



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION IX  
75 Hawthorne Street  
San Francisco, CA 94105-3901

June 29, 2016

Mr. Darrin Polhemus  
Deputy Director  
Division of Financial Assistance  
California State Water Resources Control Board  
P.O. Box 944212-2120  
Sacramento, CA 94244-2120

Dear Mr. Polhemus:

Enclosed is the final California Clean Water State Revolving Fund (CWSRF) Program Evaluation Report (PER) for state fiscal year 2015.

Overall this PER found no deficiencies in the management of the California CWSRF program and found the technical, managerial and financial management of the program favorable. One area was identified in this PER that should be addressed in the coming year. Further clarification can be found in the PER.

- **Fish and Wildlife Protection Act:** The California CWSRF should include this act as part of the cross-cutter review checklist that the loan recipients fill out.

On behalf of the review team, I would like to express my appreciation for the assistance you and your staff provided during the review. If you have questions about the final report, please call me at 415-972-3420 or the EPA Region 9 California program officer, Josh Amaris, at 415-972-3597.

Sincerely,

A handwritten signature in black ink, appearing to read "Douglas E. Eberhardt", with a stylized "E05" written below it.

Douglas E. Eberhardt  
Manager, Infrastructure Section

Enclosure

Electronic Copies (with Enclosure):  
Jim Maughan, DFA  
Christopher Stevens, DFA  
Heather Bell, DAS

Kelly Valine, DFA  
Lance Reese, DFA

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DIVISION OF  
EMPLOYEE ASSISTANCE

**STATE FISCAL YEAR 2015 PROGRAM EVALUATION REPORT**  
**California Clean Water State Revolving Fund Program**  
**Review Conducted February/March 2016**  
**Final Report Prepared April 2016**

**I. Introduction**

Section 606(e) of the Clean Water Act (CWA) requires EPA to conduct an annual oversight review of the Clean Water State Revolving Fund (CWSRF) program. The purpose of the annual review is to assess the cumulative program effectiveness; fiscal health of the CWSRF program in California since the program began (1988); compliance with the statutes and regulations; Operating Agreement (OA); and grant conditions governing the CWSRF.

EPA Region 9 conducted its on-site annual review of the California CWSRF activities on February 1-5 and March 22-24, 2016. Staff from EPA Region 9 visited the State offices to review selected project files and cash draws, and to talk with state staff about various aspects of the CWSRF activities. Following the review, EPA prepared this Program Evaluation Report (PER). The PER covers all program activities from program inception to the present, with major emphasis on the activities performed during state fiscal year (SFY) 2015. This PER correlates to the State's CWSRF Annual Report for SFY 2015, which ended June 30, 2015. The PER also highlights the review findings and identifies follow-up actions to be addressed in SFY2017.

**II. Background and Scope**

The CWSRF uses federal capitalization grants, state match funds, loan repayments, and interest earnings to make loans for construction of wastewater treatment facilities, the implementation of nonpoint source water quality control projects, and the development and implementation of estuary enhancement type projects. Since the program began in 1988 through June 30, 2015, SWRCB has closed 716 loans totaling approximately \$8.2 billion cumulatively, including ARRA.<sup>1</sup>

The California CWSRF program is required to contain the following program and financial elements, which EPA assessed during its review.

**Required Program Elements**

- Annual Report
- Funding Eligibility
- Compliance with DBE Requirements
- Compliance with Federal Cross-Cutting Authorities
- Compliance with Environmental Review Requirements
- Operating Agreement
- Staff Capacity
- Compliance with Davis Bacon and American Iron and Steel
- Compliance with Green Project Reserve (GPR)

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<sup>1</sup> As of June 30, 2015, and as reported in the National Information Management System (NIMs)

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### **Required Financial Elements**

- Rules of Cash Draw
- Timely and Expeditious Use of Funds
- Compliance with Audit Requirements
- Assistance Terms
- Use of Fees
- Assessment of Financial Capability and Loan Security
- Financial Management
- Compliance with Additional Subsidy

The scope of the annual review included consideration of the legal, managerial, technical, financial and operational capabilities of the State of California (State) specifically the California State Water Resources Control Board (SWRCB), Divisions of Financial Assistance (DFA) and Administrative Services (DAS).

EPA Region 9 used the SRF Annual Review Guidance, SRF Program Review Checklist, Project File Review Checklist, Transaction Testing Checklist, and data collected in the National Information Management System (NIMS) for SRFs to ensure that all major elements of the program were reviewed and discussed with the California CWSRF management and staff. In response to the Improper Payments Elimination and Recovery Act, the Office of Management and Budget (OMB) through the EPA Office of the Chief Financial Officer (OCFO) has directed that the State Revolving Funds be subject to testing of a random selection of SRF transactions to develop a national estimate of improper payments from these programs. Therefore, for this review, 7 CWSRF cash transactions totaling \$28M were selected by OCFO and tested by EPA Regional staff.

### **III. Observations and Suggested Follow-up**

EPA's review assessed certain program, financial and project management practices as they relate to the State's ability to effectively administer CWSRF program activities (**Attachment 1**). Based on the review, EPA finds that California is managing the CWSRF program in accordance with State and federal laws and regulations and that California is in compliance with the conditions and assurances in the CWSRF Operating Agreement and grant agreements. This section presents EPA's specific observations and suggested action items, to be incorporated into the future operations or management of the program.

#### **A. Financial Management**

##### **1. Transaction Testing and Improper Payments**

To comply with OMB and the Improper Payments Elimination and Recovery Act requirements to evaluate improper payments, each Region is required to perform transaction testing of separate payments for State CWSRF funded transactions annually.

EPA tested 7 CWSRF cash transactions selected by OCFO with a total draw of over \$28 million from the federal treasury between October 2014 and June 2015. Our review of these program financial transactions did not find any improper payments. The details for each cash draw tested can be found in **Attachment 2**.

**Suggested follow-up:** None.

## B. Timely and Expeditious Use of Funds

California's performance for the major CWSRF program financial indicators is above or within an acceptable range of the national average, as described in Table I. California also appears to be in full compliance with the CWSRF requirements for efficient, timely and expeditious expenditure of the funds. The State is maximizing the use and effectiveness of CWSRF assets.

**Table I. Performance Indicators (from NIMS)**

Indicator	CWSRF 2015 <sup>1</sup>		CWSRF 2014	
	California	National	California	National
Fund Utilization (line 285)	116%	98%	110%	97%
Return on Federal Investment (line 307)	224%	258%	220%	256%
Retained Earnings (line 320)	22.4%	19.1%	22.1%	19.4%

### 1. Fund Utilization

Fund utilization rate or pace of the program represents the cumulative assistance provided as a percent of cumulative SRF funds available for projects. It is one indicator of how quickly CWSRF funds are made available to finance projects. Table I shows that California has done an excellent job in quickly converting CWSRF funds to loans for projects and exceeds the national average.

### 2. Unliquidated Obligations (ULOs) - Use of Federal and Non-federal Funds

While unliquidated obligations or undrawn federal and non-federal funds are not currently a performance indicator, they are being closely tracked by the EPA, OMB and Congress who may look at the unliquidated obligations when determining next year's budget.

As of May 5, 2011, EPA has established new federal fund utilization expectations for water programs, consisting of two inter-related elements. The first element is to accelerate the pace of fund obligation with a long-term goal of obligating all federal funds during the fiscal year in which they are appropriated. The second element is to encourage and monitor the prompt and full utilization of these funds.

Table II shows the status of capitalization grants as of June 30, 2015. The SWRCB has a history of successfully obligating all federal funds during the fiscal year in which they are appropriated. As of June 30, 2015, the SWRCB had one capitalization grant open with a total of \$21 million in unspent federal funds, which is 2% of the federal funds awarded during the last 7 years, coinciding with California CWSRF grants having a 7 year grant period.

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<sup>1</sup> As of June 30, 2015, and as reported in the National Information Management System (NIMS)

**Table II. California ULOs as of end of SFY 2014**

Grant ID	Fiscal Year (of funding)	Approved Funding	Funds Paid to Date	Remaining funds/ULO	ULO (%)
CS06000108	FY08	\$48,826,491.00	\$48,826,491.00	\$0.00	0%
CS06000109	FY09	\$48,667,707.00	\$48,667,707.00	\$0.00	0%
CS06000110	FY10	\$145,721,000.00	\$145,721,000.00	\$0.00	0%
CS06000111	FY11	\$105,570,800.00	\$105,570,800.00	\$0.00	0%
CS06000112	FY12	\$101,065,000.00	\$101,065,000.00	\$0.00	0%
CS06000113	FY13	\$95,485,000.00	\$95,485,000.00	\$0.00	0%
CS06000114	FY14	\$100,277,000.00	\$78,973,758.43	\$21,303,241.57	21%
2W06000209 (ARRA)	FY09	\$280,285,800.00	\$280,285,800.00	\$0.00	0%
Subtotal CWSRF		\$925,898,798.00	\$904,595,556.43	\$21,303,241.57	2%

This federal ULO is exceptional, \$21 million is less than one capitalization grant. This indicates that California CWSRF is anticipating federal grant awards and awarding assistance agreements such that when federal funds become available there is an immediate demand for them.

With respect to the utilization of non-federal dollars in the program, states are required to make timely loans using all available CWSRF funds for eligible projects. As stated in EPA Policy Memoranda, SRF 99-05 and SRF 99-09, one year is a reasonable time frame for expecting states to commit repayments and other available funds to CWSRF projects. The memoranda further clarify that in the event the state does not have sufficient projects ready to receive commitments, it must identify in its Intended Use Plan how and when the funds will be used. In the case of the California CWSRF program, the NIMs report shows that SWRCB has satisfactorily committed all available program funds to CWSRF projects within a year.

Federal, recycled and other non-federal funds need to be disbursed as soon as possible to avoid the appearance of fund underutilization. The CWSRF program uses the following metrics to determine whether a state is having trouble with the timely use of their federal and non-federal funds:

- **Cumulative disbursements as a percent of CWSRF assistance (Line 297).** In the case of the California CWSRF, the 2015 NIMs shows a ratio of 83%, slightly below the national average of 88%
- **Cumulative construction starts as a percent of CWSRF assistance (Line 299).** For the California CWSRF, the 2015 NIMs shows a ratio of 90%, in step with the national average of 91%.

Although slightly below the national averages, these figures are within an acceptable range. Furthermore the sum of federal funds, cash and cash equivalents is less than one year's worth of disbursements, indicating that the California CWSRF is utilizing all sources of funds in a timely and expeditious manner.

**Suggested follow-up:** None.

### **3. Return on Federal Investment**

Return on federal investment represents the cumulative assistance disbursed as a percentage of cumulative federal cash draws. This indicator is designed to show how many dollars of assistance were disbursed to eligible borrowers for each federal dollar spent. States with a direct loan program should have an expected value for this indicator of 120%, which reflects the 83% federal and 17% state contribution ratio for funding projects. States that leverage should have a higher value than 120% because they have more funds available relative to the amount of federal funding than non-leveraged states. In California's case, the State CWSRF has exceeded the standard level of performance, i.e., 120%. The 224% return on investment is in part attributed to availability of more funds due to leveraging, repayments and interest and investment income earned.

**Suggested follow-up:** None.

### **4. Sustainability (Retained Earnings) Excluding Subsidy**

This indicator seeks to gauge how well the CWSRFs are maintaining their invested or contributed capital, without making adjustments for loss of purchasing power due to inflation. For purposes of this indicator only, contributed capital is defined as the federal capitalization grant less the 4 percent allowed for administrative expenses, plus the required 20 percent State match regardless of the source (i.e., borrowed, appropriated, etc.). For those States that do not borrow for State match, like California, if the amount of retained earnings of a CWSRF is greater than or equal to zero, then the CWSRF is deemed to be maintaining its contributed capital and the sustainability of the fund. The California CWSRF is exceeding the national average with a RE calculation of 22.4%, thus sustaining the financial health of the fund.

**Suggested follow-up:** None.

### **C. Project File Review**

EPA project file review found the projects to be eligible and in compliance with the program requirements. No major issues were identified during the file reviews but one minor issue was identified in the review of both project files. The State is implementing or reinforcing procedures to ensure compliance. The Project File Reviews for each of the below listed projects can be found in **Attachment 3**:

#### **Projects**

- (1) Farmersville (\$8.9M)
- (2) Los Carneros (\$19.9M)

As part of the state environmental review process the Fish and Wildlife Protection Act must be considered. The requirement to adhere to the act is included in the loan documents, however it is not included in the cross-cutter review checklist that the loan recipients fill out.

**Suggested follow-up:** To ensure this requirement is met for all projects, the California CWSRF should include the Fish and Wildlife Preservation Act on the cross-cutter review checklist that loan recipients must fill out.

#### **D. Sustainability and Climate Change Resiliency**

Financing sustainability and climate change resiliency projects continues to be a priority for EPA. We acknowledge and commend the California CWSRF for committing to finance \$960M of water recycling projects at a reduced interest rate. California is in severe drought and recycling water is a very appropriate way to create a “new” source of water for appropriate uses. We continue to encourage this type of leadership in decision making and look forward to discussing with the California CWSRF other financing opportunities.

#### **E. Follow up from Prior PER**

##### **Environmental Review: Required Mitigation Measures**

The City of Delano, a project completed in 2011, did not implement several of the required mitigation measures stipulated in its environmental review. Compounding the issue was that one of the main requirements not met was the requirement to report quarterly on the status of required mitigation measures. Due to the extensive time lag from project completion till the failure to comply with reporting requirements came to light, it is not feasible to identify if any take or harassment of species due to the un-met mitigation measures occurred or to address any resulting impacts. This was a finding in the SFY2014 PER to which EPA made the following recommendation.

**Suggested follow-up (SFY2014):** To prevent this from happening in the future and help ensure that all recipients understand the gravity of complying with required mitigation measure and adhere to them, the California CWSRF needs to have a robust and tangible system for monitoring compliance with the State Environmental Review Process (SERP) and required mitigation measures and the tools necessary to ensure all recipients maintain compliance with the SERP and required mitigation measures. EPA suggests the following. The California CWSRF should develop and implement a standard process for evaluating whether recipients are complying with required mitigation measures (Example: at 20% and 50% project complete). Furthermore, EPA suggests that the California CWSRF develop an escalating suite of options to penalize recipients not complying. These should be codified in the loan conditions. Potential options could include but are not limited to:

- (1) Written warning of failure to comply with required mitigation measures and steps to correct
- (2) Withholding payments
- (3) Heightened level of oversight and scrutiny in the form of extra onsite visits or desk reviews
- (4) Require the recipient to purchase “mitigation credits”
- (5) Increase of the loan interest rate
- (6) Termination of loan agreement

**Current Assessment:** EPA acknowledges that the California CWSRF has taken the recommendations. Procedures to monitor loan recipients compliance with Required Mitigation and Monitoring Plans have been implemented and the tools to compel recipients to comply with said plans are written into the loan agreements.



**Suggested follow-up:** None.

## **V. Conclusion**

We have conducted an annual review of the California Clean Water SRF Program activities in accordance with EPA's SRF Annual Review Guidance. Based upon the program review, on-site file reviews and interviews, EPA concludes that the State of California has administered the program in general compliance with the capitalization grant agreements.

While this review found no deficiencies in SWRCB's grant management system, the PER Section III identified the following actions to be addressed in the SFY2015 Annual Report:

- **Fish and Wildlife Protection Act** – The California CWSRF should include this act as part of the cross-cutter review checklist that the loan recipients fill out.

## **VI. Attachments**

**Attachment 1** CWSRF "Program Review Checklist for Base and ARRA SRF Activities"

**Attachment 2** CWSRF Transaction Testing Sheets

**Attachment 3** CWSRF Project Files Reviews Checklists

**Attachment 1**

CWSRF "Program Review Checklist for Base and ARRA SRF Activities"

**APPENDIX B**  
Annual Review Checklist

## **Use of these Checklists**

The checklists that follow are designed to provide a convenient method for ensuring that the annual review has addressed all of the major review elements.

The checklists are organized by topic for easy reference and do not represent a suggested order for conducting the review. For example, project file reviews may touch on many different annual review topics and the checklists provide a mechanism to quickly locate the topic and record the findings while moving from one topic to another. Once the review is completed, all of the topics must either be specifically addressed or noted as not being covered during this review. If an area was not reviewed, note the reason for not reviewing it and any future review activities.

For the items that are reviewed, the requested information on the checklist must be completed noting your findings. Pertinent attachments should be added to the checklists and referred to as is appropriate. The checklists must be used as your work papers for the overall evaluation and a reference document in the future to prepare for the next annual review.

It should be noted that the checklist topics are references and are not intended to be comprehensive statements of each program item. Other supporting documents, such as the Annual Review Guidance, program documents provided in the SRF Document Library, the SRF Audit Compliance Supplement, the EPA SRF Financial Planning Model, and many other SRF related information and tools should be utilized to delve in depth into specific review topics.

Some questions in the checklists pertain to State activities that may not change from year to year. For the FY16 review cycle, all of these questions must be completed with detailed answers. Once the reviewer has a good understanding of the State's process, in subsequent reviews the reviewer may rephrase these questions to ask "*Have there been any updates or changes to [the review topic]?*" If no updates or changes have occurred, the reviewer should complete the checklist item using knowledge gained from past reviews and discussions with the State. Reviewers must complete every question on the checklist, but should use their best judgement to rephrase questions as necessary to make the discussion relevant and useful.

The questions on the checklist have been phrased so that any checkbox in the "No" column indicates an item that requires follow-up from the Region and potential inclusion in the PER. This is done so that the reviewer may quickly scan the checklist to identify potential problem areas. Some questions on the checklist are phrased as Yes/No questions, but a "No" response does not necessarily indicate a problem or require follow-up. For these questions, the Yes/No/N/A checkboxes are grayed out as an indication that a "No" response does not indicate a problem or require follow-up. An example is question 1.1.1 in the Advance Preparation tab ("Does the State use equivalency procedures for certain Federal requirements (FFATA, DBE, crosscutters, signage, A&E procurement [CW only])?"). A "No" answer does not necessarily indicate a problem; therefore, the checkbox is grayed out.

**SRF Annual Review Checklist**

State Reviewed: California  
 Fiscal year Under Review 15  
 Program(s) Reviewed: CW

Important Dates:	
10/20/2015	Annual Report Submitted By State
10/30/2015	Annual SRF Audit Report Issued
3/31/2016	SFY End of Audit Report Reviewed
2/1/2015	Onsite Visit to State - start
3/24/2015	Onsite Visit to State - end
	Draft PER Issued
6/29/2016	Final PER Issued

Transactions Tested:		
Date	Amount	Grant #
1/26/2015	\$ 1,685,713.00	CS06000114
11/3/2014	\$ 1,772,849.00	CS06000114
6/12/2015	\$ 1,794,377.00	CS06000114
11/19/2014	\$ 2,313,624.00	CS06000114
10/7/2014	\$ 2,473,054.00	CS06000113
10/10/2014	\$ 5,200,595.00	CS06000113
11/14/2014	\$ 12,716,196.00	CS06000114
	\$ 27,956,408.00	

State Contacts:		
Name	Telephone	Key Responsibilities
Lance Reese	916-449-5625	CWSRF
Regional Review Team:		
Josh Amaris	415-972-3597	CA CWSRF PO
Project Files Reviewed: See Project file worksheets		
Loan Date	Recipient/Project Title	
7/31/2014	Farmersville	
2/10/2015	Los Carneros	

Annual Review Checklist  
Advance Preparation Section

ADVANCE PREPARATION

This section is intended to be completed by the reviewer prior to the onsite Annual Review. The items should be completed based on a review of the State's documents (IUP, Operating Agreement, Annual Report, SERP) and reports (CBR/PBR, NIMS, FFATA). The reviewer may also rely on knowledge and information gained from recent conversations with the State. The reviewer should make all efforts to complete this section in advance of the onsite Annual Review to allow limited onsite time to be spent on substantive discussions of SRF management and oversight. Reviewers should use knowledge gained from completing the Advance Preparation worksheet to inform and guide the discussions during the

State / Program / Review Year:		Reviewer's Name:		
Review Item and Questions to Answer	Yes	No	N/A	Notes
<b>Regional Preparation Action Items (Project Officer and/or Financial Analyst)</b>				
<i>Sources: 40 CFR §35.3130, §35.3135, §35.3140, §35.3150</i>				
<i>The Project Officer or regional representative who will be onsite should review the state's documents and become familiar with all current processes and procedures, including the IUP, Annual Report, SERP, OA, and other state guidance documents or SOPs. The Financial Analyst who will be onsite should review, as relevant, all state financial documents including bond documents, COMPASS/NIMS reports, and independent and Single audits</i>				
1.1	Yes			
1				<p>Please provide the date of submittal (for IUP &amp; Annual Report) or date of last update (for OA, SERP, and financial documents) in the notes for the following documents:</p> <p>a. Intended Use Plan &amp; Project Priority List <u>6/2/2015</u></p> <p>b. Annual Report <u>10/20/2015</u></p> <p>c. Operating Agreement</p> <p>d. State Environmental Review Procedures</p> <p>e. Most recent independent and Single audit <u>9/30/2015</u></p> <p>f. Most recent bond documentation (if applicable)</p> <p>Late 2012. posted on website. currently redoing in conjunction with EPA Master Trust Indenture is posted on our Web site at <a href="http://www.waterboards.ca.gov/water_issues/programs/grants_loans/srf/finalpolicy0513.shtml">http://www.waterboards.ca.gov/water_issues/programs/grants_loans/srf/finalpolicy0513.shtml</a>.</p>
2				SERP: required mitigation measures changes (as noted in last years PER) are implimented
<b>Implementing Federal Requirements</b>				
<i>Sources: SRF-14-01, EPA Regulations, 40 C.F.R. Part 33, EPA Crosscutter Policy Memo, Nov 5 2013, Capitalization Grant Conditions; EPA Signage Policy Memo, Final WRRDA Guidance of January 6, 2015, EPA American Iron &amp; Steel Policy Memo, Mar 20 2014</i>				
1				<p>Does the State use equivalency procedures for certain Federal requirements (FFATA, DBE, crosscutters, signage, A&amp;E procurement [CW only])?</p> <p>a. FFATA Compliance <u>Pg 19 Annual report</u></p> <p>b. DBE <u>All Projects must comply</u></p> <p>c. Federal crosscutter requirements <u>All Projects must comply</u></p> <p>d. EPA Signage Requirements <u>All Projects must comply, in loan agreements, Martin Taylor does onsite insp</u></p> <p>e. A&amp;E Procurement <u>Equivalency</u></p>
2				<u>Largest Borrower</u>
3				<p>How are equivalency projects selected?</p> <p>Has the State developed processes for implementing recently-introduced Federal requirements?</p> <p>a. [CW ONLY] A&amp;E services procurement requirement, WRRDA Section 602(b)(14) <u>Yes</u></p> <p>b. [CW ONLY] Fiscal Sustainability Plans, WRRDA Section 603(d)(1)(E) <u>Yes</u></p> <p>c. [CW ONLY] Cost &amp; Effectiveness, WRRDA Section 602(b)(13) <u>Board approved New policies on 2/17/15 to address New requirements</u> <u>Board approved New policies on 2/17/15 to address New requirements</u></p>

Annual Review Checklist  
Advance Preparation Section

**ADVANCE PREPARATION**

This section is intended to be completed by the reviewer prior to the onsite Annual Review. The items should be completed based on a review of the State's documents (IUP, Operating Agreement, Annual Report, SERP) and reports (CBR/PBR, NIMS, FFATA). The reviewer may also rely on knowledge and information gained from recent conversations with the State. The reviewer should make all efforts to complete this section in advance of the onsite Annual Review to allow limited onsite time to be spent on substantive discussions of SRF management and oversight. Reviewers should use knowledge gained from completing the Advance Preparation worksheet to inform and guide the discussions during the

State / Program / Review Year:		Reviewer's Name:		
Review Item and Questions to Answer	Yes	No	N/A	Notes
d. American Iron and Steel (CW: WRRDA Section 608 - applies to all treatment works projects; DW: PL 113-235 - applies to all assistance agreements)	Yes			Board approved New policies on 2/17/15 to address New requirements
e. Signage grant condition	Yes			Included in Loan contracts
f. Davis-Bacon (CW: applies to all treatment works projects; DW: applies to all assistance agreements)	Yes			All Projects comply with Davis Bacon
g. Affordability Criteria, WRRDA Section 603(i)(2)	Yes			Board approved New policies on 2/17/15 to address New requirements
<b>1.3 Operating Agreement</b>				
Source: CWSRF Regulations 40 C.F.R. §35.3130(b)				
Based on your knowledge of the State's program, does the OA reflect all current procedures and processes, including any changes to the SERP, use of bonds for leveraging/state match, sub-state revolving fund programs (i.e., nonpoint source sponsorships), WRRDA updates, or other significant program changes?				
1	Yes			Once the SERP is revised The State and EPA will determine if the OA needs to be updated.
<b>1.4 Green Project Reserve Requirements</b>				
Source: FY16 Continuing Appropriations Act, P.L. 114-53; SRF-13-03				
[CW only] Review the CBR and Annual Report data for GPR projects with loans closed during the year under review. From the project descriptions provided, do the projects appear to be eligible GPR projects?				
1	Yes			There is some discrepancy in GPR amount between CBR and the Annual report
a. Are the projects reported in the correct GPR category?				
	Yes			
b. [CW only] Has the State met the GPR requirement for the year under review?*				
	Yes			
2			NA	
[CW only] Were business cases posted to the state website, as required? (N/A if no GPR projects required business cases)				
a. Were the posted business cases complete and in accordance with guidelines? (Source: FY12 SRF Procedures, Attachment 2 - GPR Eligibility Guidelines)				
			NA	
3				
[DW only] Does the state have a "green" program? (GPR is discretionary for DWSRF post-2011 program years)				
a. If so, what types of projects are they funding?				
				NA
b. If so, are the projects reported in PBR? In the correct GPR category?				
				NA
* The SRF Q&A document clarifies that States have two years to enter into an assistance agreement for GPR projects identified in the Intended Use Plan. If a project has not signed a loan agreement by the end of the second fiscal year, the State must include an explanation in the Annual Report along with anticipated milestones, and must meet those				
<b>1.5 SRF Administration</b>				
Source: Final WRRDA Guidance of January 6, 2015				
[CW only] Is the State using SRF administrative funds to administer the SRF program?				
1	Yes			
a. If so, what method did the state use to calculate the portion of funds taken to cover administrative costs?				
				4%
[DW: see "DWSRF Set-Asides" tab]				

**Annual Review Checklist  
Advance Preparation Section**

**ADVANCE PREPARATION**

This section is intended to be completed by the reviewer prior to the onsite Annual Review. The items should be completed based on a review of the State's documents (IUP, Operating Agreement, Annual Report, SERP) and reports (CBR/PBR, NIMS, FFATA). The reviewer may also rely on knowledge and information gained from recent conversations with the State. The reviewer should make all efforts to complete this section in advance of the onsite Annual Review to allow limited onsite time to be spent on substantive discussions of SRF management and oversight. Reviewers should use knowledge gained from completing the Advance Preparation worksheet to inform and guide the discussions during the

State / Program / Review Year:		Reviewer's Name:		
Review Item and Questions to Answer	Yes	No	N/A	Notes
<b>Compliance with Environmental Review Requirements</b>				
<b>1.6 Sources: CWSRF Regulations, 40 C.F.R §35.3140; NEPA Regulations 40 C.F.R. Part 6</b>				
1	Has the Project Officer received a current copy of the State's environmental review process and compared processes described in the SERP to other state program documents and past Annual Review materials, and through discussions with the State, to be able to determine that the State is following the SERP during project file review?	Yes		Currently revising the SERP
2	Does the SERP provide an accurate and complete summary of the State's process and documentation requirements for issuing the following:			
	a. Categorical Exclusion (CE) or the State equivalent?	Yes		Yes When completed
	b. Environmental Assessment (EA)/Findings of No Significant Impact (FONSI) or the state equivalent?	Yes		Yes When completed
	c. Environmental Impact Statement (EIS)/Records of Decisions (ROD) or the State equivalent?	Yes		Yes When completed
	d. How does the State ensure that public notices and meetings, as required by the SERP, are provided during the environmental review process?		→	State clearinghouse notice of determinations. If the community holds public meetings these will often be documented in the files but the state meets the requirement by the Clearinghouse process.
<b>1.7 Short and Long-Term Goals</b>				
1	What is the State's progress toward achieving the short and long-term goals listed in the IUP for the review year? Briefly summarize.		→	Annual report talks to each of the short and long term goals specifically.
2	Does the reviewer think that this progress has been adequate? Indicate any major areas of concern in the notes as necessary.	Yes		
<b>1.8 Reporting</b>				
<i>Source: EPA FY12 SRF Procedures, EPA Grant Terms and Conditions</i>				
1	Has the State entered data for all projects in the Annual Report into the CBR/PBR database?			
	a. Are the records complete, to the extent possible?	Yes		Annual report indicates all projects are entered
	b. Are projects being entered in CBR/PBR within the end of the quarter in which the loan is signed?	Yes		
<b>2.1 Assistance Terms</b>				
<i>Sources: Final WRRDA Guidance of January 6, 2015, most recent SRF</i>				
1	Does the program offer 30-year financing?	Yes		
2	What are the criteria for providing additional subsidy?		→	DACs
3	Are assistance terms based on the useful life of the project [CW only]?	Yes		
4	Is the amount and type of additional subsidy provided by the State consistent with the additional subsidy requirement for the year under review? (Record type and amount in the Notes column)	Yes		Annual report breaks out on a yearly basis the requirements and how the State Board met them

**Annual Review Checklist  
Advance Preparation Section**

**ADVANCE PREPARATION**

This section is intended to be completed by the reviewer prior to the onsite Annual Review. The items should be completed based on a review of the State's documents (IUP, Operating Agreement, Annual Report, SERP) and reports (CBR/PBR, NIMS, FFATA). The reviewer may also rely on knowledge and information gained from recent conversations with the State. The reviewer should make all efforts to complete this section in advance of the onsite Annual Review to allow limited onsite time to be spent on substantive discussions of SRF management and oversight. Reviewers should use knowledge gained from completing the Advance Preparation worksheet to inform and guide the discussions during the

State / Program / Review Year: \_\_\_\_\_ Reviewer's Name: \_\_\_\_\_

Review Item and Questions to Answer	Yes	No	N/A	Notes
<b>Use of Fees</b>				
<i>Sources: Final WRRDA Guidance of January 6, 2015, 40 CFR Part 35 Guidance on Fees Charged by States to Recipients of Clean Water State Revolving Fund Program Assistance</i>				
2.2				
1				Percentage of principal outstanding
2				Small Disadvantaged community by way of the SCG or small communities grant fund annual report clarifies how fee's were assessed (Exhibit G) and then used (exhibit H)
<b>State Match</b> <i>(Sources: 40 CFR Part 35: State Revolving Fund Implementation Regulations, EPA Standard Operating Procedure 2.3: Reviewing Use of Bonds for State Match and Leveraging)</i>				
2.3				
1				local match
2				NA
3	Yes			
4	Yes			
<b>Timely and Expenditious Use of Funds</b>				
<i>Sources: 40 CFR §35.3135(d), SRF-99-05, SRF-99-09</i>				
2.4				
1				This is a non issue: leveraged program thus demand is very high.
2			NA	Improving
3	Yes			
4			NA	
			NA	
			NA	
			NA	
			NA	



**Annual Review Checklist  
Advance Preparation Section**

**ADVANCE PREPARATION**

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State / Program / Review Year:		Reviewer's Name:		
Review Item and Questions to Answer	Yes	No	N/A	Notes
e. Are there any uncommitted fund balances? If so, what are these balances and what is the reason they remain uncommitted? Are the issues captured in the HQ state policy matrix?	---	---	NA	_____
f. Is the state making progress, as necessary, to comply with the DWSRF ULO reduction strategy? If not, what specific issues do you identify?	---	---	NA	_____
5 [DW Only] Review the State's balance of non-federal cash or cash equivalents for the current year, using the annual financial statement audit or deriving from NIMS data. Compare it to at least the last two years. Is the State's position strong or improving?	---	---	NA	_____
<b>Financial Management</b>				
2.5 Source: CWSRF Financial Risks: Program Objectives, Risk Analysis and Useful Tools (2013)				
1 Have all cumulative NIMS "Fund Analysis" indicators for the State shown good or improving performance in recent years, as compared to the national averages?				Trends are good and improving.
2 What are the State's leveraging activities described in the IUP, Annual Report and bond documents (such as ratio, frequency, amount, use of funds, impact on interest rates, etc)? (N/A if the state does not leverage) Briefly summarize.		→		No new Leveraging activity in the prior year
<b>Compliance with Audit Requirements</b>				
2.6 Source: 40 CFR §35.3165				
Note: All questions apply to the independent audit and Single Audit				
1 Are annual independent audits being conducted by an independent auditor, in addition to the State Single Audit?				
a. Who conducted the most recent audits? Note date of most recent audits in Notes column.			→	Clifton Larson Allen September 30, 2015
b. Did the program receive an unqualified opinion in one or both audits? If a qualified opinion was given, note the reason(s) in the Notes column		No		
c. Were the audits clear of findings? If no, describe the findings and resolutions in the Notes section and follow up as necessary onsite.				Recipients of federal awards in excess of \$500,000 are required to file a Data Collection Form with the Federal Audit Clearinghouse within one month of the issuance of their single audit and no later than 9 months after the end of the fiscal year. This requirement was not met in 2012, 2013, and 2014 as the state altered its audit reporting process and failed to notify the State Board of the change. The State Board has taken actions to come into compliance with this reporting requirement and all past due reports have been submitted
d. Are the financial statements in conformance with GAAP?		No		
2 Were the audits free of any negative comments or issues regarding the State's SRF internal control structure? If no, list any problem areas identified.	yes			
a. Were the audits clean from any improper payments/cash draws/disbursements? If no and improper payments were identified, what was the reason and amount of the improper payment?	yes			

Annual Review Checklist  
Advance Preparation Section

**ADVANCE PREPARATION**

This section is intended to be completed by the reviewer prior to the onsite Annual Review. The items should be completed based on a review of the State's documents (IUP, Operating Agreement, Annual Report, SERP) and reports (CBR/PBR, NIMS, FFATA). The reviewer may also rely on knowledge and information gained from recent conversations with the State. The reviewer should make all efforts to complete this section in advance of the onsite Annual Review to allow limited onsite time to be spent on substantive discussions of SRF management and oversight. Reviewers should use knowledge gained from completing the Advance Preparation worksheet to inform and guide the discussions during the

State / Program / Review Year:		Reviewer's Name:		
Review Item and Questions to Answer	Yes	No	N/A	Notes
3 Is the most recent audit free of any repeat findings (from previous audits)?	yes			
4 Did the most recent audits find state cash management and investment practices consistent with State law, policies, and any applicable bond requirements?	yes			
<b>2.7 Cash Draws &amp; Transaction Testing</b>				
<i>Sources: 40 CFR §35.3155(d)(5), SRF 13-04</i>				
1 As stated in the IUP, what proportionality ratio is the State using for cash draws?				100% federal draw
a. Is this the appropriate/correct ratio based on EPA memo SRF 13-04?	Yes			
<b>2.8 [DW Only] DWSRF Withholding Determinations</b>				
1 Did the Regional Capacity Development and Operator Certification Coordinators review the state's ongoing implementation of these programs? Is there a memo in the file (or other notation of record) documenting that EPA			NA	
2 has determined that the state is implementing its capacity development strategy and no withholding will be necessary? Is there a memo in the file (or other notation of record) documenting that EPA			NA	
3 has determined that the state is implementing its operator certification strategy and no withholding will be necessary?			NA	

**Annual Review Checklist  
Programmatic Section**

**Required Program Elements**

State / Program / Review Year:		Reviewer's Name:		
Review Item and Questions to Answer	Yes	No	N/A	Onsite Discussion Summary
<b>1.1 Implementing Federal Requirements</b>				
<i>Sources: Final WRRDA Guidance of January 6, 2015, EPA American Iron &amp; Steel Policy Memo, Mar 20 2014, EPA Capitalization Grant Conditions; EPA Signage Policy Memo</i>				
1 Has the State's process for implementing the following requirements remained the same since the last Annual Review?				
a. [CW ONLY] A&E services procurement requirement (WRRDA Section 602(b)(14))	Yes			Board approved New policies on 2/17/15 to address New requirements, Check with Christopher
b. [CW ONLY] Fiscal Sustainability Plans (WRRDA Section 603(d)(1)(E))	Yes			Board approved New policies on 2/17/15 to address New requirements
c. [CW ONLY] Cost & Effectiveness (WRRDA Section 602(b)(13))	Yes			Board approved New policies on 2/17/15 to address New requirements
d. American Iron and Steel (WRRDA Section 608)(applies to all treatment works projects) (DW: PL 113-235 - applies to all assistance agreements)	Yes			Board approved New policies on 2/17/15 to address New requirements
e. State Environmental Review Process	Yes			However EPA and the State board are currently updating the SERP.
f. Davis-Bacon (CW applies to all treatment works projects; DW applies to all assistance)	Yes			
g. Signage Requirements	Yes			Standard loan contract language
h. Affordability Criteria, WRRDA Section 603(i)(2)	Yes			Board approved New policies on 2/17/15 to address New
i. Other Federal Requirements	Yes			
[CW Only] Is the State adequately implementing the new WRRDA amendments or other				
2 Federal requirements without problem or major incident? If no, discuss these challenges and how EPA may be able to help.	Yes			
<b>1.2 Operating Agreement</b>				
1 Have any recent changes been made to the State's program or processes that would necessitate updates to the Operating Agreement?				
a. [CW Only] Does the State plan to update the OA to include changes resulting from WRRDA?				State Addressed WRRDA changes in Policy documents
b. If the OA does require an update, did the Region & State agree to a plan for updating (i.e. adding an amendment, using examples from other states, etc.)?			NA	Will assess this when the SERP is complete
<b>1.3 Green Project Reserve Requirements</b>				
<i>Source - FY16 Continuing Appropriations Act, P.L. 114-53; SRF-13-03</i>				
1 If the State has not met the GPR requirement for the year under review, what is their plan to meet the requirement? (Note: GPR was discretionary for DWSRF in FY15)				
a. If the State identified carryover GPR projects in the Annual Report, what actions is the State taking to ensure that these projects have an assistance agreement by the end of the fiscal year?				Currently meeting the requirements
				NA

**Annual Review Checklist  
Programmatic Section**

**Required Program Elements**

State / Program / Review Year:		Reviewer's Name:		
Review Item and Questions to Answer	Yes	No	N/A	Onsite Discussion Summary
2 [CW only] Is the State's current process for marketing and solicitation of GPR projects adequate for identifying a sufficient number of GPR projects?	<u>    </u>	<u>    </u>	<u>    </u>	Currently funding \$960M in 1% loans for water recycling projects
a. If no, does the State plan to revise their marketing and solicitation process?	<u>    </u>	<u>    </u>	NA	

*\*States have two years to enter into an assistance agreement for GPR projects identified in the Intended Use Plan. If a project has not signed a loan agreement by the end of the second fiscal year, the State must include an explanation in the Annual Report along with anticipated milestones, and must meet those milestones by the end of the third fiscal*

**Annual Review Checklist  
Programmatic Section**

Required Program Elements		Reviewer's Name:		
State / Program / Review Year:		Reviewer's Name:		
Review Item and Questions to Answer	Yes	No	N/A	Onsite Discussion Summary
<b>1.4 SRF Administration</b>				
1 Was staffing for the year in review sufficient to manage the program?				
a. Does the state find that staffing levels will be adequate in the upcoming program year?	Yes			
2 What is the State C/DWSRF program's current situation with regard to hiring and training new staff?		→		Hiring is happening, No issues: EPA training in June, small group training (cross trainings) to deal with Prop 1/SRF, CW/DW 4-5 module training of program ops and documentation for PM's. Everyone has to do an IDP to train up.
<b>1.5 Compliance with Environmental Review Requirements</b>				
<i>Source - CWSRF Regulations, 40 C.F.R §35.3140; NEPA Regulations 40 C.F.R. Part 6</i>				
1 Has the State made any updates or changes to the Environmental Review process that are not reflected in the SERP?			NA	Currently revising the SERP with EPA
a. [CW Only] Replacing the Tier II process with an environmental review process substantially equivalent to NEPA (for States with a Tier II environmental review)			NA	
b. Implementing a streamlined cross-cutter review consistent with EPA's November 5, 2013 memo ( <i>Source: EPA Crosscutter Policy Memo, November 5, 2013</i> )			NA	
2 Were any of the projects funded during the review year subject to public controversy or documented public concerns? [Note: List any projects for which public controversy occurred, even if they were not reviewed during the onsite review.]		No		Verified with Bridgit.
a. If yes, did the state have the ability to adequately address the controversy?			NA	
b. Is the controversy resolved? If no, discuss any ongoing issues or concerns.			NA	
<b>Compliance with Federal Cross-Cutting Authorities (Cross-Cutters)</b>				
<b>1.6 Sources: EPA Crosscutter Memo, November 13, 2015, Civil Rights Act Title VI, SRF-14-02, CWSRF Regulations 40 C.F.R. §35.3145</b>				
1 Were any issues requiring formal consultation with other State or Federal agencies resolved? ( <i>N/A if no formal consultations occurred</i> )	Yes			Multiple projects go to formal consultation
a. Does the state have an adequate process for resolving issues with State or Federal cross-cutter agencies?	Yes			
2 Has state the been effective in implementing DBE requirements and communicating the requirements to assistance recipients? If no, briefly describe any challenges or problems encountered.	Yes			
3 Does the State ensure that the assistance recipient complies with Civil Rights requirements by:	Yes			Standard Loan terms

**Annual Review Checklist  
Programmatic Section**

**Required Program Elements**

State / Program / Review Year:		Reviewer's Name:		
Review Item and Questions to Answer	Yes	No	N/A	Onsite Discussion Summary
a. Providing initial and continuing notice that they does not discriminate on the basis of race, color, national origin, sex, age, or disability in its programs or activities?	Yes			Standard loan terms
b. Providing appropriate polices or procedures to provide access to its services for persons with limited English proficiency?	Yes			
c. Instituting grievance procedures to assure the prompt and fair resolution of complaints when a violation of Title VI of the Civil Rights Act or Title 40 CFR Part 5 or 7 is alleged?	Yes			Standard Loan terms

**Annual Review Checklist  
Programmatic Section**

Required Program Elements				
State / Program / Review Year:		Reviewer's Name:		
Review Item and Questions to Answer	Yes	No	N/A	Onsite Discussion Summary
<b>Funding Eligibility</b>				
1.7 Sources: CWSRF Regulations, 40 C.F.R. §35.3155 and §35.3160, Final WRRDA Guidance of January 6, 2015				
1	→			application review
2				The state funds all projects eligible and ready to proceed.
a. If no, what challenges or limitations exist to funding new eligibilities?	→			Lack of interest or potentially knowledge in the borrower
b. Does the state anticipate any significant changes to eligibilities in the foreseeable future? Describe any changes needed.				No
3	→			NA
<b>1.8 Programmatic Risks</b>				
1	→			5 main risks are listed in the IUP as well as the steps taken to monitor and mitigate them
2				No
<b>1.9 American Iron and Steel Requirements</b>				
Source: EPA American Iron & Steel Policy Memo, March 20, 2014)				
1			Yes	
2				Standard loan terms, but Martin reviews the bid package specifically for DB and AIS
3	→			Martins onsite review verifies, and PM's collect certs from entities.
<b>### [DW only] DWSRF Withholding Determinations</b>				
1	→			NA
<b>### [DW only] DWSRF, PWSS, and Enforcement Coordination</b>				
1				NA
2				NA
3				NA

**Annual Review Checklist  
Programmatic Section**

**Required Program Elements**

<b>State / Program / Review Year:</b>		<b>Reviewer's Name:</b>		
<b>Review Item and Questions to Answer</b>	<b>Yes</b>	<b>No</b>	<b>N/A</b>	<b>Onsite Discussion Summary</b>
4 Does the DWSRF coordinate and consult with the PWSS Enforcement Program in identifying potential IUP projects? (e.g., utilize the ETT scores)			NA	
5 Are specific efforts made by the DWSRF Program to solicit assistance applications from systems identified by the PWSS Enforcement Program as needing infrastructure investment?			NA	
6 Do the DWSRF, PWSS, and Enforcement Programs coordinate in deciding the nature of set-aside assistance to be offered to systems facing compliance and/or enforcement issues?			NA	



Annual Review Checklist  
**Programmatic Section**

**Required Program Elements**

State / Program / Review Year:		Reviewer's Name:		
Review Item and Questions to Answer	Yes	No	N/A	Onsite Discussion Summary
<b>1.1 Reporting</b> <i>Source: EPA FY12 SRF Procedures, EPA Grant Terms and Conditions</i> 1 Has FFATA data been entered into fhrs.gov for projects in an amount equal to the capitalization grant?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Annual report documents this

**Annual Review Checklist  
Financial Section**

**Required Financial Elements**

State / Program / Review Year:		Reviewer's Name:		
Review Item and Questions to Answer	Yes	No	N/A	Onsite Discussion Summary
<b>Assistance Terms</b>				
2 Sources: Final WRRDA Guidance of January 6, 2015, most recent SRF appropriations act				
1				During the Technical review they ask for and evaluate the useful life
2				Bi-monthly finance meetings: review the cash flows of the fund with respect to supply/demand.
3				Affordability and DACs
a. If the State is providing subsidy in the form of grant funds, do assistance agreements require compliance with EPA regulation 40 CFR Part 31?			NA	Principal forgiveness
<b>Use of Fees</b>				
2.2 Sources: Final WRRDA Guidance of January 6, 2015, 40 CFR Part 35 Guidance on Fees Charged by States to Recipients of Clean Water State Revolving Fund Program Assistance				
1				Admin is covered by the 4% allowance and Fees are collected to operate the Small Communities Grant fund.
a. Is the annual fee income adequate for the State's administrative expenses and other intended uses?	Yes			the state reports out the sources and uses of fees in the annual report
b. Are there policies or procedures in place to prevent a large balance being accumulated in the fee account with no intended purpose?	Yes			On an annual basis and established in the IUP
c. How often does the State re-consider its fee rate?				
<b>State Match</b>				
2.3 Sources: 40 CFR Part 35: State Revolving Fund Implementation Regulations, SRF 13-04				
1				Currently \$126M over matched against the federal funds drawn
a. If no, what steps is the state taking to address this? Discuss onsite and on the PER.				NA
2				Currently \$126M over matched against the federal funds drawn
2.4				
<b>Timely and Expeditious Use of Funds</b>				
Sources: 40 CFR §35.3135(d), SRF-99-05, SRF-99-09				
1				Federal funds plus all cash and Cash equivalents on hand < 1years worth of loan disbursements
a. If the state was required to develop a plan demonstrating timely and expeditious use of funds, what progress is being made on meeting this plan?			NA	

Annual Review Checklist  
Financial Section

Required Financial Elements

State / Program / Review Year:		Reviewer's Name:		
Review Item and Questions to Answer	Yes	No	N/A	Onsite Discussion Summary
<p>[DW ONLY] Has the state incorporated EPA's definition of "ready to proceed" as it applies to projects for planning and design or construction into the development of its fundable list and, if not, what steps are being taken to do so, including providing funding for planning and design to get projects ready for construction?*</p> <p><i>* EPA defines the status of "ready to proceed" in the DWSRF ULO Strategy as being prepared to begin construction and are immediately ready, or poised to be ready, to enter into an assistance agreement. See also the December 22, 2014 memo titled "Drinking Water State Revolving Fund Program Guidance on Unliquidated Obligations Reduction Applying Project Readiness to Proceed, and Data Completeness for Project and Benefits Reporting System (PBR).</i></p>			NA	
<b>Financial Management</b>				
<b>2.5 Source: CWSRF Financial Risks: Program Objectives, Risk Analysis and Useful Tools (2013)</b>				
<p>1 What are the State's short and long-term financial goals and how is the State's financial management designed to achieve these goals? Discuss with the state and summarize in the PER.</p> <p>a. Does this plan include steps to address any recently identified areas of financial risk identified by the state or region (e.g., improper payments, ULOs)?</p>	→			See annual report. Many goals
<p>2 What is the State's long-term financial plan to direct the program?</p> <p>a. How often is the plan reviewed and updated?</p>	→			In IUP with quarterly updates as projects are realized
<p>b. Was financial modeling used to develop the plan? How was modeling conducted?</p> <p>c. Does planning address types of assistance and terms, use of leveraging, and transfers or cross-collateralization between programs?</p>				Yes
<p>3 Are issues related to loan restructuring, the potential for defaults, and the timeliness of loan repayments being handled adequately by the State? (Check N/A if there are no issues, and provide details if there are issues)</p>			NA	
<p>4 Are net bond proceeds, interest earnings, and repayments being deposited into the fund?</p>	Yes			
<b>2.6 Compliance with Audit Requirements</b>				
<i>Sources: 40 CFR §35.3165, 2 CFR 200 Subpart F</i>				
<p>1 Does the State have an independent audit conducted of the Financial Statements of the Fund?</p>	Yes			
<p>a. What was the time period covered by the audit that was available at the time of the review?</p>	→			July 1, 2014-June 30, 2015
<p>b. Has the State planned corrective actions for any findings included in this Financial Statement Audit?</p>	Yes			
<p>c. Have any audit findings from the prior year been resolved?</p>	Yes			

**Annual Review Checklist  
Financial Section**

**Required Financial Elements**

State / Program / Review Year:		Reviewer's Name:		
Review Item and Questions to Answer	Yes	No	N/A	Onsite Discussion Summary
2 Does the State have a Single Audit conducted of the Fund? <i>(This may be part of the Statewide Single Audit)</i>	Yes			
a. What was the time period covered by the audit that was available at the time of the review?	→			July 1, 2014-June 30, 2015
b. Has the State planned corrective actions for any findings included in this Single Audit?			NA	
c. Have any audit findings from the prior year been resolved?			NA	
3 What is the State's process for the following:				
a. Complying with subrecipient monitoring audit requirements? Is the requirement applied to only equivalency projects or all projects that expended more than \$750,000 in federal funds?				Accounting advises financing recipients of all disbursements that include federal cap grant \$. The Single Audit threshold is 750,000 federal \$ regardless of the program source. Financing recipients may also receive federal \$ from other programs, but would still have to do a Single Audit if they received <\$750,000 federal from the CSWRCB if the total fed \$ from all sources if more than \$750,000 federal.
b. Obtaining/reviewing subrecipient Single Audits?	→			Submitted to state controllers office who review it. If there are findings the controllers office send them to the water board for reconciling. Then after issue is adressed it is sent back to the controlloers office.
c. Following up with subrecipients to resolve findings, as needed?				Submitted to state controllers office who review it. If there are findings the controllers office send them to the water board for reconciling. Then after issue is adressed it is sent back to the controlloers office.
d. How does the State notify recipients of the Single Audit requirements; if they expended more than \$750,000 in federal funds?				Accounting send a notice at the end of the SFY if an entity receives any Federal \$
2.7 <b>Cash Draws &amp; Transaction Testing</b> <i>Sources: 40 CFR §35.3155(d)(5), SRF 13-04</i>				
1 Are the State's disbursement process and internal controls adequate to ensure that disbursements adhere to the Federal cash draw rules? <i>(The reviewer should use their best judgement to answer this question based on a discussion with the State. For DWSRF, where available, reviewers should use the State internal control walk through provided by HQ)</i>	Yes			
a. What is the average length of time between request and disbursement?	→			91% go out in Less than 30 Days
2 Have all payments made by the State been correct and proper? (If no, indicate any improper payments detected by the state and what corrective actions that have been taken in the Onsite Discussion column and if necessary elaborate in the PER)	Yes		NA	
a. Were all improper payments adequately resolved?				
b. If improper payments occurred as a result of internal control deficiencies, how will the State review and/or modify its internal controls to decrease the potential for improper payments to occur in the future?	→			

**Annual Review Checklist  
Financial Section**

**Required Financial Elements**

State / Program / Review Year:		Reviewer's Name:		
Review Item and Questions to Answer	Yes	No	N/A	Onsite Discussion Summary
<b>2.8 Assessment of Financial Capability and Loan Security</b>				
<i>Sources: 40 CFR 35.3120(iv), 40 CFR 35.3115</i>				
1 [CW Only] Does the State have procedures for assessing the financial capability of assistance recipients? What are the major components of the procedures?	Yes			Tab 4 in master loan files include the exhaustive financial capability review
2 [DW Only] What is the State's process for determining system TMF capacity prior to signing an assistance agreement?	→			NA
a. Have any systems in the last year been denied assistance on the basis of lacking TMF capacity? If so, provide details.				NA
<b>Financial Risks</b>				
3 <i>Sources: 40 CFR 35.3115, CWSRF Financial Risks: Program Objectives, Risk Analysis and Useful Tools (2013)</i>				
What in the State's view are the main financial risks facing the program, and what steps are being taken to avoid and/or mitigate them?	→			Early payoffs are starting to happen and that can affect the fund. But this is likely not going to seriously affect the fund.

Annual Review Checklist  
DWSRF Set-Aside Section

DWSRF Set-Asides

State / Program / Review Year:		Reviewer's Name:		
Review Item and Questions to Answer	Yes	No	N/A	Onsite Discussion Summary
<b>3.1 General Set-Aside Funding</b>				
1 Did the State submit a workplan for set-aside activity that includes the amounts reserved, activity descriptions, goals and milestones?			NA	
a. Does the authority to establish assistance priorities and carry out oversight and related activities (other than financial administration) remain with the state PWSS program?			NA	
b. Are federal cross-cutters and the SERP considered in set-aside activities (other than administrative activities)?			NA	
2 Did EPA approve any significant changes to planned activities and/or budgets from what was originally described in its work plans? N/A if no significant changes were made.			NA	
a. If so, has the State amended its work plan(s) and submitted it (them) to EPA for approval?			NA	
3 Are set-aside funds attached to specific projects with a schedule?			NA	
a. Were success measures identified and reported for each project?			NA	
b. Is the State making adequate progress towards milestones?			NA	
c. Were all set-aside project schedule milestones achieved in the past year?			NA	
4 Since the workplan is only a plan, is the State doing the projects outlined in their workplan? If not, what other projects are they conducting?			NA	
<b>3.2 General Account Management</b>				
1 Does the State account for each of the set-asides separately as required by [insert cite regulation]?			NA	
a. For loans made under 1452(k), are principle and interest repayments kept in a separate dedicated account?			NA	
b. Does the State subject the 1452(k) account to the same management oversight requirements as the Fund?			NA	
<b>3.3 Specific Set-Aside Requirements</b>				
1 For the State activities that are proportionally funded with set-aside funds, is the proportion appropriate?			NA	
a. Is the proportion charged to set-asides documented by employee timesheets or other similar method?			NA	
2 Based on discussions with State managers, were set-aside funds used for eligible purposes?			NA	
3 If transaction testing included set-aside draws, were costs for eligible purposes? (n/a if set-asides were not included in the selected cash draws)			NA	
4 Is adequate progress being made on the set-aside workplan(s) including success measures and milestones?			NA	
5 Did the State implement technical assistance activities under the administration set-aside as detailed in the work plan(s)?			NA	

Annual Review Checklist  
DWSRF Set-Aside Section

Review Item and Questions to Answer	Yes	No	N/A	Onsite Discussion Summary
6 Has the State matched State Program Management expenditures with at least an equal amount of State funds or in-kind services (including up to 50% from credit for State funds expended for the PWSS program in fiscal year 1993)?			NA	
a. Did the State document how it has met its match requirement?			NA	

**Annual Review Checklist  
Sustainability Section**

**EPA's Clean Water and Drinking Water Infrastructure Sustainability Policy: Discussion Questions**

State / Program / Review Year: \_\_\_\_\_ Reviewer's Name: \_\_\_\_\_

Review Item and Question to Answer	Yes	No	N/A	Onsite Discussion Summary
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*For additional information and guidance on these topics, please refer to the SRF Sustainability and Climate Change Guide*

**4.1 Sustainability**

How does the State encourage the use of asset management programs? Does the

1 State's Project Priority List (PPL) include projects that emerged as a result of an asset management program?

2 How does the State encourage planning processes by potential SRF recipients that:  
a. include steps to consider other relevant community sustainability priorities from other sectors, such as transportation and housing?

b. evaluate a range of alternatives, including green and/or decentralized (for CW) or restructuring (for DW) alternatives, based on full life-cycle costs?

c. ensure that potential recipients have a financial system in place, including appropriate rates, to ensure that future projects will be funded, operated, maintained and replaced over time, with appropriate considerations for low income households?

3 Does the State's project pipeline include projects that utilize green infrastructure or decentralized approaches as an integral part of the treatment process? Describe any activities that the State uses to encourage these types of projects.

(DW only) Does the State's project pipeline include projects that utilize consolidation, partnership or regionalization approaches? Describe any activities that the State uses to encourage these types of projects.

5 Does the project pipeline include projects that maintain or create additional green space? Examples could include riparian buffer zones or conservation easements. Describe any activities the State uses to encourage these types of projects.

6 Does the project pipeline include projects that make use of technologies and practices to reduce energy and/or water consumption, and use energy in a more efficient way, and/or produce/utilize renewable energy? Describe any activities the State uses to encourage these types of projects.

→				extra prioritization points if the entity conducts Asset management plans: general application form sustainability section
				extra prioritization points : general application form sustainability section
				extra prioritization points : general application form sustainability section
				The Financial review in the application process looks at funding sustainability for future CIP and O&M.
	No			Water Recycling
			NA	
			NA	extra prioritization points : general application form sustainability section
	Yes			Water recycling, VFD,



## Annual Review Checklist Sustainability Section

### 4.2 Resiliency to Extreme Events and Climate Change

1	1. Is there a state climate change or adaptation plan?	Y	In SFY 2017, there is a plan to develop a resolution for the SWRCB that will establish a strategy for all SWRCB programs to address climate change and adaptation. The SWRCB SRFs are working on a worksheet, to be completed by the SRF applicant, that will indicate climate change factors considered when applying for SRF funding.
	a. If so, does it include a role for water infrastructure or the SRF's?	Y	All state programs including the SRFs
2	Does the SRF program provide information about eligible costs related to developing or implementing an adaptation plan in the IUP or other program information?	Y	Policy includes description of eligible costs including green, adaptation, etc.
3	Does the SRF program provide incentives to encourage facilities to incorporate potential climate change impacts or strategies for building resilience to extreme events in new or revised facilities plans? Extreme events may include Intense precipitation and flood, increasing temperatures and drought, or sea level rise, increasing intensity of	Y	CWSRF - extra priority points for water recycling & energy conservation
	a. What incentives does the SRF program provide? If financial incentives, please be specific as to what those entail.	→	Financial (1% interest loans); extra pp points; or PF
4	Does the state have plans in place for rebuilding water (and other) infrastructure after damage from an extreme event, in ways that decrease vulnerability and increase resilience to future extremes?	Y	Plan to work with entity to ensure long-term sustainable infrastructure
5	Are the state SRF program staff aware of sources of information to help you understand and plan for future resiliency, e.g., EPA's Climate Ready Water Utilities tools and information? (available at <a href="http://water.epa.gov/scitech/climatechange/">http://water.epa.gov/scitech/climatechange/</a> )	Y	

**Attachment 2**

CWSRF Transaction Testing Sheets

Appendix D Transaction Testing Worksheet: For Regional Review of State CWSRF and DWSRF

<b>State:</b> CA	<b>Cash Draw Amount:</b> \$ 1,685,713.00
<b>Indicate CW/DW Review:</b> CW	<b>Cash Draw Date:</b> 1/22/15
<b>Reviewer:</b> Josh Amaris	<b>Purpose of Cash Draw (Loan, Admin or Set-Aside):</b> Loan
<b>Review Date:</b> 2/4/16	<b>Grant Number:</b> CS06000114
<b>Selected by Region</b> <input type="checkbox"/> <b>Selected by Statistical Sampling</b> <input checked="" type="checkbox"/>	

Review Item	Yes	No	N/A	Descriptions/Comments
1. The State is reviewing and approving invoices in a timely manner	Yes			
2. State accounting records accurately reflect the cash draw and are consistent with the COMPASS record of federal disbursements	Yes			
3. Funds are being disbursed to recipients in a timely manner following requests for reimbursement and cash draw	Yes			Claim Paid 1/21/15
4. State used the correct proportionality ratio to calculate value drawn (enter the proportionality ratio from the State's IUP or grant application in the Comments section)	Yes			
5. If State is drawing 100% federal funds, accounting records show that the entire state match was disbursed prior to federal draws	Yes			
disbursement requests, and the disbursement request review process				
<b>The state prepares disbursement request forms (Forms 260</b>				

<b>Project Name:</b> Eastern Municipal Water District			<b>Project Number:</b> 7203-110	
<b>Disbursement Request Date:</b> 12/29/14			<b>Improper Payment (Yes/No):</b> No	
<b>Improper Payment Resolution:</b>				
Invoice Date	Invoice Number	Invoice Amount	Payee	Notes on Invoice
		\$1,647,476.00	BRH Garver West Inc.	See CO Tab: This invoicing is for construction CO's. Rounded to the whole dollar
		\$34,612.00	CM Allowance	See CM Tab: Rounded down to the whole dollar
		\$3,625.00	Connection Fees	EMWD Details of expenditures sheet
<b>Invoiced Total</b>		\$1,685,713.00	<b>Explanation If Paid Amount is Different from Invoiced Total:</b>	
<b>Amount Paid from Other Sources</b>				
<b>Amount Paid from SRF funds:</b>		\$1,685,713.00	<b>Additional Notes:</b>	

<b>Project Name:</b>			<b>Project Number:</b>	
<b>Disbursement Request Date:</b>			<b>Improper Payment (Yes/No):</b>	
<b>Improper Payment Resolution:</b>				
Invoice Date	Invoice Number	Invoice Amount	Payee	Notes on Invoice
<b>Invoiced Total</b>		\$0.00	<b>Explanation If Paid Amount is Different from Invoiced Total:</b>	
<b>Amount Paid from Other Sources</b>				

Appendix D Transaction Testing Worksheet: For Regional Review of State CWSRF and DWSRF

Amount Paid from SRF funds:	\$0.00	Additional Notes:
(a) Total SRF Disbursements	\$1,685,713.00	
(b) Total Cash Draw Amount:	\$1,685,713.00	
State Match Amount(if applicable):		
Improper Payment Amount (if applicable):		
Calculate the Federal cash draw ratio (b/a):		

Vendor	Invoice	Date	Amount
Utah Pacific	381E.001	9/12/2014	\$ 26,204.32
Labor Compliance Providers	101-001-EHSS-23-0714	8/12/2014	\$ 1,455.00
Labor Compliance Providers	101-001-EHSS-24-0814	9/8/2014	\$ 632.50
labor Compliance Providers	101-004-1162s1-1-0914	9/8/2014	\$ 852.50
EMWD Direct Labor			\$ 10,186.56
EMWD Direct Labor			\$ 1,438.64
EMWD Direct Labor			\$ 5,424.55
EMWD Direct Labor			\$ 4,884.61
EMWD Direct Labor			\$ 9,504.53
EMWD Direct Labor	prop 84 fundinig (reduction)		\$ (25,970.54)
total			\$ 34,612.67

CO	date	Amount
6a	8/15/2012	\$ 300,000.00
15a	9/30/2013	\$ 100,000.00
16a	10/22/2013	\$ 124,623.38
17a	11/19/2013	\$ 162,164.49
19a	12/12/2013	\$ 116,417.10
20a	1/15/2014	\$ 119,906.90
21a	2/12/2014	\$ 99,709.62
22a	3/4/2014	\$ 53,429.09
23a	4/16/2014	\$ 39,323.62
24a	5/5/2014	\$ 86,351.63
26a	5/30/2014	\$ 48,140.44
27a	8/27/2014	\$ 59,085.53
27b	8/27/2014	\$ 190,974.15
28	8/28/2014	\$ (6,000.00)
28	8/28/2014	\$ 23,000.00
28	8/28/2014	\$ 133,350.00
28	8/28/2014	\$ (3,000.00)
<b>Sum</b>		<b>\$ 1,647,475.95</b>

Appendix D Transaction Testing Worksheet: For Regional Review of State CWSRF and DWSRF

State: CA  
 Indicate CW/DW Review: CA  
 Reviewer: Josh Amaris  
 Review Date: 2/3/16

Cash Draw Amount: \$ 1,772,849.00  
 Cash Draw Date: 10/30/14  
 Purpose of Cash Draw (Loan, Admin or Set-Aside): Loan  
 Grant Number: Cs06000114

Selected by Region  Selected by Statistical Sampling

Review Item	Yes	No	N/A	Descriptions/Comments
1. The State is reviewing and approving invoices in a timely manner	Yes			
2. State accounting records accurately reflect the cash draw and are consistent with the COMPASS record of federal disbursements	yes			
3. Funds are being disbursed to recipients in a timely manner following requests for reimbursement and cash draw	yes			Claim paid 10/29/14
4. State used the correct proportionality ratio to calculate value drawn (enter the proportionality ratio from the State's IUP or grant application in the Comments section)	yes			
5. If State is drawing 100% federal funds, accounting records show that the entire state match was disbursed prior to federal draws	yes			
6. Provide a brief summary of the State's disbursement process, including what documentation is required for disbursement requests, and the disbursement request review process				The state prepares disbursement request forms (Forms 260 "Request for Disbursement" & 259 "Construction Contract

Project Name: City of San Leandro		Project Number: 7002-110		
Disbursement Request Date: 10/17/14		Improper Payment (Yes/No): No		
Improper Payment Resolution:				
Invoice Date	Invoice Number	Invoice Amount	Payee	Notes on Invoice
		\$1,437,515.00	S.J. Amoroso Construction	See SJA tab: Work billed this period is for two invoice periods
Invoiced Total		\$1,437,515.00	Explanation If Paid Amount is Different from Invoiced Total:	
Amount Paid from Other Sources				
Amount Paid from SRF funds:		\$1,437,515.00	Additional Notes:	

Project Name: Donner Summit PUD		Project Number: 7670-210		
Disbursement Request Date: 10/9/14		Improper Payment (Yes/No): no		
Improper Payment Resolution:				
Invoice Date	Invoice Number	Invoice Amount	Payee	Notes on Invoice
30-Sep-14	24	\$201,427.00	Syblon Reid	See SR Tab
12-Sep-14	829390	\$99,747.66	CM Allowance: Stantec	
		-\$43,888.97	CM: Less 44% reduction as project is 56% complete	
9/17/2014	830514	\$4,561.25	Admin Allowance: Stantec	
9/30/2014	835348	\$11,302.00	Admin Allowance: Stantec	
9/2/2014	714069	\$1,758.65	Admin Allowance: Holdredge & Kull	
8/31/2014	56944	\$1,895.00	Admin Allowance: 3QC	

Appendix D Transaction Testing Worksheet: For Regional Review of State CWSRF and DWSRF

		-\$8,587.44	Admin: Less 44% reduction as project is 56% complete
Invoiced Total		\$268,215.15	Explanation If Paid Amount is Different from Invoiced Total: Rounding
Amount Paid from Other Sources		\$0.15	
Amount Paid from SRF funds:		\$268,215.00	Additional Notes:

<b>Project Name: Running Spring Water District</b>	<b>Project Number: 7879-110</b>
<b>Disbursement Request Date: 10/20/14</b>	<b>Improper Payment (Yes/No): No</b>

**Improper Payment Resolution:**

Invoice Date	Invoice Number	Invoice Amount	Payee	Notes on Invoice
		\$67,119.00	Planning & Design	See PD tab

Invoiced Total		\$67,119.00	Explanation If Paid Amount is Different from Invoiced Total:
Amount Paid from Other Sources			
Amount Paid from SRF funds:		\$67,119.00	Additional Notes:

<b>(a) Total SRF Disbursements</b>	<b>\$1,772,849.00</b>
<b>(b) Total Cash Draw Amount:</b>	<b>\$1,772,849.00</b>
<b>State Match Amount(if applicable):</b>	
<b>Improper Payment Amount (if applicable):</b>	
<b>Calculate the Federal cash draw ratio (b/a):</b>	



SJA	SJA	SJA	SWRCB Calculation from cut sheet			
Invoice #	Date	completed to date	Total cost incurred to date	total eligible cost incurred	Amount previously paid	Payment due
36	9/16/2014	\$ 38,289,056.00	\$ 38,289,056.00	\$ 35,011,837.00	\$ 33,574,322.00	\$ 1,437,515.00
35	8/15/2014					

Appendix D Transaction Testing Worksheet: For Regional Review of State CWSRF and DWSRF

<b>State:</b> CA	<b>Cash Draw Amount:</b>	\$ 1,794,377.00
<b>Indicate CW/DW Review:</b> CW	<b>Cash Draw Date:</b> 6/10/15	
<b>Reviewer:</b> Josh Amaris	<b>Purpose of Cash Draw (Loan, Admin or Set-Aside):</b> Loan	
<b>Review Date:</b> 2/4/16	<b>Grant Number:</b> CS06000114	
<b>Selected by Region</b> <input type="checkbox"/> <b>Selected by Statistical Sampling</b> <input checked="" type="checkbox"/>		

Review Item	Yes	No	N/A	Descriptions/Comments
1. The State is reviewing and approving invoices in a timely manner	yes			
2. State accounting records accurately reflect the cash draw and are consistent with the COMPASS record of federal disbursements	yes			
3. Funds are being disbursed to recipients in a timely manner following requests for reimbursement and cash draw	yes			Claim paid 6/9/15: There was some back and forth regarding eligible costs thus the longer than normal time frame
4. State used the correct proportionality ratio to calculate value drawn (enter the proportionality ratio from the State's IUP or grant application in the Comments section)	yes			
5. If State is drawing 100% federal funds, accounting records show that the entire state match was disbursed prior to federal draws	yes			
6. Provide a brief summary of the State's disbursement process, including what documentation is required for disbursement requests, and the disbursement request review process	yes			The state prepares disbursement request forms (Forms 260 "Request for Disbursement" & 259 "Construction Contract

<b>Project Name:</b> City of Woodland			<b>Project Number:</b> 8002-110	
<b>Disbursement Request Date:</b> 3/26/15			<b>Improper Payment (Yes/No):</b> No	
<b>Improper Payment Resolution:</b>				
Invoice Date	Invoice Number	Invoice Amount	Payee	Notes on Invoice
		\$2,314,140.00	Western Water Contractors Inc.	See Tab WWC: Progress Payment includes first three invoices
		\$467,951.00	Allowances	See Allowances Tab
<b>Invoiced Total</b>		\$2,782,091.00	Explanation If Paid Amount is Different from Invoiced Total: Repayment funds	
<b>Amount Paid from Other Sources</b>		\$1,542,478.00		
<b>Amount Paid from SRF funds:</b>		\$1,239,613.00	<b>Additional Notes:</b>	

<b>Project Name:</b> Graton CSD			<b>Project Number:</b> 4986-110	
<b>Disbursement Request Date:</b> 3/19/15			<b>Improper Payment (Yes/No):</b> no	
<b>Improper Payment Resolution:</b>				
Invoice Date	Invoice Number	Invoice Amount	Payee	Notes on Invoice
25-Nov-14	21	\$802.00	KG Walters	Line item #65 procured fire protection services
		\$491,408.00	KG Walters	Change order approval form: itemizes each change order over the life of the project. It then further clarifies which are eligible for funding. Actual change order source docs are provided behind it and I varified all change order source docs against the Change order approval form.

Appendix D Transaction Testing Worksheet: For Regional Review of State CWSRF and DWSRF

<b>State:</b> CA	<b>Cash Draw Amount:</b>	\$ 1,794,377.00
<b>Indicate CW/DW Review:</b> CW	<b>Cash Draw Date:</b> 6/10/15	
<b>Reviewer:</b> Josh Amaris	<b>Purpose of Cash Draw (Loan, Admin or Set-Aside):</b> Loan	
<b>Review Date:</b> 2/4/16	<b>Grant Number:</b> CS06000114	
<b>Selected by Region</b> <input type="checkbox"/> <b>Selected by Statistical Sampling</b> <input checked="" type="checkbox"/>		

Review Item	Yes	No	N/A	Descriptions/Comments
1. The State is reviewing and approving invoices in a timely manner	yes			
2. State accounting records accurately reflect the cash draw and are consistent with the COMPASS record of federal disbursements	yes			
3. Funds are being disbursed to recipients in a timely manner following requests for reimbursement and cash draw	yes			Claim paid 6/9/15: There was some back and forth regarding eligible costs thus the longer then normal time frame
4. State used the correct proportionality ratio to calculate value drawn (enter the proportionality ratio from the State's IUP or grant application in the Comments section)	yes			
5. If State is drawing 100% federal funds, accounting records show that the entire state match was disbursed prior to federal draws	yes			
6. Provide a brief summary of the State's disbursement process, including what documentation is required for disbursement requests, and the disbursement request review process	yes			The state prepares disbursement request forms (Forms 260 "Request for Disbursement" & 259 "Construction Contract

<b>Project Name:</b> City of Woodland		<b>Project Number:</b> 8002-110		
<b>Disbursement Request Date:</b> 3/26/15		<b>Improper Payment (Yes/No):</b> No		
<b>Improper Payment Resolution:</b>				
Invoice Date	Invoice Number	Invoice Amount	Payee	Notes on Invoice
		\$2,314,140.00	Western Water Contractors Inc.	See Tab WWC: Progress Payment includes first three invoices
		\$467,951.00	Allowances	See Allowances Tab
<b>Invoiced Total</b>		\$2,782,091.00	Explanation If Paid Amount is Different from Invoiced Total: Repayment funds	
<b>Amount Paid from Other Sources</b>		\$1,542,478.00		
<b>Amount Paid from SRF funds:</b>		\$1,239,613.00	<b>Additional Notes:</b>	

<b>Project Name:</b> Graton CSD		<b>Project Number:</b> 4986-110		
<b>Disbursement Request Date:</b> 3/19/15		<b>Improper Payment (Yes/No):</b> no		
<b>Improper Payment Resolution:</b>				
Invoice Date	Invoice Number	Invoice Amount	Payee	Notes on Invoice
25-Nov-14	21	\$802.00	KG Walters	Line item #65 procured fire protection services
		\$491,408.00	KG Walters	Change order approval form: itemizes each change order over the life of the project. It then further clarifies which are eligible for funding. Actual change order source docs are provided behind it and I varified all change order source docs against the Change order approval form.

Appendix D Transaction Testing Worksheet: For Regional Review of State CWSRF and DWSRF

	\$62,554.00	Biosolids handling equipment	Verified source invoices against tally sheet due to volumous amount
Invoiced Total	\$554,764.00	Explanation If Paid Amount is Different from Invoiced Total:	
Amount Paid from Other Sources			
Amount Paid from SRF funds:	\$554,764.00	Additional Notes:	
<b>(a) Total SRF Disbursements</b>	<b>\$1,794,377.00</b>		
<b>(b) Total Cash Draw Amount:</b>	<b>\$1,794,377.00</b>		
<b>State Match Amount(if applicable):</b>			
<b>Improper Payment Amount (if applicable):</b>			
<b>Calculate the Federal cash draw ratio (b/a):</b>			

Vendor	invoice	date	amount	
Carollo	135991	7/21/2014	\$ 3,774.10	
Carollo	137253	9/24/2014	\$ 10,317.95	
Carollo	137254	9/24/2014	\$ 6,474.12	
Carollo	137782	10/15/2014	\$ 33,793.34	
Carollo	138287	11/13/2014	\$ 22,862.43	
Carollo	138743	12/10/2014	\$ 28,616.59	
Carollo	139514	1/22/2015	\$ 40,802.07	
Carollo	140114	3/2/2015	\$ 31,542.66	
Carollo	140451	3/13/2015	\$ 41,356.05	
Brown and Caldwell	17223568	9/8/2014	\$ 196.93	
Brown and Caldwell	17223571	9/8/2014	\$ 322.05	
Brown and Caldwell	17223576	9/8/2014	\$ 5,243.65	
Brown and Caldwell	17224401	9/17/2014	\$ 33,378.86	inelligible costs pulled out from original invoice
Brown and Caldwell	17230646	12/15/2014	\$ 24,624.41	
Brown and Caldwell	17233431	1/23/2015	\$ 27,687.04	
Brown and Caldwell	17233433	1/23/2015	\$ 31,141.83	
Brown and Caldwell	17233541	1/23/2015	\$ 33,358.23	inelligible costs pulled out from original invoice
Brown and Caldwell	17235314	2/19/2015	\$ 47,450.82	
Brown and Caldwell	17236579	3/10/2015	\$ 45,008.27	
<b>Total</b>			<b>\$ 467,951.40</b>	

Invoice #	Date	completed to date	SWRCB Calculation from cut sheet	Total cost incurred to date	total eligible cost incurred	Amount previously paid	Payment due
3	3/10/2015	\$ 2,314,140.00	This figure matches SWRCB Cut sheet	\$ 2,314,140.00	\$ 2,314,140.00	\$ -	\$ 2,314,140.00
2	1/21/2015						
1	10/27/2014						

Invoice #	Date	Amount	Vendor
44771	10/7/2014	\$ 5,270.00	Engineering Resource
44770	10/7/2014	\$ 12,275.00	Engineering Resource
44765	10/7/2014	\$ 8,640.00	Engineering Resource
43862	2/7/2014	\$ 11,062.50	Engineering Resource
43755	1/16/2014	\$ 2,640.00	Engineering Resource
15256	9/25/2014	\$ 3,600.00	LOR Geotechnical group
15257	9/25/2014	\$ 3,600.00	LOR Geotechnical group
RS-159-7	8/11/2014	\$ 300.00	Tom Dodson and Associates
RS-159-6	7/14/2014	\$ 2,494.00	Tom Dodson and Associates
RS-159-5	6/19/2014	\$ 1,175.00	Tom Dodson and Associates
RS-159-4	4/9/2014	\$ 300.00	Tom Dodson and Associates
RS-159-3	3/18/2014	\$ 2,000.00	Tom Dodson and Associates
RS-159-2	3/18/2014	\$ 5,315.75	Tom Dodson and Associates
RS-159-1	2/12/2014	\$ 1,650.00	Tom Dodson and Associates
14-271	8/8/2014	\$ 1,000.00	Environmental Hightech Engineering
14-272	8/8/2014	\$ 1,000.00	Environmental Hightech Engineering
729822 (pg2)	7/14/2014	\$ 60.00	Best Best & Krieger
729822 (pg5)	7/14/2014	\$ 700.00	Best Best & Krieger
727072	6/9/2014	\$ 2,409.52	Best Best & Krieger
723778	4/10/2014	\$ 1,280.00	Best Best & Krieger
721629	3/11/2014	\$ 347.48	Best Best & Krieger
<b>Total</b>		<b>\$ 67,119.25</b>	

SR	SR	SR	SWRCB Calculation from cut sheet				
Invoice #	Date	completed to date	Total cost incurred to date	total eligible cost incurred	Amount previously paid	Payment due	
24	9/30/2014	\$ 16,474,309.00	rounding c \$ 16,474,310.00	\$ 8,920,344.00	\$ 8,718,917.00	\$ 201,427.00	



Appendix D Transaction Testing Worksheet: For Regional Review of State CWSRF and DWSRF

<b>State:</b> CA	<b>Cash Draw Amount:</b>	\$ 2,313,624.00
<b>Indicate CW/DW Review:</b> CW	<b>Cash Draw Date:</b> 11/17/14	
<b>Reviewer:</b> Josh Amaris	<b>Purpose of Cash Draw (Loan, Admin or Set-Aside):</b> Loan	
<b>Review Date:</b> 2/3/16	<b>Grant Number:</b> CS06000114	
<b>Selected by Region</b> <input type="checkbox"/> <b>Selected by Statistical Sampling</b> <input checked="" type="checkbox"/>		

Review Item	Yes	No	N/A	Descriptions/Comments
1. The State is reviewing and approving invoices in a timely manner	Yes			
2. State accounting records accurately reflect the cash draw and are consistent with the COMPASS record of federal disbursements	Yes			
3. Funds are being disbursed to recipients in a timely manner following requests for reimbursement and cash draw	Yes			Claim paid 11/13/14
4. State used the correct proportionality ratio to calculate value drawn (enter the proportionality ratio from the State's IUP or grant application in the Comments section)	Yes			
5. If State is drawing 100% federal funds, accounting records show that the entire state match was disbursed prior to federal draws	Yes			
6. Provide a brief summary of the State's disbursement process, including what documentation is required for disbursement requests, and the disbursement request review process	Yes			<b>The state prepares disbursement request forms (Forms 260 "Request for Disbursement" &amp; 259 "Construction Contract</b>

<b>Project Name:</b> Silicon Valley			<b>Project Number:</b> 5216-120	
<b>Disbursement Request Date:</b> 10/28/14			<b>Improper Payment (Yes/No):</b> No	
<b>Improper Payment Resolution:</b>				
Invoice Date	Invoice Number	Invoice Amount	Payee	Notes on Invoice
		\$2,142,053.00	monterey mechanical	See MM tab
		\$159,759.00	CM	See CM_ADMIN tab: Note these valus rounded to dollars
		\$11,812.00	Admin	See CM_ADMIN tab: Note these valus rounded to dollars
<b>Invoiced Total</b>		\$2,313,624.00	<b>Explanation If Paid Amount is Different from Invoiced Total:</b>	
<b>Amount Paid from Other Sources</b>				
<b>Amount Paid from SRF funds:</b>		\$2,313,624.00	<b>Additional Notes:</b>	

<b>Project Name:</b>			<b>Project Number:</b>	
<b>Disbursement Request Date:</b>			<b>Improper Payment (Yes/No):</b>	
<b>Improper Payment Resolution:</b>				
Invoice Date	Invoice Number	Invoice Amount	Payee	Notes on Invoice
<b>Invoiced Total</b>		\$0.00	<b>Explanation If Paid Amount is Different from Invoiced Total:</b>	
<b>Amount Paid from Other Sources</b>				
<b>Amount Paid from SRF funds:</b>		\$0.00	<b>Additional Notes:</b>	

Appendix D Transaction Testing Worksheet: For Regional Review of State CWSRF and DWSRF

(a) Total SRF Disbursements	\$2,313,624.00	
(b) Total Cash Draw Amount:	\$2,313,624.00	
State Match Amount(if applicable):		
Improper Payment Amount (if applicable):		
Calculate the Federal cash draw ratio (b/a):		

Appendix D Transaction Testing Worksheet: For Regional Review of State CWSRF and DWSRF

<b>State:</b> CA	<b>Cash Draw Amount:</b> \$ 2,473,054.00
<b>Indicate CW/DW Review:</b> CW	<b>Cash Draw Date:</b> 10/2/14
<b>Reviewer:</b> Liz Borowiec	<b>Purpose of Cash Draw (Loan, Admin or Set-Aside):</b> Loan
<b>Review Date:</b> 2/2/16	<b>Grant Number:</b> CS06000113
<b>Selected by Region</b> <input type="checkbox"/> <b>Selected by Statistical Sampling</b> <input checked="" type="checkbox"/>	

Review Item	Yes	No	N/A	Descriptions/Comments
1. The State is reviewing and approving invoices in a timely manner	Yes			
2. State accounting records accurately reflect the cash draw and are consistent with the COMPASS record of federal disbursements	Yes			
3. Funds are being disbursed to recipients in a timely manner following requests for reimbursement and cash draw	Yes			Claim paid 10/2/14
4. State used the correct proportionality ratio to calculate value drawn (enter the proportionality ratio from the State's IUP or grant application in the Comments section)	Yes			
5. If State is drawing 100% federal funds, accounting records show that the entire state match was disbursed prior to federal draws	Yes			
6. Provide a brief summary of the State's disbursement process, including what documentation is required for disbursement requests, and the disbursement request review process	The state prepares disbursement request forms (Forms 260 "Request for Disbursement" & 259 "Construction Contract			

<b>Project Name:</b> Orange County Water District		<b>Project Number:</b> C-06-4463-110		
<b>Disbursement Request Date:</b> September 16, 2014		<b>Improper Payment (Yes/No):</b> No		
<b>Improper Payment Resolution:</b>				
Invoice Date	Invoice Number	Invoice Amount	Payee	Notes on Invoice
31-Jul-14		\$2,055,530.00	McCarthy Building	See Sheet 1.
31-Jul-14		\$345,931.00	Parsons Water and Infrastructure	See Sheet 2.
See Sheet 2.		\$71,593.00	Black and Veach	See Sheet 3.
<b>Invoiced Total</b>		\$2,473,054.00	<b>Explanation If Paid Amount is Different from Invoiced Total:</b>	
<b>Amount Paid from Other Sources</b>				
<b>Amount Paid from SRF funds:</b>		\$2,473,054.00	<b>Additional Notes:</b>	

<b>(a) Total SRF Disbursements</b>	\$2,473,054.00	
<b>(b) Total Cash Draw Amount:</b>	\$2,473,054.00	
<b>State Match Amount(if applicable):</b>		
<b>Improper Payment Amount (if applicable):</b>		
<b>Calculate the Federal cash draw ratio (b/a):</b>		

Invoice Date	Invoice Number	Invoice Amount	Payee	Notes on Invoice
31-Jul-14	1408A040	\$203,692.50	Parsons Water and Infrastructure	Construction Management
16-Jul-14	1184025	\$65,378.75	Black and Veatch	Construction Management
8-Aug-14	1185084	\$76,860	Black and Veatch	Construction Management
		\$ 345,931.25	Rounded down	

Invoice Date	Invoice Number	Invoice Amount	Payee	Notes on Invoice
7/22/2014	July 2014 CC Payment	\$3,234.00	Dick Jones Sales, Inc.	
7/22/2014	July 2014 CC Payment	\$240.43	Dick Jones Sales, Inc.	
		\$3,474.43		
7/24/2014	389428	\$14.31	Merchants Building Maintenance	
7/24/2014	389427	\$310.00	Merchants Building Maintenance	
		\$324.31		
8/1/2014	389837	\$310.00	Merchants Building Maintenance	
8/18/2014	11-32148-30-0000038	\$28,710.05	Converse Consultants	
7/24/2014	2-728-86393	17.62	Federal Express	
7/11 to 8/8 2014	Direct Labor	38,756.81	Direct Labor and Related Benefits and Taxes	

\$71,593.22 Rounded Down

Invoice Date	Invoice Number	Invoice Amount	Payee	Notes on Invoice
7/31/2014	33(GWRSIE-2011-01)	\$352,188.00	Orange County Water District	Amount was reduced by a factor of 0.8688% due to funding from Prop 84
		\$162,596.00		
		\$20,282.00		
		\$424,906.00		
		\$1,075,817.00		
		<b>\$2,035,789.00</b>		
	Negative CO	\$19,740.00		
		<b>\$2,055,529.00</b>		This itemization does not reflect the cents involved. In the final the amount was rounded up to 2,055,530 consistent with the state board process!

CM Portion

Vendor	Invoice #	Date	Amount
covello	2013.034-9	8/1/2014	\$ 12,271.00
covello	2013.034-10	9/1/2014	\$ 6,338.00
kip edgely	825-SV-015	8/24/2014	\$ 326.27
RGM	9252434	8/14/2014	\$ 472.50
BarkerBlue (ARC)	548112	8/20/2014	\$ 494.35
Black and Veatch	1185658	8/14/2014	\$ 4,815.00
covello	2013.034-9	8/1/2014	\$ 58,011.25
covello	2013.034-10	9/1/2014	\$ 49,399.75
kip edgely	727-SV-014	7/27/2014	\$ 7,803.47
kip edgely	825-SV-015	8/25/2014	\$ 11,011.63
kip edgely	909-SV-016	9/9/2014	\$ 7,028.72
RGM	9252433	8/29/2014	\$ 1,787.75
<b>Total</b>			<b>\$ 159,759.69</b>

Admin Portion

Vendor	Invoice #	Date	Amount
SVCW	Direct Labor		\$ 4,025.82
SVCW	Direct Labor		\$ 7,785.83

\$ 11,811.65

MM	MM	MM
Invoice #	Date	completed to date
5	8/31/2014	\$ 2,435,448.00

SWRCB Calculation from cut sheet

Total cost incurred to date	total eligible cost incurred	Amount previously paid	Payment due
\$ 2,435,448.00	\$ 2,312,008.00	\$ 169,955.00	\$ 2,142,053.00



Appendix D Transaction Testing Worksheet: For Regional Review of State CWSRF and DWSRF

<b>State:</b> CA	<b>Cash Draw Amount:</b> \$ 5,200,595.00
<b>Indicate CW/DW Review:</b> CW	<b>Cash Draw Date:</b> 10/8/2014
<b>Reviewer:</b> Josh Amaris	<b>Purpose of Cash Draw (Loan, Admin or Set-Aside):</b> Loan
<b>Review Date:</b> 2/3/2016	<b>Grant Number:</b> CS06000113
<b>Selected by Region</b> <input type="checkbox"/> <b>Selected by Statistical Sampling</b> <input checked="" type="checkbox"/>	

Review Item	Yes	No	N/A	Descriptions/Comments
1. The State is reviewing and approving invoices in a timely manner	Yes			
2. State accounting records accurately reflect the cash draw and are consistent with the COMPASS record of federal disbursements	Yes			
3. Funds are being disbursed to recipients in a timely manner following requests for reimbursement and cash draw	Yes			Claim Paid 10/7/14
4. State used the correct proportionality ratio to calculate value drawn (enter the proportionality ratio from the State's IUP or grant application in the Comments section)	Yes			
5. If State is drawing 100% federal funds, accounting records show that the entire state match was disbursed prior to federal draws	Yes			
6. Provide a brief summary of the State's disbursement process, including what documentation is required for disbursement requests, and the disbursement request review process	Yes			<b>The state prepares disbursement request forms (Forms 260 "Request for Disbursement" &amp; 259 "Construction Contract</b>

<b>Project Name:</b> City of Vacaville			<b>Project Number:</b> 4841-130	
<b>Disbursement Request Date:</b> 9/12/14			<b>Improper Payment (Yes/No):</b> No	
<b>Improper Payment Resolution:</b>				
Invoice Date	Invoice Number	Invoice Amount	Payee	Notes on Invoice
		\$2,176,601.00	Overaa	
				See Overaa tab: Invoice 23 and 24 were bundled together. 24 set the work completed to date and SWRCB Cut sheet set prior amount paid.
2-Jul-14	25238	\$151,617.97	CM Allowance: Harris & Associates	See HA Tab
	25532	\$149,220.83	CM Allowance: Harris & Associates	See HA Tab
5/31/2014	J8703V	\$19,061.78	CM Allowance: CTS	
6/30/2014	J8703W	\$15,122.63	CM Allowance: CTS	
6/20/2014	157687-B	\$55,346.14	CM Allowance: HDR	See HDR Tab (I sampled this HDR invoice for itemized expenses to verify HDR process)
7/14/2014	164199-B	\$34,046.40	CM Allowance: HDR	
<b>Invoiced Total</b>		\$2,601,016.75	<b>Explanation If Paid Amount is Different from Invoiced Total:</b> Rounding .25	
<b>Amount Paid from Other Sources</b>		-\$0.25		
<b>Amount Paid from SRF funds:</b>		\$2,601,017.00		
<b>Additional Notes:</b>				

<b>Project Name:</b> City of Placer			<b>Project Number:</b> 5274-110	
<b>Disbursement Request Date:</b> 9/5/2014			<b>Improper Payment (Yes/No):</b> No	
<b>Improper Payment Resolution:</b>				
Invoice Date	Invoice Number	Invoice Amount	Payee	Notes on Invoice
28-Apr-14	1	\$231,135.00	Disney Construction Inc	reflects a 5% reduction for retention
30-Apr-14	3	\$1,128,226.00	Overaa	
		\$904,071.00	Allowances	See Allowances Tab: rounded to the dollar

Appendix D Transaction Testing Worksheet: For Regional Review of State CWSRF and DWSRF

Invoiced Total	\$2,263,432.00	Explanation If Paid Amount is Different from Invoiced Total:	
Amount Paid from Other Sources			
Amount Paid from SRF funds:	\$2,263,432.00	Additional Notes:	

<b>Project Name: Silicon Valley</b>	<b>Project Number: 5216-120</b>
<b>Disbursement Request Date: 9/16/14</b>	<b>Improper Payment (Yes/No): No</b>

**Improper Payment Resolution:**

Invoice Date	Invoice Number	Invoice Amount	Payee	Notes on Invoice
30-Jun-14	3	\$50,730.00	Monterey Mechanical	
		\$255,523.00	CM	See CM_ADMIN Tab
		\$29,893.00	Admin	See CM_ADMIN Tab: Municipality requested \$4 less than they provided back up for. As the municipality made the decision to request less and provided back up to justify more than was requested, the state boards policy is to pay the requested amount.

Invoiced Total	\$336,146.00	Explanation If Paid Amount is Different from Invoiced Total:
Amount Paid from Other Sources		
Amount Paid from SRF funds:	\$336,146.00	Additional Notes:

<b>(a) Total SRF Disbursements</b>	<b>\$5,200,595.00</b>
<b>(b) Total Cash Draw Amount:</b>	<b>\$5,200,595.00</b>
<b>State Match Amount(if applicable):</b>	
<b>Improper Payment Amount (if applicable):</b>	
<b>Calculate the Federal cash draw ratio (b/a):</b>	

CM Portion

Vendor	Invoice #	Date	Amount
Covello	2013.034-8	7/1/2014	\$ 6,568.00
RGM Associates	9252304	6/26/2014	\$ 629.75
Black and Veatch	1182568	6/19/2014	\$ 5,195.00
Black and Veatch	1182569	6/19/2014	\$ 2,010.00
Black and Veatch	1184034	7/16/2014	\$ 2,415.00
Brown and Caldwell	11218175	6/17/2014	\$ 137,936.11
Brown and Caldwell	11220660	7/24/2014	\$ 44,298.24
Covello	2013.034-8	7/1/2014	\$ 55,737.00
RGM Associates	9252305	6/26/2014	\$ 734.00
<b>Total</b>			<b>\$ 255,523.10</b>

Admin Portion

Vendor	Invoice #	Date	Amount
SVCW Eng	Direct Labor		\$ 90.00
SVCW Eng	Direct Labor		\$ 24,766.67
SVCW Eng	Direct Labor		\$ 1,593.75
SVCW Eng	Direct Labor		\$ 3,446.67
<b>Total</b>			<b>\$ 29,897.09</b>

	Entity	Invoice	date	Amount
Design	Stantect	788418	5/2/2014	\$ 35,657.25
	Stantect	788423	5/2/2014	\$ 59,279.86
	Stantect	788444	5/2/2014	\$ 103,560.75
	Stantect	784445	5/2/2014	\$ 80,683.14
	Stantect	788450	5/2/2014	\$ 126,805.09
	Stantect	788452	5/2/2014	\$ 131,681.17
CM	Lincoln, City of	01CN0282	6/30/2014	\$ 58,743.92
	West Yost	2025160	3/20/2014	\$ 252,885.91
Admin	Placer County Legal Staff			\$ 1,752.75
	Placer County Legal Staff			\$ 726.75
	Placer County Staff			\$ 4,058.44
	Placer County Staff			\$ 21,682.50
	Placer County Staff			\$ 5,050.50
	Placer County Staff			\$ 3,285.14
	Placer County Staff			\$ 18,217.50
	<b>Total</b>			<b>\$ 904,070.67</b>

Lincoln CM Breakout			
Invoice	Date	vendor	Amount
19	5/9/2014	consolidate CM	\$ 23,401.27
18	4/7/2014	consolidate CM	\$ 21,697.00
17	3/5/2014	consolidate CM	\$ 32,235.00
17531	5/2/2014	Interwest Consulting Group	\$ 6,955.00
17210	4/1/2014	Interwest Consulting Group	\$ 6,825.00
16966	3/6/2014	Interwest Consulting Group	\$ 5,265.00
269180	10/17/2013	Kronik Moskovitz Tiedemann & Girard	\$ 900.00
269548	11/21/2013	Kronik Moskovitz Tiedemann & Girard	\$ 9,536.96
269798	12/13/2013	Kronik Moskovitz Tiedemann & Girard	\$ 13,516.86
270094	1/10/2014	Kronik Moskovitz Tiedemann & Girard	\$ 8,008.50
270708	2/14/2014	Kronik Moskovitz Tiedemann & Girard	\$ 7,548.00
270973	3/13/2014	Kronik Moskovitz Tiedemann & Girard	\$ 6,185.30
271506	4/15/2014	Kronik Moskovitz Tiedemann & Girard	\$ 4,358.65
total			\$ 146,432.54
less withholding (VE234844)			\$ 87,688.62
total billable			\$ 58,743.92

	invoice	date	amount	markup
Invoice # 00157687-B				
Task 1				
	Direct Labor		\$ 187.50	\$ 187.50
	Enterprise rent a car		\$ 129.11	\$ 142.02
	printing		\$ 1.79	\$ 1.97
	technology		\$ 5.55	\$ 6.11
	west yost	2025360 4/30/2014	\$ 134.40	\$ 141.12
	total			\$ 478.72
Task 2				
	Direct Labor		\$ 5,633.75	\$ 5,633.75
	printing		\$ 28.34	\$ 31.17
	travel		\$ 146.40	\$ 161.04
	technology		\$ 152.63	\$ 167.89
	west Yost	2025360 4/30/2014	\$ 29,541.67	\$ 31,018.75
	Dan Cortin 271-20	5/31/2014	\$ 2,496.00	\$ 2,620.80
	Total			\$ 39,633.41
Task 3				
	Direct Labor		\$ 750.00	\$ 750.00
	printing		\$ 1.82	\$ 2.00
	technology		\$ 18.50	\$ 20.35
	Total			\$ 772.35
Task 4				
	West yost	2025360 4/30/2014	\$ 6,285.01	\$ 6,599.26
	Dan Cortin 271-19	4/30/2014	\$ 2,496.00	\$ 2,620.80
	Dan Cortin 271-20	5/31/2014	\$ 4,992.00	\$ 5,241.60
				\$ 14,461.66
Invoice 00157687-B Grand Total				\$ 55,346.14

HA Invoice	Vendor	Vendor invoice	Date	Amount	Amount W/Markup
24	Copier Leasing		3170 6/1/2014	\$ 507.60	\$ 532.98
	sunstate	5333796-022	5/13/2014	\$ 439.11	\$ 461.07
	sunstate	4946320-043	5/14/2014	\$ 492.92	\$ 517.57
	telepacific Comm.	56549375-0	5/31/2014	\$ 708.44	\$ 743.86
	Salabar Associates	CA1011A-23	7/1/2014	\$ 23,725.00	\$ 26,097.50
	Tiburon Group	10990	7/1/2014	\$ 4,950.00	\$ 5,445.00
		Unit pricing (Comput)		\$ 200.00	\$ 210.00
			Hrs	Rate	
	HA FTE		166	\$ 150.00	\$ 24,900.00
			116	\$ 210.00	\$ 24,360.00
			20	\$ 85.00	\$ 1,700.00
			160	\$ 85.00	\$ 13,600.00
			168	\$ 140.00	\$ 23,520.00
			8	\$ 140.00	\$ 1,120.00
			168	\$ 140.00	\$ 23,520.00
			18	\$ 175.00	\$ 3,150.00
			14.5	\$ 120.00	\$ 1,740.00
<b>Total</b>					<b>\$ 151,617.97</b>

25	Copier Leasing		3224 7/1/2014	\$ 759.43	\$ 797.40
	sunstate	4946320-044	6/11/2014	\$ 492.92	\$ 517.57
	sunstate	5333796-023	6/10/2014	\$ 439.11	\$ 461.07
	telepacific Comm.	57416262-0	6/30/2014	\$ 708.38	\$ 743.80
	Tiburon Group	10996	8/1/2014	\$ 2,160.00	\$ 2,376.00
		Unit pricing (Comput)		\$ 200.00	\$ 210.00
			Hrs	Rate	
	HA FTE		134	\$ 150.00	\$ 20,100.00
			142	\$ 210.00	\$ 29,820.00
			46.5	\$ 85.00	\$ 3,952.50
			112	\$ 85.00	\$ 9,520.00
			170.5	\$ 140.00	\$ 23,870.00
			120	\$ 140.00	\$ 16,800.00
			31	\$ 175.00	\$ 5,425.00
			160	\$ 140.00	\$ 22,400.00
			16.5	\$ 175.00	\$ 2,887.50
			56	\$ 140.00	\$ 7,840.00
			12.5	\$ 120.00	\$ 1,500.00
<b>Total</b>					<b>\$ 149,220.83</b>

Overaa Invoice #	Overaa Date	Overaa completed to date		SWRCB Calculation from cut sheet			
				Total cost incurred to date	total eligible cost incurred	Amount previously paid	Payment due
24	7/20/2014	\$ 47,338,182.00	This figure matches SWRCB Cut sheet	\$ 47,338,182.00	\$ 45,717,635.00	\$ 43,541,034.00	\$ 2,176,601.00
23	6/23/2014						

Appendix D Transaction Testing Worksheet: For Regional Review of State CWSRF and DWSRF

<b>State:</b> California	<b>Cash Draw Amount:</b>	\$ 12,716,196.00	
<b>Indicate CW/DW Review:</b> CW	<b>Cash Draw Date:</b> 11/14/2014		
<b>Reviewer:</b> Josh Amaris	<b>Purpose of Cash Draw (Loan, Admin or Set-Aside):</b> Loan		
<b>Review Date:</b> 2/1/2016	<b>Grant Number:</b> CS06000114		
<b>Selected by Region</b> <input type="checkbox"/> <b>Selected by Statistical Sampling</b> <input checked="" type="checkbox"/>			

Review Item	Yes	No	N/A	Descriptions/Comments
1. The State is reviewing and approving invoices in a timely manner	Yes			
2. State accounting records accurately reflect the cash draw and are consistent with the COMPASS record of federal disbursements	Yes			
3. Funds are being disbursed to recipients in a timely manner following requests for reimbursement and cash draw	Yes			Claim paid 11/10/14
4. State used the correct proportionality ratio to calculate value drawn (enter the proportionality ratio from the State's IUP or grant application in the Comments section)	Yes			
5. If State is drawing 100% federal funds, accounting records show that the entire state match was disbursed prior to federal draws	Yes			
6. Provide a brief summary of the State's disbursement process, including what documentation is required for disbursement requests, and the disbursement request review process				The state prepares disbursement request forms (Forms 260 "Request for Disbursement" & 259 "Construction Contract

<b>Project Name:</b> City of San Luis Obispo			<b>Project Number:</b> 5230-110	
<b>Disbursement Request Date:</b> 10/24/14			<b>Improper Payment (Yes/No):</b> No	
<b>Improper Payment Resolution:</b>				
Invoice Date	Invoice Number	Invoice Amount	Payee	Notes on Invoice
16-Sep-14	20	\$31,709,286.00	WA Rasic Construction:Total Invoice	
		-\$516,184.00	WA Rasic Construction: Less Change orders	
		-\$21,143,389.00	WA Rasic Construction:Paid by USDA	
		-\$8,004,082.00	WA Rasic Construction: Prior Paid to date from SRF	
2-Sep-14	9	\$5,170,895.00	Mountain Cascade inc.	
		-\$38,163.40	Mountain Cascade Change orders with 5% retention	
		-\$9,975.00	Mountain Cascade inc:Paid by USDA	
		-\$4,300,365.00	Mountain Cascade inc: Prior Paid to date from SRF	
30-Sep-14	7	\$8,792,367.80	Auburn Constructors inc.	
		-\$662,324.00	deducted for water recycling	
		-\$4,248,992.00	Prior paid	
<b>Invoiced Total</b>		\$6,749,074.40	Explanation If Paid Amount is Different from Invoiced Total: .4 is rounding	
<b>Amount Paid from Other Sources</b>		\$0.40		
<b>Amount Paid from SRF funds:</b>		\$6,749,074.00	<b>Additional Notes:</b>	

<b>Project Name:</b> CSD #2 LA County	<b>Project Number:</b> 5892-110
<b>Disbursement Request Date:</b> 9/29/14	<b>Improper Payment (Yes/No):</b> No



Appendix D Transaction Testing Worksheet: For Regional Review of State CWSRF and DWSRF

Improper Payment Resolution:				
Invoice Date	Invoice Number	Invoice Amount	Payee	Notes on Invoice
		\$265,777.00	Insituform Technologies	See tab Insituform
		\$228,000.00	Planning Allowance: LA	For Planning/Design/Const. Admin. I am going to sample test the Payroll portion of the planning allowance. See planning allowance tab. Entity requested less than invoices, Policy to pay amount
		\$456,000.00	Design Allowance: LA	
		\$450,190.00	Const. Admin. Allowance: LA	
Invoiced Total		\$1,399,967.00	Explanation If Paid Amount is Different from Invoiced Total:	
Amount Paid from Other Sources				
Amount Paid from SRF funds:		\$1,399,967.00	Additional Notes:	

Project Name: Inland Empire Utilities District			Project Number: 5318-110	
Disbursement Request Date: 10/3/14			Improper Payment (Yes/No): No	
Improper Payment Resolution:				
Invoice Date	Invoice Number	Invoice Amount	Payee	Notes on Invoice
		\$39,671.07	Planning salary and wages	Invoices Justify this amount I reviewed SWRCB itimization of receipts
		\$23,122.71	Planning contractual	Invoices Justify this amount I reviewed SWRCB itimization of receipts
		\$696,930.94	Design Salary and wages	Invoices Justify this amount I reviewed SWRCB itimization of receipts
		\$696,057.03	Design contractuals	Invoices Justify this amount I reviewed SWRCB itimization of receipts
		\$0.25	Rounding	
Invoiced Total		\$1,455,782.00	Explanation If Paid Amount is Different from Invoiced Total:	
Amount Paid from Other Sources				
Amount Paid from SRF funds:		\$1,455,782.00	Additional Notes:	

Project Name: Orange County Water District			Project Number: 4463-110	
Disbursement Request Date: 10/24/14			Improper Payment (Yes/No): No	
Improper Payment Resolution:				
Invoice Date	Invoice Number	Invoice Amount	Payee	Notes on Invoice
20-Aug-14	34	\$100,908,880.00	McCarthy: schedule of value less the reduction factor	
		-\$98,126,230.00	McCarthy: less prior paid	
5-Sep-14	1409A046	\$215,418.12	CM: Parsons Water and Infrastructure	
8-Sep-14	1186790	\$69,907.50	CM: Black and Veatch	
		\$0.38	CM: Rounding	
22-Aug-14	2-757-72560	\$17.62	Admin: fed ex	
2-Sep-14	IN201442	\$2,625.00	Admin: DDB engineering	
22-Aug-14	2324	\$500.00	Admin: Robert Naik Photography	
9-Sep-14	2328	\$500.00	Admin: Robert Naik Photography	
1-Sep-14	391955	\$310.00	Admin: merchants building	
	8/22/2014	\$235.05	Admin: US bank	Taken from August CC payment
		\$28,994.14	Admin: regular salary	August 8 to September 5 2014 Direct labor and benefits report

Appendix D Transaction Testing Worksheet: For Regional Review of State CWSRF and DWSRF

	\$10,214.85	Admin: Labor burden	August 8 to September 5 2014 Direct labor and benefits report
	\$0.34	Admin: Rounding	
Invoiced Total	\$3,111,373.00	Explanation If Paid Amount is Different from Invoiced Total:	
Amount Paid from Other Sources			
Amount Paid from SRF funds:	\$3,111,373.00	Additional Notes:	
<b>(a) Total SRF Disbursements</b>	<b>\$12,716,196.00</b>		
<b>(b) Total Cash Draw Amount:</b>	<b>\$12,716,196.00</b>		
<b>State Match Amount(if applicable):</b>			
<b>Improper Payment Amount (if applicable):</b>			
<b>Calculate the Federal cash draw ratio (b/a):</b>			

Payroll

Date Range 7/1/11-6/30/12

Amount

Identities left blank	\$ 2,016.96
	\$ 1,680.80
	\$ 3,697.76
	\$ 672.32
	\$ 1,302.62
	\$ 336.16
	\$ 225.09
	\$ 300.12
	\$ 75.03
	\$ 825.33
	\$ 1,275.51
	\$ 333.96
	\$ 166.98
	\$ 55.66
	\$ 55.66
	\$ 445.28
	\$ 1,391.50
	\$ 1,948.10
	\$ 723.58
	\$ 267.48
	\$ 1,755.27
	\$ 2,338.08
	\$ 1,948.40
	\$ 2,338.08
	\$ 779.36
	\$ 1,558.72
	\$ 389.68
	\$ 64.06
	\$ 256.24
	\$ 192.18
	\$ 512.48
	\$ 64.06
	\$ 64.06
	\$ 128.12
	\$ 192.18
	\$ 64.06
	\$ 1,443.20
	\$ 4,395.20
	\$ 5,182.40
	\$ 8,331.20
	\$ 7,216.00
	\$ 8,528.00
	\$ 5,510.40
	\$ 1,246.40
	\$ 1,508.80

\$ 1,246.40  
\$ 2,762.88  
\$ 2,302.40  
\$ 3,683.84  
\$ 460.48  
\$ 1,841.92  
\$ 141.54  
\$ 3,237.08  
\$ 2,648.52  
\$ 250.89  
\$ 334.52  
\$ 418.15  
\$ 585.41  
\$ 83.63  
\$ 947.60  
\$ 1,098.46  
\$ 599.16  
\$ 1,797.48  
\$ 199.72  
\$ 399.44  
\$ 160.38  
\$ 213.84  
\$ 1,710.72  
\$ 1,108.32  
\$ 1,316.13  
\$ 277.08  
\$ 1,108.32  
\$ 138.54  
\$ 2,353.12  
\$ 10,667.65  
\$ 9,931.95  
\$ 10,005.52  
\$ 4,561.34  
\$ 9,858.38  
\$ 9,784.81  
\$ 10,373.37  
\$ 8,975.54  
\$ 10,961.93  
\$ 3,678.50  
\$ 9,711.24  
\$ 10,373.37  
\$ 1,613.08  
\$ 301.10  
\$ 324.24  
\$ 1,558.00  
\$ 1,148.00  
\$ 1,722.00

\$ 1,066.00  
\$ 902.00  
\$ 1,312.00  
\$ 738.00  
\$ 1,230.00  
\$ 1,230.00  
\$ 1,148.00  
\$ 1,312.00  
\$ 902.00  
\$ 246.00  
\$ 410.00  
\$ 246.00  
\$ 441.42  
\$ 233,961.94

Total

invoice #	Date	amount completed
	1 2/21/2014	\$ 43,712.53
	2 5/22/2014	\$ 77,437.08
	3 6/11/2014	\$ 83,646.76
	4 7/29/2014	\$ 88,849.70
total		\$ 293,646.07
rounded		\$ 293,646.00
less ineligible costs		\$ (13,187.00)
less retention		\$ (14,682.00)
total eligible cost incurred		\$ 265,777.00

**Attachment 3**

**CWSRF Project Files Reviews Checklists**

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

State: California  
Project or Borrower: City of Farmersville

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

**Required Program Elements**

Review Item and Question to Answer	Yes	No	N/A	Comments
<b>1.1 Funding Eligibility</b>				
1 The project is listed on the State's Project Priority List (N/A for CWSRF projects that are not 212 projects)	Yes			
2 The assistance recipient and project are eligible for SRF assistance (briefly describe the project and assistance recipient in the Comments section)	Yes			WDR order Number: 86-152, Upgrade and expansion of WWTP originally construc
3 Project file contains documentation showing that the useful life of the project is at least as long as the loan term	Yes			Master File Binder Tab 2b pg 9, useful life atleast 30 years
<b>1.2 Green Project Reserve (GPR)</b>				
1 [CW Only] Project file indicates that any portion of the project designated to receive GPR funding is either:				
a. Categorically qualified for the GPR			NA	Not Listed as a Green project though there are aspectsof the project like VFD's which very likely are green. Not reported as the threshold was met through other projects.
b. Supported as GPR eligible by a State-approved business case posted on the State website			NA	
2 [DW Only] Project file indicates that any portion of the project is designated as a GPR project			NA	
<b>1.3 State Environmental Review (For CWSRF, this section should be completed for treatment works projects only)</b>				
1 Project File includes the following [Note: may be included in the Preliminary Engineering Report or Facilities Plan]:				
a. Discussion of required mitigation measures	Yes			Master File Tab 3B Mitigation/monitoring plan
b. Analysis of other sites and/or other projects considered	Yes			Master File Tab 2B Page 7 elaborates on the alternatives considered
c. Environmental Information Document (EID) from the assistance recipient	Yes			Master File Tab 3B
d. The state's decision memo documenting <u>one</u> of the following: Decision to classify the project as a Categorical Exclusion (CE or CatEx) Decision to grant a Finding of No Significant Impact (FNSI or FONSI) Decision to require an Environmental Impact Statement (EIS) (Note: if required, confirm that the EIS is in the project		No		
e. Evidence of public notification, as required: State environmental decision memo received public notification or an announcement was distributed to a list of interested parties and agencies, as specified in the SERP	Yes			Clearinghouse tracking number 2012101041
The state addressed all comments	Yes			
2 Documentation of a State determination of "no potential effect", OR concurrence from the agency responsible for administering the law, for each of the laws listed below:				
a. Archeological and Historic Preservation Act	Yes			Tab 3B
d. National Historic Preservation Act	Yes			Tab 3B
b. Endangered Species Act	Yes			Tab 3B
c. Magnuson-Stevens Fishery Conservation and Management Act (essential fish habitat)	Yes			Tab 3B
e. Wild and Scenic Rivers Act	Yes			Tab 3B
f. Coastal Zone Management and Coastal Barriers Resources Act	Yes			Tab 3B
g. Farmland Protection Policy Act	Yes			Tab 3B
h. Wetland Protection (Executive Order 11990)	Yes			Tab 3B
i. Floodplain Management (Executive Order 11988)	Yes			Tab 3B
j. Clean Air Act	Yes			Tab 3B
k. Sole-source Aquifers (Safe Drinking Water Act)	Yes			Tab 3B
l. Protection and Enhancement of the Cultural Environment	Yes			Tab 3B
m. Fish and Wildlife Coordination Act		No		This requirement is in the Loan Doc but not on the ENV review checklist
n. Migratory Bird Treaty Act	Yes			Tab 3B



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

State: \_\_\_\_\_  
Project or Borrower: \_\_\_\_\_

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

Review Item and Question to Answer	Required Technical Elements			Comments
	Yes	No	N/A	
<b>2.1 Bid, Procurement, and Construction Contracts</b> <i>The project file contains the following:</i>				
1 Request for proposals or bid announcement			NA	Not out to bid yet, will be bid once value engineering is complete
2 Bid specifications OR construction contracts OR documentation that these items were reviewed by the State			NA	
3 Bid specifications and/or construction contracts contain the following:				
a. Equal Employment Opportunity requirements (Executive Order 11246)			NA	
b. Suspension and Debarment prohibitions (Executive Order 12549)			NA	
c. EPA Davis-Bacon grant term and condition (for CWSRF projects, Davis-Bacon applies to treatment works only)			NA	
d. The correct Davis-Bacon wage determination(s)			NA	
e. American Iron and Steel requirements			NA	
<b>2.2 Certifications and Reporting</b> <i>The project file includes the following:</i>				
1 Certifications of Davis-Bacon Compliance covering the construction period to date, indicating specific weekly payrolls reviewed (note: this is frequently submitted with disbursement requests)			NA	No construction to date
2 Cost & Effectiveness analysis or certification (N/A for nongovernmental entities)			NA	Projects application predate requirements
3 [CW Only] Fiscal Sustainability Plan (FSP) or certification that an FSP will be developed and implemented (required only for projects to repair, replace or expand a POTW; N/A for bond purchase agreements)			NA	Projects application predate requirements
4 [CW Only] Project information has been entered into the CWSRF Benefits Reporting (CBR) database	Yes			
5 [DW Only] Project information has been entered into the DWSRF Project and Benefits Reporting (PBR) database (including PWSID, project start date and project completion date)			NA	
<b>2.3 State Inspections</b>				
1 Does the State perform construction inspections?				
a. If so, when are inspections performed (e.g., monthly, quarterly, final)?			NA	Martin will go out to this project after construction starts
2 Inspection reports indicate project is in compliance with:				
a. Davis-Bacon requirements			NA	No construction yet
b. American Iron and Steel requirements			NA	No construction yet
c. Green Project Reserve eligibility (when applicable)			NA	No construction yet
3 All issues and concerns identified in inspection reports were adequately resolved			NA	No construction yet
<b>2.4 American Iron and Steel Compliance</b>				
1 Project file includes applicable American Iron and Steel documentation:				
a. Documentation from the assistance recipient on utilization of the American Iron and Steel de minimis waiver, if applicable			NA	No construction yet
b. For projects covered by an American Iron and Steel national waiver, documentation of qualifications for that waiver			NA	
c. For projects that have received a project-specific American Iron and Steel waiver, documentation of compliance with the requirements of the waiver (may be included in inspection reports)			NA	
<b>2.5 Equivalency Requirements (This section should be completed for equivalency projects only*)</b> <i>The project file includes the following:</i>				
1 Certification from the assistance recipient confirming that A/E contracts were procured in accordance with 40 CFR 1101 et seq [CW Only] OR documentation showing that an equivalent State requirement was followed (N/A if A/E costs were not included in the SRF assistance)			NA	Not an equivalency project for A/E
2 The assistance recipient submitted a Single Audit report [N/A if assistance recipient has not expended more than \$750,000 in Federal funds from all sources in the fiscal year]	Yes			Standard Operating procedure
a. The state ensured that the assistance recipient addressed findings and resolved any issues identified in a Single Audit Report	Yes			Standard Operating procedure
3 Project is included in the list of equivalency projects in the State's Annual Report			NA	

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

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

**State:** \_\_\_\_\_  
**Project or Borrower:** \_\_\_\_\_

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

**Required Financial Elements**

Review Item and Question to Answer		Yes	No	N/A	Comments
<b>3.1 Financial Review</b>					
1	[CW Only] File includes documentation that the applicant underwent a financial capability review [may be N/A for projects receiving 100% principal forgiveness or grant]	Yes			
	a. The financial capability review requires the applicant to identify a dedicated source of revenue for repayment (or for private applicants, ensures adequate security to assure repayment)	Yes			Yes, rate increase
2	[DW Only] File includes documentation that applicant has TMF capacity, as required under SDWA			NA	
<b>3.2 Loan or Bond Purchase Agreement</b>					
1	The loan agreement or bond purchase document:				
	a. Is signed by the state and assistance recipient (record date in comments)	Yes			7/16/14 by city and 7/31/14 by the board
	b. Includes a budget and/or description of eligible costs	Yes			Exhibit B
	c. Includes the interest rate	Yes			Exhibit B
	d. Includes the fee rate (if applicable)	Yes			Exhibit B
	e. Includes an amortization schedule or includes the repayment period and the date when repayments must begin [N/A for projects receiving 100% grant or principal forgiveness]	Yes			Exhibit C
	f. Requires the assistance recipient to maintain project accounts in accordance with Generally Accepted Accounting Principals (GAAP), including GAAP requirements relating to the reporting of infrastructure assets [N/A for nongovernmental entities]	Yes			pg 5 of loan also pg 15
2	[CW Only] If the project is receiving additional subsidy, the borrower is a municipal, intermunicipal, state or interstate agency	Yes			
3	Principal repayments start within one year of project completion and end within the useful life of the project	Yes			
4	Does the loan or bond purchase document require the assistance recipient to comply with the following:				
	a. Davis-Bacon	Yes			Exhibit E and G
	b. Equal Employment Opportunity requirements (Executive Order 11246)	Yes			Exhibit E
	c. Civil Rights Act of 1964	Yes			Exhibit E
	d. Section 504 of the Rehabilitation Act of 1973	Yes			Exhibit E
	e. American Iron and Steel	Yes			Exhibit D
	f. EPA signage requirement [equivalency requirement]	yes			pg 9 of loan
	g. Single Audit requirements (2 CFR 200 Subpart F) [equivalency requirement]	yes			Pg 15 of loan Section 3.8
	h. Disadvantaged Business Enterprise requirements [equivalency requirement]	yes			Pg 8 of loan, exhibit E-2

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

State: California  
Project or Borrower: Los Carneros

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

**Required Program Elements**

Review Item and Question to Answer	Yes	No	N/A	Comments
<b>1.1 Funding Eligibility</b>				
1 The project is listed on the State's Project Priority List (N/A for CWSRF projects that are not 212 projects)	Yes			
2 The assistance recipient and project are eligible for SRF assistance (briefly describe the project and assistance recipient in the Comments section)	Yes			Recycled water pipeline
3 Project file contains documentation showing that the useful life of the project is at least as long as the loan term	Yes			100 years
<b>1.2 Green Project Reserve (GPR)</b>				
1 [CW Only] Project file indicates that any portion of the project designated to receive GPR funding is either:				
a. Categorically qualified for the GPR	Yes			Water Recycling
b. Supported as GPR eligible by a State-approved business case posted on the State website			NA	
2 [DW Only] Project file indicates that any portion of the project is designated as a GPR project			NA	
<b>1.3 State Environmental Review (For CWSRF, this section should be completed for treatment works projects only)</b>				
1 Project File includes the following [Note: may be included in the Preliminary Engineering Report or Facilities Plan]:				
a. Discussion of required mitigation measures	Yes			master file tab 3b Mitigation and monitoring report
b. Analysis of other sites and/or other projects considered	Yes			master file tab 2a pg 6
c. Environmental Information Document (EID) from the assistance recipient	Yes			
d. The state's decision memo documenting one of the following: Decision to classify the project as a Categorical Exclusion (CE or CatEx) Decision to grant a Finding of No Significant Impact (FNSI or FONSI) Decision to require an Environmental Impact Statement (EIS) (Note: if required, confirm that the EIS is in the project)			NA	
e. Evidence of public notification, as required: State environmental decision memo received public notification or an announcement was distributed to a list of interested parties and agencies, as specified in the SERP	Yes			
The state addressed all comments	Yes			
2 Documentation of a State determination of "no potential effect", OR concurrence from the agency responsible for administering the law, for each of the laws listed below:				
a. Archeological and Historic Preservation Act	Yes			Tab 3B
d. National Historic Preservation Act	Yes			Tab 3B
b. Endangered Species Act	Yes			Tab 3B
c. Magnuson-Stevens Fishery Conservation and Management Act (essential fish habitat)	Yes			Tab 3B
e. Wild and Scenic Rivers Act	Yes			Tab 3B
f. Coastal Zone Management and Coastal Barriers Resources Act	Yes			Tab 3B
g. Farmland Protection Policy Act	Yes			Tab 3B
h. Wetland Protection (Executive Order 11990)	Yes			Tab 3B
i. Floodplain Management (Executive Order 11988)	Yes			Tab 3B
j. Clean Air Act	Yes			Tab 3B
k. Sole-source Aquifers (Safe Drinking Water Act)	Yes			Tab 3B
l. Protection and Enhancement of the Cultural Environment	Yes			Tab 3B
m. Fish and Wildlife Coordination Act		No		This requirement is in the Loan Doc but not on the ENV review checklist
n. Migratory Bird Treaty Act	Yes			Tab 3B

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

State: _____		Equivalency Project: (Yes/No)		
Project or Borrower: _____		Treatment Works Project: (Yes/No)		
<b>Required Technical Elements</b>				
Review Item and Question to Answer	Yes	No	N/A	Comments
<b>2.1 Bid, Procurement, and Construction Contracts</b>				
<i>The project file contains the following:</i>				
1 Request for proposals or bid announcement	Yes	_____	_____	_____
2 Bid specifications OR construction contracts OR documentation that these items were reviewed by the State	Yes	_____	_____	_____
3 Bid specifications and/or construction contracts contain the following:				
a. Equal Employment Opportunity requirements (Executive Order 11246)	Yes	_____	_____	Page 18 in bid package
b. Suspension and Debarment prohibitions (Executive Order 12549)	Yes	_____	_____	Page 170 Bid package
c. EPA Davis-Bacon grant term and condition (for CWSRF projects, Davis-Bacon applies to treatment works only)	Yes	_____	_____	Multiple location in Bid package
d. The correct Davis-Bacon wage determination(s)	Yes	_____	_____	_____
e. American Iron and Steel requirements	Yes	_____	_____	Pg 841 bid package
<b>2.2 Certifications and Reporting</b>				
<i>The project file includes the following:</i>				
1 Certifications of Davis-Bacon Compliance covering the construction period to date, indicating specific weekly payrolls reviewed (note: this is frequently submitted with disbursement requests)	Yes	_____	_____	certification present
2 Cost & Effectiveness analysis or certification (N/A for nongovernmental entities)	_____	NA	_____	Projects application predate requirements
3 [CW Only] Fiscal Sustainability Plan (FSP) or certification that an FSP will be developed and implemented (required only for projects to repair, replace or expand a POTW; N/A for bond purchase agreements)	_____	NA	_____	Projects application predate requirements
4 [CW Only] Project information has been entered into the CWSRF Benefits Reporting (CBR) database	Yes	_____	_____	_____
5 [DW Only] Project information has been entered into the DWSRF Project and Benefits Reporting (PBR) database (including PWSID, project start date and project completion date)	_____	NA	_____	_____
<b>2.3 State Inspections</b>				
1 Does the State perform construction inspections?	_____	NA	_____	Construction Inspection will be carried out in the coming year
a. If so, when are inspections performed (e.g., monthly, quarterly, final)?	_____	NA	_____	Construction Inspection will be carried out in the coming year
2 Inspection reports indicate project is in compliance with:	_____	NA	_____	Construction Inspection will be carried out in the coming year
a. Davis-Bacon requirements	_____	NA	_____	Construction Inspection will be carried out in the coming year
b. American Iron and Steel requirements	_____	NA	_____	Construction Inspection will be carried out in the coming year
c. Green Project Reserve eligibility (when applicable)	_____	NA	_____	Construction Inspection will be carried out in the coming year
3 All issues and concerns identified in inspection reports were adequately resolved	_____	NA	_____	Construction Inspection will be carried out in the coming year
<b>2.4 American Iron and Steel Compliance</b>				
1 Project file includes applicable American Iron and Steel documentation:	_____	NA	_____	Construction Inspection will be carried out in the coming year
a. Documentation from the assistance recipient on utilization of the American Iron and Steel de minimis waiver, if applicable	_____	NA	_____	Construction Inspection will be carried out in the coming year
b. For projects covered by an American Iron and Steel national waiver, documentation of qualifications for that waiver	_____	NA	_____	Construction Inspection will be carried out in the coming year
c. For projects that have received a project-specific American Iron and Steel waiver, documentation of compliance with the requirements of the waiver (may be included in inspection reports)	_____	NA	_____	Construction Inspection will be carried out in the coming year
<b>2.5 Equivalency Requirements (This section should be completed for equivalency projects only*)</b>				
<i>The project file includes the following:</i>				
1 Certification from the assistance recipient confirming that A/E contracts were procured in accordance with 40 CFR 1101 et seq [CW Only] OR documentation showing that an equivalent State requirement was followed (N/A if A/E costs were not included in the SRF assistance)	_____	NA	_____	Projects application predate requirements
2 The assistance recipient submitted a Single Audit report [N/A if assistance recipient has not expended more than \$750,000 in Federal funds from all sources in the fiscal year]	Yes	_____	_____	Standard Operating procedure
a. The state ensured that the assistance recipient addressed findings and resolved any issues identified in a Single Audit Report	Yes	_____	_____	Standard Operating procedure
3 Project is included in the list of equivalency projects in the State's Annual Report	_____	NA	_____	_____

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

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

State: California  
Project or Borrower: Los Carneros WD

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

Review Item and Question to Answer	Required Financial Elements			Comments
	Yes	No	N/A	
<b>3.1 Financial Review</b>				
1 [CW Only] File includes documentation that the applicant underwent a financial capability review [may be N/A for projects receiving 100% principal forgiveness or grant]	Yes			Tab 4 in master loan file
a. The financial capability review requires the applicant to identify a dedicated source of revenue for repayment (or for private applicants, ensures adequate security to assure repayment)	Yes			assessments levied on parcels within a district that benefits from the recycled wa
2 [DW Only] File includes documentation that applicant has TMF capacity, as required under SDWA			NA	
<b>3.2 Loan or Bond Purchase Agreement</b>				
1 The loan agreement or bond purchase document:				
a. Is signed by the state and assistance recipient (record date in comments)	Yes			Recipient: 1/26/15, Board 2/10/15
b. Includes a budget and/or description of eligible costs	Yes			Exhibit B exhibit A-FBA
c. Includes the interest rate	Yes			1%
d. Includes the fee rate (if applicable)	Yes			None
e. Includes an amortization schedule or includes the repayment period and the date when repayments must begin [N/A for projects receiving 100% grant or principal forgiveness]	Yes			exhibit C
f. Requires the assistance recipient to maintain project accounts in accordance with Generally Accepted Accounting Principals (GAAP), including GAAP requirements relating to the reporting of infrastructure assets [N/A for nongovernmental entities]	Yes			Pg 5 of loan agreement, also pg 15 of loan agreement
2 [CW Only] If the project is receiving additional subsidy, the borrower is a municipal, intermunicipal, state or interstate agency	Yes			
3 Principal repayments start within one year of project completion and end within the useful life of the project	Yes			
4 Does the loan or bond purchase document require the assistance recipient to comply with the following:				
a. Davis-Bacon	Yes			Exhibit E and G
b. Equal Employment Opportunity requirements (Executive Order 11246)	Yes			Exhibit E
c. Civil Rights Act of 1964	Yes			Exhibit E
d. Section 504 of the Rehabilitation Act of 1973	Yes			Exhibit E
e. American Iron and Steel	Yes			May Be NA
f. EPA signage requirement [equivalency requirement]	Yes			Exhibit E #4
g. Single Audit requirements (2 CFR 200 Subpart F) [equivalency requirement]	Yes			Pg 15 of loan Section 3.8
h. Disadvantaged Business Enterprise requirements [equivalency requirement]	Yes			Pg 8 of loan, exhibit E-2