



STATE WATER RESOURCES CONTROL BOARD  
Division of Financial Assistance  
P. O. Box 944212, Sacramento, CA 94244-2120

## Drinking Water State Revolving Fund (DWSRF) Program Potential DWSRF **Flags** Worksheet

To avoid potential delays later in your DWSRF application process, review the following list of questions and statements, and place a check (✓) beside each question or statement where your answer is “yes” or “true”.

If you answer “yes” or “true” to any of the questions or statements on this worksheet, we recommend that you discuss the specifics of your answers with the State Water Board, Division of Financial Assistance staff at your earliest opportunity so we can identify issues up front that may require supplementary information or additional review time.

### Applicant (Entity) Name Project

Title:

Contact Person:

Email:

<input checked="" type="checkbox"/> If Yes or True	<b>LEGAL</b> Question / Statement
	1. a. If you anticipate grant-only funding, after reviewing and discussing with your attorney(s), do you have any concerns regarding your ability to comply with the Exhibit C Standard Terms and Conditions used for all DFA funding agreements? Terms and conditions: <a href="https://www.waterboards.ca.gov/water_issues/programs/grants_loans/general_terms.html">https://www.waterboards.ca.gov/water_issues/programs/grants_loans/general_terms.html</a>  1. b. If you anticipate repayable financing from the Board (i.e., a loan), after reviewing and discussing the form of agreement and forms of opinion of counsel, do you have any concerns regarding your ability to comply with the Board's standard terms and conditions or provide opinion(s) of counsel?
	2. Is there doubt about whether your governing statutes allow you to finance your project through the DWSRF?
	3. Is there existing or pending litigation with respect to your system's assets, water rights, or regarding the source of repayment or implementation of the project?
	4. Are there any existing or pending inquiries or investigations of your agency, members of the board of directors, or key management by outside entities, for example, the Grand Jury?
	5. Was there a significant level of protests during the most recent rate setting process?
	6. Is there an existing or pending rate rollback initiative on an upcoming ballot, or are there any efforts within the community to initiate a rate rollback? Have rates been rolled back in the past due to a voter initiative?
	7. Has there been or is there currently significant disagreement within the community about the project?
	8. Will the project involve a public-private partnership?



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	9. Are you a small community or a dependent special district anticipating that some or all of your financial assistance will be a repayable loan?
	10. Are you a State agency, a Native American Tribe, a federal entity, or a non-governmental entity?
	11. Are you a Joint Powers Authority or are there agreements with other entities related to the project?
	12. Do you need to purchase or otherwise obtain legal access rights to the project property for the term of the financing to implement the project?
	13. Are you not the owner of all of the system's property?
	14. Are there liens on any of the system's property?
	15. Do your property rights for any of the property needed for the Project extend for less than 33 years from the date of the application or are subject to revocation?
	16. Does the application include the purchase of land or other assets?
	17. Do you expect to use eminent domain so that you can implement your project?
	18. If you are a private entity, are you not in good standing with the California Secretary of State and the Franchise Tax Board?
	19. If you are a private entity, are you domiciled and registered outside of California?

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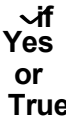
<input type="checkbox"/> If Yes or True	<b><u>TECHNICAL</u></b> Question / Statement
	1. Do you anticipate that the plans & specifications will be out for bids within the next 6 to 12 months (i.e., likely before receiving an executed financing agreement)?
	2. The project bidding is complete, but the specifications did not include the Build America, Buy America (BABA), the American Iron and Steel, Disadvantaged Business Enterprises, or Davis-Bacon requirements.
	3. You are an urban water supplier, and your project is a water management project as defined by Water Code section 10631 (AB 1420). You have <b>not</b> received a compliance letter from the Department of Water Resources.
	4. Is this a regionalization project, or will the project be a joint effort with other agencies?
	5. The plans and specifications have not been reviewed and/or approved by the Division of Drinking Water for permitting purposes.
	6. Do you have policies and procedures to solicit, evaluate, and select candidates for professional services using a fair, competitive selection process based on demonstrated competence and professional qualifications, consistent with California Government Code section 4526.
	7. Do you anticipate the project will be implemented in phases with multiple bids?
	8. Do you anticipate the project will be implemented with a Design-Build delivery method?

<input type="checkbox"/> If Yes or True	<b><u>ENVIRONMENTAL</u></b> Question / Statement
	1. The environmental documents have not been prepared for the proposed project.
	2. The environmental documents were not prepared to meet "federal cross-cutting" requirements.
	3. Will the project impact any cultural resources?
	4. Will the project impact any state or federally listed species?
	5. Will the project require consultations with the United States Fish and Wildlife Service or the National Marine Fisheries Service?
	6. Will the project's air quality emissions (construction and operation) exceed the federal de minimis levels, and require a general conformity determination?



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	7. Will the project require a Clean Water Act Section 404 permit and a Section 401 Certification?
	8. Is there any significant controversy related to the project's environmental documents?
	9. Were the project's environmental documents approved more than five years from the expected date of the DWSRF financing agreement?
	10. If the water system is private and there is no local discretion, has the water system discussed with the local agency about carrying out the CEQA lead agency role?
	11. Is it anticipated that the Lead Agency for the potential construction project will be an agency other than the Applicant?

 If Yes or True	<b>FINANCIAL</b> Question / Statement
	1. Is the entity's status "Suspended" with the Secretary of State?
	2. If non-profit, is the entity unable to provide a copy of its tax exemption confirmation statement from the IRS? If not non-profit, please enter "N/A" in the box.
	3. Are you planning to pledge a repayment source other than Net Revenues of your Water Enterprise Fund?
	4. Are your annual revenues currently insufficient to cover annual expenses?
	5. Will you be requesting approval of your DWSRF financing before rates, assessments, or other charges used to support repayment are adopted?
	6. Are you missing any portion of the necessary Project funding aside from what is being sought as part of this application? Please enter "N/A" in the box if no additional funding sources are necessary.
	7. Have you ever failed to make timely and sufficient payments on existing loans within the past 10 years? If none, please enter "N/A" in the box.
	8. Do you have outstanding fines or penalties due to non-compliance with a permit or order?
	9. Do you have existing debt that relies on the same source of revenue as the source you plan to pledge for repayment of the DWSRF financing?
	10. Do your existing debt covenants affect your ability to incur new parity debt, and/or are non-compliant with existing debt covenants?
	11. Will the Project be co-funded with funding other than the Drinking Water State Revolving Fund?
	12. Was the last rate study completed over five years ago?
	13. Have you had a prior material event such as a bankruptcy, default, unscheduled draw on reserve funds, substitution of insurers on their failure to perform, or unscheduled draw on a credit enhancement in the preceding 10 years?



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	14. Are you subject to a lien on any portion of the system property?
	15. If you are a government entity, do you have a local debt limit?
	16. Have you taken actions in anticipation of the sale of significant system assets?
	17. Have you taken actions in anticipation of restructuring, dissolution or filing of bankruptcy protection?
	18. Have you had a ratings downgrade within the last 12 months?
	19. Are you in compliance with the Generally Accepted Accounting Principles (GAAP), as issued by the Governmental Accounting Standards Board (GASB) or its successor?
	20. Have you received audit findings in the last three years?

CERTIFICATION AND SIGNATURE OF AUTHORIZED REPRESENTATIVE	
To the best of my knowledge and belief, I certify that the information provided in this Worksheet is true and correct.	
Name of Authorized Representative: _____	Title: _____
Signature of Authorized Representative: _____	Date: _____