

California State Water Resources Control Board

Division of Financial Assistance

DRINKING WATER STATE REVOLVING FUND

Biennial Report to the Legislature
State Fiscal Years: 2018-19 and 2019-20

TABLE OF CONTENTS

TOPIC	PAGE
Preamble.....	3
VOLUMES	
I. State Fiscal Year: 2018-19.....	5
II. State Fiscal Year: 2019-20.....	82

Preamble

The federal Safe Drinking Water Act (SDWA), as amended in 1996, authorized the creation of the national Safe Drinking Water State Revolving Fund (DWSRF) program to assist public water systems (PWS) in achieving or maintaining compliance with SDWA requirements and protect public health through the funding of drinking water infrastructure projects. Section 1452 of the SDWA grants the United States Environmental Protection Agency (USEPA) the authority to award capitalization grants to state DWSRF programs, which in turn provide low interest and subsidized funding for the projects. More information about the DWSRF program is located on the State Water Board's DWSRF website at <http://www.waterboards.ca.gov/dwsrf>.

The Drinking Water Program, including the DWSRF, was transferred to the State Water Resources Control Board (State Water Board) from the California Department of Public Health (CDPH) on July 1, 2014 and is now administered by the Division of Financial Assistance (DFA). The DWSRF program is governed by applicable federal and state statutes as well as a DWSRF Policy Handbook adopted by the State Water Board. Information on the DWSRF Policy Handbook can be found at the following State Water Board websites:

http://www.waterboards.ca.gov/drinking_water/services/funding/documents/srf/dwsrf_policy/dwsrf_policy_final.pdf

For purposes of meeting the legislative mandate in accordance with Health and Safety (H&S) Code Sections 116760.30(b) and 116762.60(d), the State Water Board is pleased to provide this biennial report, which encompasses the activities of the California Safe Drinking Water State Revolving Fund for State fiscal years (SFY) 2018-19 and 2019-20. The report reflects the activities of the State Water Board and its administration of the DWSRF. SFY 2018-19 is represented in Volume I of this report and SFY 2019-20 is represented in Volume II. Both Volume 1 and Volume II of this report also serve as annual DWSRF reports to USEPA.

The SFY 2018-2019 and 2019-2020 DWSRF annual reports to USEPA are in response to the associated DWSRF Intended Use Plans. The State Water Board, and CDPH as predecessor, adopted Intended Use Plans for the DWSRF to outline public health objectives as well as certain eligibilities, funding capacities and project priority lists of the DWSRF for the respective SFY. A DWSRF Intended Use Plan was also required for each federal fiscal year (FFY) DWSRF capitalization grant application to USEPA in SFY 2018-19 and 2019-20. The respective DWSRF Intended Use Plans can be found at the following State Water Board websites:

SFY 2018-19 (FFY 2018) DWSRF Intended Use Plan

https://www.waterboards.ca.gov/drinking_water/services/funding/documents/srf/iup_2018/dwsrf_iup_sfy2018_19_final.pdf

SFY 2019-20 (FFY 2019) DWSRF Intended Use Plan

https://www.waterboards.ca.gov/water_issues/programs/grants_loans/dwsrf/docs/dwsrf_iup_sfy2019_20_final.pdf

DRINKING WATER
STATE REVOLVING FUND

Volume 1
State Fiscal Year 2018-19

ANNUAL REPORT

**State Fiscal Year 2018-19
(July 1, 2018 through June 30, 2019)**

The Drinking Water State Revolving Fund

**California State Water Resources Control Board
Division of Financial Assistance • 1001 I Street • Sacramento, CA 95814**

TABLE OF CONTENTS

I.	INTRODUCTION	8
II.	FINANCIAL RESULTS.....	9
	A. Cumulative Financial Activity.....	9
	B. Net Position.....	14
	C. Revenues and Contributions.....	15
	D. Disbursements and Expenses	15
	E. Credit Risk of the DWSRF	16
III.	PUBLIC HEALTH BENEFITS	18
	A. Projects in SFY 2018-19 Will Help Achieve and Maintain SDWA Goals	18
	B. DWSRF Projects Achieve Multiple Benefits.....	20
IV.	PROGRAM HIGHLIGHTS AND UPDATES	23
	A. Providing Safe and Affordable Drinking Water to All Californians.....	23
	B. Demand Management	24
	C. DWSRF Leveraging Activity.....	25
	D. FI\$Cal Rollout.....	25
	E. Comprehensive List	26
	F. Fundable List and Project Bypass	26
	G. Marketing Updates	26
	H. Technical Assistance	26
	I. Small Community Funding Program	27
	J. Proposition 68 Update	27
	K. Consolidation Incentive Program.....	28
	L. DWSRF Source Water Protection Program.....	28
V.	SET-ASIDES	29
	A. Administration Set-Aside	29
	B. Small Water System Technical Assistance Set-Aside.....	29

C.	Local Assistance Set-Aside.....	30
D.	State Program Management Set-Aside	31
VI.	ACRONYMS	32
VII.	EXHIBITS	34
	EXHIBIT A: SFY 2018-19 DWSRF Small Water Systems Funding	35
	EXHIBIT B: SFY 2018-19 Extended Term Financing Projects	36
	EXHIBIT C: SFY 2018-19 Small Community Grant Drinking Water Projects	37
	EXHIBIT D: SFY 2018-19 Non-Funded Projects	38
	EXHIBIT E: Cumulative DWSRF Set-Aside Expenditures	47
	EXHIBIT F: SFY 2018-19 Green Project Reserve Projects and Additional Subsidy Projects (Principal Forgiveness)	52
	EXHIBIT G: SFY 2018-19 Projects Funded by Public Health Needs Category	54
	EXHIBIT H: Disadvantaged Business Enterprise Report	57
	EXHIBIT I: SFY 2018-19 DWSRF FFATA Projects	58
	EXHIBIT J: DWSRF Revenue Bond Funded Projects	59
VIII.	APPENDICES	62
	APPENDIX A: Short-Term Goals	A-1
	APPENDIX B: Long-Term Goals	B-1
	APPENDIX C: Operating Agreement and Capitalization Grant Conditions	C-1
	APPENDIX D: Performance Evaluation Report	D-1
	APPENDIX E: SFY 2018-19 Audited Financial Statement	E-1

I. INTRODUCTION

The California State Water Resources Control Board (State Water Board), Division of Financial Assistance (DFA) presents the Drinking Water State Revolving Fund (DWSRF) annual report for State Fiscal Year (SFY) 2018-19. The State Water Board provided approximately \$231.6 million in new DWSRF financing for 15 planning and construction projects to address drinking water issues. This report describes how the State Water Board met the objectives for the DWSRF program identified in the [SFY 2018-19 DWSRF Intended Use Plan \(IUP\)](https://www.waterboards.ca.gov/drinking_water/services/funding/documents/srf/iup_2018-19_dwsrf_intended_use_plan_iup) (https://www.waterboards.ca.gov/drinking_water/services/funding/documents/srf/iup_2018/dwsrf_iup_sfy2018_19_final.pdf).

The federal Safe Drinking Water Act (SDWA), as amended in 1996, authorized the creation of the national DWSRF program to help public water systems (PWSs) achieve or maintain compliance with SDWA requirements and protect public health through the funding of drinking water infrastructure projects. Section 1452 of the SDWA authorizes the United States Environmental Protection Agency (USEPA) to award capitalization grants to state DWSRF programs, which in turn provide low interest and additional subsidized funding for the projects. More information about the DWSRF program is located on the State Water Board's DWSRF website at https://www.waterboards.ca.gov/drinking_water/services/funding/SRF.html.

The State Water Board has promoted and protected the health and safety of Californians through the DWSRF since July 1, 2014. Previously, the California Department of Public Health and California's Health and Human Services Agency administered the DWSRF program. Since the beginning of the program, PWSs have received DWSRF funding for drinking water infrastructure improvements via below-market financing and additional subsidy (i.e. principal forgiveness). DWSRF funding is derived from federal capitalization grants from the USEPA as well as associated state match, revolving principal and interest repayments, and other leveraged funds and investment earnings.

DFA administers the DWSRF program and provides planning and construction financing through the DWSRF to eligible applicants, which include publicly and privately-owned community and non-profit, non-community water systems. DWSRF financing is generally prioritized for "ready-to-proceed" eligible projects based upon a public health benefits system where projects addressing acute and chronic primary drinking water standards are prioritized over projects addressing secondary drinking water standards and other aging infrastructure.

II. FINANCIAL RESULTS

A. Cumulative Financial Activity

To satisfy federal requirements and ensure the accuracy of the State Water Board's financial management of the DWSRF, audited financial statements for the year ending June 30, 2019 were completed February 26, 2020, and are included as Appendix E (page E-1) in this report. This section provides important financial highlights about the DWSRF as of June 30, 2019.

The State Water Board uses portions of the capitalization grant from USEPA, known as the set-asides, to provide for the administration of the DWSRF as well as provide services such as small water system technical assistance (SWSTA), and technical, managerial and financial (TMF) capacity development assistance for PWSs. The DWSRF set-asides also subsidize the Division of Drinking Water's (DDW) Public Water System Supervision (PWSS) and TMF Capacity Development programs. In past years the DWSRF set-asides have funded the implementation of a Source Water Protection (SWP) program.

As of June 30, 2019:

- The cumulative DWSRF funds available for planning and construction financial assistance since inception was approximately \$2.9 billion.
- An additional \$276.3 million of cumulative DWSRF set-aside funds were available.
- The State Water Board, and preceding departments/agencies, had committed approximately 112 percent (112%) of available funds to planning and construction projects through binding commitments (executed financing agreements).
- The State Water Board, and preceding departments/agencies, had disbursed approximately 88 percent (88%) of available funds for planning and construction projects, as well as disbursed 93 percent (93%) of the available DWSRF set-aside funds.

Cumulative DWSRF program activity from inception through the end of SFY 2018-19 is further described in Table 1 (page 10).

Table 1: Cumulative Program Activity¹

DWSRF Construction and Planning Funding	
Activity	Life of Program
Number of Binding Commitments	470
Value of Binding Commitments	\$3.244 billion
Disbursements and Expenditures	\$2.572 billion ²
Balance of Funding Agreements	\$705.232 million
DWSRF Set-Aside Funding	
DWSRF Set-Aside Amount	\$276.319 million
DWSRF Set-Aside Expenditures	\$255.868 million ³
Balance of Set-Asides	\$18.786 million

The State Water Board funded a variety of planning and construction projects through the DWSRF in SFY 2018-19 to address a range of public water system (PWS) and public health issues. Specifically, the State Water Board funded projects from the DWSRF for the benefit of both small water systems (SWSs) (populations less than 10,000 people) and large water systems (populations over 10,000 people). The projects funded were categorized according to their function.

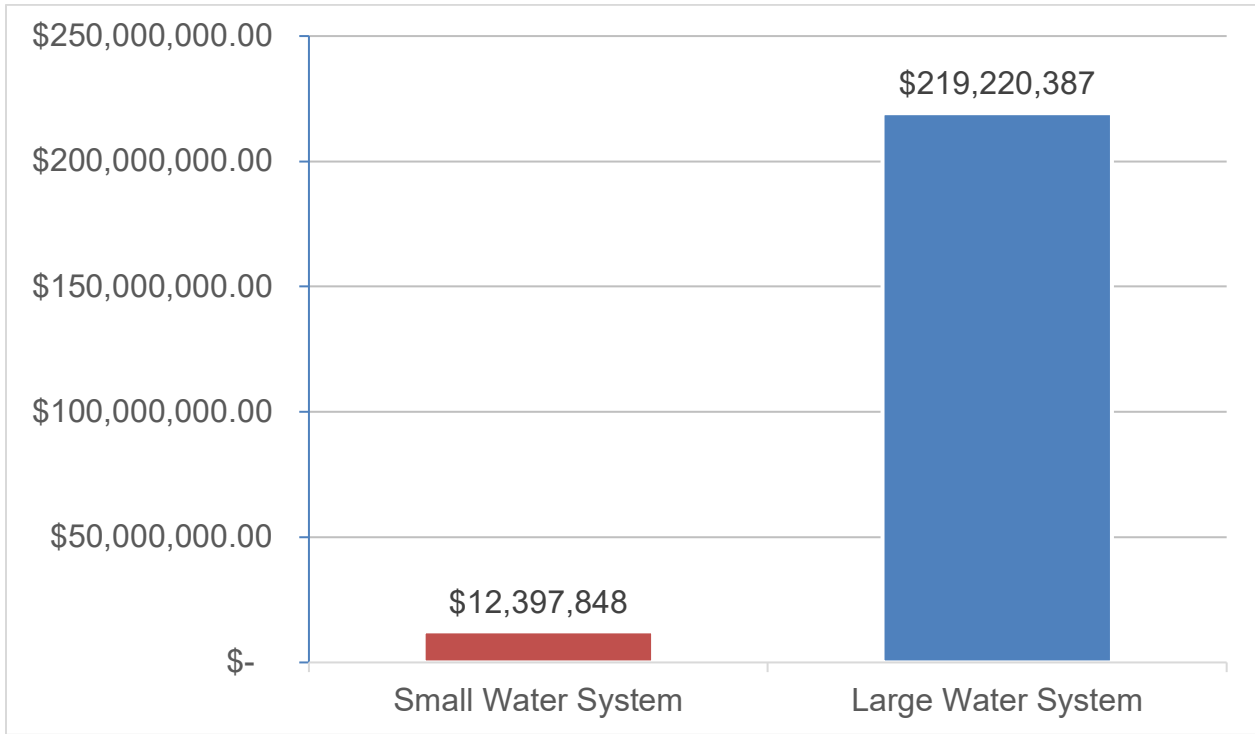
Figure 1a (page 11) shows the amount of funding awarded to small and large water systems in SFY 2018-19. In summary, the State Water Board provided approximately eighteen times (18x) more funding for large water systems than SWSs.

¹ Program activity includes all available DWSRF funds, including DWSRF set-aside funds and matching funds provided by funding recipients.

² Amount includes American Recovery and Reinvestment Act of 2009 (ARRA) funds and excludes set-aside funds (including Legal Entity Formation Assistance (LEFA) and a recent DWSRF set-aside grant to the American Water Association).

³ Amount includes LEFA and a recent DWSRF set-aside grant to the American Water Association.

Figure 1a: SFY 2018-19 DWSRF Large / Small Water System Funding Distribution



However, the State Water Board funded almost twice as many SWS projects than large water system projects in SFY 2018-19. A greater amount of SWS projects receive funding because of their public health needs, while a greater amount of funding is provided to large water systems because of the larger scope and cost of these large water system projects. See Exhibit A (page 35) for a list of SWS projects that received funding for SFY 2018-19.

Figure 1b (page 12) shows the number of projects funded by size of water system.

Figure 1b: SFY 2018-19 DWSRF Number of Projects Funded by Public Water System Size

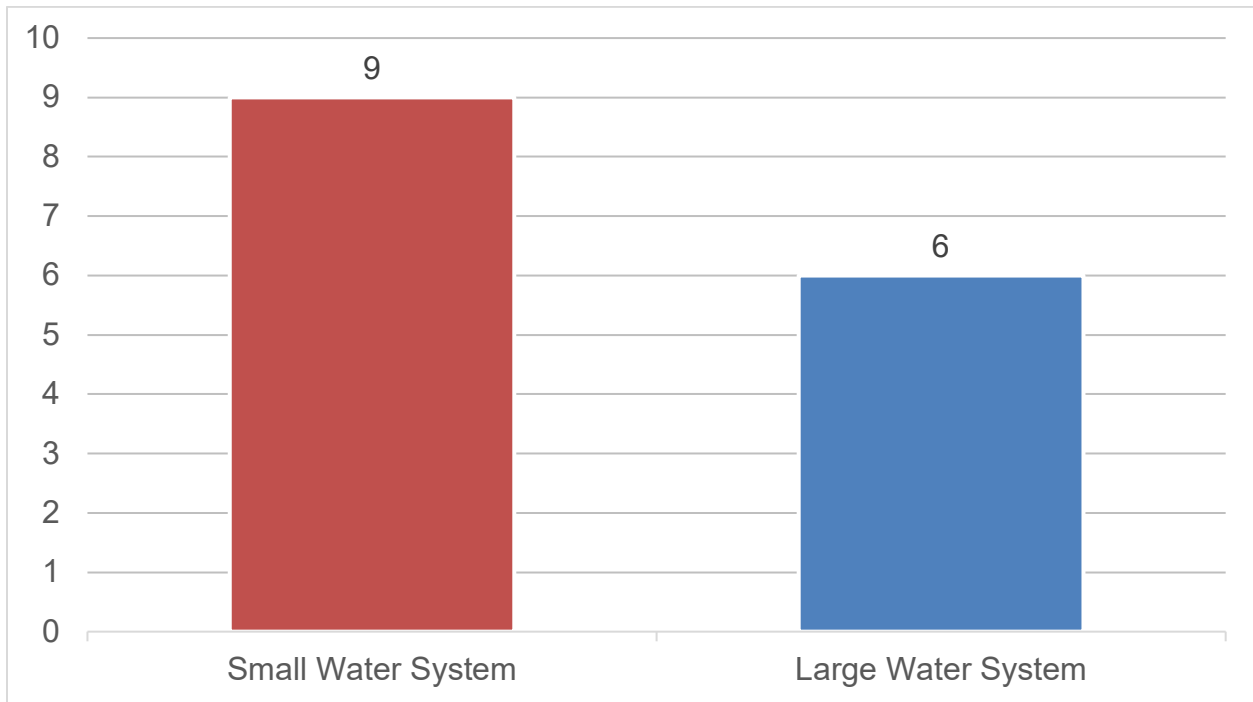


Figure 2a shows the amount of funding awarded to planning and construction applications.

Figure 2a. SFY 2018-19 DWSRF Planning vs Construction Funding Distribution - Funding Amount

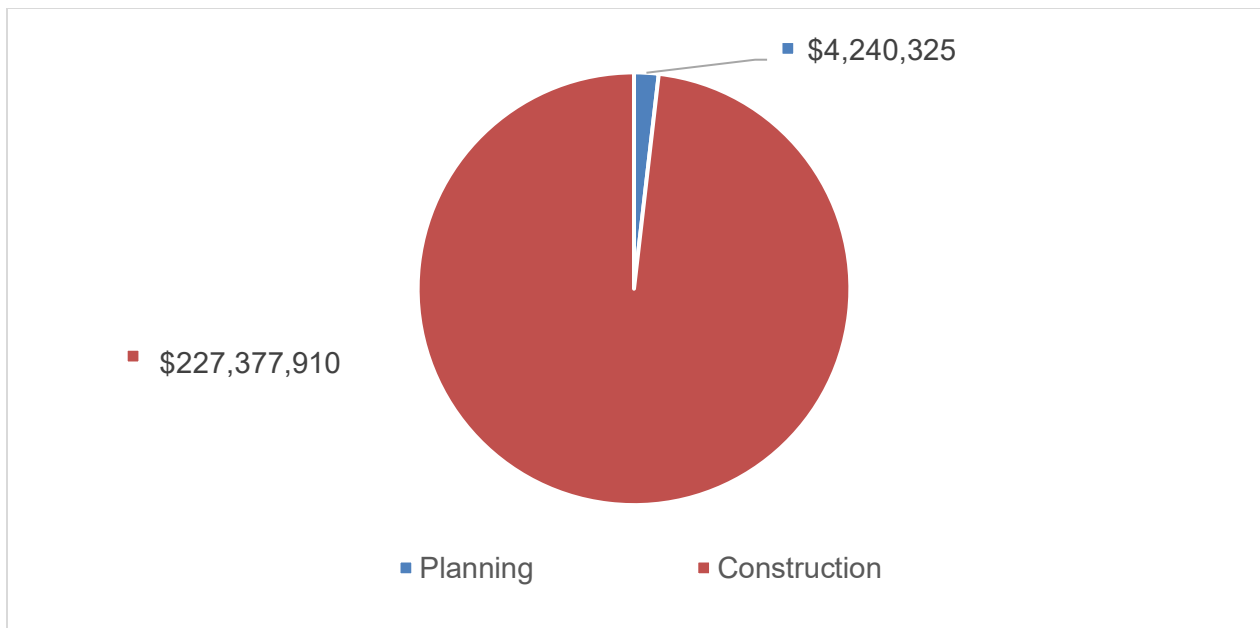
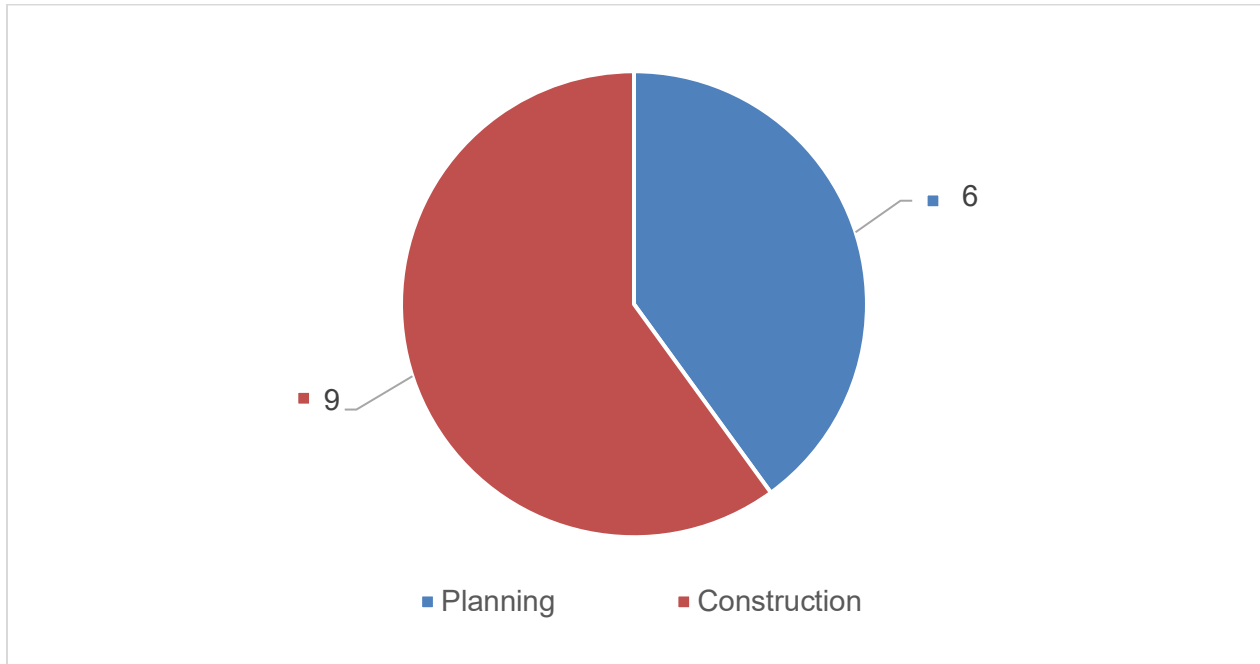


Figure 2b below displays the number of planning versus construction projects that were awarded funding in SFY 2018-19.

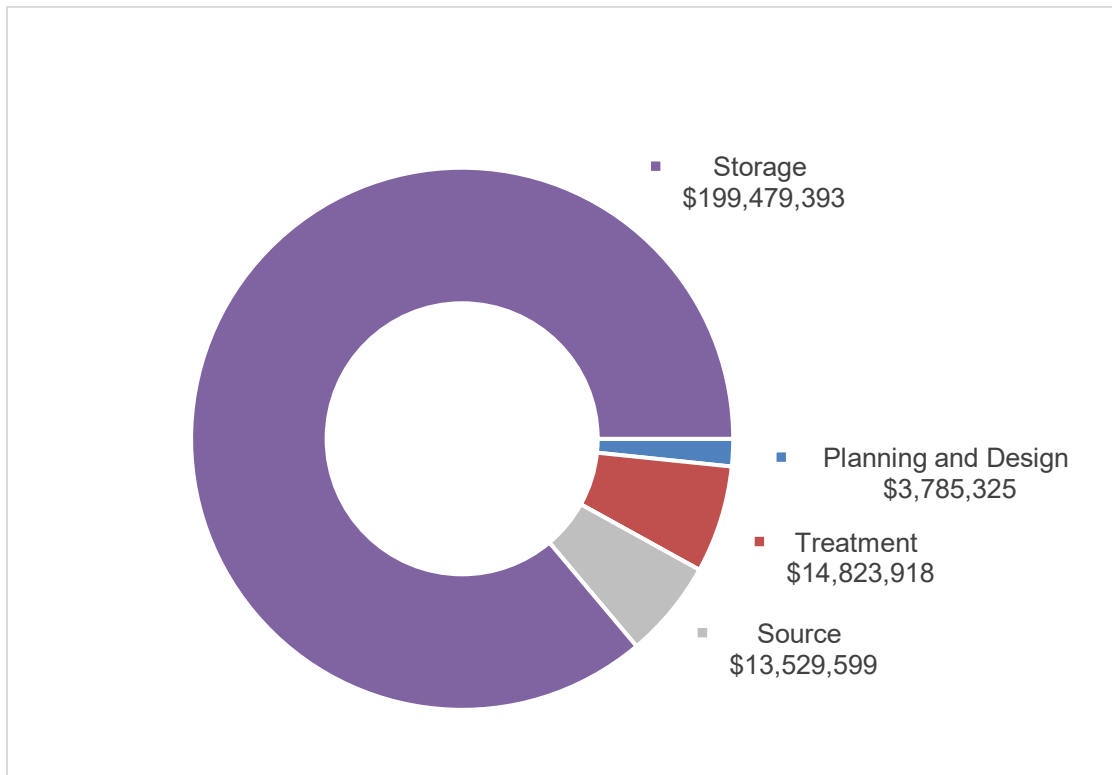
Figure 2b. SFY 2018-19 DWSRF Planning vs Construction Funding Distribution - Number of Projects



The State Water Board provided approximately fifty-four times (54x) more DWSRF funding for construction projects versus planning projects with \$227,377,910 of funding for construction projects and \$4,240,325 of funding planning projects. Numerically, the State Water Board funded almost twice as many construction projects than planning projects in SFY 2018-19 with 9 construction projects and 6 planning projects. A greater amount of construction projects received funding in SFY 2018-19, as opposed to recent historical averages, because planning projects were generally prioritized for other complimentary funding sources of the DWSRF. As a result, both the DWSRF and its complimentary funding sources were maximized and utilized both timely and expeditiously.

Figure 3 (page 14) shows the DWSRF SFY 2018-19 funding by project type and its associated function in the provision of drinking water. Project types included planning and design, treatment, transmission and distribution, source water, and storage. In summary, a vast majority of SFY 2018-19 DWSRF financing was provided for the improvement of drinking water storage. This is primarily because of their greater cost, needs resulting from severe drought impacting the state in recent years, and the addressing impacts of climate change. Approximately eighty-six percent (86%) of the project costs, or \$199,479,393 funded in SFY 2018-19 were for storage projects.

Figure 3: SFY 2018-19 Percentage of DWSRF Funding by Project Type/Function



B. Net Position

Net assets of the DWSRF program are shown below:

Table 2: DWSRF Statement of Net Position
(Dollars in Thousands)

Assets	2019	2018
Current Assets	\$368,551	\$284,102
Other Assets	\$1,484,933	\$1,534,201
Total Assets	\$2,001,922	\$1,818,303
Liabilities		
Current Liabilities	\$118,018	\$8,919
Non-Current Liabilities	\$95,233	\$0
Total Liabilities	\$22,785	\$8,919
Net Assets		
Restricted	\$160,534	\$0
Unrestricted	\$1,723,370	\$1,809,384
Total Net Assets	\$1,883,904	\$1,809,384

C. Revenues and Contributions

Revenue and Contributions for the DWSRF program are described in its Financial Statements. The total revenues for SFY 2018-19 were \$218,391,000. Revenues for the period of this report were as follows:

Table 3: SFY 2018-19 DWSRF Revenues & Contributions
(Dollars in Thousands)

Loan Interest Income	\$22,477
Net Investment Income	\$3,285
Capitalization Grant Contributions	\$67,720
Capitalization Grants Contributions – Principal Forgiveness	\$2,047
State Match Revenue- Loans	\$727
State Match Revenue – Principal Forgiveness:	\$21,329
Series 2019 DWSRF Revenue Bonds	\$100,806

D. Disbursements and Expenses

Total disbursements are based on Financial Statements and do not include matching funds provided by funding recipients. Total disbursements for SFY 2018-19 were \$200,982,000. Disbursements for the period of this report were made as follows:

Table 4: SFY 2018-19 DWSRF Disbursements and Expenses
(Dollars in Thousands)

DISBURSEMENTS

Loan disbursements	\$177,288
Grants disbursements	\$0
Principal Forgiveness disbursements	\$23,694

EXPENSES

Operating Expense - Personnel Services	\$11,421
Operating Expense - Other Expenses	\$6,804
Revenue Bond Interest Expense	\$366
Revenue Bond Issuance Cost	\$780

E. Credit Risk of the DWSRF

Each funding recipient must pledge or dedicate one or more sources of revenue toward the payment of its DWSRF repayable financing. For publicly owned entities, dedicated sources of revenue are generally water rate revenues, but may also be any number of revenue sources, special tax pledges, or other pledgeable income. For privately owned entities, the dedicated source of repayment is generally a Uniform Commercial Code (UCC)-1 security interest by the State Water Board on all the entity's revenues, fixtures, and equipment.

In SFY 2018-19, the State Water Board restructured three agreements. The State Water Board approved a loan modification for Shasta Community Services District (4510013-003C), a PWS serving a small DAC, as a result of the Carr Fire. The loan modification extended the loan repayment term to thirty (30) years, reduced the interest rate to 0 percent (0%) for the remaining term of the loan, and provided forbearance of loan repayments for five (5) years.

On January 8, 2019, the State Water Board approved Resolution No. 2019-0002 authorizing the Deputy Director of DFA to modify the terms of financing agreements for communities affected by the fires in 2018. Paradise Irrigation District (0410007-001P), a PWS serving a small DAC, requested a modification of their current terms as a result of the Camp Fire. DFA amended their financing agreement to one hundred percent (100%) principal forgiveness and extended the final disbursement request date. Del Oro Water Company (0410017-001C), a privately-owned PWS, serving communities affected by the Camp Fire also requested a modification. DFA extended their loan repayment term to 30 years with no changes to the interest rate.

In SFY 2018-19, there was no allowance for uncollectible accounts as all repayments remained current and all repayable financings were anticipated to be repaid in accordance with the financing terms. As in prior years, there were no repayment defaults in the DWSRF program and State Water Board staff continued to work diligently to ensure funding agreements were secure, and all payments were made on time and in full. Staff efforts included using a variety of analysis and monitoring measures to reduce the possibility of non-payment and continually evaluating additional steps to ensure full and timely payments.

1. Extended Term Financing and Reduced Interest Rate

In accordance with federal rules and regulations, the State Water Board continued to provide extended term financing (ETF) in the form of 30-year loan repayment terms to funding applicants that served Disadvantaged Communities (DACs). The State Water Board also provided ETF to publicly owned PWSs for construction projects in accordance with USEPA's policy on ETF. In SFY 2018-19, five (5) projects received approximately \$208,635,271 in ETF as shown in Exhibit B (page 36).

ETF for DACs has historically proven to be more manageable financing for funding recipients than twenty-year financing. Providing ETF for DACs has not jeopardized the financial strength of the DWSRF program, but instead has led to an increased demand for funding. This has provided a steadier flow of funds returning to the program. This demand has been critical in the State Water Board's reduction of historical Unliquidated Obligations (ULOs). Similarly, providing 30-year ETF to publicly owned PWSs serving non-DACs has attracted municipalities with excellent credit strength to further bolster the financial health of the DWSRF as well as ensure the timely and expeditious use of DWSRF funds.

Prior to 2015, state law permitted zero percent (0%) interest rate loans from the DWSRF if the funding applicant served a DAC, regardless of the water system size. In 2015, the California Legislature directed the State Water Board to provide zero percent (0%) interest rate financing if the funding recipient served a DAC with financial hardship. The State Water Board's DWSRF Policy defines financial hardship to mean the funding applicant is a SWS with high residential water rates. In its IUPs beginning in SFY 2015-16, to ensure the long-term financial growth of the fund while considering the financial limitations of certain PWSs types, the State Water Board has limited zero percent (0%) interest rate financing to SWSs serving DACs and eligible Expanded Small Community Water Systems (ESCWSs) serving Severely Disadvantaged Communities (SDACs).

III. PUBLIC HEALTH BENEFITS

The contributions of the DWSRF program to public health and drinking water quality are diverse. The program has the strength and versatility to address a wide range of water quality issues. To the maximum extent possible, in SFY 2018-19, priority was given to projects that addressed the most serious risks to human health, were necessary to ensure compliance with SDWA requirements, and assisted water systems most in need on a per household basis. Projects were ranked by the categories below:

Public Health Category	Description
Category A:	Immediate Health Risk
Category B:	Untreated or At-Risk Sources
Category C:	Compliance or Shortage Problems
Category D:	Inadequate Reliability
Category E:	Secondary Risks
Category F:	Other Projects

The information below summarizes the public health benefits from DWSRF projects funded. The data supporting this summary was reported to the USEPA through the DWSRF Project Benefits Reporting (PBR) database.

A. Projects in SFY 2018-19 Will Help Achieve and Maintain SDWA Goals

1. There were 15 projects funded by the DWSRF program.
2. An estimated 12.1 million people reside within the boundaries of the projects funded.
3. An estimated \$13.2 million principal forgiveness was provided to these projects.
4. Projects funded by the DWSRF program fall into the categories noted earlier, as defined in the DWSRF Policy, Section VI.B.2. The projects funded, and their categories were as follows in Table 5 (page 19).

Table 5: Water System Improvements by Category

Public Health Category	Number of Projects Financed	Population	Financed Amount	Principal Forgiveness
Category A:	1	135	\$825	\$ 825
Category B:	1	3,987,622	\$ 158,190,000	\$0
Category C:	8	86,208	\$ 34,853,627	\$ 10,529,165
Category D:	2	3,991,424	\$ 28,708,893	\$ 2,215,930
Category E:	2	19,499	\$ 736,500	\$ 500,000
Category F:	1	3,987,622	\$ 9,128,390	\$ 0
Total	15	12,072,510	\$ 231,618,235	\$ 13,245,920

Figure 4a below shows the number of projects funded by improvement category.

Figure 4a: Water System Improvements by Categories

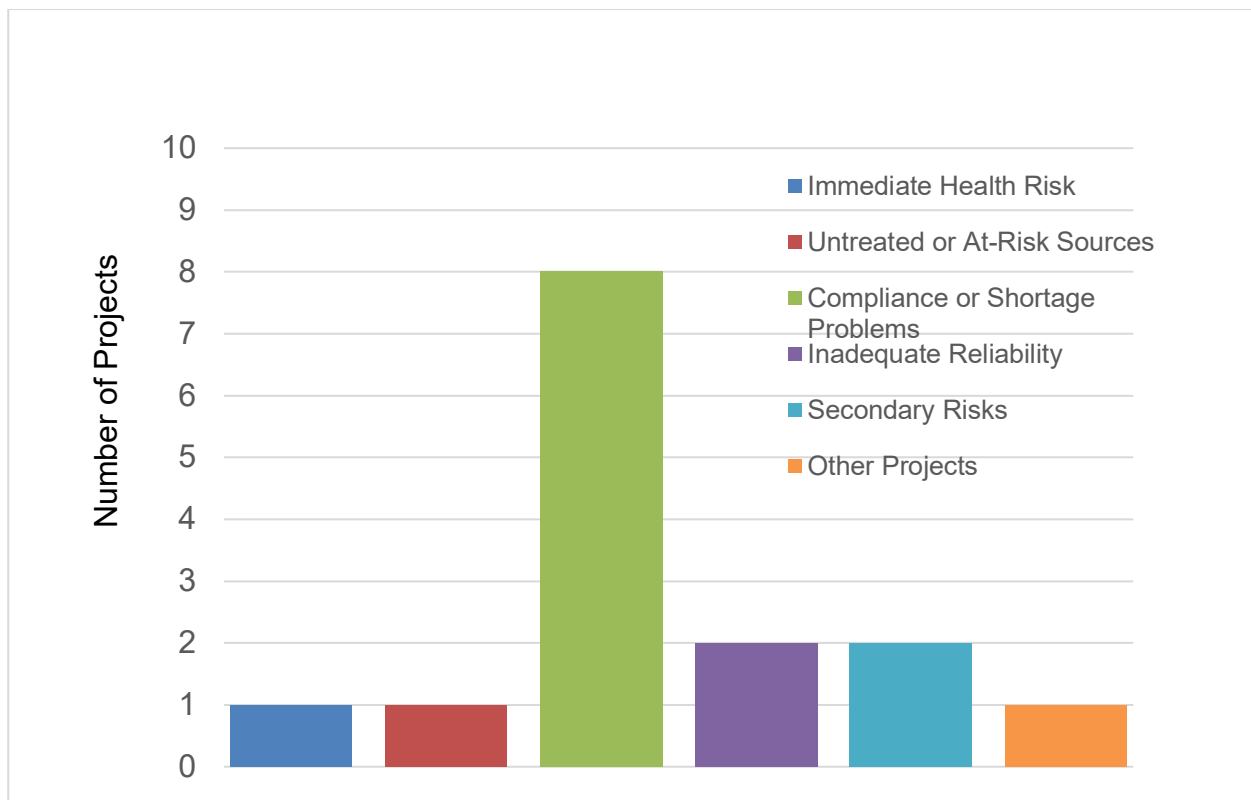
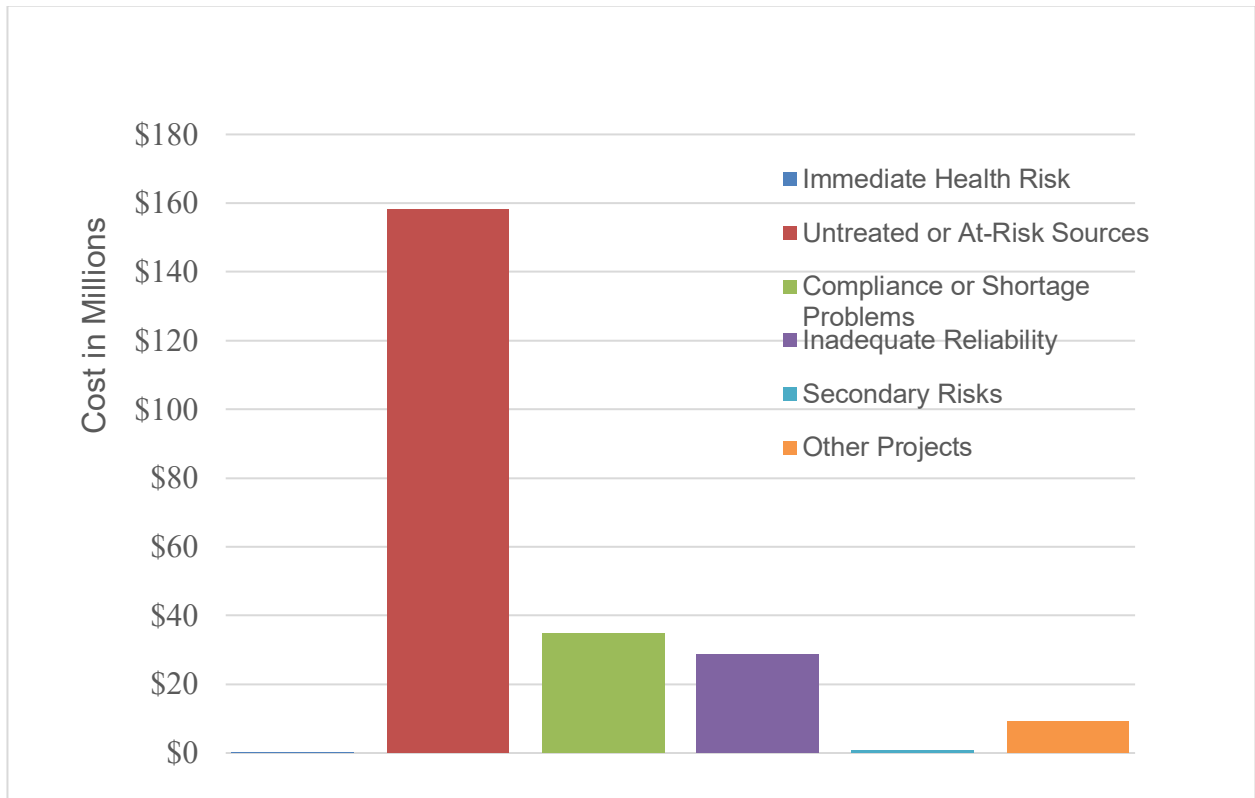


Figure 4b below shows the amount funded by improvement category.

Figure 4b: Water System Improvements by Categories



B. DWSRF Projects Achieve Multiple Benefits

DWSRF projects provide multiple benefits to water systems including Maximum Contaminant Levels (MCL) compliance, source, quantity, and reliability, distribution pipeline, treatment plant improvements, storage, and consolidation. Table 6 (page 21) shows the many benefits provided by DWSRF projects in SFY 2018-19. Over half of the projects funded were for MCL compliance and storage solutions, while 85% of the costs fell into the storage benefit category. Storage infrastructure funding was the focus of the state's funding demand in SFY 2018-19.

Table 6: Water System Improvements by Benefits

Benefits	No. of Projects	Cost
MCL Compliance	4	\$6,760,665
Source, Quantity, and Reliability	3	\$14,804,441
Distribution Pipeline	1	\$500,000
Treatment Plant Improvements	1	\$10,823,918
Storage	5	\$196,179,211
Consolidation	1	\$2,550,000
	15	\$231,618,235

Figure 5a below shows the number of projects receiving each water system improvement benefit.

Figure 5a: Water System Improvements by Benefits

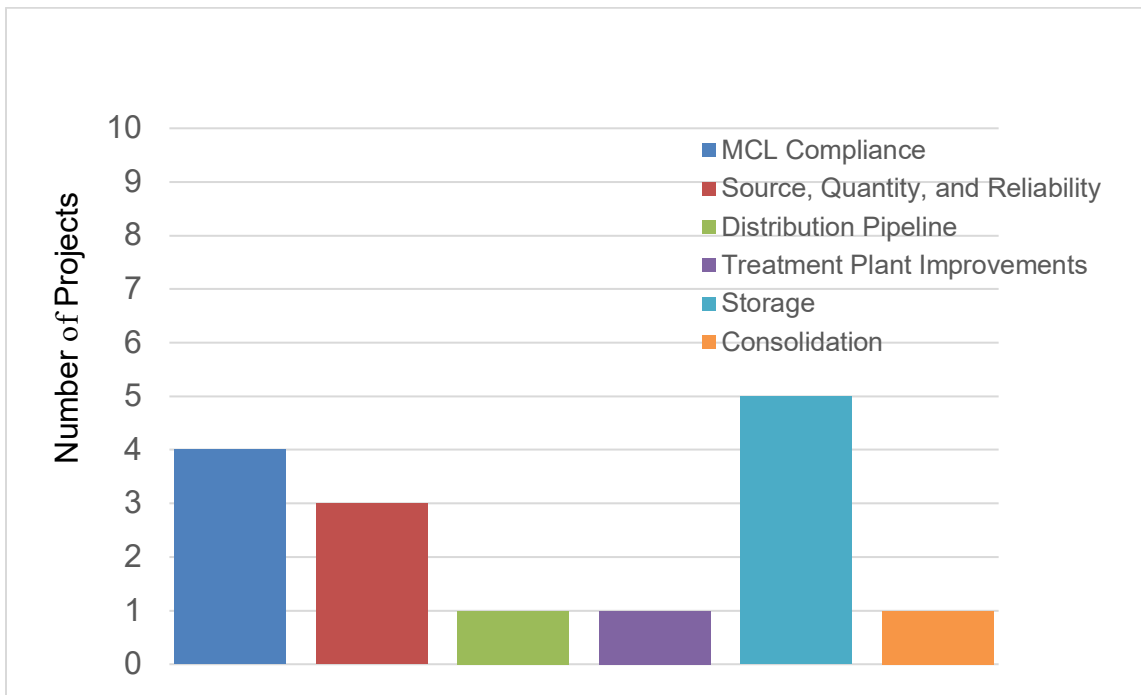
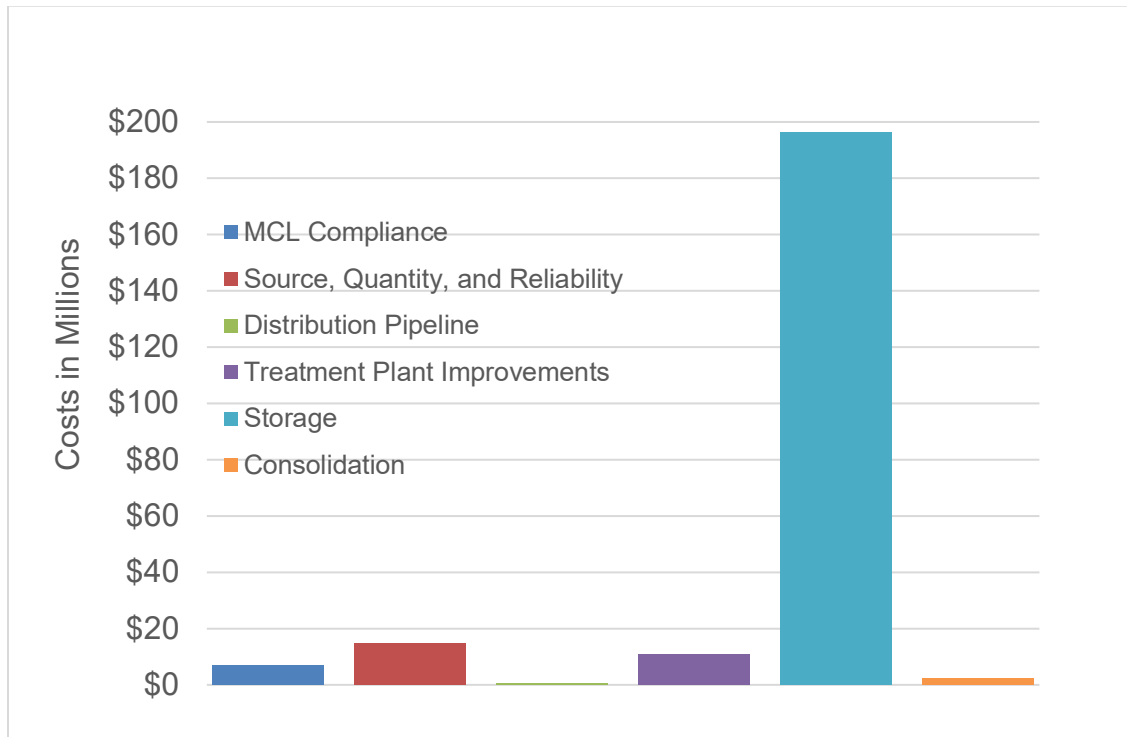


Figure 5b below shows the amount funded for each water system improvement benefit.

Figure 5b: Water System Improvements by Benefits



IV. PROGRAM HIGHLIGHTS AND UPDATES

In SFY 2018-19, the State Water Board continued to fund drinking water projects to provide safe and affordable drinking water for all Californians and continued to pair DWSRF financing with other funds appropriated to the State Water Board to achieve its drinking water objectives.

A. Providing Safe and Affordable Drinking Water to All Californians

Clean and safe drinking water is a fundamental human right and is essential to health and well-being. The State Water Board through DDW and DFA works cooperatively to protect California's drinking water and help ensure that all Californians have access to clean, safe, and affordable drinking water through several regulatory and financial assistance programs.

The DWSRF program, along with other sources of funds available to the State Water Board, help improve drinking water infrastructure to mitigate drinking water risks and support the human right to water. A key element of DFA's effort to address safe and affordable drinking water in California is the Office of Sustainable Water Solutions (OSWS). The OSWS was created to focus on small SDACs and small DACs and the difficulties those communities have in providing safe and affordable drinking water to their residents.

In SFY 2018-19, select DFA staff and management were re-organized to increase the resources of the OSWS and address the substantial demand from SDACs and DACs for affordable drinking water and wastewater funding. The OSWS increased from one to two sections to serve the drinking water and wastewater funding and technical assistance needs of SDACs and DACs in northern and southern California.

Although the reorganization has had a positive effect on addressing the drinking water and wastewater needs of small SDACs and small DACs, the Legislature has taken additional steps to address the drinking water needs of Californians. The Legislature on July 15, 2019, passed and the Governor on July 24, 2019, signed Senate Bill 200 creating the "Safe and Affordable Drinking Water Fund." The Safe and Affordable Drinking Water Fund (SADWF) will help drinking water systems provide an adequate and affordable supply of safe drinking water. The SADWF authorizes and continuously appropriates moneys to the State Water Board for grants, loans, contracts, or services to assist eligible recipients with the provision of an adequate supply of affordable and safe drinking water. Additional staffing is also authorized to implement the SADWF, and the added staffing will continue to strengthen and support the State Water Board's efforts to ensure that all Californians have access to safe and affordable drinking water.

The State Water Board and DFA continued to implement and award funding to planning and construction projects using DWSRF and Proposition 1 (Prop 1) and Proposition 68 (Prop 68) Drinking Water funds. With its integrated approach to funding, \$249.432 million of funding was awarded to 21 planning and construction projects in SFY 2018-19. Seventeen of the projects awarded funding during SFY 2018-19 were for small DACs or small SDACs. Exhibit C (page 37) lists the Small Community Grant Drinking Water (SCG-DW) projects for SFY 2018-19. As of June 30, 2019, a cumulative amount of \$127.5 million of Prop 1 and Prop 68 Drinking Water grant funds had been awarded to SWSs serving small SDACs and small DACs.

The State Water Board's joint management of the DWSRF and the Prop 1 and Prop 68 Drinking Water funds enables California to provide significant financial benefits to California's PWSs, especially those PWSs serving small SDACs and small DACs. The Deputy Director of DFA was authorized to provide, for good cause, up to \$45,000 per service connection in principal forgiveness/grant for a SWS that serves a DAC, and the SDWA allows 40-year financing for DACs. These tools can be highly effective in providing safe and affordable drinking water to the neediest of communities.

B. Demand Management

1. Grant and Principal Forgiveness for SWSs Serving DACs

Demand from SWSs serving SDACs and DACs for grants and DWSRF principal forgiveness continued to outpace the availability of those funds. All Prop 1 Drinking Water grant funds were effectively committed as of June 30, 2018, with minor balances remaining for potential cost increases on existing commitments in SFY 2018-19. The available DWSRF principal forgiveness funds were also effectively fully committed at the beginning of SFY 2018-19, although approximately \$49 million of additional principal forgiveness became available during SFY 2018-19 from the FFY 2018 Capitalization Grant. As of June 30, 2019, none of the FFY 2018 Cap Grant principal forgiveness was committed to eligible projects due to delays in awarding funds resulting from the State Water Board's implementation and conversion to the Financial Information System for California (FI\$Cal).

\$62.25 million in Prop 68 funds were appropriated for SFY 2018-19 for drinking water projects (Prop 68 Drinking Water), and the 2018-19 DWSRF IUP incorporated Prop 68 funds into the existing Drinking Water program. Similarly, as of June 30, 2019, none of the Prop 68 grant funds had been committed to projects benefiting SWSs serving DACs due to FI\$Cal implementation and conversion delays.

An additional \$169 million in Prop 68 Drinking Water grant funding has been appropriated for SFY 2019-20, and an additional \$53.4 million in principal forgiveness funding will be available from the 2019 Capitalization Grant. It is anticipated the State Water Board will resume the routine commitment of principal forgiveness and grant funds to small DACs in SFY 2019-20 with normalization of FI\$Cal operations. The State Water Board continues to work closely with DDW to maximize the effectiveness of any and all available grant and principal forgiveness funds to provide clean, safe, and affordable drinking water to small SDACs and small DACs throughout California.

2. Repayable Funds for Systems serving Non-DACs

Demand for DWSRF repayable financing was consistent with historical trends. The total amount committed to repayable financings for SFY 2018-19 was less than the funding target. However, DFA continues to develop and review applications for repayable financing as resources permit. In addition, the Safe Drinking Water Act was recently changed to allow 30-year financing for all publicly owned PWSs; this change is also expected to generate additional demand for DWSRF repayable financing in the coming years.

C. DWSRF Leveraging Activity

The DWSRF funding target for SFY 2018-19 was based on a 20-year capacity analysis in accordance with the CWSRF/DWSRF Debt Management Policy. The Debt Management Policy helps to ensure that the DWSRF program is operated in a prudent and sustainable manner and prevent the DWSRF from becoming over-leveraged. Given recent lending activity, the State Water Board determined that additional capital may be needed to meet past commitments. The State Water Board, through its conduit issuer, the California Infrastructure and Economic Development Bank (IBank), issued approximately \$100 million in revenue bonds on April 24, 2019. The bonds are secured by a series of DWSRF loans, and the proceeds were used to fund 8 projects that are currently under construction. The DWSRF Revenue Bond funded projects are listed in Exhibit J (page 59)

D. FI\$Cal Rollout

FI\$Cal is California's new statewide accounting, budget, cash management, and procurement system. Since July 2013, state agencies have been transitioning to the FI\$Cal system; the State Water Board began its FI\$Cal transition July 1, 2018. Although State Water Board staff worked overtime and staff were redirected to address the additional, short-term workload associated with the rollout, the pace of new financing agreements was considerably less than in the previous three years as seen in Section II.D (page 15). The lower pace of new agreements continued in SFY 2019-20, but the overall pace of new financing agreements is anticipated to normalize in SFY 2020-21.

Although the pace of new agreements was lower this past year, disbursements were less affected by the FI\$Cal rollout. The total number of DWSRF disbursements and dollar amount for SFY 2018-19 were 264 and \$211.5 million. The average number of DWSRF disbursements and dollar amount for the three previous years were 480 and \$256 million per year.

E. Comprehensive List

The Comprehensive List identified projects potentially eligible for funding assistance from the DWSRF program. As DFA received applications, it assigned each project a category from Section V.C.1 of the DWSRF Policy, then recommended that the Executive Director of the State Water Board, in consultation with DDW, either add the project to the Comprehensive List or update an existing project. The Executive Director updated the Comprehensive List three times.

F. Fundable List and Project Bypass

There were 123 projects identified on the fundable list of projects in the SFY 2018-19 IUP. Of these 123 projects, 53 were planning and 70 were construction projects. The DWSRF program awarded funding to 9 planning projects and 6 construction projects. SCG-DW funds were awarded to 9 projects. The remaining projects' statuses is noted in Exhibit D (page 38). Several of the projects not funded in SFY 2018-19 are anticipated to be funded in SFY 2018-19.

G. Marketing Updates

State Water Board staff continued to participate in the California Financing Coordinating Committee (CFCC) funding fairs during SFY 2018-19. The funding fairs provide members of the public and infrastructure development professionals current information on funding options available for different project types.

State Water Board staff also participated in several conferences throughout the year to provide updated information on the DWSRF Program. These conferences included the League of California Cities 2018 Annual Expo Conference, the Association of California Water Agencies 2019 Spring Conference, American Water Works Association Annual Fall Conference, 2018 California Special Districts Association Annual Conference, and the 2019 WaterReuse California Annual Conference.

H. Technical Assistance

The DWSRF program budgeted two percent (2%) of the FFY 2018 Capitalization Grant along with prior year capitalization grants for Small Water System Technical Assistance (SWSTA). The primary goals of SWSTA are to reduce the instances of non-compliance with drinking water standards and requirements, establish and assure safe and dependable water supplies, improve operational capability, and establish or improve the TMF capacity of SWSs.

The SWSTA set-aside funded technical and administrative staff within DFA to provide technical assistance to SWSs. DFA staff helped SWSs identify drinking water problems and potential solutions, helped them prepare funding applications, reviewed TMF assessments, and evaluated potential funding eligibility. Staff also helped resolve ownership issues, right-of-way disputes, facilitated potential water interties and consolidation projects with adjacent water systems.

The SWSTA set-aside also provided partial funding for technical and administrative staff of the Proposition 84 (Prop 84) funding program. They prepared Prop 84 planning projects for SWSs that led to DWSRF construction funding.

The budget and expenditures of the SWSTA set-aside as of June 30, 2019 are shown in Exhibit F (page 52).

I. Small Community Funding Program

The State Water Board and DFA continued to implement and award funding to planning and construction projects using DWSRF and SCG-DW funds. Due to extensive coordination between funding sources, \$22.59 million of DWSRF funding was awarded to small DACs for 8 planning and construction projects in SFY 2018-19.

In SFY 2018-19, \$19.314 million of SCG-DW grant funds were also awarded to small DACs for 9 planning and construction projects separately from the DWSRF. Exhibit C (page 37) lists the 9 projects funded exclusively by SCG-DW in SFY 2018-19. As of June 30, 2019, a cumulative amount of \$130.1 million of SCG-DW grant funds had been awarded to SWSs serving DACs/SDACs.

The State Water Board's co-management of DWSRF and SCG-DW funds further enabled California to capitalize and maximize state match for the DWSRF while simultaneously providing financial benefits to California's SWSs, especially those PWSs serving small DACs. The tremendous amount of funding provided through the DWSRF in SFY 2018-19 has also enabled the State Water Board to maintain a low and acceptable federal ULO balance for the near future.

J. Proposition 68 Update

On June 5, 2018, California voters approved Prop 68 the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018 (Senate Bill 5, DeLeon), which provides general obligation bond funding to the State Water Board for various wastewater, drinking water, water recycling and other related projects that will complement the funding provided under the DWSRF. Prop 68 provided \$250 million for grants and loans for projects to improve access to safe drinking water (Prop 68 Drinking Water) and projects to improve water quality under the CWSRF SCG, with priority given to projects that help DACs. Prop 68 directed that Prop 68 Drinking Water funds be administered in accordance with the Prop 1 Drinking Water Program requirements. The DWSRF 2018-2019 IUP was adopted in June of 2018 and reaffirmed the Prop 1 Drinking Water guidelines, expanding them to incorporate Prop 68 Drinking

Water conditions. Additional detailed information for Prop 68 can be found in section IV.B.1 (page 24).

K. Consolidation Incentive Program

The DWSRF continued to offer the consolidation incentive identified in the IUP, but did not receive any requests for the incentives during SFY 2018-19. The State Water Board will continue, however, to offer the incentives to potential consolidation projects. With the advent of the SADWF program, there may be additional demand for consolidation financing. DFA will continue to evaluate the terms associated with the incentives, and may recommend changing the incentives, including on a case-by-case basis, to the State Water Board.

L. DWSRF Source Water Protection Program

California established the DWSRF program with federal capitalization grants awarded by the USEPA. A portion of these funds was set-aside for SWP loans.

Funding for the SWP program provides loans to PWSs for the purchase of land or conservation easements. PWSs may only purchase land or a conservation easement from willing parties. The purchase must be for the purposes of protecting the system’s source water and ensuring compliance with national drinking water regulations. The DWSRF program evaluated all projects using the priority system described within the IUP in effect at the time such SWP loans were awarded.

As of SFY 2018-19, the program had set aside a total of \$24,889,390 from the FFY 2000-2005 Capitalization Grants for this program, but, due to lack of demand from PWSs, subsequent federal grant amendments returned \$22,889,390 from the FFY 2000-2005 Capitalization Grants to the DWSRF infrastructure loan fund. As shown in Table 7 below, \$2,000,000 has been committed and expended for SWP loans.

Table 7: Source Water Protection Loan Set-Asides

Funding Recipient	Project No.	Category	Population	Executed FA Date	Contract No.	Loan Amount	Grant Amount	Total Funding Assistance
Contra Costa Water District	0710003-017	SWP	201,100	9/1/2003	2001SW P101	\$2,000,000	\$0	\$2,000,000

V. SET-ASIDES

The DWSRF program used a percentage of each federal capitalization grant as “set-asides” in SFY 2018-19 to fund the administration of the DWSRF program as well as other activities critical to the success of the program. The set-aside accounts included DWSRF Administration, SWSTA, State Program Management, and Local Assistance Special Programs. These set-asides aided in either administering the DWSRF program or providing funding and other technical assistance to PWSs. The State Water Board budgeted 23 percent (23%) of the FFY 2018 Capitalization Grant for all four (4) set-asides, totaling \$25,477,660. As of June 30, 2019, the State Water Board had expended \$8.44 million of the funds budgeted for set-aside activities from the FFY 2018 Capitalization Grant.

A. Administration Set-Aside

The State Water Board budgeted four percent (4%) of the FFY 2018 Capitalization Grant, totaling \$3,919,640 along with prior years’ DWSRF Administration set-aside funds in SFY 2018-19 for the management of the DWSRF program by DFA, Division of Administrative Services (DAS), Division of Information Technology (DIT), and the Office of Chief Counsel. The DWSRF Administration set-aside funded technical and administrative personnel within DFA who prepared construction and planning approvals and agreements, inspected and evaluated projects, and processed claims for reimbursement. The Administration set-aside also funded personnel activities associated with various project tracking and reporting required by USEPA as well as other state and federal agencies. The Administration set-aside also funded legal activities within the State Water Board’s Office of Chief Counsel relating to the review of agreements and legal advising on a variety of programmatic issues including the IUP, anticipated revenue bond requirements, and implementation of various State and federal requirements. Finally, the DWSRF Administration set-aside funded a variety of administrative support from DAS and DIT, including accounting and budget office support as well as IT support.

A portion of the Administration set-aside also funded state procurement contracts with other entities, such as the accounting firm CliftonLarsonAllen. CliftonLarsonAllen completed the federal single-audit of the DWSRF program for SFY 2017-18 on October 1, 2018 and produced audited financials for the DWSRF program, which are included as Appendix E (page E-1).

The budgeting and expenditures of the DWSRF Administration set-aside, as of June 30, 2019, are shown in Exhibit E (page 47).

B. Small Water System Technical Assistance Set-Aside

The State Water Board budgeted two percent (2%) of the FFY 2018 Capitalization Grant, totaling \$1,959,820, along with prior year set-aside funds for SWSTA in SFY 2018-19. The SWSTA set-aside funded DFA staff to provide technical assistance to SWSs. The primary goal of DFA’s SWSTA is to assist SWSs to become eligible for

DWSRF financing to reduce the instances of non-compliance with drinking water standards and requirements; establish and assure safe and dependable water supplies; improve operational capability and establish or improve their TMF capacities.

Assistance included helping SWSs identify drinking water problems and potential solutions, assisting in the preparation of funding applications, reviewing TMF assessments, and evaluating potential funding eligibility. Staff also helped resolve ownership issues, right-of-way disputes, as well as interceded and mediated with adjacent water systems regarding potential water interties and consolidation projects. The SWSTA also enabled DFA technical and administrative staff to assist third-party technical assistance providers and their suite of tasks further described below.

The budgeting and expenditures of the SWSTA Set-Aside as of June 30, 2019, are shown in Exhibit E (page 47).

C. Local Assistance Set-Aside

The State Water Board budgeted ten percent (10%) of the FFY 2018 Capitalization Grant along with prior year capitalization grants in SFY 2018-19, for technical assistance to PWSs to support the State Water Board's TMF Capacity Development Strategy. A majority of the Local Assistance set-aside funds were expended for third-party technical assistance contracts with California Rural Water Association (CRWA), Rural Community Assistance Corporation (RCAC), and Self-Help Enterprises (SHE). CRWA, RCAC and SHE provided on-site technical assistance to 86 PWSs, including income surveys, water rate studies, and DWSRF application development. They also provided or participated in a variety of online and onsite workshops, symposiums and fairs, which benefited over 1862 PWSs in SFY 2018-19.

CRWA, RCAC, and SHE also provided TMF assistance in SFY 2018-19, including mutual water company board training, PWS operation training, and water system ownership research. The California-Nevada chapter of AWWA provided technical assistance in the validation of water audits for urban water suppliers in support of the State Water Board's Capacity Development Strategy.

In addition, RCAC developed and conducted statewide onsite and online training workshops that focused on building the TMF capacity of PWSs. In SFY 2018-19, RCAC held two California Technical Assistance Provider (CalTAP) funding fairs. The fairs provided information on free services and materials available to the water systems and included two water symposiums that focused on treatment certification and distribution. The CalTAP fairs averaged 101 attendees and the symposia averaged 41 attendees. In addition to the funding fairs, RCAC held 43 onsite and 61 online workshops. Board members, water system staff, and operators from more than 1793 individual water systems participated in the training events. RCAC utilized feedback from training and workshop attendees to improve its organizations' effectiveness in communicating with the public and ability to provide helpful information.

The remaining expenditures of Local Assistance set-aside in SFY 2018-19 were for technical and administrative staff within DFA and DDW and their efforts to provide assistance to PWSs in support of the State Water Board's TMF Capacity Development Strategy. DFA staff oversaw and engaged third-party technical assistance contractors on the activities described above, as well as assisted funding applicants in achieving the TMF capacity necessary to be eligible for DWSRF funding; advised and reviewed proposed water system consolidations and interties; assisted and mediated in legal entity formation and water system ownership issues; and reviewed water rate studies. The Local Assistance set-aside also supported DDW's implementation of the Capacity Development Strategy by funding staff costs associated with SWS TMF assistance performed during their permitting, inspections, compliance and monitoring (PICM) activities.

The budgeting and expenditures of the DWSRF Local Assistance set-aside, as of June 30, 2019, are shown in Exhibit E (page 47).

D. State Program Management Set-Aside

The State Water Board budgeted ten percent (10%) of the FFY 2018 Capitalization Grant, along with prior year Capitalization Grants, for the State Program Management set-aside in SFY 2018-19. This set-aside funded a portion of DDW's PWSS regulatory program. In SFY 2018-19, the State Program Management set-aside subsidized a pro-rated portion of DDW's PICM activities as well as the general administration activities of DDW with the PWSS grant and California's safe drinking water cost-recovery account.

In general, DDW staff conducted inspections and surveys of both large and SWSs; evaluated treatment and infrastructure improvement needs; reviewed plans and specifications in relation to, and for conformance with, treatment requirements; and assisted PWSs with state and federal drinking water compliance issues. The State Program Management set-aside funds were used to enhance emergency preparedness and terrorism/disaster response preparedness of the PWSS program as well as California's PWSs. The DWSRF program also utilized this set-aside to enhance and manage its data reporting mechanisms, including the Safe Drinking Water Information System. The TMF capacity development activities inherent within the PICM activities of DDW were partially funded by the set-aside as well.

The budgeting and expenditures of the State Program Management set-aside as of June 30, 2019, are shown in Exhibit E (page 47).

VI. ACRONYMS

AIS	American Iron and Steel
ARRA	American Recovery and Reinvestment Act of 2009
ASAP	Automated Standard Application of Payments
AWWA	American Water Works Association
CalTap	California Technical Assistance Provider
CFCC	California Financing Coordinating Committee
CRWA	California Rural Water Association
CWSRF	Clean Water State Revolving Fund
CWSRF SCG	Clean Water State Revolving Fund Small Community Grant
DAC	Disadvantaged Community
DACs	Disadvantaged Communities
DAS	Division of Administrative Services
DBE	Disadvantaged Business Enterprise
DDW	Division of Drinking Water
DFA	Division of Financial Assistance
DIT	Division of Information Technology
DWSRF	Drinking Water State Revolving Fund
ETF	Extended Term Financing
ESCWSs	Expanded Small Community Water Systems
FFATA	Federal Funding Accountability and Transparency Act
FFY	Federal Fiscal Year
FI\$Cal	Financial Information System for California
FSRS	Federal Funding Accountability and Transparency Act Subaward Reporting System
IUP	Intended Use Plan
LEFA	Legal Entity Formation Assistance
LGTS	Loans and Grants Tracking System
MCL	Maximum Contaminant Levels
MBE	Minority Owned Business Enterprise
OMB	Office of Management and Budget
OSWS	Office of Sustainable Water Solutions
PICM	Permitting, Inspection, Compliance, Monitoring
PWS	Public Water System
PWSs	Public Water Systems
PWSS	Public Water System Supervision
RCAC	Rural Community Assistance Corporation
SADWF	Safe and Affordable Drinking Water Fund
SCG-DW	Small Community Grant Drinking Water

SCO	State Controller's Office
SDAC	Severely Disadvantaged Community
SDACs	Severely Disadvantaged Communities
SDWA	Safe Drinking Water Act
SERP	State Environmental Review Process
SFY	State Fiscal Year
SHE	Self-Help Enterprises
SWP	Source Water Protection
SWS	Small Water System
SWSs	Small Water Systems
SWSTA	Small Water System Technical Assistance
TMF	Technical, Managerial, Financial
ULO	Unliquidated Obligation
USEPA	United States Environmental Protection Agency
WBE	Women Owned Business Enterprise

VII. EXHIBITS

Exhibit A	SFY 2018-19 Small Water Systems Funding
Exhibit B	SFY 2018-19 Extended Term Financing Projects
Exhibit C	SFY 2018-19 Small Community Grant Drinking Water Projects
Exhibit D	SFY 2018-19 Non-Funded Projects
Exhibit E	Cumulative DWSRF Set-Aside Expenditures
Exhibit F	SFY 2018-19 Green Project Reserve Projects and Additional Subsidy Projects (Principal Forgiveness)
Exhibit G	SFY 2018-19 Projects Funded by Public Health Needs Category
Exhibit H	Disadvantaged Business Enterprise Report
Exhibit I	SFY 2018-19 DWSRF FFATA Projects
Exhibit J	DWSRF Revenue Bond Funded Projects

EXHIBIT A: SFY 2018-19 DWSRF Small Water Systems Funding

Funding Recipient	Project Number	Principal Forgiveness	Loan	Total SRF Funding	FA Execution Date	Financial Status
Ballico Community Service District	2400167-001P	\$455,000.00	\$0.00	\$455,000.00	6/7/2019	Severely Disadvantaged
Cobb Area County Water District	1710012-001P	\$2,550,000.00	\$0.00	\$2,550,000.00	6/21/2019	Disadvantaged
Fresno, County of	1000359-005C	\$2,026,165.00	\$0.00	\$2,026,165.00	7/3/2018	Severely Disadvantaged
Kings Canyon Unified School District	1000316-001P	\$498,000.00	\$0.00	\$498,000.00	7/17/2018	Severely Disadvantaged
Livingston, City of	2410004-003C	\$0.00	\$4,000,000.00	\$4,000,000.00	10/25/2018	Not Disadvantaged
Loma Rica Water Company	5800803-001C	\$0.00	\$151,928.00	\$151,928.00	7/17/2018	Not Disadvantaged
Mettler Valley Mutual Water Company	1900100-003P	\$825.00	\$0.00	\$825.00	8/15/2018	Disadvantaged
Mojave Public Utility District	1510014-003C	\$2,215,930.00	\$0.00	\$2,215,930.00	5/23/2019	Severely Disadvantaged
Mountain Gate Community Services District	4510002-006P	\$500,000.00	\$0.00	\$500,000.00	6/28/2019	Disadvantaged
Total		\$8,245,920.00	\$4,151,928.00	\$12,397,848.00		

EXHIBIT B: SFY 2018-19 Extended Term Financing Projects

Funding Recipient	Project Number	Total SRF Funding	FA Execution Date	Loan Term
City of Livingston	2410004-003C	\$4,000,000.00	10/25/2018	30
City of Los Angeles Acting by and through the Department of Water & Power	1910067-054C	\$9,128,390.00	7/31/2018	30
City of Los Angeles Acting by and through the Department of Water & Power	1910067-048C	\$158,190,000.00	10/1/2018	30
City of Los Angeles Acting by and through the Department of Water & Power	1910067-035C	\$10,823,918.00	10/1/2018	30
City of Los Angeles Acting by and through the Department of Water & Power	1910067-011C	\$26,492,963.00	10/2/2018	30

EXHIBIT C: SFY 2018-19 Small Community Grant Drinking Water Projects

Funding Recipient	Project Number	Grant	Loan	Total Funding	FA Execution Date
Donner Summit Public Utility District	3100034-003P	\$220,000.00	\$0.00	\$220,000.00	5/1/19
Fresno, County of	1000359-005C	\$6,000,000.00	\$0.00	\$8,026,165.00	7/3/18
Indio Water Authority	3310020-001C	\$5,525,025.00	\$0.00	\$5,525,025.00	2/20/19
Mettler Valley Mutual Water Company	1900100-003P	\$494,175.00	\$0.00	\$495,000.00	8/15/18
Orleans Mutual Water Company	1200566-001P	\$180,000.00	\$0.00	\$180,000.00	8/22/18
Sierra East Homeowners' Association, Inc.	2600622-001C	\$1,030,350.00	\$0.00	\$1,030,350.00	10/9/18
Tulare, County of	5400550-001C	\$4,028,896.00	\$0.00	\$4,028,896.00	11/28/18
Water Replenishment District of Southern California	0019001-001C	\$1,485,750.00	\$0.00	\$2,485,750.00	8/15/18
Winship-Robbins Elementary School District	5100145-001C	\$350,000.00	\$0.00	\$350,000.00	8/3/18
Total		\$19,314,196.00	\$0.00	\$22,341,186.00	

EXHIBIT D: SFY 2018-19 Non-Funded Projects

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

General Package Received	Applicant	Category	Project Number	Funding Type	District	Estimated Project Cost	Disadvantaged Status	Description	Population	Service Connections	Comment/ Reason why not funded in SFY 2018-19
1/8/2018	Big Sandy Rancheria of Western Mono Indians of California	C	0600121-001P	Planning	Fresno	\$120,000	Pending	Big Sandy Rancheria Water System Capital Improvement	235	55	incomplete application
9/25/2017	Burney Water District	F	4510003-001P	Planning	Lassen	\$500,000	Severely Disadvantaged	Burney Water District Well 9 Planning Project	3000	1377	pending funding agreement
9/25/2017	Burney Water District	F	4510003-002P	Planning	Lassen	\$500,000	Severely Disadvantaged	Burney Water District Water Storage Planning Project	3000	1377	pending funding agreement
1/19/2017	Cabazon Water District	F	3310047-002P	Planning	Riverside	\$187,000	Disadvantaged	Pipeline Project	2535	961	to be funded in FY19-20
1/19/2017	Cabazon Water District	F	3310047-001P	Planning	Riverside	\$416,000	Disadvantaged	Well Improvements Project	2535	961	pending funding agreement
10/11/2016	Cascade Mutual Water Company	C	2000509-006P	Planning	Merced	\$300,000	Disadvantaged	Well Replacement Planning Project	300	137	incomplete application
5/30/2018	Cedar Valley Mutual Water Company	C	2000538-001P	Planning	Merced	\$100,000	Severely Disadvantaged	Arsenic MCL Compliance	137	67	pending funding agreement
Not Submitted	Enos Lane Public Utility District	C	1500544-004P	Planning	Visalia	\$495,150	Not Disadvantaged	Nitrate and Arsenic Mitigation Project-Enos Lane PUD	250	83	applicant unresponsive

General Package Received	Applicant	Category	Project Number	Funding Type	District	Estimated Project Cost	Disadvantaged Status	Description	Population	Service Connections	Comment/ Reason why not funded in SFY 2018-19
10/20/2017	Etna, City of	B	4710004-001P	Planning	Klamath	\$500,000	Severely Disadvantaged	City of Etna Surface Water Treatment Compliance Planning	769	383	incomplete application
4/5/2017	Frazier Park Public Utility District	A	1510007-001P	Planning	Tehachapi	\$1,210,550	Severely Disadvantaged	Frazier Park/Lake of the Woods Regional Consolidation Planning Project	2348	1362	funding agreement executed 8.1.19
5/26/2017	Lower Lake County Water District	C	1710010-001P	Planning	Mendocino	\$500,000	Severely Disadvantaged	Lower Lake CWD - Source Capacity & Treatment Plant	1902	851	pending funding agreement
8/22/2017	Madera, County of (MD10A - Madera Ranchos)	F	2010008-004P	Planning	Merced	\$355,000	Not Disadvantaged	Madera Ranchos Pipe Replacement & Metering Planning Project	2255	922	funding agreement executed 7.26.19
2/25/2016	Pike Ranch Mutual Water Company	C	2000526-001P	Planning	Merced	\$110,000	Disadvantaged	Pike Ranch Mutual Water Company Uranium/Coliform MCL	75	23	withdrawn
Not Submitted	Reeds Creek Elementary School District	C	5200540-001P	Planning	Valley	\$67,200	Severely Disadvantaged	Reeds Creek School CA5200540 Hexavalent Chromium Compliance Planning	180	3	on hold until hexavalent chromium MCL is reinstated
10/20/2017	Shady Oaks Mobile Home Park	C	2000828-002P	Planning	Merced	\$390,000	Disadvantaged	Shady Oak Water Project	40	21	funding agreement executed 7.23.19

General Package Received	Applicant	Category	Project Number	Funding Type	District	Estimated Project Cost	Disadvantaged Status	Description	Population	Service Connections	Comment/ Reason why not funded in SFY 2018-19
4/19/2016	Sierraville Public Utility District	D	4600018-001P	Planning	Lassen	\$320,100	Severely Disadvantaged	New Water Source	200	102	Project is no longer needed
8/23/2016	Sky View County Water District	C	5200562-001P	Planning	Valley	\$500,000	Severely Disadvantaged	Reliable Source Project	120	98	pending funding agreement
4/22/2015	Trinity, County of (Waterworks District 1)	B	5310002-002P	Planning	Klamath	\$270,000	Severely Disadvantaged	Water Treatment Plant Modification	1500	540	pending funding agreement
5/30/2018	Yosemite Forks Estates Mutual Water Company	C	2000527-001P	Planning	Merced	\$135,000	Severely Disadvantaged	Arsenic MCL Compliance	110	99	pending funding agreement

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

General Package Received	Applicant	Category	Project Number	Funding Type	District	Estimated Project Cost	Disadvantaged Status	Description	Population	Service Connections	Comment Explanation why it was not funded in SFY 2018-19
11/20/2017	Caliente Union School District	C	1502607-001C	Construction	Tehachapi	\$965,912	Pending	Piute Mountain Elementary School Fluoride Remediation Project	200	5	pending funding agreement
Not Submitted	California Water Service Company	C	1510033-001C	Construction	Tehachapi	\$1,000,000	Disadvantaged	Secondary Treatment at Kernville Surface Water Plant	5435	1914	applicant unresponsive
Not Submitted	Clearlake Oaks County Water District	F	1710001-003C	Construction	Mendocino	\$1,625,000	Severely Disadvantaged	Harvey Area Storage Tank, Booster Pump	2458	1667	project is inactive until planning

General Package Received	Applicant	Category	Project Number	Funding Type	District	Estimated Project Cost	Disadvantaged Status	Description	Population	Service Connections	Comment Explanation why it was not funded in SFY 2018-19
								Station, Pipelines and Access Road Infrastructure Project			project is complete
1/28/2017	Clearlake Oaks County Water District	F	1710001-004C	Construction	Mendocino	\$4,582,206	Severely Disadvantaged	Water Distribution System, Storage, and Booster Pump Station Infrastructure Project	2458	1667	project is inactive until planning project is complete
3/29/2017	Coachella Valley Unified School District	C	3301153-001C	Construction	Riverside	\$800,000	Severely Disadvantaged	Consolidation/extension of service to Westside school-Coachella Valley USD	975	1	pending funding agreement
5/22/2017	Colusa, City of	C	0610002-001C	Construction	Valley	\$2,022,580	Severely Disadvantaged	Walnut Ranch Construction Project	5625	2126	project number changed to 0610002-002C, incomplete application
12/20/2016	Davenport County Sanitation District	D	4400571-005C	Construction	Monterey	\$240,066	Disadvantaged	Old Coast Water Line Extension	350	130	receiving TA for CEQA
6/29/2016	Del Oro Water Company	A	5400665-003C	Construction	Visalia	\$5,189,176	Pending	River Island Water Treatment Plant	810	362	pending funding agreement
2/14/2017	Emerald Valley Estates Mutual Water Company	A	4301004-002C	Construction	Santa Clara	\$178,025	Not Disadvantaged	Test Well Integration	35	13	no longer need construction funding
3/17/2016	Feather Falls Union Elementary School District	A	0400107-001C	Construction	Valley	\$325,000	Severely Disadvantaged	Feather Falls School Emergency Well	50	2	School is closing June 2019

General Package Received	Applicant	Category	Project Number	Funding Type	District	Estimated Project Cost	Disadvantaged Status	Description	Population	Service Connections	Comment Explanation why it was not funded in SFY 2018-19
								Replacement #0400107			
2/8/2017	Floriston Property Owners Association, Inc.	A	2900502-002C	Construction	Valley	\$572,715	Disadvantaged	Spring Filtration Project	100	40	incomplete application
12/1/2016	Greenfield County Water District	C	1510024-001C	Construction	Visalia	\$5,000,000	Not Disadvantaged	Arsenic Mitigation Project	6500	2522	withdrawn
6/16/2016	Holtville, City of	C	1310005-006C	Construction	San Diego	\$1,778,600	Severely Disadvantaged	Holtville Water Tank & System Improvements	6032	1473	pending funding agreement
Not Submitted	Hughson, City of	C	5010008-012C	Construction	Stockton	\$4,116,274	Severely Disadvantaged	Cobles Corner / County Villa Consolidation with City of Hughson	6082	1779	project on hold until completion of other project
9/13/2017	Keyes Community Services District	A	5010009-005C	Construction	Stockton	\$10,410,000	Disadvantaged	1,2,3-TCP Removal Treatment System	4575	1450	incomplete application
8/23/2016	Lake Morena's Oak Shores Mutual Water Company, Inc.	F	3700923-002C	Construction	San Diego	\$756,500	Severely Disadvantaged	Eastside Pipeline Looping and Pipeline Abandonment Improvements	710	191	pending funding agreement
12./3/2016	Locke Water Works Company	C	3400138-001C	Construction	Sacramento	\$1,000,000	Severely Disadvantaged	Locke Water System Intertie w/ SCWA	65	55	project status is inactive until previous project ends
4/3/2016	London Community Services District	C	5410017-003C	Construction	Visalia	\$4,944,655	Severely Disadvantaged	Water System Reliability Project	1638	432	pending funding agreement

General Package Received	Applicant	Category	Project Number	Funding Type	District	Estimated Project Cost	Disadvantaged Status	Description	Population	Service Connections	Comment Explanation why it was not funded in SFY 2018-19
10/23/2015	Lost Hills Utility District	F	1510046-008C	Construction	Visalia	\$1,732,039	Severely Disadvantaged	Well Number Three	2772	373	applicant unresponsive
3/1/2016	Madera, County of	C	2000737-002C	Construction	Merced	\$2,138,584	Not Disadvantaged	Maintenance District 42 Pipeline Construction and Consolidation	100	34	requested grants but only qualify for loans
N/A	North Edwards WD	C	1510052-003C	Construction	Tehachapi	\$4,000,000	Disadvantaged	Arsenic Treatment - includes pipelines to Fountain Trailer Park and Sunset Apartments and a 12? pipeline to connect the treatment plant.	887	282	Funded by P84 Chemical Funding Program
12/27/2017	R.S. Mutual Water Company	C	1500458-002C	Construction	Tehachapi	\$538,000	Severely Disadvantaged	R.S. Mutual Water Company consolidation project	25	25	Funded by P84 Chemical Funding Program
7/12/2017	Rand Communities Water District	C	1510016-005C	Construction	Tehachapi	\$3,218,000	Severely Disadvantaged	Arsenic Remediation New Well	344	295	pending funding agreement
4/6/2016	Reef-Sunset Unified School District	C	1600048-001C	Construction	Visalia	\$315,000	Disadvantaged	Water and Irrigation System Modification Project	350	12	Funded by P84 Chemical Funding Program
7/7/2016	Trinity Knolls Mutual Water Company	C	5301102-004C	Construction	Klamath	\$3,492,340	Not Disadvantaged	Source Capacity Improvement and Distribution Rehabilitation Project	36	60	incomplete application

General Package Received	Applicant	Category	Project Number	Funding Type	District	Estimated Project Cost	Disadvantaged Status	Description	Population	Service Connections	Comment Explanation why it was not funded in SFY 2018-19
8/17/2016	Westley Community Services District	D	5000408-001C	Construction	Stockton	\$456,500	Severely Disadvantaged	Westley Community Services District Metering Project	70	35	pending funding agreement
1/9/2018	Yosemite Unified School District	C	2000567-002C	Construction	Merced	\$1,230,000	Severely Disadvantaged	Yosemite Unified School District Water System Upgrade Project	1200	1	pending funding agreement

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

General Package Received	Applicant	Category	Project Number	Funding Type	District	Estimated Project Cost	Disadvantaged Status	Description	Population	Service Connections	Comment Explanation why it was not funded in SFY 2018-19
10/26/2015	Twentynine Palms Water District	F	3610049-005P	Planning	San Bernardino	\$1,800,000	Disadvantaged	Potable Groundwater Management Project	17500	7704	withdrawn

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

General Package Received	Applicant	Category	Project Number	Funding Type	District	Estimated Project Cost	Disadvantaged Status	Description	Population	Service Connections	Comment Explanation why it was not funded in SFY 2018-19
9/9/2015	Apple Valley Ranchos Water Company	C	3610003-001C	Construction	San Bernardino	\$5,884,193	Severely Disadvantaged	Consolidation and Rehabilitation of Yermo Water System	52879	18744	pending funding agreement
7/29/2016	Arvin Community Services District	A	1510001-002C	Construction	Visalia	\$559,330	Severely Disadvantaged	ACSD/Son Shine Properties Water System Consolidation Project	11847	3446	incomplete application
10/24/2017	Arvin Community Services District	C	1510001-005C	Construction	Visalia	\$3,150,350	Severely Disadvantaged	123 TCP Treatment for Well No.8 and Well No. 13	11847	3446	incomplete application
4/12/2017	Coachella Valley Water District	C	3310001-009C	Construction	Riverside	\$974,160	Severely Disadvantaged	Thermal Mutual Water Company Consolidation Project	244472	97789	pending funding agreement
8/23/2017	Coachella Valley Water District	C	3310001-011C	Construction	Riverside	\$1,151,000	Severely Disadvantaged	Consolidation of Oasis Gardens WC	244472	97789	project is being combined with project 3310001-009C
1/18/2017	Fresno, City of	F	1010007-032C	Construction	Fresno	\$14,000,000	Disadvantaged	Fresno NE Surface Water Treatment Facility 6MG Finished Water Reservoir	457511	130176	pending funding agreement
8/24/2017	Hemet, City of	F	3310016-009C	Construction	Riverside	\$16,992,000	Severely Disadvantaged	Water Distribution System Improvements	20047	8667	incomplete application
3/5/2016	Los Angeles County	C	1910204-003C	Construction	Central	\$3,306,320	Not Disadvantaged	Owen Tank Replacement	27807	7733	incomplete application

General Package Received	Applicant	Category	Project Number	Funding Type	District	Estimated Project Cost	Disadvantaged Status	Description	Population	Service Connections	Comment Explanation why it was not funded in SFY 2018-19
	Waterworks District 29										
10/5/2017	Rosamond Community Services District	C	1510018-016C	Construction	Tehachapi	\$8,500,000	Disadvantaged	RCSD Arsenic Regional Consolidation Project	10633	4398	pending funding agreement

EXHIBIT E: Cumulative DWSRF Set-Aside Expenditures

DWSRF Administrative Set-Aside

FFY	Final Cap Grant Amount (incl. In-Kind)	Budget Amount	In-Kind Amount	Expenditure Amount	Balance
1997	\$75,565,707	\$3,027,304	\$0	\$3,027,304	\$0
1998	\$77,108,200	\$3,084,328	\$0	\$3,084,328	\$0
1999	\$80,816,700	\$3,232,668	\$0	\$3,232,668	\$0
2000	\$83,993,100	\$0	\$0	\$0	\$0
2001	\$84,340,000	\$3,373,600	\$0	\$3,373,600	\$0
2002	\$82,460,900	\$3,298,436	\$68,553	\$3,229,883	\$0
2003	\$81,966,200	\$3,278,648	\$0	\$3,278,648	\$0
2004	\$85,027,600	\$6,679,752	\$70,000	\$6,609,752	\$0
2005	\$84,847,500	\$2,781,076	\$0	\$2,781,076	\$0
2006	\$67,153,678	\$2,684,166	\$30,000	\$2,654,166	\$0
2007	\$67,105,000	\$2,684,200	\$0	\$2,684,200	\$0
ARRA 2009	\$159,008,000	\$5,364,472	\$0	\$5,364,472	\$0
2008	\$66,424,000	\$2,656,960	\$0	\$2,656,960	\$0
2009	\$66,424,000	\$2,656,960	\$0	\$2,656,960	\$0
2010	\$126,958,000	\$5,078,320	\$0	\$5,078,320	\$0
2011	\$86,698,000	\$3,467,920	\$0	\$3,467,920	\$0
2012	\$85,358,000	\$3,414,320	\$300,000	\$3,114,320	\$0
2013	\$78,770,000	\$3,150,800	\$426,867	\$2,723,933	\$0
2014	\$83,221,000	\$3,328,840	\$0	\$3,328,840	\$0
2015	\$82,674,000	\$3,306,960	\$395,000	\$2,911,960	\$0
2016	\$78,215,000	\$3,128,600	\$75,000	\$3,053,600	\$0
2017	\$77,545,000	\$3,101,800	\$0	\$3,101,800	\$1,041,528

FFY	Final Cap Grant Amount (incl. In-Kind)	Budget Amount	In-Kind Amount	Expenditure Amount	Balance
2018	\$97,991,000	\$3,919,640	\$0	\$3,919,640	\$3,818,300
Total	\$1,959,670,585	\$76,699,770	\$1,365,420	\$72,232,550	\$4,859,828

Small Water Technical Assistance Set-Aside

FFY	Final Cap Grant Amount (incl. In-Kind)	Budget Amount	In-Kind Amount	Expenditure Amount	Balance
1997	\$75,565,707	\$68,245	\$0	\$68,245	\$0
1998	\$77,108,200	\$1,542,164	\$0	\$1,542,164	\$0
1999	\$80,816,700	\$1,616,334	\$0	\$1,616,334	\$0
2000	\$83,993,100	\$0	\$0	\$0	\$0
2001	\$84,340,000	\$1,686,800	\$0	\$1,686,800	\$0
2002	\$82,460,900	\$1,649,218	\$0	\$1,649,218	\$0
2003	\$81,966,200	\$1,639,324	\$0	\$1,639,324	\$0
2004	\$85,027,600	\$3,339,876	\$0	\$3,339,876	\$0
2005	\$84,847,500	\$1,390,538	\$0	\$1,390,538	\$0
2006	\$67,153,678	\$1,342,083	\$0	\$1,342,083	\$0
2007	\$67,105,000	\$1,342,100	\$0	\$1,342,100	\$0
ARRA 2009	\$159,008,000	\$2,787,147	\$0	\$2,787,147	\$0
2008	\$66,424,000	\$1,328,480	\$0	\$1,328,480	\$0
2009	\$66,424,000	\$1,328,480	\$0	\$1,328,480	\$0
2010	\$126,958,000	\$2,539,160	\$0	\$2,539,160	\$0
2011	\$86,698,000	\$1,733,960	\$0	\$1,733,960	\$0
2012	\$85,358,000	\$1,707,160	\$0	\$1,707,160	\$0
2013	\$78,770,000	\$1,575,400	\$0	\$1,575,400	\$0

FFY	Final Cap Grant Amount (incl. In-Kind)	Budget Amount	In-Kind Amount	Expenditure Amount	Balance
2014	\$83,221,000	\$1,664,420	\$0	\$1,664,420	\$0
2015	\$82,674,000	\$1,653,480	\$0	\$1,653,480	\$0
2016	\$78,215,000	\$1,564,300	\$0	\$1,564,300	\$0
2017	\$77,545,000	\$1,550,900	\$0	\$494,414	\$1,056,485
2018	\$97,991,000	\$1,959,820	\$0	\$0	\$1,959,820
Total	\$1,959,670,585	\$37,009,389	\$0	\$33,993,083	\$3,016,305

State Program Management Set-Aside

FFY	Final Cap Grant Amount (in-kind included)	Budget Amount	In-Kind Amount	Expenditure Amount	Balance
1997	\$75,565,707	\$4,157	\$0	\$4,157	\$0
1998	\$77,108,200	\$308,433	\$0	\$308,433	\$0
1999	\$80,816,700	\$323,267	\$0	\$323,267	\$0
2000	\$83,993,100	\$0	\$0	\$0	\$0
2001	\$84,340,000	\$2,000,000	\$0	\$2,000,000	\$0
2002	\$82,460,900	\$2,000,000	\$0	\$2,000,000	\$0
2003	\$81,966,200	\$2,000,000	\$0	\$2,000,000	\$0
2004	\$85,027,600	\$2,400,000	\$0	\$2,400,000	\$0
2005	\$84,847,500	\$4,077,000	\$0	\$4,077,000	\$0
2006	\$67,153,678	\$4,704,000	\$0	\$4,704,000	\$0
2007	\$67,105,000	\$4,934,400	\$0	\$4,934,400	\$0
ARRA 2009	\$159,008,000	\$0	\$0	\$0	\$0
2008	\$66,424,000	\$4,882,164	\$0	\$4,882,164	\$0

FFY	Final Cap Grant Amount (incl. In-Kind)	Budget Amount	In-Kind Amount	Expenditure Amount	Balance
2009	\$66,424,000	\$4,882,164	\$0	\$4,882,164	\$0
2010	\$126,958,000	\$9,318,717	\$0	\$9,318,717	\$0
2011	\$86,698,000	\$8,669,800	\$0	\$8,669,800	\$0
2012	\$85,358,000	\$8,535,800	\$0	\$8,535,800	\$0
2013	\$78,770,000	\$7,089,300	\$0	\$7,089,300	\$0
2014	\$83,221,000	\$8,322,100	\$300,000	\$8,022,100	\$0
2015	\$82,674,000	\$8,267,400	\$0	\$8,267,400	\$0
2016	\$78,215,000	\$7,821,500	\$0	\$7,821,500	\$0
2017	\$77,545,000	\$7,754,500	\$0	\$7,754,500	\$0
2018	97,991,000	\$9,799,100	\$0	\$1,485,880	\$8,313,219
Total	\$1,959,670,585	\$108,093,802	\$300,00	\$91,726,082	\$8,313,219

Local Assistance Set-Aside

FFY	Final Cap Grant Amount (in-kind included)	Budget Amount	In-Kind Amount	Expenditure Amount	Balance
1997	\$75,565,707	\$6,831,577	\$0	\$6,831,577	\$0
1998	\$77,108,200	\$0	\$0	\$0	\$0
1999	\$80,816,700	\$0	\$0	\$0	\$0
2000	\$83,993,100	\$2,000,000	\$0	\$2,000,000	\$0
2001	\$84,340,000	\$0	\$0	\$0	\$0
2002	\$82,460,900	\$0	\$0	\$0	\$0
2003	\$81,966,200	\$0	\$0	\$0	\$0
2004	\$85,027,600	\$0	\$0	\$0	\$0
2005	\$84,847,500	\$0	\$0	\$0	\$0

FFY	Final Cap Grant Amount (incl. In-Kind)	Budget Amount	In-Kind Amount	Expenditure Amount	Balance
2006	\$67,153,678	\$0	\$0	\$0	\$0
2007	\$67,105,000	\$0	\$0	\$0	\$0
ARRA 2009	\$159,008,000	\$0	\$0	\$0	\$0
2008	\$66,424,000	\$0	\$0	\$0	\$0
2009	\$66,424,000	\$0	\$0	\$0	\$0
2010	\$126,958,000	\$0	\$0	\$0	\$0
2011	\$86,698,000	\$2,600,940	\$0	\$2,600,940	\$0
2012	\$85,358,000	\$4,267,900	\$0	\$4,267,900	\$0
2013	\$78,770,000	\$2,507,007	\$0	\$2,507,007	\$0
2014	\$83,221,000	\$4,993,260	\$0	\$4,993,260	\$0
2015	\$82,674,000	\$8,267,400	\$0	\$8,267,400	\$0
2016	\$78,215,000	\$7,821,500	\$0	\$7,821,500	\$26,835
2017	\$77,545,000	\$5,428,150	\$0	\$4,041,613	\$1,386,537
2018	\$97,991,000	\$9,799,100	\$0	\$0	\$9,799,100
Total	\$1,959,670,585	\$54,516,834	\$0	\$43,331,197	\$11,212,472

**EXHIBIT F: SFY 2018-19 Green Project Reserve Projects and Additional Subsidy Projects
(Principal Forgiveness)**

Funding Recipient	Project Number	Additional Subsidy (Principal Forgiveness)¹	Loan	GPR Funding Amount	Total SRF Funding	FA Execution Date	Status
Arvin Community Services District	1510001-003C	\$5,000,000.00	\$9,348,616.00	\$0.00	\$9,348,616.00	4/12/2019	Severely Disadvantaged
Ballico Community Service District	2400167-001P	\$455,000.00	\$0.00	\$0.00	\$455,000.00	6/7/2019	Severely Disadvantaged
Cobb Area County Water District	1710012-001P	\$2,550,000.00	\$0.00	\$0.00	\$2,550,000.00	6/21/2019	Disadvantaged
Fresno, County of	1000359-005C	\$2,026,165.00	\$0.00	\$0.00	\$2,026,165.00	7/3/2018	Severely Disadvantaged
Kings Canyon Unified School District	1000316-001P	\$498,000.00	\$0.00	\$0.00	\$498,000.00	7/17/2018	Severely Disadvantaged
Mettler Valley Mutual	1900100-003P	\$825.00	\$0.00	\$0.00	\$825.00	8/15/2018	Disadvantaged

¹ Small DACs may receive additional subsidy (principal forgiveness) for their eligible projects per the IUP.

Funding Recipient	Project Number	Additional Subsidy (Principal Forgiveness)¹	Loan	GPR Funding Amount	Total SRF Funding	FA Execution Date	Status
Water Company							
Mojave Public Utility District	1510014-003C	\$2,215,930.00	\$0.00	\$0.00	\$2,215,930.00	5/23/2019	Severely Disadvantaged
Mountain Gate Community Services District	4510002-006P	\$500,000.00	\$0.00	\$0.00	\$500,000.00	6/28/2019	Disadvantaged
	Total:	\$13,245,920.00	\$0.00	\$0.00	\$17,594,536.00		

EXHIBIT G: SFY 2018-19 Projects Funded by Public Health Needs Category

Funding Recipient	Project Name	Category	Population	Connections	Initial Funding Date	Principal Forgiveness Amount	Loan Amount	Total Amount Financed	Status
Mettler Valley Mutual Water Company	Arsenic Exceedance-Remediation	A	135	98	8/15/2018	\$825	\$0	\$825	Small Disadvantaged
City of Los Angeles Acting by and through the Department of Water & Power	Silver Lake Reservoir Complex Storage Replacement Project (Headworks West)	B	3,987,622	732,224	10/1/2018	\$0	\$158,190,000	\$158,190,000	Not Disadvantaged
Arvin Community Services District	Arsenic Mitigation Project - Phase II	C	20,850	3,885	4/12/2019	\$5,000,000	\$9,348,616	\$14,348,616	Large Severely Disadvantaged
Ballico Community Service District	Secondary Well Construction	C	360	72	6/7/2019	\$455,000	\$0	\$455,000	Small Severely Disadvantaged
Cobb Area County Water District	Multi-System Consolidation Project	C	1,769	708	6/21/2019	\$2,550,000	\$0	\$2,550,000	Small Disadvantaged
County of Fresno	Westside Groundwater Project	C	704	244	7/3/2018	\$2,026,165	\$0	\$2,026,165	Small Severely Disadvantaged
Kings Canyon Unified	DBCP MCL Compliance	C	120	1	7/17/2018	\$498,000	\$0	\$498,000	Small Severely Disadvantaged

Funding Recipient	Project Name	Category	Population	Connections	Initial Funding Date	Principal Forgiveness Amount	Loan Amount	Total Amount Financed	Status
School District									
City of Livingston	Livingston WS Improvements Project	C	13,753	2,827	10/25/2018	\$0	\$4,000,000	\$4,000,000	Not Disadvantaged
Loma Rica Water Company	Reservoir Replacement Project	C	200	70	7/17/2018	\$0	\$151,928.00	\$151,928	Not Disadvantaged
City of Los Angeles Acting by and through the Department of Water & Power	99th Street Wells Ammoniation Station Project	C	484,52	732,224	10/1/2018	\$0	\$10,823,918	\$10,823,918	Not Disadvantaged
City of Los Angeles Acting by and through the Department of Water & Power	Upper Stone Canyon Reservoir Water Quality Improvement Project	D	3,987,224	3,987,622	10/2/2018	\$0	\$26,492,963	\$26,492,963	Not Disadvantaged
Mojave Public Utility District	Emergency Roof Repair at the Two 1.5 Million Gallon Navy Tanks	D	4,200	1,309	5/23/2019	\$2,215,930	\$0	\$2,215,930	Small Severely Disadvantaged

Funding Recipient	Project Name	Category	Population	Connections	Initial Funding Date	Principal Forgiveness Amount	Loan Amount	Total Amount Financed	Status
City of Huntington Park	Miles Avenue Water Quality Improvement Project	E	17,272	5,532	2/21/2019	\$0	\$236,500	\$236,500	Large Severely Disadvantaged
Mountain Gate Community Services District	Water System Improvements Project	E	2,227	666	6/28/2019	\$500,000	\$0	\$500,000	Small Disadvantaged
City of Los Angeles Acting by and through the Department of Water & Power	Elysian Reservoir Water Quality Improvement Project	F	3,987,622	73,224	7/31/2018	\$0	\$9,128,390	\$9,128,390	Not Disadvantaged

EXHIBIT H: Disadvantaged Business Enterprise Report

		MBE	WBE	TOTAL
Annual Disbursements by Category		\$8,816,303.00	\$2,654,719.00	\$11,471,022.00
Total Disbursements				\$228,754,234.00
Percentage to Total Disbursements		3.80%	1.10%	4.90%

Note: Percentage of DBE participation is determined by taking the funds disbursed to MBE and WBE compared to the total disbursements for the period October 1, 2017 through September 30, 2018. DBE reports are collected annually based on the FFY.

EXHIBIT I: SFY 2018-19 DWSRF FFATA Projects

Funding Recipient	Project Number	Agreement Date	FFATA Reporting Due	Actual Date Reported	FFATA Reporting Amount
City of Los Angeles Acting by and through the Department of Water & Power	1910067-048C	10/1/2018	11/30/2018	2/14/2019	\$158,190,000
				Total:	\$158,190,000

Note: For FFY 2018 Capitalization Grant of \$97,991,000

EXHIBIT J: DWSRF Revenue Bond Funded Projects

Project Number	Funding Recipient	DWSRF Funding Amount as of 6/30/2019 ¹	Project Description	Amount Disbursed from Series 2019 Bonds as of 6/30/2019 ²	Anticipated Future Disbursements from Series 2019 Bonds	Construction Completion Date ³
1010007-028C	City of Fresno	\$195,489,000	In order to decrease reliance on groundwater, address declining groundwater levels, and create a more sustainable water supply, the City is constructing the Southeast Surface Water Treatment Facility. The new facility is an 80 million gallon per day surface water treatment facility that includes conventional pre-treatment using plate settlers, intermediate ozone treatment, and filtration. In addition, the City is constructing two cast-in-place treated water reservoirs, a pump station, lagoons for handling residuals, an operations building, and a chemical building.	\$1,514,822.97	\$0.00	1/1/2019
1010007-030C	City of Fresno	\$75,900,000	The project includes approximately 13 miles of 16-inch to 66-inch diameter pipelines, designated as Regional Transmission Mains, to convey potable water from the new Southeast Surface Water	\$2,077,581.00	\$0.00	6/30/2020

¹ The DWSRF funding amount reflects amounts as of 6/30/2019, including any adjustments for funding increases as a result of contract amendments or funding decreases as a result of unliquidated/de-obligated balances.

² The Series 2019 revenue bonds were fully disbursed immediately following the receipt of such bond proceeds.

³ Series 2019 revenue bonds were fully disbursed immediately following the receipt of such bond proceeds.

Project Number	Funding Recipient	DWSRF Funding Amount as of 6/30/2019¹	Project Description	Amount Disbursed from Series 2019 Bonds as of 6/30/2019²	Anticipated Future Disbursements from Series 2019 Bonds	Construction Completion Date³
			Treatment Facility to the City's transmission and distribution system.			
1010007-031C	City of Fresno	\$65,875,669	The City will construct a new check structure and diversion along the Fresno No. 3 Canal and a 13-mile 72-inch raw water pipeline to bring water to the Southeast Surface Water Treatment Facility.	\$2,241,340.00	\$0.00	9/1/2018
1910067-048C	Los Angeles, City of Acting by and through the Department of Water & Power	\$158,190,000	To comply with the Long Term 2 Enhanced Surface Water Treatment Rule, the City will remove the uncovered Silver Lake and Ivanhoe Reservoirs from service. The City will construct the new 54 million gallon, buried concrete Headworks West Reservoir to replace the lost capacity.	\$76,054,773.00	\$0.00	8/31/2021
1910067-049C	Los Angeles, City of Acting by and through the Department of Water & Power	\$102,797,875	The Department of Water and Power will construct a 650 million gallon per day ultraviolet disinfection facility to treat water from the Los Angeles Reservoir. This will allow the Department to comply with the Long Term 2 Enhanced Surface Water Treatment Rule, which requires public water systems to either cover or treat water stored in open reservoirs. The Department chose treatment due to the size of the Reservoir.	\$8,464,494.89	\$0.00	2/28/2020

Project Number	Funding Recipient	DWSRF Funding Amount as of 6/30/2019¹	Project Description	Amount Disbursed from Series 2019 Bonds as of 6/30/2019²	Anticipated Future Disbursements from Series 2019 Bonds	Construction Completion Date³
1910154-001C	City of South Pasadena	\$12,205,642	Given the age of the Graves Reservoir, the City will construct a new reservoir, pump station, related appurtenances, and a wellhead treatment system.	\$679,462.00	\$0.00	4/30/2020
3710020-074C	City of San Diego	\$15,000,044	This project will replace the Montezuma pump station. The new station will have six pumps with a total capacity of 18 MGD. The project also includes 7,000 feet of new, larger pipeline to replace an existing pipelines to reduce head loss, increase transmission capacity, and meet pressure criteria.	\$4,755,588.88	\$0.00	5/1/2020
3410020-034C	City of Sacramento	\$173,141,875	The City will receive financing to install approximately 36,000 of its approximately 40,000 water meters on existing residential and commercial water service connections. Other funding sources will be used for the remaining 4,000 meters.	\$4,211,937.26	\$0.00	1/1/2021
			Total	\$100,000,000.00	\$0.00	

VIII. APPENDICES

Appendix A	Short-Term Goals
Appendix B	Long-Term Goals
Appendix C	Operating Agreement and Capitalization Grant Conditions
Appendix D	Performance Evaluation Report
Appendix E	Audited Financial Statements

APPENDIX A: Short-Term Goals

This section describes the State Water Board’s efforts to meet the following short-term goals established in the SFY 2018-19 DWSRF IUP. These goals provided the framework for the State Water Board’s decision-making, maximization, and prioritization of staff and funding sources.

	Short-Term Goal	Comments
1	Work with DDW Consolidation Specialists in SFY 2018-19 to identify public health issues and evaluate solutions for SWSs, including technical assistance and consolidation where feasible.	<ul style="list-style-type: none"> • DFA and DDW management met regularly to evaluate solutions and assess funding priorities for a variety of SWSs, including systems with arsenic contamination and candidates for consolidation. • At the concept stage, DFA staff worked with DDW’s Consolidation Specialists to identify consolidation opportunities using technical assistance resources, and then the Consolidation Specialists and DDW District Engineers regularly coordinated with DFA staff and management on the financing applications and implementation of the projects. • In SFY 2018-19, the State Water Board funded one consolidation (construction) project using Prop 1 grant funds.
2	Ensure that the maximum principal forgiveness allowable from the FFY 2018 Capitalization Grant is provided to eligible recipients ¹ .	<ul style="list-style-type: none"> • The maximum allowable principal forgiveness from the FFY 2018 Capitalization Grant was 50% of the Grant or approximately \$49.0 million. In SFY 2018-19 the State Water Board provided \$13.25 million of principal forgiveness to SWSs serving small DACs or small SDACs as well as ESCWSs serving SDACs (see IX.C.7). As of June 30, 2019, the State Water Board had provided 0 percent (0%) of the FFY 2018 Capitalization Grant as principal forgiveness to new binding commitments and amendments of prior years’ binding commitments. The State Water Board anticipates awarding the remaining 2018 principal forgiveness in early SFY 2019-20.
3	Prioritize available funding for PWSs serving fewer than 10,000 people to the maximum extent practicable and consistent with	<ul style="list-style-type: none"> • The OSWS was reorganized to increase the resources available within DFA devoted to assisting SWS with their financing needs. • The State Water Board continued to prioritize DWSRF funding for PWSs serving less than 10,000 people in SFY 2018-19. As a result, the DWSRF provided \$12.4 million to 9 SWSs in SFY 2018-19 (Exhibit A, page 35).

¹ USEPA requirements also allow for the FFY 2018 Capitalization Grant principal forgiveness to be awarded for the purchase, refinance, or restructuring of debt obligations where the debt was incurred after March 23, 2018.

	other governing federal and state authorities.	<p>The total amount of DWSRF funding provided over the life of the program is over \$455 million, 15% of the total DWSRF funding and the total number of SWS projects over the life of the program is over 309, 68 percent (68%) of the total DWSRF funded projects.</p> <ul style="list-style-type: none"> • The SFY 2018-19 IUP also made subsidized construction financing available for PWSs serving SDACs greater than 10,000 people but less than 20,000 people. The IUP defines these PWSs as “Expanded Small Community Water Systems” that serve a SDAC. In SFY 2018-19, no principal forgiveness was provided ESCWSs serving a SDAC.
4	Reduce noncompliance with drinking water standards and requirements by providing technical assistance to SWSs that have significant SDWA violations.	<ul style="list-style-type: none"> • The State Water Board continued to provide a suite of technical assistance in SFY 2018-19 to SWSs, especially those with significant SDWA violations. Specifically, the DWSRF set-asides funded third-party contractors that provided a variety of TMF capacity development assistance to SWSs. See Section IV.H (page 26) for more information on DWSRF technical assistance. • DFA also continued to fund technical assistance for a variety of projects using Prop 1 funds. • DFA and DDW provided direct technical assistance to SWSs with significant SDWA violations. Examples of direct technical assistance included: (a) meeting with DDW Consolidation Specialists and applicants to discuss project concepts before applications were submitted; (b) reviewing applications with minimal material submitted and guiding applicants to complete additional application packages; and (c) helping funding recipients properly prepare and submit reimbursement claims.
5	Require PWSs requesting assistance to complete a TMF assessment to improve sustainability and resiliency.	<ul style="list-style-type: none"> • During SFY 2018-19, all DWSRF applications were required to include a TMF assessment, and DFA’s Project Managers also continued to evaluate these assessments as part of reviewing the DWSRF applications. As further described in Section IV.H (page 26), DWSRF applicants that lacked TMF capacity were offered technical assistance by the State Water Board to help them resolve their TMF deficiencies.
6	Develop criteria and procedures for evaluating financial capacity of water systems.	<ul style="list-style-type: none"> • DFA-OSWS continued to coordinate with DDW in developing additional criteria and procedures for evaluating financial capacity of water systems. The additional criteria and procedures will be incorporated into the State Water Board’s more comprehensive plan for implementing its Safe and Affordable Drinking Water Fund.

7	Identify climate change vulnerabilities of proposed projects as well as mitigate the impacts that facilities may have on the climate.	<ul style="list-style-type: none"> DFA staff developed a climate change worksheet that will be incorporated into the DWSRF financing application. All applicants will be required to complete the worksheet as part of their DWSRF funding applications. The climate change worksheet considers vulnerabilities of proposed projects as well as the impacts of climate change on projects being considered for DWSRF funding.
8	Continue marketing and outreach efforts to PWS, including Spanish translation services, and social media to advertise the availability of technical assistance for SWSs serving DACs.	<ul style="list-style-type: none"> DFA continued to participate in various PWS marketing and outreach efforts in SFY 2018-19. Specifically, DFA marketed the DWSRF program at seven (7) California Financing Coordinating Committee events, two CalTAP fairs, two symposia (treatment certification and distribution) that focused on regulation updates, sanitary surveys, and financial management, as well as 104 other online and onsite workshops and outreach events.
9	Amend the DWSRF Policy to further align the CWSRF and DWSRF programs.	<ul style="list-style-type: none"> The State Water Board approved an amended DWSRF Policy at its February 5, 2019, Board meeting to further align the CWSRF and DWSRF programs.
10	Continue regular staff level finance/audit coordination meetings to ensure the immediate and long-term financial health of the DWSRF.	<ul style="list-style-type: none"> DFA and DAS staff conducted regular finance/audit coordination meetings on August 16, 2018, January 11, 2019, and June 27, 2019 to ensure oversight of the CWSRF's finances. Standing topics at finance/audit coordination meetings included (a) reviewing cash flow of projects under contract, short and long-term cash flow projections, and cash flow needs for upcoming projects; (b) comparing actual performance with target performance measures; and (c) reviewing audit issues, program control issues, tax compliance issues, and planning for upcoming audits.
11	Continue to maximize all available DWSRF state match sources, including DWSRF Local Match financing options.	<ul style="list-style-type: none"> DFA continued to employ Prop 1 Drinking Water funds as State Match for DWSRF and has additional Prop 1 Drinking Water Funds for future State Match needs. In SFY 18-19, DFA elected not to use Prop 68 Drinking Water Funds as State Match for the DWSRF so that such bond funds could be used as additional complementary grants. However, DFA continued to investigate and plan for future General Obligation bond State Match options as well as short-term State Match

		bonds once the bank of Prop 1 Drinking Water State Match funds is exhausted,
12	Apply for and accept the FFY 2018 Capitalization Grant; commit the FFY 2018 Capitalization Grant, including the associated state match, by June 30, 2019, so that federal funds are used efficiently and timely in accordance with 40 CFR §35.3550(c).	<ul style="list-style-type: none"> • The State Water Board finalized its FFY 2018 Capitalization Grant application in June 2018. USEPA awarded the FFY 2018 Grant on September 5, 2018 in the amount of \$97,991,000. The State Water Board will provide \$19,598,200 in matching funds through Prop 1 Drinking Water funds to satisfy the state match requirement. • With a total commitment of approximately \$231.6 million in SFY 2018-19 to a combination of planning and construction projects, DFA obligated the FFY 2018 Capitalization Grant, with the exception of set-aside funds, before June 30, 2019. The commitment, along with previous commitments, has enabled the State Water Board to liquidate all local federal funds from the 2017 and earlier Capitalization Grants within SFY 2018-19.
13	Liquidate DWSRF capitalization grants within 2 to 3 years of their award.	<ul style="list-style-type: none"> • The State Water Board maintained a DWSRF federal ULO balance in SFY 2018-19 less than the sum of the two most recent Capitalization Grants consistent with USEPA's DWSRF ULO Reductions Strategy. Specifically, California's DWSRF federal ULO was \$39.76 million as of June 30, 2019, \$136.24 million less than the maximum \$176 million.
14	Review cash forecasts of existing and potential commitments to ensure that DWSRF can satisfy its obligations timely and to also evaluate the need for leveraging or other actions to regulate cash outflows.	<ul style="list-style-type: none"> • State Water Board staff prepared and regularly reviewed cash management reports to ensure that sufficient cash would be available to meet all disbursement requests. • Staff evaluated the cash flow impact of each new project during the financing approval process.

APPENDIX B: Long-Term Goals

	Long-Term Goal	Comments
1	Address Significant Risks to Public Health	<ul style="list-style-type: none"> • The State Water Board helped PWSs address significant public health risks in SFY 2018-19 by funding construction and planning as well as technical assistance. • More than 50 percent (50%) of the projects funded by the DWSRF and its complementary funding sources addressed primary drinking water standards (see page 18). This result was attributable to close coordination between DFA and DDW. OSWS staff met regularly with DDW District staff and management to prioritize funding for small DACs and the technical assistance needed by PWSs to obtain DWSRF and complementary funding. • DFA also updated DDW staff monthly on the status of applications for projects to address arsenic violations, including outstanding application items; the progress of technical assistance; recently executed funding agreements; and anticipated compliance dates.
2	Promote SDWA Compliance	<ul style="list-style-type: none"> • DFA continued to coordinate with DDW to prioritize DWSRF and complementary funding for projects that reestablish compliance or prevent non-compliance. • DFA staff continued to make technical assistance available to help SWSs apply for planning and construction funding. • DDW also continued its permitting, inspection, monitoring and enforcement activities for compliance with the SDWA.
3	Improve Affordability and Sustainability	<ul style="list-style-type: none"> • The State Water Board continued to provide below market financing and principal forgiveness in SFY 2018-19 to make funding affordable for communities throughout California. The average interest rate for SFY 2018-19 was one and nine-tenths of one percent (1.9%), well below market rates. DWSRF principal forgiveness was combined with Small Community Grant Drinking Water funding in certain cases to further reduce costs for California's small DACs. • Approximately \$27.6 million in DWSRF principal forgiveness, and Small Community Grant Drinking Water funds were awarded to small DACs in SFY 2018-19.
4	Use revenue and capital effectively	<ul style="list-style-type: none"> • DFA continued to monitor cash and financing forecasts to determine whether additional capital would be needed. DFA determined that additional capital was needed during SFY 2018-19 for the DWSRF program, and the

		<p>State Water Board issued approximately \$100 million in Series 2019 DWSRF bonds on April 24, 2019.</p> <ul style="list-style-type: none"> • The Series 2019 bonds were issued consistent with the <i>CWSRF/DWSRF Debt Management Policy</i> to ensure the long-term financial health of the program and the requirement to maintain the DWSRF in perpetuity.
5	Maintain financial integrity	<ul style="list-style-type: none"> • State Water Board staff analyzed the creditworthiness of all applicants to ensure DWSRF is repaid on time and in full and imposed special conditions where appropriate on applicants to lower the credit risk. • Approvals and transactions associated with individual DWSRF projects were documented in each project’s file. A hard-copy file was established and maintained for each project, and an electronic record was maintained for each project in the “Loans and Grants Tracking System,” the DWSRF’s data management system. • Each approval and transaction in SFY 2018-19 required multiple reviews and sign-offs from staff and management to ensure accuracy and validity. Written internal procedures for the DWSRF program were also maintained. • State Water Board staff also surveilled financing recipients with outstanding obligations. Recipients are generally required to provide ongoing financial information after loan closing or to complete public outreach if there was significant public disapproval during their rate setting process. • DFA staff maintained its “watch list” of financing recipients and potential applicants that show signs of financial weakness. Financial weakness was assessed using the financing recipients’ annual financial statements, a variety of news outlets, and periodic interactions with applicants, the DDW District Offices, and the public. • DFA staff monitored payments of all outstanding agreements in SFY 2018-19 to identify late payments and prevent delinquent payments, that is payments greater than 10 days past the payment due date, especially payments on agreements that have been pledged to repay DWSRF revenue bonds. • State Water Board staff prepared financial statements for the DWSRF, and the financial statements were audited by an independent auditor in accordance with Government Auditing Standards. A copy of the audited financial statements is included in this report (Appendix

		<p>E, page E-1), and is posted on the State Water Board's DWSRF website.</p> <ul style="list-style-type: none"> • Designated State Water Board supervisors and managers were required to file an annual "Statement of Economic Interest" with the California Fair Political Practices Commission. In addition, State Water Board supervisors and managers completed conflict of interest training and are required to complete ethics training biennially.
6	Provide good customer service with a special emphasis on assisting SDACs and DACs.	<ul style="list-style-type: none"> • The OSWS continued to focus its efforts on small SDACs and small DACs, and to provide grant funds to those communities in SFY 2018-19 for safe and affordable drinking water projects.
7	Ensure the timely commitment and disbursement of DWSRF funds.	<ul style="list-style-type: none"> • The State Water Board prioritized staff and financial resources to the maximum extent possible to ensure that it can quickly and fully disburse DWSRF funds to existing obligations. • The State Water Board redirected DWSRF Program staff to implement the transition to FISCAL resulting in lower commitments and delayed disbursements of DWSRF funds. • The State Water Board also managed its staff to ensure that new obligations are made to eligible projects so that future commitments and disbursements are timely.
8	Maximize cash flow and the disbursement of funds	<ul style="list-style-type: none"> • The State Water Board continued to commit DWSRF funds based on its cash-flow model. Commitments were made based on future disbursements being made with future repayments, Capitalization Grants, or other sources, including leveraged bonds. • DFA also focused on recipients that were "ready to proceed" to both a funding agreement and construction. Because the State Water Board focused on "ready-to-proceed" projects that addressed public health priorities, the State Water Board successfully managed the DWSRF's finances to ensure compliance with USEPA's ULO reduction strategy. • The DWSRF set-asides were also employed in SFY 2018-19 for the administration of the DWSRF and the State Water Board's PWSS program managed by DDW, as well as provide for TMF and SWS technical assistance.

APPENDIX C: Operating Agreement and Capitalization Grant Conditions

The State Water Board agreed to meet a number of conditions described in the DWSRF Operating Agreement and Federal capitalization grant agreements. These conditions were met as described below.

1. Assistance Activities

The State Water Board continued to provide DWSRF funding to eligible PWSs in SFY 2018-19 for projects needed to achieve or maintain compliance with safe drinking water standards. All activities funded were eligible under Section 35.3520 of Title 40 of Code of Federal Regulations. A total of \$231,618,235 in new DWSRF funding was awarded to fifteen (15) projects in SFY 2018-19. DWSRF funds were provided to eligible recipients to enhance drinking water treatment, distribution, storage, installation of meters, as well as ensure water system reliability through the installation of interties and the consolidation of PWSs. Water quality issues such as arsenic and nitrate contamination, as well as groundwater under direct influence, and disinfection by-product formation continued to be addressed in SFY 2018-19. Eligible recipients included privately and publicly owned community and non-profit non-community PWSs. The projects and PWSs funded in SFY 2018-19 are further detailed in Exhibit G (page 54).

The SFY 2018-19 DWSRF IUP Fundable List, consisting of one hundred and twenty-three (123) projects, included projects that might be funded by the DWSRF or from other complementary funding sources. However, many projects listed in the SFY 2018-19 DWSRF Fundable List were not funded by the DWSRF during the SFY 2018-19 for various reasons as noted in Exhibit D (page 38), including options for other funding from Prop 1 Drinking Water. The high demand for drinking water improvement funding in California required the State Water Board to prioritize projects based upon their public health benefits as well as the recipient's readiness to proceed to a funding agreement.

2. Eligible Categories of Projects and Financing Terms

The State Water Board continued to provide below-market financing and additional subsidy in SFY 2018-19 for projects ranked in Categories A-F (page 18) of the DWSRF public health prioritization scheme. The State Water Board also generally prioritized higher ranked public health categories and projects benefiting small DACs in SFY 2018-19. Types of assistance included loans and installment sale agreements for the planning, design, and construction of drinking water infrastructure projects.

Principal forgiveness was provided to SWSs that served DACs and SDACs and was available to eligible ESCWSs serving SDACs. SWSs serving DACs and eligible ESCWSs serving SDACs generally received zero percent (0%) interest rates on DWSRF repayable financing. The standard interest rate for all other repayable financing averaged one and nine-tenths of one percent (1.9%), which was one-half the state's average general obligation rate in the previous year. Standard repayable financing for construction projects for publicly and privately owned PWSs and PWSs serving DACs was amortized over a 30-year period.

3. Provide a State Match

The State Water Board demonstrated the source of its twenty percent (20%) general state match requirements (\$19.5 million) for the FFY 2018 Capitalization Grant (\$97.9 million) in SFY 2018-19 through appropriations provided under Chapter 5, Section 79724 of Prop 1 Drinking Water. As of June 30, 2019, approximately \$115 million of Prop 1 Drinking Water funds had been appropriated and encumbered as State Match. In total, as of June 30, 2019, California had disbursed approximately \$399.26 million in cumulative state match funds to the DWSRF program through a combination of state general fund and general obligation bond proceeds/ appropriation, local match, and short-term financings with the IBank.

4. Binding Commitments Within One Year

The State Water Board continued to commit DWSRF funding to projects in an amount equal to or greater than one hundred and twenty percent (120%) of each federal payment within one year of receipt of that payment. As of June 30, 2019, executed funding agreements totaled approximately \$3.243 billion, or 193 percent (193%) of the approximately \$1.683 billion in federal payments received for DWSRF loans.

5. Expedious and Timely Expenditure

The State Water Board continued to make timely and expeditious use of DWSRF funds, especially federal capitalization grant funds in accordance with USEPA's ULO reduction strategy. USEPA's ULO reduction strategy generally requires that no more than two federal capitalization grants remain undisbursed at any one time. As of June 30, 2019, the State Water Board had only \$39.757 million in undisbursed FFY 2017 and FFY 2018 Capitalization Grant funds, of which approximately 43 percent (43%) were predominantly set-aside funds already allocated for eligible use.

This timely and expeditious use of federal capitalization grant funds was substantially achieved through cash-flow modeling and the over-commitment of DWSRF funds in SFY 2018-19 and prior fiscal years. In SFY 2018-19, there was no minimum funding agreement amount to ensure optimal use of DWSRF funds without leveraging. Therefore, the State Water Board exceeded the minimum

commitment amount by awarding approximately \$231.6 million in DWSRF funds by June 30, 2019. As described in the SFY 2018-19 IUP, the minimum commitment amount depended upon projected funding disbursements relative to existing fund balances and projected future revenues such that the DWSRF fund balance did not substantially decrease below \$100 million.

The timely and expeditious use of DWSRF funds was also satisfied through the prompt and efficient processing of DWSRF reimbursement claims, albeit the DWSRF disbursement rate was below average in SFY 2018-19 due to the State Water Board's implementation of FI\$Cal. To ensure timely reimbursement, DWSRF claims were generally reviewed and paid within 45 days from receipt of a complete claim. But, this period was extended in the last few months of the fiscal year due to the State Water Board's implementation of FI\$Cal. Prior to FI\$Cal implementation, DFA staff reviewed and approved complete disbursement claims generally within 25 days, and then routed the requests to DAS for processing. DAS generally processed requests within eight calendar days of receiving the claim, and the State Controller's Office (SCO) generally issued a check (warrant) within seven calendar days to the funding recipient. The implantation of FI\$Cal has added additional processing time to the disbursement of funds within DFA, DAS and the SCO. This change in claims processing times is expected to normalize in SFY 2019-20 but remain longer than historical averages for the foreseeable future.

The State Water Board continued to draw federal funds in SFY 2018-19 from the United States Treasury via the Automated Standard Application for Payments (ASAP) system as warrants are issued by SCO. ASAP is a request and delivery system of federal funds developed by the Financial Management Service of the United States Treasury and the Federal Reserve Bank. By using ASAP, the State Water Board draws funds from USEPA for expenditures incurred by the DWSRF program in an expeditious and timely manner. Draw requests are made within one week of an issued warrant. Requested funds are also deposited electronically the next business day to account(s) specified by the State Water Board. For the DWSRF set-aside accounts, federal draws are typically requested through ASAP on a monthly basis for the prior month's administration costs.

To further enable the timely and expeditious use of DWSRF funds, the State Water Board encumbered most loan balances to DWSRF federal funds to ensure the prompt liquidation of federal capitalization grants as claims for reimbursement were processed. As of June 30, 2019, approximately \$262.918 million of DWSRF financings had been encumbered, but not yet liquidated, to available DWSRF federal funds (\$39.757 million), constituting a 7:1 ratio.

6. Disadvantaged Business Enterprise (DBE) Objectives, Davis-Bacon and American Iron and Steel (AIS) Requirements

The State Water Board negotiated a total fair share DBE objective with the USEPA beginning FFY 2018 for the DWSRF Program. The objective was two

percent (2%) for the Minority Owned Business Enterprises (MBE) and one percent (1%) for Women Owned Business Enterprises (WBE) participation for a combined three percent (3%) goal. Funding recipients for SFY 2018-19 reported participation as 3.8 percent for MBE and 1.1 percent for WBE. The overall DBE participation was 4.9 percent. Exhibit H (page 57) provides a detailed analysis of DBE participation. The State Water Board will continue to monitor participation to ensure that the “positive effort process” is followed by funding recipients.

All DWSRF funded projects were required to comply with Davis-Bacon prevailing wage requirements in SFY 2018-19. Each funding agreement included provisions requiring applicants to follow Davis-Bacon requirements. DFA conducted a variety of surveillance activities throughout SFY 2018-19 to ensure each recipient’s compliance with Davis-Bacon requirements. Such surveillance activities included (1) reviewing recipient and sub-recipient reports and compliance certifications; (2) tracking compliance with federal annual monitoring requirements; and (3) annually reviewing quarterly site inspection reports to verify the adequacy of site inspections and other control activities.

DWSRF funding recipients were also required to use American-made iron and steel products in SFY 2018-19 pursuant to [USEPA guidelines for projects involving the construction, alteration, maintenance, or repair of a PWS or public treatment works](#). DWSRF funding recipients were only exempt from this AIS requirement if the project qualified under a national or project-specific AIS waiver from USEPA. To ensure compliance with AIS requirements, the AIS provisions were included in DWSRF financing agreements and DFA examined recipient records for AIS certifications and/or any AIS waivers.

7. Additional Subsidy and Green Requirements

The State Water Board continued to provide the maximum amount of available additional subsidy in the form of principal forgiveness in SFY 2018-19 for the benefit of SWSs serving DACs as well as ESCWSs serving SDACs. Since the inception of the DWSRF program, federal regulations have allowed for up to thirty percent (30%) of a capitalization grant to be provided as additional subsidy (i.e., principal forgiveness) to DACs, regardless of the size of the PWS. In 2016, Congress added a twenty percent (20%) additional subsidy allotment, separate from the thirty percent (30%) additional subsidy allocation for DACs.

The State Water Board’s SFY 2018-19 IUP directed that the maximum amount of additional subsidy allowed under federal rules and regulations be awarded to SWSs serving DACs and ESCWSs serving SDACs in the form of principal forgiveness. Table 8 (page C-5) shows the amounts necessary for compliance with rules governing the allotment and use of DWSRF principal forgiveness. Exhibit F (page 52) identifies 8 additional subsidy projects funded in SFY 2018-19.

Table 8: Additional Subsidization Funding

FFY Grant	SFY	Grant Award Amount	Minimum Subsidy Amount by FFY Grant ¹	Maximum Subsidy by FFY Grant	Committed Subsidy Amount by FFY Grant Assignment ²	Uncommitted Subsidy Amount by FFY Grant Assignment ³	Disbursed Subsidy Amount by SFY ⁴	Undisbursed Subsidy Amount by SFY ⁵
2010	10-11	\$126,958,000	\$38,087,400	\$38,087,400	\$38,087,400	\$0	\$475,501	\$0
2011	11-12	\$86,698,000	\$26,009,400	\$26,009,400	\$26,009,399	\$1	\$6,383,940	\$0
2012	12-13	\$85,358,000	\$17,071,600	\$25,607,400	\$25,380,903	\$226,497	\$9,295,931	\$0
2013	13-14	\$78,770,000	\$15,754,000	\$23,631,000	\$23,409,259	\$221,741	\$12,441,320	\$0
2014	14-15	\$83,521,000	\$16,704,200	\$24,966,300	\$23,966,300	\$0	\$15,878,833	\$0
2015	15-16	\$83,674,000	\$16,534,800	\$24,802,200	\$24,802,200	\$0	\$29,042,890	\$0
2016	16-17	\$78,215,000	\$15,643,000	\$39,107,500	\$38,833,000	\$274,500	\$30,784,001	\$0
2017	17-18	\$77,545,000	\$15,509,000	\$38,772,500	\$23,035,467	\$15,737,033	\$22,287,242	\$0
2018	18-19	\$97,991,000	\$19,598,200	\$48,995,500	\$0	\$48,995,500	\$23,993,733	\$139,395,809
Totals		\$798,730,000	\$180,911,600	\$289,979,200	\$224,523,928	\$65,455,272	\$150,583,391	\$139,395,809

Besides additional subsidy, the State Water Board may also allocate a portion of a capitalization grant to projects with “green” benefits (Green Project Reserve). In SFY 2018-19, Green Project Reserve funding was not awarded to any projects Table 9 (page C-6) shows the amount of DWSRF funding assigned to current and prior year capitalization grants to satisfy the optional DWSRF Green Project Reserve.

¹ USEPA, California Department of Public Health (CDPH) and the State Water Board have authorized a minimum amount of a DWSRF capitalization grant be awarded to recipients as “additional subsidy” (i.e. principal forgiveness) per governing State and federal rules.

² In accordance with USEPA procedures, these amounts represent the additional subsidy committed to eligible DWSRF projects and assigned under the additional subsidy authority of the respective DWSRF capitalization grant as of 6/30/2019.

³ In accordance with USEPA procedures, these amounts represent the additional subsidy balances under the maximum authority of the respective DWSRF capitalization grant that have not been committed to eligible DWSRF projects as of 6/30/2019.

⁴ These amounts represent the additional subsidy disbursements of the assigned projects per SFY. In accordance with USEPA Policy, the additional subsidy is encumbered and expended from any available funding sources within the DWSRF (i.e. federal capitalization grants, state match, repayment funds).

⁵ This amount represents the total encumbering balance as well as the additional subsidy authority not yet encumbered as of 6/30/2019.

Table 9: Green Project Reserve Funding

FFY Grant	SFY	Grant Award Amount	Minimum Green Project Reserve Amount by FFY Grant ⁶	Committed Green Project Reserve Amount Per FFY Grant Assignment ⁷	Disbursed Green Project Reserve Amount by SFY ⁸	Undisbursed Green Project Reserve Amount by SFY ⁹
2010	10-11	\$126,958,000	\$25,391,600	\$25,391,600	\$0	\$0
2011	11-12	\$86,698,000	\$17,339,600	\$26,013,832	\$12,457,278	\$0
2012	12-13	\$85,358,000	\$0	\$7,231,611	\$31,910,690	\$0
2013	13-14	\$78,770,000	\$0	\$1,193,500	\$7,037,464	\$0
2014	14-15	\$83,221,000	\$0	\$0	\$2,242,734	\$0
2015	15-16	\$83,674,000	\$0	\$476,717	\$2,715,139	\$0
2016	16-17	\$78,215,000	\$0	\$1,098,593	\$2,203,628	\$0
2017	17-18	\$77,545,000	\$0	\$31,572,197	\$6,842,316	\$0
2018	18-19	\$97,991,000	\$0	\$0	\$15,631,164	\$11,937,187
Totals		\$700,109,00	\$42,731,200	\$92,977,600	\$81,040,413	\$11,937,187

8. Federal Funding Accountability and Transparency Act

The State Water Board reported one (1) project totaling \$158,190,000 into the Federal Funding Accountability and Transparency Act (FFATA) Subaward Reporting System (FSRS) in SFY 2018-19 to satisfy the FFATA reporting requirements for the FFY 2018 Capitalization Grant. The FFATA, along with associated Office of Management and Budget (OMB) directives, and interpretive guidance from USEPA, requires the State Water Board to report sub-recipient information on the use of capitalization grants awarded after October 1, 2010. The DWSRF program began reporting FFATA data in FFY 2011 on an equivalency basis, by choosing loans that equaled the total DWSRF grant amount received from the USEPA. The DWSRF program continues to report FFATA loan data on an equivalency basis to the FSRS (Exhibit I, page 58).

⁶ USEPA requires the State Water Board to commit and expend a minimum amount of DWSRF capitalization grant to projects that qualify under the rules and requirements of USEPA’s “Green Project Reserve.”

⁷ In accordance with USEPA procedures, these amounts represent the DWSRF project amounts committed and assigned under the Green Project Reserve authority of the respective DWSRF capitalization grant as of 6/30/2019.

⁸ These amounts represent the Green Project Reserve disbursements for each respective SFY. Per USEPA policy, the Green Project Reserve funding is not necessarily encumbered and liquidated from DWSRF capitalization grants.

⁹ This amount represents the total encumbering balance of Green Project Reserve funding as well as the minimum Green Project Reserve Authority not yet encumbered as of 6/30/2019.

9. Environmental Federal Cross-Cutters

The State Water Board used the USEPA approved [State Environmental Review Process](#) (SERP) to review environmental impacts of DWSRF projects in SFY 2018-19. While the SERP generally follows the requirements of the California Environmental Quality Act, each applicant was also required to complete and submit an [Evaluation Form for Federal Environmental Coordination](#) (Evaluation Form). The State Water Board Staff reviewed the completed Evaluation Form, supporting information, and the environmental and cultural resource documents to assure compliance with the federal cross-cutters. Staff coordinated with the USEPA, Region 9 to initiate consultations with relevant federal agencies on projects with known (or suspected) effects under federal environmental regulations, consistent with the DWSRF Operating Agreement executed between the State Water Board and the USEPA.

10. Single Audit Act

The State Water Board continued to require recipients receiving an executed agreement in SFY 2018-19 to comply with applicable provisions of the federal Single Audit Act of 1984, OMB Circular No. A-133 and 2 CFR Part 200, subpart F, and updates or revisions, thereto. The State Water Board included the applicable Single Audit Act requirements in all DWSRF financial assistance agreements executed in SFY 2018-19 and required reporting by funding recipients if the recipient received more than \$750,000 in combined federal funds for a given fiscal year. DAS also issued to DWSRF recipients in the Summer of 2019 a summary of federal funds disbursed to those recipients in SFY 2017-18. DFA and DAS assisted the State Treasurer's Office in securing any required SFY 2017-18 Single Audit Act reports from DWSRF funding recipients by the deadline of March 2019. DFA and DAS also coordinated with DWSRF funding recipients and the State Treasurer's Office on any compliance concerns with the use of DWSRF federal funds disclosed in a Single Audit Act report.

APPENDIX D: Performance Evaluation Report

On September 16, 2019, the USEPA presented the State Water Board a combined Program Evaluation Report (PER) for the CWSRF and DWSRF programs for SFY 2017-18. The PER addressed California's performance and compliance as it pertains to the requirements of the base program elements. USEPA identified four (4) recommended follow-up actions, specific to the DWSRF program. USEPA assessed the following required program and financial elements.

1. Required Program Elements
 - (a) Annual/Biennial Report
 - (b) Funding Eligibility
 - (c) Compliance with DBE Requirements
 - (d) Compliance with Federal Requirements and Grant Conditions: i.e., Cross-Cutting Authorities, AIS, Davis Bacon, Additional Subsidy, and Green Projects and Reporting
 - (e) Compliance with Environmental Review Requirements
 - (f) Operating Agreement
 - (g) Staff Capacity*
 - (h) Set-aside Activity (DWSRF only)

2. Required Financial Elements
 - (a) State Match
 - (b) Binding Commitment Requirements
 - (c) Rules of Cash Draw (including improper payments)*
 - (d) Timely and Expeditious Use of Funds
 - (e) Compliance with Audit Requirements
 - (f) Assistance Terms
 - (g) Use of Fees
 - (h) Assessment of Financial Capability and Loan Security
 - (i) Financial Management
 - (j) Other Program and/or Financial Elements

Note: single asterisk (*) indicates recommended follow-up action.

Program Element Item 1(g) above, Staff Capacity, USEPA acknowledged, in large part to the State Water Board's outreach and marketing efforts throughout California, the DWSRF program has seen an incremental rise in demand over the past several years and as discussed in last year's PER, this increase comes with increased workload and overall demand for staff. USEPA's suggestions to look for efficiencies in processes were met positively by the State Water Board, which implemented reorganizations in both the technical and financial sections, per the 2018 DWSRF Annual Report, aimed at addressing the augmented workload, not only affecting DWSRF, but also CWSRF.

USEPA commends the State Water Board for taking swift and constructive steps towards improving this issue.

- Recommended Follow-up: USEPA and State Water Board staff should continue their open dialogue of staffing trends, needs and capacity.
- State Water Board Response: The State Water Board actively monitors its resource capacity and understands the importance to augment workflow, assess processes, and maintain adequate staffing levels to accomplish administrative and project management activities efficiently and effectively. In recent months, the Loans and Grants Administration Branch redirected certain positions to address changes in workload demands.

Financial Element Item 2(c) Rules of Cash Draw, USEPA found that the State Water Board continues doing a great job of scrutinizing the eligibility for DWSRF project construction, engineering/design, and administrative costs submitted for reimbursement. However, as mentioned in past PERs, sometimes cost adjustments and reimbursements are not well documented or are difficult to follow, thus complicating authentication. These issues were resolved and confirmed as justified after discussions with the DWSRF disbursement analysts.

- Recommended Follow-up: USEPA welcomed the improvements that the State Water Board has implemented to streamline the project claim adjustments and reimbursement documentation procedure, as described in the 2018 DWSRF Annual Report. USEPA understands that this is a work in progress and encourages the State Water Board to consider developing or updating a comprehensive standard operating procedure for the disbursement analysts and project managers to follow.
- State Water Board Response: The State Water Board continues to work through and identify operational differences between the DWSRF and CWSRF programs, recognizing best practices and developing synergies between the programs to improve efficiency and operational consistency. In support of this effort, the State Water Board also conducts internal staff training sessions and is revisiting internal procedures to support this effort.

Financial Element Item 2(d), Timely and Expeditious Use of Funds, Fund Utilization Rate, USEPA noted that the State Water Board has demonstrated a commendable capacity to properly manage the flow of funds over this time. The fund utilization rate has increased in recent years and remains above the national average and above 100%. This indicates that the State Water Board is anticipating funds received and planning for their use prior to having them deposited.

- Recommended Follow-up: As this figure remains aggressive, USEPA recommends the State Water Board continue its open dialogue with USEPA about fund utilization and the possibility of leveraging to meet the needs of the state.

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

Financial Element Item 2(d), Timely and Expedient Use of Funds, Disbursement as a Percentage of Assistance Provided - Based on Cumulative Activity, USEPA noted that the California DWSRF disbursement ratio continues to improve though it does still lag the national average. Per the 2018 DWSRF Annual Report, the State uses Loans and Grants Tracking System (LGTS) as a tool to track project budgets and record pay request details. EPA commends the State for this effort.

- Recommended Follow-up: USEPA suggests that In the SFY 2018-19 annual report, the State Water Board include a discussion about disbursements including but not limited to how the transition to Financial Information System for California (FI\$Cal) is affecting the disbursement process and what the outlook for future performance is.
- State Water Board Response: The State Water Board continues to utilize its LGTS database to track project budgets and recording pay request details. The State Water Board continually analyzes specific data elements to monitor its productivity. Based on the analytics of a combination of specific data elements, the State Water Board strives to maintain a high level of efficiency in all programmatic areas, while also identifying areas in need of improvement and developing and implementing solutions.

In January of 2019, the State Water Board's SRF programs implemented the cutover from the State's California State Accounting & Reporting System (CalSTARS) to the new FI\$Cal accounting system. This implementation process required all existing encumbrances to be transitioned into the FI\$Cal, resulting in a temporary halt to project disbursement transactions. During this interim time, program staff developed new FI\$Cal compliant project disbursement request forms and worked with recipients to convert pending requests to the new forms to mitigate further delay. As the encumbering transitions were being completed, the SRF programs were able to begin transacting disbursements in FI\$Cal in late-March of 2019.

In utilizing FI\$Cal, the State Water Board will work to identify areas to regain efficiencies lost, and work to streamline procedures and approaches to improve the timeliness of project disbursement.

APPENDIX E: SFY 2018-19 Audited Financial Statement

DRINKING WATER
STATE REVOLVING FUND

and

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

and

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

Volume 2
State Fiscal Year 2019-20

ANNUAL REPORT

**State Fiscal Year 2019-20
(July 1, 2019 through June 30, 2020)**

The Drinking Water State Revolving Fund

and

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

and

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

**California State Water Resources Control Board
Division of Financial Assistance • 1001 I Street • Sacramento, CA 95814**

TABLE OF CONTENTS

I.	INTRODUCTION	8
II.	FINANCIAL RESULTS	9
A.	CUMULATIVE FINANCIAL ACTIVITY	9
B.	NET POSITION	10
C.	REVENUES AND CONTRIBUTIONS	11
D.	DISBURSEMENTS AND EXPENSES	11
E.	CREDIT RISK OF THE DWSRF	12
III.	PUBLIC HEALTH BENEFITS	14
A.	PROJECTS IN SFY 2019-20 WILL HELP ACHIEVE AND MAINTAIN SDWA GOALS	15
B.	DWSRF PROJECTS ACHIEVE MULTIPLE BENEFITS	15
IV.	PROGRAM HIGHLIGHTS AND UPDATES	16
A.	PROVIDING SAFE AND AFFORDABLE DRINKING WATER TO ALL CALIFORNIANS	16
B.	GRANTS AND PRINCIPAL FORGIVENESS FOR SWSS SERVING DACS	17
C.	UPDATED DWSRF SUSTAINABLE LEVERAGING CAPACITY	17
D.	NORMALIZING OPERATIONS	18
E.	COMPREHENSIVE AND FUNDABLE LISTS AND PROJECT BYPASS	18
F.	COVID-19 IMPACTS	19
G.	MARKETING UPDATES	19
H.	TECHNICAL ASSISTANCE	19
I.	SMALL COMMUNITY FUNDING PROGRAM	20
J.	SAFER UPDATE	20
K.	PROPOSITION 68 UPDATE	20
L.	CONSOLIDATION INCENTIVE PROGRAM	21
M.	DWSRF SOURCE WATER PROTECTION PROGRAM	21
V.	SET-ASIDES	22
A.	ADMINISTRATION SET-ASIDE	22
B.	SMALL WATER SYSTEM TECHNICAL ASSISTANCE SET-ASIDE	22
C.	LOCAL ASSISTANCE SET-ASIDE	23
D.	STATE PROGRAM MANAGEMENT SET-ASIDE	24
VI.	ACRONYMS	25
VII.	EXHIBITS	27
	EXHIBIT A: SFY 2019-20 DWSRF PROJECT FUNDING LIST	28
	EXHIBIT B: SFY 2019-20 EXTENDED TERM FINANCING PROJECTS	36
	EXHIBIT C: SFY 2019-20 SMALL COMMUNITY GRANT AND SADWF PROJECT FUNDING LIST	37
	EXHIBIT D: SFY 2019-20 NON-FUNDED PROJECTS	41
	EXHIBIT E: CUMULATIVE DWSRF SET-ASIDE EXPENDITURES	78
	EXHIBIT F: DISADVANTAGED BUSINESS ENTERPRISE REPORT	83
	EXHIBIT G: SFY 2019-20 DWSRF FFATA PROJECTS	84
VIII.	APPENDICES	85
	APPENDIX A: SHORT-TERM GOALS	1
	APPENDIX B: LONG-TERM GOALS	1
	APPENDIX C: OPERATING AGREEMENT AND CAPITALIZATION GRANT CONDITIONS	1

APPENDIX D: PERFORMANCE EVALUATION REPORT 1
APPENDIX E: SFY 2019-20 AUDITED FINANCIAL STATEMENT 1

I. INTRODUCTION

The California State Water Resources Control Board (State Water Board) and Division of Financial Assistance (DFA) presents the Drinking Water State Revolving Fund (DWSRF) annual report for State Fiscal Year (SFY) 2019-20. The State Water Board provided approximately \$147.4 million in new DWSRF financing for 34 planning and construction projects to address drinking water needs in California. This report describes how the State Water Board met the objectives for the DWSRF program identified in the [SFY 2019-20 DWSRF Intended Use Plan \(IUP\)](https://www.waterboards.ca.gov/water_issues/programs/grants_loans/dwsrf/docs/dwsrf_iup_sfy2019_20_final.pdf) (https://www.waterboards.ca.gov/water_issues/programs/grants_loans/dwsrf/docs/dwsrf_iup_sfy2019_20_final.pdf).

The federal Safe Drinking Water Act (SDWA), as amended in 1996, created the national DWSRF program to help public water systems (PWSs) achieve or maintain compliance with SDWA requirements and protect public health by funding drinking water infrastructure projects. Section 1452 of the SDWA authorizes the United States Environmental Protection Agency (USEPA) to award capitalization grants to state DWSRF programs. The federal capitalization grants are combined with state matching funds to create a permanent source of funding for drinking water infrastructure projects.

The State Water Board has promoted and protected the health and safety of Californians through the DWSRF since July 1, 2014. Previously, the California Department of Public Health and California's Health and Human Services Agency administered the DWSRF program. Since the beginning of the program, PWSs have received DWSRF funding for drinking water infrastructure improvements via below-market financing and additional subsidy (i.e., principal forgiveness). More information about the DWSRF program is located on the State Water Board's DWSRF website at https://www.waterboards.ca.gov/drinking_water/services/funding/SRF.html.

DFA administers California's DWSRF program in coordination with Division of Drinking Water (DDW). It provides planning and construction financing through the DWSRF and several complementary fund sources to eligible applicants, which include publicly and privately-owned community and non-profit, non-community water systems. DWSRF financing is generally prioritized for "ready-to-proceed" eligible projects based on their public health benefits. Projects addressing acute and chronic primary drinking water standards are generally prioritized over projects addressing secondary drinking water standards and aging infrastructure.

II. FINANCIAL RESULTS

A. Cumulative Financial Activity

To satisfy federal requirements and ensure the accuracy of the State Water Board's financial management of the DWSRF, audited financial statements for the year ending June 30, 2020 were completed June 25, 2021, and are included as Appendix E in this report. This section provides important financial highlights about the DWSRF.

As of June 30, 2020:

- The cumulative DWSRF funds available for planning and construction financial assistance since inception was approximately \$3.09 billion.
- An additional \$297.2 million of cumulative DWSRF set-aside funds were available.
- The State Water Board, and preceding departments/agencies, had committed approximately 109 percent (109%) of available funds to planning and construction projects through binding commitments (executed financing agreements).
- The State Water Board, and preceding departments/agencies, had disbursed approximately 91 percent (91%) of available funds for planning and construction projects, as well as disbursed 96 percent (96%) of the available DWSRF set-aside funds.

Cumulative DWSRF program activity from inception through the end of SFY 2019-20 is further described in Table 1.

Table 1: Cumulative Program Activity¹

DWSRF Construction and Planning Funding

Activity	Life of Program
Number of Binding Commitments	504
Value of Binding Commitments	\$3,363 million
Disbursements and Expenditures	\$2,799 million ²
Balance of Funding Agreements	\$564 million

¹ Program activity includes all available DWSRF funds, including DWSRF set-aside funds and matching funds provided by funding recipients.

² Amount includes American Recovery and Reinvestment Act of 2009 (ARRA) funds and excludes set-aside funds (including Legal Entity Formation Assistance (LEFA) and a recent DWSRF set-aside grant to the American Water Association).

DWSRF Set-Aside Funding

DWSRF Set-Aside Amount	\$297.201 million
DWSRF Set-Aside Expenditures	\$276.415 million ³
Balance of Set-Asides	\$20.786 million

The State Water Board funded a variety of planning and construction projects through the DWSRF in SFY 2019-20 to address a range of public water system (PWS) and public health issues. Specifically, the State Water Board funded projects from the DWSRF for the benefit of both small water systems (SWSs) (populations less than 10,000 people) and large water systems (populations over 10,000 people). Table 2 below displays the number of small and large water system as well as the amount of funding for planning and construction in each category. See Exhibit A for a list of projects that received funding in SFY 2019-20.

Table 2: Water System Type

Water System Type	Project Type	No. of Water Systems	Total Population	Total Funding
Small	Planning	10	63,788	\$3,516,442
	Construction	19		\$40,598,390
Large	Planning	0	649,717	\$0
	Construction	5		\$103,237,534
Total		34	713,505	\$147,352,366

A greater number of small water system (SWS) projects received funding because of their urgent public health needs, while a greater amount of funding was provided to large water systems because of the larger scope and cost of these projects.

A greater number of construction projects received funding in SFY 2019-20 than recent historical averages because planning projects were generally funded with other, complementary funding sources. This helped maximize the DWSRF and its complementary funding sources so that both were used efficiently and expeditiously.

B. Net Position

Net assets of the DWSRF program are shown below:

³ Amount includes LEFA and a recent DWSRF set-aside grant to the American Water Association.

Table 3: DWSRF Statement of Net Position
(Dollars in Thousands)

Assets	June 30, 2020	June 30, 2019
Current Assets	\$373,134	\$368,551
Other Assets	\$1,593,859	\$1,484,933
Total Assets	\$2,080,903	\$2,001,922
Liabilities		
Current Liabilities	\$16,562	\$22,785
Non-Current Liabilities	\$87,737	\$95,233
Total Liabilities	\$104,299	\$118,018
Net Assets		
Restricted	\$158,074	\$160,534
Unrestricted	\$1,818,530	\$1,723,370
Total Net Assets	\$1,976,604	\$1,883,904

C. Revenues and Contributions

Revenue and Contributions for the DWSRF program are described in its Financial Statements. Revenues for SFY 2019-20 were \$152,425,000 and are shown in Table 4.

Table 4: SFY 2019-20 DWSRF Revenues & Contributions
(Dollars in Thousands)

Loan Interest Income	\$25,343
Net Investment Income	\$4,374
Capitalization Grant Contributions	\$102,063
Capitalization Grants Contributions – Principal Forgiveness	\$1,484
State Match Revenue – Loans	\$1,532
State Match Revenue – Principal Forgiveness	\$17,629

D. Disbursements and Expenses

Total disbursements are based on the Financial Statements and do not include matching funds provided by funding recipients. Disbursements for SFY 2019-20 totaled \$264,106,000, and were as follows:

Table 5: SFY 2019-20 DWSRF Disbursements and Expenses
(Dollars in Thousands)

DISBURSEMENTS

Loan disbursements	\$229,388
Principal Forgiveness disbursements	\$34,718

EXPENSES

Operating Expense - Personnel Services	\$14,141
Operating Expense - Other Expenses	\$9,138
Revenue Bond Interest Expense	\$1,727
Revenue Bond Issuance Cost	\$1

E. Credit Risk of the DWSRF

Each funding recipient must pledge or dedicate one or more sources of revenue toward the payment of its DWSRF repayable financing. For publicly owned entities, dedicated sources of revenue are generally water rate revenues, but may also be any number of revenue sources, special tax pledges, or other pledgeable income. For privately owned entities, the dedicated source of repayment is generally a Uniform Commercial Code (UCC)-1 security interest by the State Water Board on all the entity’s revenues, fixtures, and equipment.

In SFY 2019-20, the State Water Board did not restructure any agreements.

In SFY 2019-20, there was no allowance for uncollectible accounts as all repayments remained current and all repayable financings were anticipated to be repaid in accordance with the financing terms. State Water Board staff continued to work diligently to ensure funding agreements were secure and that all payments were made on time and in full. Staff efforts included using a variety of analysis and monitoring measures to reduce the possibility of non-payment and continually evaluating additional steps to ensure full and timely payments.

1. Extended Term Financing and Reduced Interest Rate

In accordance with federal law, the State Water Board provided 40-year loan repayment terms to eligible funding applicants that served Disadvantaged Communities (DACs). (42 U.S.C. § 300j-12(f)(1)(C)(i); Health & Saf. Code, § 116760.40(a)(3).). In SFY 2019-20, one (1) project received \$9,452,000 in such extended term financing, as shown in Exhibit B.

Prior to 2015, state law permitted zero percent (0%) interest rate loans from the DWSRF if the funding applicant served a Disadvantaged Community (DAC), regardless of the water system size. In 2015, the California Legislature directed the State Water Board to provide zero percent (0%) interest rate financing if the

funding recipient served a DAC with financial hardship. The State Water Board's DWSRF Policy defines financial hardship to mean the funding applicant is a SWS that serves a DAC or Severely Disadvantaged Community (SDAC). In its IUPs beginning in SFY 2015-16, to ensure the long-term financial growth of the fund while considering the financial limitations of certain PWSs types, the State Water Board has mostly limited zero percent (0%) interest rate financing to eligible SWSs and Expanded Small Community Water Systems (ESCWSs) serving DACs and SDACs with high residential water rates, although zero percent financing has also been offered as a local match incentive or for consolidation projects.

III. PUBLIC HEALTH BENEFITS

The contributions of the DWSRF program to public health and drinking water quality are diverse. The program has the strength and versatility to address a wide range of drinking water issues. To the maximum extent possible, in SFY 2019-20, priority was given to projects that addressed the most serious risks to human health, were necessary to ensure compliance with SDWA requirements, and assisted water systems most in need on a per household basis. Projects were ranked by the categories below as defined in the DWSRF Policy, Section VI.B.2:

Public Health Category	Description
A	Immediate Health Risk
B	Untreated or At-Risk Sources
C	Compliance or Shortage Problems
D	Inadequate Reliability
E	Secondary Risks
F	Other Projects

Table 6 below shows the number of projects in each category.

Table 6: Water System Improvements by Public Health Category

Public Health Category	Number of Projects Financed	Population	Financed Amount	Principal Forgiveness and Estimated Interest Savings	
A	2	5,431	\$1,508,092	\$1,014,892	\$379,546
B	4	12,445	\$4,055,173	\$4,055,173	\$1,516,540
C	10	33,688	\$32,821,917	\$10,868,941	\$4,064,731
D	5	5,462	\$8,106,150	\$8,106,150	\$3,031,512
E	1	5,250	\$405,000	\$405,000	\$151,461
F	12	651,229	\$100,456,034	\$6,315,500	\$2,361,850
Total	34	713,505	\$147,352,366	\$30,765,656	\$11,505,640

The information below summarizes the public health benefits from DWSRF projects funded. The data supporting this summary was reported to the USEPA through the DWSRF Project Benefits Reporting (PBR) database.

A. Projects in SFY 2019-20 Will Help Achieve and Maintain SDWA Goals

1. There were 34 projects funded by the DWSRF program. Of these, 27 helped disadvantaged or severely disadvantaged communities least able to afford the cost of water on a per household basis.
2. An estimated 713,505 people are served by the projects funded.
3. An estimated \$30.8 million principal forgiveness was provided to these projects and an estimated \$11.5 million in interest savings were provided to projects.
4. 11 projects assisted small water systems correct violations and return to compliance. 4 projects funded were planning projects to create plans to help water systems return to compliance.

B. DWSRF Projects Achieve Multiple Benefits

DWSRF projects are multi-faceted, and each project typically provides multiple benefits to the water system completing the project. Table 7 below shows a breakdown of the many benefits provided by the DWSRF projects funded in SFY 2019-20. In particular it should be noted that \$5.9 million was provided for consolidation projects. Approximately seventy-three percent (73%) of the project costs, or \$108.1 million, was provided for drinking water source and storage projects.

Table 7: Water System Improvements by Benefits

Benefits	Cost	# of Projects/Benefit⁴
MCL Compliance	\$3,516,422	10
Source, Quantity, and Reliability	\$60,314,003	7
Distribution Pipeline	\$20,895,902	13
Treatment Plant Improvements	\$6,449,599	6
Storage	\$47,789,249	8
Consolidation	\$5,895,389	4
Green Project Reserve	\$2,491,782	4
	\$147,352,366	

⁴ The total number of projects for all benefits is greater than the total number of projects funded because individual projects may benefit in multiple ways.

IV. PROGRAM HIGHLIGHTS AND UPDATES

In SFY 2019-20, the State Water Board continued to fund drinking water projects to provide safe and affordable drinking water for all Californians and continued to pair DWSRF financing with other funds appropriated to the State Water Board to achieve its drinking water objectives.

A. Providing Safe and Affordable Drinking Water to All Californians

Having clean and safe drinking water is a fundamental human right and is essential to health and well-being. The State Water Board's DDW, the Office of Public Participation (OPP), and DFA work together to protect California's drinking water and help ensure that all Californians have access to clean, safe, and affordable drinking water through several regulatory and financial assistance programs.

The DWSRF program, along with other sources of funds available to the State Water Board, helps improve drinking water infrastructure to mitigate drinking water risks and support the human right to water. A key element of DFA's effort to address safe and affordable drinking water in California is the Office of Sustainable Water Solutions (OSWS). The OSWS was created to focus on small SDACs and small DACs and the difficulties those communities have in providing safe and affordable drinking water to their residents.

In SFY 2018-19, the OSWS was re-organized to address the substantial demand from SDACs and DACs for affordable drinking water and wastewater funding. Although the reorganization had a positive effect, the Legislature took additional steps in 2019 to address the drinking water needs of disadvantaged Californians. Senate Bill (SB) 200 created the Safe and Affordable Drinking Water Fund (SADWF). The SADWF authorizes and continuously appropriates money to the State Water Board for grants, loans, contracts, or services to assist eligible recipients with the provision of an adequate supply of affordable and safe drinking water. Additional staffing is also authorized to implement the SADWF (including a new section within OSWS), and the added staffing will continue to strengthen and support the State Water Board's efforts to ensure that all Californians have access to safe and affordable drinking water. SB 200 and the new SADWF led to the creation of the State Water Board's Safe and Affordable Funding for Equity and Resilience (SAFER) Program. Note that the funding available for drinking water projects within the SAFER Program include the SADWF, DWSRF Principal Forgiveness, various General Fund allocations, and funds available from Proposition 1 (Prop 1) and Proposition 68 (Prop 68).

The State Water Board's joint management of the DWSRF, complementary bonds and the SADWF enables California to provide significant financial benefits to California's PWSs, especially those PWSs serving small SDACs and small DACs. The Deputy Director of DFA was authorized to provide, for good cause, up to \$45,000 per service connection in principal forgiveness/grant for a SWS that serves a DAC, and the SDWA

allows 40-year financing for DACs. These tools can be highly effective in providing safe and affordable drinking water to the neediest of communities.

B. Grants and Principal Forgiveness for SWSs Serving DACs

Demand and “ready-to-proceed” applications from SWSs serving SDACs and DACs for grants and DWSRF principal forgiveness continued to be high in SFY 2019-20. There was enough grant and/or principal forgiveness available to satisfy such “ready-to-proceed” demand. The FFY 2019 Capitalization Grant provided approximately \$53.4 million in principal forgiveness that was in addition to prior year available principal forgiveness allotments. A remaining amount of \$169 million in Prop 68 funds was also appropriated in FY 2019-20 for grants to eligible SWSs serving SDACs and DACs. The SADWF was also appropriated approximately \$130 million in funding for a variety of eligible purposes, including infrastructure grants for SWSs serving SDACs and DACs. Finally, a minor balance of Prop 1 Drinking Water funds was available for any costs increases on existing Prop 1 Drinking Water commitments. As demonstrated in Exhibit C, approximately \$50.7 million of grants and principal forgiveness was awarded to SWSs serving SDACs and DACs in FY 2019-20 for both planning and construction projects.

C. Updated DWSRF Sustainable Leveraging Capacity

The DWSRF’s Municipal Advisor, in cooperation with DFA staff, updated the DWSRF’s estimated lending capacity calculations for the SFY 2020-21 IUP. The Municipal Advisor’s calculations showed that the DWSRF can operate at an estimated sustainable loan level of approximately \$308 million per year for the next 20 years. The estimate is below the previously estimated \$420 million loan capacity used in the 2018-19 and 2019-20 IUPs. Stakeholders expressed concern during public comment on the 2020-21 IUP about the lower estimate given the sizeable demand for DWSRF funds. DFA staff are meeting with stakeholders to provide transparency on the capacity calculation process and to identify opportunities and actions that may increase the sustainable lending capacity of the program. Additional changes in policy or practice may be needed in the future to manage the program effectively and provide stakeholders and the State Water Board with the best possible results.

The DWSRF funding target for SFY 2019-20 was based on a 20-year capacity analysis in accordance with the Clean Water State Revolving Fund (CWSRF)/DWSRF Debt Management Policy to ensure that the DWSRF program does not become over-leveraged. The State Water Board last issued \$83.92 million in revenue bonds on April 24, 2019. Given the current Fundable List of DWSRF loan projects, it is likely that additional bonds will be issued in the future, although the timing and sizing of future bond sales have not been determined yet.

D. Normalizing Operations

The rollout of the FI\$Cal, the new statewide accounting, budget, cash management, and procurement system, resulted in a significantly lower number of new DWSRF agreements during SFY 2018-19; 15 DWSRF agreements were executed during SFY 2018-19. A significant number of new DWSRF agreements were executed during SFY 2019-20; a total of 34 projects received DWSRF in their financing agreements. Given the State Water Board's emphasis on fulfilling the Human Right to Water, the majority of these projects were for small SDAC and DAC communities. The increased number of DWSRF agreements executed in SFY 2019-20 is a positive indicator that DFA has adapted to FI\$Cal and that the pace of new financing agreements is returning to the pace of new agreements before the introduction of FI\$Cal.

There is a significant rollover, however, of loan projects for non-disadvantaged communities to the SFY 2020-21 Fundable List. In addition, the SDWA now allows 30-year financing for all publicly owned water systems, and this change appears to have generated additional demand for DWSRF repayable financing. The total amount committed to repayable financings in SFY 2019-20 was less than the funding target mainly due to the ongoing transition to FI\$Cal. DFA, however, continues to develop and review applications for repayable financing. The SFY 2020-21 Fundable List includes 39 applications requesting over \$2.0 billion in loan financing. DFA staff will continue to work with these applicants to develop complete applications that can be financed consistent with the priority system established in the DWSRF Policy and the State Water Board's Debt Management Policy for the SRF programs

E. Comprehensive and Fundable Lists and Project Bypass

The Comprehensive List identified projects potentially eligible for funding assistance from the DWSRF program. As DFA received applications, it assigned each project a priority category from Section VI.B.2 of the DWSRF Policy, then recommended that the Executive Director of the State Water Board, in consultation with DDW, either add the project to the Comprehensive List or update an existing project. The Executive Director updated the Comprehensive List two times during SFY 2019-20. DFA reviewed each project for eligibility and compliance with requirements before approving funding agreements. DWSRF funding was also prioritized for the highest ranked projects described in the IUP, to the extent such projects were ready to proceed to an agreement. Projects were also bypassed if not ready for an agreement or found ineligible for funding. The reasons for such projects not being funded are included in Exhibit D below.

There were 250 projects identified on the Fundable List in the SFY 2019-20 IUP. Of these, 84 were planning and 166 were construction projects. The DWSRF program awarded funding to 10 planning projects and 24 construction projects. SCG-DW funds were awarded to 16 additional projects. The remaining projects' statuses are noted in Exhibit D. Several of the projects not funded in SFY 2019-20 are anticipated to be funded in SFY 2020-21.

F. COVID-19 Impacts

The actions taken to address the COVID-19 pandemic have also affected SRF operations during the latter part of SFY 2019-20 and may have additional consequences for the program in the future. Although the State Water Board has received one request for DWSRF loan forbearance or modification, no loans pledged to the repayment of SRF bonds have requested forbearance or modification of their terms or payment schedules. The State Water Board's staff continues to monitor the impacts of COVID-19 on the revenues and expenses of agencies with outstanding DWSRF debt.

G. Marketing Updates

State Water Board staff continued to participate in the California Financing Coordinating Committee (CFCC) funding fairs during SFY 2019-20. The funding fairs provide members of the public and infrastructure development professionals current information on funding options available for different project types.

State Water Board staff also participated in a conference to provide updated information on the DWSRF Program. The conference was the League of California Cities 2019 Annual Expo Conference.

H. Technical Assistance

The DWSRF program budgeted two percent (2%) of the FFY 2019 Capitalization Grant along with prior year capitalization grants for Small Water System Technical Assistance (SWSTA). The primary goals of SWSTA are to reduce the instances of non-compliance with drinking water standards and requirements, establish and assure safe and dependable water supplies, improve operational capability, and establish or improve the technical, managerial, and financial (TMF) capacity of SWSs.

The SWSTA set-aside funded technical and administrative staff within DFA to provide technical assistance to SWSs. DFA staff helped SWSs identify drinking water problems and potential solutions, helped them prepare funding applications, reviewed TMF assessments, and evaluated potential funding eligibility. Staff also helped resolve ownership issues, right-of-way disputes, facilitated potential water interties and consolidation projects with adjacent water systems.

The SWSTA set-aside also provided partial funding for technical and administrative staff of the Proposition 84 (Prop 84) funding program. They prepared Prop 84 planning projects for SWSs that led to DWSRF construction funding.

The budget and expenditures of the SWSTA set-aside as of June 30, 2020 are shown in Exhibit E.

I. Small Community Funding Program

The State Water Board and DFA continued to implement and award funding to planning and construction projects using DWSRF and SCG-DW funds. Due to extensive coordination between funding sources, \$33.82 million of DWSRF funding was awarded to 26 planning and construction projects in SFY 2019-20. Nine of the projects received \$16.42 million in additional grant funding.

In SFY 2019-20, \$31.69 million of SCG-DW grant funds were also awarded to 16 planning and construction projects separately from the DWSRF. Exhibit C lists the 16 projects funded exclusively by SCG-DW in SFY 2019-20. In SFY 2019-20 42 small DAC projects were funded, 11 planning and 31 construction, for a total of \$81.92 million in grant or principal forgiveness.

The State Water Board's co-management of DWSRF and SCG-DW funds further enabled California to capitalize and maximize state match for the DWSRF while simultaneously providing financial benefits to California's SWSs, especially those PWSs serving small DACs. The funding provided to small communities through the DWSRF in SFY 2019-20 has also helped the State Water Board maintain a low and acceptable federal unliquidated obligation (ULO) balance.

J. SAFER Update

The State Water Board administers the SAFER Program primarily through its DDW, DFA, and OPP. In SFY 2019-20 the State Water Board was appropriated \$130 million for the SADWF to begin implementing Senate Bill (SB) 200. The SADWF complements the State Water Board's existing suite of financial assistance programs, which are generally limited to funding capital projects. The existing financial assistance programs for disadvantaged communities and the new SADWF constitute the funding component of the SAFER Program.

Of the \$130 million SADWF appropriation for SFY 2019-20, grant agreements were executed for nine construction projects and one technical assistance project for SWSs serving DACs/SDACs. Of those ten executed grant agreements, funding totaling \$3.9 million of DWSRF Principal Forgiveness was also provided to four of the construction projects. In addition, \$708,000 of SCG-Drinking Water grant was provided to five of the construction projects. A list of projects that received funding from the SADWF, and the complementary funding, can be found in Exhibit C.

K. Proposition 68 Update

On June 5, 2018, California voters approved Prop 68, the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018 (Senate Bill 5, DeLeon), which provides general obligation bond funding to the State Water Board for various wastewater, drinking water, water recycling and other related projects that will complement the funding provided under the DWSRF. Prop 68 provided \$250 million for grants and loans for projects to improve access to safe drinking water (Prop 68

Drinking Water) and projects to improve water quality under the CWSRF Small Community Grant, with priority given to projects that help DACs. Prop 68 directed that Prop 68 Drinking Water funds be administered in accordance with the Prop 1 Drinking Water Program requirements. The DWSRF 2019-2020 IUP was adopted in June of 2019 and reaffirmed the Prop 1 Drinking Water guidelines, expanding them to incorporate Prop 68 Drinking Water conditions.

L. Consolidation Incentive Program

The DWSRF continued to offer the consolidation incentive identified in the IUP but did not receive any requests for the incentives during SFY 2019-20. The State Water Board will continue, however, to offer the incentives to potential consolidation projects. With the advent of the SADWF program, there may be additional demand for consolidation financing. DFA will continue to evaluate the terms associated with the incentives, and may recommend changing the incentives, including on a case-by-case basis, to the State Water Board.

M. DWSRF Source Water Protection Program

California established the DWSRF program with federal capitalization grants awarded by the USEPA. A portion of these funds was set-aside for source water protection (SWP) loans.

Funding for the SWP program provides loans to PWSs for the purchase of land or conservation easements. PWSs may only purchase land or a conservation easement from willing parties. The purchase must be for the purposes of protecting the system’s source water and ensuring compliance with national drinking water regulations. The DWSRF program evaluated all projects using the priority system described in the IUP in effect at the time the SWP loans were awarded.

As of SFY 2019-20, the program had set aside a total of \$24,889,390 from the FFY 2000-2005 Capitalization Grants for this program, but, due to lack of demand from PWSs, subsequent federal grant amendments returned \$22,889,390 from the FFY 2000-2005 Capitalization Grants to the DWSRF infrastructure loan fund. As shown in Table 8 below, \$2,000,000 has been committed and expended for SWP loans.

Table 8: Source Water Protection Loan Set-Asides

Funding Recipient	Project No.	Category	Population	Executed FA Date	Contract No.	Loan Amount	Grant Amount	Total Funding Assistance
Contra Costa WD	0710003-017	SWP	201,100	9/1/2003	2001SW P101	\$2,000,000	\$0	\$2,000,000

V. SET-ASIDES

The State Water Board used a percentage of the FFY 2019 federal capitalization grant in SFY 2019-20 to fund the administration of the DWSRF program and other activities critical to the success of California's drinking water program. The set-asides that were used included DWSRF Administration, SWSTA, State Program Management, and Local Assistance Special Programs. These set-asides helped with administering the DWSRF program or providing funding and technical assistance to PWSs. The State Water Board budgeted 26 percent (26%) of the FFY 2019 Capitalization Grant for all four (4) set-asides, totaling \$25,238,720. As of June 30, 2020, the State Water Board had expended \$832,712 of the funds budgeted for set-aside activities from the FFY 2019 Capitalization Grant.

A. Administration Set-Aside

The State Water Board budgeted four percent (4%) of the FFY 2019 Capitalization Grant, totaling \$3,882,880, along with prior years' DWSRF Administration set-aside funds in SFY 2019-20 for the management of the DWSRF program. The DWSRF Administration set-aside funded technical and administrative personnel within DFA who prepared construction and planning approvals and agreements, inspected and evaluated projects, and processed claims for reimbursement, and funded personnel activities associated with project tracking and reporting required by USEPA as well as other state and federal agencies. The Administration set-aside also funded legal activities within the State Water Board's Office of Chief Counsel related to reviewing agreements and advising on a variety of programmatic issues including the IUP, anticipated revenue bond requirements, and implementation of various State and federal requirements. Finally, the DWSRF Administration set-aside funded a variety of support activities conducted by Division of Administrative Services (DAS) and DIT, including accounting, human resources, and budget office support as well as Information Technology support.

A portion of the Administration set-aside also funded state procurement contracts with other entities, such as the accounting firm CliftonLarsonAllen. CliftonLarsonAllen completed the federal single-audit of the DWSRF program for SFY 2019-20 on June 25, 2021 and produced audited financials for the DWSRF program, which are included as Appendix E.

The budgeting and expenditures of the DWSRF Administration set-aside, as of June 30, 2020, are shown in Exhibit E.

B. Small Water System Technical Assistance Set-Aside

The State Water Board budgeted two percent (2%) of the FFY 2019 Capitalization Grant, totaling \$1,941,440, along with prior years' set-aside funds for SWSTA in SFY 2019-20. The SWSTA set-aside funded DFA staff to provide technical assistance to SWSs. The primary goal of DFA's SWSTA is to assist SWSs to become eligible for DWSRF financing to reduce the instances of non-compliance with drinking water

standards and requirements; establish and assure safe and dependable water supplies; improve operational capability and establish or improve their TMF capacities.

Assistance included helping SWSs identify drinking water problems and potential solutions, assisting in the preparation of funding applications, reviewing TMF assessments, and evaluating potential funding eligibility. Staff also helped resolve ownership issues, right-of-way disputes, as well as interceded and mediated with adjacent water systems regarding potential water interties and consolidation projects. The SWSTA also enabled DFA technical and administrative staff to assist third-party technical assistance providers and their suite of tasks further described below.

The budgeting and expenditures of the SWSTA Set-Aside as of June 30, 2020, are shown in Exhibit E.

C. Local Assistance Set-Aside

The State Water Board budgeted ten percent (10%) of the FFY 2019 Capitalization Grant along with prior years' capitalization grants in SFY 2019-20, for technical assistance to PWSs to support the State Water Board's TMF Capacity Development Strategy. A majority of the Local Assistance set-aside funds were expended for third-party technical assistance contracts with California Rural Water Association (CRWA), Rural Community Assistance Corporation (RCAC), and Self-Help Enterprises (SHE). CRWA, RCAC and SHE provided on-site technical assistance to 148 PWSs, including income surveys, water rate studies, and DWSRF application development. They also provided or participated in a variety of online and onsite workshops, symposiums and fairs, which benefited over 1832 PWSs in SFY 2019-20.

CRWA, RCAC, and SHE also provided TMF assistance in SFY 2019-20, including mutual water company board training, PWS operation training, and water system ownership research. The California-Nevada chapter of American Water Works Association helped validate water audits for urban water suppliers in support of the State Water Board's Capacity Development Strategy.

In addition, RCAC developed and conducted statewide onsite and online training workshops that focused on building the TMF capacity of PWSs. In SFY 2019-20, RCAC held two California Technical Assistance Provider (CalTAP) funding fairs. The fairs provided information on free services and materials available to the water systems and included two water symposia that focused on treatment certification and distribution. The CalTAP fairs averaged 34 attendees and the symposia averaged 51 attendees. In addition to the funding fairs, RCAC held 38 onsite and 66 online workshops. Board members, water system staff, and operators from more than 1832 individual water systems participated in the training events. RCAC utilized feedback from training and workshop attendees to improve its organizations' effectiveness in communicating with the public and ability to provide helpful information.

The remaining expenditures of Local Assistance set-aside in SFY 2019-20 were for DFA and DDW technical and administrative staff costs associated with providing

assistance to PWSs in support of the State Water Board's TMF Capacity Development Strategy. DFA staff oversaw and engaged third-party technical assistance contractors on the activities described above, as well as assisted funding applicants with achieving the TMF capacity necessary to be eligible for DWSRF funding; advised and reviewed proposed water system consolidations and interties; assisted and mediated in legal entity formation and water system ownership issues; and reviewed water rate studies. The Local Assistance set-aside also supported DDW's implementation of the Capacity Development Strategy by funding staff costs associated with SWS TMF assistance performed during their permitting, inspections, compliance and monitoring (PICM) activities.

The budgeting and expenditures of the DWSRF Local Assistance set-aside, as of June 30, 2020, are shown in Exhibit E.

D. State Program Management Set-Aside

The State Water Board budgeted ten percent (10%) of the FFY 2019 Capitalization Grant, along with prior years' Capitalization Grants, for the State Program Management set-aside in SFY 2019-20. This set-aside funded a portion of DDW's Public Water System Supervision (PWSS) regulatory program. In SFY 2019-20, the State Program Management set-aside subsidized a pro-rated portion of DDW's PICM activities as well as the general administration activities of DDW with the PWSS grant and California's safe drinking water cost-recovery account.

In general, DDW staff conducted inspections and surveys of both large and SWSs; evaluated treatment and infrastructure improvement needs; reviewed plans and specifications in relation to, and for conformance with, treatment requirements; and assisted PWSs with state and federal drinking water compliance issues. The State Program Management set-aside funds were used to enhance emergency preparedness and terrorism/disaster response preparedness of the PWSS program as well as California's PWSs. The DWSRF program also utilized this set-aside to enhance and manage its data reporting mechanisms, including the Safe Drinking Water Information System. The TMF capacity development activities inherent within the PICM activities of DDW were partially funded by the set-aside as well.

The budgeting and expenditures of the State Program Management set-aside as of June 30, 2020, are shown in Exhibit E.

VI. ACRONYMS

AIS	American Iron and Steel
ARRA	American Recovery and Reinvestment Act of 2009
ASAP	Automated Standard Application of Payments
CalTap	California Technical Assistance Provider
CFCC	California Financing Coordinating Committee
CRWA	California Rural Water Association
CWSRF	Clean Water State Revolving Fund
DAC	Disadvantaged Community
DACs	Disadvantaged Communities
DAS	Division of Administrative Services
DBE	Disadvantaged Business Enterprise
DDW	Division of Drinking Water
DFA	Division of Financial Assistance
DIT	Division of Information Technology
DWSRF	Drinking Water State Revolving Fund
ETF	Extended Term Financing
ESCWSs	Expanded Small Community Water Systems
FFATA	Federal Funding Accountability and Transparency Act
FFY	Federal Fiscal Year
FI\$Cal	Financial Information System for California
FRSR	Federal Funding Accountability and Transparency Act Subaward Reporting System
IUP	Intended Use Plan
LEFA	Legal Entity Formation Assistance
MCL	Maximum Contaminant Levels
MBE	Minority Owned Business Enterprise
OMB	Office of Management and Budget
OPP	Office of Public Participation
OSWS	Office of Sustainable Water Solutions
PICM	Permitting, Inspection, Compliance, Monitoring
PWS	Public Water System
PWSs	Public Water Systems
PWSS	Public Water System Supervision
RCAC	Rural Community Assistance Corporation
SADWF	Safe and Affordable Drinking Water Fund
SAFER	Safe and Affordable Funding for Equity and Resilience
SCG-DW	Small Community Grant Drinking Water
SCO	State Controller's Office

SDAC	Severely Disadvantaged Community
SDACs	Severely Disadvantaged Communities
SDWA	Safe Drinking Water Act
SERP	State Environmental Review Process
SFY	State Fiscal Year
SHE	Self-Help Enterprises
SWP	Source Water Protection
SWS	Small Water System
SWSs	Small Water Systems
SWSTA	Small Water System Technical Assistance
TMF	Technical, Managerial, Financial
ULO	Unliquidated Obligation
USEPA	United States Environmental Protection Agency
WBE	Women Owned Business Enterprise

VII. EXHIBITS

Exhibit A	SFY 2019-20 DWSRF Project Funding List
Exhibit B	SFY 2019-20 Extended Term Financing Projects
Exhibit C	SFY 2019-20 Small Community Grant Drinking and SADWF Project Funding List
Exhibit D	SFY 2019-20 Non-Funded Projects
Exhibit E	Cumulative DWSRF Set-Aside Expenditures
Exhibit F	Disadvantaged Business Enterprise Report
Exhibit G	SFY 2019-20 DWSRF FFATA Projects

EXHIBIT A: SFY 2019-20 DWSRF Project Funding List

Project Number	Funding Recipient	Project Name	Category	Population	Connections	Principal Forgiveness Amount	Loan Amount	Total Amount Financed	Green Project Reserve	Status
2000597-001P	Alview-Dairyland Union School District	Dairyland Elementary School New Well and Alview Elementary School Back-Up Source	D	450*	2	\$100,000	\$0.00	\$100,000	\$0.00	Small SDAC
2010003-003C	Bass Lake Water Company	Willow Creek Surface Water Treatment Plant	C	2800*	1007	\$0.00	\$4,611,800	\$4,611,800	\$0.00	Non DAC
4510003-001P	Burney Water District	Burney Water District Well 9 Planning Project	F	3000*	1377	\$500,000	\$0.00	\$500,000	\$0.00	Small SDAC
3310047-001P	Cabazon Water District	Well Improvements Project	F	2535*	907	\$42,000	\$0.00	\$42,000	\$0.00	Small DAC

Project Number	Funding Recipient	Project Name	Category	Population	Connections	Principal Forgiveness Amount	Loan Amount	Total Amount Financed	Green Project Reserve	Status
1710013-003C	Callayomi County Water District	Callayomi CWD Big Canyon Production Well Improvements	B	1700*	383	\$2,031,500	\$0.00	\$2,031,500	\$0.00	Small DAC
3301153-001C	Coachella Valley Unified School District	Consolidation/extension of service to Westside school-Coachella Valley USD	C	975*	1	\$445,800.00	\$0.00	\$445,800	\$0.00	Small SDAC
5400665-003C	Del Oro Water Company	River Island Water Treatment Plant	C	3396*	427	\$0.00	\$5,189,176	\$5,189,176	\$0.00	Non DAC
3610117-001P	Devore Water Company	Water System Improvements for Nitrate Exceedance	A	1600*	493	\$0.00	\$493,200	\$493,200	\$0.00	Non DAC
4710001-007C	Dorris, City of	Meter Installation and Water Main Replacement	D	887*	481	\$2,324,070	\$0.00	\$2,324,070	\$1,812,775	Small SDAC

Project Number	Funding Recipient	Project Name	Category	Population	Connections	Principal Forgiveness Amount	Loan Amount	Total Amount Financed	Green Project Reserve	Status
3710008-003C	Fallbrook Public Utility District	Santa Margarita Conjunctive Use Project	F	34096	8752	\$0.00	\$62,935,885	\$62,935,885	\$0.00	Non-DAC
1510007-001P	Frazier Park Public Utility District	Frazier Park/Lake of the Woods Regional Consolidation Planning Project	A	3831*	1,747	\$1,014,892	\$0.00	\$1,014,892	\$0.00	Small SDAC
1010007-032C	Fresno, City of	Fresno NE SWTF Finished Water Reservoir	F	520052	134665	\$0.00	\$14,000,000	\$14,000,000	\$0.00	DAC
1310005-006C	Holtville, City of	Holtville Water Tank & System Improvements	C	6032*	1,473	\$4,148,283	\$0.00	\$4,148,283	\$0.00	SDAC
1010044-001C	Huron, City of	Water Treatment Plant Improvement Project	C	7306*	879	\$5,000,000	\$2,700,000	\$7,700,000	\$0.00	Small SDAC

Project Number	Funding Recipient	Project Name	Category	Population	Connections	Principal Forgiveness Amount	Loan Amount	Total Amount Financed	Green Project Reserve	Status
3200510-002P	Indian Valley Community Services District	Crescent Mills Filters, PLC, & SCADA Rehabilitation	F	380*	85	\$124,000	\$0.00	\$124,000	\$0.00	SDAC
3700923-002C	Lake Morena's Oak Shores Mutual Water Company, Inc.	Eastside Pipeline Looping and Pipeline Abandonment Improvements	D	710*	191	\$756,500	\$0.00	\$756,500	\$0.00	Small SDAC
4500210-006C	Lassen Pines Mutual Water Company	Water Storage Improvements Project	F	600*	190	\$2,075,000	\$0.00	\$2,075,000	\$312,000	DAC
5410017-003C	London Community Services District	Water System Reliability Project	F	2138*	437	\$2,974,655	\$0.00	\$2,974,655	\$0.00	Small SDAC

Project Number	Funding Recipient	Project Name	Category	Population	Connections	Principal Forgiveness Amount	Loan Amount	Total Amount Financed	Green Project Reserve	Status
2000554-002C	Madera, County of	MD33 Fairmead - Drinking Water Construction Project	C	568*	165	\$11,658	\$0.00	\$11,658	\$0.00	Small SDAC
2010008-004P	Madera, County of (MD10A - Madera Ranchos)	MD #10A-Ranchos Pipe Replacement & Metering Planning Project	F	3039*	925	\$0.00	\$355,000	\$355,000	\$0.00	Non-DAC
0202504-002P	Markleeville Water Company	Markleeville Water Company System Improvement Project	C	25*	167	\$435,300	\$0.00	\$435,300	\$0.00	Small SDAC
1010021-001C	Mendota, City of	Mendota AMR	F	11104	2306	\$0.00	\$349,649	\$349,649	\$349,649	Small SDAC
5010013-001C	Newman, City of	Newman Well 10 Project	C	11165	3378	\$0.00	\$9,452,000	\$9,452,000	\$0.00	Non-DAC

Project Number	Funding Recipient	Project Name	Category	Population	Connections	Principal Forgiveness Amount	Loan Amount	Total Amount Financed	Green Project Reserve	Status
1710008-001C	Nice Mutual Water Company	Meter Renovation Project	D	2500*	1064	\$17,358.75	\$0.00	\$17,359	\$17,359	Severely DAC
0310005-001C	Pine Grove Community Services District	Water Tanks Replacement Project	F	900*	361	\$168,545	\$0.00	\$168,545	\$0.00	Small DAC
3110005-006C	Placer County Water Agency	Castle City Water System Consolidation Project	B	280*	200	\$1,768,423	\$0.00	\$1,768,423	\$0.00	Small DAC
5304501-006C	Salyer Mutual Water Company	Waterline Replacement	F	85*	58	\$431,300	\$0.00	\$431,300	\$0.00	Small SDAC
3600196-007C	San Bernardino, County of	CSA 70 W-4 Pioneertown & Hi Desert WD Interconnection Piping	C	625*	125	\$760,900	\$0.00	\$760,900	\$0.00	Small SDAC

Project Number	Funding Recipient	Project Name	Category	Population	Connections	Principal Forgiveness Amount	Loan Amount	Total Amount Financed	Green Project Reserve	Status
5400824-001C	Sultana Community Services District	Sultana - Monson Safe Drinking Water Project	D	915*	232	\$4,908,221	\$0.00	\$4,908,221	\$0.00	Small SDAC
5310002-002P	Trinity County Waterworks District #1	Planning/Design for Treatment Plant Upgrade	B	2700*	535	\$47,050	\$0.00	\$47,050	\$0.00	Small SDAC
3610050-001C	Upland, City of	Replacement of 7.5 MG Reservoir at 17th Street and Benson Avenue	F	73300	18271	\$0.00	\$16,500,000	\$16,500,000	\$0.00	Non-DAC
0610004-002P	Williams, City of	New Well No. 11	E	5250*	1324	\$405,000	\$0.00	\$405,000	\$0.00	Severely SDAC
2000567-002C	Yosemite Unified School District	Water System Upgrade Project	C	796*	1	\$67,000	\$0.00	\$67,000	\$0.00	Small SDAC

Project Number	Funding Recipient	Project Name	Category	Population	Connections	Principal Forgiveness Amount	Loan Amount	Total Amount Financed	Green Project Reserve	Status
4710011-001C	Yreka, City of	City of Yreka E. Lennox Street Water Line Replacement & WTP Filter Improvements	B	7765*	2876	\$208,200	\$0.00	\$208,200	\$0.00	Small SDAC
						\$30,765,655.75	\$116,586,710	\$147,352,366	\$2,491,783	

* Indicates small water system.

EXHIBIT B: SFY 2019-20 Extended Term Financing Projects

Funding Recipient	Project Number	Total SRF Funding	Loan Term
Newman, City of	5010013-001C	\$9,452,000.00	40

EXHIBIT C: SFY 2019-20 Small Community Grant and SADWF Project Funding List

Funding Recipient	Project Number	Project Description	Category	SADWF Grant	SCG-DW Grant	SRF PF	SRF Loan	Total Funding
Big Rock Community Services District	0800532-003C	Water Tank Replacement Project	C	\$0.00	\$1,112,781.00	\$0.00	\$0.00	\$1,112,781.00
Cabazon Water District	3310047-001P	Well Improvements Project	F	\$0.00	\$457,000.00	\$42,000.00	\$0.00	\$499,000.00
Caliente Union School District	1502607-001C	Fluoride Remediation Project	C	\$0.00	\$965,912.00	\$0.00	\$0.00	\$965,912.00
Caruthers Community Services District	1010039-002C	Installation of Arsenic Treatment Facility and Water Meters	C	\$0.00	\$4,311,120.00	\$0.00	\$0.00	\$4,311,120.00
Coachella Valley Water District	3310001-009C	Thermal MWC & Oasis Gardens Consolidation Project	C	\$2,255,985.00	\$208,000.00	\$0.00	\$0.00	\$2,463,985.00
Coachella Valley Water District	3301153-001C	Consolidation/extension of service to Westside school-Coachella Valley USD	C	\$434,355.00	\$0.00	\$445,800.00	\$0.00	\$880,155.00
Cobb Area County	1710012-002C	Summit Area Improvements	C	\$0.00	\$1,800,000.00	\$0.00	\$0.00	\$1,800,000.00

Funding Recipient	Project Number	Project Description	Category	SADWF Grant	SCG-DW Grant	SRF PF	SRF Loan	Total Funding
Water District								
Groveland Community Services District	5510009-003C	Big Creek and Second Garrotte Clearwell Rehabilitation	F	\$3,267,000.00	\$135,000.00	\$0.00	\$0.00	\$3,402,000.00
Konocti County Water District	1710006-005C	Water System Improvements Project	C	\$8,410,000.00	\$0.00	\$0.00	\$0.00	\$8,410,000.00
London Community Services District	5410017-003C	Water System Reliability Project	C	\$2,000,000.00	\$0.00	\$0.00	\$0.00	\$2,000,000.00
Lukins Brothers Water Company	0910007-002C	GAC Treatment Plant	C	\$0.00	\$0.00	\$2,974,655.00	\$0.00	\$2,974,655.00
Madera, County of	2000554-002C	MD33 Fairmead - Drinking Water Construction Project	C	\$0.00	\$1,549,823.00	\$11,658.00	\$0.00	\$1,561,481.00
Mendota, City of	1010021-001C	Automatic Meter Reading	F	\$2,524,912.00	\$200,000.00	\$0.00	\$349,649.00	\$3,074,561.00
Needles, City of	3610032-001C	Lilly Hill Booster Station Replacement/Relocation Project	F	\$1,172,584.00	\$15,000.00	\$0.00	\$0.00	\$1,187,584.00

Funding Recipient	Project Number	Project Description	Category	SADWF Grant	SCG-DW Grant	SRF PF	SRF Loan	Total Funding
Nice Mutual Water Company	1710008-001C	Meter Renovation Project	D	\$0.00	\$439,641.25	\$0.00	\$0.00	\$439,641.25
Pine Grove Community Services District	0310005-001C	Pine Grove Community Services District	F	\$2,331,455.00	\$0.00	\$168,545.00	\$0.00	\$2,500,000.00
San Bernardino, County of	3600196-007C	CSA 70 W-4 Pioneertown & Hi Desert WD Interconnection Piping	C	\$0.00	\$4,639,100.00	\$760,900.00	\$0.00	\$5,400,000.00
Shady Oak Mobile Home Park, LLC	2000828-002P	Uranium MCL Exceedance	C	\$0.00	\$390,000.00	\$0.00	\$0.00	\$390,000.00
Shasta, County of	4500015-001P	Castella Intake Replacement	D	\$0.00	\$500,000.00	\$0.00	\$0.00	\$500,000.00
Trinity County Waterworks District #1	5310002-002P	Planning/Design for Treatment Plant Upgrade	B	\$0.00	423450	\$47,050.00	\$0.00	\$470,500.00
Walnut Park Mutual Water Company	19100169-001C	Water Meter Replacement	D	\$1,465,109.00	\$150,000.00	\$0.00	\$0.00	\$1,615,109.00

Funding Recipient	Project Number	Project Description	Category	SADWF Grant	SCG-DW Grant	SRF PF	SRF Loan	Total Funding
Westley Community Services District	5000408-001C	District Metering Project	D	\$0.00	\$456,500.00	\$0.00	\$0.00	\$456,500.00
Winterhaven County Water District	1300009-001P	Water Treatment and Distribution Upgrades	E	\$0.00	\$500,000.00	\$0.00	\$0.00	\$500,000.00
Yosemite Unified School District	2000567-002C	Water System Upgrade Project	C	\$0.00	\$928,157.00	\$67,000.00	\$0.00	\$995,157.00
Yreka, City of	4710011-001C	City of Yreka E. Lennox Street Water Line Replacement & WTP Filter Improvements	B	\$0.00	\$2,926,800.00	\$208,200.00	\$0.00	\$3,135,000.00
	Total			\$23,861,400.00	\$22,108,284.25	\$4,725,808.00	\$349,649.00	\$51,045,141.25

EXHIBIT D: SFY 2019-20 Non-Funded Projects

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

Applicant	Category	Project Number	Funding Type	District	Estimated Project Cost	Disadvantaged Status	Description	Population	Service Connections	Comment/ Reason why not funded in SFY 2019-20
Apple Valley View Mutual Water Company	C	3600012-002P	Planning	San Bernardino	\$5,000,000	Severely Disadvantaged	Fluoride Treatment Compliance Planning	275	94	applicant did not sign FA due to tax implications
Apple Valley View Mutual Water Company	C	3600012-002P	Planning	San Bernardino	\$5,000,000	Severely Disadvantaged	Fluoride Treatment Compliance Planning	275	94	applicant did not sign FA due to tax implications
Big Sandy Rancheria of Western Mono Indians of California	C	0600121-001P	Planning	Fresno	\$120,000	Severely Disadvantaged	Big Sandy Rancheria Water System Capital Improvement	235	55	incomplete application
Blue Lakes Improvement Club Water, Inc.	F	1700561-001P	Planning	Mendocino	\$90,000	Severely Disadvantaged	Blue Lakes Improvement Club Water System Improvements	150	43	incomplete application
Burney Water District	F	4510003-002P	Planning	Lassen	\$380,000	Severely Disadvantaged	Burney Water District Water Storage Planning Project	3000	1377	incomplete application

Applicant	Category	Project Number	Funding Type	District	Estimated Project Cost	Disadvantaged Status	Description	Population	Service Connections	Comment/ Reason why not funded in SFY 2019-20
California Water Service Company	F	1710005-003P	Planning	Mendocino	\$385,936	Severely Disadvantaged	California Water Service - Intake Water Quality	2870	1280	under management discussion
Cascadel Mutual Water Co.	C	2000509-006P	Planning	Merced	\$300,000	Disadvantaged	Cascadel MWC Well Replacement Planning Project	396	120	pending funding agreement
Cedar Valley Development Mutual Water Company	C	2000538-001P	Planning	Merced	\$430,000	Severely Disadvantaged	Arsenic MCL Compliance Planning	137	65	incomplete application
Cedarville County Water District	F	2510002-001P	Planning	Klamath	\$490,000	Severely Disadvantaged	Cedarville Capital Improvements	500	265	pending funding agreement
Cedarville County Water District	F	2510002-001P	Planning	Klamath	\$490,000	Severely Disadvantaged	Cedarville Capital Improvements	500	265	pending funding agreement
Chico Unified School District	F	0400073-001P	Planning	Valley	\$306,170	Severely Disadvantaged	Nord Country New Well	66	5	P&S under review. Tech Clearance to follow. ERU and Credit clearances complete

Applicant	Category	Project Number	Funding Type	District	Estimated Project Cost	Disadvantaged Status	Description	Population	Service Connections	Comment/ Reason why not funded in SFY 2019-20
Clearlake Oaks County Water District	F	1710001-006P	Planning	Mendocino	\$500,000	Disadvantaged	Harvey Area Improvements and Access Road for CSA 16	2458	1667	applicant unresponsive
Clearlake Oaks County Water District	F	1710001-007P	Planning	Mendocino	\$500,000	Disadvantaged	Distribution System Improvements	2458	1667	applicant unresponsive
Clearlake Oaks County Water District	F	1710001-008P	Planning	Mendocino	\$500,000	Disadvantaged	Water Treatment Plant, Meter and Cross-Connection Control	2458	1667	applicant unresponsive
Cutler Public Utility District	C	5410001-004P	Planning	Tulare	\$406,900	Severely Disadvantaged	Water Supply Improvements Project	5175	1214	application on hold until Prop-84 construction project is complete
Davenport County Sanitation District	F	4400571-006P	Planning	Monterey	\$475,000	Disadvantaged	Davenport Diversion Facility Upgrade Feasibility Study	350	130	Water Rights issues needs to be resolved before moving forward

Applicant	Category	Project Number	Funding Type	District	Estimated Project Cost	Disadvantaged Status	Description	Population	Service Connections	Comment/ Reason why not funded in SFY 2019-20
Del Oro Water Company	A	5400666-004P	Planning	Visalia	\$350,000	Disadvantaged	Grandview Gardens & East Plano Consolidation with Porterville	373	113	pending funding agreement
Del Rio Mutual Water Company	D	1900130-001P	Planning	Metropolitan	\$180,000	Disadvantaged	Water System Capital Improvements	375	133	applicant unresponsive
Etna, City of	B	4710004-001P	Planning	Klamath	\$500,000	Severely Disadvantaged	City of Etna Surface Water Treatment Compliance Planning	769	383	pending funding agreement
Golden State Water Company - Clearlake System	E	1710002-001P	Planning	Mendocino	\$500,000	Severely Disadvantaged	Intake Treatment Planning Project	7544	2286	Management decision pending
Gonzales, City of	A	2710007-001P	Planning	Monterey	\$100,000	Severely Disadvantaged	Water Extension to Alpine Court Planning	8803	1894	FA issued with P1 and SAFER grant 6/16/2020
Grizzly Flats Community Services District	F	0910006-001P	Planning	Sacramento	\$385,000	Disadvantaged	Water System Improvement Planning Project	1300	609	waiting on revised scope of work from applicant

Applicant	Category	Project Number	Funding Type	District	Estimated Project Cost	Disadvantaged Status	Description	Population	Service Connections	Comment/ Reason why not funded in SFY 2019-20
Heather Glen Community Services District	F	3100038-001P	Planning	Lassen	\$434,350	Severely Disadvantaged	Water Treatment Plant Storage and Reliability Project	250	86	incomplete application
Highlands Water Company	F	1710003-001P	Planning	Mendocino	\$500,000	Severely Disadvantaged	Plant and Distribution Improvements	5300	2303	incomplete application
Home Garden Community Services District	F	1610007-003P	Planning	Visalia	\$350,000	Severely Disadvantaged	Home Garden System Deficiencies Planning Project	1750	453	incomplete application
Hornbrook Community Services District	F	4700513-004P	Planning	Klamath	\$497,000	Severely Disadvantaged	Water Treatment Plant Rehabilitation	280	141	incomplete application
Huron, City of	F	1010044-008P	Planning	Fresno	\$280,000	Severely Disadvantaged	Domestic Water Well Planning Project	7306	862	incomplete application
Hydesville County Water District	F	1210019-001P	Planning	Klamath	\$500,000	Disadvantaged	Hydesville County Water District Water System Improvements	1200	394	application under review, updated submittals in June 2020

Applicant	Category	Project Number	Funding Type	District	Estimated Project Cost	Disadvantaged Status	Description	Population	Service Connections	Comment/ Reason why not funded in SFY 2019-20
Knights Ferry Community Services District	A	5000008-001P	Planning	Stockton	\$290,000	Severely Disadvantaged	Water Supply Improvement Planning Project	85	62	project not needed anymore
Lake County Special Districts	F	1710018-002P	Planning	Mendocino	\$500,000	Severely Disadvantaged	Spring Valley Distribution System Upgrades	1018	420	incomplete Application
Lake Shastina Community Services District	F	4710013-001P	Planning	Klamath	\$500,000	Disadvantaged	Lake Shastina Drinking Water Rehabilitation and Upgrade Project	2400	1013	pending funding agreement
Lake Shastina Community Services District	F	4710013-001P	Planning	Klamath	\$500,000	Disadvantaged	Lake Shastina Drinking Water Rehabilitation and Upgrade Project	2400	1013	pending funding agreement
Le Grand Community Services District	F	2410011-001P	Planning	Merced	\$297,600	Disadvantaged	Le Grand Community Services District Well Site Seven	1700	433	incomplete application
London Community Services District	C	5410017-004P	Planning	Visalia	\$500,000	Severely Disadvantaged	1,2,3 TCP Compliance Improvements	2138	437	application withdrawn

Applicant	Category	Project Number	Funding Type	District	Estimated Project Cost	Disadvantaged Status	Description	Population	Service Connections	Comment/ Reason why not funded in SFY 2019-20
Lower Lake County Water District	C	1710010-001P	Planning	Mendocino	\$500,000	Severely Disadvantaged	Lower Lake CWD - Source Capacity & Treatment Plant	1902	851	incomplete application
Madera, County of (MD3 - Parksdale)	F	2010006-001P	Planning	Merced	\$480,500	Severely Disadvantaged	New Groundwater Supply Well and Residential Connections Planning	2198	2621	pending funding agreement
Madera, County of (MD36 - Eastin Arcola)	C	2000727-001P	Planning	Merced	\$500,000	Disadvantaged	New Groundwater Supply Well	80	16	pending funding agreement
Madera, County of (MD85 - Valeta)	C	2000511-001P	Planning	Merced	\$500,000	Disadvantaged	Water Supply Planning Project	45	20	pending funding agreement
Manzanita Elementary School District	C	0400063-001P	Planning	Valley	\$495,000	Severely Disadvantaged	Manzanita Well Replacement	225	2	pending funding agreement
Mecchi Water Company	F	4300912-001P	Planning	Santa Clara	\$19,372	Disadvantaged	Water System Improvements	104	26	incomplete application

Applicant	Category	Project Number	Funding Type	District	Estimated Project Cost	Disadvantaged Status	Description	Population	Service Connections	Comment/ Reason why not funded in SFY 2019-20
Meridian Elementary School District	F	5100141-001P	Planning	Tehama	\$192,000	Disadvantaged	Treatment Plant Improvement Planning Project	93	1	applicant not moving forward with application
Modesto, City of	F	5010033-001P	Planning	Stockton	\$500,000	Severely Disadvantaged	Grayson Community Water System Facilities	1100	275	processing application
Orange Cove, City of	F	1010023-006P	Planning	Fresno	\$481,000	Severely Disadvantaged	City of Orange Cove Water Supply Reliability Project	8500	1450	incomplete application
Orick Community Services District	C	1200701-001P	Planning	Klamath	\$374,000	Severely Disadvantaged	Water Tank Replacement Project	400	139	project in TA
Orland, City of	A	1110001-005P	Planning	Valley	\$245,000	Disadvantaged	Domestic well and ground storage tank	6525	2615	incomplete application
Palo Alto Park MWC	F	4110020-001P	Planning	Santa Clara	\$500,000	Severely Disadvantaged	PAPMWC Iron and Manganese Removal System	2500	652	CIP project, under management discussion

Applicant	Category	Project Number	Funding Type	District	Estimated Project Cost	Disadvantaged Status	Description	Population	Service Connections	Comment/ Reason why not funded in SFY 2019-20
Phillipsville Community Services District	B	1200541-003P	Planning	Klamath	\$267,720	Severely Disadvantaged	Treatment Deficiency Remediation	300	65	project in TA
Pinedale County Water District	E	1010026-001P	Planning	Visalia	\$500,000	Disadvantaged	Pinedale County Water District - Water Meter Project	8495	3370	incomplete application
Planada CSD	F	2410007-001P	Planning	Merced	\$500,000	Disadvantaged	Planada Community Services District Water Supply Project	4000	1095	pending funding agreement
Quincy Community Services District	F	3210004-004P	Planning	Lassen	\$500,000	Disadvantaged	Water System Improvement Project	1879	769	pending funding agreement
Reeds Creek Elementary School District	C	5200540-001P	Planning	Tehama	\$67,200	Severely Disadvantaged	Reeds Creek School CA5200540 Hexavalent Chromium Compliance Planning Project	180	3	pending Hexavalent Chromium MCL

Applicant	Category	Project Number	Funding Type	District	Estimated Project Cost	Disadvantaged Status	Description	Population	Service Connections	Comment/ Reason why not funded in SFY 2019-20
Reeds Creek Elementary School District	C	5200540-001P	Planning	Tehama	\$67,200	Severely Disadvantaged	Reeds Creek School CA5200540 Hexavalent Chromium Compliance Planning Project	180	3	pending Hexavalent Chromium MCL
River Park Newman LLC	F	5000058-001P	Planning	Stockton	\$465,000	Severely Disadvantaged	Fisherman's Bend Mobile Home Park Drinking Water Project Hexavalent Chromium	150	46	incomplete application
San Joaquin River Club, Inc.	F	3910018-001P	Planning	Stockton	\$250,700	Disadvantaged	Chrome VI Compliance	600	400	incomplete application
San Joaquin River Club, Inc.	F	3910018-002P	Planning	Stockton	\$304,400	Disadvantaged	SJRC Water Distribution Improvement Project	600	400	incomplete application
Scotia Community Services District	F	1210010-001P	Planning	Klamath	\$500,000	Severely Disadvantaged	Scotia Water Treatment Facility Replacement	1000	309	incomplete Application

Applicant	Category	Project Number	Funding Type	District	Estimated Project Cost	Disadvantaged Status	Description	Population	Service Connections	Comment/ Reason why not funded in SFY 2019-20
Sierraville Public Utility District	D	4600018-001P	Planning	Lassen	\$320,100	Severely Disadvantaged	New Water Source	200	102	project no longer needed
Smith River Community Services District	F	0810002-001P	Planning	Klamath	\$455,000	Disadvantaged	Smith River CSD Water Infrastructure Improvement Project	2568	508	incomplete application
South Cloverdale Water Corporation	D	4900510-001P	Planning	Sonoma	\$241,500	Disadvantaged	South Cloverdale Water Company Metering	90	38	project in TA
Tennant Community Services District	D	4700531-005P	Planning	Klamath	\$253,000	Disadvantaged	Water Distribution Replacement Project	94	94	pending funding agreement
Twain Harte Community Services District	D	5510005-001P	Planning	Merced	\$500,000	Disadvantaged	Twain Harte CSD Water System Evaluation and Modernization Project	2568	1562	incomplete application
Upper Lake County Water District	F	1710009-001P	Planning	Mendocino	\$100,000	Severely Disadvantaged	Cal 20 Consolidation	989	370	applicant unresponsive

Applicant	Category	Project Number	Funding Type	District	Estimated Project Cost	Disadvantaged Status	Description	Population	Service Connections	Comment/ Reason why not funded in SFY 2019-20
Valley of Enchantment Mutual Water Company	F	3610051-001P	Planning	San Bernardino	\$500,000	Disadvantaged	Infrastructure Replacements, tanks, services lines, auto metering systems	1815	823	incomplete application
Valley View MWC	F	1910165-001P	Planning	Hollywood	\$391,210	Severely Disadvantaged	System Improvements Planning project	4584	1389	water system declined funding agreement
Westhaven Community Services District	F	1210024-004	Planning	Klamath	\$500,000	Disadvantaged	Disinfection Byproduct Reduction	490	213	under TA for planning
Willow County Water District	C	2310005-001P	Planning	Mendocino	\$220,000	Disadvantaged	Well Renovation Planning	3797	1051	incomplete application
Winterhaven County	E	1300009-001P	Planning	San Diego	\$500,000	Severely Disadvantaged	Water Treatment and Distribution Project	394	129	funding agreement executed
Yosemite Forks Estates Mutual Water Company	C	2000527-001P	Planning	Merced	\$430,000	Severely Disadvantaged	Arsenic MCL mitigation project	300	99	incomplete application

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

Applicant	Category	Project Number	Funding Type	District	Estimated Project Cost	Disadvantaged Status	Description	Population	Service Connections	Comment Explanation why it was not funded in SFY 2019-20
Anza Mutual Water Co., Inc.	F	3301180-001C	Construction	Riverside	\$5,000,000	Severely Disadvantaged	Anza Mutual Water System Improvements Project	224	85	incomplete application
Averydale Mutual Water Company	D	1910023-001C	Construction	Central	\$500,000	Severely Disadvantaged	Replace 292 meters in for Averydale MWC	964	293	application withdrawn
Biola Community Services District	E	1010049-008C	Construction	Fresno	\$474,000	Severely Disadvantaged	Biola CSD Water Distribution System Upgrades	1800	300	pending funding agreement
Borrego Water District	F	3710036-001C	Construction	San Diego	\$615,000	Severely Disadvantaged	Water Pump Diesel Engine Upgrade and Tank Rehabilitation	2535	2016	incomplete application
Burney Water District	E	4510003-003C	Construction	Lassen	\$5,135,000	Severely Disadvantaged	Burney Water District Water System Improvement Project	3000	1377	CIP project, under management discussion

Applicant	Category	Project Number	Funding Type	District	Estimated Project Cost	Disadvantaged Status	Description	Population	Service Connections	Comment Explanation why it was not funded in SFY 2019-20
California Water Service Company	C	1510033-001C	Construction	Tehachapi	\$1,000,000	Disadvantaged	Secondary Treatment at Kernville Surface Water Plant	5435	1914	incomplete application
Clear Creek Community Services District	C	1800512-001C	Construction	Lassen	\$4,996,800	Severely Disadvantaged	Drinking Water System Improvements	400	156	incomplete application
Clear Creek Community Services District	C	1800512-001C	Construction	Lassen	\$4,996,800	Severely Disadvantaged	Drinking Water System Improvements	400	156	incomplete application
Clear Water Mutual Water Company	D	1700546-001C	Construction	Mendocino	\$1,000,000	Severely Disadvantaged	Upper Storage Tank Replacement Project	250	93	processing application
Colusa, City of	C	0610002-001C	Construction	Valley	\$2,022,580	Severely Disadvantaged	Walnut Ranch Construction Project	5625	2126	incomplete application

Applicant	Category	Project Number	Funding Type	District	Estimated Project Cost	Disadvantaged Status	Description	Population	Service Connections	Comment Explanation why it was not funded in SFY 2019-20
Colusa, City of	F	0610002-003C	Construction	Valley	\$1,409,506	Disadvantaged	Bridge Street Waterline Consolidation & Replacement Project	5625	2126	incomplete application
Cuyama Community Services District	D	4210009-001C	Construction	Santa Barbara	\$975,000	Disadvantaged	Well No. 4 Drilling and Equipping Project	700	254	incomplete application
Davenport County Sanitation District	D	4400571-005C	Construction	Monterey	\$240,066	Disadvantaged	Old Coast Water Line Extension	350	130	Water Rights issues needs to be resolved before moving forward
Del Rey Community Services District	D	1010035-005C	Construction	Fresno	\$905,472	Severely Disadvantaged	Water Meter Installation Project	1639	358	pending funding agreement
Downieville Public Utility District	F	4610002-003C	Construction	Lassen	\$709,500	Disadvantaged	Storage Tanks Replacement	391	224	processing application
Dunsmuir, City of	F	4710002-002C	Construction	Klamath	\$5,000,000	Severely Disadvantaged	Water Main Replacement Project	1923	1285	application withdrawn on 7/22/19

Applicant	Category	Project Number	Funding Type	District	Estimated Project Cost	Disadvantaged Status	Description	Population	Service Connections	Comment Explanation why it was not funded in SFY 2019-20
Dunsmuir, City of	F	4710002-002C	Construction	Klamath	\$5,000,000	Severely Disadvantaged	Water Main Replacement Project	1923	1285	application withdrawn on 7/22/19
Dunsmuir, City of	C	4710002-001C	Construction	Klamath	\$3,406,000	Severely Disadvantaged	Downtown Tank Replacement Project	1923	1285	pending funding agreement
Dunsmuir, City of	C	4710002-001C	Construction	Klamath	\$3,406,000	Severely Disadvantaged	Downtown Tank Replacement Project	1923	1285	pending funding agreement
Fall River Valley Community Services District	D	4510008-001C	Construction	Lassen	\$1,696,250	Disadvantaged	Fall River Valley CSD - Water Tank and Booster Pump Station Project	1600	490	pending funding agreement
Firebaugh, City of	E	1010005-003C	Construction	Fresno	\$4,851,300	Disadvantaged	HUD Water Storage Tank Replacement	8330	1610	pending completion of technical assistant project
Floriston Property Owners Association, Inc.	A	2900502-002C	Construction	Valley	\$3,230,000	Disadvantaged	Spring Filtration Project	100	40	under TA rate study

Applicant	Category	Project Number	Funding Type	District	Estimated Project Cost	Disadvantaged Status	Description	Population	Service Connections	Comment Explanation why it was not funded in SFY 2019-20
Grass Valley, City of	F	2910001-004C	Construction	Valley	\$5,000,000	Severely Disadvantaged	Water Distribution System Pipeline Repair and Replacement	5600	2328	CIP project, under management discussion
Grass Valley, City of	F	2910001-005C	Construction	Valley	\$5,000,000	Severely Disadvantaged	Water Treatment Plant Improvement Project	5600	2328	CIP project, under management discussion
Grass Valley, City of	F	2910001-006C	Construction	Valley	\$5,000,000	Severely Disadvantaged	Water Service, Earthquake Preparation, and Control Project	5600	2328	CIP project, under management discussion
Groveland Community Services District	F	5510009-002C	Construction	Merced	\$5,352,675	Disadvantaged	GCSD Water System Improvements	3400	3293	incomplete application
Hardwick Water Company	C	1600507-002C	Construction	Visalia	\$1,296,000	Severely Disadvantaged	Distribution System Replacement and New Residential Connections	69	21	pending funding agreement

Applicant	Category	Project Number	Funding Type	District	Estimated Project Cost	Disadvantaged Status	Description	Population	Service Connections	Comment Explanation why it was not funded in SFY 2019-20
Herlong Public Utility District	D	1805007-001C	Construction	Lassen	\$2,398,128	Disadvantaged	West Patton Water System Project	1200	1	incomplete application
Hughson, City of	C	5010008-012C	Construction	Stockton	\$4,116,274	Severely Disadvantaged	Cobles Corner/County Villa Consolidation with City of Hughson	6082	1779	under TA for P&S
Joshua Basin Water District	F	3610025-002C	Construction	San Bernardino	\$3,721,500	Severely Disadvantaged	Saddleback Pipeline Replacement Project	9577	4782	application withdrawn
Jubilee Mutual Water Company	C	3600139-001C	Construction	San Bernardino	\$7,900,000	Severely Disadvantaged	Consolidation of Jubilee Mutual Water Company into Gordon Acres	855	206	pending funding agreement
Kern, County of	C	1502307-001C	Construction	Tehachapi	\$836,000	Severely Disadvantaged	Peak-to-Peak Mountain Charter School water system permanent source	75	17	incomplete application

Applicant	Category	Project Number	Funding Type	District	Estimated Project Cost	Disadvantaged Status	Description	Population	Service Connections	Comment Explanation why it was not funded in SFY 2019-20
Keyes Community Services District	A	5010009-005C	Construction	Stockton	\$10,410,000	Disadvantaged	1,2,3-TCP Removal Treatment System	4575	1450	application incomplete
Kings Canyon Unified School District	C	1000577-001C	Construction	Fresno	\$1,636,000	Severely Disadvantaged	Dunlap Leadership Academy Water Supply Upgrade and Consolidation into Dunlap Elementary School	486	2	pending funding agreement
Lake, County of (CSA 20)	F	1710022-009C	Construction	Mendocino	\$5,000,000	Severely Disadvantaged	Soda Bay Water Treatment Plant Improvements	1342	596	unresponsive applicant
Lewiston Community Services District	F	5301002-003C	Construction	Klamath	\$674,000	Severely Disadvantaged	Lewiston CSD Well 8 Project	150	37	incomplete application

Applicant	Category	Project Number	Funding Type	District	Estimated Project Cost	Disadvantaged Status	Description	Population	Service Connections	Comment Explanation why it was not funded in SFY 2019-20
Lewiston Community Services District	D	5301002-004C	Construction	Klamath	\$2,380,000	Severely Disadvantaged	Lewiston CSD Water Distribution System Replacement Project	150	37	pending funding agreement
Liberty Utilities (Apple Valley Ranchos Water) Co.	C	3610003-001C	Construction	San Bernardino	\$5,000,000	Severely Disadvantaged	Yermo Water System Rehabilitation	904	274	applicant did not sign FA due to tax implications
Los Angeles County Waterworks District 40	C	1910070-002C - (previously 1910005-004C)	Construction	Central	\$839,584	Severely Disadvantaged	Desert Palms Mobile Home Park Intertie Project	140	55	pending funding agreement
Lost Hills Utility District	F	1510046-008C	Construction	Visalia	\$1,732,039	Severely Disadvantaged	New Groundwater Supply Well	2412	396	incomplete application
Lukins Brothers Water Company	C	0910007-003C	Construction	Sacramento	\$1,500,000	Disadvantaged	Two Well Replacements	3168	968	incomplete application

Applicant	Category	Project Number	Funding Type	District	Estimated Project Cost	Disadvantaged Status	Description	Population	Service Connections	Comment Explanation why it was not funded in SFY 2019-20
Lukins Brothers Water Company	D	0910007-004C	Construction	Sacramento	\$3,301,000	Disadvantaged	Lukins Brothers Water Company Inc. Meter Project	3168	968	incomplete application
Lukins Brothers Water Company	D	0910007-001C	Construction	Sacramento	\$1,330,000	Disadvantaged	Phase 2 Waterline Project - James Avenue	3168	968	pending funding agreement
Madera, County of (MD37 - La Vina)	D	2000728-001C	Construction	Merced	\$339,250	Disadvantaged	Water Meter Installation	350	99	pending funding agreement
Manila Community Services District	F	1210017-001C	Construction	Klamath	\$3,504,000	Disadvantaged	Manila CSD Drinking Water Infrastructure Improvement Project	1000	343	incomplete application
Mt. Shasta, City of	F	4710008-003C	Construction	Klamath	\$5,000,000	Severely Disadvantaged	Water Distribution System Improvements	3642	1675	incomplete application
Mt. Shasta, City of	F	4710008-003C	Construction	Klamath	\$5,000,000	Severely Disadvantaged	Water Distribution System Improvements	3642	1675	incomplete application

Applicant	Category	Project Number	Funding Type	District	Estimated Project Cost	Disadvantaged Status	Description	Population	Service Connections	Comment Explanation why it was not funded in SFY 2019-20
Mt. Shasta, City of	C	4710008-001C	Construction	Klamath	\$5,000,000	Severely Disadvantaged	City of Mt. Shasta Tank 1 & Roseburg Water System Improvements	3642	1675	pending funding agreement
Mt. Shasta, City of	C	4710008-001C	Construction	Klamath	\$5,000,000	Severely Disadvantaged	City of Mt. Shasta Tank 1 & Roseburg Water System Improvements	3642	1675	pending funding agreement
Napa County Schools: Pope Valley	F	2800840-003C	Construction	Mendocino	\$57,000	Severely Disadvantaged	Pope Valley School Water Treatment	100	1	under TA for planning
New Auberry Water Association	B	1000063-005C	Construction	Fresno	\$3,131,200	Disadvantaged	Water System Capital Improvements	106	32	pending funding agreement
Nicasio School District	B	2100582-001C	Construction	Sonoma	\$55,000	Severely Disadvantaged	Nicasio School District Water System Upgrade	70	5	incomplete application
Orange Cove, City of	C	1010023-005C	Construction	Fresno	\$3,000,000	Severely Disadvantaged	Emergency Lining of Source Water Retention Basins	8500	1450	incomplete application

Applicant	Category	Project Number	Funding Type	District	Estimated Project Cost	Disadvantaged Status	Description	Population	Service Connections	Comment Explanation why it was not funded in SFY 2019-20
Paskenta Community Services District	D	5200534-004C	Construction	Tehama	\$1,867,424	Severely Disadvantaged	Meters and Lines	120	67	incomplete application
Pine Grove Community Services District	D	0310005-002C	Construction	Stockton	\$2,725,000	Disadvantaged	Meter Replacement Project	900	361	pending funding agreement
Porterville, City of	C	5410010-018C	Construction	Tulare	\$4,787,664	Disadvantaged	Consolidate Akin/Central Water Systems into Porterville and a New Groundwater Supply Well	221	67	pending funding agreement
R.S. Mutual Water Company	C	1500458-002C	Construction	Tehachapi	\$538,000	Severely Disadvantaged	R.S. Mutual Water Company consolidation project	67	23	pending funding agreement
Rand Communities Water District	C	1510016-005C	Construction	Tehachapi	\$3,218,000	Severely Disadvantaged	Rand Communities Water District Water Supply Project	344	295	pending funding agreement

Applicant	Category	Project Number	Funding Type	District	Estimated Project Cost	Disadvantaged Status	Description	Population	Service Connections	Comment Explanation why it was not funded in SFY 2019-20
River Pines Public Utility District	F	0310006-002C	Construction	Stockton	\$5,000,000	Severely Disadvantaged	River Pines PUD Storage and Distribution Rehab Project	510	210	pending funding agreement
Rosamond Community Services District	C	1510018-016C	Construction	Tehachapi	\$9,713,700	Disadvantaged	Regional Consolidation Project to address Exceedances of Arsenic MCL	1469	572	pending funding agreement
San Bernardino, County of	C	3600226-001C	Construction	San Bernardino	\$455,000	Disadvantaged	CSA 70 F Morongo Uranium Treatment Facilities	277	86	TA assigned to complete application
San Bernardino, County of	C	3600114-003C	Construction	San Bernardino	\$56,000	Disadvantaged	CSA 70 W3 Hacienda Uranium Treatment Facilities	541	170	TA assigned to complete application
San Bernardino, County of	F	3600220-001C	Construction	San Bernardino	\$552,000	Severely Disadvantaged	CSA 42 Oro Grande Reservoir Rehabilitation/ Replacement Project	1000	136	incomplete application

Applicant	Category	Project Number	Funding Type	District	Estimated Project Cost	Disadvantaged Status	Description	Population	Service Connections	Comment Explanation why it was not funded in SFY 2019-20
San Joaquin, City of	E	1010034-004C	Construction	Fresno	\$3,000,000	Severely Disadvantaged	Well #3 and Well #5 Manganese Removal System	3870	944	incomplete application
Santa Nella County Water District	F	2410018-001C	Construction	Merced	\$8,649,961	Disadvantaged	Consolidate Volta CSD into Santa Nella CWD and System Improvements to Increase Capacity	200	44	pending funding agreement
Sierra Linda Mutual Water Company	D	2000506-001C	Construction	Merced	\$4,159,000	Severely Disadvantaged	Sierra Linda Mutual Water Company Consolidation, Metering, and Water Treatment	180	89	pending funding agreement
Terra Bella Irrigation District	B	5410038-004C	Construction	Visalia	\$1,186,200	Severely Disadvantaged	Disinfection Byproducts Compliance Project	2340	709	inactive

Applicant	Category	Project Number	Funding Type	District	Estimated Project Cost	Disadvantaged Status	Description	Population	Service Connections	Comment Explanation why it was not funded in SFY 2019-20
Tokay Park Water Company	A	3400172-001C	Construction	Sacramento	\$462,000	Disadvantaged	New Production Well and Interconnection Project	525	190	incomplete application
Tranquillity Irrigation District	D	1010030-006C	Construction	Fresno	\$1,400,000	Severely Disadvantaged	Tranquillity Irrigation District Water Meters Project	820	326	incomplete application
Tranquillity Irrigation District	C	1010030-007C	Construction	Fresno	\$4,700,000	Severely Disadvantaged	TID Rural Water System Improvement Project	820	326	incomplete application
Tranquillity Irrigation District	D	1010030-008C	Construction	Fresno	\$4,237,000	Severely Disadvantaged	TID Ag Well 19B Treatment	820	326	incomplete application
Tulare, County of	C	5400550-002C	Construction	Tulare	\$7,878,776	Severely Disadvantaged	Phase 2 of the Yettem and Seville system Consolidation Project	691	163	incomplete application
Tuolumne Utilities District	F	5510013-010C	Construction	Merced	\$3,142,689	Severely Disadvantaged	Cuesta Heights Water System Improvement Project	4724	2105	pending funding agreement

Applicant	Category	Project Number	Funding Type	District	Estimated Project Cost	Disadvantaged Status	Description	Population	Service Connections	Comment Explanation why it was not funded in SFY 2019-20
Valley Ford Water Association	A	4900568-001C	Construction	Sonoma	\$1,500,000	Severely Disadvantaged	VFWA New Well	40	16	incomplete application
Waterford, City of	D	5010026-001C	Construction	Stockton	\$2,350,000	Disadvantaged	Hickman Water System Improvements Construction Project	565	181	processing application
Weed, City of	F	4710009-003C	Construction	Klamath	\$1,000,000	Severely Disadvantaged	City of Weed Meter Replacement Project	2963	1042	application withdrawn on 11/1/19
Weed, City of	F	4710009-003C	Construction	Klamath	\$1,000,000	Severely Disadvantaged	City of Weed Meter Replacement Project	2963	1042	application withdrawn on 11/1/19
Weed, City of	C	4710009-002C	Construction	Klamath	\$5,000,000	Severely Disadvantaged	City of Weed Bypass Water Supply Pipeline Project	2963	1042	pending funding agreement
Weed, City of	C	4710009-002C	Construction	Klamath	\$5,000,000	Severely Disadvantaged	City of Weed Bypass Water Supply Pipeline Project	2963	1042	pending funding agreement

Applicant	Category	Project Number	Funding Type	District	Estimated Project Cost	Disadvantaged Status	Description	Population	Service Connections	Comment Explanation why it was not funded in SFY 2019-20
Westmorland, City of	C	1310008-003C	Construction	San Diego	\$5,000,000	Severely Disadvantaged	Westmorland Water Treatment Plant Improvements	2300	562	incomplete application
Williams, City of	D	0610004-001C	Construction	Valley	\$4,996,000	Severely Disadvantaged	Manganese Filtration Treatment Installation, New Water Meters, and SCADA Improvements	5250	1324	pending funding agreement
Yreka, City of	C	4710011-003C	Construction	Klamath	\$4,360,000	Severely Disadvantaged	Water Supply and Storage Improvements	7290	2876	pending funding agreement

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

Applicant	Category	Project Number	Funding Type	District	Estimated Project Cost	Disadvantaged Status	Description	Population	Service Connections	Comment Explanation why it was not funded in SFY 2019-20
Mendota, City of	E	1010021-002P	Planning	Fresno	\$500,000	Severely Disadvantaged	Water Supply Planning Project	11104	2306	pending funding agreement
Lamont Public Utility District	C	1510012-009P	Planning	Visalia	\$457,000	Severely Disadvantaged	Arsenic Treatment Compliance Planning	18290	3307	project to be completed by Technical Assistance
Twentynine Palms Water District	F	3610049-005P	Planning	San Bernardino	\$1,800,000	Large Disadvantaged	Potable Groundwater Management Project	17500	7704	applicant withdrawn from DWSRF

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

Applicant	Category	Project Number	Funding Type	District	Estimated Project Cost	Disadvantaged Status	Description	Population	Service Connections	Comment Explanation why it was not funded in SFY 2019-20
Anderson, City of	F	4510001-001C	Construction	Lassen	\$2,250,000	Severely Disadvantaged	Anderson Heights Reservoir Replacement and Pressure Regulating Valve (PRV) Station Project	10050	3077	financial not met requirement
Parlier, City of	A	1010025-001C	Construction	Fresno	\$17,322,726	Severely Disadvantaged	1,2,3-TCP Removal Treatment Systems	12058	2329	incomplete application
Tuolumne Utilities District	A	5510033-001C	Construction	Merced	\$1,962,575	Severely Disadvantaged	Curtis Creek Elementary School Water System Consolidation Project	13663	5761	pending funding agreement

Applicant	Category	Project Number	Funding Type	District	Estimated Project Cost	Disadvantaged Status	Description	Population	Service Connections	Comment Explanation why it was not funded in SFY 2019-20
Crescent City, City of	C	0810001-004C	Construction	Klamath	\$523,746	Severely Disadvantaged	West Park Properties Mobile Home Park Consolidation	14000	3416	incomplete application, need to determine amount of work on private property DFA will fund
Crescent City, City of	C	0810001-005C	Construction	Klamath	\$349,662	Severely Disadvantaged	Butte Court Mobile Home Park Consolidation	14000	3416	incomplete application, need to determine amount of work on private property DFA will fund
Red Bluff, City of	A	5210004-001C	Construction	Valley	\$354,000	Severely Disadvantaged	Gurnsey Avenue Mutual Water Company Consolidation	14005	4350	processing application

Applicant	Category	Project Number	Funding Type	District	Estimated Project Cost	Disadvantaged Status	Description	Population	Service Connections	Comment Explanation why it was not funded in SFY 2019-20
Arcata, City of	F	1210001-001C	Construction	Klamath	\$4,945,963	Severely Disadvantaged	Steel Water Line Replacement	16651	5278	incomplete application
Greenfield, City of	C	2710008-001C	Construction	Monterey	\$389,000	Severely Disadvantaged	Apple Avenue Water System Consolidation	17547	3469	incomplete application
Lamont Public Utility District	C	1510012-008C	Construction	Visalia	\$6,760,000	Severely Disadvantaged	Lamont PUD and El Adobe POA Consolidation Project	18290	3307	pending funding agreement
Arvin Community Services District	C	1510001-005C	Construction	Visalia	\$3,115,350	Severely Disadvantaged	123 TCP Treatment for Well No.8 and Well No. 13	21563	3776	application on hold until current project is complete
East Niles Community Services District	C	1510006-001C	Construction	Visalia	\$15,289,500	Severely Disadvantaged	North Weedpatch Water System Consolidation Project into East Niles CSD	31700	7835	pending funding agreement
Coachella, City of	C	3310007-002C	Construction	Riverside	\$937,000	Severely Disadvantaged	Mesquite Mutual Water Company Consolidation Project	38406	7460	incomplete application

Applicant	Category	Project Number	Funding Type	District	Estimated Project Cost	Disadvantaged Status	Description	Population	Service Connections	Comment Explanation why it was not funded in SFY 2019-20
Yuba City, City of	C	5110002-016C	Construction	Tehama	\$2,383,651	Disadvantaged	Barry Elementary School Water Service	51504	13550	processing application
Tulare, City of	D	5410015-001C	Construction	Tulare	\$2,000,000	Severely Disadvantaged	Consolidation of City of Tulare, Pratt, and Soult's Mutual Water Systems	60300	17086	incomplete application
Castaic Lake Water Agency	A	1910017-001C	Construction	Los Angeles	\$2,771,489	Disadvantaged	LARC Ranch Water Pipeline and Consolidation	122998	29855	pending funding agreement
Stockton, City of	F	3910012-001C	Construction	Stockton	\$600,000	Disadvantaged	City of Stockton Consolidation Project	158113	46119	project in TA
Coachella Valley Water District	C	3310001-010C	Construction	Riverside	\$1,572,719	Disadvantaged	Galindo MHP Consolidation	244472	97789	incomplete application
Livingston, City of	C	2410004-004C	Construction	Santa Ana	\$12,000,000	Non Disadvantaged	Livingston 1,2,3-TCP Removal Treatment System Project	13795	2948	incomplete application

Applicant	Category	Project Number	Funding Type	District	Estimated Project Cost	Disadvantaged Status	Description	Population	Service Connections	Comment Explanation why it was not funded in SFY 2019-20
Santa Ana, City of	F	3010038-001C	Construction	Santa Ana	\$10,800,000	Non Disadvantaged	Water Distribution System Improvements	353428	44610	incomplete application
Santa Ana, City of	F	3010038-002C	Construction	Santa Ana	\$13,700,000	Non Disadvantaged	Automated Meter Infrastructure	353428	44610	incomplete application
Santa Ana, City of	F	3010038-003C	Construction	San Diego	\$5,290,000	Non Disadvantaged	Well 32 Nitrate Treatment & Rehabilitation	353428	44610	incomplete application
South Coast Water District	F	3010055-001C	Construction	San Diego	\$102,056,000	Non Disadvantaged	Doheny Ocean Desalination	20500	5619	incomplete application
Hemet, City of	F	3310016-009C	Construction	San Diego	\$16,992,000	Non Disadvantaged	Water Distribution System Improvements	20047	8667	incomplete application
San Diego, City of	F	3710020-071C	Construction	San Diego	\$16,000,000	Non Disadvantaged	La Jolla View Reservoir	1266731	271962	incomplete application
San Diego, City of	F	3710020-077C	Construction	San Diego	\$38,180,000	Non Disadvantaged	Morena Pipeline	1266731	271962	incomplete application
Valley Center Municipal Water District	F	3710026-002C	Construction	San Diego	\$13,970,000	Non Disadvantaged	Pipeline Replacement	25572	9704	incomplete application

Applicant	Category	Project Number	Funding Type	District	Estimated Project Cost	Disadvantaged Status	Description	Population	Service Connections	Comment Explanation why it was not funded in SFY 2019-20
Paradise Irrigation District	F	0410007-002C	Construction	Valley	\$15,500,000	Disadvantaged	Reservoir "B" Replacement Construction Project	26299	10063	incomplete application
Antioch, City of	F	0710001-002C	Construction	San Francisco	\$55,000,000	Non Disadvantaged	Brackish Water Desalination Construction Project	100945	31058	incomplete application
Santa Cruz, City of	F	4410010-001C	Construction	Valley	\$30,000,000	Non Disadvantaged	Graham Hill WTP Storage Tank Replacement	90000	24228	incomplete application
San Diego, City of	F	8419-110	Construction	San Diego	\$287,000,000	Non Disadvantaged	Pure Water North City Morena Blvd Pump Station & Pipeline (Wastewater Portion)	1266731	271962	pending funding agreement
San Diego, City of	F	8419-210	Construction	San Diego	\$176,000,000	Non Disadvantaged	Pure Water North City Water Reclamation Plant Expansion	1266731	271962	pending funding agreement

Applicant	Category	Project Number	Funding Type	District	Estimated Project Cost	Disadvantaged Status	Description	Population	Service Connections	Comment Explanation why it was not funded in SFY 2019-20
San Diego, City of	F	8419-310	Construction	San Diego	\$45,000,000	Non Disadvantaged	Pure Water North City Metropolitan BioSolids Center Improvements	1266731	271962	pending funding agreement
San Diego, City of	F	8419-410	Construction	San Diego	\$40,000,000	Non Disadvantaged	Pure Water North City Water Reclamation Plant Expansion and Influent Conveyance	1266731	271962	pending funding agreement
San Diego, City of	F	8419-510	Construction	San Diego	\$17,000,000	Non Disadvantaged	Pure Water North City Pure Water Pump Station	1266731	271962	pending funding agreement
San Diego, City of	F	8419-610	Construction	San Diego	\$108,000,000	Non Disadvantaged	Pure Water North City Pure Water Pipeline	1266731	271962	pending funding agreement
San Diego, City of	F	8419-710	Construction	San Diego	\$553,000,000	Non Disadvantaged	Pure Water North City Pure Water Facility	1266731	271962	pending funding agreement

Applicant	Category	Project Number	Funding Type	District	Estimated Project Cost	Disadvantaged Status	Description	Population	Service Connections	Comment Explanation why it was not funded in SFY 2019-20
San Diego, City of	F	8419-810	Construction	San Diego	\$41,000,000	Non Disadvantaged	Pure Water North City Morena Blvd Pump Station & Pipeline (Water Portion)	1266731	271962	pending funding agreement
South Tahoe Public Utility District	F	0910002-028C	Construction	Sacramento	\$5,504,500	Non Disadvantaged	Keller Heavenly Water System Improvements Project	60000	13635	waiting on US Forest service environmental clearance.
Big Bear City CSD	F	3610008-012C	Construction	San Bernardino	\$2,500,000	Large Disadvantaged	Well 8 Replacement	12500	6356	pending funding agreement
Torrance, City of	F	1910213-010C	Construction	Metropolitan	\$16,700,000	Non Disadvantaged	Torrance Van Ness Well Field	113136	26461	pending funding agreement
Stanislaus Regional Water Authority	F	5010043-001C	Construction	San Francisco	\$200,000,000	Non Disadvantaged	Stanislaus Regional Water Authority Surface Water Supply	118032	30332	application being processed

EXHIBIT E: Cumulative DWSRF Set-Aside Expenditures

DWSRF Administrative Set-Aside

FFY	Final Cap Grant Amount (incl. In-Kind)	Budget Amount	In-Kind Amount	Expenditure Amount	Balance
1997	\$75,565,707	\$3,027,304	\$0	\$3,027,304	\$0
1998	\$77,108,200	\$3,084,328	\$0	\$3,084,328	\$0
1999	\$80,816,700	\$3,232,668	\$0	\$3,232,668	\$0
2000	\$83,993,100	\$0	\$0	\$0	\$0
2001	\$84,340,000	\$3,373,600	\$0	\$3,373,600	\$0
2002	\$82,460,900	\$3,298,436	\$68,553	\$3,229,883	\$0
2003	\$81,966,200	\$3,278,648	\$0	\$3,278,648	\$0
2004	\$85,027,600	\$6,679,752	\$70,000	\$6,609,752	\$0
2005	\$84,847,500	\$2,781,076	\$0	\$2,781,076	\$0
2006	\$67,153,678	\$2,684,166	\$30,000	\$2,654,166	\$0
2007	\$67,105,000	\$2,684,200	\$0	\$2,684,200	\$0
ARRA 2009	\$159,008,000	\$5,364,472	\$0	\$5,364,472	\$0
2008	\$66,424,000	\$2,656,960	\$0	\$2,656,960	\$0
2009	\$66,424,000	\$2,656,960	\$0	\$2,656,960	\$0
2010	\$126,958,000	\$5,078,320	\$0	\$5,078,320	\$0
2011	\$86,698,000	\$3,467,920	\$0	\$3,467,920	\$0
2012	\$85,358,000	\$3,414,320	\$300,000	\$3,114,320	\$0
2013	\$78,770,000	\$3,150,800	\$426,867	\$2,723,933	\$0
2014	\$83,221,000	\$3,328,840	\$0	\$3,328,840	\$0
2015	\$82,674,000	\$3,306,960	\$395,000	\$2,911,960	\$0
2016	\$78,215,000	\$3,128,600	\$75,000	\$3,053,600	\$0
2017	\$77,545,000	\$3,101,800	\$0	\$2,060,271	\$1,041,529

FFY	Final Cap Grant Amount (incl. In-Kind)	Budget Amount	In-Kind Amount	Expenditure Amount	Balance
2018	\$97,991,000	\$3,919,640	\$0	\$154,401	\$3,765,239
2019	\$97,072,000	\$3,882,880	\$0	\$0	\$3,882,880
Total	\$2,056,742,585	\$80,582,650	\$1,365,420	\$70,527,582	\$8,689,648

Small Water Technical Assistance Set-Aside

FFY	Final Cap Grant Amount (incl. In-Kind)	Budget Amount	In-Kind Amount	Expenditure Amount	Balance
1997	\$75,565,707	\$68,245	\$0	\$68,245	\$0
1998	\$77,108,200	\$1,542,164	\$0	\$1,542,164	\$0
1999	\$80,816,700	\$1,616,334	\$0	\$1,616,334	\$0
2000	\$83,993,100	\$0	\$0	\$0	\$0
2001	\$84,340,000	\$1,686,800	\$0	\$1,686,800	\$0
2002	\$82,460,900	\$1,649,218	\$0	\$1,649,218	\$0
2003	\$81,966,200	\$1,639,324	\$0	\$1,639,324	\$0
2004	\$85,027,600	\$3,339,876	\$0	\$3,339,876	\$0
2005	\$84,847,500	\$1,390,538	\$0	\$1,390,538	\$0
2006	\$67,153,678	\$1,342,083	\$0	\$1,342,083	\$0
2007	\$67,105,000	\$1,342,100	\$0	\$1,342,100	\$0
ARRA 2009	\$159,008,000	\$2,787,147	\$0	\$2,787,147	\$0
2008	\$66,424,000	\$1,328,480	\$0	\$1,328,480	\$0
2009	\$66,424,000	\$1,328,480	\$0	\$1,328,480	\$0
2010	\$126,958,000	\$2,539,160	\$0	\$2,539,160	\$0
2011	\$86,698,000	\$1,733,960	\$0	\$1,733,960	\$0
2012	\$85,358,000	\$1,707,160	\$0	\$1,707,160	\$0
2013	\$78,770,000	\$1,575,400	\$0	\$1,575,400	\$0

FFY	Final Cap Grant Amount (incl. In-Kind)	Budget Amount	In-Kind Amount	Expenditure Amount	Balance
2014	\$83,221,000	\$1,664,420	\$0	\$1,664,420	\$0
2015	\$82,674,000	\$1,653,480	\$0	\$1,653,480	\$0
2016	\$78,215,000	\$1,564,300	\$0	\$1,564,300	\$0
2017	\$77,545,000	\$1,550,900	\$0	\$494,414	\$1,056,486
2018	\$97,991,000	\$1,959,820	\$0	\$0	\$1,959,820
2019	\$97,072,000	\$1,941,440	\$0	\$0	\$1,941,440
Total	\$2,056,742,585	\$38,950,829	\$0	\$33,993,083	\$4,957,746

State Program Management Set-Aside

FFY	Final Cap Grant Amount (in-kind included)	Budget Amount	In-Kind Amount	Expenditure Amount	Balance
1997	\$75,565,707	\$4,157	\$0	\$4,157	\$0
1998	\$77,108,200	\$308,433	\$0	\$308,433	\$0
1999	\$80,816,700	\$323,267	\$0	\$323,267	\$0
2000	\$83,993,100	\$0	\$0	\$0	\$0
2001	\$84,340,000	\$2,000,000	\$0	\$2,000,000	\$0
2002	\$82,460,900	\$2,000,000	\$0	\$2,000,000	\$0
2003	\$81,966,200	\$2,000,000	\$0	\$2,000,000	\$0
2004	\$85,027,600	\$2,400,000	\$0	\$2,400,000	\$0
2005	\$84,847,500	\$4,077,000	\$0	\$4,077,000	\$0
2006	\$67,153,678	\$4,704,000	\$0	\$4,704,000	\$0
2007	\$67,105,000	\$4,934,400	\$0	\$4,934,400	\$0
ARRA 2009	\$159,008,000	\$0	\$0	\$0	\$0
2008	\$66,424,000	\$4,882,164	\$0	\$4,882,164	\$0

FFY	Final Cap Grant Amount (incl. In-Kind)	Budget Amount	In-Kind Amount	Expenditure Amount	Balance
2009	\$66,424,000	\$4,882,164	\$0	\$4,882,164	\$0
2010	\$126,958,000	\$9,318,717	\$0	\$9,318,717	\$0
2011	\$86,698,000	\$8,669,800	\$0	\$8,669,800	\$0
2012	\$85,358,000	\$8,535,800	\$0	\$8,535,800	\$0
2013	\$78,770,000	\$7,089,300	\$0	\$7,089,300	\$0
2014	\$83,221,000	\$8,322,100	\$300,000	\$8,022,100	\$0
2015	\$82,674,000	\$8,267,400	\$0	\$8,267,400	\$0
2016	\$78,215,000	\$7,821,500	\$0	\$7,821,500	\$0
2017	\$77,545,000	\$7,754,500	\$0	\$7,754,500	\$0
2018	\$97,991,000	\$9,799,100	\$0	\$1,496,410	\$8,302,690
2019	\$97,072,000	\$9,707,200	\$0	\$0	\$9,707,200
Total	\$2,056,742,585	\$117,801,002	\$300,000	\$99,491,112	\$18,009,890

Local Assistance Set-Aside

FFY	Final Cap Grant Amount (in-kind included)	Budget Amount	In-Kind Amount	Expenditure Amount	Balance
1997	\$75,565,707	\$6,831,577	\$0	\$6,831,577	\$0
1998	\$77,108,200	\$0	\$0	\$0	\$0
1999	\$80,816,700	\$0	\$0	\$0	\$0
2000	\$83,993,100	\$2,000,000	\$0	\$2,000,000	\$0
2001	\$84,340,000	\$0	\$0	\$0	\$0
2002	\$82,460,900	\$0	\$0	\$0	\$0
2003	\$81,966,200	\$0	\$0	\$0	\$0
2004	\$85,027,600	\$0	\$0	\$0	\$0
2005	\$84,847,500	\$0	\$0	\$0	\$0

FFY	Final Cap Grant Amount (incl. In-Kind)	Budget Amount	In-Kind Amount	Expenditure Amount	Balance
2006	\$67,153,678	\$0	\$0	\$0	\$0
2007	\$67,105,000	\$0	\$0	\$0	\$0
ARRA 2009	\$159,008,000	\$0	\$0	\$0	\$0
2008	\$66,424,000	\$0	\$0	\$0	\$0
2009	\$66,424,000	\$0	\$0	\$0	\$0
2010	\$126,958,000	\$0	\$0	\$0	\$0
2011	\$86,698,000	\$2,600,940	\$0	\$2,600,940	\$0
2012	\$85,358,000	\$4,267,900	\$0	\$4,267,900	\$0
2013	\$78,770,000	\$2,507,007	\$0	\$2,507,007	\$0
2014	\$83,221,000	\$4,993,260	\$0	\$4,993,260	\$0
2015	\$82,674,000	\$8,267,400	\$0	\$8,267,400	\$0
2016	\$78,215,000	\$7,821,500	\$0	\$7,821,500	\$0
2017	\$77,545,000	\$5,428,150	\$0	\$4,110,189	\$1,317,961
2018	\$97,991,000	\$9,799,100	\$0	\$4,926	\$9,794,174
2019	\$97,072,000	\$9,707,200	\$0	\$0	\$9,707,200
Total	\$2,056,742,585	\$64,224,034	\$0	\$43,404,699	\$20,819,335

EXHIBIT F: Disadvantaged Business Enterprise Report

	MBE	WBE	TOTAL
Annual Disbursements by Category	\$3,336,884	\$259,651	\$3,596,535
Total Disbursements			\$266,910,705
Percentage to Total Disbursements	1.25%	.10%	1.35%

Note: Percentage of DBE participation is determined by taking the funds disbursed to MBE and WBE compared to the total disbursements for the period October 1, 2018 through September 30, 2019. DBE reports are collected annually based on the FFY.

EXHIBIT G: SFY 2019-20 DWSRF FFATA Projects

Funding Recipient	Project Number	Agreement Date	FFATA Reporting Due	Actual Date Reported	FFATA Reporting Amount
Fresno, City of	1010007-032C	12/17/2019	1/31/2020	1/9/2020	\$14,000,000
Upland, City of	3610050-001C	12/11/2019	1/31/2020	1/9/2020	\$16,500,000
				Total:	\$30,500,000

Note: For FFY 2019 Capitalization Grant of \$97,072,000, DFA anticipates executing additional projects by September 30, 2020 and will report the amount to FFATA as well as in the annual report for SFY 2020-2021.

VIII. APPENDICES

Appendix A	Short-Term Goals
Appendix B	Long-Term Goals
Appendix C	Operating Agreement and Capitalization Grant Conditions
Appendix D	Performance Evaluation Report
Appendix E	Audited Financial Statements

APPENDIX A: Short-Term Goals

This section describes the State Water Board’s efforts to meet the following short-term goals established in the SFY 2019-20 DWSRF IUP. These goals provided the framework for the State Water Board’s decision-making, maximization, and prioritization of staff and funding sources.

	Short-Term Goal	Comments
1	Identify public health issues and evaluate solutions for SWSs, including technical assistance and consolidation where feasible.	<ul style="list-style-type: none"> • DFA coordinated with DDW and Local Primacy Agencies to ensure that available drinking water funding sources are targeted to expeditiously address the most significant public health and compliance issues. The State Water Board maintains a list of systems in violation of their water permits and staff regularly meet to determine if there are additional steps that can be taken to assist these systems with returning to compliance. DFA prioritizes financing for TA, planning and construction that address public health issues. • In September 2019, the DDW entered into a service contract with the University of California, Los Angeles (UCLA) and multiple subcontractors to do the following: <ul style="list-style-type: none"> • Identify Public Water Systems in Violation or At-Risk of failure focused primarily on developing and evaluating risk indicators for drinking water community water systems up to 3,300 connections and non-transient non-community water systems; • Develop a cost analysis for interim and long-term solutions to estimate costs related to both necessary interim and/or emergency measures and longer-term solutions to bring systems into compliance and address the challenges faced by At-Risk systems; and • Develop an interactive financial capacity tool for small water systems between 500 – 3,300 connections. <p>The contractor completed the project on schedule and submitted all deliverables by March 31, 2021. The 2021 Drinking Water Needs Assessment summarizes the risk indicators developed for identification of Public Water Systems in Violation or At-Risk of failure and the cost analysis for interim and long-term solutions. The California Small Water Systems Rates Dashboard is an interactive financial capacity tool for small water systems between 500 – 3,300 connections.</p>

2	Ensure that the maximum principal forgiveness allowable from the FFY 2019 Capitalization Grant is provided to eligible recipients ⁵ .	<ul style="list-style-type: none"> The maximum allowable principal forgiveness from the FFY 2019 Capitalization Grant was 55% of the Grant or approximately \$53.4 million. As of June 30, 2020, the State Water Board had provided 0 percent (0%) of the FFY 2019 Capitalization Grant as principal forgiveness to new binding commitments and amendments of prior years' binding commitments. The State Water Board anticipates awarding the remaining 2019 principal forgiveness in SFY 2020-21.
3	Prioritize available funding for PWSs serving fewer than 10,000 people to the maximum extent practicable and consistent with other governing federal and state authorities.	<ul style="list-style-type: none"> The State Water Board continued to prioritize DWSRF funding for PWSs serving less than 10,000 people in SFY 2019-20. As a result, the DWSRF provided \$44 million to 29 SWSs in SFY 2019-20 (Exhibit A). The total amount of DWSRF funding provided over the life of the program is over \$512 million, 15% of the total DWSRF funding and the total number of SWS projects over the life of the program is over 347, 69 percent (69%) of the total DWSRF funded projects. The SFY 2019-20 IUP also made subsidized construction financing available for PWSs serving SDACs greater than 10,000 people but less than 20,000 people. The IUP defines these PWSs as "Expanded Small Community Water Systems" that serve a Severely Disadvantaged Community (SDAC). In SFY 2019-20, no principal forgiveness was provided ESCWSs serving a SDAC.

⁵ USEPA requirements also allow for the FFY 2019 Capitalization Grant principal forgiveness to be awarded for the purchase, refinance, or restructuring of debt obligations where the debt was incurred after February 15, 2019.

4	Reduce instances of noncompliance with drinking water standards by providing technical and consolidation assistance to SWSs with significant SDWA violations, including those PWSs that are violating the arsenic maximum contaminant level (MCL).	<ul style="list-style-type: none"> • The State Water Board continued to provide a suite of technical assistance in SFY 2019-20 to SWSs, especially those with significant SDWA violations. Specifically, the DWSRF set-asides funded third-party contractors that provided a variety of TMF capacity development assistance to SWSs. See Section IV.H for more information on DWSRF technical assistance. • DFA also continued to fund technical assistance for a variety of projects using Prop 1. • DFA and DDW provided direct technical assistance to SWSs with significant SDWA violations. Examples of direct technical assistance included: (a) meeting with DDW Consolidation Specialists and applicants to discuss project concepts before applications were submitted; (b) reviewing applications with minimal material submitted and guiding applicants to complete additional application packages; and (c) helping funding recipients properly prepare and submit reimbursement claims.
5	Continue to require PWSs requesting assistance to complete a TMF assessment to improve sustainability and resiliency.	<ul style="list-style-type: none"> • During SFY 2019-20, all DWSRF construction applicants were required to include a TMF assessment in their applications, and DFA's Project Managers also continued to evaluate these assessments as part of reviewing the DWSRF applications. As further described in Section IV.H, DWSRF applicants that lacked TMF capacity were offered technical assistance by the State Water Board to help them resolve their TMF deficiencies.
6	Develop criteria and procedures for evaluating financial capacity of water systems.	<ul style="list-style-type: none"> • DFA-OSWS continued to coordinate with DDW in developing additional criteria and procedures for evaluating financial capacity of water systems. The additional criteria and procedures were incorporated into the State Water Board's more comprehensive plan for implementing its Safe and Affordable Drinking Water Fund.
7	Identify climate change vulnerabilities of proposed projects as well as mitigate the impacts that facilities may have on the climate.	<ul style="list-style-type: none"> • DFA staff developed a climate change worksheet that was incorporated into the DWSRF financing application. All applicants will be required to complete the worksheet as part of their DWSRF funding applications. The climate change worksheet considers vulnerabilities of proposed projects as well as the impacts of climate change on projects being considered for DWSRF funding.
8	Continue marketing and outreach efforts to PWSs, including application status	<ul style="list-style-type: none"> • DFA continued to participate in various PWS marketing and outreach efforts in SFY 2019-20. Specifically, DFA marketed the DWSRF program at the California Financing Coordinating Committee funding fairs, CalTAP fairs, symposia (treatment certification and distribution)

	reports, Spanish translation services, newsletters, and social media to advertise the availability of technical assistance to assist small, and disadvantaged communities as well as large PWSs.	that focused on treatment certification and distribution, as well as other online and onsite workshops and outreach events.
9	Continue regular staff level finance/audit coordination meetings to ensure the immediate and long-term financial health of the DWSRF.	<ul style="list-style-type: none"> DFA and DAS staff conducted regular finance/audit coordination meetings on September 27, 2019, January 24, 2020, April 3, 2020, and July 10, 2020 to ensure oversight of the DWSRF's finances. Standing topics at finance/audit coordination meetings included (a) reviewing cash flow of projects under contract, short and long-term cash flow projections, and cash flow needs for upcoming projects; (b) comparing actual performance with target performance measures; and (c) reviewing audit issues, program control issues, tax compliance issues, and planning for upcoming audits.
10	Continue to maximize all available DWSRF state match sources, including DWSRF Local Match financing options.	<ul style="list-style-type: none"> DFA continued to employ Prop 1 Drinking Water funds as State Match for DWSRF and has additional Prop 1 Drinking Water Funds for future State Match needs. In SFY 19-20, DFA again elected not to use Prop 68 Drinking Water Funds as State Match for the DWSRF so that they could be used as additional complementary grants. However, DFA continued to investigate and plan for future General Obligation bond State Match options as well as short-term State Match bonds once the bank of Prop 1 Drinking Water State Match funds is exhausted,
11	Apply for and accept the FFY 2019 Capitalization Grant; commit the FFY 2019 Capitalization Grant, including the associated state match, by June 30,	<ul style="list-style-type: none"> The State Water Board finalized its FFY 2019 Capitalization Grant application in June 2019. USEPA awarded the FFY 2019 Grant on July 31, 2019 in the amount of \$97,072,000. The State Water Board will provide \$19,414,400 in matching funds through Prop 1 Drinking Water funds to satisfy the state match requirement. With a total commitment of approximately \$147.4 million in SFY 2019-20 to a combination of planning and

	2020, so that federal funds are used efficiently and timely in accordance with 40 CFR §35.3550(c).	construction projects, DFA obligated the FFY 2019 Capitalization Grant, with the exception of set-aside funds, before June 30, 2020. The commitment, along with previous commitments, has enabled the State Water Board to liquidate all federal funds from the 2018 and earlier Capitalization Grants during SFY 2019-20. SFY 2019 Capitalization Grant funds are anticipated to be fully disbursed during SFY 2020-21.
12	Liquidate DWSRF capitalization grants within 2 to 3 years of their award.	<ul style="list-style-type: none"> The State Water Board maintained a DWSRF federal ULO balance in SFY 2019-20 less than the sum of the two most recent Capitalization Grants consistent with USEPA's DWSRF ULO Reductions Strategy. Specifically, California's DWSRF federal ULO was \$33.28 million as of June 30, 2020, \$161.72 million less than the maximum \$195 million.
13	Review cash forecasts of existing and potential commitments to ensure that DWSRF can satisfy its obligations timely and to also evaluate the need for leveraging or other actions to regulate cash outflows.	<ul style="list-style-type: none"> State Water Board staff regularly reviewed the DWSRF's cash balances to ensure that sufficient cash would be available to meet all disbursement requests. Staff evaluated the cash flow impact of each new project during the financing approval process.

APPENDIX B: Long-Term Goals

	Long-Term Goal	Comments
1	Address Significant Risks to Public Health	<ul style="list-style-type: none"> • The State Water Board helped PWSs address significant public health risks in SFY 2019-20 by funding construction and planning as well as technical assistance. • More than 50 percent (50%) of the projects funded by the DWSRF and its complementary funding sources addressed primary drinking water standards. This result was attributable to close coordination between DFA and DDW. OSWS staff met regularly with DDW District staff and management to prioritize funding for small DACs and the technical assistance needed by PWSs to obtain DWSRF and complementary funding. • DFA also updated DDW staff monthly on the status of applications for projects to address arsenic violations, including outstanding application items; the progress of technical assistance; recently executed funding agreements; and anticipated compliance dates.
2	Promote SDWA Compliance	<ul style="list-style-type: none"> • DFA continued to coordinate with DDW to prioritize DWSRF and complementary funding for projects that reestablish compliance or prevent non-compliance. • DFA staff continued to make technical assistance available to help SWSs apply for planning and construction funding. • DDW also continued its permitting, inspection, monitoring and enforcement activities for compliance with the SDWA.
3	Improve Affordability and Sustainability	<ul style="list-style-type: none"> • The State Water Board continued to provide below market financing and principal forgiveness in SFY 2019-20 to make funding affordable for communities throughout California. The average interest rate for SFY 2019-20 was one and six and a half-tenth of one percent (1.65%), below market rates. DWSRF principal forgiveness was combined with other drinking water grant funding in certain cases to further reduce costs for California's small DACs. • Approximately \$81.92 million in DWSRF principal forgiveness and grant funds were awarded to small DACs in SFY 2019-20.

4	Use revenue and capital effectively	<ul style="list-style-type: none"> • DFA continued to monitor cash and financing forecasts to determine whether additional capital would be needed. DFA determined that additional capital was not needed during SFY 2019-20 for the DWSRF program, and the State Water Board did not issue revenue bonds or other debt in SFY 2019-20.
5	Maintain financial integrity	<ul style="list-style-type: none"> • State Water Board staff analyzed the creditworthiness of all applicants to ensure DWSRF loans are repaid on time and in full and imposed special conditions where appropriate on applicants to lower the credit risk. • Approvals and transactions associated with individual DWSRF projects were documented in each project's file. In general, a hard-copy file was established and maintained for each project, and duplicate electronic records were also maintained for each project in the "Loans and Grants Tracking System," the DWSRF's data management system. • Each approval and transaction in SFY 2019-20 required multiple reviews and sign-offs from staff and management to ensure accuracy and validity. Written internal procedures for the DWSRF program were also maintained. • State Water Board staff also surveilled financing recipients with outstanding obligations. Recipients are generally required to provide ongoing financial information after loan closing or to complete public outreach if there was significant public disapproval during their rate setting process. • DFA staff maintained its "watch list" of financing recipients and potential applicants that show signs of financial weakness. Financial weakness was assessed using the financing recipients' annual financial statements, a variety of news outlets, and periodic interactions with applicants, the DDW District Offices, and the public. • DFA staff monitored payments of all outstanding agreements in SFY 2019-20 to identify late payments and prevent delinquent payments, that is payments greater than 10 days past the payment due date, especially payments on agreements that have been pledged to repay DWSRF revenue bonds. • State Water Board staff prepared financial statements for the DWSRF, and the financial statements were audited by an independent auditor in accordance with Government Auditing Standards. A copy of the audited

		<p>financial statements is included in this report (Appendix E) and is posted on the State Water Board's DWSRF website.</p> <ul style="list-style-type: none"> • Designated State Water Board supervisors and managers were required to file an annual "Statement of Economic Interest" with the California Fair Political Practices Commission. In addition, State Water Board supervisors and managers completed conflict of interest training and are required to complete ethics training biennially.
6	Provide good customer service with a special emphasis on assisting SDACs and DACs.	<ul style="list-style-type: none"> • The OSWS continued to focus its efforts on small SDACs and small DACs, and to provide grant funds to those communities in SFY 2019-20 for safe and affordable drinking water projects.
7	Ensure the timely commitment and disbursement of DWSRF funds.	<ul style="list-style-type: none"> • The State Water Board prioritized staff and financial resources to the maximum extent possible to ensure that it can quickly and fully disburse DWSRF funds to existing obligations. • The State Water Board redirected DWSRF Program staff to complete the FI\$Cal transition. Although the FI\$Cal transition affected the commitment and disbursement of DWSRF funds, the second half of SFY 2019-20 was indicative of the commitment and disbursement pace before the introduction of FI\$Cal. • The State Water Board also managed its staff to ensure that new obligations will be made to eligible projects so that future commitments and disbursements are timely
8	Maximize cash flow and the disbursement of funds	<ul style="list-style-type: none"> • The State Water Board continued to commit DWSRF funds based on its cash-flow model. Commitments were made based on future disbursements being made with future repayments, Capitalization Grants, or other sources, including bonds or loans secured with future revenues. • DFA also focused on recipients that were "ready to proceed" to both a funding agreement and construction. Because the State Water Board focused on "ready-to-proceed" projects that addressed public health priorities, the State Water Board successfully managed the DWSRF's finances to ensure compliance with USEPA's ULO reduction strategy. • The DWSRF set-asides were also employed in SFY 2019-20 for the administration of the DWSRF and the State Water Board's PWSS program managed by DDW,

		as well as provide for TMF and SWS technical assistance.
--	--	--

APPENDIX C: Operating Agreement and Capitalization Grant Conditions

The State Water Board agreed to meet a number of conditions described in the DWSRF Operating Agreement and Federal capitalization grant agreements. These conditions were met as described below.

1. Assistance Activities

The State Water Board continued to provide DWSRF funding to eligible PWSs in SFY 2019-20 for projects needed to achieve or maintain compliance with safe drinking water standards. All activities funded were eligible under Section 35.3520 of Title 40 of Code of Federal Regulations. A total of \$147.352 million in new DWSRF funding was awarded to thirty-four (34) projects in SFY 2019-20. DWSRF funds were provided to eligible recipients to enhance drinking water treatment, distribution, storage, installation of meters, as well as ensure water system reliability through the installation of interties and the consolidation of PWSs. Water quality issues such as arsenic and nitrate contamination, as well as groundwater under direct influence, and disinfection by-product formation continued to be addressed in SFY 2019-20. Eligible recipients included privately and publicly owned community and non-profit non-community PWSs. The projects and PWSs funded in SFY 2019-20 are further detailed in Exhibit A.

The SFY 2019-20 DWSRF IUP Fundable List, consisting of two hundred and fifty (250) projects, included projects that might be funded by the DWSRF or from other complementary funding sources. However, many projects listed in the SFY 2019-20 DWSRF Fundable List were not funded by the DWSRF during the SFY 2019-20 for various reasons as noted in Exhibit D, including options for other funding from Prop 1 Drinking Water. The high demand for drinking water improvement funding in California required the State Water Board to prioritize projects based upon their public health benefits as well as the recipient's readiness to proceed to a funding agreement.

2. Eligible Categories of Projects and Financing Terms

The State Water Board continued to provide below-market financing and additional subsidy in SFY 2019-20 for projects ranked in Categories A-F of the DWSRF public health prioritization scheme. The State Water Board also generally prioritized higher ranked public health categories and projects benefiting small DACs in SFY 2019-20. Types of assistance included loans and installment sale agreements for the planning, design, and construction of drinking water infrastructure projects.

Principal forgiveness was provided to SWSs that served DACs and SDACs and was available to eligible ESCWSs serving SDACs. SWSs serving DACs and eligible ESCWSs serving SDACs generally received zero percent (0%) interest rates on DWSRF repayable financing. The standard interest rate for all other repayable financing averaged one and six and a half-tenth of one percent (1.65%), which was one-half the state's average general obligation rate in the previous year. Standard repayable financing for construction projects for publicly and privately owned PWSs and PWSs serving DACs was amortized over a 30- or 40-year period.

3. Provide a State Match

The State Water Board demonstrated the source of its twenty percent (20%) state match requirement (\$19.4 million) for the FFY 2019 Capitalization Grant (\$97.072 million) in SFY 2019-20 through appropriations provided under Chapter 5, Section 79724 of Prop 1 Drinking Water. As of June 30, 2020, approximately \$102 million of Prop 1 Drinking Water funds had been appropriated and encumbered as State Match. In total, as of June 30, 2020, California had disbursed approximately \$417.3 million in cumulative state match funds to the DWSRF program through a combination of state general fund and general obligation bond proceeds/appropriation, local match, and short-term financings with the IBank.

4. Binding Commitments Within One Year

The State Water Board continued to commit DWSRF funding to projects in an amount equal to or greater than one hundred and twenty percent (120%) of each federal payment within one year of receipt of that payment. As of June 30, 2020, executed funding agreements totaled approximately \$3.350 billion, or 180 percent (180%) of the approximately \$1.863 billion in federal payments received for DWSRF loans.

5. Expedious and Timely Expenditure

The State Water Board continued to make timely and expeditious use of DWSRF funds, especially federal capitalization grant funds in accordance with USEPA's ULO reduction strategy. USEPA's ULO reduction strategy generally requires that no more than two federal capitalization grants remain undisbursed at any one time. As of June 30, 2020, the State Water Board had only \$33.282 million in undisbursed FFY 2018 and FFY 2019 Capitalization Grant funds, of which approximately 62 percent (62%) were predominantly set-aside funds already allocated for eligible uses.

This timely and expeditious use of federal capitalization grant funds was substantially achieved through cash-flow modeling and the over-commitment of DWSRF funds in SFY 2019-20 and prior fiscal years. In SFY 2019-20, there was no minimum funding agreement amount to ensure optimal use of DWSRF funds

without leveraging. Therefore, the State Water Board exceeded the minimum commitment amount by awarding approximately \$147.35 million in DWSRF funds by June 30, 2020. As described in the SFY 2019-20 IUP, the minimum commitment amount depended upon projected funding disbursements relative to existing fund balances and projected future revenues such that the DWSRF fund balance did not substantially decrease below \$100 million.

The timely and expeditious use of DWSRF funds was also satisfied through the prompt and efficient processing of DWSRF reimbursement claims, albeit the DWSRF disbursement rate was below average in SFY 2019-20 due to the State Water Board's ongoing implementation of FI\$Cal. To ensure timely reimbursement, DWSRF claims were generally reviewed and paid within 45 days from receipt of a complete claim. This period, however, was somewhat longer in the last few months of the fiscal year due to the longer year end transition period associated with FI\$Cal. Prior to FI\$Cal implementation, DFA staff reviewed and approved complete disbursement claims generally within 25 days, and then routed the requests to DAS for processing. DAS generally processed requests within eight calendar days of receiving the claim, and the State Controller's Office (SCO) generally issued a check (warrant) within seven calendar days to the funding recipient. The implantation of FI\$Cal has added additional processing time to the disbursement of funds within DFA, DAS and the SCO. This change in claims processing times is expected to normalize in SFY 2020-21 but remain longer than historical averages for the foreseeable future.

The State Water Board continued to draw federal funds in SFY 2019-20 from the United States Treasury via the Automated Standard Application for Payments (ASAP) system as warrants are issued by SCO. ASAP is a request and delivery system of federal funds developed by the Financial Management Service of the United States Treasury and the Federal Reserve Bank. By using ASAP, the State Water Board draws funds from USEPA for expenditures incurred by the DWSRF program in an expeditious and timely manner. Draw requests are made within one week of an issued warrant. Requested funds are also deposited electronically the next business day to account(s) specified by the State Water Board. For the DWSRF set-aside accounts, federal draws are typically requested through ASAP on a monthly basis for the prior month's costs.

To further enable the timely and expeditious use of DWSRF funds, the State Water Board encumbered most loan balances to DWSRF federal funds to ensure the prompt liquidation of federal capitalization grants as claims for reimbursement were processed. As of June 30, 2020, approximately \$177.197 million of DWSRF financings had been encumbered, but not yet liquidated, to available DWSRF federal funds (\$33.282 million), constituting a 5:1 ratio.

6. Disadvantaged Business Enterprise (DBE) Objectives, Davis-Bacon, American Iron and Steel (AIS) Requirements, and Other Federal Cross-Cutting Authorities

The State Water Board negotiated a total fair share DBE objective with the USEPA for the DWSRF Program. The objective is two percent (2%) for the Minority Owned Business Enterprises (MBE) and one percent (1%) for Women Owned Business Enterprises (WBE) participation for a combined three percent (3%) goal. Funding recipients for SFY 2019-20 reported participation as 1.25 percent for MBE and 0.10 percent for WBE. The overall DBE participation was 1.35 percent. Exhibit F provides a detailed analysis of DBE participation. The State Water Board will continue to monitor participation to ensure that the “positive effort process” is followed by funding recipients.

All DWSRF funded projects were required to comply with Davis-Bacon prevailing wage requirements in SFY 2019-20. Each funding agreement included provisions requiring applicants to follow Davis-Bacon requirements. DFA conducted a variety of surveillance activities throughout SFY 2019-20 to ensure each recipient’s compliance with Davis-Bacon requirements. Such surveillance activities included (1) reviewing recipient and sub-recipient reports and compliance certifications; (2) tracking compliance with federal annual monitoring requirements; and (3) annually reviewing quarterly site inspection reports to verify the adequacy of site inspections and other control activities.

DWSRF funding recipients were also required to use [American Iron and Steel](#) (AIS) products in SFY 2019-20 pursuant to USEPA guidelines for projects involving the construction, alteration, maintenance, or repair of a PWS or public treatment works. DWSRF funding recipients were only exempt from this AIS requirement if the project qualified under a national or product specific project AIS waiver from USEPA. To ensure compliance with AIS requirements, the AIS provisions were included in DWSRF financing agreements and DFA examined recipient records for AIS certifications and/or any AIS waivers.

Finally, all DWSRF funding recipients were required to comply with a list of other cross-cutting federal authorities, including but not limited to non-discrimination requirements, USEPA general terms and conditions, the requirements to use generally accepted accounting principles, requirements for disclosure of conflicts of interest, prohibitions on use of disqualified contractors, and a number of other requirements specified by USEPA.

7. Additional Subsidy and Green Requirements

The State Water Board continued to provide the maximum amount of available additional subsidy in the form of principal forgiveness in SFY 2019-20 for the benefit of SWSs serving DACs as well as ESCWSs serving SDACs. Since the inception of the DWSRF program, federal regulations have allowed for up to thirty percent (30%) of a capitalization grant to be provided as additional subsidy

(i.e., principal forgiveness) to DACs, regardless of the size of the PWS. However, in 2019, this additional subsidy to DACs increased to thirty five percent (35%). In 2016, Congress added a twenty percent (20%) additional subsidy allotment, separate from the thirty percent (35%) additional subsidy allocation for DACs.

The State Water Board's SFY 2019-20 IUP directed that the maximum amount of additional subsidy allowed under federal rules and regulations be awarded to SWSs serving DACs and ESCWSs serving SDACs in the form of principal forgiveness. Table 9 shows the amounts necessary for compliance with rules governing the allotment and use of DWSRF principal forgiveness. Exhibit A identifies 8 additional subsidy projects funded in SFY 2019-20.

Besides additional subsidy, the State Water Board may also allocate a portion of a capitalization grant to projects with "green" benefits (Green Project Reserve). In SFY 2019-20, Green Project Reserve funding was not awarded to any projects using the FFY 2019 Cap Grant. Table 10 shows the amount of DWSRF funding assigned to current and prior year capitalization grants to satisfy the optional DWSRF Green Project Reserve.

Table 9: Additional Subsidization Funding

FFY Grant	SFY	Grant Award Amount	Minimum Subsidy Amount by FFY Grant⁶	Maximum Subsidy by FFY Grant	Committed Subsidy Amount by FFY Grant Assignment⁷	Uncommitted Subsidy Amount by FFY Grant Assignment⁸	Disbursed Subsidy Amount by SFY⁹	Undisbursed Subsidy Amount by SFY¹⁰
2010	10-11	\$126,958,000	\$38,087,400	\$38,087,400	\$38,087,400	\$0	\$475,501	\$0
2011	11-12	\$86,698,000	\$26,009,400	\$26,009,400	\$25,966,771	\$42,629	\$6,383,940	\$0
2012	12-13	\$85,358,000	\$17,071,600	\$25,607,400	\$25,380,903	\$226,497	\$9,295,931	\$0
2013	13-14	\$78,770,000	\$15,754,000	\$23,631,000	\$23,338,993	\$292,007	\$12,426,984	\$0
2014	14-15	\$83,221,000	\$16,644,200	\$24,966,300	\$24,966,300	\$0	\$15,920,688	\$0
2015	15-16	\$83,674,000	\$16,534,800	\$24,802,200	\$24,802,200	\$0	\$29,462,657	\$0
2016	16-17	\$78,215,000	\$15,643,000	\$39,107,500	\$39,107,500	\$0	\$30,975,876	\$0
2017	17-18	\$77,545,000	\$15,509,000	\$38,772,500	\$38,772,500	\$0	\$22,826,548	\$0
2018	18-19	\$97,991,000	\$19,598,200	\$48,995,500	\$5,085,152	\$43,910,348	\$23,956,538	\$0
2019	19-20	\$97,072,000	\$19,414,400	\$48,536,000	\$0	\$48,536,000	\$27,623,332	\$159,167,206
Totals		\$895,502,000	\$200,266,000	\$338,515,200	\$245,507,719	\$93,007,481	\$179,347,994	\$159,167,206

⁶ USEPA and the State Water Board have authorized a minimum amount of a DWSRF capitalization grant be awarded to recipients as “additional subsidy” (i.e. principal forgiveness) per governing State and federal rules.

⁷ In accordance with USEPA procedures, these amounts represent the additional subsidy committed to eligible DWSRF projects and assigned under the additional subsidy authority of the respective DWSRF capitalization grant as of 6/30/2020.

⁸ In accordance with USEPA procedures, these amounts represent the additional subsidy balances under the maximum authority of the respective DWSRF capitalization grant that had not been committed to eligible DWSRF projects as of 6/30/2020.

⁹ These amounts represent the additional subsidy disbursements of the assigned projects per SFY. In accordance with USEPA Policy, the additional subsidy is encumbered and expended from any available funding sources within the DWSRF (i.e. federal capitalization grants, state match, repayment funds).

¹⁰ This amount represents the total encumbering balance as well as the additional subsidy authority not yet encumbered as of 6/30/2020.

Table 10: Green Project Reserve Funding

FFY Grant	SFY	Grant Award Amount	Minimum Green Project Reserve Amount by FFY Grant¹¹	Committed Green Project Reserve Amount Per FFY Grant Assignment¹²	Disbursed Green Project Reserve Amount by SFY¹³	Undisbursed Green Project Reserve Amount by SFY¹⁴
2010	10-11	\$126,958,000	\$25,391,600	\$25,391,600	\$0	\$0
2011	11-12	\$86,698,000	\$17,339,600	\$26,013,832	\$12,457,278	\$0
2012	12-13	\$85,358,000	\$0	\$7,231,611	\$31,910,690	\$0
2013	13-14	\$78,770,000	\$0	\$1,193,050	\$7,037,464	\$0
2014	14-15	\$83,221,000	\$0	\$0	\$2,242,734	\$0
2015	15-16	\$83,674,000	\$0	\$476,717	\$2,715,139	\$0
2016	16-17	\$78,215,000	\$0	\$1,098,593	\$2,203,628	\$0
2017	17-18	\$77,545,000	\$0	\$33,115,699	\$5,940,768	\$0
2018	18-19	\$97,991,000	\$0	\$0	\$14,729,081	\$0
2019	19-20	\$97,072,000	\$0	\$0	\$12,715,905	\$2,568,415
Totals		\$895,502,000	\$42,731,200	\$94,521,102	\$91,952,687	\$2,568,415

¹¹ USEPA required the State Water Board to commit and expend a minimum amount of DWSRF capitalization grant to projects that qualify under the rules and requirements of USEPA’s “Green Project Reserve.”

¹² In accordance with USEPA procedures, these amounts represent the DWSRF project amounts committed and assigned under the Green Project Reserve authority of the respective DWSRF capitalization grant as of 6/30/2020.

¹³ These amounts represent the Green Project Reserve disbursements for each respective SFY. Per USEPA policy, the Green Project Reserve funding is not necessarily encumbered and liquidated from DWSRF capitalization grants.

¹⁴ This amount represents the total encumbering balance of Green Project Reserve funding as well as the minimum Green Project Reserve Authority not yet encumbered as of 6/30/2020.

8. Federal Funding Accountability and Transparency Act

The State Water Board reported two (2) projects totaling \$30,500,000 into the Federal Funding Accountability and Transparency Act (FFATA) Subaward Reporting System (FSRS) in SFY 2019-20 to satisfy the FFATA reporting requirements for the FFY 2019 Capitalization Grant. The FFATA, along with associated Office of Management and Budget (OMB) directives, and interpretive guidance from USEPA, requires the State Water Board to report sub-recipient information on the use of capitalization grants awarded after October 1, 2010. The DWSRF program began reporting FFATA data in FFY 2011 on an equivalency basis, by choosing loans that equaled the total DWSRF grant amount received from the USEPA. The DWSRF program continues to report FFATA loan data on an equivalency basis to the FSRS (Exhibit G).

9. Environmental Federal Cross-Cutters

The State Water Board Staff updated the [State Environmental Review Process](#) (SERP), and the USEPA Region 9 Administrator approved it on July 24, 2020. The State Water Board Staff reviewed DWSRF projects consistent with the approved SERP. While the SERP generally follows the requirements of the California Environmental Quality Act, each applicant was also required to complete and submit an [Evaluation Form for Federal Environmental Coordination](#) (Evaluation Form) along with relevant supporting federal environmental cross-cutters documents. The State Water Board Staff reviewed the completed Evaluation Form and the supporting federal environmental cross-cutters documents to assure compliance with the federal environmental cross-cutters requirements. Staff coordinated with the USEPA, Region 9 to initiate consultations with relevant federal agencies on projects with known (or suspected) effects under federal environmental regulations, consistent with the SERP approved by the USEPA.

10. Single Audit Act

The State Water Board continued to require recipients receiving an executed agreement in SFY 2019-20 to comply with applicable provisions of the federal Single Audit Act of 1984 and 2 CFR Part 200, subpart F, and updates or revisions, thereto. The State Water Board included the applicable Single Audit Act requirements in all DWSRF financial assistance agreements executed in SFY 2019-20 and required reporting by funding recipients if the recipient received more than \$750,000 in combined federal funds for a given fiscal year. DAS also issued to DWSRF recipients in the Summer of 2019 a summary of federal funds disbursed to those recipients in SFY 2018-19. DFA and DAS assisted the State Treasurer's Office in securing any required SFY 2018-19 Single Audit Act reports from DWSRF funding recipients by the deadline of March 2020. DFA and DAS also coordinated with DWSRF funding recipients and the State Treasurer's Office on any compliance concerns with the use of DWSRF federal funds disclosed in a Single Audit Act report

APPENDIX D: Performance Evaluation Report

On December 9, 2020, the USEPA presented the State Water Board a combined [Program Evaluation Report \(PER\)](#) for the CWSRF and DWSRF programs for SFY 2018-19. The PER addressed California's performance and compliance as it pertains to the requirements of the base program elements. USEPA did not identify any problems requiring follow-up action.

APPENDIX E: SFY 2019-20 Audited Financial Statement