

# Helping Achieve the Goal of Clean Water *..financially*

**Clean Water State Revolving Fund**  
Annual Report | 2010-2011

**STATE FISCAL YEAR 2010/2011**  
(July 1, 2010 - June 30, 2011)

## **Our Vision**

A sustainable California made possible  
by clean water and water availability for both human  
uses and environmental resource protection.



## **Our Mission**

To preserve, enhance, and restore the quality of California's  
water resources, and ensure their proper allocation and efficient  
use, for the benefit of present and future generations.



# About the State and Regional Water Boards

The State Water Resources Control Board (State Water Board) was created in 1967. The mission of the State Water Board is to ensure the state's water quality and to balance its beneficial uses. Its comprehensive authority over allocation, planning, and enforcement enables the State Water Board to protect California's water quality.

The State Water Board consists of five, full-time salaried Members, each filling a different specialty position. Each board member is appointed to a four-year term by the Governor and confirmed by the Senate.

There are nine Regional Water Quality Control Boards (Regional WaterBoards). The mission of the Regional Water Boards is to develop and enforce water quality objectives and implement plans that protect the beneficial uses of the state's waters, recognizing local differences in climate, topography, geology, and hydrology.

Each Regional Water Board has nine, part-time Members also appointed by the Governor and confirmed by the Senate. Regional Water Boards develop "basin plans" for their hydrologic areas, issue waste discharge permits, take enforcement action against violators, and monitor water quality.

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## I. INTRODUCTION

This is the California Clean Water State Revolving Fund (CWSRF) Program's Annual Report for State Fiscal Year (SFY) 10/11 (July 1, 2010 through June 30, 2011). California provided \$411.5 million in low cost financing to 33 projects in SFY 10/11 that represent a wide variety of projects eligible for the CWSRF Program. This report describes how the State Water Resources Control Board (State Water Board) met the objectives for the Program identified in the SFY 10/11 Intended Use Plan (IUP).

## II. PROGRAM SUMMARY

The federal Clean Water Act provides states the opportunity to establish a CWSRF Program to help each state achieve the goal of clean water. The CWSRF is capitalized with federal and state funds. The CWSRF provides affordable financing for 1) construction of publicly owned wastewater infrastructure, 2) addressing non-point sources (NPS) of pollution, and 3) development and implementation of plans to protect important estuaries. Further information about the Program can be found at the State Water Board's – Grants and Loans site at [http://www.waterboards.ca.gov/water\\_issues/programs/grants\\_loans/](http://www.waterboards.ca.gov/water_issues/programs/grants_loans/).

The CWSRF has protected and promoted the health, safety, and welfare of Californians since 1989. Many CWSRF financing recipients use their financing to address water quality violations and the associated enforcement actions by the Regional Water Boards. Every project financed by the CWSRF is directly related to improving water quality or public health.

The revolving nature of the CWSRF Program creates asset and revenue growth. As of June 30, 2011, the total available to the CWSRF for financial assistance since inception of the Program was \$5.792 billion including funds from the American Recovery and Reinvestment Act of 2009 (ARRA). The State Water Board committed approximately 98.7 percent of all available funds to projects through an executed financing agreement (binding commitment). The State Water Board disbursed about 90 percent of all available funds to financing recipients as of June 30, 2011. Cumulative Program activity from inception through SFY 10/11 is shown in Table 1 below.

<b>Table 1: Cumulative Program Activity <sup>1</sup></b>	
<b>Activity</b>	<b>Life of Program</b>
Number of Financing Agreements	608
Value of All Financing Agreements	\$5.717 billion <sup>2</sup>
Disbursements Processed	\$5.002 billion <sup>2</sup>
Balance of Financing Agreements	\$715 million <sup>2</sup>

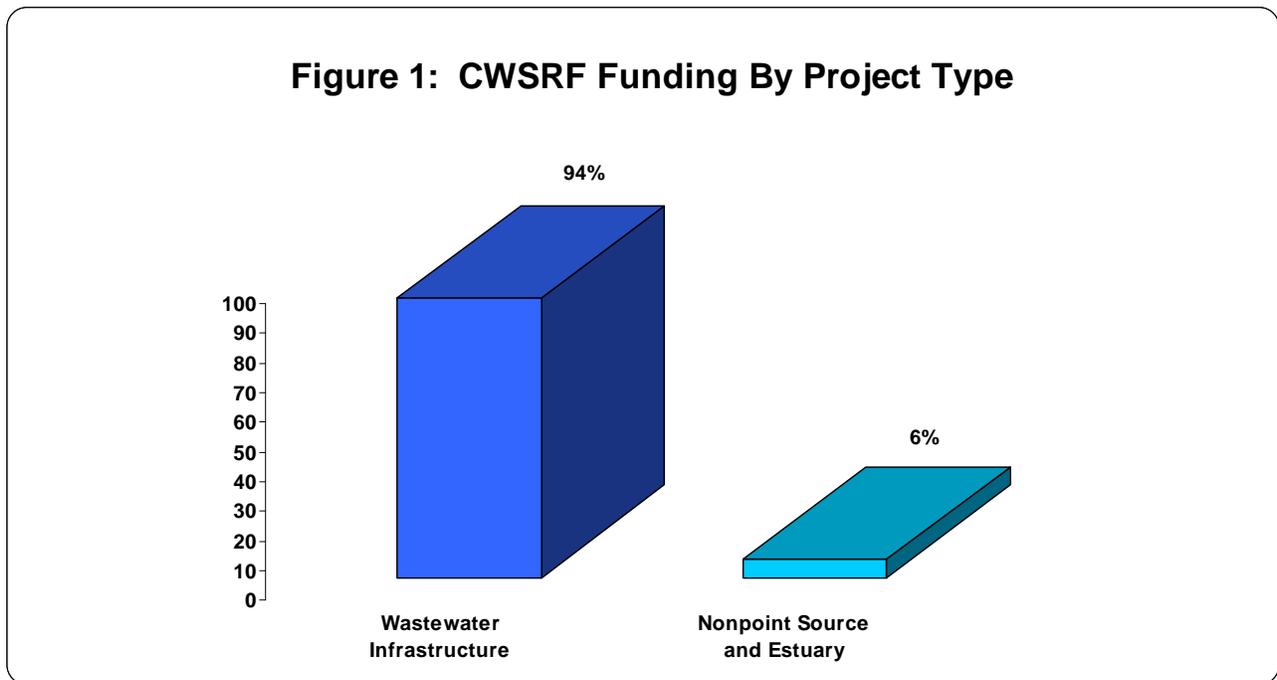
<sup>1</sup> Program activity includes matching funds provided by financing recipients.

<sup>2</sup> Amount includes ARRA funds.

Over the next several years, the State Water Board plans to disburse the outstanding balance of the existing commitments, depending on the construction or implementation schedules of the projects financed. The CWSRF Program will use assets not restricted for other purposes and future revenue to fulfill these commitments. Future revenue includes repayments from existing receivables, federal capital contributions, state capital contributions, and investment earnings.

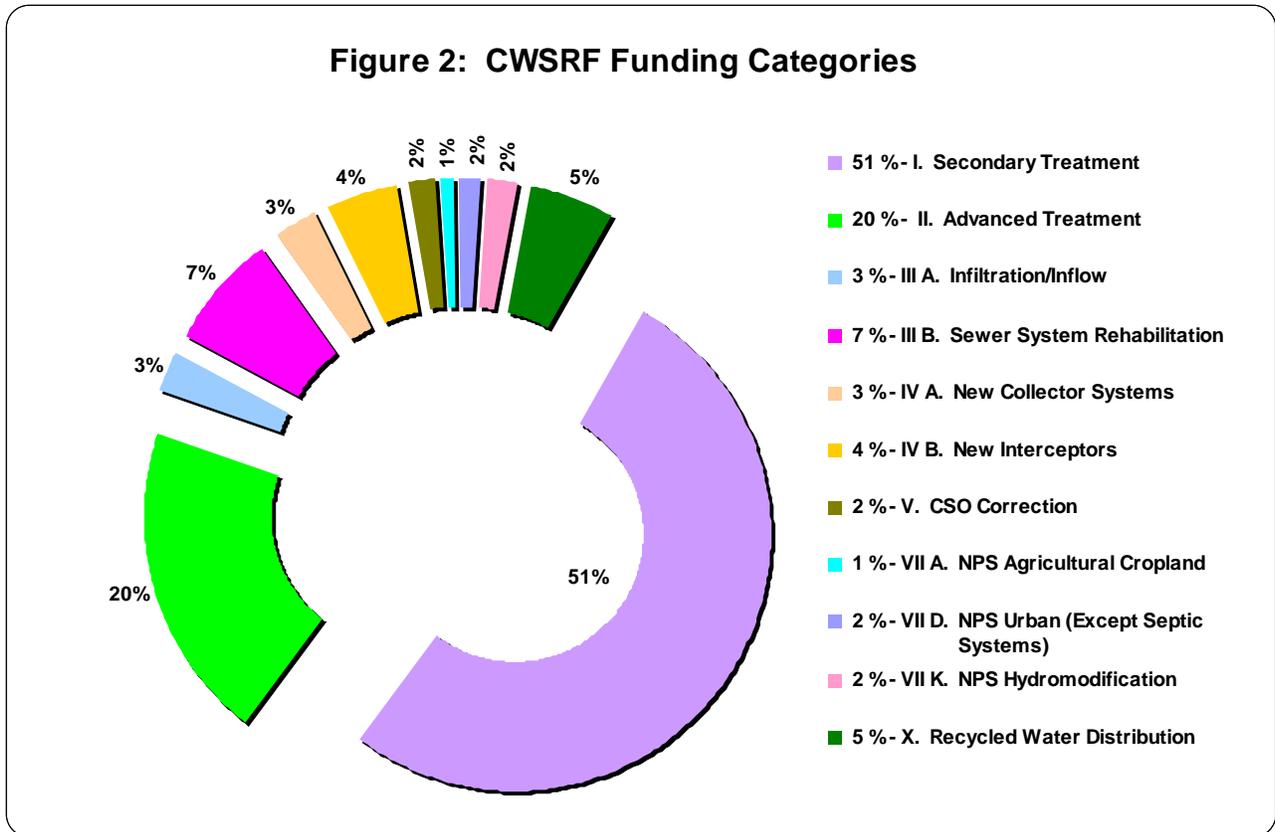
The State Water Board operates the CWSRF Program on a cash flow basis. State Water Board staff is continually accepting, reviewing, and approving applications for new projects. The CWSRF can also leverage its revenue if necessary to finance projects. The CWSRF accepts applications continuously, and State Water Board staff is currently working with numerous applicants to make additional commitments in SFY 11/12. The CWSRF IUP, updated at least yearly, forecasts the projects likely to be financed over the short term. The [amended SFY 10/11 IUP](#) provides the Board’s most recent forecast of financing activity.

The CWSRF is used for a broad range of projects. Figure 1 illustrates the breakdown of funding for the two main categories of projects: 1) wastewater infrastructure, 2) non-point and estuary source pollution prevention and reduction projects. Non-point source and estuary funding are combined into one category in Figure 1 because they are closely related.



As seen in Figure 1, most funds were used to construct and improve wastewater infrastructure. Since inception of the Program, about \$5.236 billion was spent on wastewater infrastructure. The State Water Board is also a leader in using CWSRF funds for non-point source (NPS) and estuary projects. Although this is currently the smallest overall use of the CWSRF, about \$318 million was spent on NPS and estuary projects.

Figure 2 (below) provides a further breakdown of the main categories of projects. The top six uses, accounting for approximately 90 percent of the funds used, are all infrastructure categories. This demonstrates the CWSRF’s vital role in maintaining California’s water quality infrastructure.



### III. PROGRAM GOALS AND FINANCIAL RESULTS

#### A. Short-Term Goals

The State Water Board established the following short-term goals in the IUP for SFY 10/11. The SFY 10/11 IUP was originally adopted on [August 3, 2010](#), and amended on [May 17, 2011](#). This section discusses the results of the CWSRF Program's efforts to meet those goals.

##### 1. Prepare and review cash management reports

Good cash flow management requires careful and regular monitoring of disbursements and receipts. State Water Board staff reviews management reports at its periodic internal finance/audit committee meetings that summarize the CWSRF's current finances.

State Water Board staff also routinely monitors cash flow as part of the financing approval process. The effect of the estimated disbursements of each project on the Program's overall cash flow is analyzed before financing is approved for the project.

##### 2. Continue regular finance/audit committee meetings

State Water Board staff conducted finance/audit committee meetings on November 4, 2010 and April 29, 2011. Standing topics at these meetings included:

- Reviewing cash flow of projects under contract, three and six month cash flow projections, and cash flow needs for upcoming projects.
- Comparing actual performance with target performance measures.
- Reviewing audit issues, program control issues, and plan for upcoming audits.

##### 3. Contract with a professional financial advisor

The State Water Board contracted with a professional financial advisor, Public Financial Management, Inc. (PFM), in May 2010 to provide specialized expertise in financial planning and management for the CWSRF Program, such as planning for future revenue bond sales, implementing alternative forms of financing, refining cash flow forecasting, and developing a debt management policy. State Water Board staff met with PFM on August 31 and September 1, 2010 and April 14, 2011 to discuss the Program's current financial needs and the state of the municipal bond market (to evaluate leveraging opportunities).

#### **4. Accept additional capitalization grants**

The State Water Board submitted its federal fiscal year (FFY) 2010 Capitalization Grant application on March 19, 2010. The United States Environmental Protection Agency (US EPA) awarded the grant for \$145,721,000 to the State Water Board on August 27, 2010. The State Water Board will provide the necessary state match through excess state bond funds and local match contributions to the Program.

#### **5. Apply for additional capitalization grants**

The FFY 2011 Grant agreement award is \$105,571,800. The State Water Board submitted its grant application to US EPA on May 20, 2011. The Grant was awarded to the State Water Board on September 1, 2011. The State Water Board will provide the necessary state match through excess state bond and local match contributions to the Program.

#### **6. Prepare Annual Report and Audit for SFY 10/11**

Audited financial statements for the year ending June 30, 2011 will be completed by September 30, 2011 and will be made available on the Board's Web site. This report and the audited financial statements complete the Annual Report requirement for SFY 10/11.

#### **7. Complete Standard Operating Procedures Manual**

Work on compiling the Standard Operating Procedures Manual has been suspended due to other workload priorities. In SFY 11/12 State Water Board staff will reassess the timing of this activity.

#### **8. Provide funds for projects that support the Water Boards' priorities**

Section IV and Exhibit B provide further details about the projects funded by the CWSRF Program in SFY 10/11.

#### **9. Develop and amend SFY 10/11 IUP and 10/11 Project Priority List**

Business planning for the CWSRF is a regular process. State Water Board staff work closely with the Division of Water Quality (DWQ), the Regional Water Boards, and stakeholders to ensure that the highest priorities are identified in the IUP.

The State Water Board adopted the SFY 10/11 Project Priority List on June 15, 2010; the List was amended by the Executive Director on April 12, 2011. The State Water Board adopted the SFY 10/11 IUP on August 3, 2010; the IUP was amended by the Board on May 17, 2011. The SFY 10/11 IUP and Priority List guided the marketing and assistance efforts of the CWSRF in SFY 10/11.

## **10. Complete quadrennial Clean Watersheds Needs Survey (CWNS)**

The CWNS provides basic information about the market and need for CWSRF financing. The State Water Board completed its input of data for the 2008 CWNS on March 20, 2009. US EPA published the results of the 2008 CWNS on June 2, 2010. The published results can be viewed at

<http://water.epa.gov/scitech/datait/databases/cwms/upload/cwms2008rtc.pdf>

## **11. Participate in Pilot Technical Assistance Program for Sustainable Communities**

On June 16, 2009, US EPA, Department of Transportation, and Department of Housing and Urban Development formed the Partnership for Sustainable Communities. An element in the Partnership is technical assistance from US EPA to State CWSRF programs to help them revise their programs to support more efficient investments. State Water Board was one of three states approved for technical assistance from US EPA. Board staff held a kick-off meeting with US EPA and numerous stakeholders on February 17, 2011 in Sacramento. Work on the Pilot Technical Assistance Program for Sustainable Communities is on-going, and is expected to be completed in SFY 11/12.

## **12. Report activities supporting US EPA Strategic Plan**

During SFY 10/11, the State Water Board continued to report activities that support US EPA strategic goals via its CWSRF Annual Report, Clean Water Benefits Reporting System (CBR), and Clean Water National Information Management System (CW NIMS). State Water Board staff will begin reporting via the Federal Funding Accountability and Transparency Act (FFATA) Reporting System after receipt of the FFY 2011 Capitalization Grant.

## **13. Provide 20 percent of CWSRF funds in the form of Extended Term Financing (ETF)**

ETF makes financing more affordable for small, disadvantaged communities by reducing debt service by approximately 25 percent. The Board provided 26 percent of its CWSRF financing during SFY 10/11 in the form of ETF.

## **14. Application Process Improvements**

During SFY 10/11 there were minimal process changes. Revising and updating the application were delayed due to higher priority work, but work on this goal is expected to resume during SFY 11/12.

## **15. Amend CWSRF Policy**

Work on a Policy amendment is on-going, with a target completion date of April 2012.

## **16. Stakeholder Advisory Group (SAG)**

The purpose of the SAG is to provide stakeholders an opportunity to advise CWSRF Program staff in the following areas: setting program funding priorities, setting performance measures, and making changes to the program to maintain and enhance water quality; making operational improvements and developing program regulations; implement lower interest rate and extended term financing; marketing, business development, and financial forecasting.

State Water Board staff conducted two meetings with the SAG by conference calls on July 7, 2010 and February 23, 2011. The agenda discussion items primarily focused on Davis-Bacon requirements, SFY 10/11 IUP and ARRA cost redirection.

## **17. Marketing and Outreach**

State Water Board staff participated in five California Financing Coordinating Committee (CFCC) funding fairs during SFY 10/11 from March 2011 to May 2011. The funding fairs provided members of the public and infrastructure development professionals current information on funding options available for different project types.

State Water Board staff attended and participated in the Sacramento Native American Day, Tribal Advisory Committee (TAC) meeting, California Tribes and Tribal Organization event, the 19<sup>th</sup> Annual Region 9 Tribal EPA Conference, and the California Water Environment Association (CWEA) Industry Partner Tables gathering.

## **B. Long-Term Goals**

In its SFY 10/11 IUP, California identified the following long-term goals. This section discusses the results of the CWSRF Program's efforts to meet these goals.

### **1. Maximize cash flow management**

Ideally disbursements should match receipts for the CWSRF Program, less a minimum balance comprised of restricted assets and cash (\$25 million minimum cash balance), to get the most water quality benefit from the funds available to the CWSRF Program. Historically, applicants do not request disbursements as quickly as originally planned. This lag can cause the cash balance to increase in the CWSRF account.

The State Water Board during SFY 10/11 made commitments equal to 98.7 percent of available funds to compensate for the gap between planned and actual disbursements. Staff monitored fund balance trends through its management reports and finance/audit committee meetings to ensure that fund balances are not increasing and that sufficient funds are available to fulfill disbursement requests.

Staff also continued to monitor project disbursement levels relative to the elapsed construction time, and periodically reviewed projects to ensure that final disbursements are made no later than six months after completion of construction to ensure that funds are disbursed in a timely manner.

## **2. Effectively use revenue and new capital**

The CWSRF has sizeable revenue that can be leveraged to fund more projects at current costs and address California's large water quality needs. The Program did not need additional capital this year. Staff are closely monitoring cash flow and financing forecasts to see whether additional capital will be needed to fund future projects.

## **3. Maintain financial integrity**

The State Water Board continued its credit review procedures this year to ensure that loans are repaid on time and in full. The State Water Board analyzes each applicant's financial capabilities and may impose special conditions on applicants to lower their default risk. Recipients may be required to provide ongoing financial information after loan closing or to complete public outreach if there was significant disapproval during the public rate setting process. State Water Board staff also maintained its "watch list" of financing recipients and potential applicants that show signs of financial weakness.

All supervisors and managers associated with the Program are required yearly to file a "Statement of Economic Interest" with the California Fair Political Practices Commission, and complete mandatory ethics training biennially.

Financial statements are being prepared by State Water Board staff and audited by an independent auditor. A copy of the audited financial statements will be posted on the CWSRF web site once the independent auditor, Clifton-Gunderson LLP, completes its audit in accordance with Government Auditing Standards.

## **4. To achieve statewide compliance with water quality objectives and maximize the environmental benefits from CWSRF funded projects**

The State Water Board continued its efforts to set and enforce water quality objectives. The State Water Board provided financial assistance from the CWSRF to correct both point and non-point source pollution problems to help meet these objectives. The environmental benefits of the projects financed by the CWSRF during SFY 10/11 are summarized in Section IV of this report.

## **5. Finance infrastructure that support U.S. EPA's Sub-Objective 2.2.1 (Improve Water Quality on a Watershed Basis)**

CWSRF financed approximately \$411.5 million of infrastructure improvements during the previous year that support the Regional Water Boards' efforts to implement water quality control plans in their respective regions. Water quality control plans are developed on a watershed basis.

**6. Assist with the State Water Board's [Plan For California's Nonpoint Source Pollution Control Program](#) and estuary [Comprehensive Conservation and Management Plans](#)**

The State Water Board financed two projects in SFY 10/11 to address non-point pollution, storm water, and estuaries – the Yolo County Flood Control and Water Conservation District (Capay Diversion Dam Rehabilitation Project) and the Yurok Tribe (Klamath Timberland Acquisition Project). Section IV and Exhibit B provide further detail about these projects.

**7. Provide good service with a special emphasis on Disadvantaged Communities (DACs)**

The State Water Board adopted Resolution No. 2008-0048 to promote strategies to assist small and/or DACs with wastewater needs. The resolution references the Small Community Wastewater Strategy. The Strategy provides an overview of the problems faced by Small Disadvantaged Communities (SDACs) and proposed solutions to address those problems.

The State Water Board previously entered into a contract with Rural Community Assistance Corporation (RCAC) to provide wastewater-related training to SDACs statewide. This assistance helps improve SDAC's compliance and ensure that funds available through the State Water Board are used as effectively as possible in implementing practical, cost-effective wastewater projects that will be adequately maintained over the long term. However, a contract extension was not approved, and this contract expired June 30, 2011. All the training materials produced in association with this contract, including recordings of the online training sessions, are still available online. If future resources permit, the State Water Board may solicit bids for a new training contract.

State Water Board staff has advertised an Invitation for Bids (IFB) to provide technical assistance to small and/or DACs. Technical assistance efforts will be tailored to the needs of individual communities, focusing on the following general areas of concern: preparation of financial assistance applications; design and operational solutions, including compliance assistance; community outreach and education; fiscal management and accountability; capital improvement planning and asset management; rate setting and the Proposition 218 process.

**8. Develop clear, flexible, and innovative application procedures**

Development of a transparent and uniform application with instruction booklet proceeded slowly during SFY 10/11 due to other workload priorities. During SFY 10/11, State Water Board staff will continue its efforts to revamp the Clean Water State Revolving Fund/Small Community Wastewater/Water Recycling Application Package.

## 9. Ensure staff is well trained and ready to help communities resolve technical and financial issues

The CWSRF management conducted monthly staff meetings to ensure that staff received up-to-date information about the current policies and procedures affecting the CWSRF Program. In addition, staff received training sessions regarding ARRA topics and pertinent financing documents.

## C. Operating Agreement and Capitalization Grant Conditions

The State Water Board agreed to a number of conditions in the Operating Agreement and the Federal Capitalization Grant Agreements. These conditions were met as described below.

### 1. Assistance Activity

A total of \$411.5 million was financed in SFY 10/11. Approximately 94 percent went to sewers, collection systems, or wastewater recycling; six percent went to NPS projects.

In SFY 10/11, 33 of the 123 projects listed in the IUP were funded (see Exhibit C for the reasons that projects listed in the IUP were not funded). High demand for water quality improvement funding in California requires the State Water Board to fund projects on a ready-to-proceed basis and substitute projects as needed. The reason(s) projects in the IUP do not get funded is typically one or more of the following:

- Change to the project's scope or objectives
- Application requires additional studies, more documentation, and/or more hearings
- Changes in design
- Delays in the bidding process
- Financed with other (non-CWSRF) financing
- Application withdrawn
- Funded as part of another CWSRF financing agreement

### 2. Eligible Categories of Projects and Financing Terms

The State Water Board provided funding for all eligible categories of projects. The types of assistance include installment sales agreements and purchase of debt for the construction of treatment works or implementation of non-point source or estuary projects.

Principal forgiveness was provided to those applicants that met the conditions specified by the State Water Board in the [SFY 10/11 IUP](#) (Section III and Table 4).

The State Water Board offered planning financing during SFY 10/11. Planning financing is amortized over five years unless rolled into a construction financing

agreement. Construction or implementation financing is generally amortized for periods up to 20 years, but can be amortized over as much as 30 years for SDACs. The terms associated with financial assistance vary by applicant and the date the project is approved.

The interest rate applied to financing agreements is established at the time the project is approved. The interest rate generally will be one-half the state's most recent general obligation bond rate, rounded up to the nearest one-tenth of a percent. SDACs may receive lower interest rates upon approval by the State Water Board and/or under certain conditions where necessary to make a project affordable.

The CWSRF is over-matched at this point as explained below. Therefore, the State Water Board did not offer the match financing option during SFY 10/11.

### **3. Provide a State Match**

The State Water Board meets its match requirement by identifying state funds equal to at least 20 percent of each capitalization grant amount. As of the end of SFY 10/11, the total of the capitalization grants awarded to the State Water Board was \$2.454 billion. Of this amount, \$280 million did not require the 20 percent match because the funds were from ARRA. As of June 30, 2011, the State Water Board drew \$2.053 billion in CWSRF federal grants that required a 20 percent match. The required match for the federal grants drawn by the State Water Board was \$411 million.

California uses a combination of state general obligation bonds repaid outside the CWSRF and funds contributed by applicants to the CWSRF to meet the 20 percent match requirement. A total of \$624 million in matching funds has been contributed to the CWSRF. Therefore, California contributed \$213 million more to the CWSRF than is required to match grants drawn as of June 30, 2011. (Note: The National Information Management System (NIMS) Report includes all state match contributed to the CWSRF.)

### **4. Binding Commitments Within One Year**

The State Water Board must make binding commitments, in the form of executed financing agreements, to provide assistance in an amount equal to 120 percent of each federal quarterly payment within one year of that payment. As of June 30, 2011, executed binding commitments totaled \$5.717 billion, or 233 percent of the \$2.454 billion in federal payments received as of June 30, 2011.

### **5. Expeditious and Timely Expenditure**

Numerous factors contribute to meeting this objective. The State Water Board's standard practice is to encumber federal funds before other sources of funds. The State Water Board also set a goal in its SFY 10/11 IUP to over commit available funds by 105 percent. Both factors contribute to the goal of efficiently using cash available to the Program.

Expenditure (disbursement) of CWSRF funds begins soon after a binding commitment is made. Financing recipients request disbursements to cover past planning and design costs. These requests are quickly followed by requests for disbursement of construction costs. Financing recipients can request disbursements as often as they like.

Disbursement requests are processed on a strict timeframe to ensure timely expenditure. State Water Board staff review and approve disbursement requests within 30 calendar days after receipt. The request is then transmitted to the State Water Board's accounting department. The accounting department processes the request within seven calendar days after receipt and transmits the request to the State Controller's Office (SCO). The SCO then has 10 calendar days to issue the warrant (check) to the applicant.

The State Water Board draws federal funds from the US Treasury via the Automated Standard Application for Payments (ASAP) system as warrants are issued by the SCO. Draw requests are made within one week of a warrant being issued. ASAP is a request and delivery system of federal funds developed by the Financial Management Service of the US Treasury and the Federal Reserve Bank. By using ASAP, the State Water Board is able to draw funds from US EPA for expenditures incurred by the CWSRF in an expeditious and timely manner. Requested funds are deposited electronically the next business day to the account(s) specified by the State Water Board.

Federal draws are requested through ASAP on a monthly basis for the prior month's administration costs.

One way to measure the expeditious and timely expenditure of funds is to compare the amount of federal funds disbursed (drawn from the US Treasury) with the total federal payments and grant awards to the State Water Board. As of June 30, 2011, \$2.285 billion in federal funds were disbursed. The CWSRF Program received \$2.454 billion in federal payments and \$2.454 billion in federal grant awards. Therefore, as of June 30, 2011, 93.1 percent of the total federal payments were disbursed and 93.1 percent of the total federal grant awards were disbursed.

State Water Board staff also periodically compares the rate at which applicants are requesting disbursements with the progress of construction on their projects. Applicants are given appropriate reminders if they appear to be falling behind with their projected requests for disbursement.

## **6. First Use of Funds for Enforceable Requirements**

California met the first-use requirement by providing financial assistance to those projects on its National Municipal Policy (NMP) list that do not meet any of the criteria under part III.B.5. (pp 11-12 of US EPA's "Initial Guidance for State Revolving Funds"). The state ensured that all listed projects are on enforceable schedules. California's program has now been expanded to other water quality needs.

## **7. Eligible Activities**

California requires each applicant to submit a detailed application to ensure that US EPA's eligibility requirements are followed. All activities financed were eligible under Section 212, Section 319, or Section 320 of the CLEAN WATER ACT.

## **8. Disabled Business Enterprise (DBE) Objectives and Davis-Bacon Requirements**

The State Water Board negotiated a total fair share DBE objective with the US EPA beginning FFY 2007 for the CWSRF Program. The objective was 24.0 percent for minority owned business enterprises (MBE) and 6.0 percent for women owned business enterprises (WBE) participation for a combined 30.0 percent goal. The participation on CWSRF financing agreements reported by financing recipients in SFY 10/11 was 2.65 percent for MBE and 1.08 percent for WBE. The overall DBE participation was 3.73 percent. While not meeting the actual goal, the State Water Board met 12.4 percent of the combined goal. Exhibit A provides a detailed analysis of DBE participation. The State Water Board will continue to monitor participation to ensure that the "positive effort process" is followed by financing recipients.

All projects financed during SFY 10/11 were required to comply with Davis-Bacon prevailing wage requirements. Each financing agreement included provisions requiring applicants to follow Davis-Bacon requirements. Staff reviews reports and verifies that sub-recipients have complied with all Davis-Bacon requirements. Staff maintains tracking mechanisms to ensure that federal quarterly baseline monitoring requirements are met. Records of all documents and site inspection reports are maintained in the project files. State Water Board staff review the quarterly site inspection reports annually to determine if the number of site inspections is satisfactory and modifications to the control activities are needed.

Program and Accounting staff meet bi-monthly to discuss financial, accounting, and control issues related to the Program such as DBE and Davis Bacon.

## **9. Use of Capitalization Grant Administration Allowance**

A portion of the CWSRF may be used for administration of the Program. Up to 4.0 percent of the amount in capitalization grants awarded to the Program may be used for administration. Total capitalization funds awarded to the State Water Board as of June 30, 2011 equal \$2.454 billion.

The administration cost (administrative expenses) incurred during SFY 10/11 was \$4.891 million. This included Personnel Services of \$2.511 million, Operating Expenses of \$2.365 million, and Bond Fees of \$15 thousand. As of June 30, 2011, the cumulative total for administration cost is \$89 million. The maximum available for administration from the capitalization grants is \$98 million. Therefore, cumulatively 3.66 percent of the capitalization grants total has been incurred in administering the Program. The balance available for future

administrative expenses from the 4.0 percent administrative set-aside is \$8.747 million.

The administrative expenses for SFY 99/00 through SFY 10/11 are shown in Table 2 below.

Table 2: Administrative Expenses for SFY 1999/2000 through 2010/2011								
FFY Grant Year	Capitalization Grant Amount	4% Admin. Allowance	Actual Admin. Costs	Difference between Allowance and Expenses	Admin. Surplus	Cumulative Grant Amount including in kind	Cumulative Admin. Costs	Percent of Grant
2000	\$ 95,987,727	\$ 3,839,509	\$ 4,099,786	\$ (260,277)	\$ 10,259,772	\$ 1,329,586,055	\$ 42,923,670	3.23%
2001	\$ 95,134,446	\$ 3,805,378	\$ 4,851,968	\$ (1,046,590)	\$ 9,213,182	\$ 1,424,720,501	\$ 47,775,638	3.35%
2002	\$ 95,346,405	\$ 3,813,856	\$ 5,251,394	\$ (1,437,538)	\$ 7,775,644	\$ 1,520,066,906	\$ 53,027,032	3.49%
2003	\$ 94,726,665	\$ 3,789,067	\$ 4,168,440	\$ (379,373)	\$ 7,396,271	\$ 1,614,793,571	\$ 57,195,472	3.54%
2004	\$ 94,783,887	\$ 3,791,355	\$ 4,274,162	\$ (482,807)	\$ 6,913,464	\$ 1,709,577,458	\$ 61,469,634	3.60%
2005	\$ 82,745,541	\$ 3,309,822	\$ 4,102,135	\$ (792,313)	\$ 6,121,151	\$ 1,792,322,999	\$ 65,571,769	3.66%
2006	\$ 46,383,876	\$ 1,855,355	\$ 3,422,947	\$ (1,567,592)	\$ 4,553,559	\$ 1,838,706,875	\$ 68,994,716	3.75%
2007	\$ 92,791,710	\$ 3,711,668	\$ 4,540,867	\$ (829,199)	\$ 3,724,360	\$ 1,931,498,585	\$ 73,535,583	3.81%
2008	\$ 329,208,091	\$ 13,168,324	\$ 4,009,832	\$ 9,158,492	\$ 12,882,852	\$ 2,260,706,676	\$ 77,545,415	3.45%
2009	\$ 48,667,707	\$ 1,946,708	\$ 7,019,543	\$ (5,072,835)	\$ 7,810,017	\$ 2,309,374,383	\$ 84,564,958	3.65%
2010	\$ 145,721,000	\$ 5,828,840	\$ 4,891,000	\$ 937,840	\$ 8,747,857	\$ 2,455,095,383	\$ 89,455,958	3.66%

## 10. Additional Subsidy and Green Requirements

US EPA's FFY 2010 appropriation required that at least 30 percent of the amount over \$1 billion appropriated to CWSRF nationwide be used to provide additional subsidy to recipients in the form of principal forgiveness, negative interest rates, or grants. This translated into a requirement that the State Water Board provide at least \$21,824,382 in additional subsidy. The State Water Board chose to provide the maximum amount of additional subsidy allowable (\$72,747,939) from its FFY 2010 grant.

The State Water Board to date has provided principal forgiveness of \$11,425,000 from the 2010 capitalization grant.

The 2010 grant also requires that the State Water Board to finance at least \$29,144,200 in green projects (water efficiency, energy efficiency, green infrastructure, and environmental innovation). To date a total of \$29,144,200 from the 2010 grant has been used to finance green projects.

## 11. Federal Cross-Cutters

All projects funded by the CWSRF Program must comply with certain federal laws known as "super cross-cutters." A broader category of federal laws, the "federal cross-cutters," apply only in an amount equal to the Capitalization Grants received by the CWSRF Program. To show compliance with the cross-cutter requirement, the CWSRF reviewed its application of the federal cross-cutters. Through September 2008, the State Water Board demonstrated compliance with

federal cross-cutters on all projects (about \$4.0 billion in financing) provided by the CWSRF Program. The CWSRF Program will receive about \$2.454 billion in grants from US EPA through the FFY 2011. Therefore, CWSRF has met the federal cross-cutter requirement in an amount equal to the capitalization grants.

The Operating Agreement allows for two levels of environmental review for CWSRF projects. The State Water Board used its alternative environmental review process, also known as the Tier II review, for projects during SFY 10/11. The Tier II review generally follows the requirements of California Environmental Quality Act. All applicants, however, must complete and submit an "Evaluation Form for Environmental Review and Federal Coordination." State Water Board staff conducts a Tier I review, including federal agency distribution and consultation, for projects with known or suspected effects under federal environmental cross-cutting regulations. If a project can adequately document that there will be "no effect" under federal environmental cross-cutting regulations, then a Tier II review is conducted.

## D. Financial Activity<sup>1</sup>

### 1. Net Assets

Net assets of the program are shown below.

**STATEMENT OF NET ASSETS**  
**June 30, 2011 and 2010**  
(\$ in thousands)

<b>ASSETS</b>	<b><u>2011</u></b>	<b><u>2010</u></b>
CURRENT ASSETS	491,140	466,154
OTHER ASSETS	<u>2,816,416</u>	<u>2,742,381</u>
<b>TOTAL ASSETS</b>	<b>3,307,556</b>	<b>3,208,535</b>
<b>LIABILITIES</b>		
CURRENT LIABILITIES	27,070	27,930
NON CURRENT LIABILITIES	<u>116,686</u>	<u>141,709</u>
<b>TOTAL LIABILITIES</b>	<b>143,756</b>	<b>169,639</b>
<b>NET ASSETS</b>		
RESTRICTED	352,045	420,009
UNRESTRICTED	<u>2,811,755</u>	<u>2,618,887</u>
<b>TOTAL NET ASSETS</b>	<b>3,163,800</b>	<b>3,038,896</b>

<sup>1</sup>Financial activity is based on unaudited financial statements. The audited financial statements for the year ending June 30, 2011 will be available after September 30, 2011 on the program's Web site, and will provide a detailed view of the CWSRF's financial activity for the year as well as management's analysis of the program's financial condition.

## 2. Revenues

There are four main sources of funds for the State Water Board's CWSRF, as reflected in the Financial Statements. The total revenues for SFY 10/11 were \$232 million. Revenues for the period of this report were as follows:

- Interest income - \$48 million
- Net investment income - \$1.4 million
- ARRA Principal Forgiveness receipts - \$85 million
- Principal Forgiveness receipts - \$11.4 million
- ARRA capitalization grant - \$55 million
- Capitalization grant - \$31 million
- State match revenue - \$161 thousand

## 3. Disbursements and Expenses

Total disbursements are based on the Financial Statements and do not include matching funds provided by financing recipients. Total disbursements for SFY 10/11 were \$433 million. Disbursements for the period of this report were made as follows:

- Financing agreement disbursements - \$301 million
- Cash paid to employees and vendors - \$5.2 million
- ARRA Principal Forgiveness disbursements - \$85 million
- Principal Forgiveness - \$11.4 million
- Bond fees paid - \$15 thousand
- Principal paid on revenue bonds - \$24 million
- Interest paid on revenue bonds - \$7 million

## 4. Extended Term Financing

The State Water Board has received many requests for Extended Term Financing (ETF) over the past few years. In October 2008, US EPA approved the State Water Board's request to implement ETF for DACs. The State Water Board received additional guidance from US EPA in April 2009. As defined by the State Water Board in the CWSRF Policy, a DAC is a community with a population of less than 20,000 persons and either 1) a community median household income (MHI) less than 80 percent of the statewide MHI or 2) a community with a sewer rate more than 4.0 percent of the community's MHI. ETF is available to DACs with a MHI less than 80 percent of the Statewide MHI if wastewater rates are 1.5 percent or more of the DAC's MHI. A community with a sewer rate more than 4.0 percent of the community's MHI may request approval of ETF from the State Water Board.

US EPA approved the State Water Board's request to implement ETF on condition that it does not decrease the CWSRF's financing level by more than 10 percent. The State Water Board estimated that providing 20 percent of its financing as ETF will not cause its overall level of financing to drop by more than 10 percent.

During SFY 10/11, two (2) DACs received \$104,958,416 in ETF, as follows:

- Yurok Tribe (Tribe) - Sustainable Forestry and Protection of the Klamath River Tributaries, Project No. 5348-110, Agreement No. 10-822-550, provided \$18,750,000 in ETF. The Tribe requested ETF based on their status as a DAC. The Tribe's project is not wastewater related; therefore, the minimum wastewater rate criterion is not applicable. Based on an affordability analysis Division staff recommend, and the State Water Board approved, a term of 25 years (with zero percent interest); and
- San Luis Obispo, County of - Los Osos Wastewater Project, Project Nos. 5230-110 and 5230-120, Agreement Nos. 10-845-550 and 10-846-550, provided \$86,208,416 in ETF. This project serves a DAC qualifying for ETF based on their sewer rate of more than 4.0 percent of the community's MHI, and therefore was subject to State Water Board approval of ETF.

The State Water Board provided approximately \$411.5 million in CWSRF financing during SFY 10/11. Based on the analysis done to support its request for ETF, the State Water Board expects to be able to provide 20 percent of CWSRF financing, or approximately \$65 million in SFY 10/11, as ETF without reducing its overall financing level by more than 10 percent. The CWSRF provided about \$105 million, or 32 percent, of its SFY 10/11 financing as ETF.

Since inception of EFT in SFY 08/09, the State Water Board has provided a total of \$369 million in ETF to 13 projects. In a April 2009 letter, the US EPA authorized the State Water Board to make procedural changes to ETF implementation as outlined in the State Water Board's February 2009 request letter. Specifically, the February 2009 letter requested the ability to provide additional ETF at the onset of the ETF program in order to meet the overwhelming demand, realizing that this increase will limit the amount of ETF the State Water Board will be able to provide in the future.

With the large, outstanding needs of DACs, the State Water Board provided additional ETF (eight percent more ETF in SFY 09/10 and twelve percent more ETF in SFY 10/11), than projected in its original analysis. However, in SFY 08/09 State Water Board only provided two percent of its financing as ETF. Averaging the three years indicates that approximately 26 percent of our financing has been ETF since SFY 08/09. State Water Board is monitoring the effect of ETF commitments to keep its financing level from dropping more than 10 percent.

## **5. Reduced Interest Rate**

The March 2009 amendment to the CWSRF Policy allows a DAC with wastewater rates of 1.5 percent or more of the DAC's MHI to receive a reduced interest rate of not less than zero percent (0%) if based on the credit review results, ETF is insufficient to make the project affordable to the DAC. The State Water Board offered a reduced interest rate of zero percent (0%) to one (1) DAC in SFY 10/11, as follows:

- Yurok Tribe (Tribe) - Sustainable Forestry and Protection of the Klamath River Tributaries, Project No. 5348-110, Agreement No. 10-822-550, provided \$18,750,000. As discussed above, based on an affordability analysis Division staff recommend, and the State Water Board approved, a term of 25 years with zero percent interest.

## **6. Service Charges for Administration and Small Community Grant Fund**

State law allows the State Water Board to collect two service charges on CWSRF financing: one to provide a backup source of revenue for administration and the other to provide revenue for wastewater grants to SDACs.

The total service charge collected for administration revenue during SFY 10/11 was \$8.6 million. (See Exhibit D)

Service charge revenue up to \$50 million may be collected through 2014 to collect funds for grants to SDACs for wastewater projects. The total service charge collected for wastewater grant revenue during SFY 10/11 was \$6.4 million. (See Exhibit D)

## **7. Credit Risk of the CWSRF**

Each financing recipient must pledge one or more dedicated sources of revenue toward payment of its CWSRF obligation. Dedicated sources of revenue are generally sewer rate revenue pledges, but may also be any number of other revenue sources, general tax pledges, or other contractual income.

As of June 30, 2011, the CWSRF had no defaults, but had one agreement termination and several amortization restructures. In 2011, the allowance for bad debt remains the same as 2010, at \$9.36 million.

The agreement termination was necessary because the recipient, the Los Osos Community Services District, stopped construction of its project in late 2005. The State Water Board officially terminated the agreement on December 13, 2005 and demanded repayment of funds disbursed. The recipient sought bankruptcy protection. The County of San Luis Obispo has since agreed to satisfy the obligation, and the State Water Board expects to be repaid in full.

The City of Placerville requested that the State Water Board restructure its CWSRF loan repayments due to a cash flow shortfall caused by the economic downturn. The City approved a sales tax increase to meet longer term cash flow needs, and expects to repay its CWSRF obligation in full.

The City of Colfax requested that the State Water Board restructure its CWSRF loan repayments due to a cash flow shortfall caused unanticipated legal expenses. The State Water Board approved on September 19, 2011 on a restructuring of the City obligation.

## IV. ENVIRONMENTAL BENEFITS

The contributions of the CWSRF to water quality are diverse and difficult to quantify. Rather than a weakness of the Program, this indicates the Program's strength and versatility in addressing a wide range of water quality issues. The data and graphics below summarize the environmental benefits derived from the CWSRF projects funded during SFY 10/11. The data supporting this summary has been transmitted to US EPA via the CWSRF Benefits Reporting (CBR) Database. The data indicate that the CWSRF protected or restored a wide range of beneficial water uses.

### A. Projects in SFY 10/11 Will Help Achieve and Maintain Clean Water Act Goals

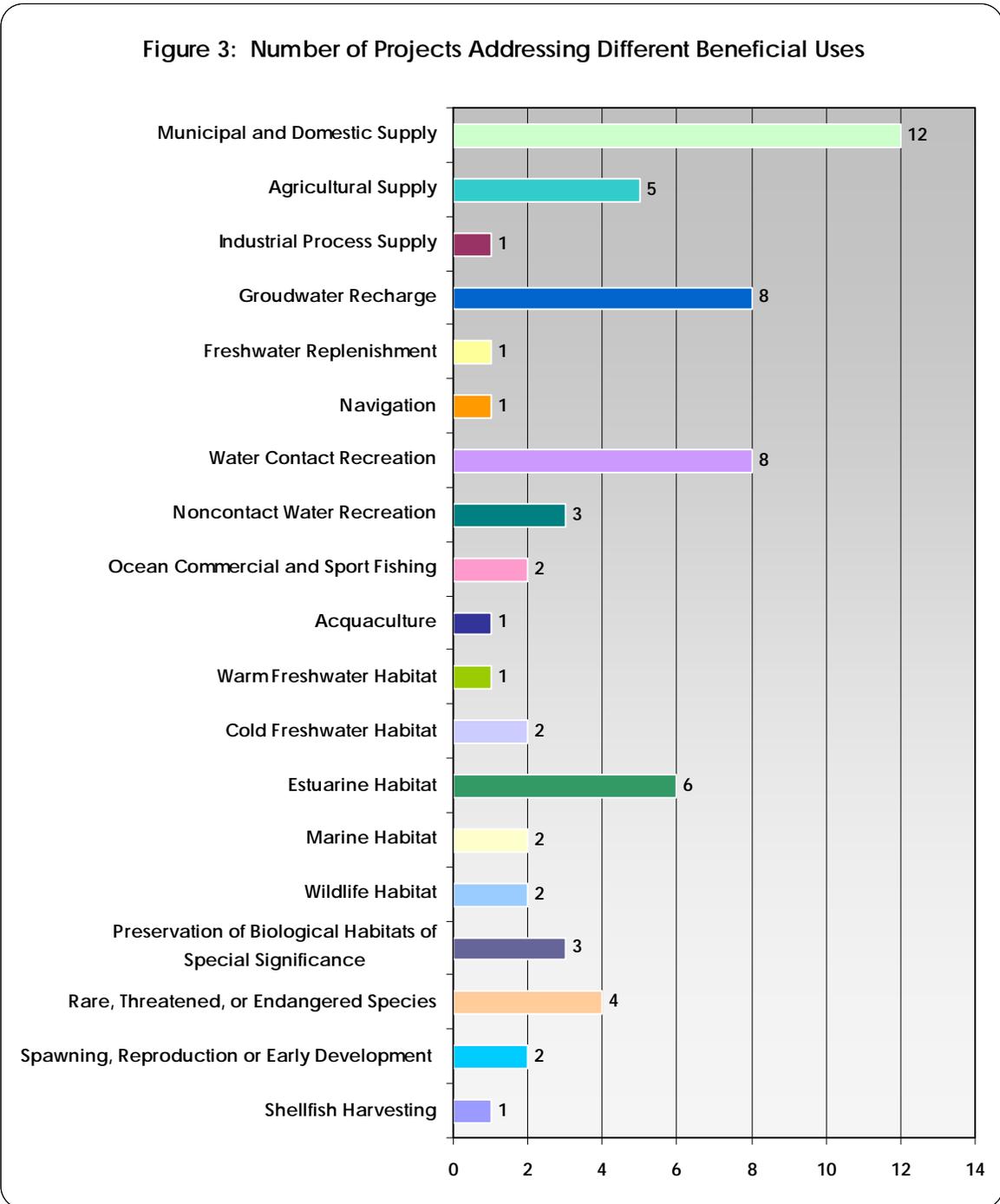
- Funded projects will treat approximately 67 million gallons per day (mgd) of wastewater.
- Funded projects will serve 6.7 million people statewide.
- Recipients received more than \$199 million in CWSRF subsidy (the subsidy is the amount of funds saved by recipients due to the reduced interest rate and/or principal forgiveness on CWSRF financing).

### B. CWSRF Projects Achieve Multiple Benefits

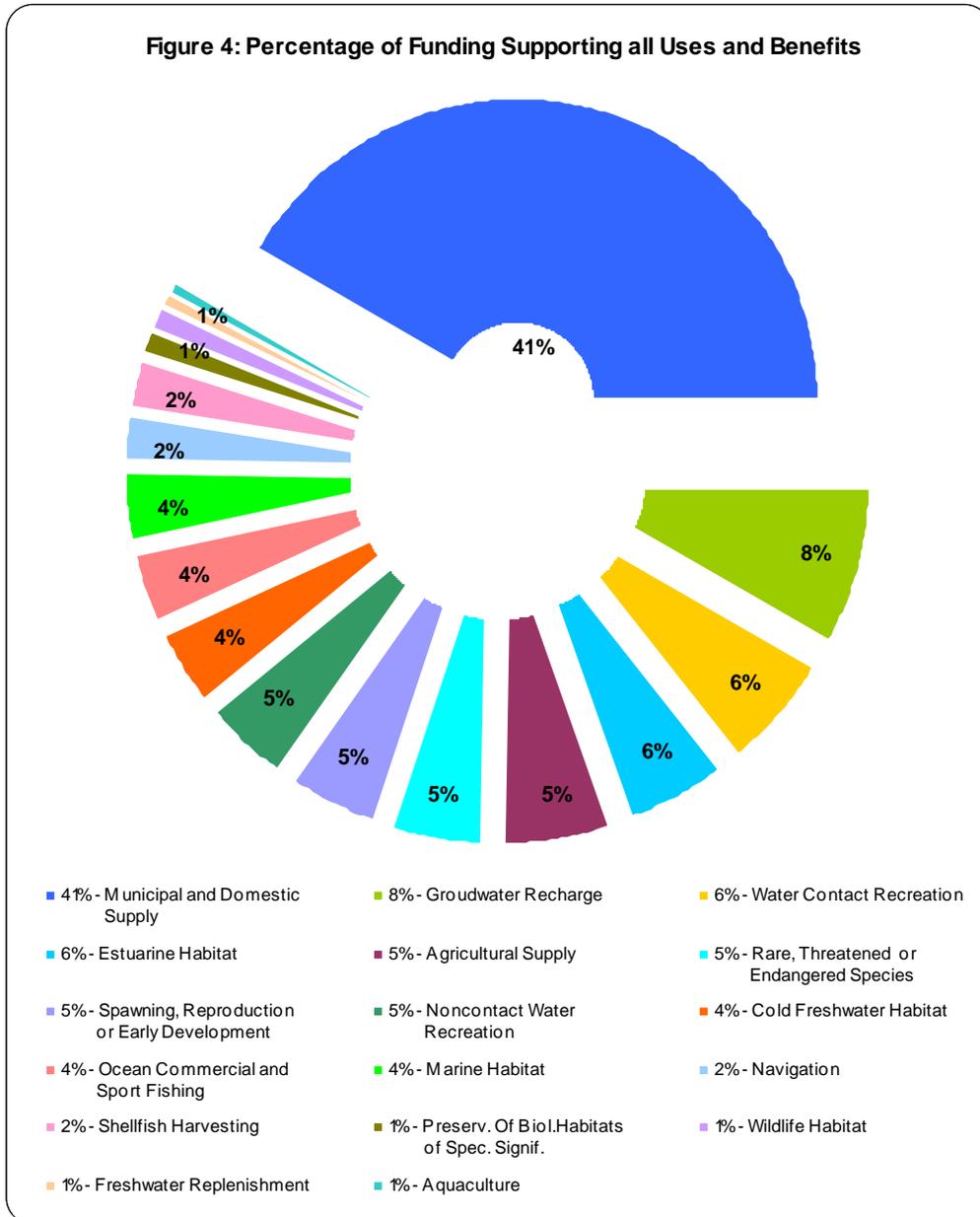
Each CWSRF project provides quantifiable water quality benefits in more than one way. Each project was evaluated to determine how it benefits water quality. The funding provided for each water quality area in SFY 10/11 is shown below.

- Improve Water Quality: \$323.7 million
- Water Reuse/Recycling/Conservation - \$189.1 million
- Groundwater Protection - \$102.6 million
- Municipal and Domestic Supply Protection - \$216.5 million
- Achieve Compliance - \$175.9 million
- Drinking Water Protection and restore sources - \$2.6 million
- Protect and restore cold freshwater, estuarine and wildlife habitat: \$56 million

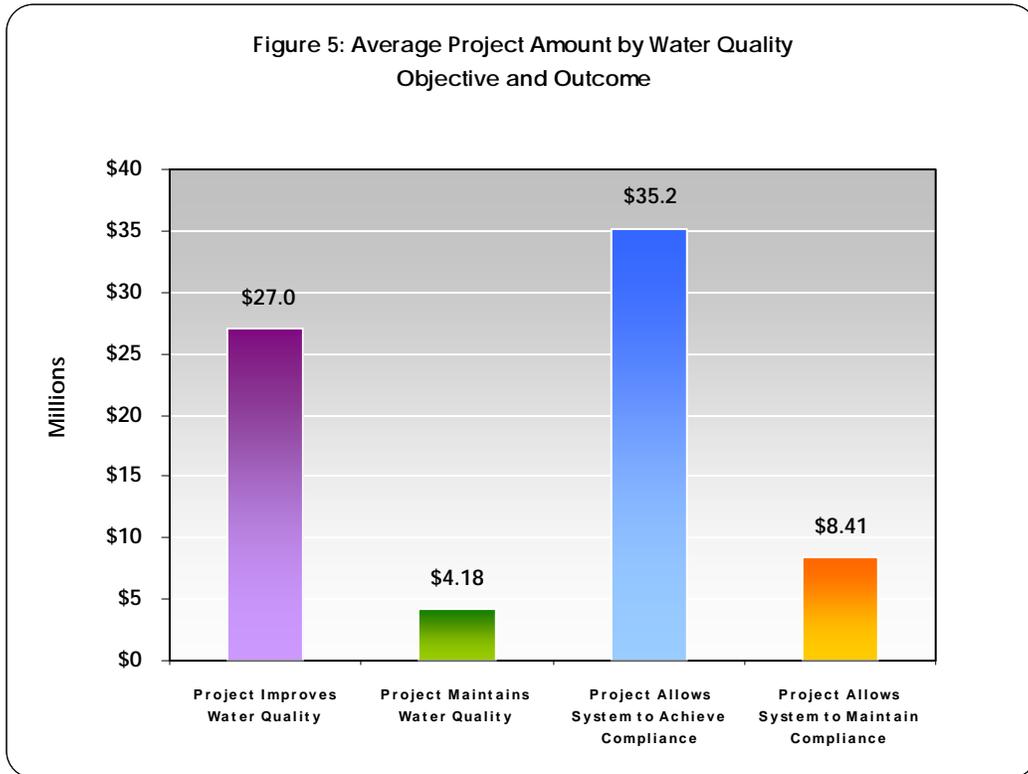
Figure 3 (below) provides a different view of the benefits provided by the CWSRF projects funded in SFY 10/11. Figure 3 shows how many projects addressed designated beneficial uses identified in state water quality control plans. Note that individual projects may have addressed multiple beneficial uses.



Another way to display the large breadth of environmental benefits from CWSRF projects is shown in Figure 4 (below). Figure 4 shows a breakdown of funding supporting different designated beneficial uses and other water quality benefits in comparison to all the funding provided by the CWSRF in SFY 10/11. As can be seen, the CWSRF in SFY 10/11 contributed broadly to support and protect many different environmental benefits.



Many of the water quality projects undertaken today are expensive and large. This reflects the level of assistance needed to continue to improve water quality. Figure 5 (below) shows the average project cost for different project types. The ability of the CWSRF to fund such large projects is one of its greatest strengths. Many agencies would not be able to secure such large funding levels from one provider if the CWSRF were not available.



### C. Highlights of Projects Funded by CWSRF in SFY 10/11

SFY 2010/2011 CWSRF Project Highlights					
Financial Assistance Recipient Name	Project Name	County	Funding	Reason For Funding	Environmental Impact
Union Sanitary District	Primary Clarifier Rehabilitation Project	Alameda	\$8,821,860	Rehabilitate primary clarifiers	Maintains Water Quality
Castro Valley Sanitary District	Master Plan Priority 2 Phase 1 and Streetscape Trunk Sewer Improvement Project	Alameda	\$6,294,400	Replace or parallel existing sewers to increase pipeline capacity.	Maintains Water Quality
Union Sanitary District	Substation No. 1 and MCC Replacement Project	Alameda	\$2,676,485	Replace substation enclosure and foundation.	Maintains Water Quality
Union Sanitary District	Boyce Road Lift Station Project	Alameda	\$6,196,671	Replace lift station	Maintains Water Quality
Delta Diablo Sanitation District	Aeration System Improvement Project	Contra Costa	\$6,820,346	Replace the existing 30 year old mechanical surface aerators.	Improves Water Quality
South Tahoe Public Utility District	ERB Pond Liner Replacement	El Dorado	\$2,730,000	Upgraded the emergency retention basin liner	Maintains Water Quality
South Tahoe Public Utility District	Wastewater Plant Headworks Replacement	El Dorado	\$908,527	Build a new wastewater plant headworks replacement.	Improves Water Quality
South Tahoe Public Utility District	Luther Pass Pump Station	El Dorado	\$2,626,784	Implementation of the emergency pumping recommendations.	Improves Water Quality
Earlimart Public Utility District	Sutter Street Sanitary Sewer Lift Station Modification	Fresno	\$719,414	New lift station	Maintains Water Quality
Yurok Tribe	Sustainable Forestry and Protection of the Klamath River Tributaries	Humboldt	\$18,750,000	Land acquisition for bridge and salmon protection.	Improves Water Quality
Susanville Sanitary District	Filtration & UV Disinfection Project	Lassen	\$2,785,190	Construction of tertiary filtration and UV disinfection system	Improves Water Quality
Los Angeles County Sanitation District	Wright Road Trunk Sewer Repair	Los Angeles	\$672,500	Rehabilitate the failing sewer pipeline	Maintains Water Quality
Burbank, City of	Valhalla Extension	Los Angeles	\$4,233,564	Convert existing users	Maintains Water Quality
Burbank, City of	PS-1 Improvements	Los Angeles	\$560,976	Convert existing users	Maintains Water Quality
Burbank, City of	Studio District Recycled Water Pipeline	Los Angeles	\$3,240,000	Extend the existing recycled water pipeline	Maintains Water Quality
Burbank, City of	Northern Burbank Recycled Water Pipeline	Los Angeles	\$2,260,000	Pipeline expansion	Maintains Water Quality

## Highlights of Projects Funded by CWSRF in SFY 10/11 (Continued)

SFY 2010/2011 CWSRF Project Highlights					
Financial Assistance Recipient Name	Project Name	County	Funding	Reason For Funding	Environmental Impact
El Toro Water District	Northline Lift Station Improvement Project	Orange	\$3,918,590	Reconstruct the old existing sewage lift station.	Maintains Water Quality
Seal Beach, City of	North Seal Beach Sewer Pipeline Rehabilitation Phase 1	Orange	\$2,650,000	Sewer pipe replacement	Maintains Water Quality
Seal Beach, City of	South Seal Beach Sewer Pipeline Rehabilitation Phase 2	Orange	\$1,100,000	Sewer pipe replacement	Maintains Water Quality
Eastern Municipal Water District	San Jacinto Valley Regional Water Reclamation Facility	Riverside	\$145,000,000	Modify and construct new facilities	Improves Water Quality
Eastern Municipal Water District	Temecula Valley Regional Water Reclamation Facility 18 MGD Reliable Capacity Upgrade	Riverside	\$25,615,680	Increase tertiary treatment and replace existing facilities.	Improves Water Quality
Sunnyslope County Water District	Ridgemark Recycled Water Facility Upgrades	San Benito	\$11,400,000	Upgrade and consolidate their two wastewater treatment facilities	Maintains Water Quality
Victor Valley Wastewater Rec Authority	Phase IIIA Regulatory Upgrades	San Bernardino	\$18,581,563	Improve effluent quality and compliance.	Improves Water Quality
Inland Empire Utilities Agency	New Main Operations Laboratory - EN08009	San Bernardino	\$14,830,000	New laboratory for treatment facility	Maintains Water Quality
San Luis Obispo, County of	Los Osos Wastewater Project	San Luis Obispo	\$43,871,000	New wastewater recycling facility	Improves Water Quality
San Luis Obispo, County of	Los Osos Wastewater Project	San Luis Obispo	\$42,337,416	New wastewater recycling facility	Improves Water Quality
Goleta Sanitary District	Upgrade WWTP to full secondary treatment	Santa Barbara	\$12,520,448	Upgrade the facility to provide secondary treatment	Improves Water Quality
Redding, City of	Mary Street Lift Station and Force Main	Shasta	\$3,364,560	Construct new lift station.	Maintains Water Quality
Redding, City of	Boulder Creek Interceptor Sewer Project, Phase I	Shasta	\$2,466,105	Rehabilitate and replace the existing Boulder Creek Interceptor sewer pipeline.	Maintains Water Quality
Russian River County Sanitation District	Disinfection Upgrade Project	Sonoma	\$3,884,450	Construction of tertiary filtration and UV disinfection system	Improves Water Quality
Sonoma Valley County Sanitation District	Sewer Trunk Main Replacement	Sonoma	\$2,320,304	Replace the sewer trunk main.	Maintains Water Quality
Sonoma Valley County Sanitation District	Biosolids Upgrade Project	Sonoma	\$3,100,000	Upgrade the existing biosolids handling facility	Maintains Water Quality
Yolo County Flood Control and Water Conservation District	Capay Diversion Dam Rehabilitation Project	Yolo	\$4,220,712	Repair and downstream extension of the dam apron.	Maintains Water Quality
<b>Projects Funded: 33</b>		<b>Total Funding Amount:</b>		<b>\$411,477,545</b>	

## V. GENERAL PROGRAM COMMENTS

During SFY 10/11, the CWSRF focused on its core activities – administering existing financing agreements, approving new financing agreements, and maintaining thorough financial and administrative oversight of the program. Although the State Water Board met the goal during the prior year of committing all ARRA funds to construction projects by February 17, 2010, there was considerable on-going effort during SFY 10/11 administering these agreements. The ARRA projects resulted in a significant increase in the number of disbursements, inspections, and oversight of the CWSRF by other agencies, such as US EPA and Bureau of State Audits.

Program changes and improvements proceeded slowly in SFY 10/11 to allow staff to focus on project and program oversight. State Water Board staff continued, though, its work during SFY 10/11 on streamlining and improving the application process and revamping the priority setting and project selection process. The goal of these efforts is to make the Program more efficient so that it supports both stakeholders' and the State Water Board's objectives. During SFY 11/12 State Water Board staff also hope to restart its prior work of compiling the CWSRF Program's standard operating procedures and management controls.

The State Water Board continues to enhance the Loans and Grants Tracking System (LGTS), the CWSRF Program's tracking and reporting database, to better track and report information. The State Water Board will continue to enhance the system to improve its information sharing and reporting capabilities. In particular staff is working to provide more timely and regular feedback to applicants on the status of their applications. In the first half of SFY 11/12, State Water Board staff will make the changes necessary to transition from centralized to decentralized ARRA reporting and begin Federal Funding Accountability and Transparency Act (FFATA) reporting in January 2012.

State Water Board staff continued efforts to ensure that the CSWRF's financing agreements are secure and that all payments are made on time and in full. The State Water Board uses a variety of analysis and monitoring measures to reduce the possibility of non-payment, and continues to evaluate additional steps to ensure full and timely payment of all agreements.

The State Water Board continued to assist DACs. The State Water Board continues to collect financing servicing fees authorized by AB 2356 (Chap. 609, Statutes of 2008) on CWSRF agreements for wastewater grants to SDACs. The total service charge collected during SFY 10/11 was \$6.353 million (See Exhibit D). During SFY 10/11, one million dollars from the AB 2356 grant fund was obligated to Sutter County Waterworks District No. 1, for a project serving the Severely Disadvantaged Small Community of Robbins. The Board is currently working with several applicants that potentially qualify for these grant funds, and anticipates obligating additional funds to SDACs during SFY 11/12. In addition, principal forgiveness funds are available from the FFY 2010 and 2011 capitalization grants. Additional principal forgiveness may also be available from the FFY 2012 grant. Principal forgiveness funds will be made available as directed by the Board in the approved [IUP](#).

State Water Board staff continues to work with staff from the California Department of Public Health (CDPH), Department of Water Resources (DWR), United States Department of Agriculture (USDA), US EPA, and related agencies to identify opportunities to leverage resources, particularly for SDACs. This coordination is facilitated by the State Water Board's participation in the California Financing Coordinating Committee (CFCC) funding fairs. CFCC funding fairs were held during March, April, and May 2011, in Visalia, Alhambra, Arcata, Truckee, and Sacramento.

Rural Community Assistance Corporation (RCAC) continued to provide technical training to SDACs and DACs during SFY 10/11. Training workshops to help California's small, rural, and DACs more effectively plan for their long-term technical, managerial, and financial needs were provided throughout the year, both online and at the following locations: Santa Rosa, Napa, Sonoma, Merced, Visalia, Madera, Bakersfield, Palm Desert, El Centro, Crescent City, Fortuna, Temecula, West Sacramento, and Eureka. There was no fee to attend the workshops. Priority was given to participants from small, disadvantaged wastewater systems. The following is a sampling of the courses offered through this contract:

#### Online Workshops:

- Wastewater Basic Operations
- Wastewater Math Refresher
- Roles & Responsibilities
- Budgeting
- Financial Management
- Rate Setting

#### Classroom Workshops:

- Board Governance: Roles & Responsibilities
- Board Governance: Brown Act & Ethics
- Wastewater Operator Certification Test Preparation
- Wastewater Math
- Infiltration & Inflows and Sewer System Management Plans
- Capital Improvement Planning, Asset Management & Funding Options
- Operation and Maintenance Practices for Small Wastewater Utilities
- Wastewater Regulations, Laws & The Clean Water Act
- Rate Setting, Prop 218 & Community Outreach

As part of the contract with RCAC, State Water Board staff utilized RCAC's online training platform to provide five (5) training sessions on the CWSRF application process during SFY 2010/11. Also as part of the contract with RCAC, State Water Board staff participated in the following live training sessions: 1) a wastewater symposium put on by RCAC on September 29, 2010, in Bakersfield; 2) a class on how to avoid common violations on April 17, 2011, in Fortuna; and 3) a joint wastewater and drinking water symposium put on by RCAC on June 1, 2011, also in Fortuna. Although the RCAC contract expired June 30, 2011, recordings of the sessions are available on the [Strategy Webpage](#); they provide an

excellent resource for communities that are new to the CWSRF application process. State Board staff will also evaluate the need for a new training contract.

State Water Board staff is also seeking bids for a provider of technical assistance to small and disadvantaged communities. Staff intends to contract with community assistance organizations that can provide hands-on technical and financial expertise to help SDACs address their individual needs, within the following general areas of concern: preparation of financial assistance applications; design and operational solutions, including compliance assistance; community outreach, awareness, and education; fiscal management and accountability; capital improvement planning and asset management; rate setting and the Proposition 218 process. These efforts will complement the technical training contract.

Staff at the State Water Board continues to assist applicants with federal Davis-Bacon requirements, and maintain its [Davis-Bacon website](#) to provide information to applicants and stakeholders. The California Department of Public Health and the State Water Board will conduct Davis-Bacon training in conjunction with Department of Labor on October 6, 2011 (Sacramento) and October 26, 2011 (Riverside).

The State Water Board is committed to community sustainability, and has taken an active role in exploring sustainable practices as seen by its adoption of Resolution Nos. [2005-0006](#) and [2008-0030](#). The State Water Board was selected in January 2010 for a Pilot Technical Assistance Program sponsored by US EPA. The Program is part of the Partnership for Sustainable Communities formed by the Department of Housing and Urban Development, the Department of Transportation, and US EPA. The pilot will help the CWSRF improve its policies and practices to produce more sustainable community outcomes, and build on California's history of coordinating CWSRF financing with other community objectives to achieve sustainable community goals. State Water Board staff worked with US EPA and its contractor throughout SFY 10/11 on the pilot. Work is on-going, and staff anticipates the final recommendations will be available during SFY 11/12.

State Water Board marketing staff will continue its outreach efforts as time permits. This includes participating in workshops and annual conferences attended by community decision-makers throughout the State. This effort is vital for building relationships with communities and ensuring that customer service needs are met. In addition, staff will develop new marketing material and use the IUP and Annual Report as marketing tools to showcase successful projects and highlight ways the CWSRF can assist potential applicants.



Mary Street lift station in Shasta County

## VI. INDEX OF ACRONYMS

### Commonly Used Acronyms

ARRA – American Recovery and Reinvestment Act of 2009

ASAP – Automated Standard Application of Payments

CalMuni – California Municipal Securities, Inc.

CBR – CWSRF Benefits Reporting

CWA – Clean Water Act

CWEA – California Water Environment Association

CWNS – Clean Watersheds Needs Survey

CWSRF – Clean Water State Revolving Fund

DAC – Disadvantaged Community

DWQ – Division of Water Quality

ETF – Extended Term Financing

FFY – Federal Fiscal Year

FSR – Feasibility Study Report

IUP – Intended Use Plan

LGTS – Loans and Grants Tracking System

MBE – Minority Owned Business Enterprise

MGD – Million Gallons per Day

MHI – Median Household Income

NIMS – National Information Management System

NMP – National Municipal Policy

NPS – Nonpoint Source

PMIB – Pooled Money Investment Board

RCAC – Rural Community Assistance Corporation

RCD - Resource Conservation Districts

Regional Water Boards - Regional Water Quality Control Boards

RFP – Request for Proposals

SAG – Stakeholders Advisory Group

SCO – State Controller's Office

SDAC – Small Disadvantaged Communities

SFY – State Fiscal Year

State Water Board – State Water Resources Control Board

US EPA – United States Environmental Agency

WBE – Women Owned Business Enterprise

WRFP – Water Recycling Funding Program

## VII. EXHIBITS

Exhibit A – DBE Report

Exhibit B – SFY 10/11 Projects Funded by Needs Category

Exhibit C – SFY 10/11 Non-Funded Projects

Exhibit D – SFY 10/11 List of All Projects with Financing Servicing Fees



Delta Diablo aeration system improvement in Contra Costa County



Boulder Creek inceptor sewer pipe in Shasta County



Future digesters location in Riverside County

## Exhibit A - DBE Report

<b>DBE Annual Report</b>			
	<b>MBE</b>	<b>WBE</b>	<b>Total</b>
<b>4th Quarter July - September 2010</b>	\$43,300.00	\$2,430.00	\$45,730.00
<b>1st Quarter October - December 2010</b>	\$66,748.93	\$2,835.00	\$69,583.93
<b>Semi- Annual ARRA April - September 2010</b>	\$2,037,995.53	\$887,493.42	\$2,925,488.95
<b>Semi- Annual Non-ARRA April - September 2010</b>	\$0.00	\$0.00	\$0.00
<b>2nd Quarter January - March 2011</b>	\$0.00	\$0.00	\$0.00
<b>3rd Quarter April - June 2011</b>	\$41,427.00	\$4,617.50	\$46,044.50
<b>Semi-Annual ARRA October 2010 - March 2011</b>	\$4,557,463.59	\$2,258,962.14	\$6,816,425.73
<b>Semi-Annual Non- ARRA October 2010 - March 2011</b>	\$1,764,671.63	\$305,141.00	\$2,069,812.63
<b>Cumulative Total Fiscal Year 2010/2011</b>	<b>\$8,511,606.68</b>	<b>\$3,461,479.06</b>	<b>\$11,973,085.74</b>
<b>Total Disbursements 2010/11</b>			<b>\$321,215,912.00</b>
<b>Percentage to Total Disbursements Fiscal Year 2010/2011</b>	<b>2.65%</b>	<b>1.08%</b>	<b>3.73%</b>

**Note:** Percentage of DBE participation is determined by taking the percentage of MBE and WBE as compared to the total disbursements for the fiscal year for each category. Total Federal Disbursements equal \$321,215,912.00. DBE reports are collected semi-annually based on FFY.

**Exhibit B - SFY 10/11 Projects Funded by Needs Category**

2010/2011 Intended Use Plan Projects List of Funded Projects by Needs Category											
Financial Assistance Recipient Name	Project Number	IUP Projected Amount	Agreement Date	Cat. I	Cat. II	Cat. IIIB	Cat. IV-A	Cat. VII-C	Cat. VII-K	Cat. X	Total Agreement Amount
Redding, City of	7456-110	3,780,000	9/20/10			3,364,560					\$3,364,560
South Tahoe Public Utility District	5606-110	3,000,000	10/13/10	2,730,000							\$2,730,000
El Toro Water District	7245-110	4,852,590	10/13/10			3,918,590					\$3,918,590
Yolo County Flood Control and Water Conservation District	6601-110	4,378,906	10/14/10						4,220,712		\$4,220,712
South Tahoe Public Utility District	7445-110	3,519,362	11/4/10							2,626,784	\$2,626,784
South Tahoe Public Utility District	5478-110	1,575,000	11/29/10	908,527							\$908,527
Victor Valley Wastewater Rec Authority	5376-110	24,328,243	11/30/10		18,581,563						\$18,581,563
Union Sanitary District	5219-110	9,000,000	12/10/10	8,821,860							\$8,821,860
Redding, City of	5835-110	10,500,000	1/4/11			2,466,105					\$2,466,105
Goleta Sanitary District	5092-110	25,000,000	1/25/11	12,520,448							\$12,520,448
Los Angeles County Sanitation District	5240-110	0	1/25/11			672,500					\$672,500
Castro Valley Sanitary District	5351-110	4,000,000	2/18/11			6,294,400					\$6,294,400
Earlimart Public Utility District	7190-110	607,000	3/7/11			719,414					\$719,414
Union Sanitary District	5221-110	4,930,000	3/22/11	2,676,485							\$2,676,485
Eastern Municipal Water District	5159-110	194,000,000	3/23/11	72,500,000	72,500,000						\$145,000,000
Russian River County Sanitation District	5201-110	4,200,000	3/25/11		3,884,450						\$3,884,450
Sonoma Valley County Sanitation District	5501-110	4,100,000	3/25/11			2,320,304					\$2,320,304
Delta Diablo Sanitation District	5571-110	6,644,155	3/25/11	6,820,346							\$6,820,346
Sonoma Valley County Sanitation District	7020-110	3,100,000	3/25/11	3,100,000							\$3,100,000
Susanville Sanitary District	5727-110	1,500,000	3/29/11		2,785,190						\$2,785,190
Yurok Tribe	5348-110	18,750,000	3/30/11					18,750,000			\$18,750,000
Sunnyslope County Water District	5160-110	13,000,000	4/11/11	5,700,000	5,700,000						\$11,400,000
Burbank, City of	5533-110	4,233,564	5/16/11							4,233,564	\$4,233,564
Burbank, City of	5533-120	560,976	5/16/11							560,976	\$560,976
Inland Empire Utilities Agency	5333-110	14,830,000	5/27/11	14,830,000							\$14,830,000
Eastern Municipal Water District	5312-110	25,615,680	6/16/11		25,615,680						\$25,615,680
Union Sanitary District	5222-110	6,194,171	6/21/11			6,196,671					\$6,196,671
Seal Beach, City of	5310-110	1,675,000	6/21/11			2,650,000					\$2,650,000
Seal Beach, City of	5310-120	2,075,000	6/21/11			1,100,000					\$1,100,000
Burbank, City of	7803-110	3,240,000	6/21/11						3,240,000		\$3,240,000
Burbank, City of	7804-110	2,260,000	6/21/11						2,260,000		\$2,260,000
San Luis Obispo, County of	5230-110	82,420,000	6/30/11		17,548,400		13,161,300			13,161,300	\$43,871,000
San Luis Obispo, County of	5230-120	0	6/30/11		16,934,966		12,701,225			12,701,225	\$42,337,416
<b>Total:</b>	<b>33 Projects</b>	<b>\$487,869,647</b>		<b>\$130,607,666</b>	<b>\$163,550,249</b>	<b>\$29,702,544</b>	<b>\$25,862,525</b>	<b>\$18,750,000</b>	<b>\$4,220,712</b>	<b>\$38,783,849</b>	<b>\$411,477,545</b>

IUP - Intended Use Plan

NPS - Non point Source

Need Categories (Cat.)		Note:
I - Secondary Treatment	VII-C - NPS Silviculture	In SFY 2010/11 there were 33 binding commitments totaling \$411,477,545 based on initial funding agreement amounts. The amount reported in NIMS \$411,471,905 reflects a net decrease of \$5,640 due to adjustments made during the final funding agreement amendment process for CWSRF projects No. 5727-110 & No. 5201-110. Includes projects from the 2010/11 IUP & Amended 2010/11 IUP.
II - Advance Treatment	VII-D - NPS Urban (Except Septic Systems)	
III-A - Infiltration/Inflow Correction	VII-E - NPS Ground Water - Unknown Source	
III-B - Major Sewer System Rehabilitation	VII-F - NPS Marinas	
IV-A - New Collector Sewers	VII-H - NPS Brownfields	
IV-B - New Interceptors and Appurtenances	VII-K - NPS Hydromodification	
VI - Storm Sewers	VII-L - NPS Septic Systems	
VII-A - NPS Agricultural Cropland	X - Recycled Water Distribution	

**Exhibit C - SFY 10/11 Non-Funded Projects**

2010/2011 Intended Use Plan Projects List of Non-Funded Projects					
Loan Recipient Name	Project Number	IUP Projected Amount	Priority Class	Reason For Delay	Project Type
SOUTH TAHOE PUBLIC UTILITY DISTRICT	5608-110	\$ 5,599,694	C	2	POTW
ORANGE COUNTY WATER DISTRICT	4463-110	\$ 149,709,354	D	2	POTW
NORTH MARIN WATER DISTRICT	5211-110	\$ 3,825,000	C	2	POTW
NORTH MARIN WATER DISTRICT	7802-110	\$ 5,465,726	C	2	POTW
SAN ELIJO JOINT POWERS AUTHORITY	7095-110	\$ 4,542,996	C	2	POTW
BANNING, CITY OF	5061-110	\$ 13,200,000	C	2	POTW
VALLEY CENTER MWD	7454-110	\$ 1,812,334	A	2	POTW
VALLEY CENTER MWD	7454-120	\$ 8,974,333	A	2	POTW
VALLEY CENTER MWD	7454-130	\$ 2,369,333	A	2	POTW
MISSION SPRINGS WATER DISTRICT	4250-310	\$ 12,505,703	D	2	POTW
SAN CLEMENTE, CITY OF	4516-110	\$ 13,649,920	C	2	POTW
FRESNO, COUNTY OF	5541-110	\$ 1,200,000	D	2	POTW
REDDING, CITY OF	4971-230	\$ 8,407,893	D	3	POTW
REDDING, CITY OF	4971-240	\$ 23,965,000	D	1, 3	POTW
REDDING, CITY OF	4971-260	\$ 4,750,000	D	1, 3	POTW
VISTA, CITY OF	5921-110	\$ 3,689,482	D	2	POTW
VISTA, CITY OF	5698-110	\$ 5,542,770	D	2	POTW
LOS ANGELES COUNTY SANITATION DISTRICT	4001-560	\$ 36,950,932	B	2	POTW
LOS ANGELES COUNTY SANITATION DISTRICT	4001-630	\$ 7,063,817	C	5	POTW
LOS ANGELES COUNTY SANITATION DISTRICT	4001-640	\$ 20,360,250	C	5	POTW
LOS ANGELES COUNTY SANITATION DISTRICT	4001-480	\$ 14,905,554	B	2	POTW
REDDING, CITY OF	5380-110	\$ 12,000,000	D	2, 3	POTW
BUENA SANITATION DISTRICT	5709-110	\$ 5,549,400	D	2	POTW
LOS ANGELES COUNTY SANITATION DISTRICT	4701-420	\$ 10,349,687	B	2	POTW
VISTA, CITY OF	5700-110	\$ 7,524,344	D	2	POTW
STOCKTON, CITY OF	7085-110	\$ 3,250,000	D	2	POTW
HEBER PUBLIC UTILITY DISTRICT	5302-110	\$ 11,570,000	C	2	POTW
CALAVERAS COUNTY WATER DISTRICT	5249-110	\$ 3,375,000	C	2	POTW
YUBA CITY, CITY OF	5702-110	\$ 14,200,000	C	2	POTW
ARVIN, CITY OF	5103-110	\$ 7,000,000	E	7	POTW
TULELAKE, CITY OF	4930-110	\$ 3,900,000	C	2	POTW
MORRO BAY, CITY OF	7756-110	\$ 27,500,000	C	2	POTW
SUTTER COUNTY	7732-110	\$ 1,007,700	C	2	POTW
SANTA NELLA COUNTY WATER DISTRICT	7132-110	\$ 2,400,000	D	2	POTW
FRESNO COUNTY WATERWORKS DISTRICT NO. 38	7109-110	\$ 500,000	D	1	POTW
INLAND EMPIRE UTILITIES AGENCY	5319-110	\$ 19,608,638	C	2	POTW
YUCAIPA VALLEY WATER DISTRICT	4188-110	\$ 15,000,000	C	5	POTW
INLAND EMPIRE UTILITIES AGENCY	5318-110	\$ 11,812,500	C	2	POTW
ANAHEIM, CITY OF	7620-110	\$ 1,560,479	C	2	POTW
ANAHEIM, CITY OF	7622-110	\$ 574,797	C	2	POTW
ANAHEIM, CITY OF	7630-110	\$ 513,178	C	2	POTW

**2010/2011 Intended Use Plan Projects List of Non-Funded Projects**

<b>Loan Recipient Name</b>	<b>Project Number</b>	<b>IUP Projected Amount</b>	<b>Priority Class</b>	<b>Reason For Delay</b>	<b>Project Type</b>
ANAHEIM, CITY OF	7800-110	\$ 1,100,185	C	2	POTW
MODESTO, CITY OF	5175-210	\$ 120,000,000	C	2	POTW
EAST PALO ALTO SANITARY DISTRICT	5956-110	\$ 1,700,000	D	2	POTW
SAUSALITO-MARIN CITY SANITARY DISTRICT	7032-110	\$ 2,600,000	D	2	POTW
SOUTH COUNTY REGIONAL WASTEWATER AUTHORITY	5233-110	\$ 100,000,000	C	2	POTW
SOUTH COUNTY REGIONAL WASTEWATER AUTHORITY	5233-140	\$ 11,000,000	C	2	POTW
SAN FRANCISCO PUBLIC UTILITIES COMMISSION	5407-110	\$ 3,800,000	B	2	POTW
SAN FRANCISCO PUBLIC UTILITIES COMMISSION	6310-110	\$ 1,000,000	D	2	POTW
LOS ANGELES, CITY OF	7055-110	\$ 3,000,000	C	2	POTW
SAN MATEO COUNTY BURLINGAME HILLS SEWER MAINTENANCE DISTRICT	7810-110	\$ 2,300,000	C	2	POTW
SAN MATEO COUNTY CRYSTAL SPRINGS SEWER MAINTENANCE DISTRICT	7811-110	\$ 2,400,000	C	2	POTW
SAN MATEO COUNTY EMERALD LAKES HEIGHTS SEWER MAINTENANCE DISTRICT	7812-110	\$ 440,000	C	2	POTW
SAN MATEO COUNTY DEVONSHIRE SEWER MAINTENANCE DISTRICT	7813-110	\$ 900,000	C	2	POTW
SAN MATEO COUNTY FAIR OAKS SEWER MAINTENANCE DISTRICT	7814-110	\$ 5,400,000	C	2	POTW
SAN MATEO COUNTY HARBOR INDUSTRIAL SEWER MAINTENANCE DISTRICT	7815-110	\$ 110,000	C	2	POTW
SAN MATEO COUNTY KENSINGTON SQUARE SEWER MAINTENANCE DISTRICT	7816-110	\$ 260,000	C	2	POTW
SAN MATEO COUNTY OAK KNOLL SEWER MAINTENANCE DISTRICT	7817-100	\$ 140,000	C	2	POTW
SAN MATEO COUNTY SCENIC HEIGHTS SEWER MAINTENANCE DISTRICT	7818-110	\$ 65,000	C	2	POTW
SAN JUAN BAUTISTA, CITY OF	7819-110	\$ 1,000,000	C	2	POTW
GRATON COUNTY SERVICE AREA #2	4986-110	\$ 5,012,923	D	2	POTW
MADERA, COUNTY OF	7807-110	\$ 2,200,000	C	2	POTW
ATWATER, CITY OF	5137-110	\$ 15,000,000	D	2, 6	POTW
RIO VISTA, CITY OF	5717-110	\$ 4,315,000	D	2	POTW
CITY OF ORANGE COVE	5039-110	\$ 6,700,000	B	2	POTW
FORT BRAGG, CITY OF	7385-110	\$ 1,100,000	C	2	POTW
WILLOWS, CITY OF	5535-110	\$ 1,860,000	D	2	POTW
SAN DIEGO, CITY OF	4905-110	\$ 80,000,000	D	2	POTW
LAKE OROVILLE AREA PUBLIC UTILITY DISTRICT	5641-110	\$ 3,646,000	D	2	POTW
PLACER, COUNTY OF	6629-110	\$ 1,200,000	B	6	EXP USE
PLACER, COUNTY OF	6630-110	\$ 2,600,000	C	2	EXP USE
PLACER, COUNTY OF	6661-110	\$ 750,000	C	6	EXP USE
PLACER, COUNTY OF	7643-110	\$ 3,000,000	C	6	EXP USE
RIO DELL, CITY OF	7401-110	\$ 13,000,000	A	2	POTW
COLFAX, CITY OF	7806-110	\$ 5,064,600	C	2	POTW
EASTERN MUNICIPAL WATER DISTRICT	7203-110	\$ 12,150,000	A	2	POTW
TEHACHAPI, CITY OF	5563-110	\$ 5,350,000	C	4	POTW

**2010/2011 Intended Use Plan Projects List of Non-Funded Projects**

<b>Loan Recipient Name</b>	<b>Project Number</b>	<b>IUP Projected Amount</b>	<b>Priority Class</b>	<b>Reason For Delay</b>	<b>Project Type</b>
SANTA BARBARA, CITY OF	5859-110	\$ 5,200,000	E	2	POTW
SAUSALITO, CITY OF	5354-110	\$ 1,100,000	C	2	POTW
SOUTH BAYSIDE SYSTEM AUTHORITY	5216-110	\$ 16,000,000	C	2	POTW
SANTA BARBARA, CITY OF	6401-110	\$ 1,600,000	E	2	POTW
TURLOCK, CITY OF	5602-110	\$ 20,000,000	C	2	POTW
CHANNEL ISLANDS BEACH COMMUNITIES SERVICE DISTRICT	7446-110	\$ 1,845,000	E	2	POTW
VACAVILLE, CITY OF	4841-110	\$ 116,000,000	D	2	POTW
TURLOCK, CITY OF	5256-110	\$ 24,000,000	C	2	POTW
SOUTH BAYSIDE SYSTEM AUTHORITY	5216-120	\$ 76,000,000	C	2	POTW
SOUTH BAYSIDE SYSTEM AUTHORITY	5216-130	\$ 58,000,000	C	2	POTW
SAN LEANDRO, CITY OF	7002-110	\$ 43,000,000	E	4	POTW
LATHROP, CITY OF	5599-110	\$ 1,000,000	A	2	POTW
SANTA ANA WATERSHED PROJECT AUTHORITY	5610-110	\$ 20,000,000	D	4	POTW
<b>TOTAL:</b>	<b>90 Projects</b>	<b>\$ 1,311,594,522</b>			

Reason for Delay:

1. Change to the project's scope or objectives
2. Application requires additional studies, more documents, and/or more hearings
3. Changes in design
4. Delays in the bidding process
5. N/A- financed with other (non-CWSRF) financing
6. N/A- application withdrawn
7. N/A - funded as part of another CWSRF financing agreement

## Exhibit D - SFY 10/11 List of Projects with Financing Servicing Fees

### List of All Projects with Financing Servicing Fees

#### Fee Fund: Small Community Grant

Contract Number	Subsidiary Number	Project Number	Party	Project Name	Disbursement Status	Payment Status
00-808	21490285	4521-110	Riverbank, City of	Treatment Plant Expansion	Complete	Ongoing
-397931	21499125	5051-110	Reedley, City of	Reedley WWTP Expansion	Complete	Ongoing
-397200	21499139	4699-110	Crescent City, City of	NEW WASTEWATER TREATMENT FACILITY	Complete	Ongoing
-391356	21499142	4438-110	Colusa, City of	TREATMENT PLANT EXPANSION & IMPROVEMENTS	Complete	Ongoing
-390991	21490053	5085-110	Union Sanitary District	Newark Pump Station Upgrade	Complete	Ongoing
-400091	21490398	4729-130	La Mesa, City of	INFLOW/INFILTRATION CORRECTION PHASE III	Complete	Ongoing
-396804	21490393	5055-110	Patterson, City of	OXIDATION DITCH UPGRADE	Complete	Ongoing
-396439	21490384	4352-110	Lake Arrowhead Community Services Dist.	Recycled Water Phase 1 Project	Complete	Ongoing
-396074	21490387	4680-110	Ventura, County of	EL RIO SEWER PROJECT, PHASE 5A	Complete	Ongoing
-395343	21490389	4148-110	Rosamond Community Services Dist	LANDSCAPE AND AGRICULTURAL IRRIGATION (RECLAMATION)	Complete	Ongoing
-387673	21490418	5139-110	Hughson, City of	WWTP Rehab WD Upgrade	Ongoing	Ongoing
-381829	21490415	4729-140	La Mesa, City of	La Mesa Sewer System Improvement Project Phase IV	Complete	Ongoing
-383259	21490521	4688-110	Oakdale, City of	UPGRADE WASTEWATER TREATMENT FACILITY	Ongoing	Ongoing
-381067	21490522	5043-110	Galt, City of	WASTEWATER TREATMENT PLANT UPGRADES	Ongoing	Ongoing

#### Fee Fund: Small Community Grant and Administrative Services

Contract Number	Subsidiary Number	Project Number	Party	Project Name	Disbursement Status	Payment Status
00-805	21490277	4596-110	Hilmar County Water District	Upgrade Treatment Plant	Complete	Ongoing
00-806	21490286	4685-110	Sacramento, City of	Combined Sewer Overflow (cso)- Land Park Relief Sewer	Complete	Ongoing
00-815	21490294	4465-110	Yreka, City of	Treatment Plant Additions & Water Reclamation	Complete	Ongoing
00-816	21490290	4062-140	Santa Rosa, City of	Pine Flat North Pipeline	Complete	Ongoing
00-819	21490288	4086-110	Lake County Sanitation District	Eliminate Spills To Clearlake-North West Plant	Complete	Ongoing
-401034	21490300	4173-110	Laguna County Sanitation District	Salt Segregation Facility	Complete	Ongoing
-400304	21490302	4655-110	Piedmont, City of	I/I Correction	Complete	Ongoing
-396286	21490321	4771-110	Union Sanitary District	Irvington Equalization Storage Facilities Project	Complete	Ongoing
-395921	21490317	4684-110	Ventura, County of	I/I Correction-Camarillo Airport Coll System	Complete	Ongoing
-395555	21490330	4062-240	Santa Rosa, City of	Central Healdsburg Pipeline	Complete	Ongoing

**Fee Fund: Small Community Grant and Administrative Services - Continued**

<b>Contract Number</b>	<b>Subsidiary Number</b>	<b>Project Number</b>	<b>Party</b>	<b>Project Name</b>	<b>Disbursement Status</b>	<b>Payment Status</b>
-394094	21490331	4800-110	Redlands, City of	Treatment Plant Expansion, Reclaimed Water Facilities, Delivery Pipeline	Complete	Ongoing
-392633	21490355	4790-110	Vallejo Sanitation & Flood Dist.	Sanitary Sewer Overflow Elimination Program	Complete	Ongoing
-400273	21490316	4252-410	La Canada Flintridge, City of	Sewer Collection System Project	Complete	Ongoing
-398446	21490341	4846-130	Inland Empire Utilities Agency	Phase I Regional Distribution System;RP1 and RP4 Pump Station Project	Complete	Ongoing
-398081	21490328	4772-110	Burlingame, City of	Treatment Plant Improvements	Complete	Ongoing
-397716	21490332	6061-120	Napa, County Of, Flood Control and Water	Property Acquisition	Complete	Ongoing
-395890	21490337	4801-110	North San Mateo County Sanitation District	Water Recycling Adv Treatment	Complete	Ongoing
-395524	21490338	4655-120	Piedmont, City of	I/I Correction - Phase VI	Complete	Ongoing
-395159	21490345	4307-110	San Luis Obispo, City of	Water Reuse Project	Complete	Ongoing
-393333	21490349	4007-610	Alameda, City of	I / I Correction Phase VIII; Subarea 91A/B	Complete	Ongoing
-392968	21490350	4728-110	South San Francisco, City of	Wet Weather Facility	Complete	Ongoing
-401340	21490364	4695-110	Escondido, City of	BLOWER REPLACEMENT	Complete	Ongoing
-397688	21490359	4655-130	Piedmont, City of	I/I Correction	Complete	Ongoing
-384173	21490391	4783-310	Los Angeles County Sanitation District	District 14 - Rosamond Trunk F Replacement Sewer Section II	Complete	Ongoing
-398722	21499117	4844-110	North Marin Water District	NORTH MARIN WATER DISTRICT WATER RECYCLING PROJECT	Complete	Ongoing
-401248	21490032	4823-110	Sonoma Valley County Sanitation District	TERTIARY TREATMENT PLANT UPGRADE PROJECT	Complete	Ongoing
-400883	21490024	6090-110	The Conservation Fund	FOREST CONSERVATION, FISHERIES RESTORATION & WATER QUALITY ENHANCEMENT	Complete	Ongoing
-399422	21490026	4969-110	Nevada County Sanitation District #1	LAKE WILDWOOD WWTP	Complete	Ongoing
-396835	21490046	5053-110	Union Sanitary District	Willow/Central Avenue Sanitary Sewer Rehab Project	Complete	Ongoing
-395374	21499137	6093-110	St Helena, City of	ST. HELENA-NAPA RIVER FLOOD PROTECTION & ESTUARY RESTORATION PROJECT	Ongoing	Ongoing
-394278	21499123	4790-120	Vallejo Sanitation & Flood Dist.	South Interceptor Conveyance Improvement Project	Complete	Ongoing
-388800	21490076	5045-110	Union Sanitary District	Lower Hetch Hetchy Corridor Sanitary Sewer Improvement Project	Complete	Ongoing
-388434	21490042	4470-110	Colfax, City of	WASTEWATER TREATMENT PLANT IMPROVEMENTS TO MEET WDRS	Complete	Ongoing
98-811	21490246	6050-110	Merced, County of	Animal Confinement Drainage Project	Complete	Ongoing
98-816	21490247	4429-110	Thousand Oaks, City of	Plant Expansion & Upgrade For Reclamation Activities (reclamation)	Complete	Ongoing
98-817	21490251	4001-260	Los Angeles County Sanitation District	JWPCP-Covers For Primary Clarifiers, Contract No. 14a	Complete	Ongoing
98-826	21490241	6026-110	South Lake Tahoe, City of	Stateline erosion control	Complete	Ongoing
98-828	21490259	6061-110	Napa, County Of, Flood Control and Water	Napa River Flood Protection and Estuary Restoration Project	Complete	Ongoing

**Fee Fund: Small Community Grant and Administrative Services - Continued**

<b>Contract Number</b>	<b>Subsidiary Number</b>	<b>Project Number</b>	<b>Party</b>	<b>Project Name</b>	<b>Disbursement Status</b>	<b>Payment Status</b>
99-830	21490283	4452-140	Santa Ana Watershed Project Authority	Temescal Valley Regional Interceptor-reach V	Complete	Ongoing
99-831	21490301	4653-110	Sacramento, City of	COMBINED SEWER SYSTEM (CSO)- TAHOE PARK PARALLEL SEWER	Complete	Ongoing

**Fee Fund: Administrative Services**

<b>Contract Number</b>	<b>Subsidiary Number</b>	<b>Project Number</b>	<b>Party</b>	<b>Project Name</b>	<b>Disbursement Status</b>	<b>Payment Status</b>
00-801	21490101	4610-120	Vacaville, City of	Full Treatment Plant Expansion-phase II	Complete	Ongoing
00-802	21490278	4665-110	Stege Sanitary District	I/I Correction	Complete	Ongoing
00-804	21490282	4486-110	Templeton Community Services District	Wastewater Treatment Plant Expansion	Complete	Ongoing
00-809	21490292	4708-110	Redding, City of	Westside Interceptor Sewer	Complete	Ongoing
00-818	21490309	4062-220	Santa Rosa, City of	North & South Healdsburg Pipeline	Complete	Ongoing
00-825	21490287	4062-170	Santa Rosa, City of	Windsor Pipeline	Complete	Ongoing
00-831	21490312	4062-250	Santa Rosa, City of	Installation of Geysers Pump Stations	Complete	Ongoing
-400669	21490295	4053-110	McCloud Community Services District	Rehabilitate Collection System	Complete	Ongoing
-398112	21490311	4062-160	Santa Rosa, City of	Pumping Station Equipment Procurement	Complete	Ongoing
-397747	21490310	4062-230	Santa Rosa, City of	Mid-South Pipeline	Complete	Ongoing
-397016	21490353	6036-110	Santa Cruz, County of	San Lorenzo River On-Site WW Mgmt	Complete	Ongoing
-396651	21490313	4062-150	Santa Rosa, City of	Pine Flat South Pipeline	Complete	Ongoing
-394063	21490344	4812-110	Napa Sanitation District	Inflow and Infiltration Reduction Project	Complete	Ongoing
-392602	21490351	4658-110	Victor Valley Wastewater Rec Authority	Interceptor Expansion	Complete	Ongoing
-392237	21490372	4845-110	Santa Margarita Water District	RECYCLED WATER PROGRAM EXPANSION GROUP 2	Complete	Ongoing
-391872	21490360	4802-110	Corona, City of	Recycled Water Project A	Complete	Ongoing
-400244	21490346	4657-110	Tahoe-Truckee Sanitation Agency	Treatment Plant Expansion	Complete	Ongoing
-399514	21490352	4528-210	Benicia, City of	I/I improvements	Complete	Ongoing
-384904	21490396	4783-110	Los Angeles County Sanitation District	District 14 - Rosamond Trunk F Replacement Sewer Section I	Complete	Ongoing
-384539	21490380	4783-210	Los Angeles County Sanitation District	District 14 - Rosamond Trunk F Replacement Sewer Section I	Complete	Ongoing
-400944	21490358	6085-110	The Nature Conservancy	Palo Corona Watershed Protection Project	Complete	Ongoing
-396561	21490370	4450-110	Coachella Sanitary District	WASTEWATER TREATMENT PLANT EXPANSION	Complete	Ongoing
-396196	21490004	4252-510	La Canada Flintridge, City of	Sewer Collection System Project Areas 3A & 3B	Complete	Ongoing
-400549	21499120	4693-110	Petaluma, City of	Ellis Creek Water Recycling Facilities	Ongoing	Ongoing
-398357	21490127	4665-210	Stege Sanitary District	I/I CORRECTION - PHASE XI SEWER REHABILITATION PROJECT	Complete	Ongoing
-397992	21490022	4200-110	Yucaipa Valley Water District	HENRY N WOLCHHOLZ WWTP EXPANSION & UPGRADE	Complete	Ongoing
-397627	21499119	4729-110	La Mesa, City of	INFLOW/INFILTRATION CORRECTION	Complete	Ongoing

**Fee Fund: Administrative Services - Continued**

<b>Contract Number</b>	<b>Subsidiary Number</b>	<b>Project Number</b>	<b>Party</b>	<b>Project Name</b>	<b>Disbursement Status</b>	<b>Payment Status</b>
-400518	21490035	4971-110	Redding, City of	Clear Creek WWTP Expansion Bid Package 1	Complete	Ongoing
-396105	21490047	4632-110	Alturas, City of	Wastewater Treatment Plant Upgrade & Improvement Project	Complete	Ongoing
-395739	21499122	4728-120	South San Francisco, City of	WET WEATHER MANAGEMENT PROJECT, PHASE 2	Complete	Ongoing
-395009	21490039	4729-120	La Mesa, City of	INFLOW/INFILTRATION CORRECTION PHASE II	Complete	Ongoing
-394644	21499138	4971-210	Redding, City of	Clear Creek WWTP Expansion Bid Package 2	Complete	Ongoing
-392452	21490086	4303-110	East Bay Municipal Utility District	East Bayshore Recycled Water Phase IA	Complete	Ongoing
-395708	21490390	4916-110	Los Angeles County Sanitation District	LANCASTER WRP - STAGE V PHASE I EXPANSION	Ongoing	Ongoing
93-805	21490154	6006-110	Davis, City of	Wetland treatment of runoff	Complete	Ongoing
93-810	21490165	6022-110	Pacheco Water District	Drainage Recycling System	Complete	Ongoing
93-819	21490163	4330-110	Goleta Sanitary District	Outfall Repairs (Recd Loan 6/10/94)	Complete	Ongoing
94-806	21490169	4108-110	Cambria Community Services District	Treatment Plant Improvements	Complete	Ongoing
96-805	21490201	6014-110	San Luis Water District	Irrigation system improvements	Complete	Ongoing
96-820	21490220	4360-110	Davis, City of	Treatment Plant Expansion & Improvements	Complete	Ongoing
97-804	21490222	4001-220	Los Angeles County Sanitation District	JWPCP Construction - Final Increment Secondary Treatment	Complete	Ongoing
97-809	21490228	4505-110	Placerville, City of	Wastewater Treatment Plant Expansion	Complete	Ongoing
97-813	21490227	6031-110	Mammoth Lakes, Town of	Urban runoff projects	Complete	Ongoing
97-814	21490231	4648-110	Rialto, City of	Treatment Plant Expansion	Complete	Ongoing
97-817	21490230	4251-110	Colton, City of	Secondary Treatment Expansion and Renovation For Hydraulic Reliability	Complete	Ongoing
97-827	21490235	4614-110	South San Francisco, City of	Plant Improvement Project	Complete	Ongoing
98-813	21490245	4262-110	Humboldt County Res. Imp. Dist. 1	Relocate Treatment Plant	Complete	Ongoing
98-818	21490254	4001-250	Los Angeles County Sanitation District	JWPCP-Mods of Existing Reactors & Clarifiers, Contract No. 4b	Complete	Ongoing
98-837	21490257	4452-110	Santa Ana Watershed Project Authority	Temescal Valley Regional Interceptor	Complete	Ongoing
99-802	21490258	4704-110	Windsor, Town of	Awt Plant Expansion-1,5 To 2.25 Mgd	Complete	Ongoing
99-805	21490262	4610-110	Vacaville, City of	Treatment Plant Upgrade & Expansion	Complete	Ongoing
99-807	21490265	4679-110	Los Angeles, County of	San Pasqual Sewers	Complete	Ongoing
99-811	21490270	4429-120	Thousand Oaks, City of	Phase II-Hill Canyon Expansion and Upgrade (14mgd)	Complete	Ongoing
99-819	21490102	4666-110	American Canyon, City of	2.5 MGD Tertiary Trt Plt-UV(wetlands) & Chlorine(reclamation)	Complete	Ongoing
99-829	21490293	4616-110	Calistoga, City of	Treatment Plant Expansion	Complete	Ongoing

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**State Water Resources Control Board – Members and Executive Director**

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**CHARLES R. HOPPIN**  
Chair



**FRANCES SPIVY-WEBER**  
Vice-Chair



**TAM M. DODUC**  
Board Member



**TOM HOWARD**  
Executive Director



 California Environmental Protection Agency

**State Water Resources Control Board**

DIVISION OF FINANCIAL ASSISTANCE • 1001 I STREET • SACRAMENTO, CA 95814