

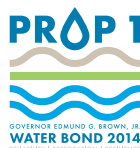


STATE OF CALIFORNIA
Drinking Water State Revolving Fund
and The Water Quality, Supply, and
Infrastructure Improvement Act of 2014
(Proposition 1 – Chapter 5, Section 79724)

Intended Use Plan

STATE FISCAL YEAR 2016-2017
(FEDERAL FISCAL YEAR 2016 CAPITALIZATION GRANT)

Prepared By: Division of Financial Assistance | Approved By: State Water Resources Control Board
Date Approved: June 21, 2016 | Resolution No. 2016-0034





MISSION STATEMENT

To preserve, enhance, and restore the quality of California's water resources and drinking water for the protection of the environment, public health, and all beneficial uses, and to ensure proper resource allocation and efficient use, for the benefit of present and future generations.

VISION STATEMENT

Abundant clean water for human uses and environmental protection to sustain California's future.



CALIFORNIA

Water Boards

STATE WATER RESOURCES CONTROL BOARD
REGIONAL WATER QUALITY CONTROL BOARDS

Members and Executive Director

STATE WATER RESOURCES CONTROL BOARD



Felicia Marcus
BOARD CHAIR

Felicia Marcus is Chair of the State Water Resources Control Board. Before being appointed to the Water Board, she served in positions in government, the non-profit world, and the private sector. She was the Regional Administrator of the USEPA Region IX and headed the LA Department of Public Works. She was also the Western Director for the Natural Resources Defense Council (NRDC) and Executive VP/COO of the Trust for Public Land. Chair Marcus serves or has served in the past on many non-profit boards and Advisory Councils. She currently is an Obama Administration appointee to the Commission on Environmental Cooperation-Joint Public Advisory Council (US, Mexico, Canada).



Frances Spivy-Weber
BOARD VICE-CHAIR

Frances Spivy-Weber is Vice-Chair of the State Water Resources Control Board. Before being appointed to the Water Board, she served as Executive Director of the Mono Lake Committee. She also served as Director of international programs for the National Audubon Society, was a legislative assistant for the Animal Welfare Institute, and a member of the Bay-Delta Public Advisory Committee. Ms. Spivy-Weber currently serves as Chair of the Water Policy Center Advisory Council with the Public Policy Institute of California; Member of the Advisory Board of Synergy; and Member of the Advisory Committee on Recycled Water and Direct Augmentation of Surface Waters and Feasibility of Direct Potable Reuse.



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BOARD MEMBER

Tam Doduc serves as the civil engineer on the State Water Resources Control Board. Before being appointed to the Water Board, she served as Deputy Secretary at the California Environmental Protection Agency (CalEPA), where she directed the agency's environmental justice and external scientific peer review activities. She also coordinated environmental quality initiatives, and provided general oversight of children's environmental health programs. A licensed civil engineer, Ms. Doduc began her career as an environmental consultant and then joined the staff of the State Water Board, the California Air Resources Board, and then served as CalEPA's Assistant Secretary for Technology Certification and Assistant Secretary for Agriculture, Air and Chemical Programs.

2016

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Dorene D'Adamo
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Dorene D'Adamo was appointed to the State Water Resources Control Board in 2013. She previously served on the California Air Resources Board where she was instrumental in the board's air quality and climate change programs and regulations. Ms. D'Adamo served in various capacities for Members of Congress from the San Joaquin Valley. She was also a representative on the CALFED team and Red Team for the development of UC Merced, and served in a variety of roles within California's criminal justice system. Currently she also serves on the board of the California Partnership for the San Joaquin Valley and on the Executive Committee of the Valley Coalition for UC Merced's Medical School.



Tom Howard
EXECUTIVE DIRECTOR

Thomas Howard has been employed with the State Water Resources Control Board for over 26 years. During that time, Mr. Howard has worked in many of the water quality and water rights programs at the Water Board. He was appointed Deputy Director at the Board in October 2000 and Executive Director in August 2010. Mr. Howard earned a bachelor's degree in chemistry at UC Berkeley, a master's degree in chemical engineering at UC Davis, and a master's degree in chemistry at the California Institute of Technology.

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I. INTRODUCTION

A. STATE OF CALIFORNIA'S DRINKING WATER STATE REVOLVING FUND

The 1996 amendments to the Safe Drinking Water Act (SDWA) responded to national drinking water infrastructure needs by establishing the Safe Drinking Water State Revolving Fund (DWSRF). The DWSRF provides financial assistance to public water systems (PWSs) for drinking water infrastructure improvements in the form of low-interest financing, additional subsidy, and other technical assistance derived from federal Capitalization Grants, associated state match, and revolving principal and interest repayments.

Proposition 1 (Prop 1), the Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Assembly Bill 1471, Rendon) authorized \$7.545 billion in general obligation bonds for water projects including surface and groundwater storage, ecosystem and watershed protection and restoration, and drinking water protection. Section 79724 of Prop 1 specifically allocated \$260 million for drinking water grants and loans for PWS infrastructure improvements and related actions to meet safe drinking water standards, to ensure affordable drinking water, or both. Prop 1 Drinking Water funds will be administered consistent with the DWSRF IUP and the DWSRF Policy to the extent allowed by federal regulations and state law. The Prop 1 Drinking Water funds will supplement the additional subsidies provided by the FFY 2016 Capitalization Grant and any prior DWSRF Capitalization Grants that have not been committed to projects.

The California State Water Resources Control Board (State Water Board) Division of Financial Assistance (DFA) manages the DWSRF and Prop 1 Drinking Water funds. The joint administration of the DWSRF and Prop 1 Drinking Water funds allows the Prop 1 Drinking Water funds to leverage the low-interest financing available through the DWSRF program.

The United States Environmental Protection Agency (U.S. EPA), in cooperation with the State of California (State), has designated the State Water Board as the "primacy agency" to implement and enforce the federal SDWA. As the state primacy agency, the State Water Board, through its Division of Drinking Water (DDW), regulates more than 7,500 PWSs located throughout the state. To assist in this effort, through DDW, the State Water Board has also delegated its primacy authority to 30 local health departments, known as local primacy agencies (LPA), to regulate PWSs serving less than 200 service connections. The State Water Board also promotes and provides information on drought preparedness and water conservation; oversees water recycling projects; certifies drinking water treatment and distribution operators; supports and promotes water system security; provides support for small water systems (SWSs) and for improving technical, managerial, and financial (TMF) capacity; and provides funding opportunities for PWS improvements.

This Intended Use Plan (IUP) serves as part of the State Water Board's application for the federal fiscal year (FFY) 2016 Capitalization Grant from the U.S. EPA as well as the guidelines for the State Water Board's administration of Prop 1 Drinking Water funds. In establishing the terms of this IUP, the State Water Board considered statewide policy set forth in section 106.3 of the Water Code. Specifically, subdivision(a) of that section

declares it is the established policy of the State that “every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes.” Subdivision(b) requires the State Water Board to consider this state policy when “revising, adopting, or establishing policies, regulations, and grant criteria when those policies, regulations, and criteria are pertinent to the uses of water”.

Based on the 2011 Drinking Water Infrastructure Needs Survey, California drinking water needs are over \$2.2 billion per year for the next 20 years. For FFY 2016, California is eligible for an estimated \$78.215 million grant from the current \$855 million appropriated by Congress for the nation’s DWSRF programs. The federal funding, in coordination with principal and interest repayments on existing loans and other debt, as well as associated state match funds, will help ensure funding for drinking water projects that address the State’s highest public health priorities.

Federal and state laws allow a portion of federal drinking water funds to be used for specified set-aside activities in addition to providing financial assistance to PWSs for infrastructure improvements. The State Water Board intends to use 26 percent of the FFY 2016 DWSRF allotment award for these set-aside activities. The remaining 74 percent of federal funds, plus state matching funds, and all interest and repayments will be used for project funding.

Federal guidelines require that the IUP include a description of how the program is structured as well as the planned use of the Capitalization Grant, state match funds, principal and interest from repayments, other interest earnings of the DWSRF, and funds designated for set-aside activities. This IUP provides specific details on key aspects of the DWSRF program including short and long-term goals, the priority setting process used to rank projects, and a list of projects considered eligible to receive available DWSRF funding.

In State Fiscal Year (SFY) 2016-17, the State Water Board will continue to focus on implementing the public health aspects of the SDWA and will ensure that funds are expeditiously disbursed from all available sources.

B. NEW FOR SFY 2016-17

1. Extended term 30-year financing for eligible PWSs, subject to U.S. EPA approval under certain conditions.

The State Water Board will make 30-year financing available to eligible PWSs from the DWSRF and/or Prop 1 Drinking Water funds, subject to the conditions set forth in Section V.B.1 (page 29).

2. Proposition 1 Technical Assistance

Prop 1 authorizes up to \$74 million for technical assistance to address small, disadvantaged community drinking water and wastewater needs. While the State Water Board currently contracts with several non-profit technical assistance providers to help with such tasks as funding application preparation, financial management and rate setting, small communities continue to have unmet needs. The Prop 1 technical assistance funding will fill critical gaps by providing engineering services, environmental

consulting services and legal services that small, disadvantaged communities need in order to successfully complete planning and construction projects. The Prop 1 technical assistance program will be a multidisciplinary approach, with an addition \$1 million for stormwater needs, and \$10 million for groundwater quality needs. The most immediate focus will be addressing the critical needs of small, disadvantaged communities that do not have access to safe, reliable, and affordable drinking water.

3. American Iron and Steel (AIS) Requirements

On December 18, 2015, President Obama signed Public Law 114-113, the “Consolidated Appropriations Act, 2016,” which provides Fiscal Year 2016 full-year appropriations through September 30, 2016. Section 424 of this law contains the same requirement for the use of AIS products that was included in the Consolidated and Further Continuing Appropriations Act, 2015 (P.L. 113-235) and the Consolidated Appropriations Act, 2014 (P.L. 113-76). Pursuant to U.S. EPA’s guidelines, projects with a signed financing agreement from January 17, 2014, through September 30, 2016, must conform with the AIS requirements, except where the State Water Board approved plans and specifications prior to December 16, 2014.

4. DWSRF Local Match Program

Beginning in SFY 2016-17, the State Water Board will offer zero percent financing to eligible applicants that contribute a local match to a DWSRF-funded project. Local match funds will be used as State Match for future DWSRF federal Capitalization Grants. The details of the DWSRF Local Match program are described in Section V.B (page 29).

5. Increased access to principal forgiveness/grant funding for SWSs serving disadvantaged communities

Section V.B (page 29) sets forth a new average residential water rate threshold for which an eligible recipient may receive up to 100 percent principal forgiveness, grant, or combination thereof from the DWSRF and/or Prop 1 Drinking Water funding.

II. STRUCTURE OF THE DWSRF/PROP 1 DRINKING WATER PROGRAM

The DWSRF/Prop 1 Drinking Water program has two main funding components: (1) providing financial assistance to PWSs through low-interest financing, principal forgiveness, and grants and (2) federal set-aside funding for DWSRF administrative support, small water systems technical assistance (SWSTA), public water systems supervision (PWSS) support, and other eligible activities.

A. PLANNING AND CONSTRUCTION FUNDING

The State Water Board provides DWSRF/Prop 1 Drinking Water funding for the planning, design, and construction of eligible drinking water improvements to publicly and privately owned community water systems (CWSs) and nonprofit, non-community water systems. Eligible planning, preliminary engineering studies, project design, and construction costs are described in the DWSRF Policy, Sections X.B. and XI.B. Applications for DWSRF/Prop 1 Drinking Water funding are accepted on a continuous basis, and eligible projects are funded as applications are completed and approved in accordance with the applicable federal and state rules and requirements, including the DWSRF Policy.

To be eligible for DWSRF and Prop 1 Drinking Water funding, a project proposed by a PWS owned by a for-profit entity or a not-for-profit water company, including utilities regulated by the Public Utilities Commission, shall have a clear and definite public purpose and shall solely benefit the customers of such PWSs.

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

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

DFA will continually evaluate all planning/design expenditures of funding recipients to protect against potential waste, fraud or abuse of DWSRF/Prop 1 Drinking Water funds. All suspected cases of potential waste, fraud or abuse of DWSRF/Prop 1 Drinking Water funds will be forwarded to the U.S. EPA Office of Inspector General, the California Department of Finance, and/or the California Bureau of State Audits for further audit and investigation."

DWSRF/Prop 1 Drinking Water construction funding recipients will be required to submit construction contracts to DFA for review of their compliance with applicable state and federal funding requirements. DFA will incorporate the approved construction budget into the funding agreement.

Whether a project is funded solely through DWSRF monies, Prop 1 Drinking Water funds, or a combination thereof, the provisions in this section shall apply.

B. SET-ASIDE FUNDING

The DWSRF set-asides will be used to administer the DWSRF program and provide additional support for DDW. The DWSRF set-asides will also be used to assist PWSs in developing enhanced TMF capacity for the future as well as to assure compliance with the SDWA and assist in establishing eligibility for DWSRF/Prop 1 Drinking Water funding. Additional information on the DWSRF set-asides may be found in Section VI of this IUP.

- **Administration Set-Aside** – DFA will operate and manage the DWSRF program.
- **SWSTA Set-Aside** – DFA will assist small PWSs serving less than 10,000 people, particularly those systems with fewer than 200 service connections, in establishing eligibility for DWSRF funding or will provide other technical assistance in project development.
- **State Program Management Set-Aside** – DDW will use for PWSS activities, including specific tasks for California's Environmental Lab Accreditation Program (ELAP).
- **Local Assistance Set-Aside** – DFA will contract with third parties to provide technical assistance to PWSs to bolster TMF capacity and will use to identify and address PWS TMF deficiencies surfaced in the DWSRF funding applications. DDW will use to identify and address SWS TMF deficiencies under the State Water Board's Capacity Development Strategy.

III. DWSRF GOALS

The short-term and long-term goals developed for the DWSRF are presented below. They provide a framework that will guide the State Water Board's decision-making, maximization, and prioritization of both staff and funding resources.

A. SHORT-TERM GOALS

1. Continue public transparency and communication by posting application status reports online.
2. Continue to develop and implement a web-enabled Loans and Grant Tracking System (LGTS) platform and database.
3. Continue and further develop the collaboration between DDW and DFA to identify public health issues and evaluate solutions for SWSs, including consolidation where feasible.
4. Continue marketing and outreach efforts to PWSs, including Spanish translation services, newsletters, and social media to advertise the new application process and the availability of technical assistance to assist small, disadvantaged communities.
5. Apply for and accept the anticipated FFY 2016 Capitalization Grant (2016 Capitalization Grant) from U.S. EPA. Upon award, commit funds from the 2016 Capitalization Grant, including the associated State Match, by June 30, 2017, such that the federal funds can be utilized in an efficient and timely manner in accordance with 40 CFR §35.3550(c).
6. Ensure that at least 20 percent, but not more than 30 percent, of the 2016 Capitalization Grant is provided to eligible recipients in the form of additional subsidy (i.e., forgiveness of principal).
7. Prioritize all available DWSRF funding for PWSs serving fewer than 10,000 people to the maximum extent practicable and in consideration of all other federal and state authorities governing the prioritization of DWSRF funding.
8. Continue updating the State Water Board's DWSRF Operating Agreement with U.S. EPA to represent current program operations. The update to the State Water Board's DWSRF Operating Agreement will include, at minimum, any changes to the State's DWSRF policies and procedures, including changes to statutes and regulations, since the State Water Board's DWSRF operating agreement was last executed.
9. Facilitate drought relief through expedited funding efforts to help ensure that eligible PWSs experiencing drought-related drinking water emergencies or facing imminent threats of drought related drinking water emergencies will achieve permanent solutions.
10. Continue to maintain the State Water Board's DWSRF federal un-liquidated obligation (ULO) balance in accordance with U.S. EPA Memorandum from Peter Grevatt, Director, Office of Ground Water and Drinking Water, dated April 14, 2014, *Drinking Water State Revolving Fund (DWSRF) Unliquidated Obligations (ULO) Reduction Strategy*.

11. Continue to provide DWSRF funding to PWSs when possible for the installation of new water meters in order to promote the DWSRF Green Project Reserve.
12. Incorporate U.S. EPA's claims eligibility guidance into the State Water Board's claims guidance when such guidance is finalized by U.S. EPA.
13. Reduce instances of noncompliance with drinking water standards and requirements by providing technical assistance to SWSs that have significant SDWA violations.
14. Continue to require PWSs receiving assistance to undergo a TMF assessment.
15. Initiate efforts to update and provide recommended changes to the DWSRF Policy to further make the DWSRF program more effective and efficient.

B. LONG-TERM GOALS

1. **Address Significant Risks to Public Health:** State Water Board staff will continue to convene regular meetings to ensure coordination between the DWSRF project managers in DFA and regulatory staff in DDW. This coordination will help target program resources and funds to address the most significant public health and compliance issues.
2. **Ensure SDWA Compliance:** The State Water Board funds improvements to PWSs in an effort to eliminate public health threats and ensure compliance with federal and state drinking water statutes and regulations including the SDWA. Through the set-asides, the State Water Board promotes the development of TMF for all PWSs (especially small CWSs) to achieve or maintain compliance with state drinking water standards and federal SDWA requirements.
3. **Improve Information Exchange:** Through existing technology (e.g. internet, mobile applications, Geographic Information Systems (GIS), etc.) create a communication portal that promotes improved communication between applicants and DFA staff. Use of such technology will assist DFA staff in providing accurate and timely reporting of funding activities. The portal may include maps, ad-hoc project reports, email exchange capability with DFA staff, application upload functionality, and the ability to submit and review claims online.
4. **Improve Management of Drinking Water Spatial Data:** Maximize the use of the State Water Board's GIS to identify the drinking water infrastructure needs of PWSs, report on funded projects, and identify opportunities for consolidation.
5. **Provide Affordable Financing Alternatives:** DWSRF funding reduces PWS's costs of supplying reliable, safe drinking water by providing affordable financing for the construction of technically sound drinking water infrastructure projects. The State Water Board encourages PWSs to include energy efficiency and water conservation measures, including water meters, in conjunction with public health related projects. The DWSRF Policy expands the eligibility of projects to include water meters. Water meters not only encourage the conservation of water, thereby producing savings related to costs of production, treatment, storage and pumping, but also allow systems to establish effective water rate structures as well as identify potential distribution system water loss.

6. **Acknowledge and Address Household Affordability Constraints:** Strategically use the DWSRF additional subsidy, set-aside funds, and Prop 1 drinking water funds to maximize the DWSRF's impact on achieving affordable compliance. The State Water Board will regularly reevaluate the affordability criteria to ensure that PWSs receive an appropriate amount of additional subsidy and technical assistance.
7. **Ensure Program Outcomes:** The State Water Board continues to monitor and manage the DWSRF to ensure that the fund remains financially sound and self-sustaining over the long term as an ongoing source of funding to assist PWSs in achieving and maintaining compliance with the SDWA. The State Water Board continues to focus on streamlining and expediting project selection based upon public health priority ranking as well as readiness to proceed to funding.
8. **Ensure TMF Capacity of PWSs:** Continue to provide financial and technical assistance to PWSs under California's drinking water capacity development strategy. The State Water Board's Office of Sustainable Water Solutions plans to bring an informational item before the Board in May of 2016, which will present a new strategy that combines strategies of small and/or disadvantaged community wastewater and drinking water capacity development. Even though the primary focus of the new strategy is small and/or disadvantaged communities, assistance described in the drinking water capacity development portion of the new strategy will be available to all drinking water systems regardless of size. The strategy will address compliance and sustainability challenges by outlining the general approaches to be taken over the next three fiscal years to improve both compliance and sustainability.
9. **Further Enhance The State Water Boards' LGTS:** Begin developing an LGTS mobile application for DFA staff and a public-facing LGTS platform for applicants to access, interact, and monitor funding applications throughout the entire funding cycle.

C. PUBLIC HEALTH / ENVIRONMENTAL RESULTS GOALS

The State's DWSRF program supports the U.S. EPA Strategic Plan Goal 2, sub-objective 2.1.1 – Water Safe to Drink: Percentage of the population served by community water systems that receive drinking water that meets all applicable health-based drinking water standards through effective treatment and source water protection. Specifically, California established and is managing the DWSRF to provide affordable financing and other types of assistance to water systems to finance the cost of infrastructure projects to achieve or maintain compliance with SDWA requirements. California's DWSRF activities support U.S. EPA Program Reporting Measure SDW-4 Fund Utilization and SDW-5 DWSRF projects that have initiated operations. Details of the State's DWSRF activities supporting the National U.S. EPA Strategic Plan will be included in the DWSRF Annual Report as well as the Drinking Water National Information Management System (NIMS) and the Drinking Water Project Benefits Report.

D. DWSRF PERFORMANCE METRICS

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

1. Ninety-five (95) percent of complete applications should receive an executed financing agreement in nine months or less.¹ A complete application means that all four DWSRF/Prop 1 Drinking Water application packages (general, technical, financial, and environmental), with all applicable attachments, have been completed and submitted to the State Water Board and are sufficient for DFA to complete its eligibility review of such packages.
2. One-hundred (100) percent of complete disbursement requests should be fulfilled in 30 days or less.
3. Amend financing agreements no later than 60 days after receipt of complete Final Budget Approval Package.
4. DWSRF Fund utilization rate > 105 percent of available funds.²

¹ Agreement processing time is the time from receipt of a complete application to execution of the financing agreement.

² Disbursement fulfillment time is the time from receipt of a complete disbursement request to warrant date.

IV. CRITERIA AND METHOD FOR DISTRIBUTION OF FUNDS

A. DISTRIBUTION OF FUNDS

The DWSRF program is managed on a cash flow basis, meaning funding commitment amounts for eligible projects are based upon an analysis of cash disbursements for such projects relative to the present and future revenues of the DWSRF. Such revenues may include existing and future federal Capitalization Grants and associated State Match, as well as principal and interest repayments from existing repayable financing, and potential leveraged funds through the sale of revenue bonds. Section V.A (page 20) details the anticipated fiscal impact on the DWSRF based upon the estimated financing amounts for SFY 2016-17 and the Fundable List included herein as Appendix B. A general cash flow analysis of the DWSRF has determined no minimum is required for commitment this year to maximize the lending capacity of the DWSRF, without consideration of any potential leveraging of the DWSRF through the future sale of revenue bonds under the DWSRF. The minimum commitment amount is derived from iterating a prorated lump sum commitment amount within the DWSRF cash flow model based upon the following assumptions:

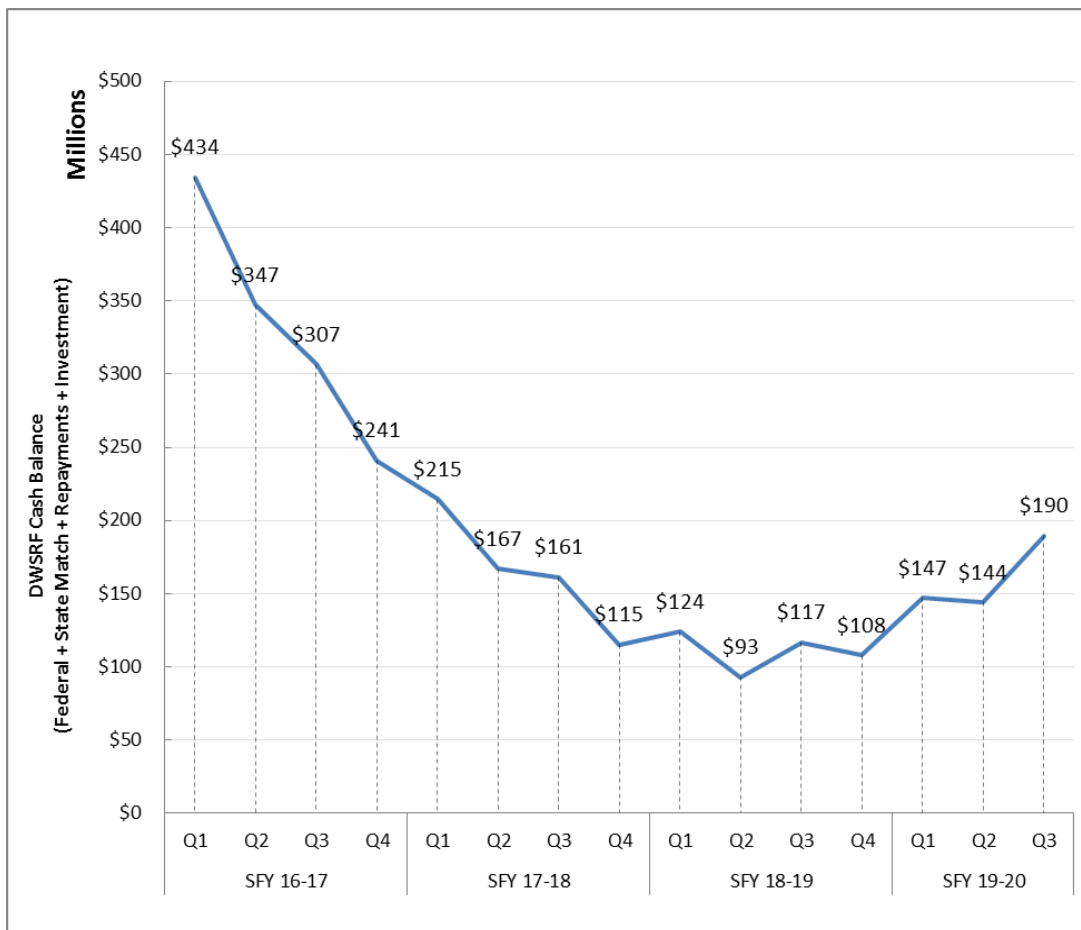
1. Assume no new additional Capitalization Grants beyond the 2016 DWSRF Capitalization Grant.
2. Assume the current standard DWSRF interest rate.
3. Assume a recent historical proration of annual repayable financing and additional subsidy.
4. Incorporate balances from existing DWSRF Capitalization Grants (not including set-aside funds), associated State Match sources, principal and interest repayments, investment earnings.
5. Assume projected disbursements for a generalized suite of project types based upon historical averages.
6. Assume the DWSRF quarterly cash balances do not decrease below an average \$100 million. This amount represents approximately six months of average quarterly disbursements, which is a sufficient time frame under this analysis to plan for a potential revenue bond sale, if needed.

Based upon the foregoing assumptions, and considering existing encumbrances, Figure 1 (page 11) and Table 1 (page 11) demonstrate there is no minimum commitment amount necessary to ensure the prudent and proper financial management of the DWSRF, absent any leveraging of the DWSRF.

Table 1: DWSRF Fiscal Impact and Minimum DWSRF Commitment Amount

	SFY 2016-17	SFY 2017-18	SFY 2018-19	SFY 2019-20	SFY 2020-21
Beginning Balance	\$500,599,448.04	\$241,138,004.78	\$115,397,528.51	\$108,129,853.55	\$183,317,080.54
Estimated Principal Payments + Interest Earnings	\$68,643,510.87	\$91,715,439.14	\$98,960,323.93	\$108,157,412.31	\$114,015,419.08
Estimated SMIF Interest Earnings	\$783,156.58	\$783,156.58	\$783,156.58	\$783,156.58	\$783,156.58
State Match Short-Term Bonds	\$16,000,000.00	\$0.00	\$0.00	\$0.00	\$0.00
State Match Bond Repayment	\$16,000,000.00	\$0.00	\$0.00	\$0.00	\$0.00
Federal Capitalization Grants Received	\$57,879,100.00	\$0.00	\$0.00	\$0.00	\$0.00
Prop 1 - State Match	\$11,575,820.00	\$0.00	\$0.00	\$0.00	\$0.00
Estimated Disbursements	\$398,343,030.72	\$218,239,072.00	\$107,011,155.47	\$33,753,341.91	\$13,420,903.76
Estimated Year-End Balances	\$241,138,005	\$115,397,529	\$108,129,854	\$183,317,081	\$284,694,752

Figure 1: DWSRF Fiscal Impact and Minimum DWSRF Commitment Amount



Unlike the DWSRF, Prop 1 Drinking Water funding is managed based upon available appropriation to the State Water Board under the State Budget. Generally, the State Water Board will have three years to encumber and two years after that to fully liquidate Prop 1 Drinking Water appropriations, unless otherwise extended or re-appropriated by the Legislature. The State Water Board has been appropriated \$214.8 million in Prop 1 Drinking Water funding for encumbrance and expenditure on eligible drinking water projects, including projects serving as State Match for the DWSRF. This encumbering authority is scheduled to end on June 30, 2018.

Prop 1 Drinking Water funding is available for grants and loans for public water system infrastructure improvements and related actions to meet safe drinking water standards, ensure affordable drinking water or both. To maximize future state match against federal Capitalization Grants, the State Water Board will assign at least \$16 million in Prop 1 Drinking Water funds to be made available as DWSRF-eligible repayable financing, leaving the remaining portion of Prop 1 Drinking Water funds available for repayable financing, grants, technical assistance, and Drinking Water Capital Reserve. Prop 1 Drinking Water repayable financing assigned as state match may contain a 100 percent principal forgiveness component. Additional details on the allocation of Prop 1 Drinking Water as State Match for the DWSRF are included in Section V.A. (page 20).

B. COMPREHENSIVE LIST

The Comprehensive List (Appendix A) identifies PWSs seeking financial assistance for specific drinking water infrastructure projects. A project must be on the Comprehensive List to be considered for DWSRF financing. Eligible projects on the Comprehensive List will generally also be considered for Prop 1 Drinking Water funding. However, placement of a project on a Comprehensive List does not constitute a commitment to provide financing.

Applicants must submit, at a minimum, the General DWSRF application package to be added to the Comprehensive List, whether ultimately funded by the DWSRF, Prop 1, or a combination. The General package must describe the nature of the project with sufficient details to enable the State Water Board to rank and place the project on the Comprehensive List. The State Water Board will review and rank the project in the appropriate ranking categories as described in Section IV.C. Priority System of this IUP.

The DWSRF application is available online via the Financial Assistance Application Submittal Tool (FAAST). The application consists of four (4) different packages (General, Technical, Environmental, and Financial), all of which can be submitted separately. An application is deemed complete when all four packages are submitted and determined complete by the State Water Board.

The Comprehensive List will generally be updated quarterly on the State Water Board's website. The Executive Director may update the Comprehensive List more frequently if necessary or less frequently if there are no new projects to be added.

C. PRIORITY SYSTEM

DWSRF and Prop 1 Drinking Water projects are reviewed and ranked by categories and other factors described below:

1. Categories

Each project will be assigned to one of the following categories:

Category A - Immediate Health Risk

- Documented waterborne disease outbreaks attributable to the water system.
- Water systems under a court order to correct SDWA violations or to correct water outage problems.
- Total coliform Maximum Contaminant Level (MCL) violations attributable to active sources contaminated with coliform bacteria (fecal, E. coli, or total coliform).
- Severe domestic water supply outage(s) posing an imminent threat to public health and safety.
- The distribution of water containing nitrates/nitrites or perchlorate in excess of the MCL.

Category B - Untreated or At-Risk Sources

- Surface water or groundwater under the direct influence (GWUDI) sources that are untreated, not filtered, or have other filtration treatment deficiencies that violate federal or state regulations.
- Non-GWUDI groundwater sources that are contaminated with fecal coliform or E. coli and are inadequately treated.
- Uncovered distribution reservoirs.

Category C - Compliance or Shortage Problems

- Water quantity problems caused by source capacity, or water delivery capability that is insufficient to meet existing demand.
- The distribution of water containing chemical or radiological contamination in violation of a state or federal primary drinking water standard (other than nitrate/nitrite or perchlorate).
- Total Coliform Rule violations for reasons other than source contamination.

Category D - Inadequate Reliability

- Non-metered service connections, or defective water meters.
- CWSs, and PWSs owned by public schools, with a single source and no backup supply.
- Distribution reservoirs with non-rigid covers in active use.
- Disinfection facilities that lack needed reliability features, such as chlorine analyzers or alarms.
- Disinfection deficiencies that violate Waterworks Standards.

Category E - Secondary Risks

- The distribution of water that exceeds secondary drinking water standards.
- The distribution of water in excess of a published chemical notification level.
- The distribution of water which has exceeded a primary drinking water standard in one or more samples, but has not violated a running average standard.
- A standby groundwater source that exceeds a primary drinking water standard.
- Deficiencies that violate Waterworks Standards (other than those already covered above).

Category F - Other Projects

- Deficiencies attributable to the water system that address present or prevent future violations of health-based standards (other than those already covered above).

2. Other Factors

A project that includes one or more of the following will receive priority over other projects within the same category:

- Project benefits a disadvantaged community (DAC) or Severely Disadvantaged Community (SDAC).
- Project will result in the consolidation of water system(s) or extension of service to a DAC or SDAC that is not being served by a public water system.

D. DWSRF AND PROP 1 DRINKING WATER FUNDING APPROACH

The State Water Board will fund eligible and complete applications for DWSRF and Prop 1 Drinking Water funding during SFY 2016-17 consistent with the DWSRF Policy, applicable federal and state statutes, regulations, and guidance, including this IUP. The State Water Board will also manage all available funding sources so that the best possible financing package can be provided to drinking water applicants that are eligible for funds from the DWSRF, Prop 1 Drinking Water, and other available sources. Existing procedures for providing funding will govern the administration and management of both DWSRF and Prop 1 Drinking Water Funding, to the extent feasible.

The DWSRF Policy directs staff to review and approve financing for eligible projects that have complete application packages in the order they are ranked and are ready to proceed to a financing agreement. Once DFA deems an application complete (all the packages have been submitted), DFA will conduct detailed technical, environmental and financial reviews to determine the applicant's eligibility for DWSRF and Prop 1 Drinking Water funding. If the State Water Board has insufficient funds to finance all eligible projects with complete application packages, it will first fund eligible projects based on project categories, giving priority within a category to the small, disadvantaged community with the lowest median household income and to consolidation or extension of service projects.

The State Water Board may limit funding to amounts necessary to enable a PWS to meet primary drinking water standards, as defined in the California Health and Safety

code, commencing with Section 116270. A funded system must also demonstrate TMF, regardless of the amount or type of funding provided.

E. DISADVANTAGED AND SEVERELY DISADVANTAGED COMMUNITY ADDITIONAL SUBSIDY FUNDING

The SDWA allows up to 30 percent of a federal Capitalization Grant to be used for additional subsidy for PWSs serving disadvantaged communities. Additional subsidy may be provided in the form of principal forgiveness, negative interest rates, or grants. The 2016 Capitalization Grant requires states to provide at least 20 percent, but not more than 30 percent, of the funds to be made available for additional subsidy. Subject to certain affordability criteria as detailed in Section V.B (page 29), the State Water Board intends to provide at least 20 percent, and no more than 30 percent, of the 2016 Capitalization Grant as subsidy to eligible PWSs that serve disadvantaged and severely disadvantaged communities for projects that represent California's highest public health priorities and that are ready to proceed to a financing agreement.

Additionally, Prop 1 Drinking Water and Prop 1 Ground Water provide for additional subsidy in the form of grants and principal forgiveness for public water systems serving disadvantaged communities. To the maximum extent practicable, the State Water Board intends to maximize available appropriation under Prop 1 Drinking Water for grants and principal forgiveness for SWSs serving disadvantaged communities. To assist disadvantaged communities in addressing drinking water emergencies, the State Water Board may provide Prop 1 grants to state agencies that act on behalf of disadvantaged communities where a PWS has been identified as an otherwise eligible applicant.

See Section V.B. (page 29) for the additional subsidy and reduced terms provided to SWSs that serve disadvantaged communities.

F. SMALL WATER SYSTEM FUNDING

Federal rules require that at least 15 percent of available DWSRF funding be provided to PWSs that serve less than 10,000 people to the extent such projects for such PWSs are ready to proceed to a funding agreement. Regardless of the available funding for SWS under minimum federal requirements, the State Water Board will prioritize all DWSRF funding for eligible SWSs that are ready to proceed to a funding agreement, to the maximum extent practicable and in consideration of all other federal and State authorities governing the prioritization of DWSRF funding.

To enable this effort, the State Water Board formed a new section within DFA in July 2014, now entitled the Office of Sustainable Water Solutions, dedicated to serve the drinking water and wastewater needs of small and disadvantaged communities throughout California. Within the Office of Sustainable Water Solutions, the Small Communities Drinking Water Unit will assist SWSs in applying for funding and will oversee successful implementation of drinking water projects.

The State Water Board will continue to focus outreach activities to SWSs to promote and facilitate consolidation of SWSs, as well as provide technical assistance to help SWSs achieve TMF capacity. The State Water Board will also use Prop 1 Drinking Water funds to provide technical assistance to SWSs.

Finally, DFA will continue to coordinate with the DDW on the implementation of the DDW Small Water System Plan, which targets technical and financial assistance to a group of approximately 183 small community water systems with less than 1,000 service connections that have violated at least one health-based drinking water standard. DFA will also continue to coordinate with the DDW on providing DWSRF and Prop 1 Drinking Water funding, both for compliance projects and for technical assistance.

G. CAPACITY ASSESSMENT

The State Water Board conducts TMF capacity assessments of all DWSRF and Prop 1 Drinking Water construction applicants to ensure sustainability, resilience, and responsible use of public funds. Where a state agency applicant acts on behalf of a disadvantaged community in applying for Prop 1 grant funding, the State Water Board will analyze the TMF capacity of the appropriate PWS. If a system does not have adequate TMF capacity, DWSRF assistance may only be provided if it will help the PWSs achieve TMF capacity.

1. Technical Capacity

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

2. Managerial Capacity

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

3. Financial Capacity

A PWS must demonstrate it has the financial capacity to own and operate its water system, including the proposed construction project, as a condition for the award of construction financing from the DWSRF or Prop 1 Drinking Water. The PWS must show that the system has sufficient revenues to cover necessary operation and maintenance costs and demonstrate credit worthiness with adequate fiscal controls. The PWS must also demonstrate financial planning for future capital improvements, including any water rate studies to demonstrate overall financial capacity. The State Water Board will review the PWS's project budget, audited annual financial reports, and other financial information to ensure the PWS has adequate financial capacity to operate and maintain its system, including the proposed infrastructure project.

A PWS may not need to demonstrate financial capacity to operate and maintain its water system, including a proposed infrastructure, in order to receive planning funds from the DWSRF or Prop 1 Drinking Water. DWSRF or Prop 1 Drinking Water planning funds may be used to assist a PWS in establishing its financial capacity to operate and maintain its system, including a proposed infrastructure project, in preparation for eventual construction financing. Examples of tasks financed with DWSRF or Prop 1 Drinking Water planning funds may include water rate studies, budget development, Prop 218 technical assistance, and capital improvement planning.

H. CONSOLIDATION

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

Many small water systems struggle to meet minimum state and federal requirements to provide safe and reliable drinking water. Due to the lack of economies of scale that can be achieved by a larger customer base, small water systems face technical, managerial, and financial challenges to maintaining long-term sustainability. Infrastructure projects are increasingly costly, the technical complexity of compliance grows, and economic constraints are especially onerous for such systems. Consolidation is a promising solution to many difficulties faced by small water systems, particularly when confronted with compliance-related problems or depleted water sources. DFA requires all funding applicants to evaluate the feasibility of consolidation, and will continue to work closely with DDW by facilitating consolidation discussions and providing technical assistance. If planning funding is being provided to a small water system, DFA may require an evaluation of consolidation prior to other planning activities. If consolidation is considered infeasible, the applicant will be required to discuss the reasons for that determination. Recognizing the critical role of the State Water Board in the success of funded projects, DFA will endeavor to achieve the best service to the consumer and ensure the system can be maintained for the long term.

The State Water Board also encourages consolidation by providing financing as described in Section V.B (page 29).

During SFY 2016-17, the State Water Board will continue to provide incentives to encourage the consolidation of PWSs, especially those systems with serious drinking water public health problems. Incentives for consolidation may include, but are not limited to:

- Up to \$5 million in zero percent interest rate financing may be awarded for a construction project that benefits an eligible PWS if such PWS completes a full consolidation with a water system serving a small disadvantaged or small severely disadvantage community.
- Giving priority financing to consolidation projects ranked within the same category.
- Using the financial assistance terms that the smaller consolidating entity would be eligible for.

- Funding to replace any capacity lost as a result of the consolidation.

Other incentives may be considered and consolidating agencies are encouraged to discuss other potential incentives with State Water Board staff.

I. FUNDABLE LIST

The SFY 2016-17 Fundable List consists of both planning and construction projects that the State Water Board projects will have executed financing agreements by June 30, 2017 for a total approximately \$380 million in funding (Appendix B) for 68 projects. The Fundable List is separated by funding sources, with 37 projects for \$368 million to be funded under DWSRF and 31 projects, mostly planning grant funding, for \$12 million to be funded by Prop 1. Prop 1 Drinking Water funds will be also used as DWSRF state match based upon the cash flow needs of the DWSRF and criteria for Prop 1 Drinking Water project funding contained herein to fund eligible principal forgiveness portion of projects under DWSRF. To avoid inadvertently leaving projects off the SFY 2016-17 Fundable List, DFA includes all projects that currently are in process of getting financing agreement and may or may not be funded by the end of SFY 2015-16. DFA will update the Fundable List periodically to add or remove projects as they progress toward financing agreements based on its readiness and DFA's limited resources in processing such financing agreements. It is anticipated that no projects on the Fundable List are expected to be bypassed for reasons other than that such projects are not ready to proceed to a financing agreement. DFA anticipates meeting federal deadlines relating to the obligation of DWSRF funds with \$368 million worth of projects on the DWSRF portion of SFY 2016-17 Fundable List. DFA intends to fund all small water system projects on the Fundable List as they are ready to proceed to a funding agreement thereby meeting federal requirements that at least 15 percent of available funds be used to fund small water system.

J. PROJECT REMOVAL AND/OR BYPASS

1. Project Removals

DFA will monitor projects on the Comprehensive List to ensure that applicants are proceeding expeditiously with their projects. The State Water Board's Executive Director will remove a project from the Comprehensive List when:

- The project has been on the list for at least four (4) consecutive quarters, and the applicant has been non-responsive or has not requested that the project remain on the Comprehensive List;
- The State Water Board so instructs;
- The project has received DWSRF financing or alternative financing;
- The water system ceases to exist or becomes ineligible;
- The problem no longer exists or has been corrected; or
- The applicant requests that the project be removed.

2. Project Bypass

Pursuant to the DWSRF Policy, the State Water Board may bypass any project where it determines that it is not currently feasible to fund the project. Bypassed projects will remain on the Comprehensive List and may be funded at a later date when it becomes feasible to fund the project and the project becomes ready to proceed.

K. APPLICATION OF FEDERAL CROSS-CUTTERS

Construction projects partially or fully funded by the DWSRF Program must generally comply with federal laws commonly known as “cross-cutters.” The State Water Board will ensure that DWSRF financing recipients comply with applicable federal laws through a variety of program procedures. The DWSRF financing agreements will generally include a list of applicable federal statutes and requirements taken from the most recent Capitalization Grant.

All applicants applying for drinking water construction funding will have provided complete information for the DWSRF federal environmental cross-cutters by completing each of the sections in the Environmental Package of the Construction Application in preparation of the DWSRF Construction Application. DFA staff will review the Environmental Package of the Construction Application in preparation for consultation with federal agencies.

The State Water Board will use its State Environmental Review Process (SERP) to review any potential environmental impacts of projects during SFY 2016-17. The State Water Board staff will consult with the appropriate federal agency on projects that will or are likely to have an effect under federal regulations.

In addition to the federal environmental requirements, DFA generally requires compliance with other cross-cutters, such as Disadvantaged Business Enterprise (DBE) solicitations, for all DWSRF financing. All projects funded through the DWSRF or Prop 1 Drinking Water programs will be required to comply with federal cross-cutters unless waived by the Deputy Director of DFA for good cause.

V. DWSRF AND PROP 1 FINANCIAL MANAGEMENT

A. SOURCES AND USES OF FUNDS

1. Federal Capitalization Grants

Including the 2016 Federal Capitalization Grant, the State Water Board will have received approximately \$1.73 billion in federal DWSRF Capitalization Grant funding for both project financing and set-aside activities since the inception of the DWSRF program. See Table 5 and Table 8 below for the sources and uses of DWSRF funds, including the State Water Board's receipt of federal Capitalization Grants.

U.S. EPA provides for a payment schedule of the 2016 Capitalization Grant. Based upon the State Water Board's cash flow modeling and projected disbursements for SFY 2016-17, the State Water Board has requested the following federal payment schedule from U.S. EPA for the 2016 Capitalization Grant, as detailed in Table 2 below.

TABLE 2: 2016 Capitalization Grant Payment Schedule

FFY	DATE	AMOUNT	DESCRIPTION	SITE CODE
2016	Award Date	\$3,128,600	4% Admin	DD
2016	Award Date	\$1,564,300	2% SWSTA	DE
2016	Award Date	\$7,821,500	10% SPM	DF
2016	Award Date	\$7,821,500	15% Local Asst.	DG
2016	Award Date	\$57,879,100	Loan Fund	DA

Finally, the 2016 Capitalization Grant provides additional subsidy to PWSs that serve disadvantaged communities. In accordance with the 2016 Capitalization Grant terms and conditions, the State Water Board intends to commit a minimum 20 percent, and no more than 30 percent, of the 2016 Capitalization Grant to additional subsidy for eligible DWSRF projects. The estimated minimum and maximum additional subsidy amounts for the 2016 Capitalization Grant are provided in Table 3 below:

TABLE 3: 2016 Capitalization Grant Additional Subsidy Amounts

2016 CAPITALIZATION GRANT	ESTIMATED MINIMUM AMOUNT	ESTIMATED MAXIMUM AMOUNT
Additional Subsidy (i.e. principal forgiveness)	\$15,643,000	\$23,464,500

Any additional subsidy available from prior DWSRF Capitalization Grants will be used to fund eligible projects for the SFY 2017-18.

2. DWSRF Capitalization Grant State Match Source

The SDWA requires states to provide a 20 percent match to the Capitalization Grants received from the federal government (State Match). The 2016 State Match will be provided through an allocation of Prop 1 Drinking Water funding. A minimum of \$15,643,000 of the anticipated \$67.5 million Prop 1 Drinking Water appropriation in SFY 2014-15 will be allocated as 2016 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. Table 4 below documents the State Match provided from the SFY 2014-15 Prop 1 Drinking Water appropriation.

Table 4: Prop 1 SFY 2014-15 \$67.5 million Prop 1 Appropriation Allocation for DWSRF State Match

Federal Cap Grant	Prop 1 State Match Allocation
2015	\$16,534,800
2016	\$15,643,000

Based upon a projected amount of \$57,879,100 for the 2016 Capitalization Grant as well as the associated 2016 State Match of \$15,643,000, the disbursement proportionality for the 2016 Capitalization Grant is 78.72% / 21.28% (Federal/State). The State Water Board will disburse the 2016 State Match prior to disbursing funds allocated for project financing from the 2016 Federal Capitalization Grant, except that the expenditure rate of the 2016 State Match begins to substantially slow or stall the disbursement of the 2016 Capitalization Grant, then the State Water Board may disburse the 2016 State Match on a proportional basis with the 2016 Capitalization Grant.

The State Match provided under Prop 1 Drinking Water for the 2015 DWSRF federal Capitalization Grant is not expected to disburse at a sufficient rate to ensure the liquidation of the 2015 DWSRF federal capitalization in accordance with U.S. EPA’s two year liquidation rule for DWSRF Capitalization Grants. As of May 2, 2016, approximately \$15.9 million in Prop 1 Drinking Water funds have been encumbered to eligible projects for DWSRF State Match, and advanced financial forecasting is suggesting that these Prop 1 Drinking Water funded projects will not disburse at a fast enough rate to ensure the liquidation of the 2015 DWSRF federal Capitalization Grant by the fall of 2017.

For this reason, the State Water Board intends to sell another short-term DWSRF state match bond to the California Economic Infrastructure and Economic Development Bank in SFY 2016-17 to serve as supplemental State Match for the DWSRF. Such supplemental State Match will then immediately be disbursed to any encumbered DWSRF project for the purposes of maintaining a sufficient liquidation rate of the 2015 DWSRF federal Capitalization Grant.

3. DWSRF State Program Management-PWSS 1:1 State Match

An additional 1:1 State Match is required for the amount budgeted under State Program Management Set-Aside. For SFY 2016-17, the State Water Board is budgeting the full 10 percent of the 2016 Capitalization Grant (\$7,821,500) for the State Program Management Set-Aside. A 1:1 State Match for the State Program Management Set-Aside equals \$7,821,500 and is anticipated under a State budget appropriation to the DDW's Safe Drinking Water Account in SFY 2016-17 totaling approximately \$21,030,000. The source of funding for this appropriation is expected to be from a new fee structure charged to California's PWSs for permitting, inspection, compliance, monitoring, and enforcement activities performed by DDW.

4. Principal and Interest Repayment Sources

As of June 30, 2016, the State Water Board will have received approximately \$479.8 million in principal and interest repayments as well as investment earnings since the inception of the DWSRF program. For SFY 2016-17, the State Water Board anticipates receipt of approximately \$68.6 million in principal repayments and interest earnings, which will continue to be committed to eligible DWSRF projects.

5. Summary of Sources of all DWSRF Funds

Table 5 (page 23) constitutes a summary of all sources of funds of the DWSRF, including the funds anticipated for SFY 2016-17.

Table 5: Sources of all DWSRF Funds

Description	Cumulative Total through 6/30/2016**	7/1/16-6/30/17* (This IUP)	Cumulative Total through 6/30/2017*
Federal Capitalization Grants			
Loans (including ARRA)	\$1,496,027,116	\$57,879,100	\$1,553,906,216
Set-Asides (including ARRA)			
Administration	\$65,259,310	\$3,128,600	\$68,387,910
Small Water System Technical Assistance	\$31,975,281	\$1,564,300	\$33,539,581
State Program Management			
<i>Capacity Development</i>	\$22,899,773	\$0	\$22,899,773
<i>PWSS Program</i>	\$59,518,929	\$7,821,500	\$67,340,429
Local Assistance			
<i>Capacity Development</i>	\$19,817,180	\$7,821,500	\$27,638,680
<i>Source Water Protection Assessment</i>	\$2,000,000	\$0	\$2,000,000
<i>Source Water Delineation</i>	\$6,831,577	\$0	\$6,831,577
<i>Wellhead Protection</i>	\$0	\$0	\$0
State Match			
<i>20% Capitalization Grant Match</i>	\$309,846,624	\$15,643,000	\$325,489,624
<i>State Program Management Set-Aside 1:1 Match</i>	\$82,418,702	\$7,821,500	\$90,240,202
Principal Repayments	\$338,136,630	\$56,064,027	\$394,200,657
Interest Repayments (incl. Penalties)	\$129,366,827	\$12,579,484	\$141,946,311
Investment Earnings	\$15,375,502	\$758,000	\$16,133,502
Sources Total	\$2,579,473,451	\$171,081,011	\$2,750,554,462
*Based upon current estimates **Based upon current reconciliation			

6. Use of All DWSRF Funds Available

Including estimates for the remainder of SFY 2015-16, the State Water Board expects to have executed over 370 funding agreements for a combined total of approximately \$2.2 billion since the inception of the DWSRF program. The total amount of funds received by the DWSRF, including estimates for SFY 2015-16 and SFY 2016-17 is presented in Table 8 (page 27).

As a result of the anticipated new executed funding agreements for SFY 2016-17, as represented in the SFY 2016-17 Fundable List (Appendix B), the State Water Board is estimating a DWSRF fiscal impact demonstrated in Figure 2 below and Table 6 (page 24).

Figure 2: Estimated DWSRF Fiscal Impact for SFY 2016-17 Based Upon 2016 DWSRF Capitalization Grant

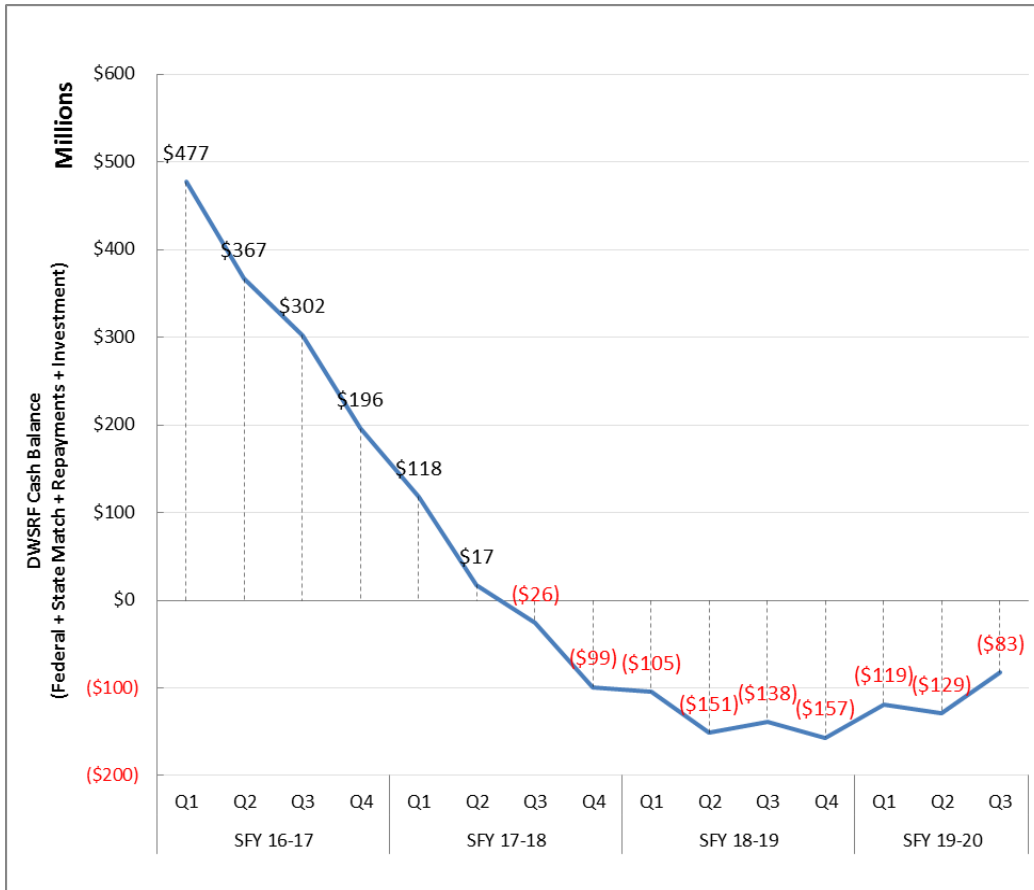


Table 6: Estimated DWSRF Fiscal Impact for SFY 2016-2017 Based Upon 2016 DWSRF Capitalization Grant

	SFY 2016-17	SFY 2017-18	SFY 2018-19	SFY 2019-20	SFY 2020-21
Beginning Balance	\$500,599,448.04	\$196,045,100.89	(\$98,963,293.05)	(\$156,548,020.12)	(\$92,270,703.91)
Estimated Principal Payments + Interest Earnings	\$68,643,510.87	\$93,349,946.11	\$105,321,678.67	\$118,399,867.14	\$128,503,911.63
Estimated SMIF Interest Earnings	\$783,156.58	\$783,156.58	\$783,156.58	\$783,156.58	\$783,156.58
State Match Short-Term Bond	\$16,000,000.00	\$0.00	\$0.00	\$0.00	\$0.00
State Match Bond Repayment	\$16,000,000.00	\$0.00	\$0.00	\$0.00	\$0.00
Federal Capitalization Grants Received	\$57,879,100.00	\$0.00	\$0.00	\$0.00	\$0.00
Prop 1 - State Match	\$54,902,490.50	\$0.00	\$0.00	\$0.00	\$0.00
Estimated Disbursements	\$486,762,605.11	\$389,141,496.63	\$163,689,562.32	\$54,905,707.52	\$21,172,638.85
Estimated Year-End Balances	\$196,045,101	(\$98,963,293)	(\$156,548,020)	(\$92,270,704)	\$15,843,725

Figure 2 and Table 6 above demonstrate the estimated year-end cash balances for the DWSRF and resulting summary fiscal impact on the DWSRF for SFY 2016-17, assuming the projected disbursements for existing DWSRF encumbrances as well as estimated DWSRF encumbrances for SFY 2016-17 based upon the SFY 2016-17 Fundable List. Figure 2 and Table 6 also consider the existing principal and interest cash balances within the DWSRF as well as anticipated repayment revenues from both existing loans and new loans projected under the 2016-2017 Fundable List. Finally, both Figure 2 and Table 6 consider existing DWSRF Capitalization Grant balances as well as the anticipated 2016 DWSRF Capitalization Grant, and all associated State Match balances, including the anticipated sale of a short-term State Match bond. The need for additional revenue is apparent, if assuming no additional DWSRF capitalization grants awarded beyond the 2016 DWSRF Capitalization Grant. However, assuming the receipt of an average DWSRF Capitalization Grant each year, over the next several years, then the need for additional revenue from the sale of revenue bonds diminishes as demonstrated in Figure 3 and Table 7 below. Nonetheless, current commitment/disbursement trends are suggesting the potential need for a DWSRF revenue bond sale in the next few years, even when assuming the receipt of additional DWSRF capitalization grants beyond the 2016 DWSRF Capitalization Grant. DFA will continue to closely monitor its existing and forecasted cash balances for the potential need of additional revenue. DWSRF forecasted cash balances may also significantly change this summer 2016 when a new set of disbursement projections are activated in LGTS, which will be based upon a revised set of disbursement assumptions and newly aggregated historical DWSRF disbursement data in LGTS.

Figure 3: Estimated DWSRF Fiscal Impact for SFY 2016-17 Based Upon 2016 DWSRF Capitalization Grant and Estimated Future Capitalization Grants



Table 7: Estimated DWSRF Fiscal Impact for SFY 2016-2017 Based Upon 2016 DWSRF Capitalization Grant and Estimated Future Capitalization Grants

	SFY 2016-17	SFY 2017-18	SFY 2018-19	SFY 2019-20	SFY 2020-21
Beginning Balance	\$500,599,448.04	\$196,045,100.89	(\$14,363,293.05)	\$12,651,979.88	\$161,529,296.09
Estimated Principal Payments + Interest Earnings	\$68,643,510.87	\$93,349,946.11	\$105,321,678.67	\$118,399,867.14	\$128,503,911.63
Estimated SMIF Interest Earnings	\$783,156.58	\$783,156.58	\$783,156.58	\$783,156.58	\$783,156.58
State Match Short-Term Bonds	\$16,000,000.00	\$0.00	\$0.00	\$0.00	\$0.00
State Match Bond Repayment	(\$16,000,000.00)	\$0.00	\$0.00	\$0.00	\$0.00
Federal Capitalization Grants Received	\$57,879,100.00	\$68,000,000.00	\$68,000,000.00	\$68,000,000.00	\$68,000,000.00
Prop 1 - State Match	\$54,902,490.50	\$16,600,000.00	\$16,600,000.00	\$16,600,000.00	\$16,600,000.00
Estimated Disbursements	(\$486,762,605.11)	(\$389,141,496.63)	(\$163,689,562.32)	(\$54,905,707.52)	(\$21,172,638.85)
Estimated Year-End Balances	\$196,045,101	(\$14,363,293)	\$12,651,980	\$161,529,296	\$354,243,725

TABLE 8: Uses of All DWSRF Funds

Description	Cumulative Total through 6/30/2016**	7/1/16-6/30/17* (This IUP)	Cumulative Total through 6/30/2017*
Loans/Repayable Financing			
To Large Systems (>10,000 population)	\$2,220,618,233	\$271,004,051	\$2,491,622,284
To Small Systems (<10,000 population)	\$296,862,621	\$93,828,392	\$390,691,013
Additional Subsidy	\$279,499,583	\$62,222,166	\$341,721,749
Set-Aside Funding			
Administration	\$64,306,189	\$2,911,011	\$67,217,200
Small Water System Technical Assistance	\$29,812,283	\$2,922,394	\$32,734,677
State Program Management			
<i>Capacity Development</i>	\$22,899,773	\$0	\$22,899,773
<i>PWSS Program</i>	\$58,846,975	\$8,521,500	\$67,368,475
Local Assistance			
<i>Source Water Protection Assessments</i>	\$2,000,000	\$0	\$2,000,000
<i>Source Water Delineation</i>	\$6,831,577	\$0	\$6,831,577
<i>Capacity Development</i>	\$11,847,776	\$8,958,763	\$20,806,539
<i>Wellhead Protection</i>	\$0	\$0	\$0
*Based upon current estimates			
**Based upon current reconciliation			

7. DWSRF Federal Draw Schedule and Estimated DWSRF Project Disbursements

Table 9 (page 28) represents the State Water Board’s anticipated federal draw schedule for SFY 2016-17 as well as the anticipated liquidation of the 2016 Capitalization Grant in SFY 2017-18. The federal draw schedule assumes U.S. EPA’s “First-in-First-Out” policy for the liquidation of DWSRF capitalization grants and therefore includes the anticipated liquidation of the projected remaining balances of the 2014 and 2015 DWSRF federal capitalization grants. It is anticipated that the remaining balance of the 2013 DWSRF Capitalization Grant of approximately \$4 million will be liquidated by June 30, 2016.

Current cash flow projections suggest that the 2016 DWSRF Capitalization Grant will not be liquidated until the middle of SFY 2017-18. The State Water Board will also disburse the 2016 State Match in accordance with procedures detailed in Section V.A of this IUP.

TABLE 9: 2016 DWSRF Federal Capitalization Grant Draw Schedule

	Estimated Balance (as of 6/30/2016)	SFY 2016-17 Disbursements				SFY 2017-18 Disbursements			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
(Number in Millions)									
2014 Cap Grant-Project Loan Account	\$3.2M	\$3.2M	(\$13.73)M						
2015 Cap Grant-Project Loan Account			\$67.79M						
2016 Cap Grant-Project Loan Account						\$57.88M	(\$57.88)M		
Cap Grant Set-Aside Accounts (2014, 2015, 2016 Cap Grants)	\$27.8M	\$5.7M	\$5.7M	\$5.7M	\$5.7M	\$4.7M			

Table 10 below represents the State Water Board’s projected DWSRF project disbursements, per quarter, for SFY 2016-17. The estimated project disbursements assume all existing DWSRF agreements with estimated unspent balances as of June 30, 2016 well as the projected disbursements resulting from the anticipated planning and construction agreements included in the SFY 2016-17 DWSRF Fundable List.

TABLE 10: SFY 2016-17 Disbursement by Quarter

State Fiscal Year	Q1	Q2	Q3	Q4	Total Projected Disbursement
SFY 2016-17 (as of 5/2/2016)	\$165,724,302.73	\$115,397,478.27	\$94,465,686.02	\$111,175,138.09	\$486,762,605.11

8. Proposition 1 Drinking Water Funds

Section 79724 of the Water Code allocates \$260 million for drinking water grants and loans for PWS infrastructure improvements and related actions to meet safe drinking water standards, ensure affordable drinking water, or both. For SFY 2015-16, \$67.5 million of Prop 1 appropriation was provided to the State Water Board for eligible drinking water financing. Additionally, \$174,300,000 in Prop 1 appropriation was

appropriated for 2016-17. The State Water Board will continue to encumber funding for eligible Prop 1 Drinking Water projects against these existing appropriations in SFY 2016-17.

B. DWSRF AND PROP 1 FINANCING TERMS

DEFINITIONS

The following definitions apply to Section V.B. of this IUP, unless otherwise footnoted, for the purposes of defining repayable financing terms as well as additional subsidy from the DWSRF/Prop 1 Drinking Water funding.

- a) "Acceptable Result" means the project that, when constructed, solves the problem for which the project was placed on the comprehensive list, ensures the owner and operator of the improved or restructured public water system shall have long-term technical, managerial, and financial capacity to operate and maintain the public water system in compliance with state and federal safe drinking water standards, can provide a dependable source of safe drinking water long-term, and is both short-term and long-term affordable, as determined by applicable regulations adopted by the State Water Board.
- b) "Community Water System" or "CWS" means a public water system which serves at least 15 service connections used by year-round residents or regularly serves at least 25 year-round residents.
- c) "Cost Effective" means achieves an acceptable result at the most reasonable cost.
- d) "Disadvantaged Community" or "DAC" means the entire service area of a community Water System (CWS) in which the median household income (MHI) is less than 80 percent of the statewide MHI.
- e) "For Profit Entity" means a corporation, partnership, trust, association, sole proprietorship, or limited liability company that is not exempt from taxes under Section 501(c) of the United State Internal Revenue Code, including those entities that are regulated by the California Public Utilities Commission.
- f) "Native American Tribe" means a federally recognized Indian tribe, or a State Indian tribe listed on the Native American Heritage Commission's California Tribal Consultation List.
- g) "Non-transient Non-community Water System" or "NTNC" means a public water system that is not a community water system and that regularly serves at least 25 of the same persons over six months per year.
- h) "Not-For-Profit Water Company" means a mutual benefit water company, public benefit corporation, homeowner's association, or cooperative, that is exempt from taxes under Section 501(c) of the United States Internal Revenue Code.
- i) "Project" means cost-effective facilities for the construction, improvement, or rehabilitation of a public water system. It may include the planning and design of

facilities, annexation or consolidation of water systems, source water assessments, source water protection, and other activities specified in the federal act.

- j) "Projects that Provide Regional Benefits" means construction projects that address public health issues ranked in categories A to C; are a shared solution amongst three or more participating PWSs; and at least one of those participants is a SCWS serving a DAC or a NTNC serving a disadvantaged community.
- k) "Residential Water Rates" means the average residential water rate for the entire permitted service area of a public water system as a percentage of the MHI for such PWSs permitted service area. For the purposes of calculating average residential water rate as percentage of MHI, service charges plus other costs specifically related to the drinking water system may be considered, including but not limited to, assessments, and fees.
- l) "Severely Disadvantaged Community" or "SDAC" means the entire service area of a CWS in which the MHI is less than 60 percent of the statewide MHI.
- m) "Small Community Water System" or "SCWS" means a CWS that serves no more than 3,300 service connections or a yearlong population of no more than 10,000 persons.
- n) "Small Disadvantaged Community" means a community with a population less than 10,000 persons and whose combined median household income (MHI) is less than 80 percent of the statewide MHI.
- o) "Small Severely Disadvantaged Community" means a community with a population less than 10,000 persons and whose combined MHI is less than 60 percent of the statewide MHI.

1. Standard DWSRF and Prop 1 Financing Terms

Standard Planning Financing Terms

The State Water Board's interest rate for DWSRF and Prop 1 planning financing is 50 percent of California's average general obligation bond rate obtained by the State Treasurer for the previous calendar year. The standard repayable financing term for planning projects is a maximum of five years.

Standard Construction Financing Terms

The State Water Board's interest rate for DWSRF and Prop 1 construction financing is 50 percent of California's average general obligation bond rate obtained by the State Treasurer for the previous calendar year. The standard repayable financing term is a maximum of 20 years, not to exceed the useful life of the financed facilities.

Extended Term Financing For a PWS Serving Non-Disadvantaged Community

A PWS that serves a DAC or a Small Disadvantaged Community may be eligible for an extended repayable financing term of up to 30 years for a construction project under the

DWSRF/Prop 1 Drinking Water program, not to exceed the useful life of financed facilities.

Subject to U.S. EPA approval under a separate written request from DFA, a PWS owned by a public entity and serving a non-disadvantaged community may be eligible for an extended repayable financing term of up to 30 years for a construction project under the DWSRF, not to exceed the useful life of the financed facilities. Absent U.S. EPA approval, a PWS serving a non-disadvantaged community may only be provided a maximum 20 year repayment term, not to exceed the useful life the facilities being financed.

Local Match Financing

DFA may offer local match financing to eligible DWSRF applicants in accordance with Section VI of the DWSRF Policy. DFA will set the local match contribution for each participating project at the proportional level to meet the state match share of the funding, assuming that the federal capitalization grant funded the remainder, regardless of whether any federal capitalization grant monies are actually used. Where the current interest environment renders this approach infeasible, to satisfy the State Water Board's obligations to provide state match, DFA may set the local match contribution on any given project at an amount resulting in an imputed interest rate that is competitive with the current DWSRF interest rate for construction financing.

2. DWSRF and Prop 1 Drinking Terms for a PWS Serving a DAC/SDAC or a Small Disadvantaged or Severely Disadvantaged Community³

The following PWSs may be eligible for reduced interest rates, extended term financing, and principal forgiveness/grant for a planning or construction project in accordance with the financing terms below:

- a. A SCWS serving a DAC that is owned by a public agency or a Not-For-Profit Water Company.
- b. A SCWS serving a DAC that is owned by a For-Profit Entity or a Native American Tribe.
- c. A NTNC that serves a Small Disadvantaged Community or a Small Severely Disadvantaged Community, if such system serves solely the following:
 - a public K-12 school; and/or
 - a not-for profit K-12 private school; and/or
 - a not-for-profit daycare facility, and/or
 - a not-for profit labor camp; and/or

³ Where a state agency acts as a conduit recipient of Prop 1 funding, the qualifying characteristics of the ultimate underlying recipient PWS will be analyzed.

- a not-for-profit elder care facility; and/or
 - a not-for-profit health care facility
- d. A PWS that is extending service to a Small Disadvantaged Community or a Small Severely Disadvantaged Community not currently served by a PWS.

The PWSs eligible for DWSRF subsidized financing listed above are determined to have financial hardship because of their system size and their general lack of economies of scale to financially operate and maintain their water systems. The Prop 1 Drinking Water local cost share may be waived for a SCWS that serves a Severely Disadvantaged Community and a NTNCs that serves a Small Severely Disadvantaged Community and a PWS extending service to a Small Severely Disadvantaged Community. The Prop 1 Drinking Water local cost share may also be reduced for a SCWS that serves DAC and a NTNC that serves a Small Disadvantaged Community and a PWS extending service to a Small Disadvantaged Community, per the financing terms described below.

It is the intent of the State Water Board to provide for the effective and equitable use of the limited amount of DWSRF and Prop 1 Drinking Water principal forgiveness/grant funds. Therefore, the eligible grant and/or principal forgiveness funding amount for any project may be reduced for good cause.

MHI Determinations for SCWS, NTNC & Communities Not Currently Served by a PWS

The MHI determination for a SCWS may be based upon a review of the entire permitted service area of the SCWS.

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

For the purposes of a consolidation project, the MHI of the consolidated PWS may be considered when evaluating for DWSRF or Prop 1 Drinking Water reduced interest rates, extended term financing, and principal forgiveness/grant.

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

Subsidized Planning Financing Terms

Eligible SCWSs serving a DAC/SDAC, eligible NTNCs serving Small Disadvantaged Community or Severely Disadvantaged Community, and PWSs extending service to

Small Disadvantaged Communities and Severely Disadvantaged Communities may receive a maximum \$500,000 grant per project for their proportional share of planning project in accordance with Table 11 below, regardless of water rates/affordability criteria. This incentive promotes timely and efficient financing for drinking water planning projects in preparation for eventual construction financing. Repayable financing may also be available from the DWSRF or Prop 1 Drinking Water programs in accordance with Table 11 below if available grant funding is insufficient to fully fund a planning project.

DFA may deny Prop 1 Drinking Water grant funding if the planning project has already been funded in part by other drinking water funding sources, including DWSRF and Prop 1 Drinking Water funding.

Table 11: Planning Project-Reduced Interest Rates and Grant for an Eligible PWS

Total Eligible Planning Project Cost	Interest Rate*	Loan Term*	Maximum Grant/project*
≤ \$500,000	n/a	n/a	\$500,000
>\$500,000	0%	Up to 5 years	\$500,000**

*Based upon the PWSs proportional share of a planning project

**On a case-by-case basis, for good cause, the Deputy Director of the Division may approve more than \$500,000 in grant funds for the PWSs proportional share of a planning project

Subsidized Construction Financing Terms for SCWSs that serve a DAC/SDAC

To facilitate affordable construction financing for an eligible SCWS that serves a DAC/SDAC, the financing terms in Table 12 and Table 13 below shall apply.

Table 12: Construction Project-Principal Forgiveness/Grant for an Eligible CWS that Serves a DAC/SDAC

Affordability Criteria		Maximum Principal Forgiveness, Grant or Combination Thereof Per Construction Project		
Type of Community Served by CWS	Residential Water Rates as a Percentage of MHI**	Percentage of Total Eligible Project Cost*	Maximum Amount /Construction Project*	Maximum Amount Per Connection/ Construction Project*
DAC	<1.5%	Not Eligible for Principal Forgiveness, Grant or Combination Thereof		
	>=1.5%	up to 100%	\$5 million	\$30,000
SDAC	NA			

*Based upon PWS's proportional share of a construction project

**For the purposes of a consolidation or intertie project, the residential water rate of the consolidated or intertied system resulting from such consolidation or intertie may be considered

SCWS with eligible projects may be eligible for both Prop 1 Drinking Water and Prop 1 Groundwater Grant Funds

CWS with eligible projects may be eligible for Prop 1 Groundwater Grant Funds

DFA may deny DWSRF/Prop 1 Drinking Water grant, principal forgiveness or a combination thereof if the construction project has already been funded in part by other drinking water funding sources, including DWSRF and Prop 1 Drinking Water funding.

Table 13: Construction Project-Repayable Financing Terms for an Eligible SCWS that Serves a DAC/SDAC

Affordability Criteria		Repayable Construction Financing Terms		
Type of Community Served by SCWS	Residential Water Rates as a Percentage of MHI	Interest Rate	Maximum Financing Term**	Local Cost Share
DAC	<1.5%	0%	30 years	Amount Not Funded by Prop 1*
	>=1.5%			
SDAC	NA			Waived

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

Subsidized Construction Financing Terms for NTNCs that Serve a Small Disadvantaged Community

To facilitate affordable construction financing for an eligible NTNC that serves a Small Disadvantaged Community, the financing terms in Table 14 (page 34) shall apply. Principal forgiveness/grant funds may only be awarded to an eligible NTNC to the extent such NTNC cannot afford the full cost of repayable financing. The current operating budget shall be evaluated when determining an eligible NTNC’s ability to afford repayable financing. An eligible NTNC owned by a public school district is determined to have limited repayable financing capacity and is therefore automatically eligible for maximum principal forgiveness/grant, subject to all other eligibility rules and requirements.

Table 14: Construction Project-Repayable Financing Terms and Principal Forgiveness/Grant for an Eligible NTNC that Serves a Small Disadvantaged Community or a Severely Disadvantaged Community

Repayable Construction Financing Terms					
Type of Community Served by NTNC	Maximum Grant/ Construction Project**	Maximum Principal Forgiveness/Grant Amount/ Connection/ Construction Project**	Interest Rate	Maximum Financing Term***	Local Cost Share*
Small Disadvantaged Community	\$5 million	\$30,000	0%	30 years	Amount Not Funded by Prop 1
Small Severely Disadvantaged Community					Waived

* The applicant may choose to fund the remainder of the total project cost (Local Cost Share) from other sources (e.g. repayable DWSRF/Prop 1 financing; grant funding from sources other than the State Water Board; or other sources)
 **Based upon NTNC’s proportional share of a construction project
 ***The financing term shall not exceed the useful life of the facilities being financed

DFA may deny DWSRF/Prop 1 Drinking Water grant, principal forgiveness or a combination thereof if the construction project has already been funded in part by other drinking water funding sources, including DWSRF and Prop 1 Drinking Water funding.

Projects that Provide Regional Benefit

Notwithstanding the foregoing, projects that Provide Regional Benefit may be eligible for no more than \$60,000 in grant and/or principal forgiveness per service connection-per participating SCWS serving a DAC/SDAC, or NTNC serving a Small Disadvantaged Community or Small Severely Disadvantaged Community. Projects that Provide Regional Benefit may receive up to \$5 million in grant and/or principal forgiveness per each participating SCWS serving a DAC/SDAC, or NTNC serving a Small Disadvantaged Community or Small Severely Disadvantaged Community per Table 12, Table 13, and/or Table 14 above. Projects that provide Regional Benefit may not exceed a total of \$20 million in principal forgiveness/grant funding and such principal forgiveness/grant funding may not necessarily be limited to the proportional share of the participating SCWS serving a DAC/SDAC, or NTNC serving a Small Disadvantaged Community or Small Severely Disadvantaged Community. Principal forgiveness/grant funding awarded for a Project that Provides Regional Benefit may only be allocated for the benefit of participating SCWSs serving a DAC/SDAC and/or NTNCs serving a Small Disadvantaged Community or Small Severely Disadvantaged Community.

Consolidation Incentive

Up to \$5 million in zero percent interest rate financing may be awarded for a construction project (incentive project) that benefits an eligible PWS, if such a PWS completes a full consolidation with a water system serving a small disadvantaged or small severely disadvantage community. A full consolidation is defined as the restructuring of two or more public water systems into a single public water system, as discussed in the Policy for Implementing the Drinking Water State Revolving Fund. The consolidation project must be fully constructed, in successful operation, and permitted by DDW, prior to the incentive project being funded by DWSRF. In the case where a single construction project benefits the remaining entity and the consolidated water system, zero percent interest rate may apply to the portion of the project costs that has been deemed ineligible for principal forgiveness or grant funding, up to \$5 million, as determined by DFA.

Subsidized Construction Financing Terms for Eligible Extension of Water Service Projects

A project involving a PWS extending water service to a Small Disadvantaged Community or a Small Severely Disadvantaged Community not currently served by a PWS may be eligible for financing terms included in Table 15 and Table 16 (page 36).

Table 15: Construction Project-Principal Forgiveness/Grant for an eligible PWS Extending Water Service to a Small Disadvantaged Community or Small Severely Disadvantaged Community Not Currently Served by a PWS

Affordability Criteria		Maximum Grant Per Construction Project		
Type of Community Served by PWS	Residential Water Rates as a Percentage of MHI**	Percentage of Total Eligible Project Cost*	Maximum Principal Forgiveness/Grant Amount /Construction Project*	Maximum Amount Per Connection/ Construction Project*
Small Disadvantaged Community	<1.5%	Not Eligible for Principal Forgiveness, Grant or Combination Thereof		
	>=1.5%	up to 100%	\$5 million	\$30,000
Small Severely Disadvantaged Community	NA			
*Based upon proportional share of a construction project				
**For the purposes of an extension of water service project, the average residential rate of the community resulting from the extension of water service from a PWS may be considered.				

DFA may deny DWSRF/Prop 1 Drinking Water grant, principal forgiveness or a combination thereof if the construction project has already been funded in part by other drinking water funding sources, including DWSRF and Prop 1 Drinking Water funding.

Table 16: Construction Project-Repayable Financing Terms for an eligible PWS Extending Water Service to a Small Disadvantaged Community or Small Severely Disadvantaged Community Not Currently Served by a PWS

Affordability Criteria		Repayable Construction Financing Terms		
Type of Community Served by PWS	Residential Water Rates as a Percentage of MHI	Interest Rate	Maximum Financing Term**	Local Cost Share*
Small Disadvantaged Community	<1.5%	0%	30 years	Amount Not Funded by Prop 1
	>=1.5%			
Small Severely Disadvantaged Community	NA			Waived
* The applicant may choose to fund the remainder of the total project cost (Local Cost Share) from other sources (e.g. repayable DWSRF/Prop 1 financing; grant funding from sources other than the State Water Board; or other sources)				
**Financing Term shall not exceed the useful life of the facilities being financed.				

C. DISBURSEMENTS

The State Water Board will continue to require all DWSRF financing recipients, unless waived by the Deputy Director of DFA for good cause, to (1) submit claims for all costs incurred prior to a funding agreement execution date no later than 90 days following such execution date; and (2) submit claims for costs incurred in one month no later than 60 days following such month.

VI. SET-ASIDE ACTIVITIES

The SDWA allows each state to set aside up to 31 percent of its federal Capitalization Grant to support various DWSRF and DDW program activities, including the administration of the DWSRF; PWS capacity development; SWS technical assistance; DDW program management; and other special activities. For SFY 2016-17, the State Water Board will set-aside a total of 26 percent of the 2016 Capitalization Grant for set-aside activities. The State Water Board will submit detailed work plans to U.S. EPA for approval in accordance with federal deadlines and will report on the progress of set-aside activities to U.S. EPA in its DWSRF Annual Report. The State Water Board is also committed to maintaining a set-aside spending rate in accordance with U.S. EPA Memorandum from Peter Grevatt, Director, Office of Ground Water and Drinking Water, dated April 14, 2014, *Drinking Water State Revolving Fund (DWSRF) Unliquidated Obligations (ULO) Reduction Strategy*.

A. DWSRF ADMINISTRATION SET-ASIDE

Max Allowed:	4%	
Budgeted from FFY 2016 Grant:	4%	(\$3,128,600) estimate

The DWSRF Administration Set-Aside funds will be used to subsidize DFA’s costs for administering the DWSRF program, including the review and processing of drinking water funding applications, project management and general oversight of DWSRF construction and planning projects. The DWSRF administration set-aside will also provide indirect funding for accounting, legal, budgetary, and general DWSRF administration costs. The DWSRF administration set-aside may also fund the contracts listed below. The DWSRF Administrative Set-Aside Work Plan for SFY 2016-17 will contain detailed information about the specific tasks and full-time equivalent personnel that will be supported in DFA by the DWSRF Administration Set-Aside.

Contracts: DWSRF Annual Single Audit, \$150,000
 EPA/Northridge Environmental Management Consultants “In-Kind”
 Contract for national DWSRF consultation services, \$75,000

B. SMALL WATER SYSTEM TECHNICAL ASSISTANCE SET-ASIDE

Max Allowed:	2%	
Budgeted from FFY 2016 Grant:	2%	(\$1,564,300) estimate

The Small Water Systems Technical Assistance Set-Aside will be used to provide technical assistance to SWSs by DFA staff. DFA staff will assist such SWSs in qualifying for DWSRF, Proposition 84 and Prop 1 Drinking Water infrastructure financing. The DWSRF Small Water Systems Technical Assistance Work plan for SFY 2016-17 will contain detailed information about the specific tasks and full-time equivalent personnel that will be supported in DFA by the DWSRF Small Water Systems Technical Assistance Set-Aside.

Contracts: California Department of General Services-Environmental Services,
 \$200,000

C. STATE PROGRAM MANAGEMENT SET-ASIDE

Max Allowed:	10%	
Budgeted from FFY 2016	10%	(\$7,821,500) estimate
1:1 State match (Safe Drinking Water Account):		(\$7,821,500) estimate

The State Program Management Set-Aside funds will subsidize the PWS permitting, inspection, compliance and monitoring (PICM) activities of DDW in accordance with the SDWA and delegated PWSS responsibilities by U.S. EPA. The State Program Management set-aside will also finance a multi-year auditing contract for the benefit of the State Water Board’s Environmental Lab Accreditation Program (ELAP) and its supervision of statewide laboratories that engage in drinking water quality analysis and reporting. The DWSRF State Program Management Set-Aside Work Plan for SFY 2016-17 will contain detailed information about the specific tasks and full-time equivalent personnel that will be supported in DDW by the DWSRF State Program Management Set-Aside. The Workplan will also contain details regarding the ELAP auditing contract.

Contracts: ELAP audit contract, \$1,500,000

D. LOCAL ASSISTANCE SET-ASIDE

Max Allowed:	15%	
Budgeted from FFY 2016	10%	(\$7,821,500) estimate

The Local Assistance Set-Aside funds will be used to support DFA’s PWS TMF capacity development staff activities. It will also finance third party technical assistance contracts in SFY 2016-17 for the benefit of PWSs and their TMF capacity development. The Local Assistance Set-Aside will fund a multi-year contract with the California-Nevada chapter of the American Water Works Association and their technical assistance to urban water suppliers regarding water audits in support of TMF capacity development. It’s also anticipated that a budget change request will be submitted to U.S. EPA in early summer of 2016 to provide additional funding to DDW from the 2014 and 2015 DWSRF capitalization grants for their technical assistance to PWS in support of the State Water Board’s Capacity Development Strategy. The DWSRF Local Assistance Set-Aside Work Plan for SFY 2016-17 contains detailed information about the specific tasks and full-time equivalent personnel that will be supported in DFA by the DWSRF Local Assistance Set-Aside. Below is a summary of some the tasks that the DWSRF third-party technical assistance providers will perform in support of the State Water Board’s Capacity Development Strategy.

Contracts: California Rural Water Association, \$1,432,792
 Rural Community Assistance Corporation, \$1,324,079
 Self-Help Enterprises, \$453,167
 CA-NV American Water Works Association, \$3,215,756⁴

⁴ It’s anticipated that an additional \$700,000 will be provided for this CA-NV American Water Works water loss audit contract through a budget change request to U.S. EPA for the 2015 DWSRF Capitalization Grant

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

In addition to the baseline PWS technical assistance provided under the DWSRF Local Assistance Set-Aside, DFA may direct up to fifteen percent of the funds available per Prop 1 Drinking Water to a multi-disciplinary technical assistance program. The Office of Sustainable Water Solutions has implemented this program. More information is available online at

http://www.waterboards.ca.gov/water_issues/programs/grants_loans/proposition1/tech_asst_funding.shtml.

VII. SCHEDULE

The estimated schedule for public comment and State Water Board adoption of the SFY 2016-17 DWSRF IUP, and the application, award, and acceptance of the 2016 DWSRF Capitalization Grant is as follows:

Draft IUP posted for public comment, as part of State Water Board Meeting agenda	May 9, 2016
Deadline for Public Comments on Draft IUP	June 8, 2016
State Water Board adopts IUP at regularly scheduled meeting	June 21, 2015
Submit FFY 2016 Capitalization Grant application to U.S. EPA	July 2015
Execute FFY 2016 Capitalization Grant agreement with U.S. EPA	September 2015

VIII. AUDITS AND REPORTING

Ensuring transparency and accountability, all program materials are posted on the State Water Board at http://www.waterboards.ca.gov/drinking_water/services/funding/SRF.shtml.

The State Water Board commits to entering project and benefits data into the EPA Drinking Water National Information Management System and Project and Benefits Reporting System to evaluate the benefits of the California DWSRF program. Among other parameters, the reporting systems will evaluate the number of California DWSRF projects that provide the following public health benefits:

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

The State Water Board will enter project benefits information into the Project Benefits Report by the end of the quarter in which a funding agreement is signed.

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

The State Water Board will produce a SFY 2016-17 DWSRF Annual Report on the uses of the DWSRF funds during SFY 2016-17, and provide a final draft of the SFY 2016-17 DWSRF Annual Report to U.S. EPA Region IX. The report will document the projects funded through the DWSRF; financial and programmatic outcomes of the DWSRF; and reflect upon the accomplishments of the DWSRF program as it relates to the long-term and short-term goals contained within this IUP and the tasks included in the associated DWSRF work plans.

IX. ASSURANCES AND CERTIFICATIONS

- **The state has the authority to establish a Fund and to operate the DWSRF program in Accordance with the SDWA**

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

- **The state will comply with State Statutes and DWSRF Policy Handbook**

State statutes governing California's DWSRF program are set forth in California's Health & Safety Code, Division 104, Part 12, Chapter 4.5, commencing with section 116760. The State Water Board's adoption of the DWSRF Policy superseded and nullified state DWSRF regulations, effective January 1, 2015. The state statutes and DWSRF Policy conform to federal requirements. California will implement its DWSRF program in compliance with all applicable state and federal laws, regulations, and guidelines.

- **The state will deposit all Capitalization Grant funds in the DWSRF Fund or Set-Aside Accounts**

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

- **The state will provide an amount at least equal to 20 percent of the Capitalization Grant (State Match)**

The 2016 State Match will be provided through an existing \$67.5 million State budget appropriation of Chapter 5, Section 79724(a)(1) of Prop 1. A minimum of \$16 million of the \$67.5 million appropriation will be allocated as 2016 State Match for repayable financing, grant or principal forgiveness funding to eligible drinking water projects under the DWSRF and Prop 1 Drinking Water programs. The State Water Board will also provide evidence to U.S. EPA that the 2016 State Match has been appropriated to the State Water Board by the California Legislature prior to the award date of the 2016 Federal Capitalization Grant.

- **The state will deposit net bond proceeds, interest earnings, and repayments into the Fund**

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

- **The state will match Capitalization Grant funds the state uses for 1542(g)(2) set-asides**

As detailed in Section V(A) of this IUP, a 1:1 State Match for the State Program Management Set-Aside (Section 1542 (g)(2)) will be provided under a California State budget appropriation to the DDW's Safe Drinking Water Account, totaling \$7,821,500.

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

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

- **The state will commit and expend funds as efficiently as possible, and in an expeditious and timely manner**

The IUP provides the basis for how the State Water Board will use DWSRF funds. The State Water Board will commit and expend both 2016 Capitalization Grant and 2016 State Match funds as efficiently as possible, and in an expeditious and timely manner. The State Water Board will enter into binding commitments with recipients equal to the total amount of each 2016 Capitalization Grant payment and proportional 2016 State Match within one year of such a 2016 Capitalization Grant payment.

- **DWSRF Funds will be used in accordance with this SFY 2016-17 IUP**

The State Water Board will use DWSRF funds in SFY 2016-17 in accordance with this SFY 2016-17 IUP.

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

As detailed in Section VII of this IUP, the State Water Board will publish a SFY 2016-17 DWSRF Annual Report on the uses of the DWSRF funds during SFY 2016-17, and provide a final draft of the SFY 2016-17 DWSRF Annual Report to U.S. EPA Region IX.

- **The state will comply with all federal cross-cutting authorities**

All set-aside activities will be performed in accordance with the Civil Rights Act of 1964, section 504 of the Rehabilitation Act of 1973, and the Age Discrimination Act of 1975. All other cross-cutters applicable to the set-aside activities will be adhered to. The State Water Board has developed policies and procedures to ensure that the State Water Board and all DWSRF financing recipients conform to applicable federal cross-cutter requirements. Required documentation will be provided for each of these requirements. To the extent necessary, cross-cutter requirements will be incorporated as conditions in financing agreements.

X. ACRONYMS

AIS	American Iron and Steel
ARRA	American Recovery and Reinvestment Act of 2009
CalTAP	California Technical Assistance Providers
CAP	Corrective Action Plan
CDPH	California Department of Public Health
CWS	Community Water System
DAC	Disadvantaged Community
DBE	Disadvantaged Business Enterprise
DDW	Division of Drinking Water
DFA	Division of Financial Assistance
DWSRF	Drinking Water State Revolving Fund
FAAST	Financial Assistance Application Submittal Tool
FFATA	Federal Funding Accountability and Transparency Act
FFY	Federal Fiscal Year
GWUDI	groundwater under the direct influence
IUP	Intended Use Plan
LEFA	Legal Entity Formation Assistance
LGTS	Loans and Grants Tracking System
LPA	Local Primary Agency
MCL	Maximum Contaminant Level
MHI	Median Household Income
NIMS	National Information Management System
PWS	Public Water System
PWSS	Public Water System Supervision
SDAC	Severely Disadvantaged Community
SDWA	Safe Drinking Water Act
SDWSCEG	Safe Drinking Water Small Community Emergency Grant
SERP	State Environmental Review Process
SFY	State Fiscal Year
SHE	Self-Help Enterprises
SWS	Small Water System
TMF	Technical, Managerial and Financial
ULO	Unliquidated Obligation
U.S. EPA	United States Environmental Protection Agency

Appendix A – DWSRF SFY 2016-17 Final Comprehensive List

(Revised April 2016)

Project Manager	District Number	Project Number	Project Type	Applicant	Project Title/Description	Class	Sustainability Score	Estimated Project Cost	Month/Year Placed on Comprehensive List
Guillen, Tatiana	12	5410050-001C	Construction	Alpaugh Community Services District	Alpaugh Arsenic Remediation Project	C	1	\$3,000,000	June-16
Tamanaha, Marques	10	0310021-003C	Construction	Amador County Service Area #3/Unit 6	Camanche Water Quality Compliance - Disinfection By-Products Requirement Improvements	A	1	\$1,559,868	March-15
Tamanaha, Marques	10	0310012-006C	Construction	Amador Water Agency	CAWP - Buckhorn WTP Disinfection By-Products Compliance	C	1	\$1,947,869	March-15
Pang, Maria	03	0023001-001P	Planning	Anderson Valley Community Services District	Boonville Drinking Water Project	E	1	\$500,000	June-16
Pang, Maria	16	1910045-001C	Construction	Antelop Valley - East Kern Water Agency	SNIP Phase II Pipeline and Lift Pump Station	F	0	\$22,200,000	January-16
Stamas, Pete	21	5200506-001P2	Planning	Antelope Elementary School District	Plum Valley School SRF Planning Project	B	1	\$242,400	June-16
Guillen, Tatiana	04	0710001-001P	Planning	Antioch, City of	Brackish Water Desalination Project	F	0	\$1,000,000	June-16
Pauli, Brenda	20	3301180-001C	Construction	Anza Mutual Water Co., Inc.	Anza Mutual Water System Improvements Project	F	1	\$3,000,000	July-15
Guillen, Tatiana	13	3600009-001P	Planning	Apple Valley Heights CWD	Storage Tanks & Transmission Pipeline Improvements	F	0	\$500,000	January-16
Vue, Mally	13	3610003-001C	Construction	Apple Valley Ranchos WC	Consolidation and Rehabilitation of Yermo Water System	F	1	\$7,992,016	June-16
Pauli, Brenda	13	3600012-002P	Construction	Apple Valley View MWC	Treatment Plant - Fluoride Compliance Study	F	0	\$500,000	July-15
Dinh, Kim	12	1610001-007C	Construction	Armona Community Services District	Arsenic Treatment	C	1	\$9,285,866	March-15
Reilly, Montarat	12	1610002-002P	Planning	Avenal, City of	Avenal Water Transmission Replacement Line Planning Project	F	1	\$500,000	January-16
Reyes, Elvira	13	3600025-001P	Planning	Bar-Len Mutual Water Company	Arsenic Treatment Construction	C	0	\$479,300	June-16
Greathouse, Joel	11	2000614-001C	Construction	Bass Lake School District	Oak Creek Intermediate School Consolidation with Hillview Water Company	C	2	\$545,000	January-16
Lopez, Victor	15	1910108-008P	Planning	Bell Gardens-City, Water Dept.	Bell Gardens Well No. 1 Improvements project	F	1	\$500,000	January-16
Ngai, Michael	13	3610008-012C	Construction	Big Bear City CSD	Well 8 Replacement	F	1	\$2,500,000	June-16
Orellana, Lucio		090605164-001P	Planning	Big Valley Band of Pomo Indians	Drinking Water Treatment and Supply Improvements	E	**	\$498,000	January-16
Stamas, Pete	21	0410001-001C	Construction	Biggs, City of	Water Meter Installation	D	1	\$353,000	January-16
Mitchell, Ryan	13	3610009-001C	Construction	Bighorn-Desert View Water Agency	Alternate Power Improvements	F	1	\$400,000	January-16
Mitchell, Ryan	13	3610009-002P	Planning	Bighorn-Desert View Water Agency	Emergency and Inter-basin Groundwater Management Potable Water Transfer Pipelines	F	1	\$241,145	January-16
Mitchell, Ryan	13	3610009-003P	Planning	Bighorn-Desert View Water Agency	Bighorn-Desert View /Imp. Dist Goat Mtn Integration	F	1	\$365,570	January-16
Reilly, Montarat	23	1010049-008P	Planning	Biola Community Services District	Biola CSD Water Distribution System Upgrades	F	1	\$347,200	January-16
Pang, Maria	03	1710022-008C	Construction	Board of Supervisors, County of Lake (on behalf of Special District #20)	Soda Bay Water System Improvements	F	**	\$161,328	January-16
Sanchez, Lawrence	20	3301046-001P	Planning	Boe-Del Heights Mutual Water Association	BOEDEL HEIGHTS MUTUAL WATER ASSOCIATION CONNECTION TO INDIO WATER AUTHORITY	A	0	\$1,200,000	March-15
Orellana, Lucio	03	2300663-001C	Construction	Branscomb Mutual Water Company	Branscomb Mutual Water Company Surface Treatment Plant	B	**	\$250,000	June-16
Lopez, Victor	13	2610003-005C	Construction	Bridgeport Public Utility District	Arsenic Removal System	C	1	\$1,689,671	June-16
Ruehlig, Joshua	09	3410013-001C	Construction	Calam - Lincoln Oaks	Treatment for Hexavalent Chromium - Antelope and Lincoln Oaks Water Systems	F	0	\$6,000,000	January-16
Ruehlig, Joshua	09	3410017-001C	Construction	California American WC-Parkway	Treatment for Hexavalent Chromium - Parkway Water System	F	1	\$4,000,000	January-16

Stamas, Pete	01	4700503-004P	Planning	Callahan Water District	Water Treatment Plant	F	1	\$467,000	July-15
Mitchell, Ryan	06	4010014-001C	Construction	Cambria Community Services District	Fiscalini Water Tank Replacement	F	**	\$660,000	June-16
Rios, Deisy	23	1010039-002C	Construction	Caruthers Comm Serv Dist	Caruthers CSD Well 6 Arsenic Treatment and Water Meters	D	1	\$1,984,400	June-16
Ramos, Fabian	23	1010039-003P	Planning	Caruthers Comm Serv Dist	Caruthers CSD Well 7	C	1	\$425,000	June-16
Uppal, Parmdeep	11	2000538-001P	Planning	Cedar Valley Mutual Water Company	Arsenic Compliance Project	C	**	\$100,000	June-16
Pauli, Brenda	13	3600070-003P	Planning	Center Water Co	Center Water Company Wells, Storage, and Infrastructure Project	C	1	\$670,200	March-15
Pauli, Brenda	12	5400682-002P	Planning	Central Water Company	Well Replacement and Nitrate Treatment	A	1	\$500,000	March-15
Stamas, Pete	02	4510016-002C	Construction	Clear Creek CSD-Anderson	Meter Transmitter Upgrade	C	**	\$590,000	July-15
Pang, Maria	20	3310048-001P	Planning	Coachella Valley Water District	Chromium-6 Treatment Project - ID#8 System	F	1	\$500,000	January-16
Pang, Maria	20	3310001-005P	Planning	Coachella Vwd: Cove Community	Chromium-6 Central Regeneration Facility - Regional Project	F	0	\$500,000	January-16
Pang, Maria	20	3310001-006C	Construction	Coachella Vwd: Cove Community	Chromium-6 Treatment Project	F	**	\$250,000,000	June-16
Orellana, Lucio	03	1710012-001P	Planning	Cobb Area County Water District	Multi-System Consolidation Project	C	**	\$500,000	June-16
Stamas, Pete	10	5000005-001P	Planning	Crows Landing Comm SVC District	Well #5 Hexavalent Chromium Remediation Project	A	**	\$0	June-16
Greathouse, Joel	11	5500152-005P	Planning	Curtis Creek Elementary School	Consolidation with TUD Well Replacement / Test Well	C	2	\$412,000	July-15
Badyal, Daman	24	5410001-006C	Construction	Cutler Public Utility District	Water Meters	D	**	\$440,000	June-16
Orellana, Lucio	19	1500314-001C	Construction	Del Oro Water Company	Country Estates District Cindy Wellhead Treatment	F	**	\$1,760,000	January-16
Orellana, Lucio	12	5400666-003C	Construction	Del Oro Water Company	Grandview Well No. 1 Nitrate Treatment	A	**	\$1,410,000	January-16
Reilly, Montarat	21	2910016-003C	Construction	Donner Summit Public Utility District	Donner Summit PUD Water Treatment Plant Improvement	B	1	\$2,717,000	January-16
Stamas, Pete	02	3100034-003P	Planning	Donner Summit Public Utility District	Big Bend Water Supply Study	B	1	\$385,470	March-15
Ruehlig, Joshua	01	4710001-007C	Construction	Dorris, City of	Meter Project	D	1	\$2,105,485	January-16
Lopez, Victor	11	2410002-003P	Planning	Dos Palos, City of	Water treatment plant replacement project	C	1	\$500,000	March-15
Greathouse, Joel	23	1000248-002C	Construction	Double L Mobile Ranch Park	Double L Mobile Ranch Park consolidation with City of Kerman	C	2	\$2,125,000	March-15
Pang, Maria	04	0110005-001C	Construction	East Bay Municipal Utility District	South Reservoir Replacement	F	0	\$17,772,000	June-16
Pang, Maria	20	3310009-062P	Planning	Eastern Municipal Water District	Perris II Desalter	A	1	\$500,000	January-16
Pauli, Brenda	20	3310009-067C	Construction	Eastern Municipal Water District	County Water Company, Consolidation with Eastern MWD	A	1	\$2,986,500	March-15
Greathouse, Joel	23	1000112-002C	Construction	Fairmont School	Fairmont School Safe Drinking Water Project	C	2	\$2,033,300	July-15
Reilly, Montarat	02	4510008-001C	Construction	Fall River Valley Community Services District	Fall River Valley CSD Phase One Implementation	F	**	\$1,216,000	June-16
Orellana, Lucio	05	4400608-002P	Planning	Forest Springs	Forest Springs Water Upgrade	B	0	\$85,800	March-15
Stamas, Pete	02	3200078-001P	Planning	FRCCSD-Old Mill Ranch	Planning Application for Infrastructure and Treatment	C	1	\$500,000	January-16
Tamanaha, Marques	23	1010007-029C	Construction	Fresno, City of	Friant-Kern Canal Pipeline	F	1	\$26,520,000	July-15
Tamanaha, Marques	23	1010007-030C	Construction	Fresno, City of	Regional Transmission Mains	F	1	\$63,100,000	July-15
Tamanaha, Marques	23	1010007-031C	Construction	Fresno, City of	Kings River Pipeline	F	1	\$75,165,000	July-15
Greathouse, Joel	23	1000546-001P	Planning	Fresno, County of	FCSA # 49 Consolidation	B	2	\$455,000	March-15

Ruehlig, Joshua	09	0910013-005C	Construction	Georgetown Divide Public Utility District	Auburn Lake Trails Water Treatment Plant Upgrade	B	0	\$10,000,000	March-15
Stamas, Pete	02	3200104-006P	Planning	Grizzly Lake Community Services District	Intertie with Portola and Well Renovation	C	**	\$496,434	January-16
Ramos, Fabian	11	5510009-002P	Planning	Groveland Community Services District	Groveland CSD Water Distribution System Improvements	F	1	\$325,000	July-15
Pauli, Brenda	13	3600600-001P	Planning	Habonim Camp Kvutza	Water Tank Replacement	F	**	\$67,000	January-16
Reilly, Montarat	01	4710012-002C	Construction	Happy Camp Community Services District	Happy Camp CSD Water Treatment System Upgrade	B	1	\$854,000	June-16
Guerrero, Oscar	12	1600507-002C	Construction	Hardwick Water Company	Hardwick Water Company Groundwater Well Replacement	C	1	\$1,086,690	June-16
Pang, Maria	03	1710015-006P	Planning	Hidden Valley Lake CSD	HVLCSD Hexavalent Chromium Planning Project	C	0	\$250,000	July-15
Ramos, Fabian	14	1310005-006C	Construction	Holtville, City of	Holtville Water Tank & System Improvements	C	1	\$1,778,600	June-16
Greathouse, Joel	10	5010008-011C	Construction	Hughson, City of	Well #7 Replacement Project	C	1	\$6,607,210	March-15
Greathouse, Joel	10	5010008-012C	Construction	Hughson, City of	Hughson Water System Extension Improvements (Cobles Corner/County Villa)	C	2	\$4,116,274	January-16
Tamanaha, Marques	23	1010044-001C	Construction	Huron, City of	Surface Water Treatment Facility	C	1	\$6,000,000	March-15
Tamanaha, Marques	23	1010044-008P	Planning	Huron, City of	Domestic Water Well Planning Project	F	1	\$280,000	July-15
Ramos, Fabian	02	3200510-002P	Planning	Indian Valley Community Services District	IVCSD-Crescent Mills Filter PLC and Scada Rehabilitation Project	F	1	\$78,000	June-16
Ramos, Fabian	02	3210001-005P	Planning	Indian Valley Community Services District	Replacement of Aged Water Transmission Lines	F	1	\$500,000	January-16
Ramos, Fabian	19	1510017-001C	Construction	Indian Wells Valley Water District	Automated Metering Infrastructure (AMI) Installation Project	F	0	\$3,721,000	January-16
Pang, Maria	20	3301735-001P	Planning	Indio Water Authority	Waller Tract Water District Consolidation with Indio	C	2	\$500,000	June-16
Sanchez, Lawrence	20	3301937-001P	Construction	Indio Water Authority	Tank Failure, Water Supply Shortage and Outage Problems	C	1	\$197,000	January-16
Chan, Gary	13	3610025-001P	Planning	Joshua Basin Water District	Chromium VI Remediation Project	C	1	\$500,000	January-16
Dinh, Kim	12	1610009-005C	Construction	Kettleman City Community Services District	New SWTP [Construction Phase]	C	1	\$3,926,000	March-15
Tamanaha, Marques	10	5010009-003C	Construction	Keyes Community Services District	Regional Benefit Arsenic Mitigation Project	C	1	\$18,767,185	March-15
Reyes, Elvira	23	1000316-001P	Planning	Kings Canyon Unified School District	DBCP MCL Compliance	C	1	\$468,000	January-16
Sanchez, Lawrence	19	1500475-002P	Planning	Krista Mutual Water Company	Krista Water Well Project	C	1	\$496,565	March-15
Sanchez, Lawrence	16	1900062-001P	Planning	L.A. Residential Community Foundation	L.A Retarded Children Ranch Water Agency	C	1	\$3,000,000	March-15
Tamanaha, Marques	10	0300037-002C	Construction	Lake Amador Recreation Area	Treated Water Project Phase 2	B	1	\$6,042,729	March-15
Garrett, James	20	3310022-001P	Planning	Lake Hemet Municipal Water District	Lake Hemet MWD WTP Retrofit	B	1	\$300,000	June-16
Rios, Deisy	23	1000053-004C	Construction	Lanare Community Services District	Distribution System Replacement	E	1	\$3,580,000	March-15
Greathouse, Joel	11	2000534-001P	Planning	Leisure Acres Mutual Water Company	Leisure Acres Mutual-single arsenic in single source	C	1	\$455,000	March-15
Reyes, Elvira	24	5400616-001P	Planning	Lemon Cove Water Co	Lemon Cove Safe Drinking Water Planning Study to Alleviate Nitrate Exceedance	A	1	\$150,000	June-16
Stamas, Pete	01	5301003-001P	Planning	Lewiston Park MWC	SWTR Compliance and Storage Tank	B	1	\$325,200	March-15
Dinh, Kim	24	5410006-007P	Planning	Lindsay, City of	Lindsay - 14 Dibromochloropropane (DBCP) Mitigation Project	C	1	\$120,000	March-15
Blanco, John Paul	11	2410004-002C	Construction	Livingston, City of	Well #13 Arsenic Removal Treatment System	B	0	\$1,548,836	March-15
Sanchez, Lawrence	16	1910204-001C	Construction	Los Angeles County Waterworks District 29	Malibu Branch Feeder Realignment	F	**	\$1,510,000	June-16
Sanchez, Lawrence	16	1910204-002C	Construction	Los Angeles County Waterworks District 29	Coastline Drive 12-inch Waterline Replacement	F	**	\$2,025,000	June-16

Sanchez, Lawrence	16	1910204-003C	Construction	Los Angeles County Waterworks District 29	Owen water tank	C	0	\$1,740,510	March-15
Sanchez, Lawrence	16	1910204-004C	Construction	Los Angeles County Waterworks District 29	Pacific Coast Highway 12-inch Water Main Replacement (Zumirez Drive to Escondido Beach Road)	F	**	\$6,090,000	June-16
Sanchez, Lawrence	16	1910204-005C	Construction	Los Angeles County Waterworks District 29	Lower Busch Tank	F	**	\$2,405,000	June-16
Sanchez, Lawrence	16	1910204-006C	Construction	Los Angeles County Waterworks District 29	District 29 Creek Crossing Repairs	F	**	\$1,945,000	June-16
Sanchez, Lawrence	16	1910204-007C	Construction	Los Angeles County Waterworks District 29	District 29 Master Plan - Phase I Improvements	F	**	\$60,000,000	June-16
Sanchez, Lawrence	16	1910204-009C	Construction	Los Angeles County Waterworks District 29	Sweetwater Mesa System	C	**	\$1,865,000	June-16
Sanchez, Lawrence	16	1910185-001C	Construction	Los Angeles County Waterworks District 36	Del Valle Road Water Line Replacement	F	**	\$2,558,000	June-16
Sanchez, Lawrence	16	1910248-001C	Construction	Los Angeles County Waterworks District 37	New Water Source - Well	C	**	\$1,365,000	June-16
Sanchez, Lawrence	16	1910248-002P	Planning	Los Angeles County Waterworks District 37	Pressure Zone Project (District 37 Tank)	F	**	\$1,365,000	June-16
Sanchez, Lawrence	16	1910070-001C	Construction	Los Angeles County Waterworks District 40	Avenue K 36" Transmission Main - Phase IV	F	**	\$5,600,000	June-16
Dinh, Kim	15	1910067-035C	Construction	Los Angeles, City of Acting by and through the Department of Water and Power	99th Street Wells Ammoniation Station	C	0	\$18,731,841	March-15
Dinh, Kim	15	1910067-044C	Construction	Los Angeles, City of Acting by and through the Department of Water and Power	Lower Franklin Reservoir Floating Cover - Replacement	D	**	\$23,578,448	June-16
Dinh, Kim	15	1910067-048C	Construction	Los Angeles, City of Acting by and through the Department of Water and Power	Headworks West Reservoir	B	0	\$112,166,326	March-15
Dinh, Kim	15	1910067-054C	Construction	Los Angeles, City of Acting by and through the Department of Water and Power	Elysian Reservoir Water Quality Improvement Project	F	0	\$31,839,032	January-16
Garrett, James	11	2410005-008P	Planning	Los Banos-City	Well #1 Hexavalent Chrome Treatment	C	1	\$500,000	June-16
Chan, Gary	21	5210003-001C	Construction	Los Molinos Comm. Services Dist.	LMCSD Arsenic Compliance Project; Phase 1 Well #5	C	1	\$397,000	January-16
Lopez, Victor	12	1510046-008C	Construction	Lost Hills Utility District	Well Number Three	F	1	\$1,361,000	January-16
Ruehlig, Joshua	09	0910007-001C	Construction	Lukins Brothers Water Company	Lukins Phase 2 - Waterline Project- James Avenue	D	1	\$1,330,000	March-15
Greathouse, Joel	11	2010008-003C	Construction	Madera County M.D. #10A - Madera Ranchos	Consolidation with Valley Teen Ranch	C	2	\$2,955,000	September-15
Guillen, Tatiana	11	2010009-002C	Construction	Madera County Services Area No. 19 (Rolling Hills)	Madera CSA #19 (Rolling Hills) Water Meter Installation & Distribution Relocation	D	0	\$5,101,610	March-15
Greathouse, Joel	11	2000737-002C	Construction	Madera, County of	Pipeline Construction and Consolidation	C	**	\$2,138,584	June-16
Guillen, Tatiana	11	2010004-002P	Planning	Madera, County of	Madera CMD #19AB Parkwood- New well & tank & Distribution Main	C	1	\$500,000	March-15
Guillen, Tatiana	11	2010008-002C	Construction	Madera, County of	Madera CMD #10A Madera Ranchos - Water Main Replacement	D	0	\$15,508,940	January-16
Greathouse, Joel	11	2000800-001P	Planning	Mahal Apartments	Marquez Rentals (Mahal Apts.)- New well construction	C	**	\$100,000	March-15
Reilly, Montarat	11	1010042-014C	Construction	Malaga County Water District	Malaga County Water District Water Meters	F	1	\$1,635,500	June-16
Lopez, Victor	01	1210017-001P	Planning	Manila Community Services District	Infrastructure Improvement Project- Storage and Distribution	F	1	\$500,000	June-16
Uppal, Parmdeep	09	0202504-002C	Construction	Markleeville Water Co.	Water Line Replacement	C	0	\$5,678,237	July-15
Sanchez, Lawrence	16	1910085-001P	Planning	Maywood Mutual Water Co. #2	Maywood Avenue Well Improvements	E	1	\$224,000	January-16
Guerrero, Oscar	05	3500526-002C	Construction	McCloskey Road, LLC	McCloskey Road LLC Consolidation with City of Hollister	C	1	\$458,000	June-16
Greathouse, Joel	11	2000552-001P	Planning	Md#24 Teaford Meadow Lakes	New Well	C	**	\$10,000	March-15
Greathouse, Joel	11	2000728-001C	Construction	Md#37 La Vina	Water Meter Installation	D	**	\$352,000	March-15
Stamas, Pete	11	2000293-002P	Planning	Md#46 Ahwahnee Resorts	Well Replacement and Arsenic Treatment	C	**	\$500,000	June-16
Garrett, James	23	1010021-001C	Construction	Mendota, City of	Mendota AMR	F	1	\$2,698,100	June-16

Dinh, Kim	16	1910087-019C	Construction	Metropolitan Water District	Enhanced Bromate Control Program (Weymouth WTP)	C	0	\$11,000,000	March-15
Sanchez, Lawrence	16	1900100-003P	Planning	Mettler Valley Mutual	Mettler Valley Mutual	C	1	\$439,610	March-15
Pang, Maria	20	3310008-007P	Planning	Mission Springs Water District	Wells 27 and 29 Chromium 6 Wellhead Treatment	B	1	\$500,000	July-15
Uppal, Parmdeep	14	1300555-002P	Planning	Mitchells Camp Family Assoc.	Mitchells Camp - Storage and water source construction	C	1	\$100,000	June-16
Rios, Deisy	19	1510014-002P	Planning	Mojave PUD	Cache Creek Potable Water Pipeline Replacement	F	1	\$500,000	January-16
Garrett, James	01	4710008-001P	Planning	Mt. Shasta, City of	Tank 1 and Roseburg Water System Improvements	F	1	\$500,000	June-16
Sanchez, Lawrence	11	5500064-001P	Planning	Muller Mutual Water Company	Muller MWC consolidation with Tuolumne Utility District	D	2	\$175,000	January-16
Stamas, Pete	01	1200538-002C	Construction	Myers Flat M.W.S. Inc.	Distribution System Improvement Project	F	1	\$1,837,760	July-15
Pang, Maria	03	2810003-014P	Planning	Napa, City of	Compliance for Hennessey Treatment Plant Washwater Discharge	C	0	\$220,000	March-15
Vue, Mally	10	5010013-001P	Planning	Newman, City of	Hexavalent Chrome Compliance Project	C	**	\$497,000	June-16
Reyes, Elvira	18	2100582-001C	Construction	Nicasio School District	Nicasio School District Water System Upgrade	F	**	\$55,000	June-16
Stamas, Pete	09	5700788-002C	Construction	North Davis Meadows	North Davis Meadows CSA Public Water System Consolidation with the City of Davis Public Water System	C	**	\$4,308,000	January-16
Guillen, Tatiana	23	1010023-005P	Planning	Orange Cove, City of	Water Treatment Plant Expansion and Retention Basin Lining Project	F	1	\$500,000	January-16
Stamas, Pete	01	1200729-003P	Planning	Orleans C.S.D.	Filter plant upgrade	B	1	\$102,000	March-15
Reyes, Elvira	01	1206004-001P	Planning	Palmer Creek CSD	Palmer Creek CSD Reliability Project	B	1	\$189,000	June-16
Pauli, Brenda	14	1300616-001C	Construction	Palo Verde County Water District	replace wells	B	1	\$100,000	March-15
Uppal, Parmdeep	24	5400519-001P	Planning	Palo Verde Union Elementary School District	Palo Verde School Domestic Well Replacement	E	1	\$313,000	June-16
Dinh, Kim	21	0410007-001P	Planning	Paradise Irrigation District	Reservoir B replacement	D	1	\$500,000	March-15
Stamas, Pete	21	5200534-003P	Planning	Paskenta Comm. Services Dist.	Long Term Source Reliability Study	B	1	\$500,000	March-15
Stamas, Pete	21	5200534-004P	Planning	Paskenta Comm. Services Dist.	Water Main and Meter Replacement Project	D	1	\$215,000	June-16
Stamas, Pete	01	1200541-003P	Planning	Phillipsville Community Services District	Treatment Deficiency Remediation	B	1	\$267,720	March-15
Greathouse, Joel	11	2000526-001P	Planning	Pike Ranch Mutual Water Company	Uranium/Coliform MCL Compliance Project	C	**	\$450,000	June-16
Stamas, Pete	09	0900309-001C	Construction	Pioneer Union School District	Redwood Tank Replacement	E	1	\$355,000	September-15
Garrett, James	02	3210011-005P	Planning	Plumas Eureka CSD	Arsenic Remediation Project	C	0	\$438,438	June-16
Blanco, John Paul	02	3210004-004P	Planning	Quincy Community S.D.	Quincy Community Services District Water System Planning and Modernization Project	F	**	\$500,000	June-16
Sanchez, Lawrence	20	3301529-001P	Planning	Ramona Water Company	Planning study to solve low pressure and outage problems.	C	1	\$500,000	January-16
Ruehlig, Joshua	01	1210012-007C	Construction	Rio Dell, City of	Metropolitan Wells Development	E	1	\$535,339	June-16
Ruehlig, Joshua	01	1210012-008P	Planning	Rio Dell, City of	Rio Dell Infrastructure Improvement Project	F	**	\$475,700	June-16
Uppal, Parmdeep	10	0310006-002P	Planning	River Pines Public Utility District	River Pines Water Rehabilitation Study	F	**	\$155,000	June-16
Sanchez, Lawrence	20	3301380-001P	Planning	Saint Anthony Trailer Park	St Anthony Trailer Park - Arsenic compliance	C	1	\$500,000	July-15
Reilly, Montarat	13	3600196-007C	Construction	San Bernardino, County of	CSA 70 W-4 Pioneertown & Hi Desert WD Interconnection Piping	C	1	\$5,045,000	January-16
Blanco, John Paul	14	3710020-071C	Construction	San Diego - City of	La Jolla View Reservoir	F	0	\$16,000,000	June-16
Blanco, John Paul	14	3710020-073C	Construction	San Diego - City of	Pacific Beach Pipeline South	F	0	\$30,305,258	July-15

Blanco, John Paul	14	3710020-074C	Construction	San Diego - City of	69th Street and Mohawk Pump Station	F	0	\$18,800,000	July-15
Blanco, John Paul	14	3710020-075C	Construction	San Diego - City of	Miramar Clearwell Improvement	F	0	\$117,728,744	July-15
Mitchell, Ryan	10	3910018-001P	Planning	San Joaquin River Club, Inc.	Chrome VI Compliance	C	0	\$100,000	June-16
Lopez, Victor	23	1010034-001P	Construction	San Joaquin, City of	Water Supply, Storage, Treatment and Distribution Improvements	C	1	\$500,000	July-15
Lopez, Victor	23	1010034-004P	Planning	San Joaquin, City of	Water Supply, Storage, Treatment, and Distribution Improvements	F	1	\$500,000	June-16
Ngai, Michael	11	2410018-002C	Construction	Santa Nella County Water District	Mobile Home Park Water Metering Project	F	1	\$4,601,014	June-16
Sanchez, Lawrence	22	1910147-011P	Planning	Sativa-L.A. CWD F	Well No. 5 Water Quality Improvement Project	E	1	\$500,000	January-16
Greathouse, Joel	24	5400558-001P	Planning	Saucelito Elementary School	Saucelito Elementary School Planning Application	C	1	\$500,000	January-16
Greathouse, Joel	11	2000828-002P	Construction	Shady Oaks Mobile Home Park	Uranium MCL Exceedance	C	**	\$443,000	July-15
Reilly, Montarat	02	4510013-004C	Construction	Shasta Community Services District	Shasta CSD Tanks/Pump Stations Replacement Project	F	1	\$4,292,840	January-16
Ruehlig, Joshua	02	4510004-006P	Planning	Shasta, County of	CSA #6 Jones Valley Meter Replacement and leak Survey	F	1	\$200,000	January-16
Stamas, Pete	02	4600019-001P	Planning	Sierra CO. W.W.D #1 Calpine	Calpine Water Quality and Supply Planning	F	1	\$200,000	January-16
Stamas, Pete	02	4600019-002C	Construction	Sierra CO. W.W.D #1 Calpine	Calpine Water Meter Installation Project	F	1	\$300,000	January-16
Reyes, Elvira	13	1400109-001P	Planning	Sierra North Community Service District	New Well and Storage Tanks	F	**	\$500,000	June-16
Reyes, Elvira	13	1400109-001P	Planning	Sierra North Community Service District	New Well and Storage Tanks	F	**	\$500,000	June-16
Stamas, Pete	02	4600018-001P	Planning	Sierraville Public Utilities District	New Water Source	D	1	\$85,000	January-16
Stamas, Pete	02	4600018-002P	Planning	Sierraville Public Utilities District	Storage Tank Replacement	E	1	\$500,000	January-16
Reilly, Montarat	16	1910154-001C	Construction	South Pasadena, City of	GRAVES RESERVOIR REPLACEMENT PROJECT	F	0	\$10,000,000	June-16
Ruehlig, Joshua	09	0910002-010C	Construction	South Tahoe Public Utility District	Water Meter Installation - Phase 2	D	1	\$2,032,745	March-15
Ruehlig, Joshua	09	0910002-027C	Construction	South Tahoe Public Utility District	Waterline Replacement Program	F	**	\$6,547,100	June-16
Stamas, Pete	10	3901387-001P	Planning	Stockton Baptist Church	Nitrate Remediation Stockton Baptist Church/School	F	**	\$440,000	July-15
Dinh, Kim	12	1610006-006P	Planning	Stratford PUD	Test Well, Facilities Assessment and Municipal Well Contract Documents	F	1	\$395,600	July-15
Reyes, Elvira	03	1700536-004P	Construction	Sunrise Shore Mutual Water Company	System Sustainability and Compliance	C	1	\$280,000	July-15
Tamanaha, Marques	02	3110011-005C	Construction	Tahoe City PUD - Mckinney/Quail	West Lake Tahoe Regional Water Treatment Plant	B	1	\$7,725,000	January-16
Ramos, Fabian	12	5410038-004C	Construction	Terra Bella Irrigation District	Disinfection Byproducts Compliance Project	B	1	\$1,186,200	January-16
Reyes, Elvira	24	5400641-003P	Planning	Teviston Community Services District	Teviston South Well Replacement Project	C	1	\$383,250	June-16
Orellana, Lucio	18	4900584-001C	Construction	Timber Cove County Water District	DS1 Amanita, Cypress, Pine Pipe Project	F	0	\$405,000	January-16
Lopez, Victor	22	1910213-009C	Construction	Torrance, City of	Yukon Well Field	F	0	\$15,007,137	January-16
Ruehlig, Joshua	01	5310002-002P	Planning	Trinity Co. W.W. Dist #1	Water Treatment Plant Modification	B	1	\$270,000	July-15
Ngai, Michael	13	3610049-005P	Planning	Twentynine Palms Water Dist	Potable Groundwater Management Project	F	1	\$1,800,000	June-16
Greathouse, Joel	11	2000592-001P	Planning	Two Twenty Four Mobile Home Pk	New Well	C	**	\$100,000	July-15
Sanchez, Lawrence	13	3600772-001C	Construction	UCLA-Unicamp (River Glen)	Water Delivery System Upgrade for UCLA UniCamp	B	1	\$160,000	March-15
Vue, Mally	10	0510001-002P	Planning	Union Public Utility District	Backwash Recycling and Tank Aeration Project	F	1	\$360,000	January-16

Ramos, Fabian	16	1910163-001C	Construction	Valencia Heights Water Company	Reservoir No. 2 Pump Station and Water Line	F	0	\$1,357,249	January-16
Ramos, Fabian	16	1910163-002C	Construction	Valencia Heights Water Company	Biological Nitrate and Perchlorate Treatment System for VHW	A	0	\$4,557,033	June-16
Blanco, John Paul	14	3710026-001C	Construction	Valley Center MWD	Cool Valley Reservoir Cover/Liner Replacement	F	0	\$4,250,000	July-15
Greathouse, Joel	11	2400201-004P	Planning	Volta Community SD	Hexavalent Chromium 6 MCL Exceedance	C	**	\$150,000	July-15
Pauli, Brenda	14	3701010-003P	Planning	Warner Unified School District	Arsenic MCL Violation Planning Study	C	1	\$800,000	March-15
Greathouse, Joel	23	1000221-001C	Construction	Washington Union High School	Washington Union High School	C	2	\$2,455,450	March-15
Reilly, Montarat	05	4410011-001P	Planning	Watsonville, City of	Hexavalent Chromium Well Treatment Design	C	0	\$2,200,000	June-16
Reyes, Elvira	18	4900893-001P	Planning	West Water Company	Water Main Replacement	F	**	\$300,000	June-16
Warring, Kevin	10	5000408-001C	Construction	Westley Community Service District	Westley Community Services District Metering Project	D	**	\$456,500	June-16
Ngai, Michael	03	2310004-004C	Construction	Willits, City of	Main Street Water Line Replacement Project, Phase III	F	1	\$1,031,775	June-16
Dinh, Kim	12	5410025-002P	Planning	Woodville Public Utility District	Replacement Well Project	A	1	\$416,465	March-15
Greathouse, Joel	11	2000567-002C	Construction	Yosemite High School	Yosemite High School Uranium, Fluoride and Arsenic Exceedance-Remediation Project	C	2	\$1,230,000	July-15
Vue, Mally	11	2010005-002C	Construction	Yosemite Spring Park Util Co	Master Plan Pipeline Replacement Project	F	0	\$5,000,000	June-16
Orellana, Lucio	01	090605003-001C	Construction	Yurok Tribe	Kenek Water Treatment Facility	B	**	\$224,300	June-16
Greathouse, Joel	23	1000359-005P	Planning	Fresno County (Cantua Creek-El Porvenir)	Fresno County West Side Groundwater Project	C	1	\$1,000,000	June-16

Appendix B – DWSRF SFY 2016-17 Fundable List

The fundable list includes all projects (planning and construction) that currently are projected to be ready to proceed to a SRF Funding Agreement (FA) by June 30, 2017

Small Water Systems: Population <= 10,000 (Planning)

General Packet Received	Applicant	Category	Project Number	Funding Type	District	Estimated Project Cost	Disadvantaged Status	Description	Population	Service Connections	Program
1/11/2016	Union Public Utility District	F	0510001-002P	Planning	Stockton	\$360,000	Disadvantaged	Backwash Recycling and Tank Aeration Project	4,300	1,521	Prop 1
8/21/2014	Fresno County Service Area #49 - Five Points	B	1000546-001P	Planning	Fresno	\$455,000	Severely Disadvantaged	FCSA # 49 Consolidation	450	31	Prop 1
11/25/2015	Orange Cove, City of	F	1010023-005P	Planning	Fresno	\$500,000	Severely Disadvantaged	Water Treatment Plant Expansion and Retention Basin Lining Project	8,500	1,450	Prop 1
3/26/2015	San Joaquin, City of	C	1010034-001P	Planning	Fresno	\$500,000	Severely Disadvantaged	Water Supply, Storage, Treatment and Distribution Improvements	3,870	944	Prop 1
9/30/2015	Biola Community Services District	F	1010049-008P	Planning	Fresno	\$347,000	Severely Disadvantaged	Biola CSD Water Distribution System Upgrades	1,200	250	Prop 1
3/10/2016	Avenal, City of	F	1610002-002P	Planning	Visalia	\$482,000	Severely Disadvantaged	City of Avenal Water Transmission Line Replacement - Planning	16,737	1,936	Prop 1
4/27/2015	Stratford PUD	F	1610006-006P	Planning	Visalia	\$395,600	Severely Disadvantaged	Test Well, Facilities Assessment and Municipal Well Contract Documents	837	299	Prop 1
8/25/2015	Maywood Mutual Water Co. #2	E	1910085-001P	Planning	Central	\$224,000	Disadvantaged	Maywood Avenue Well Improvements	6,700	1,912	Prop 1
12/31/2014	Madera, County of	C	2010004-002P	Planning	Merced	\$500,000	Severely Disadvantaged	Madera CMD #19AB Parkwood- New well & tank & Distribution Main	1,240	634	Prop 1
7/15/2014	Dos Palos, City of	C	2410002-003P	Planning	Merced	\$500,000	Severely Disadvantaged	Water treatment plant replacement project	4,417	2,526	Prop 1
1/3/2013	Donner Summit Public Utility District	B	3100034-003P	Planning	Lassen	\$385,470	Disadvantaged	Big Bend Water Supply Study	25	20	Prop 1
7/28/2015	FRCCSD-Old Mill Ranch	F	3200078-001P	Planning	Lassen	\$500,000	Severely Disadvantaged	FRCCSD-Old Mill Ranch	16	30	Prop 1
6/4/2015	Saint Anthony Trailer Park	C	3301380-001P	Planning	Riverside	\$500,000	Severely Disadvantaged	St Anthony Trailer Park - Arsenic compliance	250	60	Prop 1
9/30/2014	Center Water Co	C	3600070-003P	Planning	San Bernardino	\$670,200	Severely Disadvantaged	Center Water Company Wells, Storage, and Infrastructure Project	65	44	Prop 1
11/17/2015	Joshua Basin Water District	C	3610025-001P	Planning	San Bernardino	\$500,000	Disadvantaged	Chromium VI Remediation Project	9,000	4,370	Prop 1
3/25/2014	Warner Unified School District	C	3701010-003P	Planning	San Diego	\$800,000	Severely Disadvantaged	Arsenic MCL Violation Planning Study	250	15	Prop 1
9/30/2014	Forest Springs	B	4400608-002P	Planning	Monterey	\$85,800	Not Disadvantaged	Forest Springs Water Upgrade	385	128	DWSRF
11/5/2015	Sierraville Public Utilities District	D	4600018-001P	Planning	Lassen	\$85,000	Severely Disadvantaged	New Water Source	200	102	Prop 1
11/5/2015	Sierraville Public Utilities District	E	4600018-002P	Planning	Lassen	\$500,000	Severely Disadvantaged	Storage Tank Replacement	200	102	Prop 1
5/28/2015	Sierra CO. W.W.D #1 Calpine	F	4600019-001P	Planning	Lassen	\$200,000	Severely Disadvantaged	Calpine Water Quality and Supply Planning	225	142	Prop 1
1/27/2016	Antelope Elementary School District	B	5200506-001P2	Planning	Valley	\$242,400	Severely Disadvantaged	Plum Valley School SRF Planning Project	70	1	Prop 1
9/3/2014	Paskenta Comm. Services Dist.	B	5200534-003P	Planning	Valley	\$500,000	Severely Disadvantaged	Long Term Source Reliability Study	120	67	Prop 1
7/7/2015	Lewiston Park MWC	B	5301003-001P	Planning	Klamath	\$325,200	Severely Disadvantaged	SWTR Compliance and Storage Tank	450	162	Prop 1
4/22/2015	Trinity Co. W.W. Dist #1	B	5310002-002P	Planning	Klamath	\$270,000	Severely Disadvantaged	Water Treatment Plant Modification	1,500	540	Prop 1
10/6/2015	Palo Verde Union Elementary School District	E	5400519-001P	Planning	Tulare	\$313,000	Severely Disadvantaged	Palo Verde School Domestic Well Replacement	500	26	Prop 1
11/9/2015	Saucelito Elementary School	C	5400558-001P	Planning	Tulare	\$500,000	Severely Disadvantaged	Saucelito Elementary School Planning Application	75	3	Prop 1
5/13/2013	Lindsay, City of	C	5410006-007P	Planning	Tulare	\$120,000	Severely Disadvantaged	Lindsay - 14 Dibromochloropropane (DBCP) Mitigation Project	12,400	2,542	Prop 1
3/25/2014	Woodville Public Utility District	A	5410025-002P	Planning	Visalia	\$416,465	Severely Disadvantaged	Replacement Well Project	1,678	478	Prop 1

11/12/2015	Muller Mutual Water Company	D	5500064-001P	Planning	Merced	\$175,000	Disadvantaged	Muller MWC consolidation with Tuolumne Utility District	120	54	Prop 1
4/30/2015	Curtis Creek Elementary School	C	5500152-005P	Planning	Merced	\$412,000	Severely Disadvantaged	Consolidation with TUD Well Replacement / Test Well	595	1	Prop 1
4/4/2015	Groveland Community Services District	F	5510009-002P	Planning	Merced	\$325,000	Disadvantaged	Groveland CSD Water Distribution System Improvements	3,400	3,293	Prop 1
5/26/2016	Fresno County (Cantua Creek-El Porvenir)	C	1000359-005P	Planning	Fresno	\$1,000,000	Severely Disadvantaged	Fresno County West Side Groundwater Project	660	203	Prop 1
TOTAL:						\$13,089,135					

Large Water Systems: Population > 10,000 (Planning)

General Packet Received	Applicant	Category	Project Number	Funding Type	District	Estimated Project Cost	Disadvantaged Status	Description	Population	Service Connections	Program
10-22-2013	Paradise Irrigation District	D	0410007-001P	Planning	Valley	\$500,000	Disadvantaged	Reservoir B replacement	26,299	10,063	DWSRF
03-01-2016	Antioch, City of	F	0710001-001P	Planning	San Francisco	\$1,000,000	Not Disadvantaged	Brackish Water Desalination Project	100,945	31,058	DWSRF
04-20-2015	Mission Springs Water District	B	3310008-007P	Planning	Riverside	\$500,000	Severely Disadvantaged	Wells 27 and 29 Chromium 6 Wellhead Treatment	38,500	11,773	DWSRF
04-22-2014	Eastern Municipal Water District	A	3310009-062P	Planning	Riverside	\$500,000	Disadvantaged	Perris II Desalter	414,710	141,243	DWSRF
10-22-2013	Paradise Irrigation District	D	0410007-001P	Planning	Valley	\$500,000	Disadvantaged	Reservoir B replacement	26,299	10,063	DWSRF
TOTAL:						\$2,500,000					

Small Water Systems: Population <= 10,000 (Construction)

General Packet Received	Applicant	Category	Project Number	Funding Type	District	Estimated Project Cost	Disadvantaged Status	Description	Population	Program	Connection
12-23-2014	Lake Amador Recreation Area	B	0300037-002C	Construction	Stockton	\$6,042,729	Severely Disadvantaged	Treated Water Project Phase 2	2,000	190	DWSRF
03-09-2015	Amador Water Agency	C	0310012-006C	Construction	Stockton	\$1,947,869	Disadvantaged	CAWP - Buckhorn WTP Disinfection By-Products Compliance	8,508	2,558	DWSRF
03-09-2015	Amador County Service Area #3/Unit 6	A	0310021-003C	Construction	Stockton	\$1,559,868	Disadvantaged	Camanche Water Quality Compliance - Disinfection By-Products Requirement Improvements	2,386	723	DWSRF
07-27-2015	Biggs, City of	D	0410001-001C	Construction	Valley	\$353,000	Disadvantaged	Water Meter Installation	1,805	650	DWSRF
6/25/2015	Pioneer Union School District	E	0900309-001C	Construction	Sacramento	\$355,000	Severely Disadvantaged	Redwood Tank Replacement	200	5	Prop 1
11-24-2015	Georgetown Divide Public Utility District	B	0910013-005C	Construction	Sacramento	\$10,000,000	Not Disadvantaged	Auburn Lake Trails Water Treatment Plant Upgrade	9,021	3,589	DWSRF
10-30-2014	Lanare Community Services District	E	1000053-004C	Construction	Fresno	\$3,580,000	Severely Disadvantaged	Distribution System Replacement	400	154	DWSRF
05-15-2015	Fairmont School	C	1000112-002C	Construction	Fresno	\$2,033,300	Severely Disadvantaged	Fairmont School Safe Drinking Water Project	493	1	DWSRF
01-07-2015	Washington Union High School	C	1000221-001C	Construction	Fresno	\$2,455,450	Severely Disadvantaged	Washington Union High School	1,150	23	DWSRF
05-22-2014	Double L Mobile Ranch Park	C	1000248-002C	Construction	Fresno	\$2,125,000	Severely Disadvantaged	Double L Mobile Ranch Park consolidation with City of Kerman	80	37	DWSRF
02-27-2014	Huron, City of	C	1010044-001C	Construction	Fresno	\$6,000,000	Severely Disadvantaged	Surface Water Treatment Facility	7,306	862	DWSRF
06-16-2015	Rio Dell, City of	E	1210012-007C	Construction	Klamath	\$535,339	Disadvantaged	Metropolitan Wells Development	3,174	1,134	DWSRF
05-16-2014	Armona Community Services District	C	1610001-007C	Construction	Visalia	\$9,285,866	Severely Disadvantaged	Arsenic Treatment	3,239	1,301	DWSRF
12-01-2014	Kettleman City Community Services District	C	1610009-005C	Construction	Visalia	\$3,926,000	Severely Disadvantaged	New SWTP [Construction Phase]	1,499	358	DWSRF
10-02-2015	Bass Lake School District	C	2000614-001C	Construction	Merced	\$545,000	Severely Disadvantaged	Oak Creek Intermediate School Consolidation with Hillview Water	213	7	DWSRF

								Company			
06-02-2014	Madera County Services Area No. 19 (Rolling Hills)	D	2010009-002C	Construction	Merced	\$5,101,610	Not Disadvantaged	Madera CSA #19 (Rolling Hills) Water Meter Installation & Distribution Relocation	727	333	DWSRF
02-04-2015	Livingston, City of	B	2410004-002C	Construction		\$1,548,836	Not Disadvantaged	Well #13 Arsenic Removal Treatment System	13,795	2,948	DWSRF
09-03-2015	Donner Summit Public Utility District	B	2910016-003C	Construction	Valley	\$2,717,000	Disadvantaged	Donner Summit PUD Water Treatment Plant Improvement	310	273	DWSRF
12-23-2015	Tahoe City PUD - Mckinney/Quail	B	3110011-005C	Construction	Lassen	\$7,725,000	Disadvantaged	West Lake Tahoe Regional Water Treatment Plant	750	453	DWSRF
07-05-2013	Eastern Municipal Water District	A	3310009-067C	Construction	Riverside	\$2,986,500	Severely Disadvantaged	County Water Company, Consolidation with Eastern MWD	420	140	DWSRF
01-07-2016	Shasta Community Services District	F	4510013-004C	Construction	Lassen	\$4,292,840	Disadvantaged	Shasta CSD Tanks/Pump Stations Replacement Project	2,320	708	DWSRF
05-28-2015	Sierra CO. W.W.D #1 Calpine	F	4600019-002C	Construction	Lassen	\$300,000	Severely Disadvantaged	Calpine Water Meter Installation Project	225	142	DWSRF
01-28-2015	Keyes Community Services District	C	5010009-003C	Construction	Stockton	\$18,767,185	Disadvantaged	Regional Benefit Arsenic Mitigation Project	4,575	1,450	DWSRF
					TOTAL:	\$94,183,392					

Large Water Systems: Population > 10,000 (Construction)

General Packet Received	Applicant	Category	Project Number	Funding Type	District	Estimated Project Cost	Disadvantaged Status	Description	Population	Service Connections	Program
09-09-2014	South Tahoe Public Utility District	D	0910002-010C	Construction	Sacramento	\$2,032,745	Disadvantaged	Water Meter Installation - Phase 2	60,000	13,635	DWSRF
03-12-2015	Fresno, City of	F	1010007-029C	Construction	Fresno	\$26,520,000	Disadvantaged	Friant-Kern Canal Pipeline	457,511	130,176	DWSRF
03-12-2015	Fresno, City of	F	1010007-030C	Construction	Fresno	\$63,100,000	Disadvantaged	Regional Transmission Mains	457,511	130,176	DWSRF
03-12-2015	Fresno, City of	F	1010007-031C	Construction	Fresno	\$75,165,000	Disadvantaged	Kings River Pipeline	457,511	130,176	DWSRF
09-23-2015	Los Angeles, City of Acting by and through the Department of Water and Power	F	1910067-054C	Construction	Metropolitan	\$31,839,032	Not Disadvantaged	Elysian Reservoir Water Quality Improvement Project	4,071,873	680,607	DWSRF
12-05-2013	Metropolitan Water District	C	1910087-019C	Construction	Central	\$11,000,000	Not Disadvantaged	Enhanced Bromate Control Program (Weymouth WTP)	12,000,000	378	DWSRF
09-09-2015	Apple Valley Ranchos WC	F	3610003-001C	Construction	San Bernardino	\$7,992,016	Severely Disadvantaged	Consolidation and Rehabilitation of Yermo Water System	52,879	18,744	DWSRF
04-23-2015	San Diego - City of	F	3710020-073C	Construction	San Diego	\$30,305,258	Not Disadvantaged	Pacific Beach Pipeline South	1,266,731	271,962	DWSRF
06-17-2015	San Diego - City of	F	3710020-074C	Construction	San Diego	\$18,800,000	Not Disadvantaged	69th Street and Mohawk Pump Station	1,266,731	271,962	DWSRF
03-09-2016	Valley Center MWD	F	3710026-001C	Construction	San Diego	\$4,250,000	Not Disadvantaged	Cool Valley Reservoir Cover/Liner Replacement	25,572	9,704	DWSRF
					TOTAL:	\$271,004,051					