



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION IX

75 Hawthorne Street
San Francisco, CA 94105-3901

September 24, 2015

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 2014.

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. Two areas were identified in this PER that should be addressed in the coming year. Further clarification can be found in the PER.

- **Required Mitigation Measures:** The California CWSRF needs to have a robust and tangible system for monitoring compliance with the State Environmental Review Process and required mitigation measures and the tools necessary to ensure all recipients maintain compliance with the State Environmental Review Process and required mitigation measures.
- **Bid, procurement or construction contract language:** The California CWSRF needs to ensure recipients reflect all required language in their construction documents.

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".

Douglas E. Eberhardt
Manager, Infrastructure Section

Enclosure

Electronic Copies (with Enclosure):

Jim Maughan, DFA

Christopher Stevens, DFA

Heather Bell, DAS

Kelly Valine, DFA

STATE FISCAL YEAR 2014 PROGRAM EVALUATION REPORT
California Clean Water State Revolving Fund Program
Review Conducted February 2015
Final Report Prepared September 2015

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 base and ARRA program activities on February 9-12, 2015. 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) 2014. This PER correlates to the State's CWSRF Annual Report for SFY 2014, which ended June 30, 2014. The PER also highlights the review findings and identifies follow-up actions to be addressed in SFY2016.

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, 2014, SWRCB has closed 683 loans totaling approximately \$7.4 billion cumulatively, including ARRA.¹

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 Buy American
- Compliance with Green Project Reserve (GPR)
- Other Program Elements related to ARRA

¹ As of June 30, 2014, and as reported in the National Information Management System (NIMs)

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
- Other Financial Elements related to ARRA

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, 5 CWSRF cash transactions selected by OCFO were 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 grants. 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 5 CWSRF cash transactions selected by OCFO with a total draw of over \$36.3 million from the federal treasury between October 2013 and June 2014. Our review of these program financial transactions found that there were no 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 (NIMS)

Indicator	CWSRF 2014¹		CWSRF 2013	
	California	National	California	National
Fund Utilization (line 285)	110%	98%	109%	97%
Return on Federal Investment (line 307)	220%	256%	213%	255%
Retained Earnings (line 320)	22.1%	19.8%	21.8%	20%

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, 2014. The SWRCB has a history of successfully obligating all federal funds during the fiscal year in which they are appropriated. As of June 30, 2014, the SWRCB had one base capitalization grant open with a total of \$45 million in unspent federal funds, which is 5% of the federal funds awarded during the last 7 years, coinciding with California CWSRF grants having a 7 year grant period.

¹ As of June 30, 2014, 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 (%)
CS06000107	FY07	\$92,791,710.00	\$92,791,710.00	\$0.00	0%
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	\$50,211,850.43	\$45,273,149.57	47%
2W06000209 (ARRA)	FY09	\$280,285,800.00	\$280,285,800.00	\$0.00	0%
Subtotal CWSRF		\$ 918,413,508.00	\$873,140,358.43	\$45,273,149.57	5%

This federal ULO is exceptional, \$45 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 2014 NIMs shows a ratio of 86%, slightly below the national average of 88% but an improvement over the California CWSRF previous year's value of 85%.
- **Cumulative construction starts as a percent of CWSRF assistance (Line 299).** For the California CWSRF, the 2014 NIMs shows a ratio of 87%, a 1% drop from the prior year and slightly below the national average of 91%.

Although slightly below the national averages, these figures are within an acceptable range.

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 220% 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 22.1%, thus sustaining the financial health of the fund.

Suggested follow-up: None.

C. Use of Fees

The California CWSRF program collects two service charges. These service charges provide a source of revenue for the administration of the program and for grant funding to small and disadvantaged communities. In response to the 2013 PER all requested reporting additions have been made. These include that the state identify and show the fee rates charged by borrower, and the program versus non-program revenue generated from the service charges with each Annual Report.

Suggested follow-up: None.

D. 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 the Yountville file. 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:**

Base Program

- (1) Yountville (\$3.5M)
- (2) City of El Cajon (\$11.3M)

The Yountville project file indicated that the bid, procurement or construction contracts did not contain evidence of the Equal Employment Opportunity requirement (Executive Order 11246) or suspension and debarment prohibitions (Executive Order 12549).

Suggested follow-up: To prevent this from happening in the future the California CWSRF needs to have an internal process in place to check that all appropriate requirements are reflected in construction documents.

E. Environmental Review

Required Mitigation Measures

During this review year it came to light that the City of Delano, a project completed in 2011, had not implemented several of the required mitigation measures stipulated in its environmental review. Compounding the issue is 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.

Suggested follow-up: 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

F. 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 \$800M of water recycling projects at a reduced interest rate by December of 2015. 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.

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 SFY2014 Annual Report:

- **Required Mitigation Measures** – The California CWSRF needs to have a robust and tangible system for monitoring compliance with the SERP and required mitigation measures and the tools necessary to ensure all recipients maintain compliance with the SERP and required mitigation measures.
- **Bid, procurement or construction contract language:** The California CWSRF needs to ensure recipients reflect all required language in their construction documents.

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

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. Make sure to check all data sources that were used in determining the 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.

SRF Annual Review Information Sheet

State Under Review: California

For SRF Fiscal Year Beginning: July 1 2013 Ending: June 30 2014

Annual Report Received: _____
 Annual Audit Received: _____
 Audit Year: SFY13/14

State Contact: Christopher Stevens/Lance Reese

Phone No. 916-341-5745

Core Review Team:

<u>Role</u>	<u>Name</u>
PO	Josh Amaris
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

<u>State Staff Interviewed</u>

See Final PER

Project files and transactions reviewed:

_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

First Team Meeting

Second Team Meeting

On-Site Visit

Draft PER

Final PER

Estimated Date:

___/___/___

___/___/___

___/___/___

___/___/___

___/___/___

Actual Date:

___/___/___

___/___/___

___/___/___

___/___/___

___/___/___

APPENDIX B
Annual Review Checklist

Required Program Elements

Review Item and Questions to Answer	Yes	No	N/A	Onsite Discussion Summary
1.1 Operating Agreement				
1 When was the last update to the State's Operating Agreement?	<input checked="" type="checkbox"/>			Late 2012. posted on website.
2 Discuss whether the current Operating Agreement accurately reflects the State's program.	<input checked="" type="checkbox"/>			Does reflect how the state is doing business
a. Has the OA been updated to include any changes to the SERP, use of bonds for leveraging/state match, sub-state revolving fund programs (i.e., nonpoint source sponsorships), or other significant program changes?	<input type="checkbox"/>			
3 If the OA does require an update, what is the plan for doing so (i.e., adding an amendment, using examples from other states, etc.)?	<input checked="" type="checkbox"/>			NA
1.2 Annual Report				
1 Date that the Annual Report was submitted to the Region:			10/30/2014	
2 Does the State's Annual Report meets the following requirements:				
a. Reports on progress towards goals and objectives	<input type="checkbox"/>			See annual report and AR Checklist
b. Reports on use of funds and binding commitments	<input type="checkbox"/>			See annual report and AR Checklist
c. Reports on the timely and expeditious use of funds	<input type="checkbox"/>			See annual report and AR Checklist
d. Identifies projects and types of assistance provided.	<input type="checkbox"/>			See annual report and AR Checklist
e. Includes financial statements and cross-references independent audit report	<input type="checkbox"/>			See annual report and AR Checklist
f. Provides assessment of the SRF's financial position and long-term financial health	<input type="checkbox"/>			See annual report and AR Checklist
g. Demonstrates compliance with all SRF assurances and certifications	<input type="checkbox"/>			See annual report and AR Checklist
h. Demonstrates compliance with SRF program grant conditions	<input type="checkbox"/>			See annual report and AR Checklist
i. Documents eligible Green Project Reserve projects that were funded	<input type="checkbox"/>			See annual report and AR Checklist
j. Documents projects that received additional subsidy	<input type="checkbox"/>			See annual report and AR Checklist
k. Documents whether additional subsidy was directed to projects in communities that could not otherwise afford such projects. If not, was an explanation provided for why this decision was made? [Provide explanation in Discussion column.]	<input type="checkbox"/>			Disadvantaged communities are one of the two eligible uses of additional subsidy, the second being non-point Source projects
l. Documents whether additional subsidy was directed to projects that repair or replace existing infrastructure; projects that include plans, studies, etc. to improve technical, managerial and financial capacity; and/or projects that reflect the full life cycle costs of infrastructure assets. If not, was an explanation provided for why? [Provide explanation in Discussion column.]	<input type="checkbox"/>			NA: Subsidy is determine based solely on community statistics.
3 Includes a CWSRF Benefits Reporting System (CBR) summary report or "one-pager" for all projects funded.	<input type="checkbox"/>			See annual report and AR Checklist


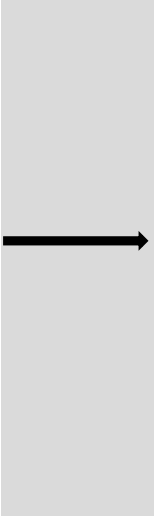

APPENDIX B
Annual Review Checklist

Required Program Elements

Review Item and Questions to Answer	Yes No N/A	Onsite Discussion Summary
1.3 Short and Long-Term Goals		
1 How does the State establish short-term environmental goals?		monthly the sr. staff meet to discuss trends and what is happening in the main areas of the program. This is a forum for inputting what the next years short term goals are. Christopher also takes a lead in determining the years short term goals for the IUP.
a. What is the State doing to achieve these goals?		See AR
2 How does the State establish long-term environmental goals?		These do not change very often.
a. What is the State doing to achieve these goals?	See AR	
1.4 Funding Eligibility		
1 Discuss the State's internal controls for funding eligibility. How does the State ensure that SRF funds do not go to ineligible projects or ineligible expenses?		Application involves 4 packages for state review: General, technical, financial and env. As long as these do not raise any red flags and are complete the project can move forward. These are what are covered by the project file checklist (in the new process)
2 Discuss the State's policy for collecting documentation from assistance recipients to support the amount and eligibility of disbursement requests. What type of documentation is required, how are invoices reviewed, etc.?		everything adds up and all required paperwork is there. Then to program for PM review. Then the request is signed off on and back to admin staff who then route through accounting and
1.5 Reporting		
1 Has the State entered data for all projects in the Annual Report into the CBR database?	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	
a. Are the records complete, to the extent possible?	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	
2 Has FFATA data been entered into usaspending.gov for projects in an amount equal to the capitalization grant?	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	Bob Ponterreri
3 Does the State submit Interim Federal Financial Reports for all open grants?	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	
4 What is the State's process for ensuring timely and accurate CBR data entry?		SOP

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Annual Review Checklist

Required Program Elements

Review Item and Questions to Answer	Yes	No	N/A	Onsite Discussion Summary
1.6 Staff Capacity				
1 How many CWSRF staff members does the State have in the following areas? a. Accounting & Finance b. Engineering and field inspection c. Environmental review / planning d. Management				Estimate 55 PY's, adequate
2 What is the State CWSRF program's current situation with regard to hiring and training new staff?				no issues.
3 Is current staffing sufficient to manage the program?				Yes
1.7 Compliance with Environmental Review Requirements				
1 Do the State's environmental review procedures (as described during onsite interviews) accurately reflect the process as described in the State Environmental Review Process (SERP)?				Yes All project files reviewed reflected adherence to state environmental review procedures.
2 Describe the State's decision process and documentation requirements for issuing the following environmental review determinations:				
a. Categorical Exclusion (CE) or the State equivalent				cat exemption: in almost all cases municipality makes the call state accepts the determination.
b. Environmental Assessment (EA)/Findings of No Significant Impacts (FONSI) or the state equivalent				neg dec or mitigated neg dec: entity acts as lead, state reviews.
c. Environmental Impact Statement (EIS)/Records of Decisions (ROD) or the State equivalent				EIR: NOD. Entity takes the lead on this.
3 How does the State ensure that public notices and meetings, as required by the SERP, are provided during the environmental review process?				in the env package submitted by the entity, there is a matrix determining all necessary documentation based on the path the env determination went. The state verifies all documentation is there and acceptable. There is a checklist to make sure all documentation is recieved before an application can move forward
4 How are documented public concerns addressed/resolved by the State in the environmental review process?				recipient is required to provide comments and how they were addressed.
1.8 Compliance with Federal Cross-Cutting Authorities (Cross-Cutters)				
1 What is the State's process for ensuring compliance with Federal cross-cutting authorities?				for env crosscutters: checklist certifying to all of them (no impact). DBE (forms) and Davis bacon (correct language and correct determination) are handled as part of the final budget package.
2 Does the State use equivalency procedures in applying Federal cross-cutting authorities, and if so, how are assistance recipients selected to comply?				across the board
3 What is the State's process for applying Federal cross-cutting authorities to nonpoint source projects or projects that received Categorical Exclusions from environmental review requirements?				if a cross cutter applies it is applied in the same way.
4 Were there any issues which required formal consultation with other State or Federal agencies, and were these resolved?	Yes	Yes and Yes		

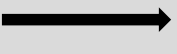


APPENDIX B
Annual Review Checklist

Required Program Elements

Review Item and Questions to Answer	Yes	No	N/A	Onsite Discussion Summary
1.9 Compliance with Disadvantaged Business Enterprise Requirements				
1 What is the State's process for ensuring compliance with DBE requirements?				See above
2 Did the State collect 5700-52A DBE reports from assistance recipients (for projects equal to the cap grant) by April 30th and October 30th?				Yes
1.10 Green Project Reserve Requirements				
1 Has the State entered into assistance agreements to meet the GPR requirement?*	Yes			See annual report
a. If not, when and how does the State plan to meet the requirement?				NA
b. If the State identified carryover GPR projects in the Annual Report, what actions is the State taking to ensure that these projects have an assistance agreement by the end of the fiscal year?				NA
2 Does the State's current process for marketing and solicitation of GPR projects appear adequate for identifying a sufficient number of GPR projects?	Yes			Water recycling unit: Categorical
a. If no, Does the State plan to revise their solicitation process?			NA	
3 Review the CBR data for one or two GPR projects with loans closed during the year under review. From the project descriptions provided, do the projects appear to be eligible GPR projects?	Yes			Yountville
a. Are the projects reported in the correct GPR category?	Yes			
4 Were business cases posted to the state website, as required? (N/A if no GPR projects required business cases)			NA	
a. Were the posted business cases complete and in accordance with the GPR Attachment to the annual SRF Procedures Guideline?			NA	
1.11 Davis-Bacon Requirements				
1				
What is the State's process for ensuring that Davis-Bacon requirements, including the correct wage determinations, are included in bid documents?				requirements go out in the loan contract. In the first addendum to the loan agreement where the budget is finalized and DBE and Davis Bacon materials are submitted the state verifies that correct DB language was used and that the correct wage determination was also used.
2				
What is the State's process for collecting certifications of compliance with Davis-Bacon from all assistance recipients?				Semi Annually (Same time as DBE cert) the state also sends out a cert form for DB. Within 30 days the recipients are required to send them back. State when onsite always verifies these.

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Required Financial Elements

Review Item and Questions to Answer	Yes	No	N/A	Onsite Discussion Summary
2.1 Binding Commitment Requirements				
1 Does the State track and document binding commitments to ensure that 120% of each grant payment is committed to projects within one year of the payment?	Yes			Currently at 263%
a. If the State is having difficulty meeting the binding commitment requirement, what is the plan to correct this?				NA
2 Do the dates of binding commitments as documented in the project files reviewed match those reported in the Annual Report?	Yes			
3 Does the State track the average time lag between binding commitment and construction initiation? If so, what is the average time lag?				report: agreements without final budget packets (approved) out of LGTS. Allows state to track projects hitting bumps in the road.
a. If this is a significant time lag, is it recurring? (If so, note steps the State is taking to correct the situation in the Onsite Discussion column)	Yes		NA	
2.2 Assistance Terms				
1 What is the State's process for establishing assistance terms?				1/2 the GO bond rate, in policy and Small disadvantaged communities can be offered lower rates
a. Are interest rates less than the market rate?	Yes			
b. Do principal repayments start within one year of project completion and end within 20 years, for all projects without extended term financing agreements?	Yes			Yes with the exception of ETF which the state has the ability to do.
c. Does the program use extended term financing to the extent it is allowable? (If so report the percentage of project funding used in the Onsite Discussion section.)	Yes			State has OK to issue ETF to all projects eligible for SRF funding
2 What is the amount and type of additional subsidy provided, and is this consistent with the requirement for the year under review?	Yes			Principal forgiveness small disadvantaged category 1 and 2 and septic to sewer also eligible and regionalization.
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?		No		
3 How does the State periodically evaluate terms of assistance offered relative to the supply and demand for funds and the Fund's long-term financial health?				ETF that allows the state to adjust terms since the rate is set in policy

APPENDIX B
Annual Review Checklist

Required Financial Elements

Review Item and Questions to Answer	Yes	No	N/A	Onsite Discussion Summary
2.3 Use of Fees				
1 Does the State assess fees on assistance? If so, note the fee rate charged and on what basis (e.g., percentage of closing amount, principal outstanding, principal repaid, etc.) in the Onsite Discussion column	Yes			Stated in annual report.
a. Describe how fee income is used by the program. For each use, indicate whether the fee income is program or non-program income.				Admin and the Small Community Grant program
b. How does the State evaluate the use of fees relative to loan terms to set appropriate total charges to assistance recipients and assess long-term funding needs for program operation?		→		Loan term is set and the fee is a subset of the interest and is either 1% or 2%. The SCG program allows for larger fee assesment. Can be up to 2.6%
c. What are the State's procedures for accounting and reporting fee use?				Admin fee usage is reported in the annual report alongside the 4% Cap grant for admin taken. SCG fees are awarded and the recipients are listed in exhibit G
2.4 Assessment of Financial Capability and Loan Security				
1 What are the State's procedures for assessing the financial capability of assistance recipients?		→		loan application packet requires the submittal of a standard set of financial documentation from the recipient. Staff reviews this and uses a checklist to document all requirements are met. If no red flags are raised the project can move forward.
a. Do Project File Reviews indicate that these policies and procedures are being followed?	Yes			Financial review of all reviewed project files underwent state review
2 How does the State ensure that assistance recipients have a dedicated source of revenue for repayment or, for privately-owned systems, adequate security to assure repayment?			→	The state requires a resolution from the entity proving that there is a designated source.
3 How does the State ensure that assistance recipients have access to additional funding sources, if necessary, to ensure project completion?				Also verify if \$\$ is coming from other sources to finish a project
2.5 Cash Draws				
1 Describe the State's disbursement process and the reviews/internal controls utilized to ensure that disbursements adhere to the Federal cash draw rules.		→		after admin and PM review the draw gets one or two more reviews and then to accounting. Accounting processes.
2 Have any improper payments been discovered by the State? (If so , note corrective actions that have been taken in the Onsite Discussion column)				No
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 erroneous payments to occur in the future?		→		

APPENDIX B
Annual Review Checklist

Required Financial Elements

Review Item and Questions to Answer	Yes	No	N/A	Onsite Discussion Summary
2.6 State Match				
1 What is the State's source of state match? Is this source sufficient to provide the 20% match now and into the foreseeable future?	➔			Match bond money and local match?
2 If bonds are issued for state match, and the SRF is used to retire these bonds, do the bond documents clearly state what funds are being used for debt service and security?	NA			bonds and gave the proceeds to the waterboard for match. The state was responsible for paying the debt service, the state board is not.
a. Has the State's current match bond structure been approved by Headquarters? (Provide details in the Onsite Discussion column)	Yes			
3 Do State accounting records indicate that match funds were deposited at or before applicable federal cash draws?	Yes			currently \$144M overmatched
2.7 Transaction Testing for Improper Payments				
1 Are State accounting records of federal funds received consistent with federal records of federal funds disbursed?	Yes			
2 Does the State track the average length of time between request and disbursement? If so, what is the average time lag?	Yes			goal of 30 days. Average Disbursement lag is 19 days
3 What proportionality ratio is the State using for cash draws, and how did they establish that ratio? Is the current cash draw proportionality ratio allowing them to use an efficient cash management approach?	➔			100% federal draw, required state match is already drawn



APPENDIX B
Annual Review Checklist

Required Financial Elements

Review Item and Questions to Answer	Yes	No	N/A	Onsite Discussion Summary
2.8 Timely and Expedient Use of Funds				
1 Does a review of the IUP and Annual Report confirm that the State is using SRF funds in a timely and expeditious manner, i.e. within one year of receipt?	Yes			
a. What is the State's balance of uncommitted funds?				NA
b. What is the State's balance of unliquidated funds?				\$36M, less than one capitalization grant
c. What is the trend in uncommitted and unliquidated funds over the past 2-3 years?				Downward
2 If the State needs to improve its use of funds to ensure timely and expeditious use, what is the State's plan to address the issue?				NA
a. If the state was required to develop a plan demonstrating timely and expeditious use of funds, is progress being made on meeting this plan?			NA	
2.9 Financial Management				
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?				See annual reports explanation of short and long term financial goals
a. Are NIMS financial indicators for the State improving over time? If not, which indicators are declining?	Yes			Pace, Net sustainability, and ULO's are all trending in a positive direction or staying stable
2 What is the State's long-term financial plan to direct the program?				watch the cash flow and market it.
a. Was financial modeling used to develop the plan? How was modeling conducted?	Yes			
b. How often is the plan reviewed and updated?				every time a project is to be funded the model is run, Accounting runs the model monthly for account balances and program and accounting meet every two months two collectively go over the model.
c. Does planning address types of assistance and terms, use of leveraging, and transfers or cross-collateralization between programs?	Yes			Assistance terms and Leveraging only
3 Describe the State's leveraging structure and activities, including ratio, frequency, amount, use of funds, impact on interest rates, etc. (N/A if the state does not leverage)				As cash is needed. Regional San Project may require another bond issuance in the near future as it is a \$1.5B project (Multiple funding agreements likely. over 7 years). Bond issuance later this year.
a. Is leveraging activity consistent with the leveraging activities described in the IUP, Annual Report and bond documents?	Yes			
b. Are net bond proceeds, interest earnings, and repayments being deposited into the fund?	Yes			Last bond issue was a refinance.
4 Does the State have any issues related to loan restructuring, the potential for defaults, and the timeliness of loan repayments? How are these issues being handled?				Talk to Kelly about this. A couple. Solidaridad, crescent city, Chico
5 What rate of return is the SRF earning on invested funds?				~.35% in SMIF

APPENDIX B
Annual Review Checklist

Required Financial Elements

Review Item and Questions to Answer	Yes	No	N/A	Onsite Discussion Summary
2.10 Compliance with Audit Requirements				
1 Are annual audits being conducted by an independent auditor?	Yes			
a. Who conducted the most recent audit? Note date of most recent audit in Onsite Discussion column.				Clifton Larson Allen
b. Did the program receive an unqualified opinion? If a qualified opinion was given, note the reason(s) in the Onsite Discussion column		No		
c. Were there any findings? If so, describe the findings and resolutions in the Onsite Discussion section		No		
d. Are the financial statements in conformance with GAAP?	Yes			
2 If there were recommendations in the audit report and/or recommendations in the "Management Discussion & Analysis" letter, has the State implemented them?			NA	
3 Did the most recent audit confirm compliance with State laws and procedures?			NA	Federal Laws and policies
a. Did the audit include any negative comments or issues regarding the State's internal control structure?		No		
b. Did the audit identify any erroneous payments/cash draws/disbursements?		No		
c. Has the State taken action to recover the improperly paid funds?			NA	
4 Did the most recent audit include any repeat findings (from previous audits)?		No		
a. Have audit findings discussed during the previous Annual Review been resolved?			NA	
5 Did the most recent audit find that state cash management and investment practices consistent with State law, policies, and any applicable bond requirements?			NA	Federal requirements
7 How does the State notify assistance recipients of the requirement to provide a single audit if they expend more than \$500,000 in Federal funds?				Accounting send a notice at the end of the SFY if an entity crosses the now \$750,000 threshold
a. What is the State's process for reviewing assistance recipients' audits and following up with recipients on resolving issues and/or findings?				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.

APPENDIX B
Annual Review Checklist

EPA's Clean Water Infrastructure Sustainability Policy: Discussion Questions

Review Item and Question to Answer	Yes	No	N/A	Onsite Discussion Summary
<i>Note: Questions are applicable only to projects funded in FY 2011 and after. SRF activities in support of the Sustainability Policy are voluntary but strongly encouraged by EPA.</i>				
4.1 Sustainability				
1 How does the State encourage the use of asset management programs? Does the State's Project Priority List (PPL) include projects that emerged as a result of an asset management program?				Sustainability points are added to the SRF policy amendment for project ranking. Asset management was one of those.
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?				Yes points in the new process (and in CEQA) general plan certification
b. evaluate a range of alternatives, including green and or decentralized alternatives, based on full life-cycle costs?				LCA is part of the technical analysis or full cost pricing analysis can get a sustainability pt.
c. ensure that potential recipients have a financial system in place, including appropriate rates,				Part of the standard financial review
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.	Yes			
4 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.	Yes			potentially conservation easements. Marketing for Non point source type of projects. Rare but there is interest whether they go forward is case by case.
5 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.	Yes			Yes: recycled water reduces consumption of drinking water. Additional subsidy going forward will be used to solicit green projects and will specifically be given out to water/energy audits
<i>*Note: Questions in the Resiliency to Extreme Events and Climate Change section do not</i>				
4.2 Resiliency to Extreme Events and Climate Change*				
1 1. Is there a state climate change or adaptation plan?	Yes			AB 32
a. If so, does it include a role for water infrastructure or the SRF's?	Yes			sustainability points available for adapting to climate change/mitigation.
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?				No different than any other planning. State will fund this. Not explicitly advertising.
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 coastal storms, and storm surge.	Yes			Gets the municipality sustainability points in the priority process.
a. What incentives does the SRF program provide?				See above
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?				not in the state to date.
5 Are the state SRF program staff aware of sources of information to help you understand and plan	Yes			Yes

APPENDIX B
Annual Review Checklist

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

State: California
 Indicate CW/DW Review: CW
 Reviewer: Josh Amaris
 Review Date: 2/10/15

Cash Draw Amount: \$ 2,736,029.00
 Cash Draw Date: 11/4/13
 Purpose of Cash Draw (Loan, Admin or Set-Aside): Loan
 Grant Number: CS06000112

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	Yes			
3. Funds are being disbursed to recipients in a timely manner following requests for reimbursement and cash draw	Yes			
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, the entire state match was disbursed prior to federal draws	Yes			

Project Name: San Diego			Project Number: 4905-130	
Disbursement Request Date: 10/23/13			Improper Payment (Yes/No): No	
Improper Payment Resolution:				
Invoice Date	Invoice Number	Invoice Amount	Payee	Notes on Invoice
11-Sep-13	10	\$2,751,672.15	Southwest pipeline and trenchless corp	
		-\$77,206.15	adjusted for elligibility	
		-\$1,700,720.00	previously paid	
7/31/2013	12-008-11	\$4,008,607.89	Burtech Pipeline Inc.	
		-\$80,600.00	adjusted for elligibility	
		-\$3,861,277.00	previously paid	
Invoiced Total		\$1,040,476.89	Explanation If Paid Amount is Different from Invoiced Total: rounding	
Amount Paid from Other Sources		-\$0.11		
Amount Paid from SRF funds:		\$1,040,477.00	Additional Notes:	

Project Name: San Leandro			Project Number: 7002-110	
Disbursement Request Date: 10/24/13			Improper Payment (Yes/No): No	
Improper Payment Resolution:				
Invoice Date	Invoice Number	Invoice Amount	Payee	Notes on Invoice
25-Sep-13	24	\$1,521,251.00	SJ Amoroso	
				Change order not reflected till the final disbursement
8/31/2013	J7814B-24	\$10,401.56	construction testing Services	see CTS tab
9/13/2013	130494	\$123,995.65	Carollo	
		\$39,904.00	Admin: Labor Distribution report	See Admin Tab
Invoiced Total		\$1,695,552.21	Explanation If Paid Amount is Different from Invoiced Total: rounded down	
Amount Paid from Other Sources		\$0.21		

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

Amount Paid from SRF funds:	\$1,695,552.00	Additional Notes:
(a) Total SRF Disbursements	\$2,736,029.00	
(b) Total Cash Draw Amount:	\$2,736,029.00	
State Match Amount(if applicable):		
Improper Payment Amount (if applicable):		
Calculate the Federal cash draw ratio (b/a):		

dates	amount
8/1/13-8/15/13	\$ 20,927.13
8/16/13-8/31/13	\$ 18,977.15
round down	\$ (0.28)
total	\$ 39,904.00

T01	\$ 2,400.00
	\$ 3,636.00
	\$ 276.85
	\$ 257.60
T02	\$ 720.00
	\$ 338.00
	\$ 422.50
	\$ 84.50
	\$ 7,575.00
	\$ 480.00
	\$ 2,197.00
	\$ 2,028.00
	\$ 1,616.00
	\$ 169.00
	\$ 16,160.00
	\$ 3,636.00
	\$ 654.00
	\$ 2,910.00
	\$ 1,955.00
T03	\$ 3,600.00
	\$ 1,183.00
	\$ 654.00
	\$ 600.00
	\$ 1,352.00
	\$ 2,704.00
	\$ 1,320.00
	\$ 480.00
	\$ 2,828.00
	\$ 676.00
	\$ 5,252.00
	\$ 1,010.00
	\$ 654.00
	\$ 3,201.00
	\$ 1,324.80
T04	\$ 480.00
	\$ 28,681.40
	\$ 18.40
T05	\$ 654.00
	\$ 720.00
	\$ 7,272.00
	\$ 386.40
T09	\$ 1,200.00
	\$ 6,240.00
	\$ 3,232.00
	\$ 194.00
	\$ 112.40
	\$ 450.80

Total \$ 123,995.65

\$ 260.00
\$ 260.00
\$ 50.00
\$ 520.00
\$ 65.00
\$ 390.00
\$ 65.00
\$ 260.00
\$ 40.00
\$ 260.00
\$ 260.00
\$ 260.00
\$ 40.00
\$ 455.00
\$ 65.00
\$ 455.00
\$ 65.00
\$ 325.00
\$ 195.00
\$ 40.00
\$ 520.00
\$ 520.00
\$ 40.00
\$ 130.00
\$ 390.00
\$ 146.25
\$ 40.00
\$ 520.00
\$ 520.00
\$ 390.00
\$ 130.00
\$ 40.00
\$ 260.00
\$ 520.00
\$ 520.00
\$ 260.00
\$ 60.00
\$ 260.00
\$ 260.00
\$ 50.00
\$ 495.31

\$ 10,401.56

total complete to date	total eligible incurred to date	previously paid	total payment due
\$ 27,476,328.70	\$ 26,533,287.00	\$ 25,012,036.00	\$ 1,521,251.00

pay app 24 from SJA
dated 9/25/13

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

State: California	Cash Draw Amount:	\$ 4,114,811.00
Indicate CW/DW Review: CW	Cash Draw Date:	
Reviewer: Josh Amaris	Purpose of Cash Draw (Loan, Admin or Set-Aside): Loan	
Review Date: 2/11/15	Grant Number: Cs06000113	
Selected by Region <input type="checkbox"/> Selected by Statistical Sampling <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	Yes			
3. Funds are being disbursed to recipients in a timely manner following requests for reimbursement and cash draw	Yes			
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, the entire state match was disbursed prior to federal draws	Yes			

Project Name: County of Placer			Project Number: 5274-110	
Disbursement Request Date: 5/23/14			Improper Payment (Yes/No): No	
Improper Payment Resolution:				
Invoice Date	Invoice Number	Invoice Amount	Payee	Notes on Invoice
		\$54,688.41	SMD#1 project	Planning: See Summary PDF back up (Includes Invoice #s/dates)
		-\$0.41		rounding
		\$8,174,933.42	SMD#1 project	Design: See Summary PDF back up (Includes Invoice #s/dates)
		-\$0.42		rounding
Invoiced Total		\$8,229,621.00	Explanation If Paid Amount is Different from Invoiced Total: Other half was paid with repayment funds	
Amount Paid from Other Sources		\$4,114,810.00		
Amount Paid from SRF funds:		\$4,114,811.00	Additional Notes:	

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

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

(a) Total SRF Disbursements	\$4,114,811.00	
(b) Total Cash Draw Amount:	\$4,114,811.00	
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

State: California
 Indicate CW/DW Review: CW
 Reviewer: Josh Amaris
 Review Date: 2/10/15

Cash Draw Amount: \$ 5,632,557.00
 Cash Draw Date: 12/2/13
 Purpose of Cash Draw (Loan, Admin or Set-Aside): Loan
 Grant Number: CS06000113

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	Yes			
3. Funds are being disbursed to recipients in a timely manner following requests for reimbursement and cash draw	Yes			
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, the entire state match was disbursed prior to federal draws	Yes			

Project Name: City of Rio Dell			Project Number: 7401-110	
Disbursement Request Date: 11/8/13			Improper Payment (Yes/No): No	
Improper Payment Resolution:				
Invoice Date	Invoice Number	Invoice Amount	Payee	Notes on Invoice
11-Aug-13	18	\$562,482.00	Wahlund	Total work completed to date less 5% retension from wahlund invoice #20 on 10/31/13 is \$9,327,202.29 which matches the project spreadsheet. Less inelligibile costs and payments to date amount due is \$562,482
Invoiced Total		\$562,482.00	Explanation If Paid Amount is Different from Invoiced Total: 50/50 split repayment dollars and principal forgiveness dollars which are	
Amount Paid from Other Sources		\$281,241.00	the one reflected in the draw being tested	
Amount Paid from SRF funds:		\$281,241.00	Additional Notes:	

Project Name: Eastern Municipal Water District			Project Number: 5159-110	
Disbursement Request Date: 11/13/13			Improper Payment (Yes/No): No	
Improper Payment Resolution:				
Invoice Date	Invoice Number	Invoice Amount	Payee	Notes on Invoice

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

	18		PCL	Waterboards construction spreadsheet is based off of total cost of work completed to date of \$86,899,431 which matches PCL Invoice #29. The spreadsheet then subtracts out inneleigible costs and previously paid amount to get to the amount indicated in the invoice amount column to the left
		\$ 4,573,923.00		
		\$777,392.53	CM	See CM Tab
		\$0.47	CM: rounded up	
Invoiced Total		\$5,351,316.00	Explanation If Paid Amount is Different from Invoiced Total:	
Amount Paid from Other Sources				
Amount Paid from SRF funds:		\$5,351,316.00	Additional Notes:	
(a) Total SRF Disbursements		\$5,632,557.00		
(b) Total Cash Draw Amount:		\$5,632,557.00		
State Match Amount(if applicable):				
Improper Payment Amount (if applicable):				
Calculate the Federal cash draw ratio (b/a):				

Vendor	Invoice	Date	Amount
Elan Associates Ltd	5007-02M-01CG	2/28/2013	\$ 639.00
MWH Constructors Inc	1511961	3/29/2013	\$ 149,370.85
MWH Constructors Inc	1515297	4/15/2013	\$ 213,157.23
Carollo engineers	127602	3/21/2013	\$ 143,268.95
Converse Consultants	10-81102-30-0000030	2/27/2013	\$ 16,275.71
Converse Consultants	10-81102-30-0000031	3/22/2013	\$ 20,387.66
3QC inc	56098	2/28/2013	\$ 2,757.11
3QC inc	56132	3/31/2013	\$ 2,757.11
MPS Security	0808-3138	3/4/2013	\$ 1,842.60
MPS Security	0808-3158	3/18/2013	\$ 1,842.60
MPS Security	0808-3175	4/1/2013	\$ 1,842.60
MPS Security	0808-3196	4/15/2013	\$ 1,732.60
MPS Security Discounts			\$ (72.62)
Rightway Site Services	721173	3/1/2013	\$ 89.52
Rightway Site Services	722216	3/29/2013	\$ 89.52
On Site Technical Services	7425	3/19/2013	\$ 8,918.39
Morris Tested	58301	3/26/2013	\$ 1,110.00
Maxim Security Systems	1823	2/14/2013	\$ 3,125.78
Water Quality & Treatment Solutions	13-1914	2/14/2013	\$ 10,126.30
Water Quality & Treatment Solutions	13-1923	3/3/2013	\$ 328.22
Engineereing labor CO 468200			\$ 197,803.40
Total			\$ 777,392.53

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

State: California
Indicate CW/DW Review: CW
Reviewer: Josh Amaris
Review Date: 2/9/15

Cash Draw Amount: \$ 8,814,266.00
Cash Draw Date: 10/18/23
Purpose of Cash Draw (Loan, Admin or Set-Aside): Loan
Grant Number: cs06000112

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	Yes			
3. Funds are being disbursed to recipients in a timely manner following requests for reimbursement and cash draw	Yes			
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, the entire state match was disbursed prior to federal draws	Yes			

Project Name: City of San Leandro			Project Number: 7002-110	
Disbursement Request Date: 9/16/13			Improper Payment (Yes/No): no	
Improper Payment Resolution:				
Invoice Date	Invoice Number	Invoice Amount	Payee	Notes on Invoice
21-Aug-13	23	\$1,111,083.00	SJ Amoroso	See SJA tab
31-Jul-13	J7814B-23	\$7,489.15	Construction Testing Services Inc	See CTS tab
16-Aug-13	130171	\$115,119.16	Carollo	Carollo tab
7/17/2013		\$15,589.54	City of San Leandro	YTD Labor distribution report
8/1/2013		\$24,348.77	City of San Leandro	YTD Labor distribution report: see San Leandro tab
Invoiced Total		\$1,273,629.62	Explanation If Paid Amount is Different from Invoiced Total: Amount differs from rounding	
Amount Paid from Other Sources		\$0.62		
Amount Paid from SRF funds:		\$1,273,629.00	Additional Notes: Paid in 32 days	

Project Name: Orange County			Project Number: 4463-110 (Invoice 20)	
Disbursement Request Date: 8/22/13			Improper Payment (Yes/No): No	
Improper Payment Resolution:				
Invoice Date	Invoice Number	Invoice Amount	Payee	Notes on Invoice
27-Jun-13	20	\$5,059,996.00	McCarthy Building	See McCarthy Tab
7/3/2013	1307A117	\$193,293.00	Parsons Water Infrastructure Inc	CM: see Parsons tab
		\$40,675.00	Admin	See Admin tab
Invoiced Total		\$5,293,964.00	Explanation If Paid Amount is Different from Invoiced Total:	
Amount Paid from Other Sources				
Amount Paid from SRF funds:		\$5,293,964.00	Additional Notes:	

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

Project Name: Orange County			Project Number: 4463-110 (Invoice 21)	
Disbursement Request Date: 11/19/13			Improper Payment (Yes/No): no	
Improper Payment Resolution:				
Invoice Date	Invoice Number	Invoice Amount	Payee	Notes on Invoice
31-Jul-13	21	\$1,937,219.00	McCarthy	See McCarthy 2 Tab
8/2/2013	1308A062	\$142,072.77	Parsons Water Infrastructure Inc	See Parsons 2 tab
7/31/2013	1164422	\$104,010.52	Black and Veatch	See Black and Veatch tab
		\$63,371.00	Admin	See Admin 2
Invoiced Total		\$2,246,673.29	Explanation If Paid Amount is Different from Invoiced Total: Rounding	
Amount Paid from Other Sources		\$0.29		
Amount Paid from SRF funds:		\$2,246,673.00	Additional Notes:	
(a) Total SRF Disbursements		\$8,814,266.00		
(b) Total Cash Draw Amount:		\$8,814,266.00		
State Match Amount(if applicable):				
Improper Payment Amount (if applicable):				
Calculate the Federal cash draw ratio (b/a):				

vendor	cost	invoice #	invoice date
Converse Consultants	\$ 30,430.15	11-32148-30-0000024	7/25/2013
Bush and Associates	\$ 832.00		7 7/22/2013
Robert Naik Photo	\$ 1,000.00		2240 7/15/2013
Golden State Labor Consultants	\$ 588.00	8.2013.16	8/1/2013
Tropical Plaza Nursery	\$ 100.00	M52382	8/15/2013
Rutan and Tucker	\$ 312.00		669439 9/4/2013
Regular Sal/Wages OCWD	\$ 22,425.54		
Labor Burden OCWD	\$ 7,683.51		
Round down	\$ (0.20)		
Total	\$ 63,371.00		

task	invoice #	date	amount	name
Construction 1	labor	8/2/2013	\$ 4,347.72	
Construction 2	labor	8/2/2013	\$ 48,442.47	
	parson OCWD-21	7/30/2013	\$ 5,932.50	CPM construction Inc.
Construction 3	labor	8/2/2013	\$ 20,479.64	
		7216 7/2/2013	\$ 7,594.50	Seperation Processes Inc.
Construction 4	labor	8/2/2013	\$ 53,264.46	
	overtime	8/2/2013	\$ 1,773.84	
Start up 2	labor	8/2/2013	\$ 237.64	
Total			\$ 142,072.77	

Task	Amount
1	\$ 1,325.00
1	\$ 1,380.00
1	\$ 6,860.00
1	\$ 150.00
1	\$ 800.00
1	\$ 2,070.00
1	\$ 435.00
1	\$ 551.25
5	\$ 5,225.00
5	\$ 2,775.00
5	\$ 330.00
5	\$ 20,000.00
5	\$ 6,320.00
5	\$ 990.00
5	\$ 6,930.00
5	\$ 495.00
5	\$ 5,000.00
5	\$ 990.00
5	\$ 280.00
5	\$ 6,845.00
5	\$ 1,260.00
5	\$ 125.00
5	\$ 280.00
5	\$ 20,720.00
5	\$ 3,145.00
5	\$ 370.00
5	\$ 1,348.77
5	\$ 1,953.00
5	\$ 5,057.50
total	\$ 104,010.52

Total Costs Incurred to date	Cost Approved for Payment to date	Amount previously Paid	Approved This Payment
\$ 54,643,770.00	\$ 53,022,646.00	\$ 51,085,427.00	\$ 1,937,219.00

Report 21 Signed 7/29/13 Total Work to date \$ 54,643,770.28
by McCarthy
Signed 7/30/13
by Parsons
Signed: is signed but date cut off on this copy
by OCWD Manager

Total Costs	Cost Approved for	Amount previously	Approved This
Incurred to date	Payment to date	Paid	Payment
\$ 52,684,498.00	\$ 51,085,427.00	\$ 46,025,431.00	\$ 5,059,996.00

Report 20	Signed 6/26/13 by McCarthy Signed 6/27/13 by Parsons Signed 6/27/13 by OCWD Manager	Total Work to date	\$ 52,684,497.70
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vendor	cost	invoice #	invoice date
converse consultants	\$ 29,123.16	11-32148-30-0000023	6/26/2013
orange county sanitation	\$ 7.00	47757	6/15/2013
orange county sanitation	\$ 4.00	47763	6/15/2013
Jabez Building service	\$ 310.00	5027	7/1/2013
Golden state labor compliance	\$ 588.00	7.2013.16	7/1/2013
county of orange	\$ 360.00	IN0944692	7/19/2013
tropical plaza nursery	\$ 100.00	M52218	7/15/2013
Regular Sal/wages OCWD	\$ 7,641.37	NA	
labor burden OCWD	\$ 2,541.33	NA	
Round up	\$ 0.14		
Total	\$ 40,675.00		

task	invoice #	date	amount	name
Construction 1	labor	7/3/2013	\$ 12,012.91	
Construction 2	labor	7/3/2013	\$ 62,981.46	
	parson OCWD-20	5/31/2013	\$ 5,932.50	CPM construction Inc.
Construction 3	labor	7/3/2013	\$ 36,992.76	
		7194 6/6/2013	\$ 8,451.00	Seperation Processes Inc.
Construction 4	labor	7/3/2013	\$ 64,769.00	
	overtime	7/3/2013	\$ 1,916.05	
Start up 2	labor	7/3/2013	\$ 237.64	
Total			\$ 193,293.32	

Task	
T01	\$ 4,200.00
	\$ 1,090.00
	\$ 4,646.00
	\$ 1,090.00
	\$ 276.00
	\$ 290.97
	\$ 30.53
	\$ 492.20
T02	\$ 1,440.00
	\$ 6,591.00
	\$ 4,444.00
	\$ 960.00
	\$ 338.00
	\$ 7,272.00
	\$ 3,232.00
	\$ 1,090.00
	\$ 1,891.50
	\$ 414.00
	\$ 1,416.80
T03	\$ 5,520.00
	\$ 1,183.00
	\$ 360.00
	\$ 169.00
	\$ 84.50
	\$ 6,666.00
	\$ 507.00
	\$ 10,908.00
	\$ 763.00
	\$ 4,316.50
	\$ 414.00
	\$ 1,614.60
T04	\$ 120.00
	\$ 1,414.00
	\$ 276.00
	\$ 19,797.86
	\$ 96.60
T05	\$ 7,676.00
	\$ 349.60
T09	\$ 960.00
	\$ 6,120.00
	\$ 2,424.00
	\$ 46.00
	\$ 276.00
	\$ 148.55
	\$ 637.01
	\$ 123.15

\$ 79.10

\$ 450.69

\$ 414.00

Total \$ 115,119.16

\$ 260.00
\$ 50.00
\$ 260.00
\$ 260.00
\$ 260.00
\$ 97.50
\$ 40.00
\$ 130.00
\$ 130.00
\$ 40.00
\$ 260.00
\$ 520.00
\$ 520.00
\$ 48.75
\$ 520.00
\$ 260.00
\$ 520.00
\$ 260.00
\$ 130.00
\$ 130.00
\$ 48.75
\$ 195.00
\$ 260.00
\$ 65.00
\$ 130.00
\$ 195.00
\$ 195.00
\$ 97.50
\$ 97.50
\$ 40.00
\$ 227.50
\$ 227.50
\$ 65.00
\$ 100.00
\$ 292.52
\$ 100.00
\$ 100.00
\$ 356.63

\$ 7,489.15 Total

General Conditions	\$	29,632.00
Yard piping	\$	58,695.00
electrical	\$	248,839.00
instrumentation	\$	2,980.00
headworks & influent piping	\$	113,457.00
grit facility	\$	59,745.00
primary clarifiers 1&2	\$	4,000.00
primary clarifiers 3	\$	55,643.00
fixed film reactor	\$	224,628.00
biofilter odor control	\$	55,847.00
secondary clarifiers 1&2	\$	265,329.00
admin control building	\$	21,920.00
Changes	\$	12,836.00
Disallowed costs		
General Conditions	\$	(29,632.00)
Changes	\$	(12,836.00)
total	\$	1,111,083.00

Staff Charge amount

\$ 4,123.32
\$ 3,700.66
\$ 140.57
\$ 3,609.50
\$ 98.23
\$ 3,700.66
\$ 65.23
\$ 645.25
\$ 42.84
\$ 50.46
\$ 110.86
\$ 73.91
\$ 34.11
\$ 48.06
\$ 562.32
\$ 693.96
\$ 274.21
\$ 2.66
\$ 229.29
\$ 3.13
\$ 8.72
\$ 223.69
\$ 6.87
\$ 4.58
\$ 2.12
\$ 5.40
\$ 272.47
\$ 2.98
\$ 3.72
\$ 40.01
\$ 1,265.29
\$ 1,135.58
\$ 43.14
\$ 991.12
\$ 30.15
\$ 1,135.58
\$ 20.02
\$ 198.00
\$ 173.27
\$ 187.74
\$ 0.44
\$ 111.84
\$ 4.47
\$ 12.73
\$ 4.84
\$ 2.21

\$ 64.14
\$ 0.62
\$ 53.63
\$ 0.73
\$ 2.04
\$ 52.31
\$ 1.61
\$ 1.07
\$ 0.50
\$ 1.26
\$ 63.72
\$ 0.70
\$ 0.87
\$ 9.36

sum \$ 24,348.77

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

State: California
 Indicate CW/DW Review: CW
 Reviewer: Josh
 Review Date: 2/10/15

Cash Draw Amount: \$ 15,053,066.00
 Cash Draw Date: 12/9/13
 Purpose of Cash Draw (Loan, Admin or Set-Aside): Loan
 Grant Number: cs06000113

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	Yes			
3. Funds are being disbursed to recipients in a timely manner following requests for reimbursement and cash draw	Yes			
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, the entire state match was disbursed prior to federal draws	Yes			

Project Name: El Paso De Robles			Project Number: 5400-110	
Disbursement Request Date: 11/19/13			Improper Payment (Yes/No): No	
Improper Payment Resolution:				
Invoice Date	Invoice Number	Invoice Amount	Payee	Notes on Invoice
14-Nov-13	6	\$4,020,959.00	WM Lyles	see WML tab
10-Oct-13	1168465	\$70,086.77	Black and Veatch	
1-Oct-13	2013.007-7	\$89,033.63	Covello	
11/1/2013	2013.007-8	\$116,224.13	Covello	Sub-consultant Fugro on invoice #04.62130049-6 invoices \$7,110, to covello, but covello bills \$7,100. on invoice 2013.007-8. Policy is to pay as is since it was the firm that underrequested payment of the municipality
Invoiced Total		\$4,296,303.53	Explanation If Paid Amount is Different from Invoiced Total: rounding	
Amount Paid from Other Sources		-\$0.47		
Amount Paid from SRF funds:		\$4,296,304.00	Additional Notes:	

Project Name: Fallbrook PUD			Project Number: 7613-110	
Disbursement Request Date: 11/22/13			Improper Payment (Yes/No): No	
Improper Payment Resolution:				
Invoice Date	Invoice Number	Invoice Amount	Payee	Notes on Invoice
31-Oct-13	3	\$1,225,415.44	Archer Western Contractors	
		-\$40,040.44	less inelligible costs	
		-\$798,419.00	Previously paid	

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

Invoiced Total	\$386,956.00	Explanation If Paid Amount is Different from Invoiced Total:
Amount Paid from Other Sources		
Amount Paid from SRF funds:	\$386,956.00	Additional Notes:

Project Name: Orange County Water Dist.	Project Number: 4463-110
Disbursement Request Date: 11/19/13	Improper Payment (Yes/No): No

Improper Payment Resolution:				
Invoice Date	Invoice Number	Invoice Amount	Payee	Notes on Invoice
30-Sep-13	23	\$8,252,331.00	McCarthy	See McCarthy tab
1-Oct-13	1310A051	\$180,610.41	CM	
		-\$0.41	rounded down	
		\$47,489.81	admin	See Admin tab
		\$0.19	rounded up	

Invoiced Total	\$8,480,431.00	Explanation If Paid Amount is Different from Invoiced Total:
Amount Paid from Other Sources		
Amount Paid from SRF funds:	\$8,480,431.00	Additional Notes:

Project Name: Sonoma Valley County Sanitation District	Project Number: 7020-110
Disbursement Request Date: 11/18/13	Improper Payment (Yes/No): No

Improper Payment Resolution:				
Invoice Date	Invoice Number	Invoice Amount	Payee	Notes on Invoice
		\$1,607,375.48	KG Walters	See KGW tab
		-\$0.48	rounding	
		\$157,000.00	Planning	See planning tab
		\$125,000.00	Design	

Invoiced Total	\$1,889,375.00	Explanation If Paid Amount is Different from Invoiced Total:
Amount Paid from Other Sources		
Amount Paid from SRF funds:	\$1,889,375.00	Additional Notes:

(a) Total SRF Disbursements	\$15,053,066.00
(b) Total Cash Draw Amount:	\$15,053,066.00
State Match Amount(if applicable):	
Improper Payment Amount (if applicable):	
Calculate the Federal cash draw ratio (b/a):	

Vendor	Invoice	Date	amount
Force account		7/1/11-6/30/12	\$ 96,033.80
ZSI Inc	104112	7/10/2012	\$ 5,451.10
HDR engineering	12124-B	7/17/2012	\$ 9,604.75
HDR engineering	33458-B	10/11/2012	\$ 6,731.00
ZSI Inc	103622	12/15/2009	\$ 3,471.50
ZSI Inc	103638	1/19/2012	\$ 1,899.50
ZSI Inc	103685	2/15/2010	\$ 8,428.54
ZSI Inc	103703	3/15/2010	\$ 3,087.43
ZSI Inc	103732	4/15/2010	\$ 262.00
ZSI Inc	103755	5/15/2010	\$ 2,380.27
ZSI Inc	103781	6/15/2010	\$ 98.25
ZSI Inc	104439	7/15/2012	\$ 2,260.50
ZSI Inc	104474	8/15/2012	\$ 1,815.25
ZSI Inc	104552	10/15/2012	\$ 6,139.95
Summit Engineering	16202	10/30/2009	\$ 610.00
Summit Engineering	16287	11/27/2009	\$ 1,945.00
Summit Engineering	16499	2/26/2010	\$ 492.50
Summit Engineering	17605	2/25/2011	\$ 817.50
Summit Engineering	18234	8/26/2011	\$ 160.00
Summit Engineering	18650	12/30/2011	\$ 320.00
Summit Engineering	18829	2/24/2012	\$ 2,653.00
Summit Engineering	18903	3/30/2012	\$ 1,325.00
Summit Engineering	19157	5/25/2012	\$ 1,027.50
exceedence of threshold			\$ (14.34)
total			\$ 157,000.00

Vendor	Invoice	Date	amount
Force Account		7/1/12-6/30/13	\$ 117,035.53
ZSI Inc	104179	1/15/2012	\$ 2,671.50
ZSI Inc	104564	11/15/2012	\$ 2,979.75
Summit engineering	19331	7/27/2012	\$ 649.27
Summit engineering	19577	9/28/2012	\$ 1,151.25
Summit engineering	20528	6/28/2013	\$ 727.50
exceedence of threshold			\$ (214.80)
total			\$ 125,000.00

invoice #	date	amount	from
4	9/23/2013	\$ 1,320,580.94	KG Walters
3	8/20/2013	\$ 165,954.26	KG Walters
2	7/19/2013	\$ 46,735.34	KG Walters
1	6/20/2013	\$ 71,487.50	KG Walters
2	7/19/2013	\$ 2,617.44	KG Walters
total		\$ 1,607,375.48	

vendor	cost	invoice #	invoice date
Grainger Inc	\$ 65.73	9236065307	9/5/2013
Jabez Building Services	\$ 310.00	5143	10/1/2013
Golden State Labor compliance	\$ 588.00	10.2013.18	10/1/2013
Tropical Plaza Nursery	\$ 100.00	M552675	10/15/2013
Rutan and Tucker	\$ 676.00	673964	10/7/2013
Fedex	\$ 16.77	2-385-95421	8/30/2013
Fedex	\$ 16.93	2-415-08341	9/27/2013
Regular Sal/Wages OCWD	\$ 35,374.48		
Labor Burden OCWD	\$ 10,341.90		
total	\$ 47,489.81		

Total Costs Incurred to date	Cost Approved for Payment to date	Amount previously Paid	Approved This Payment
\$ 69,890,126.00	\$ 68,060,385.00	\$ 59,808,054.00	\$ 8,252,331.00
Rounding involved in causing this figure to be \$1.06 less			

Report 23	Signed 9/30/13 by McCarthy	Total Work to date	\$ 69,890,127.06
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APPENDIX C

Project File Review Checklist
for the Clean Water State Revolving Funds (SRFs)

State: California
Project or Borrower: City of El Cajon

Required Program Elements				
Review Item and Question to Answer	Yes	No	N/A	Comments
1.1 Funding Eligibility				
1 File contains an application submitted by the recipient	Yes			Fed ID #95-6000703
2 The assistance recipient and project is eligible for CWSRF assistance	Yes			Rebuilding of sewer at Johnsons Ave to upgrade 2 high risk siphons and difficult to maintain pipelines.
3 All technical documents required by the state for the type of project have been submitted (preliminary engineering reports, plans & specs, etc.) and reviewed	Yes			Masterfile checklist filled out
1.2 Green Project Reserve (GPR)				
1 Project file indicates that any portion of the project designated to receive GPR funding is either:				
a. Categorically qualified for the GPR		No		
b. Supported as GPR eligible by a State-approved business case		No		
2 Business case has been posted on State website by the end of the quarter in which the project was funded			NA	
1.3 Socio-Economic and Other Cross-Cutters				
1 Project file contains documentation that the assistance recipient agrees to comply with the following <i>[required for projects in an amount equal to the capitalization grant]</i> :				
a. Equal Employment Opportunity requirements (Executive Order 11246)	Yes			E4 Of Loan Contract
b. Suspension and Debarment prohibitions (Executive Order 12549)	Yes			E1 Of Loan Contract
c. Disadvantaged Business Enterprise requirements	Yes			E2 Of Loan Contract
1.4 State Environmental Review				
1 Project File includes the following, as appropriate <i>[Note: may be included in the Preliminary Engineering Report or Facilities Plan]</i> :				
a. Discussion of required mitigation measures	Yes			Tab 3B in the Master File Binder
b. Analysis of other sites and/or other projects considered			NA	Replacing existing infrastructure
2 The project is subject to the State Environmental Review Process (SERP) <i>[N/A for nonpoint source projects]</i> :	yes			
a. For projects subject to the SERP, file includes an Environmental Information Document (EID) from the assistance recipient <i>[N/A for projects receiving a Categorical Exclusion]</i> :	yes			
3 File contains the state's decision memo (with environmental assessment, as applicable) documenting one of the following:				
a. Decision to classify the project as a Categorical Exclusion (CE or CatEx)			NA	
b. Decision to grant a Finding of No Significant Impact (FNSI or FONSI)	Yes			IS/MND document is in Master file Tab 3B
c. Decision to require an Environmental Impact Statement (EIS)			NA	
4 File includes Environmental Impact Statement and accompanying Record of Decision <i>[N/A for projects receiving a Categorical Exclusion or Finding of No Significant Impact]</i>			NA	
5 File includes evidence of public notification, as required:				
a. 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			Pg 2 of Tab 3B in the Master file binder
b. The comment period was in accordance with state procedures	Yes			Pg 2 of Tab 3B in the Master file binder
c. The state addressed all comments.	Yes			Pg 2 of Tab 3B in the Master file binder

APPENDIX C

Project File Review Checklist
for the Clean Water State Revolving Funds (SRFs)

Required Program Elements

Review Item and Question to Answer	Yes	No	N/A	Comments
1.5 Environmental Cross-Cutters <i>[required for projects in an amount equal to the capitalization grant, including projects not subject to the SERP and projects receiving a categorical exclusion]:</i>				
1 For each of the laws listed below, does the project file contain either documentation of a State determination of "no potential effect", OR concurrence from the agency responsible for administering the law?				
a. Endangered Species Act and Magnuson-Stevens Fishery Conservation and Management Act (essential fish habitat)	Yes			Tab 3A in master file binder
b. National Historic Preservation Act	Yes			Tab 3A in master file binder
c. Wild and Scenic Rivers Act	Yes			Tab 3A in master file binder
d. Coastal Zone Management and Coastal Barriers Resources Act	Yes			Tab 3A in master file binder
e. Farmland Protection Policy Act	Yes			Tab 3A in master file binder
f. Wetland Protection (Executive Order 11990)	Yes			Tab 3A in master file binder
g. Flood Plain Management (Executive Order 11988)	Yes			Tab 3A in master file binder
h. Clean Air Act	Yes			Tab 3A in master file binder
i. Sole-source Aquifers (Safe Drinking Water Act)	Yes			Tab 3A in master file binder

APPENDIX C

Project File Review Checklist
for the Clean Water State Revolving Funds (SRFs)

Review Item and Question to Answer	Required Technical Elements			Comments
	Yes	No	N/A	
2.1 Bid, Procurement, and Construction Contracts				
1 File contains request for proposals or bid announcement	Yes			Loan file, Bid tab
2 File contains evidence that request for proposals or bid announcement was advertised according to state rules	Yes			evidence of advertisements
3 File contains a copy of specifications or construction contracts OR documentation that these items were reviewed by the State	Yes			Bid proposal tab
4 File contains documentation that specifications or construction contracts contain the following required socio-economic cross-cutter language and forms <i>[required for projects in an amount equal to the Federal capitalization grant]</i> :				
a. Disadvantaged Business Enterprise (DBE) good faith efforts	Yes			Specs page 54
b. DBE forms 6100-2, 6100-3 and 6100-4	Yes			Specs page 65 on
c. Equal Employment Opportunity requirements (Executive Order 11246)	Yes			Specs page 58
d. Suspension and Debarment prohibitions (Executive Order 12549)	Yes			Specs page 60
5 File includes documentation that specifications or construction contracts contain the applicable EPA Davis-Bacon grant term and condition <i>[For CWSRF projects, Davis-Bacon requirements only apply to treatment works projects and publicly-owned decentralized treatment projects regulated by a NPDES permit.]</i>	Yes			
a. File includes documentation that specifications or construction contracts contain the applicable Davis-Bacon wage determination(s)	Yes			Final Budget Approval disk: 12-2 contains DB language in the full spec
b. For assistance recipients that are non-governmental entities: File includes documentation that state obtained and reviewed wage determinations prior to bid advertisements to ensure compliance with Davis-Bacon requirements			NA	Specs page 5 on with follow up email attaching the corrected dates wage determination
2.2 Reporting and Ongoing Compliance				
1 File includes information to support project data entered into the CWSRF Benefits Reporting (CBR) database	Yes			Davis Bacon Tab
2 Project file includes semi-annual DBE reports on subcontracting procurement (DBE form 5700-52A or equivalent) <i>[required for projects in an amount equal to the Federal capitalization grant]</i>	Yes			DBE Tab
3 Project file includes documentation from the assistance recipient indicating compliance with Davis-Bacon for each weekly payroll	Yes			wage determination in file. NTP signed 12/14, most current document.
2.3 State Inspections				
1 Project file includes copies of inspection reports prepared by the state or its representative			NA	NTP was just signed and no indication that initial inspection carried out.
2 Inspections were performed at intervals in accordance with the state's procedures (e.g., monthly during construction, quarterly, etc.)			NA	
3 Inspection reports indicate project is in compliance with:			NA	
a. Davis-Bacon requirements			NA	
e. Green Project reserve eligibility (when applicable)			NA	
4 All issues and concerns identified in inspection reports were adequately resolved			NA	

APPENDIX C

Project File Review Checklist
for the Clean Water State Revolving Funds (SRFs)

Required Financial Elements				
Review Item and Question to Answer	Yes	No	N/A	Comments
3.1 Financial Review				
1 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 3 of the master loan binder
3.2 Loan or Bond Purchase Agreement				
1 The loan agreement or bond purchase document:				
a. Is signed by the state and assistance recipient (record date in comments)	Yes			Signed 3/10/14
b. Includes a budget and/or description of eligible costs	Yes			incorporates final budget approval: Of which Pg 1 has budget
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. Includes requirement for the assistance recipient to submit Single Audit Reports [N/A for non-governmental assistance recipients][only required for projects in an amount equal to the grant]	Yes			pg 15 in the loan
g. Requires the assistance recipient to maintain accounting practices in accordance with Generally Accepted Accounting Principals	Yes			pg 15 in the loan
2 The interest rate is in accordance with the state's policies and procedures	Yes			
3 The repayment period is in accordance with the state's policies and procedures:				
a. For loan agreements, repayment period does not exceed 20 years	Yes			
b. For bond purchase documents, repayment periods exceeding 20 years are in accordance with a state extended term financing program approved by EPA			NA	
4 The loan or bond purchase document makes reference to Davis-Bacon requirements	Yes			Exhibit G
3.3 Single Audit Act compliance				
1 The assistance recipient is submitting Single Audit Reports [N/A for a fiscal year if assistance recipient has not expended more than \$500,000 in Federal funds from all sources in the fiscal year, or is a non-equivalency project]			NA	No disbursements yet
a. The state ensured that the assistance recipient addressed findings and resolved any issues identified in a Single Audit Report			NA	

APPENDIX C

Project File Review Checklist
for the Clean Water State Revolving Funds (SRFs)

State: California
Project or Borrower: Yountville

Required Program Elements

Review Item and Question to Answer		Yes	No	N/A	Comments
1.1 Funding Eligibility					
1	File contains an application submitted by the recipient	Yes			Fed ID #94-1622942
2	The assistance recipient and project is eligible for CWSRF assistance	Yes			Recycled water expansion
3	All technical documents required by the state for the type of project have been submitted (preliminary engineering reports, plans & specs, etc.) and reviewed	Yes			Masterfile checklist filled out
1.2 Green Project Reserve (GPR)					
1	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		no		
2	Business case has been posted on State website by the end of the quarter in which the project was funded			No	
1.3 Socio-Economic and Other Cross-Cutters					
1	Project file contains documentation that the assistance recipient agrees to comply with the following [required for projects in an amount equal to the capitalization grant]:				
	a. Equal Employment Opportunity requirements (Executive Order 11246)	Yes			E4 Of Loan Contract
	b. Suspension and Debarment prohibitions (Executive Order 12549)	Yes			E1 Of Loan Contract
	c. Disadvantaged Business Enterprise requirements	Yes			E2 Of Loan Contract
1.4 State Environmental Review					
1	Project File includes the following, as appropriate [Note: may be included in the Preliminary Engineering Report or Facilities Plan]:				
	a. Discussion of required mitigation measures	yes			Tab 5A in master file Binder Pg 8 and 9
	b. Analysis of other sites and/or other projects considered	Yes			Tab 5A in master file Binder Pg 3
2	The project is subject to the State Environmental Review Process (SERP) [N/A for nonpoint source projects]:	yes			
	a. For projects subject to the SERP, file includes an Environmental Information Document (EID) from the assistance recipient [N/A for projects receiving a Categorical Exclusion]:	Yes			IS/MND
3	File contains the state's decision memo (with environmental assessment, as applicable) documenting one of the following:				
	a. Decision to classify the project as a Categorical Exclusion (CE or CatEx)		No		
	b. Decision to grant a Finding of No Significant Impact (FNSI or FONSI)	Yes			IS/MND
	c. Decision to require an Environmental Impact Statement (EIS)		No		
4	File includes Environmental Impact Statement and accompanying Record of Decision [N/A for projects receiving a Categorical Exclusion or Finding of No Significant Impact]	Yes			Tab 5A in master file binder
5	File includes evidence of public notification, as required:				
	a. State environmental decision memo received public notification or an announcement was distributed to a list of interested parties and agencies, as specified in the SERP	Yes			Tab 5A in master file binder
	b. The comment period was in accordance with state procedures	Yes			Tab 5A in master file binder
	c. The state addressed all comments.	Yes			Tab 5A in master file binder

APPENDIX C

Project File Review Checklist
for the Clean Water State Revolving Funds (SRFs)

Required Program Elements

Review Item and Question to Answer		Yes	No	N/A	Comments
1.5	Environmental Cross-Cutters <i>[required for projects in an amount equal to the capitalization grant, including projects not subject to the SERP and projects receiving a categorical exclusion]:</i>				
1	For each of the laws listed below, does the project file contain either documentation of a State determination of "no potential effect", OR concurrence from the agency responsible for administering the law?				
	a. Endangered Species Act and Magnuson-Stevens Fishery Conservation and Management Act (essential fish habitat)	Yes			Tab 5A in master file binder
	b. National Historic Preservation Act	Yes			Tab 5A in master file binder
	c. Wild and Scenic Rivers Act	Yes			Tab 5A in master file binder
	d. Coastal Zone Management and Coastal Barriers Resources Act	Yes			Tab 5A in master file binder
	e. Farmland Protection Policy Act	Yes			Tab 5A in master file binder
	f. Wetland Protection (Executive Order 11990)	Yes			Tab 5A in master file binder
	g. Flood Plain Management (Executive Order 11988)	Yes			Tab 5A in master file binder
	h. Clean Air Act	Yes			Tab 5A in master file binder
	i. Sole-source Aquifers (Safe Drinking Water Act)	Yes			Tab 5A in master file binder

APPENDIX C

Project File Review Checklist
for the Clean Water State Revolving Funds (SRFs)

Review Item and Question to Answer	Required Technical Elements			Comments
	Yes	No	N/A	
2.1 Bid, Procurement, and Construction Contracts				
1 File contains request for proposals or bid announcement	Yes			On a flash drive with PM
2 File contains evidence that request for proposals or bid announcement was advertised according to state rules	Yes			
3 File contains a copy of specifications or construction contracts OR documentation that these items were reviewed by the State	Yes			
4 File contains documentation that specifications or construction contracts contain the following required socio-economic cross-cutter language and forms [required for projects in an amount equal to the Federal capitalization grant]:				
a. Disadvantaged Business Enterprise (DBE) good faith efforts	Yes			DBE tab in LAF file Also in addendum 2 to the bid specs on flash drive
b. DBE forms 6100-2, 6100-3 and 6100-4	Yes			DBE tab in LAF file
c. Equal Employment Opportunity requirements (Executive Order 11246)		No		No mention
d. Suspension and Debarment prohibitions (Executive Order 12549)		No		No mention
5 File includes documentation that specifications or construction contracts contain the applicable EPA Davis-Bacon grant term and condition [For CWSRF projects, Davis-Bacon requirements only apply to treatment works projects and publicly-owned decentralized treatment projects regulated by a NPDES permit.]	Yes			On Flash drive in Bid specifications document
a. File includes documentation that specifications or construction contracts contain the applicable Davis-Bacon wage determination(s)	Yes			
b. For assistance recipients that are non-governmental entities: File includes documentation that state obtained and reviewed wage determinations prior to bid advertisements to ensure compliance with Davis-Bacon requirements			NA	
2.2 Reporting and Ongoing Compliance				
1 File includes information to support project data entered into the CWSRF Benefits Reporting (CBR) database	Yes			
2 Project file includes semi-annual DBE reports on subcontracting procurement (DBE form 5700-52A or equivalent) [required for projects in an amount equal to the Federal capitalization grant]	Yes			Provided upon request from the PM
3 Project file includes documentation from the assistance recipient indicating compliance with Davis-Bacon for each weekly payroll		No		State has Provided the recipient a list of corrective measures needed
2.3 State Inspections				
1 Project file includes copies of inspection reports prepared by the state or its representative	Yes			Pre-construction meeting held and onsite DB inspection held
2 Inspections were performed at intervals in accordance with the state's procedures (e.g., monthly during construction, quarterly, etc.)	Yes			
3 Inspection reports indicate project is in compliance with:				
a. Davis-Bacon requirements		No		
e. Green Project reserve eligibility (when applicable)		NA		DB inspection only, Construction inspection to be held later in accordance with the states procedures
4 All issues and concerns identified in inspection reports were adequately resolved			NA	State has notified recipient of corrections needed in a letter dated February 3rd. Recipient has 45 days to cor

APPENDIX C

Project File Review Checklist
for the Clean Water State Revolving Funds (SRFs)

Required Financial Elements				
Review Item and Question to Answer	Yes	No	N/A	Comments
3.1 Financial Review				
1 File includes documentation that the applicant underwent a financial capability review [may be N/A for projects receiving 100% principal forgiveness or grant]	Yes			Masterfile binder checklist indicates all reviews done. Tabs of interest 3 and 7
3.2 Loan or Bond Purchase Agreement				
1 The loan agreement or bond purchase document:				
a. Is signed by the state and assistance recipient (record date in comments)	Yes			10/23/2013
b. Includes a budget and/or description of eligible costs	yes			exhibit B1 in loan doc and final budget checklist
c. Includes the interest rate	yes			Exhibit B1
d. Includes the fee rate (if applicable)	Yes			Exhibit B1
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 C1
f. Includes requirement for the assistance recipient to submit Single Audit Reports [N/A for non-governmental assistance recipients][only required for projects in an amount equal to the grant]	Yes			pg 15 in the loan
g. Requires the assistance recipient to maintain accounting practices in accordance with Generally Accepted Accounting Principals	Yes			pg 15 in the loan
2 The interest rate is in accordance with the state's policies and procedures	yes			
3 The repayment period is in accordance with the state's policies and procedures:				
a. For loan agreements, repayment period does not exceed 20 years	yes			
b. For bond purchase documents, repayment periods exceeding 20 years are in accordance with a state extended term financing program approved by EPA			NA	
4 The loan or bond purchase document makes reference to Davis-Bacon requirements	Yes			Exhibit G
3.3 Single Audit Act compliance				
1 The assistance recipient is submitting Single Audit Reports [N/A for a fiscal year if assistance recipient has not expended more than \$500,000 in Federal funds from all sources in the fiscal year, or is a non-equivalency project]			NA	Just crossed threshold so report will be published next year
a. The state ensured that the assistance recipient addressed findings and resolved any issues identified in a Single Audit Report			NA	