

**California Clean Water and Drinking Water
State Revolving Fund Program Evaluation Report
December 2020**

I. Executive Summary

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

II. Introduction

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

To provide EPA with information on the progress and many accomplishments of the California SRF programs for the review period ending June 30, 2019, the State Water Board submitted to EPA drafts of the California DWSRF Annual Report and the California CWSRF Annual Report on January 21, 2020. Final reports were submitted to EPA on July 14, 2020.

EPA conducted its annual on-site reviews of the two California SRF programs January 27 – 31, 2020. Staff from EPA Region 9 and Headquarters visited State offices to review selected project files and cash draws, and to talk with state staff about various aspects of the California SRF programs. To ensure that the annual review addressed all the major elements for the SRF programs, EPA staff completed the SRF Annual Program Review Checklist for each SRF program, **Attachment A**.

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

III. Background and Scope

The California DWSRF uses federal capitalization grants, state match funds, loan repayments, and interest earning to make loans for construction of drinking water treatment facilities and support several Safe Drinking Water Act programs. As reported in the National Information Management System (NIMS), California has received \$2.05 billion from EPA in DWSRF capitalization grants since the inception of the program. Together with the state match and American Recovery and Reinvestment Act (ARRA) funds, the total state-federal investment is \$2.5 billion. Since the program's inception in 1998 through June 30, 2019, the California DWSRF has executed 468 loans totaling approximately \$3.24 billion.

The California CWSRF uses federal capitalization grants, state match funds, loan repayments, bond proceeds and interest earnings to make loans for construction of wastewater treatment facilities, the implementation of nonpoint source water quality control projects, and the development and implementation of estuary enhancement projects. As reported in NIMS, California has received \$3.3 billion from EPA in CWSRF capitalization grants since inception of the program. Together with the state match and American Recovery and Reinvestment Act (ARRA) funds, the total state-federal investment is \$3.8 billion. Since the program's inception in 1988 through June 30, 2019, the California CWSRF has executed 838 loans totaling approximately \$11.2 billion.

The scope of the annual review includes consideration of the legal, managerial, technical, financial and operational capabilities of the State of California to manage the CWSRF and DWSRF programs. EPA Region 9 used the *2019 SRF Annual Review Guidance* and *SRF Program Review Checklist* to ensure that all major annual elements of the program were reviewed and discussed with the California DWSRF and CWSRF management and staff.

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

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

Required Program Elements

- Annual/Biennial Report
- Funding Eligibility
- Compliance with Disadvantaged Business Enterprise (DBE) Requirements

- Compliance with Federal Requirements and Grant Conditions: i.e., Cross-Cutting Authorities, American Iron and Steel, Davis-Bacon, Additional Subsidy, and Green Projects Reporting
- Compliance with Environmental Review Requirements
- Operating Agreement
- Staff Capacity
- Set-aside Activity (DWSRF only)

Required Financial Elements

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

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

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

A. Program Management

DWSRF Set-aside Activity

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

Recommended follow-up: None

PWSS Program: The State Water Board's Division of Drinking Water implements the Public Water System Supervision (PWSS) program, which received 10% of the DWSRF for implementation. EPA reviews usage of this allotment via review of the PWSS grant, both are within the same work plan. The 10% set-aside and the PWSS grant account for less than 50% of the total operating budget of the PWSS program. No follow-up actions are necessary for the 2019 program review.

Recommended follow-up: None

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

The State Water Board complies with the American Iron and Steel (AIS) requirements by reviewing certifications of compliance prepared by assistance recipients. Generally, this is performed during on-site project visits by the State Water Board project manager. Review of both DWSRF project files showed that projects have not required AIS waivers. Additionally, State Water Board inspections have found AIS certification letters within compliance.

Recommended follow-up: None

B. Financial Management

Rules of Cash Draw and Improper Payments

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

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

EPA randomly selected and tested 4 DWSRF cash transactions with a total draw of \$9.75 million from the U.S. Treasury between July 2018 and June 2019. The review of these program financial transactions found no instances of cash draw rule violation and no improper payments. The details for each cash draw tested can be found in **Attachment B**.

EPA reviewed the eligibility of DWSRF project costs for construction, engineering/design, and administrative costs submitted for reimbursement. No major concerns were found during this period in review. As in previous years, EPA would like to reiterate the importance of standardizing detailed information presented in project claim adjustments, as this would minimize the possibility of cost adjustments and/or reimbursements errors. EPA acknowledges and supports the State Water Board's efforts in providing internal staff with training sessions and revisiting internal procedures, as stated in the SFY 2018-2019 DWSRF Annual Report.

Recommended Follow-up: None

Timely and Expeditious Use of Funds

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

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

program. These financial indicators serve as tools to help understand and assess state programs. EPA has reviewed these financial indicators for FY2019 against the State Water Board’s performance in prior years and against national averages. In general, these indicators are used as a suite, and not individually. EPA considers all the indicators together to gain a comprehensive picture of the State’s program.

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

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

Table 1. California DWSRF Fund Utilization Rates

DWSRF Fund Utilization (NIMS Line 397)	‘14	‘15	‘16	‘17	‘18	‘19
National (%)	92	93	95	95	96	95
California (%)	109	108	113	110	115	113

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

Recommended Follow-up: None

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

The disbursement rate reflects how quickly the California DWSRF disburses funds (i.e., federal capitalization grants, state match, and repayments) to systems. The California DWSRF disbursement ratio continues to improve though it does still lag the national average. The State Water Board continues taking on a proactive approach by targeting and resolving areas in need of improvement.

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

Cumulative Disbursements as a % of Assistance Provided (NIMS Line 409)	‘14	‘15	‘16	‘17	‘18	‘19
National (%)	85	86	87	87	87	88
California (%)	64	71	70	76	77	78

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

Recommended follow-up: None

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

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

Set-aside Spending Rate (NIMS Line 424)	'14	'15	'16	'17	'18	'19
National (%)	87	88	90	92	92	90
California (%)	83	86	91	91	94	92

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

Recommended follow up: None

GAO Financial Indicators

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

The California DWSRF has a figure of 1.4, which means that it has a little over a year's worth of cash on hand to pay disbursement requests. This is one of the lowest figures in the nation indicating that California is aggressively managing its cash supply.

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

The California DWSRF has a total net of \$82 million.

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

The California DWSRF has a net interest margin of 1.0% indicating the program is growing through interest earnings.

Recommended Follow-up: None

C. Project File Review

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

- * Recipient: City of Holtville
Assistance Amount: \$4,148,283 (assistance loan)
Project Description: Rehabilitation of existing wastewater treatment plant
Recommended Follow-up: None

- * Recipient: Valencia Heights Water Company
Assistance Amount: \$1,949,003 (assistance loan)
Project Description: Equipment replacement for compliance assistance
Recommended Follow-up: None

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

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

A. Program Management

Sustainability:

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

California stimulates a pipeline of sustainability projects by including language in all marketing materials highlighting eligible sustainability projects. EPA commends California for meeting the GPR requirements of the program and continues to view sustainability projects as a priority for the agency.

Recommended follow-up: None

B. Financial Management:

Rules of Cash Draw and Improper Payments:

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

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

EPA tested 4 CWSRF cash transactions selected through random sampling with a total draw of \$3.2 million from the U.S. Treasury between July 2018 and June 2019. The review of these program financial transactions found 3 violations of cash draw rules all in the \$582,332 draw. The details for each cash draw tested can be found in **Attachment B**.

- * Improper payment 1
 Payment Amount: \$400
 Description: Correction to a prior overpayment due to State lodging rate changes
Recommended Follow-up: None - the state caught and corrected

- * Improper payment 2
 Payment Amount: \$17,101.71
 Description: Duplicate payment of same invoices in planning and design category
Recommended Follow-up: None - state has corrected

- * Improper payment 3
 Assistance Amount: \$1,267.50
 Description: Duplicate payment of same invoices in planning and design category
Recommended Follow-up: None - state has corrected

Timely and Expeditious Use of Funds:

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

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

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

Table 4. California CWSRF Fund Utilization Rates

CWSRF Fund Utilization (NIMS Line 285)	‘14	‘15	‘16	‘17	‘18	‘19
National (%)	96	96	97	97	98	97
California (%)	108	114	111	115	112	111

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

California Clean Water maintains a very high fund utilization rate.

Recommended follow-up: None

GAO Indicators

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

California CWSRF has a figure of about 1.5, which means there is roughly 1.5 years of cash on hand. This figure is down from the prior year but still slightly higher than the low of roughly 0.75 in 2015. While there is no correct figure for this metric, maintaining only the cash on hand needed for projects in the near term is indicative of managing the fund in a timely and expeditious behavior.

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

California CWSRF currently has a total net of just over \$200 million in 2019. This figure while quite large has diminished from a high two years prior of \$400 million. As the State Water Board continues to leverage to increase funding in the CWSRF, EPA will continue to monitor this indicator to ensure that the fund corpus is not threatened by leveraging activities.

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

California CWSRF has a net interest margin just below 0% or slightly negative. This figure has been on a downward trend from 1999, when the figure for the CWSRF was 2.5%, which indicates that in recent years the growth of the fund from interest earnings has been diminishing. If interest earnings remain low and the state continues to leverage, the total net figure could drop into the negative even further, which would be of concern to EPA.

The negative Net Interest Margin is of concern to EPA.

Recommended Follow-up: The State Water Board and EPA should continue to monitor these indicators and discuss the Net Interest Margin specifically during the next annual review.

C. Project File Review

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

- * Recipient: City of Turlock 8237-110
 Assistance Amount \$16,953,556
 Description: The North Valley Regional Recycled Water Program will convey tertiary-level treated recycled water from the City of Turlock to the Delta-Mendota Canal for agricultural use by the Del Puerto and for wildlife refuge use by U.S. Bureau of Reclamation. This project will deliver 14,011 acre-feet per year to Del Puerto Water District for agricultural irrigation.
Recommended Follow-up: None

- * Recipient: San Francisco PUC 8111-110
 Assistance Amount \$171,220,000
 Description: The project includes all facilities to produce a delivery about 2 mgd of recycled water for irrigation use in the western end of San Francisco. The project includes a new recycled water treatment facility consisting of membrane filtration, reverse osmosis, and ultraviolet light disinfection; a 1.6 mg storage reservoir; distribution pumping facilities; 5-6 miles of new distribution pipelines; and retrofit of existing irrigation systems for compliance with Title 22 regulations.
Recommended Follow-up: None

Recommended follow-up: None

VI. Recommended Follow-up from the 2018 PER

In the previous PER, EPA put forward four recommendations, all of which were acknowledged by the State Water Board:

Financial Management: EPA encourages the State Water Board to consider developing or updating a comprehensive standard operating procedure for the disbursement analysts and project managers to follow.

State Water Board response: The State Water Board continues to work through and identify operational differences between the DWSRF and CWSRF programs, recognizing best practices and developing synergies between the programs to improve efficiency and operational consistency. In support of this effort, the State Water Board also conducts internal staff training sessions and is revisiting internal procedures to support this effort.

DWSRF Fund Utilization Rate: EPA recommends the State Water Board continue its open dialogue with EPA about fund utilization and the possibility of leveraging to meet the needs of the state.

State Water Board Response: On April 24, 2019, the State Water Board signed its first Bond Purchase Agreement for DWSRF revenue bonds, generating proceeds of approximately \$100 million for use as local assistance.

DWSRF Cumulative Disbursements as a Percentage of Assistance Provided: In the SFY 18-19 annual report, EPA requests the State Water Board include a discussion about disbursements including but not limited to how the transition to Fi\$Cal is affecting the disbursement process and what the outlook for future performance is.

State Water Board response: The State Water Board continues to utilize its LGTS database to track project budgets and recording pay request details. The State Water Board continually analyzes specific data elements to monitor its productivity. Based on the analytics of a combination of specific data elements, the State Water Board strives to maintain a high level of efficiency in all programmatic areas, while also identifying areas in need of improvement and developing and implementing solutions.

CWSRF GAO Indicators: The State Water Board and EPA should continue to monitor these indicators and discuss them specifically during the next annual review.

State Water Board response: The State Water Board understands the importance of cash flow modeling to ensure timely and expeditious use of cash, maintaining limits on leveraging, and strategic financial planning to ensure the corpus of the fund is protected.

The State Water Board plans on meeting with its LGTS database contractor to investigate NIMS data outputs to ensure interest earnings and matching funds are appropriately categorized. The State Water Board will also work with USEPA to ensure such data reported in the past NIMS reporting cycle is updated to reflect actual interest earnings of the CWSRF.

VII. Summary of Required Follow-up

EPA has identified no required follow-up actions.

VIII. Attachments

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

Attachment A
Program Checklist

Annual Review Checklist

Programmatic Section

ADVANCE PREPARATION

This section is intended to be completed by the reviewer prior to the onsite Annual Review. The items should be completed based on a review of the State's documents (IUP, Operating

State / Program / Review Year: California / DWSRF & CWSRF / FY19

Reviewer's Name: Josh Amaris / Gabriela Baeza-Castaneda

Review Item and Questions to Answer	Yes	No	N/A	Notes
<p>* The EPA Green Infrastructure Policy for the Clean Water State Revolving Funds dated January 6, 2016, the Green Project Reserve Policy for waivers dated December 22, 2011 and the Questions and Answers on the Additional Subsidization and Green Project Reserve Provisions dated August 19, 2013 clarify that the GPR requirement for a given year's appropriation is met when the minimum GPR funds required are in executed assistance agreements. These documents also clarify that states have two years to enter into an assistance agreement for GPR projects identified in the Intended Use Plan. If a project has not signed a loan agreement by the end of the second fiscal year, the State must include an explanation in the Annual Report along with anticipated milestones, and must meet those milestones by the end of the third fiscal year.</p>				
1.5 SRF Administration				
<i>Source: Final WRRDA Guidance of January 6, 2015, America's Water Infrastructure Act of 2018, Implementation of DWSRF-Related SDWA Amendments in the WIIN Act Memo (June 6, 2017)</i>				
1 Is the State using SRF administrative funds to administer the SRF program?	x			
a. If so, what method did the state use to calculate the portion of funds taken to cover administrative costs (4% allowance, \$400,000, or 1/5% of Fund balance)?	→			4% allowance, based on submitted budget
2 Are the State's administrative charges within the allowable amount for the year?	x			
1.6 Compliance with Environmental Review Requirements				
<i>Sources: CWSRF Regulations, 40 C.F.R §35.3140; NEPA Regulations 40 C.F.R. Part 6; DWSRF Regulations, 40 C.F.R §35.3580</i>				
1 Has the Project Officer received a current copy of the State's environmental review process and compared processes described in the SERP to other state program documents and past Annual Review materials, and through discussions with the State, to be able to determine that the State is following the SERP during project file review?	x			DW: SERP currently being updated CW: SERP updated June 2017
2 Does the SERP provide an accurate and complete summary of the State's process and documentation requirements for issuing the following:				
a. Categorical Exclusion (CE) or the State equivalent?	x			
b. Environmental Assessment (EA)/Findings of No Significant Impacts (FONSI) or the state equivalent?	x			
c. Environmental Impact Statement (EIS)/Records of Decisions (ROD) or the State equivalent?	x			
1.7 Short and Long-Term Goals				
1 What is the State's progress toward achieving the short and long-term goals listed in the IUP for the review year? Briefly summarize.	→			DW: CA listed 9 short-term goals in the SFY 18-19 IUP and 14 were evaluated in the Annual Report draft. All 8 long-term goals listed in the IUP were evaluated in the Annual Report. CW: 3 long term goals in IUP and 6 Short term goals in IUP, AR includes 12 short term goals reported on and 11 long term goals. the increase is from reporting on goals in addition to those listed in the IUP for SRF purposes. goals met
1.8 Reporting				
<i>Source: EPA FY12 SRF Procedures, EPA Grant Terms and Conditions</i>				

Annual Review Checklist

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State / Program / Review Year: California / DWSRF & CWSRF / FY19

Reviewer's Name: Josh Amaris / Gabriela Baeza-Castaneda

Review Item and Questions to Answer	Yes	No	N/A	Notes
1 Has the State entered data for all projects in the Annual Report into the CBR/PBR database?	x	_____	_____	_____
a. Are the records complete, to the extent possible?	x	_____	_____	_____
2 Has FFATA data been entered into fsrc.gov for projects in an amount equal to the capitalization grant? <i>(note: ask the Regional Grants Office for copies of fsrc.gov reports)</i>	_____	_____	_____	(Can't access fsrc.gov, receive security warning msg)

Annual Review Checklist

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Reviewer's Name: Josh Amaris / Gabriela Baeza-Castaneda

Review Item and Questions to Answer	Yes	No	N/A	Notes
2.1 Assistance Terms				
<i>Sources: Final WRRDA Guidance of January 6, 2015, most recent SRF appropriations act, America's Water Infrastructure Act of 2018</i>				
1				DW: Program offers 30-year financing for SDACs CW Does offer 30 year financing
2	x			
3				
4			x	DW: Add sub is provided to those PWSs that serve disadvantaged (DAC) and severely disadvantaged (SDAC) communities as defined by the state. CW: Additional Subsidy was used as staes in the IUP and went to DACs, SDACS and Green projects
5				From AR: "The State Water Board continued to provide the maximum amount of available additional subsidy in the form of principal forgiveness in SFY 2018-19 for the benefit of SWSs serving DACs as well as ESCWSs serving SDACs." For DW FFY 2018: \$48,995,500 (30% + 20% of FFY 18 appropriation). CW: Table 8 in the AR shows the subsidy provided to date. CA will begin committing the add Sub for te 2018 grant in the coming year.
6	x			
	x			20% of total appropriation (included in amount listed above)
a. Is the state staying under the maximum amount of additional subsidy allowed under WRRDA (CW) and required under AWIA (DW)?	x			Table 8 in the AR clearly tracks this requirement across all grants.
b. [CW only] Is the state's affordability criteria for additional subsidy in compliance with WRRDA?	x			
c. [CW only] When awarding additional subsidy is the state following its affordability criteria and/or WRRDA guidance?	x			
7				
8	x			
	x			
2.2 Use of Fees				
<i>Sources: Final WRRDA Guidance of January 6, 2015, 40 CFR Part 35 Guidance on Fees Charged by States to Recipients of Clean Water State Revolving Fund Program Assistance, DWSRF Regulations, 40 C.F.R §35.3530</i>				

Annual Review Checklist

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Reviewer's Name: Josh Amaris / Gabriela Baeza-Castaneda

Review Item and Questions to Answer	Yes	No	N/A	Notes
<p>1</p> <p>If the State assesses fees on assistance, note the fee rate charged and on what basis (e.g., percentage of closing amount, principal outstanding, principal repaid, etc.) in the Notes column (if the State does not assess fees, note "N/A" in the Notes column)</p> <p>a. Describe how fee income is used by the program. For each use, indicate whether the fee income is program or non-program income.</p> <p>2 What are the State's procedures for accounting and reporting fee use?</p>	→			<p>From DW IUP: "A DWSRF administrative fee of one percent (1%) may be applied to eligible repayable financing for the purposes of providing additional funding for the State Water Board's administration of the DWSRF program." From CW IUP: "The SCG fee will be collected in an amount that does not jeopardize the long-term growth of the CWSRF, the State Water Board's ability to leverage the CWSRF, or the State Water Board's ability to collect sufficient fee revenue to administer the CWSRF."</p> <hr/> <p>DW: "The revenue generated by this fee shall be deposited into the DWSRF Administrative Fund." CW: Small Community Grant Fund</p> <hr/> <p><u>Separate accounts</u></p>
<p>2.3 State Match (Sources: 40 CFR Part 35: State Revolving Fund Implementation Regulations, EPA Standard Operating Procedure 2.3: Reviewing Use of Bonds for State Match and Leveraging)</p>				
<p>1</p> <p>What is the state's source of match?</p> <p>a. If this is a different source than the state has used in the past, briefly describe any changes</p>	→			<p>DW "The State match for the 2018 Capitalization Grant will be provided through an allocation of Prop 1 Drinking Water funding. As of June 30, 2018, approximately \$128.16 million of Prop 1 Drinking Water funds is estimated to be allocated and encumbered as State match for repayable financing and grant/principal forgiveness funding to drinking water projects eligible under both the DWSRF and Prop 1 Drinking Water programs, as set forth in this IUP." CW "As of June 30, 2019, the State Water Board has drawn \$2.800 billion in CWSRF federal grants that required a 20 percent (20%) match. The required match for federal grants drawn by the State Water Board was approximately \$560.1 million. California uses a combination of state general obligation bonds repaid from non-CWSRF sources and funds contributed by CWSRF applicants to meet the 20 percent (20%) match requirement. A total of approximately \$638.3 million in matching funds has been contributed to the CWSRF; therefore, California contributed approximately \$78.2 million more to its CWSRF than is required to match grants drawn as of June 30, 2019."</p> <hr/> <p><u>Similar to past years</u></p>
<p>2 If bonds are issued for state match, and the SRF is used to retire these bonds, do the bond documents clearly state what funds are being used for debt service and security?</p>	x			
<p>a. Has the State's current match bond structure been approved by EPA Headquarters?</p>	x			

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Programmatic Section

ADVANCE PREPARATION

This section is intended to be completed by the reviewer prior to the onsite Annual Review. The items should be completed based on a review of the State's documents (IUP, Operating

State / Program / Review Year: California / DWSRF & CWSRF / FY19

Reviewer's Name: Josh Amaris / Gabriela Baeza-Castaneda

Review Item and Questions to Answer	Yes	No	N/A	Notes
2.4 Timely and Expeditious Use of Funds				
<i>Sources: 40 CFR §35.3135(d), SRF-99-05, SRF-99-09, 40 CFR § 35.3550(l); DWSRF-14-02</i>				
1 Review the State's balance of uncommitted funds for the SFY under review, using NIMS or the annual report. Compare it to at least the last two years. Is the balance of uncommitted funds increasing or decreasing? Are unliquidated obligations increasing or decreasing, and are these balances consistent with the DWSRF ULO Reduction Policy issued April 14, 2014 (DW only)?	x			ULO's consistent with policy and the state is performing slightly better than the national average. As for commitments, the program maintains a high utilization rate (currently 113% cumulative). Fiscal implementation may impact these two metrics in the coming years and EPA will continue to monitor and have discussions with the state.
2 Review the State's balance of unliquidated federal funds for the current year, using Compass Data Warehouse. Compare it to at least the last two years. Is the State's position strong or improving?				DW: it is stable. CW the position has declined. Discussing with the state.
3 After reviewing the trend analysis, is the State using its funds, from all sources, in a timely and expeditious manner?	x			The issue is an accounting system driven issue not an underlying utilization issue
4 [DW Only] In reviewing the IUP, Annual Report and other financial data do you conclude:				
a. The state DWSRF is committing and spending all funds as efficiently as possible and in a timely and expeditious manner. If not, what specific issues do you identify?	x			
b. The state DWSRF expeditiously commits available funds to ready to proceed projects. If not, what specific issues do you identify?	x			
c. These projects move to construction in an efficient and timely manner. If not, what specific issues do you identify?	x			
d. Construction is completed and project funds are disbursed in an efficient, timely and expeditious manner. If not, what specific issues do you identify?	x			
e. Are there any uncommitted fund balances? If so, what are these balances and what is the reason they remain uncommitted? Are the issues captured in the HQ state policy matrix?		x		
f. Is the state making progress, as necessary, to comply with the DWSRF ULO reduction strategy? If not, what specific issues do you identify?			x	
g. Did the state shift set-aside funds to the loan funds after a certain period of time? If so, after what period of time?		x		
5 [DW Only] Review the State's balance of non-federal cash or cash equivalents for the current year, using the annual financial statement audit or deriving from NIMS data. Compare it to at least the last two years. Is the State's position strong or improving?				Stable, Up from Prior year 2018 but down from 2017
2.5 Financial Management				
<i>Source: CWSRF Financial Risks: Program Objectives, Risk Analysis and Useful Tools (2013)</i>				
1 Have all cumulative NIMS "Fund Analysis" indicators for the State shown good or improving performance in recent years, as compared to the national averages?		x		disbursements/assistance provided in both programs lag the national average by about 10%. Discussion pt.

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Programmatic Section

ADVANCE PREPARATION

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State / Program / Review Year: California / DWSRF & CWSRF / FY19

Reviewer's Name: Josh Amaris / Gabriela Baeza-Castaneda

Review Item and Questions to Answer	Yes	No	N/A	Notes
2 What are the State's leveraging activities as described in the bond documents, Annual Report and IUP (such as ratio, amount, impact on SRF interest rates, etc)? (N/A if the state does not leverage) Briefly summarize.	<input checked="" type="checkbox"/>			the DWSRF is leveraged through the sale of revenue bonds to generate additional near-term capital for the funding of construction projects
2.6 Compliance with Audit Requirements				
<i>Source: 40 CFR §35.3165, §35.3570</i>				
<i>Note: All questions apply to the independent audit and Single Audit</i>				
1 Are annual independent audits being conducted by an independent auditor, in addition to the State Single Audit?	<input checked="" type="checkbox"/>			
a. Who conducted the most recent audits? Note date of most recent audits in Notes column.	<input checked="" type="checkbox"/>			Audit is currently in progress
b. Did the program receive an unqualified opinion in one or both audits? If a qualified opinion was given, note the reason(s) in the Notes column	<input type="checkbox"/>			See above
c. Were the audits clear of findings? If no, describe the findings and resolutions in the Notes section and follow up as necessary onsite.	<input type="checkbox"/>			See above
d. Are the financial statements in conformance with GAAP?	<input type="checkbox"/>			See above
2 Were the audits free of any negative comments or issues regarding the State's SRF internal control structure? If no, list any problem areas identified.	<input type="checkbox"/>			See above
a. Were the audits clean from any improper payments/cash draws/disbursements? If no and improper payments were identified, what was the reason and amount of the improper payment?	<input type="checkbox"/>			See above
3 Is the most recent audit free of any repeat findings (from previous audits)?	<input type="checkbox"/>			See above
4 Did the most recent audits find state cash management and investment practices consistent with State law, policies, and any applicable bond requirements?	<input type="checkbox"/>			See above
2.7 Cash Draws & Transaction Testing				
<i>Sources: 40 CFR §35.3155(d)(5), SRF 13-04, 40 CFR § 35.3560</i>				
1 As stated in the IUP, what proportionality ratio is the State using for cash draws?	<input checked="" type="checkbox"/>			DW: 100% fed, CW: 100% fed
a. Is this the appropriate/correct ratio based on EPA memo SRF 13-04?	<input checked="" type="checkbox"/>			
2.8 [DW Only] DWSRF Withholding Determinations				
1 Did the Regional Capacity Development and Operator Certification Coordinators review the state's ongoing implementation of these programs?	<input checked="" type="checkbox"/>			
2 Is there a memo in the file (or other notation of record) documenting that EPA has determined that the state is implementing its capacity development strategy and no withholding will be necessary?	<input checked="" type="checkbox"/>			
3 Is there a memo in the file (or other notation of record) documenting that EPA has determined that the state is implementing its operator certification strategy and no withholding will be necessary?	<input checked="" type="checkbox"/>			Letter dated 12/26/19

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Programmatic Section

Required Program Elements

State / Program / Review Year: California / DWSRF & CWSRF / FY19		Reviewer's Name: Josh Amaris / Gabriela Baeza-Castaneda		
Review Item and Questions to Answer	Yes	No	N/A	Onsite Discussion Summary
1.1 Implementing Federal Requirements				
<i>Sources: Final WRRDA Guidance of January 6, 2015, EPA American Iron & Steel Policy Memo, Mar 20 2014, EPA Capitalization Grant Conditions; EPA Signage Policy Memo, Implementation of DWSRF-Related SDWA Amendments in the WIIN Act Memo (June 6, 2017, America's Water Infrastructure Act of 2018 (AWIA)</i>				
1 Has the State's process for implementing the following requirements remained the same since the last Annual Review? (if changes have been made, describe the changes briefly in the Onsite Discussion Summary section)				
a. [CW ONLY] A&E services procurement requirement (WRRDA Section 602(b)(14))	x			
b. [CW ONLY] Fiscal Sustainability Plans (WRRDA Section 603(d)(1)(E))	x			
c. [CW ONLY] Cost & Effectiveness (WRRDA Section 602(b)(13))	x			
d. American Iron and Steel (WRRDA Section 608)(applies to all treatment works projects) (DW:Annual appropriations laws and AWIA - applies to all assistance agreements)	x			
e. State Environmental Review Process	x			DW SERP is currently being updated, CW is upto date
f. Davis-Bacon (CW applies to all treatment works projects; DW: applies to all assistance agreements)	x			
g. Signage Requirements	x			
h. [CW only] Affordability Criteria, WRRDA Section 603(i)(2)	x			
i. Disadvantaged Community Program per AWIA (DW only)(begins with FY19 Capitalization Grant)		x		State will apply for funding during FFY20
j. Other Federal Requirements	x			
2 Is the State adequately implementing the new WIIN/AWIA amendments and Federal requirements without problem or major incident? If no, discuss these challenges and how EPA may be able to help.	x			CA has moved to 40 year financing as a result of WIIN
1.2 Operating Agreement				
<i>Source - CWSRF Regulations, 40 C.F.R. §35.3130(b)</i>				
1 Does the Operating Agreement reflect all current procedures and processes?				
a. [DW only] Does the State plan to update the OA to include changes resulting from WIIN/AWIA?	x			State will revisit OA in the future
b. If the OA does require an update, did the Region & State agree to a plan for updating (i.e. adding an amendment, using examples from other states, etc.)?			x	No Update needed
1.3 Green Project Reserve Requirements				
<i>Source - FY16 Continuing Appropriations Act, P.L. 114-53; SRF-13-03</i>				
1 [CW only] If the State has not met the GPR requirement for the year under review, what is their plan to meet the requirement?*				State has met requirement
a. If the State identified carryover GPR projects in the Annual Report, what actions is the State taking to ensure that these projects have an assistance agreement by the end of the fiscal year?				NA
2 [CW only] Is the State's current process for marketing and solicitation of GPR projects adequate for identifying a sufficient number of GPR projects?	x			
a. If no, does the State plan to revise their marketing and solicitation process?			x	
* The EPA Green Infrastructure Policy for the Clean Water State Revolving Funds dated January 6, 2016, the Green Project Reserve Policy for waivers dated December 22, 2011 and the Questions and Answers on the Additional Subsidization and Green Project Reserve Provisions dated August 19, 2013 clarify that the GPR requirement for a given year's appropriation is met when the minimum GPR funds required are in executed assistance agreements. These documents also clarify that states have two years to enter into an assistance agreement for GPR projects identified in the Intended Use Plan. If a project has not signed a loan agreement by the end of the second fiscal year, the State must include an explanation in the Annual Report along with anticipated milestones, and must meet those milestones by the end of the third fiscal year.				

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Required Program Elements

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Review Item and Questions to Answer	Yes	No	N/A	Onsite Discussion Summary
1.4 SRF Administration				
1 Was staffing for the year in review sufficient to manage the program?	x			Internal augmentations to staff. Moving staff around to meet work demand.
2 How many CWSRF staff members does the State have in the following areas?	→			Adequate
a. Accounting & Finance				Adequate
b. Engineering and field inspection				Adequate
c. Environmental review / planning				Adequate
d. Management				Adequate
3 What is the State C/DWSRF program's current situation with regard to hiring and training new staff?				CA is accomodating priorities within agency departments as implementation of Safe and Affordable Drinking Water Fund approaches.
1.5 Compliance with Environmental Review Requirements				
<i>Source - CWSRF Regulations, 40 C.F.R §35.3140; DWSRF Regulations, 40 C.F.R §35.3580; NEPA Regulations 40 C.F.R. Part 6</i>				
1 Has the State made any updates or changes to the Environmental Review process that are not reflected in the SERP?	x			DW SERP is being updated, CW: No
2 Were any of the projects funded during the review year subject to public controversy or documented public concerns? [Note: List any projects for which public controversy occurred, even if they were not reviewed during the onsite review.]				
a. If yes, did the state have the ability to adequately address the controversy?		x		
b. Is the controversy resolved? If no, discuss any ongoing issues or concerns.			x	
1.6 Compliance with Federal Cross-Cutting Authorities (Cross-Cutters)				
<i>Sources: EPA Crosscutter Memo, November 13, 2015, Civil Rights Act Title VI, SRF-14-02, CWSRF Regulations 40 C.F.R. §35.3145), DWSRF Regulations 40 C.F.R. §35.3575</i>				
1 Has the State implemented a streamlined cross-cutter review consistent with EPA's November 5, 2013 memo? (Source: EPA Crosscutter Policy Memo, November 5, 2013)	x			
2 Were there any issues requiring informal consultation with other State or Federal agencies? (If yes, provide details in the Onsite Discussion Summary section)		x		No issues
a. Does the state have an adequate process for resolving issues with State or Federal cross-cutter agencies?	x			Consult with EPA first and strategize on how to move forward. Collect information and bring parties together.
3 Has the state been effective in implementing Disadvantaged Business Enterprise (DBE) requirements and communicating the requirements to assistance recipients? If no, briefly describe any challenges or problems encountered.	x			Information on website and agreement
4 Does the State ensure that the assistance recipient complies with Civil Rights requirements by:*				
a. Providing initial and continuing notice that it does not discriminate on the basis of race, color, national origin, sex, age, or disability in its programs or activities?	x			Information on website and agreement. Look at EJ issues as well
b. Providing appropriate policies or procedures to provide access to its services for persons with limited English proficiency?	x			Information on website and agreement
c. Instituting grievance procedures to assure the prompt and fair resolution of complaints when a violation of Title VI of the Civil Rights Act or Title 40 CFR Part 5 or 7 is alleged?	x			Information on website and agreement

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Required Program Elements

State / Program / Review Year: California / DWSRF & CWSRF / FY19		Reviewer's Name: Josh Amaris / Gabriela Baeza-Castaneda		
Review Item and Questions to Answer	Yes	No	N/A	Onsite Discussion Summary
1.7 Funding Eligibility				
<i>Sources: CWSRF Regulations, 40 C.F.R. §35.3155 and §35.3160, Final WRRDA Guidance of January 6, 2015, DWSRF Regulations, 40 C.F.R. §35.3520 and §35.3525; Implementation of DWSRF-Related SDWA Amendments in the WIIN Act Memo (June 6, 2017); AWIA</i>				
1 [CW only] What challenges or limitations exist to funding new eligibilities (such as new decentralized systems, water conservation & efficiency, watershed projects, water reuse & recycling, or nonprofit technical assistance)?	<input checked="" type="checkbox"/>			Willing applicants and funding availability.
a. Does the state anticipate any significant changes to eligibilities in the foreseeable future? Describe any changes needed.		<input checked="" type="checkbox"/>		
2 [DW only] How does the State ensure that systems in significant noncompliance with any National Primary Drinking Water Regulations are not receiving assistance, except to achieve compliance?	<input checked="" type="checkbox"/>			Part of eligibility review on the checklist. Unless project is addressing violation
3 If the State is providing subsidy in the form of grant funds, do assistance agreements require compliance with the Uniform Grants Guidance (2 CFR 200)?			<input checked="" type="checkbox"/>	Not doing that
1.8 Programmatic Risks				
1 What in the State's view are the main programmatic risks facing the program, and what steps are being taken to avoid and/or mitigate them?	<input checked="" type="checkbox"/>			
2 In the Region's view, are there other areas of programmatic risk that the State should be considering? If so, have these been discussed and addressed during the review?		<input checked="" type="checkbox"/>		
1.9 American Iron and Steel Requirements				
<i>Source: EPA American Iron & Steel Policy Memo, March 20, 2014</i>				
1 Has the State issued any non-compliance letters to assistance recipients? If so, please provide a short summary list (and provide a copy of any non-compliance letters)			<input checked="" type="checkbox"/>	
2 Does the State follow-up on EPA HQ informal site visit draft reports and if so, what is the State's process?	<input checked="" type="checkbox"/>			State addresses issues with the assistance recipient, if any, and ok's reports to be finalized
1.10 [DW only] DWSRF Withholding Determinations				
1 How does the State assess any proposed new systems regarding TMF capacity?	<input checked="" type="checkbox"/>			Set-aside funds, DDW or DFA can draw upon, SAADW means, Prop 1. up to \$35M for this assistance.
1.11 [DW only] DWSRF, PWSS, and Enforcement Coordination				
1 Do the State DWSRF and PWSS Programs coordinate and regularly interact at the management and operational levels to ensure operation of both programs in a mutually reinforcing manner? Provide details about the interaction in the "Onsite Discussion Summary" section.	<input checked="" type="checkbox"/>			Drinking projects have to be approved by DDW. Keepers of CapDev program.
2 Is there a Memorandum of Agreement or other documentation delineating the mutual expectations and responsibilities of each program?		<input checked="" type="checkbox"/>		Under same agency
3 Do staff of each program express satisfaction with the coordination between the programs and can they cite examples of successful coordination?	<input checked="" type="checkbox"/>			DDW took lead on developing SAADDW. Complimentary coordination. Sativa
4 Does the DWSRF coordinate and consult with the PWSS Enforcement Program in identifying potential IUP projects? (e.g., utilize the ETT scores)	<input checked="" type="checkbox"/>			They provide list of priorities and priority list gets ranked according to these priorities.
5 Are specific efforts made by the DWSRF Program to solicit assistance applications from systems identified by the PWSS Enforcement Program as needing infrastructure investment?	<input checked="" type="checkbox"/>			Coordinate priority list

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Review Item and Questions to Answer	Yes	No	N/A	Onsite Discussion Summary
6 Do the DWSRF, PWSS, and Enforcement Programs coordinate in deciding the nature of set-aside assistance to be offered to systems facing compliance and/or enforcement issues?	x			They share use of the TA. TA unit has budget and assistance referrals come in and coordination takes place. Set aside gets separated by needs

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Review Item and Questions to Answer	Yes	No	N/A	Onsite Discussion Summary
1.12 Resiliency 1 Does the SRF promote resiliency when marketing its program?*** a. If so, how is this done and have marketing efforts been successful?	x			Award points in the ranking of projects and there is an inclusion of resiliency in the analysis of the project.

**These questions are included in the checklist per agreement with EPA's Office of Civil Rights and per EPA Memo SRF 14-02 "Guidance on Use of Reissued EPA Form 4700-4 and Sub-Recipient Title VI Compliance Obligations (Sept. 23, 2014)*

***Resiliency may be promoted by encouraging facilities to incorporate potential climate change impacts or strategies for building resistance to extreme events in new or revised facilities plans. Resiliency projects are those projects that: a) Reduce the likelihood of physical damage to a treatment works or drinking water system; b) reduces a treatment works' or water system's susceptibility to physical damage or ancillary impacts caused by floods, including those to interdependent infrastructure; c) 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; or, d) Facilitates preparation for, adaptation to, or recovery from climate change or any other type of natural disaster.*

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Review Item and Questions to Answer	Yes	No	N/A	Onsite Discussion Summary
2.1 Assistance Terms				
<i>Sources: Final WRRDA Guidance of January 6, 2015, most recent SRF appropriations act, AWIA; WIIN Implementation Memo</i>				
1 What is the State's process for evaluating the project's useful life for the purposes of setting the loan term? 2 How does the State periodically evaluate terms of assistance offered relative to the supply and demand for funds and the Fund's long-term financial health?	<div style="background-color: #cccccc; width: 100px; height: 100px; display: flex; align-items: center; justify-content: center;"> → </div>			Standard Checklist review, it is the technical checklist <hr/> Regularly scheduled finance meetings for long term planning and each loan before it is signed is evaluated on how it impacts the long term health of the funds and this is what is presented to the board for consideration.
2.2 Use of Fees				
<i>Sources: Final WRRDA Guidance of January 6, 2015, 40 CFR Part 35 Guidance on Fees Charged by States to Recipients of Clean Water State Revolving Fund Program Assistance, DWSRF Regulations, 40 C.F.R §35.3530</i>				
1 Discuss with the State its overall position regarding its fee structure, especially in regards to the following: a. Is the annual fee income adequate for the State's administrative expenses and other intended uses? b. Are there policies or procedures in place to prevent a large balance being accumulated in the fee account with no intended purpose? c. How often does the State re-consider its fee rate?	x x	<hr/> <div style="background-color: #cccccc; width: 100px; height: 100px; display: flex; align-items: center; justify-content: center;"> → </div> <hr/> Set in statute but application of fee rate is evaluated annually		
2.3 State Match				
<i>Sources: 40 CFR Part 35: State Revolving Fund Implementation Regulations, SRF 13-04</i>				
1 Is the state's source of match sufficient to provide the 20% match now and into the foreseeable future? a. If no, what steps is the state taking to address this? Discuss onsite and in the PER.	x	<div style="background-color: #cccccc; width: 100px; height: 100px; display: flex; align-items: center; justify-content: center;"> → </div>		

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Review Item and Questions to Answer	Yes	No	N/A	Onsite Discussion Summary
2 For those grants fully drawn during the year under review, do the State's accounting records indicate that the required match has been deposited and disbursed as required?	x			
2.4 Timely and Expeditious Use of Funds				
<i>Sources: 40 CFR §35.3135(d), SRF-99-05, SRF-99-09, DWSRF-14-02</i>				
1 If the State needs to improve its use of funds to ensure timely and expeditious use of funds available from all sources, what is the State's plan to do so? a. If the state was required to develop a plan demonstrating timely and expeditious use of funds, what progress is being made on meeting this plan?	<div style="background-color: #cccccc; width: 100px; height: 100px; display: flex; align-items: center; justify-content: center;">→</div>			NA <hr/> NA

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Review Item and Questions to Answer	Yes	No	N/A	Onsite Discussion Summary
2.5 Financial Management				
<i>Source: CWSRF Financial Risks: Program Objectives, Risk Analysis and Useful Tools (2013)</i>				
1 How is the state's financial management designed to achieve its short and long-term financial goals? a. Do the state's financial goals include steps to address any recently identified areas of financial risk identified by the state or region (e.g., improper payments, ULOs)?	→			Constant work around FISCAL and the "new-norm"
	x			
2 What is the State's long-term financial plan to direct the program? a. How often is the plan reviewed and updated?	→			see IUP annual basis with IUP, Debt management policy as well
b. Does planning address types of assistance and terms, use of leveraging, and transfers or cross-collateralization between programs?	x			
3 Is the state conducting SRF financial modeling that uses SRF funds' past performance to forecast future lending capacity as part of their long-term financial planning? a. If so, please provide a brief description of what type of analyses they have done. If not, does the state intend to incorporate such modeling into their long-term financial planning going forward? If not, why not?	→			financial analysis broadly from a FA, these guys also due the perpetuity analysis. Have a financial model that does project level impact analysis for funding
	x			
4 Are issues related to loan restructuring, the potential for defaults, and the timeliness of loan repayments being handled adequately by the State? (Check N/A if there are no issues, and provide details if there are issues)	x			State has an agency watch list to monitor for communities in distress. Also have stass monitoring repayment to detact any issues, none which were id'd in the prior year.
5 Are net bond proceeds, interest earnings, and repayments being deposited into the fund?	x			
6 Provide a brief summary of the State's disbursement process, including what documentation is required for disbursement requests, and the disbursement request review process	→			

2.6 Compliance with Audit Requirements

Sources: 40 CFR §35.3165, §35.3570; 2 CFR 200 Subpart F

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Review Item and Questions to Answer	Yes	No	N/A	Onsite Discussion Summary
<p>1 Does the State have an independent audit conducted of the Financial Statements of the Fund?</p> <p>a. What was the time period covered by the audit that was available at the time of the review?</p> <p>b. Has the State planned corrective actions for any findings included in this Financial Statement Audit?</p> <p>c. Have any audit findings from the prior year been resolved?</p>	x	→		<p>received on 3/2/2020</p> <hr/> <p>7/1/18-6/30/19 and 7/1/17-6/30/18</p> <hr/> <p style="text-align: center;">x</p> <hr/> <p style="text-align: center;">x</p> <hr/>
<p>2 Does the State have a Single Audit conducted of the Fund? <i>(This may be part of the Statewide Single Audit)</i></p> <p>a. What was the time period covered by the audit that was available at the time of the review?</p> <p>b. Has the State planned corrective actions for any findings included in this Single Audit?</p> <p>c. Have any audit findings from the prior year been resolved?</p>	→	→		<hr/> <p>7/1/18-6/30/19</p> <hr/> <p style="text-align: center;">x</p> <hr/> <p style="text-align: center;">x</p> <hr/>
<p>3 What is the State's process for:</p> <p>a. Complying with subrecipient monitoring audit requirements? Is the requirement applied to only equivalency projects or all projects that expended more than \$750,000 in federal funds?</p> <p>b. Obtaining/reviewing assistance recipients' single audits?</p> <p>c. Following up with assistance recipients to resolve findings, as needed?</p> <p>d. How does the State notify recipients of the single audit requirements; if they expended more than \$750,000 in federal funds?</p>	→	→		<p>accounting sends notices to all recipients that receive any federal funds, finance staff make sure. SCO monitors reports and will contact DFA if issues arise that need to be addressed and DFA can then withhold disbursements.</p> <hr/> <hr/> <hr/> <hr/>

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Programmatic Section**

Required Financial Elements


State / Program / Review Year: California / DWSRF & CWSRF / FY19		Reviewer's Name: Josh Amaris / Gabriela Baeza-Castaneda		
Review Item and Questions to Answer	Yes	No	N/A	Onsite Discussion Summary
2.7 Cash Draws & Transaction Testing				
<i>Sources: 40 CFR §35.3155(d)(5), 40 CFR § 35.3560; SRF 13-04</i>				
1 Are the State's disbursement process and internal controls adequate to ensure that disbursements adhere to the Federal cash draw rules? <i>(The reviewer should use their best judgement to answer this question based on a discussion with the State. For DWSRF, where available, reviewers should use the State internal control walk through provided by HQ)</i>				
a. What is the average length of time between request and disbursement?		→		Less than 30 days
2 Have all payments made by the State been correct and proper? (If no, indicate any improper payments detected by the state and what corrective actions that have been taken in the Onsite Discussion column and if necessary elaborate in the PER)			x	CW Improper payments: verifying amount
a. Were all improper payments adequately resolved?		x		The one identified by the state was all ready correct and the amounts EPA found were corrected
b. If improper payments occurred as a result of internal control deficiencies, how will the State review and/or modify its internal controls to decrease the potential for improper payments to occur in the future?			→	
2.8 Assessment of Financial Capability and Loan Security				
<i>Sources: 40 CFR 35.3120(iv), 40 CFR 35.3115, 40 CFR §35.3520; 40 CFR §35.3545</i>				
1 [CW Only] Does the State have procedures for assessing the financial capability of assistance recipients? What are the major components of the procedures?		x		
2 [DW Only] What is the State's process for determining system TMF capacity prior to signing an assistance agreement?			→	extensive financial and technical review prior to loan signing and is documented in the financial review tab and technical tab with associated checklists in the master file.
If the State is providing subsidy in the form of grant funds, do assistance agreements require compliance with the Uniform Grants Guidance (2 CFR 200)?			x	

Annual Review Checklist
Programmatic Section

Required Financial Elements

State / Program / Review Year: California / DWSRF & CWSRF / FY19

Reviewer's Name: Josh Amaris / Gabriela Baeza-Castaneda

Review Item and Questions to Answer	Yes	No	N/A	Onsite Discussion Summary
<p>2.9 Financial Risks <i>Sources: 40 CFR 35.3115, CWSRF Financial Risks: Program Objectives, Risk Analysis and Useful Tools (2013); 40 CFR §35.3525</i></p>				
<p>1 What in the State's view are the main financial risks facing the program, and what steps are being taken to avoid and/or mitigate them?</p>				<p>Fi\$cal and solvency of our recipients and yes the state is monitoring</p>

Annual Review Checklist
Programmatic Section

DWSRF Set-Asides

State / Program / Review Year: California / DWSRF / FY19		Reviewer's Name: Luis Garcia-Bakarich		
Review Item and Questions to Answer	Yes	No	N/A	Onsite Discussion Summary
3.1 General Set-Aside Funding				
<i>Sources: 40 CFR §35.3535</i>				
1 Did the State submit a workplan for set-aside activity that includes the amounts reserved, activity descriptions, goals and milestones?	x			Submitted to EPA September 2019
a. Does the authority to establish assistance priorities and carry out oversight and related activities (other than financial administration) remain with the state PWSS program?				DFA has the ultimate authority to direct assistance priorities and oversee contractors carrying out assistance activities. DDW consults with DFA to provide recommendations and feedback on performance.
b. Are federal cross-cutters and the SERP considered in set-aside activities (other than administrative activities)?		x		I have no basis to make a determination on this.
2 Did EPA approve any significant changes to planned activities and/or budgets from what was originally described in its work plans? N/A if no significant changes were made.			x	
a. If so, has the State amended its work plan(s) and submitted it (them) to EPA for approval?			x	
3 Are set-aside funds attached to specific projects with a schedule?				The set-aside workplans did not include any project-specific aspects. There have been no changes to their workplan.
a. Were success measures identified and reported for each project?		x		
b. Is the State making adequate progress towards milestones?				
c. Were all set-aside project schedule milestones achieved in the past year?				
4 Since the workplan is only a plan, is the State doing the projects outlined in their workplan? If not, what other projects are they conducting?	x			The workplans are program-level workplans. The programs are being implemented.
3.2 General Account Management				
1 Does the State account for each of the set-asides separately as required by [insert cite regulation]?		x		I cannot speak for anything other than the 10% set-aside. All funds for the drinking water program are comingled and drawn down proportionally.
a. For loans made under 1452(k), are principle and interest repayments kept in a separate dedicated account?			x	I have no basis to make a determination on this.
b. Does the State subject the 1452(k) account to the same management oversight requirements as the Fund?			x	I have no basis to make a determination on this.

**Annual Review Checklist
Programmatic Section**

Review Item and Questions to Answer	Yes	No	N/A	Onsite Discussion Summary
3.3 Specific Set-Aside Requirements				
1 For the State activities that are proportionally funded with set-aside funds, is the proportion appropriate?			x	I have no basis to make a determination on this.
a. Is the proportion charged to set-asides documented by employee timesheets or other similar method?			x	The drinking water program accounts for their time in 6-minute increments; however, DFA does not so I have no basis to make a determination for any of the set-asides other than the 10% set-aside. DDW bills based on activities versus charging specific accounts. The activities are associated with workplan activities which justifies the draw-down of federal grant awards.
b. How does the state ensure there is no duplicative billing of activities to different funding sources?	x			The drinking water program budget is approximately \$40 million, and the total federal contribution (PWSS and 10% set-aside combined) is approximately \$14-16 million. There is no opportunity to double-bill. Further, the Division of Administrative Services administers DDW's budget to en
2 Based on discussions with State managers, were set-aside funds used for eligible purposes?				As funds are comingled, it is impossible to determine which specific dollar was use to pay each specific purpose. The workplans were approved based on the stated purposes and scope of the workplan. Those purposes were implemented via the various administrative programs. The programs charged their respective programmatic accounts which also included other programmatic funds and those accounts were drawn down.
3 If transaction testing included set-aside draws, were costs for eligible purposes? (n/a if set-asides were not included in the selected cash draws)			x	I have no basis to make a determination on this.
4 Is adequate progress being made on the set-aside workplan(s) including success measures and milestones?			x	I can only represent for the 10% set-aside. DDW is implementing the PWSS program. There are certain programmatic challenges that will be elevated via the PWSS end-of-year report.
5 Did the State implement technical assistance activities under the administration set-aside as detailed in the work plan(s)?	x			I do not think so as I believe the set-aside is used exclusively for the administration for the SRF; however, I have no basis to make a determination on this.

Attachment B

Project File Checklists

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

State: California
Project or Borrower: City of Turlock

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

Required Program Elements				
Review Item and Question to Answer	Yes	No	N/A	Comments
1.1 Funding Eligibility				
1 The project is listed on the State's Project Priority List (N/A for CWSRF projects that are not 212 projects)	Yes			SFY18/19 IUP
2 The assistance recipient and project are eligible for SRF assistance (briefly describe the project and assistance recipient in the Comments section)	Yes			Recycled water project undertaken by a public municipality
3 Project file contains documentation showing that the useful life of the project is at least as long as the loan term	Yes			Section G of the Technical analysis has a useful life evaluation of 100yrs/pipeline
1.2 Green Project Reserve (GPR)				
1 [CW Only] Project file indicates that any portion of the project designated to receive GPR funding is GPR-eligible	Yes			Recycled water conveyence 100% eligible (\$39,461,000)
2 [DW Only] Project file indicates that any portion of the project is designated as a GPR project			NA	
1.3 State Environmental Review <i>(For CWSRF, this section should be completed for treatment works projects only)</i>				
1 Project File includes the following <i>[Note: may be included in the Preliminary Engineering Report or Facilities Plan]:</i>				
a. Discussion of required mitigation measures	Yes			Env review checklist notes the mitigation monitoring anf reporting plan MMRP and
b. Analysis of other sites and/or other projects considered	Yes			Section F of the Technical Review
c. Environmental Information Document (EID) from the assistance recipient	Yes			Tab 3A in the master file
d. The state's decision memo documenting one of the following: Decision to classify the project as a Categorical Exclusion (CE or CatEx) Decision to grant a Finding of No Significant Impact (FNSI or FONSI) Decision to require an Environmental Impact Statement (EIS) <i>(Note: if required, confirm that the EIS is in the project file)</i>			NA	
e. Evidence of public notification, as required: State environmental decision memo received public notification or an announcement was distributed to a list of interested parties and agencies, as specified in the SERP	Yes			Tab 3B in the master file
The state addressed all comments	Yes			Tab 3B in the master file
2 Documentation of a State determination of "no potential effect", OR concurrence from the agency responsible for administering the law, for each of the laws listed below:				
a. Archeological and Historic Preservation Act			NA	
d. National Historic Preservation Act	Yes			
b. Endangered Species Act	Yes			
c. Magnuson-Stevens Fishery Conservation and Management Act (essential fish habitat)	Yes			
e. Wild and Scenic Rivers Act	yes			
f. Coastal Zone Management and Coastal Barriers Resources Act	Yes			
g. Farmland Protection Policy Act	Yes			
h. Wetland Protection (Executive Order 11990)	Yes			
i. Floodplain Management (Executive Order 11988)	Yes			
j. Clean Air Act	Yes			
k. Sole-source Aquifers (Safe Drinking Water Act)	yes			
l. Protection and Enhancement of the Cultural Environment			NA	
m. Fish and Wildlife Coordination Act			NA	
n. Migratory Bird Treaty Act	Yes			

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

State: California
Project or Borrower: City of Turlock

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

Review Item and Question to Answer	Required Technical Elements			Comments
	Yes	No	N/A	
2.1 Bid, Procurement, and Construction Contracts				
<i>The project file contains the following:</i>				
1 Request for proposals or bid announcement	Yes			Tab7G in masterfile
2 Bid specifications OR construction contracts OR documentation that these items were reviewed by the State	Yes			Final Budget Approval Checklist Tab7 in master file
3 Bid specifications and/or construction contracts contain the following:				
a. Equal Employment Opportunity requirements (Executive Order 11246)	Yes			In bid specifications
b. Suspension and Debarment prohibitions (Executive Order 12549)	Yes			Final Budget Approval Checklist Tab7 in master file
c. EPA Davis-Bacon grant term and condition (for CWSRF projects, Davis-Bacon applies to treatment works only)	Yes			Final Budget Approval Checklist Tab7 in master file
d. The correct Davis-Bacon wage determination(s)	Yes			Final Budget Approval Checklist Tab7 in master file
e. American Iron and Steel requirements	Yes			Final Budget Approval Checklist Tab7 in master file
2.2 Certifications and Reporting				
<i>The project file includes the following:</i>				
1 Certifications of Davis-Bacon Compliance covering the construction period to date, indicating specific weekly payrolls reviewed (note: this is frequently submitted with disbursement requests)	yes			
2 Cost & Effectiveness analysis or certification (N/A for nongovernmental entities)	yes			Tab 2F in the masterfile Binder
3 [CW Only] Fiscal Sustainability Plan (FSP) or certification that an FSP will be developed and implemented (required only for projects to repair, replace or expand a POTW; N/A for bond purchase agreements)	Yes			
4 [CW Only] Project information has been entered into the CWSRF Benefits Reporting (CBR) database	Yes			Amounts in CBR matches the SRF loan portion which is paired with multiple other sources of funding to reach
5 [DW Only] Project information has been entered into the DWSRF Project and Benefits Reporting (PBR) database (including PWSID, project start date and project completion date)			NA	
6 [DW Only] If the project is for a community with 500 or fewer persons served, and if the community was not already using a publicly-owned well as a water source, does the project file contain a certification that the community considered a publicly-owned well (individual, shared or community) as an option for their DW supply? Implementation of DWSRF-Related SDWA Amendments in the WIIN Act Memo (June 6, 2017)			NA	
2.3 State Inspections				
1 Does the State perform construction inspections?				
a. If so, when are inspections performed (e.g., monthly, quarterly, final)?	Yes			Verify how often
2 Inspection reports indicate project is in compliance with:				
a. Davis-Bacon requirements	Yes			Tab 8 Master loan file
b. American Iron and Steel requirements	Yes			Tab 8 Master loan file
c. Green Project Reserve eligibility (when applicable)	Yes			Tab 8 Master loan file
3 All issues and concerns identified in inspection reports were adequately resolved			NA	No issues identified
2.4 American Iron and Steel Compliance				
1 Project file includes applicable American Iron and Steel documentation:				
a. Documentation from the assistance recipient on utilization of the American Iron and Steel de minimis waiver, if applicable			NA	Not using. Master File Tab 8
b. For projects covered by an American Iron and Steel national waiver, documentation of qualifications for that waiver			NA	
c. For projects that have received a project-specific American Iron and Steel waiver, documentation of compliance with the requirements of the waiver (may be included in inspection reports)			NA	
d. File contains copies of certification letters for iron and steel products OR documentation that these letters were reviewed.	Yes			Tab 8 Master loan file
2.5 Equivalency Requirements (This section should be completed for equivalency projects only*)				
<i>The project file includes the following:</i>				
1 Certification from the assistance recipient confirming that A/E contracts were procured in accordance with 40 CFR 1101et seq [CW Only] OR documentation showing that an equivalent State requirement was followed (N/A if A/E costs were not included in the SRF assistance			NA	Not an equivalency project
2 The assistance recipient submitted a Single Audit report [N/A if assistance recipient has not expended more than \$750,000 in Federal funds from all sources in the fiscal year]			NA	
a. The state ensured that the assistance recipient addressed findings and resolved any issues identified in a Single Audit Report			NA	
3 Project is included in the list of equivalency projects in the State's Annual Report			NA	

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

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

Review Item and Question to Answer	Yes	No	N/A	Comments
F projects. If the State is applying the requirements to all SRF projects, the reviewer must complete this section for all projects undergoing file review. If the State is only applying the requirements to projects in an amount equal to the capitalization grant, this section must only be completed for one equivalency project, as selected by the reviewer.				

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

State: Josh Amaris
Project or Borrower: Turlock

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

Required Financial Elements				
Review Item and Question to Answer	Yes	No	N/A	Comments
3.1 Financial Review				
1 [CW Only] File includes documentation that the applicant underwent a financial a. The financial capability review requires the applicant to identify a dedicated source of revenue for repayment (or for private applicants, ensures adequate security to assure repayment and maintain the project facility)	Yes			Tab 4B in masterfile
2 [DW Only] File includes documentation that applicant has TMF capacity, as	Yes			Tab 4G in the masterfile
			NA	
3.2 Loan or Bond Purchase Agreement				
1 The loan agreement or bond purchase document:				
a. Is signed by the state and assistance recipient (record date in comments)	Yes			Amendment 1: 12/17/19 Original: 8/21/18
b. Includes a budget and/or description of eligible costs	Yes			Amendment 1: Exhibit A of the Final Budget Approval
c. Includes the interest rate	Yes			1.8% Exhibit C FBA
d. Includes the fee rate (if applicable)			NA	
e. Includes an amortization schedule or includes the repayment period and the date when repayments must begin [N/A for projects receiving 100% grant or principal forgiveness]	Yes			Exhibit C FBA
f. Requires the assistance recipient to maintain project accounts in accordance with Generally Accepted Accounting Principals (GAAP), including GAAP requirements relating to the reporting of infrastructure assets (N/A for nongovernmental entities)	Yes			Pg 7 in the loan agreement
2 [CW Only] If the project is receiving additional subsidy based on affordability criteria, the borrower is a municipal, intermunicipal, state or interstate agency.	Yes			
3 Principal repayments start within 1 year (for CWSRF) or 18 months (for DWSRF) of project completion and end within the useful life of the project	Yes			
4 Does the loan or bond purchase document require the assistance recipient to comply with the following:				
a. Davis-Bacon	Yes			Exhibit E and G
b. Equal Employment Opportunity requirements (Executive Order 11246)	Yes			Exhibit E
c. Civil Rights Act of 1964	Yes			Exhibit E
d. Section 504 of the Rehabilitation Act of 1973	Yes			Exhibit E
e. American Iron and Steel	yes			Exhibit E
f. EPA signage requirement [equivalency requirement]	yes			Exhibit E
g. Single Audit requirements (2 CFR 200 Subpart F) [equivalency requirement]	yes			Loan section 3.8
h. Disadvantaged Business Enterprise requirements [equivalency requirement]	yes			Exhibit E

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

State: California
Project or Borrower: SFPUC

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

Required Program Elements

Review Item and Question to Answer		Yes	No	N/A	Comments
1.1 Funding Eligibility					
1	The project is listed on the State's Project Priority List (N/A for CWSRF projects that are not 212 projects)	Yes			SFY 16/17 IUP
2	The assistance recipient and project are eligible for SRF assistance (briefly describe the project and assistance recipient in the Comments section)	Yes			Water recycling project 2 MGD
3	Project file contains documentation showing that the useful life of the project is at least as long as the loan term	Yes			30 years Technical review package
1.2 Green Project Reserve (GPR)					
1	[CW Only] Project file indicates that any portion of the project designated to receive GPR funding is GPR-eligible	Yes			100% GPR eligible
2	[DW Only] Project file indicates that any portion of the project is designated as a GPR project			NA	
1.3 State Environmental Review <i>(For CWSRF, this section should be completed for treatment works projects only)</i>					
1	Project File includes the following <i>[Note: may be included in the Preliminary Engineering Report or Facilities Plan]:</i>				
	a. Discussion of required mitigation measures	Yes			File includes MMRP mitigation monitoring reporting plan
	b. Analysis of other sites and/or other projects considered	Yes			Section E Technical review package
	c. Environmental Information Document (EID) from the assistance recipient	Yes			
	d. The state's decision memo documenting one of the following:				
	Decision to classify the project as a Categorical Exclusion (CE or CatEx)			NA	
	Decision to grant a Finding of No Significant Impact (FNSI or FONSI)			NA	
	Decision to require an Environmental Impact Statement (EIS) <i>(Note: if required, confirm that the EIS is in the project file)</i>	Yes			
	e. Evidence of public notification, as required:				
	State environmental decision memo received public notification or an announcement was distributed to a list of interested parties and agencies, as specified in the SERP	Yes			Clearinghouse # 2008052133
	The state addressed all comments	Yes			
2	Documentation of a State determination of "no potential effect", OR concurrence from the agency responsible for administering the law, for each of the laws listed below:				
	a. Archeological and Historic Preservation Act			NA	Tab 3 Masterfile
	d. National Historic Preservation Act	Yes			Tab 3 Masterfile
	b. Endangered Species Act	Yes			Tab 3 Masterfile
	c. Magnuson-Stevens Fishery Conservation and Management Act (essential fish habitat)	Yes			Tab 3 Masterfile
	e. Wild and Scenic Rivers Act	Yes			Tab 3 Masterfile
	f. Coastal Zone Management and Coastal Barriers Resources Act	Yes			Tab 3 Masterfile
	g. Farmland Protection Policy Act	Yes			Tab 3 Masterfile
	h. Wetland Protection (Executive Order 11990)	Yes			Tab 3 Masterfile
	i. Floodplain Management (Executive Order 11988)	Yes			Tab 3 Masterfile
	j. Clean Air Act	Yes			Tab 3 Masterfile
	k. Sole-source Aquifers (Safe Drinking Water Act)	Yes			Tab 3 Masterfile
	l. Protection and Enhancement of the Cultural Environment			NA	Tab 3 Masterfile
	m. Fish and Wildlife Coordination Act			NA	Tab 3 Masterfile
	n. Migratory Bird Treaty Act	Yes			Tab 3 Masterfile

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

State: California
Project or Borrower: SFPUC

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

Review Item and Question to Answer	Required Technical Elements			Comments
	Yes	No	N/A	
2.1 Bid, Procurement, and Construction Contracts <i>The project file contains the following:</i>				
1 Request for proposals or bid announcement	yes			
2 Bid specifications OR construction contracts OR documentation that these items were reviewed by the State	yes			
3 Bid specifications and/or construction contracts contain the following:				
a. Equal Employment Opportunity requirements (Executive Order 11246)	Yes			provided by PM in bid specifications
b. Suspension and Debarment prohibitions (Executive Order 12549)	Yes			Tab 7b masterfile
c. EPA Davis-Bacon grant term and condition (for CWSRF projects, Davis-Bacon applies to treatment works only)	Yes			provided by PM in bid specifications
d. The correct Davis-Bacon wage determination(s)	yes			provided by PM in bid specifications
e. American Iron and Steel requirements	yes			Tab 7b masterfile
2.2 Certifications and Reporting <i>The project file includes the following:</i>				
1 Certifications of Davis-Bacon Compliance covering the construction period to date, indicating specific weekly payrolls reviewed (note: this is frequently submitted with disbursement requests)				
2 Cost & Effectiveness analysis or certification (N/A for nongovernmental entities)	Yes			Technical review package
3 [CW Only] Fiscal Sustainability Plan (FSP) or certification that an FSP will be developed and implemented (required only for projects to repair, replace or expand a POTW; N/A for bond purchase agreements)	Yes			Technical review package
4 [CW Only] Project information has been entered into the CWSRF Benefits Reporting (CBR) database	Yes			
5 [DW Only] Project information has been entered into the DWSRF Project and Benefits Reporting (PBR) database (including PWSID, project start date and project completion date)			NA	
6 [DW Only] If the project is for a community with 500 or fewer persons served, and if the community was not already using a publicly-owned well as a water source, does the project file contain a certification that the community considered a publicly-owned well (individual, shared or community) as an option for their DW supply? <i>Implementation of DWSRF-Related SDWA Amendments in the WIIN Act Memo (June 6, 2017)</i>			NA	
2.3 State Inspections				
1 Does the State perform construction inspections?				
a. If so, when are inspections performed (e.g., monthly, quarterly, final)?	Yes			Initial inspection done and quarterly reports submitted
2 Inspection reports indicate project is in compliance with:				
a. Davis-Bacon requirements	Yes			
b. American Iron and Steel requirements	Yes			
c. Green Project Reserve eligibility (when applicable)	Yes			
3 All issues and concerns identified in inspection reports were adequately resolved			NA	
2.4 American Iron and Steel Compliance				
1 Project file includes applicable American Iron and Steel documentation:				
a. Documentation from the assistance recipient on utilization of the American Iron and Steel de minimis waiver, if applicable	Yes			Tab 8 Masterfile
b. For projects covered by an American Iron and Steel national waiver, documentation of qualifications for that waiver		NA		Tab 8 Masterfile
c. For projects that have received a project-specific American Iron and Steel waiver, documentation of compliance with the requirements of the waiver (may be included in inspection reports)	Yes			Tab 8 Masterfile
d. File contains copies of certification letters for iron and steel products OR documentation that these letters were reviewed.	Yes			Tab 8 Masterfile
2.5 Equivalency Requirements (This section should be completed for equivalency projects only*) <i>The project file includes the following:</i>				
1 Certification from the assistance recipient confirming that A/E contracts were procured in accordance with 40 CFR 1101et seq [CW Only] OR documentation showing that an equivalent State requirement was followed (N/A if A/E costs were not included in the SRF assistance	Yes			Technical Review Package
2 The assistance recipient submitted a Single Audit report [N/A if assistance recipient has not expended more than \$750,000 in Federal funds from all sources in the fiscal year]	Yes			
a. The state ensured that the assistance recipient addressed findings and resolved any issues identified in a Single Audit Report	Yes			
3 Project is included in the list of equivalency projects in the State's Annual Report		No		

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

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

Required Technical Elements

Review Item and Question to Answer	Yes	No	N/A	Comments
SRF projects. If the State is applying the requirements to all SRF projects, the reviewer must complete this section for all projects undergoing file review. If the State is only applying the requirements to projects in an amount equal to the capitalization grant, this section must only be completed for one equivalency project, as selected by the reviewer.				

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

State: California
Project or Borrower: SFPUC

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

Review Item and Question to Answer	Yes	No	N/A	Comments
3.1 Financial Review				
1 [CW Only] File includes documentation that the applicant underwent a financial a. The financial capability review requires the applicant to identify a dedicated source of revenue for repayment (or for private applicants, ensures adequate security to assure repayment and maintain the project facility)	Yes			Tab 4B in masterfile
2 [DW Only] File includes documentation that applicant has TMF capacity, as			NA	Tab 4B in the masterfile
3.2 Loan or Bond Purchase Agreement				
1 The loan agreement or bond purchase document:				
a. Is signed by the state and assistance recipient (record date in comments)	Yes			22-May-19
b. Includes a budget and/or description of eligible costs	Yes			Exhibit A FBA
c. Includes the interest rate	Yes			Exhibit A FBA
d. Includes the fee rate (if applicable)			NA	
e. Includes an amortization schedule or includes the repayment period and the date when repayments must begin [N/A for projects receiving 100% grant or principal forgiveness]	Yes			Exhibit C
f. Requires the assistance recipient to maintain project accounts in accordance with Generally Accepted Accounting Principals (GAAP), including GAAP requirements relating to the reporting of infrastructure assets (N/A for nongovernmental entities)	Yes			
				Pg. 6 in Loan agreement
2 [CW Only] If the project is receiving additional subsidy based on affordability criteria, the borrower is a municipal, intermunicipal, state or interstate agency.			NA	
3 Principal repayments start within 1 year (for CWSRF) or 18 months (for DWSRF) of project completion and end within the useful life of the project	Yes			
4 Does the loan or bond purchase document require the assistance recipient to comply with the following:				
a. Davis-Bacon	Yes			Exhibit E & G
b. Equal Employment Opportunity requirements (Executive Order 11246)	Yes			exhibit E
c. Civil Rights Act of 1964	Yes			exhibit E
d. Section 504 of the Rehabilitation Act of 1973	Yes			exhibit E
e. American Iron and Steel	Yes			Exhibit E
f. EPA signage requirement [equivalency requirement]	Yes			Exhibit E
g. Single Audit requirements (2 CFR 200 Subpart F) [equivalency requirement]	Yes			3.8 in loan doc
h. Disadvantaged Business Enterprise requirements [equivalency requirement]	Yes			Exhibit E

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

State: California
Project or Borrower: City of Holtville 1310005-006C

Equivalency Project: No
Treatment Works Project: Yes

Required Program Elements

Review Item and Question to Answer	Yes	No	N/A	Comments
1.1 Funding Eligibility				
1 The project is listed on the State's Project Priority List (N/A for CWSRF projects that are not 212 projects)	X			
2 The assistance recipient and project are eligible for SRF assistance (briefly describe the project and assistance recipient in the Comments section)	X			The City of Holtville Water Tank & System Improvement Project will make modifications and additions to the water treatment plant to comply with the Trihalomethane (TTHM) maximum contaminant level (MCL). The project will consist of electrical and control upgrades, rehabilitation to the existing 2.4 million gallon (MG) potable water storage tank, and installation of a TTHM Removal System (TRS).
3 Project file contains documentation showing that the useful life of the project is at least as long as the loan term	X			Construction loan: useful life of project is at least 20 years
1.2 Green Project Reserve (GPR)				
1 [CW Only] Project file indicates that any portion of the project designated to receive GPR funding is GPR-eligible			X	
2 [DW Only] Project file indicates that any portion of the project is designated as a GPR project				PBR states full ad-sub project
1.3 State Environmental Review (For CWSRF, this section should be completed for treatment works projects only)				
1 Project File includes the following [Note: may be included in the Preliminary Engineering Report or Facilities Plan]:				
a. Discussion of required mitigation measures			X	Project received NOE
b. Analysis of other sites and/or other projects considered			X	Project received NOE
c. Environmental Information Document (EID) from the assistance recipient			X	Project received NOE
d. The state's decision memo documenting one of the following: Decision to classify the project as a Categorical Exclusion (CE or CatEx)	X			Project received NOE (Notice of Exemption)
Decision to grant a Finding of No Significant Impact (FNSI or FONSI)			X	
Decision to require an Environmental Impact Statement (EIS) (Note: if required, confirm that the EIS is in the project file)			X	
e. Evidence of public notification, as required: State environmental decision memo received public notification or an announcement was distributed to a list of interested parties and agencies, as specified in the SERP	X			State Clearinghouse No. 2016028261
The state addressed all comments	X			
2 Documentation of a State determination of "no potential effect", OR concurrence from the agency responsible for administering the law, for each of the laws listed below:				
a. Archeological and Historic Preservation Act	X			Not Applicable- Per funding application, Section 5
d. National Historic Preservation Act	X			Environmental Package
b. Endangered Species Act	X			Environmental Package
c. Magnuson-Stevens Fishery Conservation and Management Act (essential fish habitat)	X			Environmental Package
e. Wild and Scenic Rivers Act	X			Environmental Package
f. Coastal Zone Management and Coastal Barriers Resources Act	X			Environmental Package
g. Farmland Protection Policy Act	X			Environmental Package
h. Wetland Protection (Executive Order 11990)	X			Environmental Package
i. Floodplain Management (Executive Order 11988)	X			Environmental Package
j. Clean Air Act	X			Environmental Package
k. Sole-source Aquifers (Safe Drinking Water Act)	X			Environmental Package
l. Protection and Enhancement of the Cultural Environment	X			Environmental Package

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

Review Item and Question to Answer	Yes	No	N/A	Comments
m. Fish and Wildlife Coordination Act	X			Environmental Package
n. Migratory Bird Treaty Act	X			Environmental Package

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

State: California
Project or Borrower: City of Holtville 1310005-006C

Equivalency Project: No
Treatment Works Project: Yes

Review Item and Question to Answer	Required Technical Elements			Comments
	Yes	No	N/A	
2.1 Bid, Procurement, and Construction Contracts				
<i>The project file contains the following:</i>				
1 Request for proposals or bid announcement			X	Project bid nor RFP have not gone out yet
2 Bid specifications OR construction contracts OR documentation that these items were reviewed by the State			X	Project bid nor RFP have not gone out yet
3 Bid specifications and/or construction contracts contain the following:				
a. Equal Employment Opportunity requirements (Executive Order 11246)			X	Project bid has not gone out yet
b. Suspension and Debarment prohibitions (Executive Order 12549)			X	See above
c. EPA Davis-Bacon grant term and condition (for CWSRF projects, Davis-Bacon applies to treatment works only)			X	See above
d. The correct Davis-Bacon wage determination(s)			X	See above
e. American Iron and Steel requirements			X	See above
2.2 Certifications and Reporting				
<i>The project file includes the following:</i>				
1 Certifications of Davis-Bacon Compliance covering the construction period to date, indicating specific weekly payrolls reviewed (note: this is frequently submitted with disbursement requests)	X			
2 Cost & Effectiveness analysis or certification (N/A for nongovernmental entities)			X	This requirement applies to CWSRF borrowers only
3 [CW Only] Fiscal Sustainability Plan (FSP) or certification that an FSP will be developed and implemented (required only for projects to repair, replace or expand a POTW; N/A for bond purchase agreements)			X	
4 [CW Only] Project information has been entered into the CWSRF Benefits Reporting (CBR) database			X	
5 [DW Only] Project information has been entered into the DWSRF Project and Benefits Reporting (PBR) database (including PWSID, project start date and project completion date)	X			Completion date does not apply yet. Start date: 10/1/2018
6 [DW Only] If the project is for a community with 500 or fewer persons served, and if the community was not already using a publicly-owned well as a water source, does the project file contain a certification that the community considered a publicly-owned well (individual, shared or community) as an option for their DW supply? Implementation of DWSRF-Related SDWA Amendments in the WIIN Act Memo (June 6, 2017)			X	Community over 500 residents served
2.3 State Inspections				
1 Does the State perform construction inspections?	X			Quarterly
a. If so, when are inspections performed (e.g., monthly, quarterly, final)?				
2 Inspection reports indicate project is in compliance with:			X	No inspections have been performed yet
a. Davis-Bacon requirements			X	
b. American Iron and Steel requirements			X	
c. Green Project Reserve eligibility (when applicable)			X	
3 All issues and concerns identified in inspection reports were adequately resolved			X	
2.4 American Iron and Steel Compliance				
1 Project file includes applicable American Iron and Steel documentation:				
a. Documentation from the assistance recipient on utilization of the American Iron and Steel de minimis waiver, if applicable			X	Project has not received AIS waivers
b. For projects covered by an American Iron and Steel national waiver, documentation of qualifications for that waiver			X	
c. For projects that have received a project-specific American Iron and Steel waiver, documentation of compliance with the requirements of the waiver (may be included in inspection reports)			X	
d. File contains copies of certification letters for iron and steel products OR documentation that these letters were reviewed.	X			
2.5 Equivalency Requirements (This section should be completed for equivalency projects only*)				
<i>The project file includes the following:</i>				
Certification from the assistance recipient confirming that A/E contracts were procured in accordance with 40 CFR 1101et seq [CW Only]				
1 OR documentation showing that an equivalent State requirement was followed (N/A if A/E costs were not included in the SRF assistance agreement)			X	Not equivalency project
2 The assistance recipient submitted a Single Audit report [N/A if assistance recipient has not expended more than \$750,000 in Federal funds from all sources in the fiscal year]			X	Not equivalency project
a. The state ensured that the assistance recipient addressed findings and resolved any issues identified in a Single Audit Report			X	Not equivalency project
3 Project is included in the list of equivalency projects in the State's Annual Report		X		

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

Required Technical Elements

Review Item and Question to Answer	Yes	No	N/A	Comments
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*The requirements in this section apply to projects in an amount equal to the Federal capitalization grant. Some States choose to apply these requirements only to projects in an amount equal to the cap grant ("equivalency projects"), whereas other States apply the requirements to all SRF projects. If the State is applying the requirements to all SRF projects, the reviewer must complete this section for **all projects** undergoing file review. If the State is only applying the requirements to projects in an amount equal to the capitalization grant, this section must only be completed for one equivalency project, as selected by the reviewer.

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

State: California
Project or Borrower: City of Holtville 1310005-006C

Equivalency Project: No
Treatment Works Project: Yes

Required Financial Elements				
Review Item and Question to Answer	Yes	No	N/A	Comments
3.1 Financial Review				
1 [CW Only] File includes documentation that the applicant underwent a financial capability review			X	
a. The financial capability review requires the applicant to identify a dedicated source of revenue for repayment (or for private applicants, ensures adequate security to assure repayment and maintain the project facility)			X	
2 [DW Only] File includes documentation that applicant has TMF capacity, as required under SDWA	X			Project file: Section 2D
3.2 Loan or Bond Purchase Agreement				
1 The loan agreement or bond purchase document:				
a. Is signed by the state and assistance recipient (record date in comments)	X			signed by recipient on 8/13/19 and state on 9/20/19
b. Includes a budget and/or description of eligible costs	X			Construction loan \$4,148,283: Exhibit B
c. Includes the interest rate			X	principal forgiveness loan
d. Includes the fee rate (if applicable)			X	principal forgiveness loan
e. Includes an amortization schedule or includes the repayment period and the date when repayments must begin [N/A for projects receiving 100% grant or principal forgiveness]			X	principal forgiveness loan
f. Requires the assistance recipient to maintain project accounts in accordance with Generally Accepted Accounting Principals (GAAP), including GAAP requirements relating to the reporting of infrastructure assets (N/A for nongovernmental entities)	X			Exhibit C
2 [CW Only] If the project is receiving additional subsidy based on affordability criteria, the borrower is a municipal, intermunicipal, state or interstate agency.			X	
3 Principal repayments start within 1 year (for CWSRF) or 18 months (for DWSRF) of project completion and end within the useful life of the project			X	principal forgiveness loan
4 Does the loan or bond purchase document require the assistance recipient to comply with the following:				
a. Davis-Bacon	X			Construction loan: Section 3(d)iii
b. Equal Employment Opportunity requirements (Executive Order 11246)	X			Construction loan: Exhibit C
c. Civil Rights Act of 1964	X			Construction loan: Exhibit C
d. Section 504 of the Rehabilitation Act of 1973	X			Construction loan: Exhibit C
e. American Iron and Steel	X			Construction loan: Exhibit C
f. EPA signage requirement [equivalency requirement]	X			Construction loan: Section A.2.3
g. Single Audit requirements (2 CFR 200 Subpart F) [equivalency requirement]	X			Construction loan: Section C.3.2
h. Disadvantaged Business Enterprise requirements [equivalency requirement]	X			Construction loan: Section A.2.2.4

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

State: California

Project or Borrower: Valencia Heights Water Company 1910163-001C

Equivalency Project: No

Treatment Works Project: No

Required Program Elements

Review Item and Question to Answer	Yes	No	N/A	Comments
1.1 Funding Eligibility				
1 The project is listed on the State's Project Priority List (N/A for CWSRF projects that are not 212 projects)	X			
2 The assistance recipient and project are eligible for SRF assistance (briefly describe the project and assistance recipient in the Comments section)				The proposed project will eliminate water loss with replacement of 1,500 linear feet transmission main and 16-inch pipeline. A new pump station with a total capacity of 2,100 gpm will include three 700 gpm vertical turbine pumps, 40 HP motors. This will increase efficiency to the zone Reservoir #2 services.
3 Project file contains documentation showing that the useful life of the project is at least as long as the loan term	X			Useful life is at least 30 years for pump station and 60 years for pipeline. Loan is 20 yrs.
1.2 Green Project Reserve (GPR)				
1 [CW Only] Project file indicates that any portion of the project designated to receive GPR funding is GPR-eligible			X	
2 [DW Only] Project file indicates that any portion of the project is designated as a GPR project			X	Not a GPR/Ad-Sub project
1.3 State Environmental Review (For CWSRF, this section should be completed for treatment works projects only)				
1 Project File includes the following [Note: may be included in the Preliminary Engineering Report or Facilities Plan]:				
a. Discussion of required mitigation measures			X	Project was approved for a NOE
b. Analysis of other sites and/or other projects considered			X	Project was approved for a NOE
c. Environmental Information Document (EID) from the assistance recipient			X	Project was approved for a NOE
d. The state's decision memo documenting <u>one</u> of the following:				
Decision to classify the project as a Categorical Exclusion (CE or CatEx)	X			Categorical Exemption: replacement or reconstruction of existing water supply distribution lines of substantially the same size
Decision to grant a Finding of No Significant Impact (FNSI or FONSI)			X	
Decision to require an Environmental Impact Statement (EIS) (Note: if required, confirm that the EIS is in the project file)			X	
e. Evidence of public notification, as required:				
State environmental decision memo received public notification or an announcement was distributed to a list of interested parties and agencies, as specified in the SERP	X			CA State Clearinghouse No. 2016058292
The state addressed all comments	X			
2 Documentation of a State determination of "no potential effect", OR concurrence from the agency responsible for administering the law, for each of the laws listed below:				
a. Archeological and Historic Preservation Act	X			Project file environmental package
d. National Historic Preservation Act	X			Project file environmental package
b. Endangered Species Act	X			Project file environmental package
c. Magnuson-Stevens Fishery Conservation and Management Act (essential fish habitat)	X			Project file environmental package
e. Wild and Scenic Rivers Act	X			Project file environmental package
f. Coastal Zone Management and Coastal Barriers Resources Act	X			Project file environmental package
g. Farmland Protection Policy Act	X			Project file environmental package
h. Wetland Protection (Executive Order 11990)	X			Project file environmental package
i. Floodplain Management (Executive Order 11988)	X			Project file environmental package
j. Clean Air Act	X			Project file environmental package
k. Sole-source Aquifers (Safe Drinking Water Act)	X			Project file environmental package
l. Protection and Enhancement of the Cultural Environment	X			Project file environmental package

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

Required Program Elements				
Review Item and Question to Answer	Yes	No	N/A	Comments
m. Fish and Wildlife Coordination Act	X	_____	_____	Project file environmental package
n. Migratory Bird Treaty Act	X	_____	_____	Project file environmental package

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

State: California
Project or Borrower: Valencia Heights Water Company 1910163-001C

Equivalency Project: No
Treatment Works Project: No

Review Item and Question to Answer	Required Technical Elements			Comments
	Yes	No	N/A	
2.1 Bid, Procurement, and Construction Contracts <i>The project file contains the following:</i>				
1 Request for proposals or bid announcement	X			
2 Bid specifications OR construction contracts OR documentation that these items were reviewed by the State	X			
3 Bid specifications and/or construction contracts contain the following:				
a. Equal Employment Opportunity requirements (Executive Order 11246)	X			
b. Suspension and Debarment prohibitions (Executive Order 12549)	X			Loan agreement, Exhibit E
c. EPA Davis-Bacon grant term and condition (for CWSRF projects, Davis-Bacon applies to treatment works only)	X			Construction agreement, page 13
d. The correct Davis-Bacon wage determination(s)	X			Construction agreement
e. American Iron and Steel requirements	X			Construction agreement, page 23
2.2 Certifications and Reporting <i>The project file includes the following:</i>				
1 Certifications of Davis-Bacon Compliance covering the construction period to date, indicating specific weekly payrolls reviewed (note: this is frequently submitted with disbursement requests)	X			
2 Cost & Effectiveness analysis or certification (N/A for nongovernmental entities)			X	This requirement applies to CWSRF borrowers only. Also non-governmental
3 [CW Only] Fiscal Sustainability Plan (FSP) or certification that an FSP will be developed and implemented (required only for projects to repair, replace or expand a POTW; N/A for bond purchase agreements)			X	
4 [CW Only] Project information has been entered into the CWSRF Benefits Reporting (CBR) database			X	
5 [DW Only] Project information has been entered into the DWSRF Project and Benefits Reporting (PBR) database (including PWSID, project start date and project completion date)	X			
6 [DW Only] If the project is for a community with 500 or fewer persons served, and if the community was not already using a publicly-owned well as a water source, does the project file contain a certification that the community considered a publicly-owned well (individual, shared or community) as an option for their DW supply? <i>Implementation of DWSRF-Related SDWA Amendments in the WIIN Act Memo (June 6, 2017)</i>			X	Community over 500 residents served
2.3 State Inspections				
1 Does the State perform construction inspections?				
a. If so, when are inspections performed (e.g., monthly, quarterly, final)?	X			Quarterly
2 Inspection reports indicate project is in compliance with:				
a. Davis-Bacon requirements	X			
b. American Iron and Steel requirements	X			
c. Green Project Reserve eligibility (when applicable)			X	
3 All issues and concerns identified in inspection reports were adequately resolved	X			Recipient submitted additional information in response to non-compliance findings during 4/2/18 inspection. Issue was resolved.
2.4 American Iron and Steel Compliance				
1 Project file includes applicable American Iron and Steel documentation:				
a. Documentation from the assistance recipient on utilization of the American Iron and Steel de minimis waiver, if applicable			X	No waiver
b. For projects covered by an American Iron and Steel national waiver, documentation of qualifications for that waiver			X	No waiver
c. For projects that have received a project-specific American Iron and Steel waiver, documentation of compliance with the requirements of the waiver (may be included in inspection reports)			X	No waiver
d. File contains copies of certification letters for iron and steel products OR documentation that these letters were reviewed.	X			
2.5 Equivalency Requirements (This section should be completed for equivalency projects only*) <i>The project file includes the following:</i>				
1 Certification from the assistance recipient confirming that A/E contracts were procured in accordance with 40 CFR 1101.1 et seq [CW Only] OR documentation showing that an equivalent State requirement was followed (N/A if A/E costs were not included in the SRF assistance agreement)			X	Not an equivalency project
2 The assistance recipient submitted a Single Audit report [N/A if assistance recipient has not expended more than \$750,000 in Federal funds from all sources in the fiscal year]			X	Not an equivalency project
a. The state ensured that the assistance recipient addressed findings and resolved any issues identified in a Single Audit Report			X	Not an equivalency project
3 Project is included in the list of equivalency projects in the State's Annual Report			X	Not an equivalency project

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

Review Item and Question to Answer	Yes	No	N/A	Comments
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*The requirements in this section apply to projects in an amount equal to the Federal capitalization grant. Some States choose to apply these requirements only to projects in an amount equal to the cap grant ("equivalency projects"), whereas other States apply the requirements to all SRF projects. If the State is applying the requirements to all SRF projects, the reviewer must complete this section for **all projects** undergoing file review. If the State is only applying the requirements to projects in an amount equal to the capitalization grant, this section must only be completed for one equivalency project, as selected by the reviewer.

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

State: California

Project or Borrower: Valencia Heights Water Company 1910163-001C

Equivalency Project: No

Treatment Works Project: No

Required Financial Elements				
Review Item and Question to Answer	Yes	No	N/A	Comments
3.1 Financial Review				
1 [CW Only] File includes documentation that the applicant underwent a financial capability review	—	—	X	
a. The financial capability review requires the applicant to identify a dedicated source of revenue for repayment (or for private applicants, ensures adequate security to assure repayment and maintain the project facility)	—	—	X	
2 [DW Only] File includes documentation that applicant has TMF capacity, as	X	—	—	Project file: Section 2F
3.2 Loan or Bond Purchase Agreement				
1 The loan agreement or bond purchase document:				
a. Is signed by the state and assistance recipient (record date in comments)	X	—	—	1/16/2018
b. Includes a budget and/or description of eligible costs	X	—	—	Loan: \$1,149,003
c. Includes the interest rate	X	—	—	1.70%
d. Includes the fee rate (if applicable)	—	—	X	
e. Includes an amortization schedule or includes the repayment period and the date when repayments must begin [N/A for projects receiving 100% grant or principal forgiveness]	X	—	—	(not updated to reflect final costs)
f. Requires the assistance recipient to maintain project accounts in accordance with Generally Accepted Accounting Principals (GAAP), including GAAP requirements relating to the reporting of infrastructure assets (N/A for nongovernmental entities)	X	—	—	
2 [CW Only] If the project is receiving additional subsidy based on affordability criteria, the borrower is a municipal, intermunicipal, state or interstate agency.	—	—	X	
3 Principal repayments start within 1 year (for CWSRF) or 18 months (for DWSRF) of project completion and end within the useful life of the project	X	—	—	
4 Does the loan or bond purchase document require the assistance recipient to comply with the following:				
a. Davis-Bacon	X	—	—	Project file
b. Equal Employment Opportunity requirements (Executive Order 11246)	X	—	—	Project file
c. Civil Rights Act of 1964	X	—	—	Project file
d. Section 504 of the Rehabilitation Act of 1973	X	—	—	Project file
e. American Iron and Steel	X	—	—	Project file
f. EPA signage requirement [equivalency requirement]	X	—	—	Project file
g. Single Audit requirements (2 CFR 200 Subpart F) [equivalency requirement]	X	—	—	Project file
h. Disadvantaged Business Enterprise requirements [equivalency requirement]	X	—	—	Project file

Attachment C

Transaction Testing

State:	California
Indicate CW/DW Review:	CW
Reviewer:	Josh Amaris
Review Date:	1/27/2020

Cash Draw Amount:	\$ 2,540,789.00
Cash Draw Date:	6/7/2019
Purpose of Cash Draw (Loan, Admin or Set-Aside):	Loan
Grant Number:	CS060000117

Selected by Region	X	Selected by Statistical Sampling				
Totals :	SRF	Cash Draw Amount:	State Match Amount:	Improper	Other	Federal Cash Draw Ratio:
Project Totals:	\$2,540,789.00	\$2,540,789.00	\$0.00	\$0.00	\$0.00	100.00%
Set-Aside:	\$2,540,789.00	\$2,540,789.00	\$0.00	\$0.00	\$0.00	100.00%

Review Item	Yes	No	N/A	Descriptions/Comments
1. The State is reviewing and approving invoices in a timely manner	<u>yes</u>	_____	_____	
2. State accounting records accurately reflect the cash draw	<u>yes</u>	_____	_____	
3. Funds are being disbursed to recipients in a timely manner following requests for reimbursement and cash draw	<u>yes</u>	_____	_____	
4. State used the correct proportionality ratio to calculate value drawn (enter the proportionality ratio from the State's IUP or grant application in the Comments section)	<u>yes</u>	_____	_____	
5. If State is drawing 100% federal funds, the entire state match was disbursed prior to federal draws	<u>yes</u>	_____	_____	

Project Name:	City of El Paso Robles	Project Number:	C-05-8144-110
Disbursement Request Date:	1/22/2019	Improper Payment (Yes/No):	No
Improper Payment Resolution:			
Invoice Date	Invoice Number	Invoice Amount	Payee
1/8/2019	180044	\$ 9,366,383.00	Construction: Cushman Contracting
1/8/2019	180044	\$ (6,054,769.00)	Construction: Cushman Contracting
	21	\$623,358.00	Change Order (CO)
		\$507,288.00	Allowances
Invoiced Total:	\$4,442,260.00	Explanation If Paid Amount is Different from Invoiced Total:	Less portion paid from repayment fund
Amount Paid from Other Sources:	\$1,901,471.00		

Amount Paid from SRF funds:	\$2,540,789.00	Additional Notes:	
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Project:

(a) Total SRF Disbursements:	\$2,540,789.00		
(b) Total Cash Draw Amount:	\$2,540,789.00		
State Match Amount(if applicable):			
Improper Payment Amount (if applicable):			
Other:			
Calculate the Federal cash draw ratio (b/a):	100.00%		

Set-Aside:

(a) Total SRF Disbursements:	\$2,540,789.00		
(b) Total Cash Draw Amount:	\$2,540,789.00		
State Match Amount(if applicable):			
Improper Payment Amount (if applicable):			
Other:			
Calculate the Federal cash draw ratio (b/a):	100.00%		

State:	California
Indicate CW/DW Review:	CW
Reviewer:	Josh Amaris
Review Date:	1/27/2020

Cash Draw Amount:	\$ 20,423.00
Cash Draw Date:	12/20/2018
Purpose of Cash Draw (Loan, Admin or Set-Aside):	Loan
Grant Number:	CS06000117

Totals :	SRF	Cash Draw Amount:	State Match Amount:	Improper	Other	Federal Cash Draw Ratio:
Project Totals:	\$20,423.00	\$20,423.00	\$0.00	\$0.00	\$0.00	100.00%
Set-Aside:	\$20,423.00	\$20,423.00	\$0.00	\$0.00	\$0.00	100.00%

Review Item	Yes	No	N/A	Descriptions/Comments
1. The State is reviewing and approving invoices in a timely manner	<u>Yes</u>	_____	_____	
2. State accounting records accurately reflect the cash draw	<u>Yes</u>	_____	_____	
3. Funds are being disbursed to recipients in a timely manner following requests for reimbursement and cash draw	<u>Yes</u>	_____	_____	
4. State used the correct proportionality ratio to calculate value drawn (enter the proportionality ratio from the State's IUP or grant application in the Comments section)	<u>Yes</u>	_____	_____	
5. If State is drawing 100% federal funds, the entire state match was disbursed prior to federal draws	<u>Yes</u>	_____	_____	

Project Name:		Westley CSD		Project Number:		8008-110	
Disbursement Request Date:		11/20/2018		Improper Payment (Yes/No):		No	
Improper Payment Resolution:							
Invoice Date	Invoice Number	Invoice Amount	Payee			Notes on Invoice	
9/3/2018	1826	\$125.00	Guiding hands bookkeeping				
9/9/2017	2393	\$9,838.27	Blackwater consulting and engineering				
10/12/2018	2961	\$80.00	Blackwater consulting and engineering				
1/9/2018	2560	\$10,379.72	Blackwater consulting and engineering				
		\$0.01	Per state rounding protocol				
Invoiced Total:		\$20,423.00	Explanation If Paid Amount is Different from Invoiced Total:				
Amount Paid from Other Sources:		\$0.00					
Amount Paid from SRF funds:		\$20,423.00	Additional Notes:				

Project:

(a) Total SRF Disbursements:	\$20,423.00		
(b) Total Cash Draw Amount:	\$20,423.00		
State Match Amount(if applicable):			
Improper Payment Amount (if applicable):			
Other:			
Calculate the Federal cash draw ratio (b/a):	100.00%		

Set-Aside:

(a) Total SRF Disbursements:	\$20,423.00		
(b) Total Cash Draw Amount:	\$20,423.00		
State Match Amount(if applicable):			
Improper Payment Amount (if applicable):			
Other:			
Calculate the Federal cash draw ratio (b/a):	100.00%		

State:	California
Indicate CW/DW Review:	CW
Reviewer:	Josh Amaris
Review Date:	1/27/2020

Cash Draw Amount:	\$ 582,332.00
Cash Draw Date:	Thursday, August 16, 2018
Purpose of Cash Draw (Loan, Admin or Set-Aside):	Loan
Grant Number:	CS06000117

Selected by Region	X	Selected by Statistical Sampling				
Totals :	SRF	Cash Draw Amount:	State Match Amount:	Improper	Other	Federal Cash Draw Ratio:
Project Totals:	\$582,332.00	\$582,332.00	\$0.00	\$0.00	\$0.00	100.00%
Set-Aside:	\$183,268.00	\$582,332.00	\$0.00	\$0.00	\$0.00	317.75%

Review Item	Yes	No	N/A	Descriptions/Comments
1. The State is reviewing and approving invoices in a timely manner	<u>Yes</u>	_____	_____	
2. State accounting records accurately reflect the cash draw	<u>Yes</u>	_____	_____	
3. Funds are being disbursed to recipients in a timely manner following requests for reimbursement and cash draw	<u>yes</u>	_____	_____	
4. State used the correct proportionality ratio to calculate value drawn (enter the proportionality ratio from the State's IUP or grant application in the Comments section)	<u>yes</u>	_____	_____	
5. If State is drawing 100% federal funds, the entire state match was disbursed prior to federal draws	<u>yes</u>	_____	_____	

Project Name:	City of Santa Monica	Project Number:	8211-110
Disbursement Request Date:	6/25/2018	Improper Payment (Yes/No):	No
Improper Payment Resolution:			
Invoice Date	Invoice Number	Invoice Amount	Payee
1/8/2018	1301487	\$44,638.85	Stantec
1/8/2018	1301487	-\$167.97	Stantec
2/12/2018	1316038	\$138,797.49	Stantec
		-\$0.37	per state rounding protocol
Invoiced Total:	\$183,268.00	Explanation If Paid Amount is Different from Invoiced Total:	
Amount Paid from Other Sources:	\$0.00		
Amount Paid from SRF funds:	\$183,268.00	Additional Notes:	

Project Name: Santa Rosa Regional Resources Authority (Claim 2)		Project Number:		8128-110
Disbursement Request Date:				Yes
Invoice Date	Invoice Number	Invoice Amount	Payee	Notes on Invoice
1/11/2018	55254	\$1,561.28	Lagerlof, Senecal, Gosney & Kruse	Planning
2/7/2018	55360	\$388.93	Lagerlof, Senecal, Gosney & Kruse	Planning
3/6/2018	55504	\$1,267.50	Lagerlof, Senecal, Gosney & Kruse	Planning
1/24/2018	335367-0002	\$15,151.50	Stradling Yocca Carlson & Rauth	Planning
	na	\$79,080.42	Force Account	Planning
10/2/2015	1210219	\$400.00	Black and Veatch	Planning: Correction to State Rate Lodging adjustment from a prior claim. Erroneous in the amount of \$400 on a prior claim
		\$0.37		Planning rounded per state protocol
12/13/2017	1260625	\$238,225.94	Black and Veatch	Design: Amount invoiced payable in claim 2
12/13/2017	1260625	-\$73,225.94	Black and Veatch	Design: Amount invoiced payable in claim 3
1/3/2018	BL-532	\$21,851.19	rancho ca water district	Design
2/5/2018	BL-542	\$14,778.63	rancho ca water district	Design
3/5/2018	BL-546	\$55,077.89	rancho ca water district	Design: This invoice rolls up force account and sub-invoices included in the design category. (55254, 55360 and 335367-0002 are included in this roll-up) This represents an erroneous double paying of invoices in the mount of \$17,101.71 as they are already counted in the Planning category
		\$0.29		Design rounded per state protocol
Invoiced Total:		\$354,558.00	Explanation If Paid Amount is Different from Invoiced Total:	less amount paid from repayment account
Amount Paid from Other Sources:		\$147,135.00		
Amount Paid from SRF funds:		\$207,423.00	Additional Notes:	

Project Name: Santa Rosa Regional Resources Authority (Claim 3)		Project Number:		8128-110
Disbursement Request Date:				
Invoice Date	Invoice Number	Invoice Amount	Payee	Notes on Invoice
3/13/2018	23711	\$569.50	Feldman Rolapp and Associates	planning
		\$0.50		Planning: rounding per state protocol
	1267204	\$189,803.45	Black and Veatch	Design: includes \$73,225.94 from Black and Veatch Invoice 1260625
	BL-559	\$38,852.19	rancho ca water district	Design: This invoice rolls-up force account and sub-invoices in the planning category. (55504 is included in this roll-up) this invoice was paid in claim 2 under planning and represents an erroneous double paying of the invoice in an amount of \$1,267.50

		\$26,956.07	rancho ca water district	Design
		\$0.29		Design: Rounding per state protocol
Invoiced Total:		\$256,182.00	Explanation If Paid Amount is Different from Invoiced Total:	less amount paid from repayment account
Amount Paid from Other Sources:		\$64,541.00		
Amount Paid from SRF funds:		\$191,641.00	Additional Notes:	

Project:

(a) Total SRF Disbursements:	\$582,332.00		
(b) Total Cash Draw Amount:	\$582,332.00		
State Match Amount(if applicable):			
Improper Payment Amount (if applicable):			
Other:			
Calculate the Federal cash draw ratio (b/a):	100.00%		

Set-Aside:

(a) Total SRF Disbursements:	\$183,268.00		
(b) Total Cash Draw Amount:	\$582,332.00		
State Match Amount(if applicable):			
Improper Payment Amount (if applicable):			
Other:			
Calculate the Federal cash draw ratio (b/a):	317.75%		

State:	California
Indicate CW/DW Review:	CW
Reviewer:	Josh Amaris
Review Date:	1/27/2020

Cash Draw Amount:	\$ 28,174.89
Cash Draw Date:	Thursday, May 9, 2019
Purpose of Cash Draw (Loan, Admin or Set-Aside):	Admin
Grant Number:	CS06000118

Selected by Region	X	Selected by Statistical Sampling				
Totals :	SRF	Cash Draw Amount:	State Match Amount:	Improper	Other	Federal Cash Draw Ratio:
Project Totals:	\$28,174.89	\$28,174.89	\$0.00	\$0.00	\$0.00	100.00%
Set-Aside:	\$28,174.89	\$28,174.89	\$0.00	\$0.00	\$0.00	100.00%

Review Item	Yes	No	N/A	__	Descriptions/Comments
1. The State is reviewing and approving invoices in a timely manner	<u>Yes</u>	_____	_____		
2. State accounting records accurately reflect the cash draw	<u>Yes</u>	_____	_____		
3. Funds are being disbursed to recipients in a timely manner following requests for reimbursement and cash draw	<u>Yes</u>	_____	_____		
4. State used the correct proportionality ratio to calculate value drawn (enter the proportionality ratio from the State's IUP or grant application in the Comments section)	<u>Yes</u>	_____	_____		
5. If State is drawing 100% federal funds, the entire state match was disbursed prior to federal draws	<u>Yes</u>	_____	_____		

Project Name:	Northbridge Contract		Project Number:	Contract
Disbursement Request Date:	2/20/2019		Improper Payment (Yes/No):	No
Improper Payment Resolution:				
Invoice Date	Invoice Number	Invoice Amount	Payee	Notes on Invoice
2/20/2019	26659	\$33,810.00	Northbridge Environmental Management Consultants	
Invoiced Total:	\$33,810.00	Explanation If Paid Amount is Different from Invoiced Total:		Less Paid from bond proceeds
Amount Paid from Other Sources:	\$5,635.11			
Amount Paid from SRF funds:	\$28,174.89	Additional Notes:		

Project:

(a) Total SRF Disbursements:	\$28,174.89		
(b) Total Cash Draw Amount:	\$28,174.89		
State Match Amount(if applicable):			
Improper Payment Amount (if applicable):			
Other:			
Calculate the Federal cash draw ratio (b/a):	100.00%		

Set-Aside:

(a) Total SRF Disbursements:	\$28,174.89		
(b) Total Cash Draw Amount:	\$28,174.89		
State Match Amount(if applicable):			
Improper Payment Amount (if applicable):			
Other:			
Calculate the Federal cash draw ratio (b/a):	100.00%		

State:	California
Indicate CW/DW Review:	DW
Reviewer:	Gabriela Baeza-Castaneda
Review Date:	1/28/2020
Selected by Region <input checked="" type="checkbox"/>	Selected by Statistical Sampling <input type="checkbox"/>

Cash Draw Amount:	\$ 2,617,788.00
Cash Draw Date:	5/1/2019
Purpose of Cash Draw (Loan, Admin or Set-Aside):	Loan
Grant Number:	FS-98934918

Totals :	SRF	Cash Draw Amount:	State Match Amount:	Improper	Other	Federal Cash Draw Ratio:
Project Totals:	\$2,617,786.89	\$2,617,788.00	\$0.00	\$0.00	\$0.00	100.00%
Set-Aside:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%

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Review Item	Yes	No	N/A	Descriptions/Comments
1. The State is reviewing and approving invoices in a timely manner	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
2. State accounting records accurately reflect the cash draw	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3. Funds are being disbursed to recipients in a timely manner following requests for reimbursement and cash draw	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
4. State used the correct proportionality ratio to calculate value drawn (enter the proportionality ratio from the State's IUP or grant application in the Comments section)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
5. If State is drawing 100% federal funds, the entire state match was disbursed prior to federal draws	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Project Name:		City of Fresno		Project Number:	1010007-031C
Disbursement Request Date:		4/30/2019		Improper Payment (Yes/No):	No
Improper Payment Resolution:					
Invoice Date	Invoice Number	Invoice Amount	Payee	Notes on Invoice	
10/23/2019	05910	\$407,055.53	City of Fresno	From: Fresno Irrigation District (construction)	
12/10/2018	20	\$2,026,690.31	City of Fresno	From: Dep. Of Public Utilities (construction)	
12/7/2018	120718	\$700.00	City of Fresno	From: Energy Performance Services (construction)	
11/21/2018	56	\$13,843.76	City of Fresno	From: CH2M Item # 2 (engineering design)	
12/4/2018	0323-37	\$759.00	City of Fresno	From: Safework CM (construction management)	
11/21/2018	56	\$129,820.28	City of Fresno	From: CH2M Item # 3 (construction management)	
11/21/2018	56	\$31,407.65	City of Fresno	From CH2M Item # 4 (administration)	

?	Claim 19	\$9.64	City of Fresno	From CH2M Item # 4 (administration)
11/21/2018	56	\$2,433.93	City of Fresno	From: CH2M Item # 1 (construction)
12/14/2018	Claim 19	\$5,066.79	City of Fresno	From: CH2M Item # 1 (construction/labor)
Invoiced Total:		\$2,617,786.89	Explanation If Paid Amount is Different from Invoiced Total:	State rounds up claims to nearest dollar amount, per state regulations
Amount Paid from Other Sources:		\$0.00		
Amount Paid from SRF funds:		\$2,617,786.89	Additional Notes:	

Project:

(a) Total SRF Disbursements:	\$2,617,786.89		
(b) Total Cash Draw Amount:	\$2,617,788.00		
State Match Amount(if applicable):			
Improper Payment Amount (if applicable):			
Other:			
Calculate the Federal cash draw ratio (b/a):	100.00%		

Set-Aside:

(a) Total SRF Disbursements:			
(b) Total Cash Draw Amount:			
State Match Amount(if applicable):			
Improper Payment Amount (if applicable):			
Other:			
Calculate the Federal cash draw ratio (b/a):			

State:	California
Indicate CW/DW Review:	DW
Reviewer:	Bradley Raszewski
Review Date:	1/27/2020
Selected by Region <input checked="" type="checkbox"/>	Selected by Statistical Sampling <input type="checkbox"/>

Cash Draw Amount:	\$ 37,165.65
Cash Draw Date:	12/11/2018
Purpose of Cash Draw (Loan, Admin or Set-Aside):	Loan
Grant Number:	fs98934918

Totals :	SRF	Cash Draw Amount:	State Match Amount:	Improper	Other	Federal Cash Draw Ratio:
Project Totals:	\$37,165.65	\$37,165.65	\$0.00	\$0.00	\$0.00	100.00%
Set-Aside:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!

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Review Item	Yes	No	N/A	Descriptions/Comments
1. The State is reviewing and approving invoices in a timely manner	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
2. State accounting records accurately reflect the cash draw	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3. Funds are being disbursed to recipients in a timely manner following requests for reimbursement and cash draw	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
4. State used the correct proportionality ratio to calculate value drawn (enter the proportionality ratio from the State's IUP or grant application in the Comments section)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
5. If State is drawing 100% federal funds, the entire state match was disbursed prior to federal draws	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
6. Provide a brief summary of the State's disbursement process, including what documentation is required for disbursement requests, and the disbursement request review process				Project sponsor submits invoice with backing documentation attached such as descriptive receipts, employee timecards and/or invoices from subcontractors. State will review documentation and check for claim accuracy and eligibility. Once this has been checked, reviewers will sign off on Request for Disbursement.

Project Name:				Project Number:	100053-004C
Disbursement Request Date:	10/30/2018			Improper Payment (Yes/No):	
Improper Payment Resolution:					
Invoice Date	Invoice Number	Invoice Amount	Payee	Notes on Invoice	
5/1-5/31/2018	92946	\$3,805.00	Lanare Community Services District		
6/1-6/30/2018	96266	\$11,320.00	Lanare Community Services District		
3/1-3/31/2018	87613	\$487.50	Lanare Community Services District		
4/1-4/30/2018	89876	\$1,597.10	Lanare Community Services District		
5/1-5/31/2018	037482-IN	\$428.17	Lanare Community Services District		
8/1-8/31/2018	0038311-IN	\$456.54	Lanare Community Services District		

6/1-6/30/2018	6969	\$375.00	Lanare Community Services District		
6/1-6/30/2018	1737	\$1,050.00	Lanare Community Services District		
9/19-9/30/2018	1798	\$1,350.00	Lanare Community Services District		
Invoiced Total:		\$20,869.31	Explanation If Paid Amount is Different from Invoiced Total:		
Amount Paid from Other Sources:		\$0.00			
Amount Paid from SRF funds:		\$20,869.31	Additional Notes:		

Project Name:			Project Number:		3600297-005P
Disbursement Request Date:			9/21/2018		Improper Payment (Yes/No):
Improper Payment Resolution:					
Invoice Date	Invoice Number	Invoice Amount	Payee		Notes on Invoice
8/26/2017	71006	\$816.00	Gordon Acres Water Company		
11/30/2017	3773-02	\$3,871.57	Gordon Acres Water Company		
5/11/2018	3773-06	\$2,946.35	Gordon Acres Water Company		
3/22/2018	98-4	\$8,662.42	Gordon Acres Water Company		
Invoiced Total:		\$16,296.34	Explanation If Paid Amount is Different from Invoiced Total:		
Amount Paid from Other Sources:		\$0.00			
Amount Paid from SRF funds:		\$16,296.34	Additional Notes:		

Project:

(a) Total SRF Disbursements:	\$37,165.65		
(b) Total Cash Draw Amount:	\$37,165.65		
State Match Amount(if applicable):			
Improper Payment Amount (if applicable):			
Other:			
Calculate the Federal cash draw ratio (b/a):	100.00%		

Set-Aside:

(a) Total SRF Disbursements:			
(b) Total Cash Draw Amount:			
State Match Amount(if applicable):			
Improper Payment Amount (if applicable):			
Other:			
Calculate the Federal cash draw ratio (b/a):	#DIV/0!		

State:	California
Indicate CW/DW Review:	DW
Reviewer:	Gabriela Baeza-Castaneda
Review Date:	1/28/2020
Selected by Region	<input checked="" type="checkbox"/>
Selected by Statistical Sampling	<input type="checkbox"/>

Cash Draw Amount:	\$ 112,232.50
Cash Draw Date:	3/20/2019
Purpose of Cash Draw (Loan, Admin or Set-Aside):	Set-Aside
Grant Number:	FS-98934917

Totals :	SRF	Cash Draw Amount:	State Match Amount:	Improper	Other	Federal Cash Draw Ratio:
Project Totals:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Set-Aside:	\$112,232.50	\$112,232.50	\$0.00	\$0.00	\$0.00	100.00%

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Review Item	Yes	No	N/A	Descriptions/Comments
1. The State is reviewing and approving invoices in a timely manner	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
2. State accounting records accurately reflect the cash draw	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3. Funds are being disbursed to recipients in a timely manner following requests for reimbursement and cash draw	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
4. State used the correct proportionality ratio to calculate value drawn (enter the proportionality ratio from the State's IUP or grant application in the Comments section)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
5. If State is drawing 100% federal funds, the entire state match was disbursed prior to federal draws	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Project Name:	10% Set-Aside	Project Number:	N/A
Disbursement Request Date:	3/19/2019	Improper Payment (Yes/No):	
Improper Payment Resolution:			
Invoice Date	Invoice Number	Invoice Amount	Payee
11/21/2018	17191	\$73,045.00	10% Admin
12/20/2018	17244	\$27,825.00	10% Admin
1/23/2019	17298A	\$6,785.00	10% Admin
1/31/2019	17338A	\$4,577.50	10% Admin
Invoiced Total:		\$112,232.50	Explanation If Paid Amount is Different from Invoiced Total:
Amount Paid from Other Sources:		\$0.00	
Amount Paid from SRF funds:		\$112,232.50	Additional Notes:

Project:

(a) Total SRF Disbursements:			
(b) Total Cash Draw Amount:			
State Match Amount(if applicable):			
Improper Payment Amount (if applicable):			
Other:			
Calculate the Federal cash draw ratio (b/a):			

Set-Aside:

(a) Total SRF Disbursements:	\$112,232.50		
(b) Total Cash Draw Amount:	\$112,232.50		
State Match Amount(if applicable):			
Improper Payment Amount (if applicable):			
Other:			
Calculate the Federal cash draw ratio (b/a):	100.00%		

State:	California
Indicate CW/DW Review:	DW
Reviewer:	Bradley Raszewski
Review Date:	1/28/2020
Selected by Region	<input checked="" type="checkbox"/>
Selected by Statistical Sampling	<input type="checkbox"/>

Cash Draw Amount:	\$ 6,987,524.00
Cash Draw Date:	6/6/2019
Purpose of Cash Draw (Loan, Admin or Set-Aside):	Loan
Grant Number:	fs98934918

Totals :	SRF	Cash Draw Amount:	State Match Amount:	Improper	Other	Federal Cash Draw Ratio:
Project Totals:	\$6,987,524.00	\$6,987,524.00	\$0.00	\$0.00	\$0.00	100.00%
Set-Aside:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!

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Review Item	Yes	No	N/A	Descriptions/Comments
1. The State is reviewing and approving invoices in a timely manner	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
2. State accounting records accurately reflect the cash draw	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3. Funds are being disbursed to recipients in a timely manner following requests for reimbursement and cash draw	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
4. State used the correct proportionality ratio to calculate value drawn (enter the proportionality ratio from the State's IUP or grant application in the Comments section)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
5. If State is drawing 100% federal funds, the entire state match was disbursed prior to federal draws	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
6. Provide a brief summary of the State's disbursement process, including what documentation is required for disbursement requests, and the disbursement request review process				Project sponsor submits invoice with backing documentation attached such as descriptive receipts, employee timecards and/or invoices from subcontractors. State will review documentation and check for claim accuracy and eligibility. Once this has been checked, reviewers will sign off on Request for Disbursement.

Project Name:		Project Number:		1010007-030C
Disbursement Request Date:		Improper Payment (Yes/No):		
Improper Payment Resolution:				
Invoice Date	Invoice Number	Invoice Amount	Payee	Notes on Invoice
1/29/2019	16-D1602031	\$6,987,524.00	City of Fresno	Invoice Amount is less \$1.10 due to rounding
Invoiced Total:		\$6,987,524.00	Explanation If Paid Amount is Different from Invoiced Total:	
Amount Paid from Other Sources:		\$0.00		
Amount Paid from SRF funds:		\$6,987,524.00	Additional Notes:	

Project:

(a) Total SRF Disbursements:	\$6,987,524.00		
(b) Total Cash Draw Amount:	\$6,987,524.00		
State Match Amount(if applicable):			
Improper Payment Amount (if applicable):			
Other:			
Calculate the Federal cash draw ratio (b/a):	100.00%		

Set-Aside:

(a) Total SRF Disbursements:			
(b) Total Cash Draw Amount:			
State Match Amount(if applicable):			
Improper Payment Amount (if applicable):			
Other:			
Calculate the Federal cash draw ratio (b/a):	#DIV/0!		