lower Lake County Water District	Lower Lake/Konocti/Highlands Emergency Interties	F	FALSE	1,902	851	$ 1,200,000

Project Number	District Number	Project Type	Applicant	Project Title / Description	Class	Consolidation Project	Population	Service Connections	Estimated Requested Funding
0910007-001C	09	Construction	Lukins Brothers Water Company	Phase 2 Waterline Project - James Avenue	D	FALSE	3,168	968	$ 1,330,000
0910007-002C	09	Construction	Lukins Brothers Water Company	Lukins GAC Treatment Plant	C	FALSE	3,168	968	$ 2,139,600
0910007-003C	09	Construction	Lukins Brothers Water Company	Two Well Replacements	C	FALSE	3,168	968	$ 1,500,000
0910007-004C	09	Construction	Lukins Brothers Water Company	Lukins Brothers Water Company Inc. Meter Project	D	FALSE	3,168	968	$ 3,301,000
1910079-001P	22	Planning	Lynwood, City of	Well 19 Improvement Project	F	FALSE	73,212	9,035	$ 100,000
2000729-001C	11	Construction	Madera County of (CSA #16 - Sumner Hill)	CSA #16 Sumner Hill Water System Improvements	F	FALSE	135	41	$ 4,500,000
2010010-001P	11	Planning	Madera Valley Mutual Water Company	Madera Valley Water Company Water Quality Improvment Project	F	FALSE	4,625	1,850	$ 500,000
2010003-004C	11	Construction	Madera, County of	MD-6 & MD-7 Consolidation Project, New Well and Treatment	C	FALSE	2,800	995	$ 6,533,008
2010008-002C	11	Construction	Madera, County of	MD #10A- Consolidation Incentive Construction Project	D	FALSE	2,255	922	$ 15,508,940
2000554-002C	11	Construction	Madera, County of	MD33 Fairmead - Drinking Water Construction Project	C	FALSE	568	165	$ 1,549,823
2000865-001P	11	Planning	Madera, County of (MD#58 Sierra Highlands)	MD-58 Sierra Highlands Water System Improvements	F	FALSE	75	25	$ 350,000
2000553-001P	11	Planning	Madera, County of (MD28 - Ripperdan Self Help)	MD-28 Ripperdan Water System Improvements	C	FALSE	48	20	$ 500,000
2010006-001P	11	Planning	Madera, County of (MD3 - Parksdale)	MD3 Parksdale - Parksdale Drinking Water Project	F	FALSE	1,188	530	$ 480,500
2000727-001P	11	Planning	Madera, County of (MD36 - Eastin Arcola)	MD36 Eastin Arcola - Eastin Arcola Water System Improvements Project	C	FALSE	150	28	$ 500,000
2000728-001C	11	Construction	Madera, County of (MD37 - La Vina)	MD37 La Vina - Water Meter Installation	D	FALSE	350	99	$ 277,250
2000511-001P	11	Planning	Madera, County of (MD85 - Valeta)	MD85 Valeta - Valeta Water System Improvements Project	C	FALSE	45	19	$ 500,000

Project Number	District Number	Project Type	Applicant	Project Title / Description	Class	Consolidation Project	Population	Service Connections	Estimated Requested Funding
1210017-001C	01	Construction	Manila Community Services District	Manila CSD Drinking Water Infrastructure Improvement Project	F	FALSE	1,000	343	$ 3,504,000
3910005-001C	10	Construction	Manteca, City of	Nile Garden School - Well 30 Water Supply Project	C	TRUE	66,451	18,372	$ 5,000,000
0400063-001P	21	Planning	Manzanita Elementary School District	Manzanita Well Replacement	C	FALSE	225	2	$ 495,000
1910086-001C	16	Construction	Maywood Mutual Water Company #3	Water Quality Improvement Project	F	FALSE	9,500	2,036	$ 2,650,000
1010021-001C	23	Construction	Mendota, City of	Mendota Automatic Meter Reading	F	FALSE	8,656	1,680	$ 3,074,561
1010021-002P	23	Planning	Mendota, City of	Water Supply Planning Project	E	FALSE	8,656	1,680	$ 500,000
5010033-001P	10	Planning	Modesto, City of	Grayson Community Water System Facilities	F	FALSE	1,100	275	$ 500,000
3700018-001C	14	Construction	Mountain Empire Unified School District	Campo Elementary School Water Facility Reconstruction	F	FALSE	300	4	$ 919,915
3700118-001C	14	Construction	Mountain Empire Unified School District	Camp Lockett Middle School Water System Improvement Project	F	FALSE	25	3	$ -
4710008-001C	01	Construction	Mt. Shasta, City of	City of Mt. Shasta Tank 1 & Roseburg Water System Improvements	C	FALSE	3,642	1,675	$ 5,000,000
4710008-003C	01	Construction	Mt. Shasta, City of	Water Distribution System Improvements	F	FALSE	3,642	1,675	$ 5,000,000
1200538-002C	01	Construction	Myers Flat Mutual Water System, Inc.	Distribution System Improvement Project	F	FALSE	400	102	$ 1,837,760
3310051-001P	20	Planning	Myoma Dunes Mutual Water Company	Chromium-6 Treatment and Compliance	C	FALSE	6,600	2,408	$ 2,671,640
3610032-001C	13	Construction	Needles, City of	Lilly Hill Booster Station Replacement/Relocation Project	F	FALSE	3,631	1,832	$ 15,000
1000063-005C	23	Construction	New Auberry Water Association	New Auberry Water Association Project	B	FALSE	80	40	$ 3,131,200
5010013-001C	10	Construction	Newman, City of	Newman Well 10 Project	C	FALSE	10,586	3,410	$ 9,452,000
2100582-001C	18	Construction	Nicasio School District	Nicasio School District Water System Upgrade	B	FALSE	70	5	$ 55,000
1710008-001C	03	Construction	Nice Mutual Water Company	Meter Renovation Project	D	FALSE	2,500	1,064	$ 17,359

Project Number	District Number	Project Type	Applicant	Project Title / Description	Class	Consolidation Project	Population	Service Connections	Estimated Requested Funding
231007-018C	03	Construction	North Gualala Water Company, Incorporated	Parr Tank and Pipeline Improvement	F	FALSE	2,595	1,038	$ 1,440,000
0054006-001P		Planning	North Tulare County Regional Water Alliance	North Tulare County Regional Water Supply Planning Project	F	TRUE			$ 1,000,000
5500243-001P	11	Planning	OLA Rambling Hills, LLC	Water Source Planning	F	FALSE	45	17	$ 125,000
5810003-001P	21	Planning	Olivehurst Public Utility District	Olivehurst PUD Water Main Replacement Project	F	FALSE	12,200	3,534	$ 225,000
1010023-003C	23	Construction	Orange Cove, City of	City of Orange Emergency Water Supply	C	FALSE	8,500	1,450	$ 230,000
1010023-005C	23	Construction	Orange Cove, City of	Emergency Lining of Source Water Retention Basins	C	FALSE	8,500	1,450	$ 3,000,000
1010023-006P	23	Planning	Orange Cove, City of	City of Orange Cove Water Supply Reliability Project	F	FALSE	8,500	1,450	$ 481,000
1200701-001P	01	Planning	Orick Community Services District	Water Tank Replacement Project	C	FALSE	400	139	$ 374,000
1110001-005P	21	Planning	Orland, City of	Domestic well and ground storage tank	A	FALSE	6,525	2,615	$ 245,000
4110020-001P	17	Planning	Palo Alto Park MWC	PAPMWC Iron and Manganese Removal System	F	FALSE	2,500	652	$ 500,000
5400519-001C	24	Construction	Palo Verde Union Elementary School District	Palo Verde Elementary School Well Project	D	FALSE	500	26	$ -
0410007-002C	21	Construction	Paradise Irrigation District	Reservoir "B" Replacement Construction Project	F	FALSE	26,299	10,063	$ 15,500,000
1010025-001C	11	Construction	Parlier, City of	1,2,3-TCP Removal Treatment Systems	A	FALSE	12,058	2,329	$ 17,322,726
5010017-001C	10	Construction	Patterson, City of	Metering System Replacement Project	F	FALSE	23,764	6,506	$ 4,000,000
1200541-003P	01	Planning	Phillipsville Community Services District	Treatment Deficiency Remediation	B	FALSE	300	65	$ 267,720
1000405-001P	23	Planning	Piedra Park Association	Water System Improvement Project	B	FALSE	16	18	$ 500,000
0310005-001C	10	Construction	Pine Grove Community Services District	Water Tanks Replacement Project	F	FALSE	900	361	$ 2,500,000
0310005-002C	10	Construction	Pine Grove Community Services District	Meter Replacement Project	D	FALSE	900	361	$ 2,725,000
0310005-003C	10	Construction	Pine Grove Community Services District	Infrastructure Replacement	F	FALSE	900	361	$ 5,000,000

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1010026-001P	11	Planning	Pinedale County Water District	Pinedale County Water District - Water Meter Project	E	FALSE	8,495	3,370	$ 500,000
1510054-001C	19	Construction	Pinon Pines Estates Mutual Water Company	Pinon Pines Fluoride Mitigation Project	C	FALSE	740	242	$ 1,000,000
3110005-007C	02	Construction	Placer County Water Agency	Dutch Flat Mutual Consolidation	F	FALSE	27,199	8,242	$ 3,332,000
3110005-009C	02	Construction	Placer County Water Agency	Auburn Mobile Home Village Consolidation	C	FALSE	27,199	8,242	$ 431,000
2410007-001P	11	Planning	Planada CSD	Planada Community Services District Water Supply Project	F	FALSE	4,000	1,095	$ 500,000
5410010-018C	24	Construction	Porterville, City of	Akin Water Consolidation Project	C	TRUE	55,107	15,395	$ 3,387,000
3301380-001C	20	Construction	Pueblo Unido Community Development Corporation	St. Anthony On-Site Water Distribution System	C	FALSE	250	60	$ 725,780
4400598-004C	05	Construction	Puresource Water, Inc	New Well, Customer Meters, Intertie Electricity, Storage Tank Improvements	A	FALSE	450	79	$ 406,670
1500458-002C	19	Construction	R.S. Mutual Water Company	R.S. Mutual Water Company consolidation project	C	TRUE	67	23	$ 538,000
1510016-005C	19	Construction	Rand Communities Water District	Rand Communities Water District Water Supply Project	C	FALSE	344	295	$ 3,218,000
5210004-001C	21	Construction	Red Bluff, City of	Gurnsey Avenue Mutual Water Company Consolidation	A	FALSE	14,005	4,350	$ 349,000
1210011-001P	01	Planning	Redway Community Services District	Drinking Water Improvements Planning Project	C	FALSE	1,500	638	$ 485,790
4100510-003P	17	Construction	Redwood Terrace Water System	Planning Update for Surface Treatment	B	FALSE	75	28	$ 20,000
5410024-003C	12	Construction	Richgrove Community Services District	Richgrove CSD Water System Improvement Project	C	FALSE	3,330	528	$ 8,764,900
5200555-001C	21	Construction	Rio Ranch Community Services District	Water Source Capacity Improvement	F	FALSE	25	21	$ 112,314
5000058-001P	10	Planning	River Park Newman LLC	Fisherman's Bend Mobile Home Park Drinking Water Project Hexavalent	F	FALSE	150	46	$ 465,000

Project Number	District Number	Project Type	Applicant	Project Title / Description	Class	Consolidation Project	Population	Service Connections	Estimated Requested Funding
				Chromium					
0310006-002C	10	Construction	River Pines Public Utility District	River Pines PUD Storage and Distribution Rehab Project	F	FALSE	510	210	$ 5,000,000
1200518-001C	01	Construction	Riverside Community Services District	Riverside CSD Backup Well	F	FALSE	293	98	$ 347,500
1510018-016C	19	Construction	Rosamond Community Services District	RCSD Regional SWRCB Arsenic Compliance Project	C	TRUE	10,633	4,398	$ 8,714,533
3310044-015C	20	Construction	Rubidoux Community Services District	RCSD Advanced Meter Infrastructure (AMI) Project	F	FALSE	26,177	6,206	$ 3,000,000
5304502-001P	01	Planning	Salyer Heights Water Supply, Inc.	Salyer Heights Water Treatment Plant Rehabilitation	A	FALSE	82	42	$ 159,500
5304501-006C	01	Construction	Salyer Mutual Water Company	Water Line Replacement	F	FALSE	85	58	$ 431,300
3610039-052C	13	Construction	San Bernardino, City of	Seismic Retrofit of Steel Reservoirs	F	FALSE	173,359	42,301	$ 7,573,000
3610039-053C	13	Construction	San Bernardino, City of	Water Distribution Mainline Replacement	F	FALSE	173,359	42,301	$ 3,406,000
3600114-003C	13	Construction	San Bernardino, County of	CSA 70 W3 Hacienda Uranium Treatment Facilities	C	FALSE	695	139	$ 56,000
3600220-001C	13	Construction	San Bernardino, County of	CSA 42 Oro Grande Reservoir Rehabilitation/Replacement Project	F	FALSE	700	140	$ 552,000
3600226-001C	13	Construction	San Bernardino, County of	CSA 70 F Morongo Uranium Treatment Facilities	C	FALSE	450	90	$ 455,000
3600196-007C	13	Construction	San Bernardino, County of	CSA 70 W-4 Pioneertown & Hi Desert WD Interconnection Piping	C	FALSE	625	125	$ 760,900
3710020-071C	14	Construction	San Diego, City of	La Jolla View Reservoir	F	FALSE	1,266,731	271,962	$ 16,000,000
3710020-077C	14	Construction	San Diego, City of	Morena Pipeline	F	FALSE	1,266,731	271,962	$ 38,180,000
3710020-079C	14	Construction	San Diego, City of	Alvarado 2nd Pipeline Extension	F	FALSE	1,266,731	271,962	$ 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	$ 19,420,000

Project Number	District Number	Project Type	Applicant	Project Title / Description	Class	Consolidation Project	Population	Service Connections	Estimated Requested Funding
8419-110	14	Construction	San Diego, City of	Pure Water North City Morena Blvd Pump Station & Pipeline (Wastewater Portion)	F	FALSE	1,266,731	271,962	$ 96,511,179
8419-210	14	Construction	San Diego, City of	Pure Water North City Water Reclamation Plant Expansion	F	FALSE	1,266,731	271,962	$ 53,100,333
8419-310	14	Construction	San Diego, City of	Pure Water North City Metropolitan BioSolids Center Improvements	F	FALSE	1,266,731	271,962	$ 1,994,526
8419-410	14	Construction	San Diego, City of	Pure Water North City Water Reclamation Plant Expansion and Influent Conveyance	F	FALSE	1,266,731	271,962	$ 12,264,639
8419-510	14	Construction	San Diego, City of	Pure Water North City Pure Water Pump Station	F	FALSE	1,266,731	271,962	$ 5,701,939
8419-610	14	Construction	San Diego, City of	Pure Water North City Pure Water Pipeline	F	FALSE	1,266,731	271,962	$ 38,232,109
8419-710	14	Construction	San Diego, City of	Pure Water North City Pure Water Facility	F	FALSE	1,266,731	271,962	$138,308,384
8419-810	14	Construction	San Diego, City of	Pure Water North City Morena Blvd Pump Station & Pipeline (Water Portion)	F	FALSE	1,266,731	271,962	$ 16,009,512
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	$238,220,000
3910018-001P	10	Planning	San Joaquin River Club, Inc.	Chrome VI Compliance	F	FALSE	600	400	$ 250,700
3910018-002P	10	Planning	San Joaquin River Club, Inc.	SJRC Water Distribution Improvement Project	F	FALSE	600	400	$ 304,400
1010034-004C	23	Construction	San Joaquin, City of	Well #3 and Well #5 Manganese Removal System	E	FALSE	3,870	944	$ 3,000,000
1010034-005C	23	Construction	San Joaquin, City of	San Joaquin Phase 2 Water System Improvement Project	C	FALSE	0	0	$ 5,000,000
3410021-001C	09	Construction	San Juan Water District	Hinkle Reservoir Rehabilitation Project	F	FALSE	33,792	10,240	$ 17,092,000
3410021-002C	09	Construction	San Juan Water District	Kokila Reservoir Replacement	F	FALSE	33,792	10,240	$ 7,850,000
3410021-004C	09	Construction	San Juan Water District	Eureka Road Transmission Line Replacement	F	FALSE	33,792	10,240	$ 3,125,000

Project Number	District Number	Project Type	Applicant	Project Title / Description	Class	Consolidation Project	Population	Service Connections	Estimated Requested Funding
2701676-006P	05	Planning	San Lucas County Water District	Treated Groundwater Feasibility Report	A	FALSE	500	96	$ 1,288,600
3010038-002C	08	Construction	Santa Ana, City of	Automated Meter Infrastructure	F	FALSE	353,428	44,610	$ 13,700,000
3010038-003C	08	Construction	Santa Ana, City of	Well 32 Nitrate Treatment & Rehabilitation	F	FALSE	353,428	44,610	$ 5,290,000
1910017-001C	22	Construction	Santa Clarita Valley Water Agency	LARC Ranch Water Pipeline	A	TRUE	111,000	28,014	$ 2,771,489
4400617-001C	05	Construction	Santa Cruz Mountains Summit West, Inc	Mountain Charlie Tank Replacement	F	FALSE	400	139	$ 250,000
4410010-001C	05	Construction	Santa Cruz, City of	Graham Hill WTP Storage Tank Replacement	F	FALSE	90,000	24,228	$ 45,900,000
4410010-002C	05	Construction	Santa Cruz, City of	Newell Creek Inlet-Outlet Replacement Project	F	FALSE	90,000	24,228	$103,453,000
2410018-001C	11	Construction	Santa Nella County Water District	Santa Nella/Volta Water Quality Improvement Project	F	TRUE	1,500	454	$ 10,288,924
5400558-001C	24	Construction	Saucelito Elementary School District	Saucelito Water System Improvement Project	A	FALSE	75	3	$ 1,675,000
1210010-001P	01	Planning	Scotia Community Services District	Scotia Water Treatment Facility Replacement	F	FALSE	1,000	309	$ 500,000
4500015-001P	02	Planning	Shasta, County of	Shasta County CSA No. 3 - Castella Intake Replacement	D	FALSE	252	90	$ 500,000
4500317-001P	02	Planning	Shasta, County of	Shasta County CSA#11 - French Gulch Modernization	F	FALSE	185	100	$ 455,000
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	$ 828,000
2000506-001C	11	Construction	Sierra Linda Mutual Water Company	Consolidation, Metering, and Water Treatment	D	FALSE	180	89	$ 3,743,100
4600018-001P	02	Planning	Sierraville Public Utility District	New Water Source	D	FALSE	200	102	$ 320,100
5200562-001P	21	Planning	Sky View County Water District	Water System Improvements	C	FALSE	120	98	$ 498,000
0810002-001P	01	Planning	Smith River Community Services District	Smith River Infrastructure Rehabilitation	F	FALSE	2,568	508	$ 455,000
4900510-001P		Planning	South Cloverdale Water Corporation	South Cloverdale Water Company Metering	D	FALSE			$ 241,500

Project Number	District Number	Project Type	Applicant	Project Title / Description	Class	Consolidation Project	Population	Service Connections	Estimated Requested Funding
3010055-001C	08	Construction	South Coast Water District	Doheny Ocean Desalination	F	FALSE	20,500	5,619	$102,056,000
0910002-028C	09	Construction	South Tahoe Public Utility District	Keller Heavenly Water System Improvements Project	F	FALSE	60,000	13,635	$ 5,504,500
0910002-029C		Construction	South Tahoe Public Utility District	2019 Waterline Replacement Program	F	FALSE	45,000	13,635	$ 9,000,000
5010043-001C	10	Construction	Stanislaus Regional Water Authority	Surface Water Supply Project	F	FALSE	118,032	30,332	$230,000,000
3910012-001C	10	Construction	Stockton, City of	City of Stockton Consolidation Project	F	TRUE	158,113	46,119	$ 600,000
1700536-004C	03	Construction	Sunrise Shore Mutual Water Company	Compliance and Sustainability Project	F	FALSE	45	37	$ 1,100,000
3110011-005C	02	Construction	Tahoe City Public Utility District	West Lake Tahoe Regional Water Treatment Plant	B	FALSE	750	453	$ 7,725,000
4700531-005P	01	Planning	Tennant Community Services District	Water Distribution Replacment Project	D	FALSE	94	94	$ 253,000
5410038-004C	12	Construction	Terra Bella Irrigation District	Disinfection Byproducts Compliance Project	B	FALSE	2,340	718	$ 1,186,200
5410014-002C	12	Construction	Tipton Community Services District	North Burnett Road Permanent Connection Project	C	FALSE	1,992	592	$ -
3400172-001C	09	Construction	Tokay Park Water Company	New Production Well and Interconnection Project	A	FALSE	525	190	$ 462,000
1910213-010C	22	Construction	Torrance, City of	Van Ness Avenue Wellfield	F	FALSE	113,136	26,461	$ 16,000,000
5400903-002P2	24	Planning	Tract 92 Community Services District	Consolidation with California Water Service-Visalia	D	FALSE	500	91	$ 201,663
1010030-006C	23	Construction	Tranquillity Irrigation District	Tranquillity Irrigation District Water Meters Project	D	FALSE	820	326	$ 1,400,000
1010030-007C	23	Construction	Tranquillity Irrigation District	TID Rural Water System Improvement Project	C	FALSE	820	326	$ 4,700,000
1010030-008C	23	Construction	Tranquillity Irrigation District	TID Ag Well 19B Treatment	D	FALSE	820	326	$ 4,237,000
5310002-002P	01	Planning	Trinity County Waterworks District #1	Planning/Design for Treatment Plant Upgrade	B	FALSE	2,700	535	$ 470,500
5410015-001C	24	Construction	Tulare, City of	Consolidation of City of Tulare, Pratt, and Soults Mutual Water Systems	D	FALSE	60,300	17,086	$ 2,000,000

Project Number	District Number	Project Type	Applicant	Project Title / Description	Class	Consolidation Project	Population	Service Connections	Estimated Requested Funding
5400550-002C	24	Construction	Tulare, County of	Seville Water Co. Consolidation with Yettem Water System	C	TRUE	400	77	$ 7,878,776
4710010-003P	01	Planning	Tulelake, City of	Waterline and Meter Replacement, and Backflow Protection	F	FALSE	1,058	484	$ 80,500
5510013-010C	11	Construction	Tuolumne Utilities District	Cuesta Heights Water Storage	F	FALSE	3,646	1,545	$ 3,142,689
5510033-001C	11	Construction	Tuolumne Utilities District	Curtis Creek Elementary School Water System Consolidation Project	A	FALSE	625	265	$ 1,962,575
5510005-001P	11	Planning	Twain Harte Community Services District	Twain Harte CSD Water System Evaluation and Modernization Project	D	FALSE	2,568	1,562	$ 500,000
4300575-001P	17	Planning	Twin Valley Incorporated	Well, Tank and Control Replacement	A	FALSE	250	83	$ 313,000
1500371-001P	19	Planning	Union Pacific Railroad Company	Keene Water System - New Water Supply and System Modifications	E	FALSE	147	42	$ -
1710009-001P	03	Planning	Upper Lake County Water District	Cal 20 Consolidation	F	FALSE	989	370	$ -
3710026-002C	14	Construction	Valley Center Municipal Water District	Pipeline Replacement	F	FALSE	25,572	9,704	$ 13,970,000
4900568-001C	18	Construction	Valley Ford Water Association	VFWA New Well	A	FALSE	40	16	$ 1,500,000
3610051-001P	13	Planning	Valley of Enchantment Mutual Water Company	Infrastructure Replacements, tanks, services lines, auto metering systems	F	FALSE	1,815	823	$ 500,000
5610029-001P	06	Planning	Vineyard Avenue Acres MWC	Vineyard Avenue Acres MWC System Improvements	F	FALSE	1,820	364	$ 405,000
1910169-001C	07	Construction	Walnut Park Mutual Water Company	Water Meter Replacement	D	FALSE	16,180	2,801	$ 150,000
5010026-001C	10	Construction	Waterford, City of	Hickman Water System Improvements Construction Project	D	FALSE	565	181	$ 2,350,000
5400795-001C	24	Construction	Waukena Joint Union Elementary School District	Waukena Elementary Water System Improvements	A	FALSE	230	5	$ 1,450,000
4710009-002C	01	Construction	Weed, City of	City of Weed Bypass Water Supply Pipeline Project	C	FALSE	2,963	1,042	$ 5,000,000

Project Number	District Number	Project Type	Applicant	Project Title / Description	Class	Consolidation Project	Population	Service Connections	Estimated Requested Funding
3610004-001P	13	Planning	West Valley Water District	District 39 Nitrate Removal Wellhead Treatment Plant	F	FALSE	63,693	18,198	$ 450,000
1210024-004	01	Planning	Westhaven Community Services District	Disinfection Byproduct Reduction	F	FALSE	490	213	$ 500,000
1310008-003C	14	Construction	Westmorland, City of	Westmorland Water Treatment Plant Improvements	C	FALSE	2,444	601	$ 5,000,000
0610004-001C	21	Construction	Williams, City of	Williams Water System Improvements Project	D	FALSE	5,250	1,324	$ 4,729,000
2310005-001P	03	Planning	Willow County Water District	Well Renovation Planning	C	FALSE	3,797	1,051	$ 220,000
1300009-001P	14	Planning	Winterhaven County Water District	Water Treatment and Distribution Upgrades	E	FALSE	800	180	$ 500,000
5700788-003C	09	Construction	Yolo, County of	North Davis Meadows Water Consolidation Project	C	TRUE	110	95	$ 8,250,000
2000527-001P	11	Planning	Yosemite Forks Estates Mutual Water Company	Arsenic MCL mitigation project	C	FALSE	110	99	$ 430,000
4710011-001C	01	Construction	Yreka, City of	City of Yreka E. Lennox Street Water Line Replacement & WTP Filter Improvements	B	FALSE	7,290	2,876	$ 3,135,000
4710011-003C	01	Construction	Yreka, City of	Water Supply and Storage Improvements	F	FALSE	7,290	2,876	$ 4,360,000
5110002-016C	21	Construction	Yuba City, City of	Barry Elementary School Water Service	C	TRUE	51,504	13,550	$ 2,383,651

APPENDIX C: SFY 2020-21 DWSRF IUP Fiscal Impact Summary[18]

	Projected SFY 2019-20	Projected SFY 2020-21	Projected SFY 2021-22	Projected SFY 2022-23	Projected SFY 2023-24
Beginning Balance (Cash + Undrawn Federal Capitalization Grants)	$364,573,442	$222,399,589	$67,459,151	$134,866,481	$305,800,163
Estimated Federal Capitalization Grants Received[19] (Loan Fund)	$71,833,280	$71,879,160	$62,900,000	$62,900,000	$62,900,000
Estimated Prop 1 State Match	$40,935,529	$0	$0	$0	$0
Estimated Principal Payments + Interest Earnings	$90,557,678	$111,097,164	$114,610,004	$115,010,432	$114,560,251
Estimated SMIF[20]Interest Earnings	$2,400,000	$2,400,000	$2,400,000	$2,400,000	$2,400,000
Existing Revenue Bond Debt Service	($6,668,895)	($9,290,450)	($9,320,000)	($9,376,750)	($9,435,500)
Estimated Disbursements[21]	($341,231,445)	($331,026,312)	($103,182,673)	$0	$0
Estimated Year-End Balances[22]	**$222,399,589**	**$67,459,151**	**$134,866,481**	**$305,800,163**	**$476,224,913**

	SFY 2020-21	SFY 2020-21	SFY 2021-22	SFY 2022-23	SFY 2023-24
Estimated Yearly Cash Flows[23]	**($142,173,853)**	**($154,940,438)**	**$67,407,330**	**$170,933,682**	**$170,424,751**

[18] Forecast as of April 2020.
[19] These numbers include a final amount for the FFY 2019 grant that the State Water Board received on July 31, 2019, and the final amount for the FFY 2020 grant. 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.
[20] SMIF means Surplus Money Investment Fund.
[21] Estimated disbursements are a forecast of the cash disbursements for projects with executed financing agreements.
[22] Estimated Year End Balances represent a running total based on the previous year's ending balance.
[23] 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.

APPENDIX D: Planning Project Grant for an Eligible PWS

Affordability Criteria		Grant Amount	
Population	Community MHI	Percent of Total Project Cost	Maximum Grant/PF Per Project*
<10,000	<80% of Statewide MHI	Up to 100%	N/A

*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.

To the extent consistent with state law, this PF/grant 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.

In making DAC determinations, the State Water Board will consider whether the households benefitting from the project are primary homes. If a community includes secondary homes that are 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 secondary homes will be evaluated on a case-by-case basis to determine eligibility for grant or partial grant. 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.

APPENDIX E: Construction Project Financing Limitations for an Eligible SCWS, ESCWS, or NTNC that Serves a SMALL DAC or SMALL SDAC or a PWS Extending Water Service to a SMALL DAC or SMALL SDAC Not Currently Served by a PWS

Maximum PF, Grant or Combination Thereof Per Construction Project [25]			
Type of Community[26]Served by CWS	**Residential Water Rates as a Percentage of MHI [27]**	**Percentage of Total Eligible Project Cost [28]**	**Maximum Amount Per Connection/ [29, 30]**
Category A – C Projects			
Small DAC, Small SDAC or Eligible NTNC That Serves a Small DAC	N/A	up to 100%	$60,000 [31]
Expanded Small DAC/SDAC or Small Non-DAC		up to 75%[33]	
Category D – F Projects[32]			
Small SDAC or Eligible NTNC That Serves a Small DAC	N/A	up to 90% [33]	$45,000 [34]
Small DAC	>=1.5%	up to 75%[33]	
	<1.5%	Not Eligible for PF, Grant or Combination Thereof	
Expanded Small SDAC	>=1.5%	up to 50%	$45,000 [34]
	<1.5%	Not Eligible for PF, Grant or Combination Thereof	
Expanded Small DAC	>=1.5%	up to 25%	$45,000 [34]
	<1.5%	Not Eligible for PF, Grant or Combination Thereof	

Repayable Construction Financing Terms				
Type of Community[26]Served by SCWS	**Residential Water Rates as a Percentage of MHI**	**Interest Rate**	**Maximum Financing Term [35]**	**Local Cost Share [36]**
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		

[25] The Deputy Director of DFA has the discretion as to which IUP (2019-20 or 2020-21) rules apply to projects with complete applications submitted to the DFA before June 30, 2020.
[26] See Section I.E. of this IUP for the specific definitions of each type of community.
[27] For the purposes of a consolidation or intertie project, the residential water rate of the consolidated or intertied system resulting from the consolidation or intertie may be considered.
[28] The Deputy Director of DFA may approve up to 100% grant for capital costs required to complete a mandatory or voluntary consolidation.
[29] 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.
[30] 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.
[31] The Deputy Director of DFA may approve up to $80,000 per connection for good cause.
[32] Funding priority will be given to Category A-C Projects and consolidation projects ranked D-F.
[33] The Deputy Director of DFA may approve up to 100% for good cause.
[34] The Deputy Director of DFA may approve up to $60,000 per connection for good cause.
[35] Financing Term shall not exceed the useful life of the facilities being financed.
[36] 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).

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.

In making Small DAC determinations, the State Water Board will consider whether the households benefitting from the project are primary homes. If a community includes secondary homes that are 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 secondary homes will be evaluated on a case-by-case basis to determine eligibility for grant or partial grant. 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.

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.

APPENDIX F: FFY 2020 Estimated Federal Capitalization Grant Cash Draw Schedule

FFY DWSRF Capitalization Grant/Accounts	Total Amount (Date of Award)	SFY 2020-21 Federal Draws				SFY 2021-22 Federal Draws				SFY 2022-23 Federal Draws			
Project Loan Fund		**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**
2020 Cap Grant	$97,000,000		$27,000,000	$40,000,000	$18,000,000								
Set-Aside Accounts													
2020 DWSRF Administration	$3,880,000			$776,000	$776,000	$776,000	$776,000	$776,000					
2020 SWS Administration	$1,940,000						$388,000	$388,000	$388,000	$388,000	$388,000		
2020 PWSS	$9,700,000				$9,700,000								
2020 Local Assistance	$9,700,000								$2,425,000	$2,425,000		$2,425,000	$2,425,000

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

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)

SUPPLEMENTAL INTENDED USE PLAN

June 16, 2020

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) intends to apply for the full ASADRA funds of $41,903,000 and $183,000 that are allocated to the California DWSRF and CWSRF respectively. This Supplemental Intended Use Plan (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.’” (attached as Exhibit A).

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 will transfer 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. 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 2020-2021 DWSRF IUP for public health benefits, ensuring its perpetuity, and expeditious use of funds under section VII. Outcomes, Goals, Activities, and Measures.

IV. 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 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.'"

V. 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.

VI. PROGRAM SCHEDULE AND FUNDING APPROACH

The estimated schedule for public comment, application to the U.S. EPA, State Water Board adoption of this ASADRA supplemental IUP, and award of the ASADRA funds is the same as the schedule for the FY 2020-2021 DWSRF IUP as presented in Section VII of the FY 2020-2021DWSRF IUP.

The existing DWSRF application process and forms will be 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 FAAST portal https://faast.waterboards.ca.gov/ where details of the

application and supporting documentation are described in order to complete the DWSRF application.

Applications may be submitted at any time. Eligible applicants may apply for and receive ASADRA funds separately or in combination with any other funds offered by the DFA for which the applicant is eligible. A separate application may be submitted for ASADRA funds exclusively, or an existing application for base program DWSRF or other funds may also serve as an application for the additional ASADRA funds.

If the requested funding exceeds the available ASADRA funds on September 30, 2020, DFA will evaluate all applications that have been started and prioritize the applications. The applications will be prioritized for ASADRA funding based on the following factors.

- A complete application[36] has been submitted
- The project is expected to start construction by December 31, 2021
- The applicant serves a small disadvantaged or small severely disadvantaged community
- The health and safety benefits provided by the project based on the rankings described in Section VI.B. of the Policy for Implementing the DWSRF

If on September 30, 2020, the available funds are greater than the funds requested, then DFA will prioritize and work to expeditiously execute agreements for all the funding requests with a complete application received by September 30, 2020, but will continue to assist other eligible applicants to complete their applications and accept additional applications from eligible applicants. The additional applications that are not complete on September 30, 2020, will be funded on the basis of readiness for an agreement until all of the remaining funds are committed. 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 December 31, 2021 may be committed to any eligible project on the basis of readiness for an agreement.

[36] Applications are considered complete when all four packages are submitted including the necessary documentation and attachments.

VII. FUNDING AVAILABILITY AND TERMS

Section X (page 90) provides a table of potential ASADRA projects – the ASADRA Fundable List. Currently, the ASADRA project list includes 17 entities, 44 potential projects, and a total cost estimate of $194,323,079. The list was compiled based on discussions with the State Water Board's Division of Drinking Water (DDW) and U.S. EPA. Projects and the associated costs may be modified as more information is gathered from the affected systems. The Deputy Director of DFA is authorized to add to the list any additional projects that request ASADRA funds and appear to be eligible.

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 loan funds at zero percent (0%) and 30 percent principal forgiveness.

As with a standard DWSRF loan, ASADRA loans may 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 loans that require the consent of the Deputy Director of DFA for prepayment, ASADRA loans 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 loan funds may be used in conjunction with ASADRA funds to fully fund the remaining portions of the ASADRA projects.

VIII. ADMINISTRATION AND SET-ASIDE FUNDS

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

IX. 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.

X. ASADRA FUNDABLE PROJECT LIST

Applicant	Project	Estimated Project Cost	Project Description	Size of Community Served	Contact
Berryessa Estates (Lake Berryessa Resort Improvement District)	Berryessa Estates Intake Project	$132,000	Berryessa Estates is struggling with degraded water quality at its current intake, resulting from wildfire impacts to the watershed in 2018 and other recent years. The Berryessa Estates intake project would involve procurement of materials, labor and equipment to construct a seasonal intake (May to November) that would draw Lake Berryessa source water above the hypolimnion where perennial problems occur with severe degradation of water quality. Decaying aquatic vegetation, algae blooms and biological activity in the benthic zone are prevalent every summer to late fall. High concentrations of hydrogen sulfide, diurnal variations in pH, taste and odor compounds and organic matter make process treatment a tremendous challenge. Design is complete.	Population 476	Christopher Silke, Engineering Manager, Water Resources
Berryessa Highlands (Napa Berryessa Resort Improvement District)	Berryessa Highlands Granular Media Clarification and Filtration Water Treatment Upgrade	$180,000	Berryessa Highlands has a granular media clarification and filtration packaged water treatment process. Haloacetic acid formation has emerged as a problem since wildfires ravaged headwaters in the Putah Creek watershed. Stage 2 D/DBP Rule compliance samples are trending higher, particularly in the winter months when surface water runoff is recharging Lake Berryessa. Adding pre-settling into the treatment process would afford more time for coagulation to be effective, settle out floc and lower turbidity load onto the packaged clarifier / filter dual trains. The project would include inserting a pair of 12,000-gallon pre-settling tanks with internal flow distribution, earthwork, retaining wall, yard pipe, valves, other appurtenances and controls programming.	Population 910	Christopher Silke, Engineering Manager, Water Resources
Carpinteria Valley Water District	Carpinteria Casistas Intertie Project	$20,000,000	Casitas Municipal Water District and Carpinteria Valley Water District service areas were struck by wildfire during the Thomas Fire in 2017/18 and Carpinteria and Montecito Water District were struck by debris flows shortly after the Thomas Fire was contained. These incidents exposed water supply vulnerability for all three communities. In Carpinteria Valley and Montecito it became clear that the single pipe South Coast Conduit was vulnerable to landslide, flooding, debris flows and other natural disasters. In the case of Carpinteria and Casitas the two systems could be connected together with an approximately 2-mile pipe intertie that would allow each system to back up the other with an emergency water supply. Lake Casitas provides a completely independent supply to Carpinteria Valley and Montecito that could be accessed during a water	Population 50,000	Robert McDonald, General Manager

Applicant	Project	Estimated Project Cost	Project Description	Size of Community Served	Contact
			supply emergency, conversely a pipeline connected to Cachuma and the State Water Project would allow Casitas to access emergency water from those projects.		
	Backup Generators at Wells	$500,000	The District has three municipal wells that do not have backup generators. This project would install the necessary equipment including generators, auto transfer switches and electrical gear to have power backup in the event of prolonged power outages such as those that can occur during wildfires, earthquake and debris flow/flooding incidents.	Population 16,000	
	Fire Hydrant Retrofit	$250,000	This project would retrofit hydrants identified in the debris flow zones during the post Thomas fire debris flows. The Retrofit would use break away spools that are equipped with a valve that stops the hydrant from flowing freely. If multiple hydrants were struck during a debris flow it is likely that the water system could be dewatered causing water outages and potential drinking water supply contamination. These break off check valves would be installed on 60 identified hydrants.	Population 16,000	
	Fireproof building upgrade for pump stations facilities	$350,000	Several District owned facilities are located near the suburban/ wildland interface and were struck or nearly struck be the Thomas Fire. This equipment could have been protected if it were located in a fireproof building such as a masonry or concrete building. This project proposes to cover this equipment with this type of fire protection. There are two District facilities that need this type of treatment.	Population 16,000	
Clear Creek CSD	Clear Creek C.S.D. Backwash Pond Repair Project	$2,000,000	The project is to repair pond damage for both ponds two and three located at the Water Treatment Facility. Currently they are leaking backwash water into an unnamed tributary and eventually ending up in Clear Creek. There are concerns because this is considered a discharge into waters of the State and the local SWRCB has voiced their concerns to the district and what the district intends to do to correct the issue.	8,000 people through 2,349 service connections	Skip Born, General Manager
Elsinore Valley Municipal Water District	Rice Canyon Reservoir Access Road	$750,000	Replacement/repair of half of mile of dirt road that was washed out during the flooding of 2/19 after the fires. The damage includes replacing 3 large Arizona crossings, Large industrial gate and electrical power to the site.	The community this reservoir serves is several thousand homes	Tim Collie, Water Operations Manager

Applicant	Project	Estimated Project Cost	Project Description	Size of Community Served	Contact
Foothill Solar Company	Generators for Well and Water System	$60,000	The community's well and water system currently depend on having electrical power from PG&E to operate. When the power is disconnected on "red flag" days, the 138 spaces are left without power, water or sewer. This creates a meaningful hardship for our residents. Adding local generators would enable the community to provide uninterrupted water and sewer during power outages.	138 Units	Yoel Kelman, Owner
Forest Ranch Mobile Park	Install Backup Generator and Water Reserves Tank, Upgrade Electrical System	$50,000	Given the frequent PGE power outages our well water stops working and residents have no water. Would like to install an automated backup generator and a reserves water tank. Brush and dead trees will also be cleared from the property to provide defensible space and prevent wildfires from impacting water operations.	15 Mobile Home Residents	Jose Oseguera, Owner
Hornbrook CSD	Hornbrook CSD Facilities Repair	$1,561,297	At LOP #1, wildfire destroyed a 100k gal, concrete lined, below ground reservoir with stick-built frame and aluminum pitched roof. The reservoir was located adjacent to Well #4 and utilized two booster pumps housed in a concrete and timber shed with three galvanized steel electrical boxes that powered the pumps. At LOP #2, wildfire destroyed components of Well #2, the structure protecting the well, 2" galvanized steel pipe, and a 2" Neptune water meter. At LOP #3, wildfire damage a concrete settling basin and its wooden covers. At LOP #4 wildfire destroyed an air release valve, concrete utility box and lid, water meters, water service lines, and utility boxes.	Population 280	Dana Barton, Deputy Siskiyou County Counsel
Lake County CSA 21 - North Lakeport	North Lakeport Water Treatment Plant Upgrades	$7,100,000	The North Lakeport Water Treatment Plant utilizes granular media clarification and filtration packages in a parallel three train treatment process. Higher sediment loading has occurred as a result of the many wildfires experienced in recent years. The District proposes to add pre-treatment via Suspended Air Flotation (SAF) which has been successful in treating high turbidity source water in a site-specific pilot test. The District also proposes to upgrade the current ozone generators to run on liquid oxygen (LOX). This will provide for more efficient creation of ozone which is currently used as a pretreatment oxidizer to reduce organic loading of the clarifier/filter packages. The District proposes to upgrade the backwash system of the current treatment package units to allow for longer run times, and more effective backwashing of the units. The project would include installation of a new building; new SAF pre-treatment including pumps, piping, and appurtenances; upgrades to treatment package backwash system; upgrade to LOX; and SCADA hardware and software upgrades.	Population 4,360	Scott Harter, Deputy Administrator Special Districts Administration

Applicant	Project	Estimated Project Cost	Project Description	Size of Community Served	Contact
Los Angeles County WW District 29 - Malibu	Emergency Source of Water Supply Connection (Las Virgenes Connection)	$4,100,000	Construct 6,300 ft of 12-inch transmission waterline to connect to Las Virgenes Municipal Water District to provide a water source for the region in case of emergencies such as fire and earthquakes. This project is within the 2018 Woolsey Fire area.	Over 22,000 people in the City of Malibu and unincorporated area of Topanga	Alma F. Quintana, Senior Civil Engineer
	Lower Busch Tank Improvement	$4,000,000	Replace an aging and severely deteriorated 300,000-gallon concrete tank with a 385,000-gallon steel tank. This project is within the 2018 Woolsey Fire area and 20 properties were damaged or destroyed within the Lower Busch subsystem. The project will improve fire-flow to the subsystem.		
	PCH 8-inch Waterline Improvements (Zumirez Drive to Escondido Beach Road)	$6,900,000	Replace over 9,500 feet of leak prone, aging, and deteriorated 6-inch waterline. This project is within the 2018 Woolsey Fire area. This project will improve fire-flow and system reliability to the area.		
	Encinal Canyon Water System Improvements Project	$3,500,000	Replace over 4,500 feet of aging and deteriorated 4-inch and 6-inch waterline. In Encinal Canyon, a total of 18 properties were damaged or destroyed in the 2018 Woolsey Fire. Current Fire Code requirements must be met for impacted homes to be rebuilt. This project will provide infrastructure to protect life, health, property, and/or essential public services against damage from structural fires. The project will allow for the restoration of properties that were damaged or destroyed during the Woolsey Fire disaster and improve fire-flow to existing homes that survived the fire.		
	Upper Encinal Tank Improvement	$3,600,000	Replace a deteriorated 70,000-gallon tank with a 300,000-gallon tank. In Encinal Canyon, a total of 18 properties were damaged or destroyed in the 2018 Woolsey Fire. Current Fire Code requirements must be met for impacted homes to be rebuilt. This project will provide infrastructure to protect life, health, property, and/or essential public services against damage from structural fires. The project will allow for the restoration of properties that were damaged or destroyed during the Woolsey Fire disaster and improve fire-flow to existing homes that survived the fire.		

Applicant	Project	Estimated Project Cost	Project Description	Size of Community Served	Contact
	Encinal Canyon Pressure Zones 525 & 825 Improvements	$4,300,000	Replace over 6,000 feet of aging and deteriorated 4-inch and 6-inch waterline. In Encinal Canyon, a total of 18 properties were damaged or destroyed in the 2018 Woolsey Fire. Current Fire Code requirements must be met for impacted homes to be rebuilt. This project will provide infrastructure to protect life, health, property, and/or essential public services against damage from structural fires. The project will allow for the restoration of properties that were damaged or destroyed during the Woolsey Fire disaster and improve fire-flow to existing homes that survived the fire.		
	Civic Center Improvements	$9,500,000	Construct over 8,000 feet of waterline and a new tank for a leak prone, severely deteriorated, and aging system. This project has funding from developer agreements approved by the Board in 2009. This project is adjacent to the 2018 Woolsey Fire area. This project will improve system fire-flow and reliability to the area.		
	Carbon Canyon & Carbon Mesa Road Waterline Improvement	$5,100,000	Replace over 7,000 feet of leak prone, aging, and severely deteriorated waterlines ranging in size from 1.5 to 4 inches. This project is adjacent to the 2018 Woolsey Fire area. This project will improve system fire-flow and reliability to the area.		
	PCH and Topanga Beach Drive Waterline Improvement	$4,600,000	Replace over 8,000 feet of leak prone, aging, and deteriorated 4 and 6-inch waterline. This project is adjacent to the 2018 Woolsey Fire area. This project will improve system fire-flow and reliability to the area.		
	Big Rock Bypass Improvement	$5,700,000	Construct a 1,500-foot bypass for the region's main line. The bypass will consist of three parallel pipelines in PCH to accommodate continuing movement of a major landslide in the Big Rock area. This project is adjacent to the 2018 Woolsey Fire area and will the provide redundancy to maintain water supply to the region in case of potential emergencies such earthquakes.		
	Coastline Drive 12-inch Waterline Improvement	$2,800,000	Replace over 2,000 feet of leak prone, aging, and severely deteriorated 12-inch waterline. This project is adjacent to the 2018 Woolsey Fire area. This project will improve system fire-flow and reliability to the area.		
	Malibu Branch Feeder Realignment	$3,400,000	Relocate over 1,500 feet of the region's water main to the current PCH alignment. The City of Los Angeles is constructing the Potrero Canyon Preserve above the existing waterline and it must be relocated to ensure its structural integrity. This project is adjacent to the 2018 Woolsey Fire area. This project will improve system fire-flow and reliability to the area.		
	Fernwood Tank Improvement	$2,700,000	Replace two aging and severely deteriorated 50,000-gallon tanks. This project is adjacent to the 2018 Woolsey Fire area. This project will improve system fire-flow and reliability to the area.		

Applicant	Project	Estimated Project Cost	Project Description	Size of Community Served	Contact
	Owen Tank Improvement	$4,700,000	Replace aging and severely deteriorated 100,000-gallon tank that will add regional resiliency. This project is adjacent to the 2018 Woolsey Fire area. This project will improve system fire-flow and reliability to the area.		
	District No. 29 Creek Crossing Project	$2,600,000	Repair the region's water main at several creek crossing locations on PCH. The waterline at these locations is severely deteriorated, aging, and subject to leaks. This project is adjacent to the 2018 Woolsey Fire area. This project will improve system reliability to the area.		
Montecito Water District	Bella Vista Reservoir Seismic Vulnerability Retrofit	$1,500,000	This project was identified as a high priority in the 2015 Comprehensive Structural and Seismic Evaluation Report for the Montecito Water District. The project would retrofit the existing reinforced concrete walls of the reservoir. The walls were not designed to withstand seismic loading or water sloshing due to an earthquake event. This reservoir is a critical District asset providing fire protection and water reliability for the community. The 5.3 magnitude Santa Cruz Island earthquake occurred about 40 miles off the coast of Montecito on 4/5/2018.	11,500 people through 4,571 service connections	Adam Kanold, Engineering Manager
	Terminal Reservoir Seismic Vulnerability Retrofit	$1,900,000	This project was identified as a high priority in the 2015 Comprehensive Structural and Seismic Evaluation Report for the Montecito Water District. The project would retrofit the existing reinforced concrete walls of the reservoir and replace the existing steel roof horizontal trusses. The walls nor the trusses were designed to withstand seismic loading or water sloshing due to an earthquake event. This reservoir is a critical District asset providing fire protection and water reliability for the community. The cost estimate includes replacement of all of the existing roof purlins and metal roof deck and reinforcement of the existing walls. The 5.3 magnitude Santa Cruz Island earthquake occurred about 40 miles off the coast of Montecito on 4/5/2018.		
	Buena Vista Reservoir Seismic Vulnerability Retrofit	$700,000	This project was identified as a high priority in the 2015 Comprehensive Structural and Seismic Evaluation Report for the Montecito Water District. The project would retrofit the existing reinforced concrete wall and replace the roof in-kind. The walls nor the roof were designed to withstand seismic loading or water sloshing due to an earthquake event. This reservoir is a critical District asset providing fire protection and water reliability for the community. The cost estimate includes reinforcing the wall shells, additional mild steel hoops to reinforce the walls, and a new elevated roof system including a horizontal bracing system all to prevent collapse and/or failure during an earthquake event. The 5.3 magnitude Santa Cruz Island earthquake occurred about 40 miles off the coast of Montecito on 4/5/2018.		

Applicant	Project	Estimated Project Cost	Project Description	Size of Community Served	Contact
	Hot Springs Reservoir Seismic Vulnerability Retrofit	$700,000	This project was identified as a high priority in the 2015 Comprehensive Structural and Seismic Evaluation Report for the Montecito Water District. The project would retrofit the existing reinforced concrete wall and replace the roof in-kind. The walls nor the roof were designed to withstand seismic loading or water sloshing due to an earthquake event. This reservoir is a critical District asset providing fire protection and water reliability for the community. The cost estimate includes reinforcing the wall shells, additional mild steel hoops to reinforce the walls, and a new elevated roof system including a horizontal bracing system all to prevent collapse and/or failure during an earthquake event. The 5.3 magnitude Santa Cruz Island earthquake occurred about 40 miles off the coast of Montecito on 4/5/2018.		
	Transmission Main Replacement Project	$1,050,000	Replacement in-kind of approximately 3,000 linear feet of 18-inch steel water main, above and below ground, burned during the 2017/18 Thomas Fire and further exposed and eroded during the 2018 Montecito Debris flows. The project would construct a new 18-inch pipe alongside the existing pipe within an existing easement. The project would include concrete anchors for a quarter of the project located on steep terrain.		
Paradise Irrigation District	Magalia Dam	$31,679	Geotechnical deficiencies in Magalia Dam are limiting operational storage volumes within the reservoir. Portions of the dam embankment do not meet current dam safety standards. Studies performed in 1972, 1992, 1994, and 2002 found that those hydraulic fill materials within the dam embankment could liquefy during a seismic event. To mitigate risk of failure and subsequent flood during an earthquake, the water surface of the reservoir, originally designed to be at elevation 2225.8 was lowered to 2,199 feet, reducing the maximum storage capacity from 2,800 acre-feet to 796 acre-feet. Mitigations for liquefaction of dam embankment soils consist of ground modifications to increase the density (consistency) of embankment soils, reduce pore water pressures of those soils, and/or decrease deformation that might occur to embankment soils during a seismic event. Mitigations may include mass grading (retrofit or buttress), compaction grouting, deep soil mixing, driven piles, stone columns, or combinations thereof. Additionally, pipe supports for the outlet pipe which connects Magalia Reservoir to the PID WTP through a tunnel in the Magalia Dam have been suspected by DSOD inspectors as being deficient. These supports have to be improved and seismically stable in order to prevent failure in an earthquake, which could cause significant flooding on its own, and also could undermine the dam from within, causing more catastrophic dam	Population 4,290	Kevin Phillips, District Manager

Applicant	Project	Estimated Project Cost	Project Description	Size of Community Served	Contact
			failure and significantly more flooding. Dozens of earthquakes were measured in 2018 in the area, the largest may have been a 2.9 magnitude earthquake on 6/2/2018.		
	Service Line Replacement Project	$36,115,000	During fire flow events, the flow restrictions in portions of the distribution system contribute to low pressures, increasing the likelihood of system contamination. Fire sprinkler system installation is now required by the 2016 California Residential Building Code for all construction within the Wildland-Urban Interface. Paradise Irrigation District must be able to provide the appropriate amount of flow and pressure at the service connection to support this change in code. To effectively fight both structure or wildland fires, the system flows must meet minimum flow, pressure, and duration requirements. The proposed project would construct a looped system.		
	Hydraulic Modeling and Distribution System Upgrades	$24,050,000	To optimally plan transmission and distribution system improvements, such as maintaining flows and pressures during disaster events, a hydraulic model of the system is needed. A hydraulic model would allow planners and designers to simulate multiple scenarios of water demands and pipeline configurations and prepare emergency operations plans for use during disasters. The mitigation goal is to provide PID a tool to model the hydraulic performance of their transmission and distribution systems during normal and extreme events. To effectively fight both structure or wildland fires, system flows must meet minimum flow, pressure, and duration requirements. During fire flow events, flow restrictions in portions of the distribution system contribute to low pressures, increasing the likelihood of system contamination. Keeping pressures up throughout the entire system better protects public health. Proposed Water Treatment Plant upgrades will minimize the risk and vulnerability of the community to hazards to protect lives and property.		
Redding, City of	Foothill Water Treatment Plant Generator	$2,459,798	The proposed project will include the planning, design, and construction for installation of a new standby generator at the City's Foothill Water Treatment Plant (FWTP), the City's largest and primary water supply. It will also include replacement of the two existing transformers and switchboards at the FWTP with a single new transformer and switchboard. Continuous power is needed for operation of the FWTP to supply safe drinking water, meet fire suppression demands, and supply the Redding Power Plant water to operate. The existing system at the FWTP requires a shutdown that cannot be tolerated during an electrical outage. This project will mitigate utility disruption and potential for an outage of the FWTP.	Population 93,000	Kurt Maire, Associate Civil Engineer

Applicant	Project	Estimated Project Cost	Project Description	Size of Community Served	Contact
	Pump House 1 Generator	$2,264,305	The proposed project will include the planning, design, and construction for installation of a new standby generator and automatic transfer switch at the City of Redding's Pump House 1 (PH1). PH1 draws raw water from the Sacramento River and pumps it to the Foothill Water Treatment Plant (FWTP). During an outage of PH1, FWTP loses its raw water supply and cannot operate. If the FWTP is out of operation, then the City's water supply may be insufficient, and adequate water pressures and flows for fire suppression cannot be maintained throughout much of the City. This project will mitigate utility disruption and potential for an outage of the FWTP.		
	Buckeye Water Treatment Plant Solids Handling Mitigation	$2,225,000	The proposed project will include the planning, design, and construction for addition of solids handling equipment at the City of Redding's Buckeye Water Treatment Plant (BWTP). It will modify two of the four existing sedimentation basins at the BWTP to add sludge removal equipment that will mechanically remove solids and sludge from the basins. The Carr Fire burned most of the watershed to the Whiskeytown Lake, the supply source for the BWTP. As a result of the fire, increased soil erosion following heavy rainfall periods is increasing the turbidity, suspended solids, total organic carbon (TOC), and natural organic matter (NOM) in the local watershed. These constituents enter the BWTP and must be removed to achieve drinking water regulatory compliant requirements. This project will allow the BWTP to continue operation with the elevated incoming turbidity, suspended solids, TOC and NOM that have and will continue to result from the Carr fire and future fires in the area.		
Shasta CSD	Office/Shop Project	$2,300,000	Construct a new office, board room, and shop/garage to replace structures lost in the Carr Fire.	Population 2,500	Chris Koeper, General Manager

Applicant	Project	Estimated Project Cost	Project Description	Size of Community Served	Contact
Shasta Lake, City of	Centimudi Tank Project	$4,859,000	During the Carr Fire, existing storage tanks could not keep up with the demand of residents and firefighters. This project would include the construction of a new 2.45-million-gallon potable water storage tank for build out and fire flows.	Population 10,386	Jeff Tedder, City Engineer, John Duckett, City Manager, Jessaca Lugo, Assistant City Manager/Grant Writer, Tony Thomasy, Water Department Superintendent
Ventura, City of	Generators Project	$2,700,000	Due to Southern California Edison's plan to shut power off during fire and extreme weather events, this project proposes to add generators to various booster pump station and well sites in order to improve water system reliability in the event of a power outage. The project will include the purchase and installation of 8 stationary generators at the following locations: Willis Booster Pump Station (BPS), View Park BPS, Kimball BPS, Ondulando BPS, Kimball BPS, Saticoy Well 3, Saticoy Country Club Well 3, and Saticoy Country Club BPS and 3 portable generators to be used at the following locations: Modella BPS, Nye Wells 7&8, and Ventura River Surface Intake Structure.	Population 110,000	Vincent Ines, Wastewater Utility Manager
	SCADA Update Project	$1,000,000	This project includes adding cellular and wireless backup to water control systems to improve resiliency of operations. The SCADA system provides operators the ability to monitor the system and to understand the water levels within tanks, systems pressures, and flow rates at pump stations. During the Thomas Fires there was partial loss of the SCADA system, making it difficult to monitor and operate the system.		
Ventura County Waterworks District No.17 (Bell Canyon)	Bell Canyon Reservoir No. 3 Project and Saddlebow to Stagecoach Pipeline Retrofit Project	$10,000,000	The existing water distribution system is such that the service area topography is very difficult to access the water transmission supply pipeline. In the event the line is lost during an earthquake or fire event, an additional water storage tank in the northwest service area will provide additional water storage for emergency situations such as major wildfire fighting, and emergency storage. Demand can be excessive if other water line breaks occur in the distribution system that stop the water supply from the eastern side of the distribution system. The existing steel 10-inch diameter water transmission line critically connects two geographic areas of the water distribution system for fire protection.	Population 2,100; 700 Connections	Eric Keller, Deputy Director Operations & Maintenance

Applicant	Project	Estimated Project Cost	Project Description	Size of Community Served	Contact
			Previous repairs identified the cement mortar lining to be missing at all joints and now corroding. Pipeline is in good condition except for joint locations. Joints require removal and replacement with cement mortar lined and coated steel sections that will protect the distribution pipeline from rupture and replace corrosion locations with lining to prevent water main failure related to structural failure.		