



State Water  
Resources  
Control Board

A photograph of a water treatment facility. In the foreground, there is a rocky embankment leading to a concrete structure with a small waterfall. The water is calm and reflects the sky. In the background, there are several large cylindrical storage tanks and some buildings, with a range of mountains under a clear blue sky.

# ANNUAL REPORT

## DRINKING WATER STATE REVOLVING FUND

State Fiscal Year 2024-25

Prepared by

DIVISION OF FINANCIAL ASSISTANCE

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State Water Resources Control Board

State of California



# MISSION | VISION

## Statements

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

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



# About the State and Regional Water Boards

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The State Water Resources Control Board (State Water Board) was created in 1967. Its comprehensive authority over allocation, planning, and enforcement enables the State Water Board to protect California's water quality and drinking water.

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. The State Water Board is also composed of six divisions that support its water quality missions, including the Division of Financial Assistance and the Division of Drinking Water.

There are also nine Regional Water Quality Control Boards (Regional Water Boards). The Regional Water Boards 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 seven 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.

# State Water Resources Control Board

## Members and Executive Director

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### E. Joaquin Esquivel, Chair



E. Joaquin Esquivel was appointed to the State Water Resources Control Board by Governor Jerry Brown in March 2017, designated by Governor Gavin Newsom as Chair in February 2019, and reappointed to the board by Governor Newsom in 2025. Previously, he served as Assistant Secretary for federal water policy at the California Natural Resources Agency in the Governor's Washington, D.C. office, where he facilitated the development of policy priorities between the agency, the Governor's Office, the California Congressional delegation, and federal stakeholder

agencies.

For more than eight years prior to that, Joaquin worked for U.S. Senator Barbara Boxer of California, most recently as her legislative assistant covering the agriculture, Native American, water, oceans, and nutrition portfolios, in addition to being the director of Information and Technology.

He was born and raised in California's Coachella Valley. He holds a BA from the University of California, Santa Barbara in English.

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### Dorene D'Adamo, Vice Chair



Dorene D'Adamo was appointed to the State Water Resources Control Board in 2013 and reappointed by Governor Newsom in 2022. She serves as Vice Chair and as a member with experience in the field of water supply and water quality relating to irrigated agriculture. Ms. D'Adamo is on the Board of the California Partnership for the San Joaquin Valley and previously served on the Valley Coalition for UC Merced's Medical School and on the Governor's Drought Task Force. She was a member of the California Air Resources Board from 1999-2013 under the Brown, Schwarzenegger and Davis Administrations, where she was instrumental in the board's air quality and climate change programs and regulations.

Ms. D'Adamo served in various capacities for Members of Congress from the San Joaquin Valley over a 20-year period, working primarily on environmental, water and agricultural legislative policy.

Ms. D'Adamo earned a Bachelor of Arts degree from the University of California at Davis and a Juris Doctor from the University of the Pacific, McGeorge School of Law.

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### Sean Maguire



Sean Maguire was appointed to the State Water Resources Control Board in December 2018 by Governor Brown and reappointed by Governor Newsom in 2024. Mr. Maguire is a registered civil engineer and has had a diverse career both in public service and as an engineering consultant, which provides a valuable perspective on the administrative challenges facing a government agency and the needs of a broad array of water interests.

From 2015-2018, Mr. Maguire worked for the State Water Resources Control Board as a manager of the Storm Water Grant Program in the Division of Financial Assistance, and later as a manager in the Division of Water Rights where he oversaw administration of water right change petitions, licensing, and cannabis cultivation permitting. Prior to joining the Board, from 2003-2015, he worked for an engineering consulting firm serving a variety of municipalities and water agencies throughout the state, focused on water resources planning, drinking water, and wastewater infrastructure projects. Much of his work revolved around integrated water management and developing long-term water supply solutions to meet the needs of both water users and the environment.

Mr. Maguire has a Bachelor of Science in Civil Engineering from California State University, Sacramento.

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### Laurel Firestone



Laurel Firestone was appointed to the State Water Resources Control Board in 2019 and reappointed by Governor Newsom in February 2023. Prior to joining the Board, Laurel co-founded and co-directed, from 2006-2019, the Community Water Center, a statewide non-profit environmental justice organization based in California's Central Valley and Central Coast. Her career has focused on ensuring all Californians have access to safe, clean, and affordable drinking water, and building increased diversity, equity, and inclusivity into water decision-making.

Laurel has received a variety of awards and recognitions for her work, including the James Irvine Foundation's Leadership Award in 2018, and the Gary Bellow Public Service Award by the Harvard Law School in 2013.

Laurel served on the Tulare County Water Commission from 2007-2012, as well as a variety of state policy advisory committees. She has partnered with universities to develop research and clinical programs to further the human right to water, and written articles and publications related to drinking water and the environment.

Laurel graduated with honors from Harvard Law School and holds B.A. magna cum laude in Environmental Studies from Brown University.

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### **Nichole Morgan**



Nichole Morgan was appointed as civil engineer to the State Water Resources Control Board by Governor Gavin Newsom in June 2021 and reappointed in 2025. Ms. Morgan most recently served as an Assistant Deputy Director in the State Water Resources Control Board's Division of Financial Assistance, where she worked on projects providing funding for drinking water, wastewater, storm water and groundwater infrastructure improvements. During this time Ms. Morgan also managed a variety of additional programs including the Lead in Childcare Centers, Fish Advisories, and Drinking Water and Wastewater Operator Certification programs.

From 1999 to 2009 Ms. Morgan worked for public agencies and engineering consulting firms. Her responsibilities included planning, designing, and overseeing the construction of drinking water, wastewater and recycled water treatment and conveyance facilities throughout California. Ms. Morgan joined the State Water Resources Control Board in 2009 where she worked as staff in the Division of Financial Assistance, Delta Water Master's Office, and the Division of Water Rights. Ms. Morgan worked as a manager at the Central Valley Regional Water Board from 2012 to 2018, where she managed the region's NPDES program. She returned to the State Water Board in 2018 as the head of the Office of Sustainable Water Solutions and was promoted in 2019 to Assistant Deputy Director with the Division of Financial Assistance.

Ms. Morgan has a bachelor's in science in Civil Engineering from California State University, Sacramento.

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### **Eric Oppenheimer, Executive Director**



Eric Oppenheimer was appointed as Executive Director of the State Water Board in January 2024, where he is responsible for overall leadership and management of the agency. From 2016 to 2024 he served as a Chief Deputy Director where his responsibilities included water rights, Bay-Delta planning, groundwater management, water conservation, and administration. An environmental scientist by training, Oppenheimer's career began with water quality protection roles in planning and regulatory programs with the Lahontan and Central Valley regional water boards, interspersed with positions at the Department of Water Resources and the California Coastal Commission.

He holds a Bachelor of Arts in Economics from Keene State College and a Bachelor of Science in Environmental Science and Ecology from Sierra Nevada College.

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## I. INTRODUCTION

The California State Water Resources Control Board (State Water Board) and Division of Financial Assistance (DFA) present the Drinking Water State Revolving Fund (DWSRF) Annual Report for State Fiscal Year (SFY) 2024-25. The State Water Board provided approximately \$525 million in new DWSRF financing for 37 planning and construction projects to address drinking water needs in California. This report describes how the State Water Board met the objectives for the DWSRF program identified in the [SFY 2024-25 DWSRF Intended Use Plan \(IUP\)](https://www.waterboards.ca.gov/water_issues/programs/grants_loans/srf/docs/2024/2024-25-dwsrf-iup.pdf) ([https://www.waterboards.ca.gov/water\\_issues/programs/grants\\_loans/srf/docs/2024/2024-25-dwsrf-iup.pdf](https://www.waterboards.ca.gov/water_issues/programs/grants_loans/srf/docs/2024/2024-25-dwsrf-iup.pdf))

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

In 2021, the Infrastructure, Investment and Jobs Act (IIJA), previously referred to as the Bipartisan Infrastructure Law (BIL), appropriated \$30.7 billion to DWSRF programs nationally for federal fiscal years 2022-2026. The appropriation included supplemental funding for DWSRF base program, funds for projects to address emerging contaminants, with a focus on perfluoroalkyl and polyfluoroalkyl substances (PFAS), and funds for lead service line inventory and replacement projects. In addition, IIJA made several amendments to SDWA and added the Build America, Buy America (BABA) requirement.

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

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

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## II. PROGRAMMATIC RESULTS

### A. Programmatic Outcome Highlights

The State Water Board actively administered the DWSRF in SFY 2024-2025 to provide subsidized financing for a variety of small and large public water systems, which served both disadvantaged and non-disadvantaged communities, throughout California. This below-market financing enabled a variety of drinking water projects to address a variety of public health priorities in accordance with State and federal DWSRF requirements. Tables 1 and 2 and Figure 1 below show a variety of DWSRF funding outcomes for SFY 2024-2025.

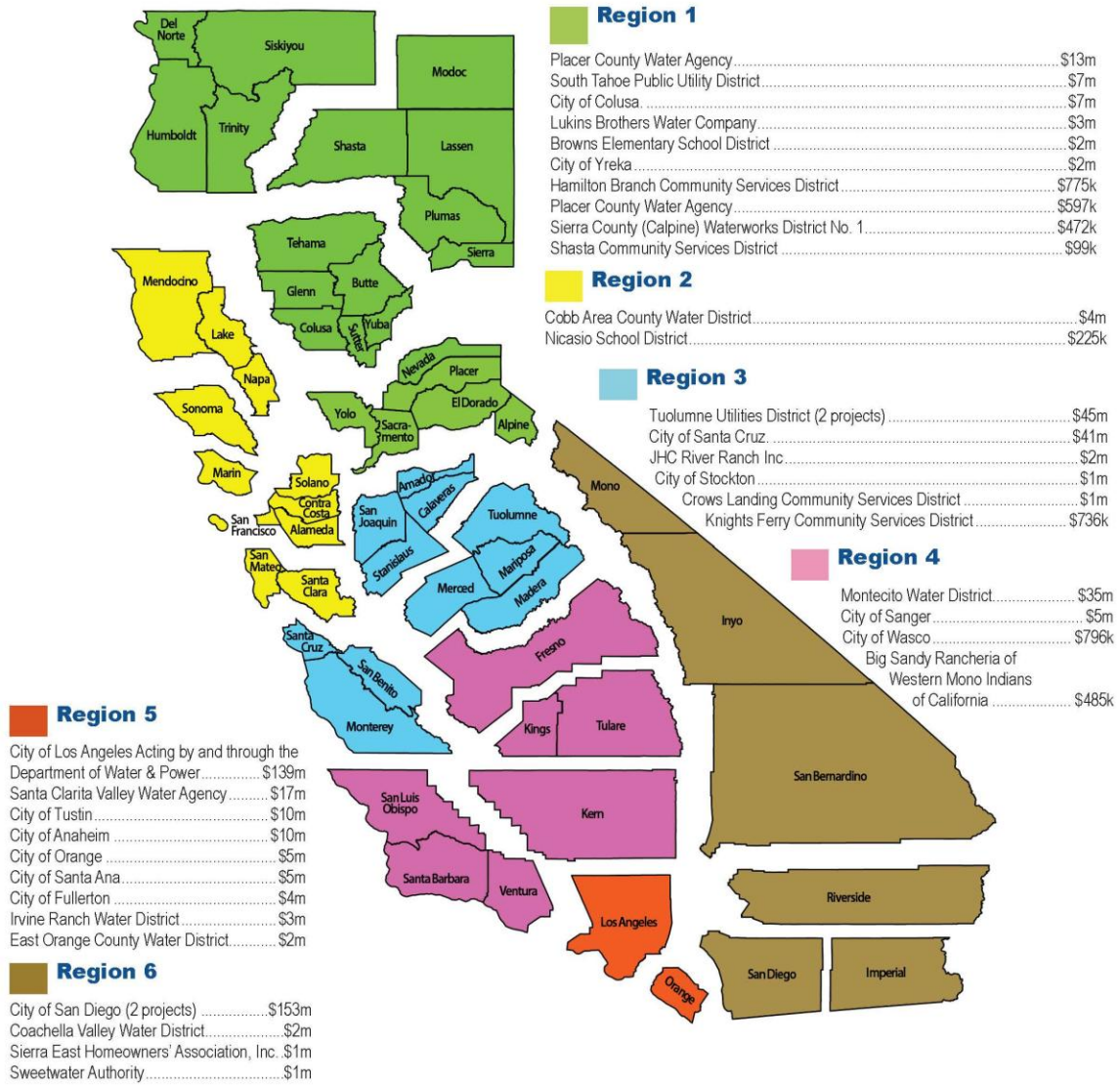
**Table 1: SFY 24-25 DWSRF Summary Outcomes**

Outcome	Amount
Total Number of Agreements	37
Total Funding	\$524,914,134
Total Loan	\$407,966,212
Total Principal Forgiveness	\$116,947,922
Total Green Project Reserve Projects	\$0
Total Subsidized Interest Savings from Loan Funding	\$302,034,100

**Table 2: SFY 2024-2025 Disadvantaged and Non-Disadvantaged Community Table**

Degree of Disadvantaged	No. of Projects	Population	Total Funding
SDAC	10	40,081	\$18,097,659
DAC	10	268,574	\$35,631,195
Non-DAC	17	6,804,661	\$471,185,280
Total	37	7,113,316	\$524,914,134

**Figure 1 SFY 2024-2025 DWSRF Funded Projects Through California**



37 Total Projects  
\$525 million in Total Project Financing

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1. Project Highlights for SFY 2024-2025

Below are two case studies highlighting DWSRF projects that completed construction within SFY 2024-2025. Both projects provide a variety of water quality benefits within their respective communities. Both of these projects were completed in this fiscal year.

**Applicant Name:** City of Antioch

**Project Name:** Antioch Brackish Water Desalination Project

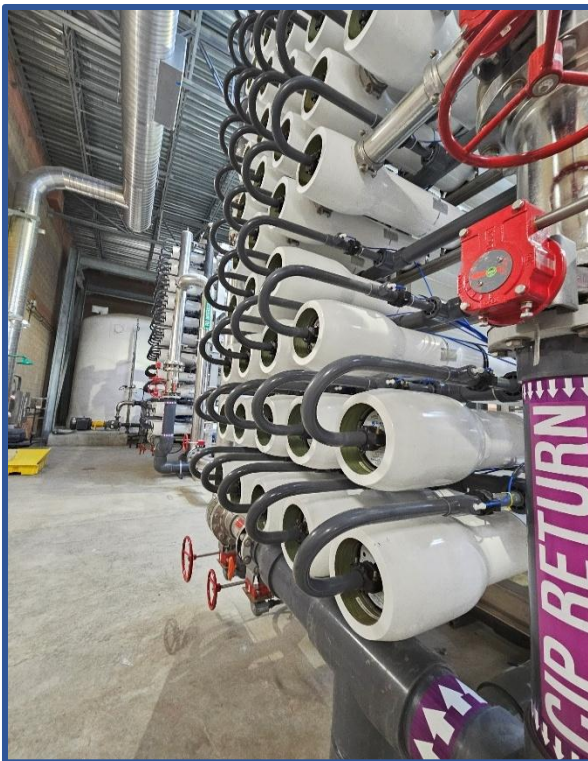
**Funding Amount:** \$60,000,000

**Construction Complete:** September 2025

**Population:** 115,074

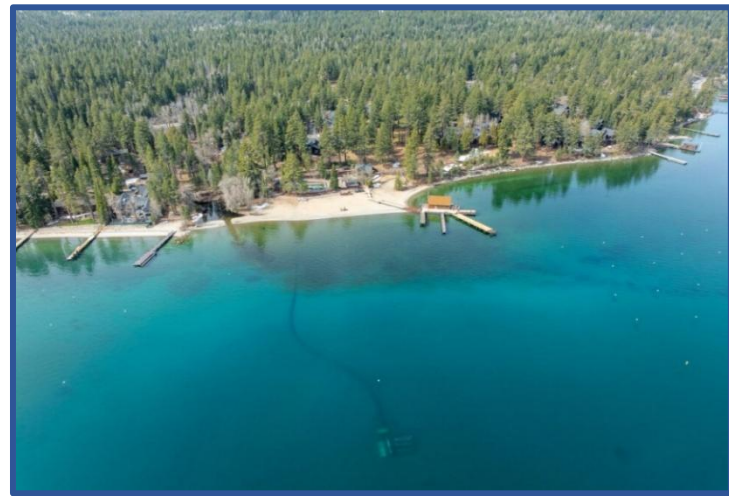
**Community Size:** Large

**Project Description:** The City of Antioch constructed a 6 MGD brackish water desalination project to allow for year-round use of San Joaquin River raw water intake. This project provides the City with the capacity to treat brackish raw water at the existing water treatment plant. Previously, the City was unable to utilize the intake year-round due to seasonal degradation of raw water quality from high chloride levels. The project includes microfiltration/ultrafiltration system for pretreatment, as well as a two-stage reverse osmosis system.



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**Applicant Name:** Tahoe City PUD  
**Project Name:** West Lake Tahoe Regional Water Treatment Plant  
**Funding Amount:** \$19,677,000  
**Construction Complete:** December 2025  
**Population:** 844  
**Community Size:** Small  
**Project Description:** Tahoe City PUD has constructed a new 650 gallons per minute West Lake Tahoe Regional Water Treatment Plant to serve as a reliable, year-round water supply. This new facility was built to address water supply issues in the McKinney-Quail Water Service Area and provide regional drinking water supply solution for the west shore of Lake Tahoe. The new treatment plant will serve as a crucial supplemental surface water source. The previous plant was unable operatable during freezing conditions due to its outdoor filtration equipment.

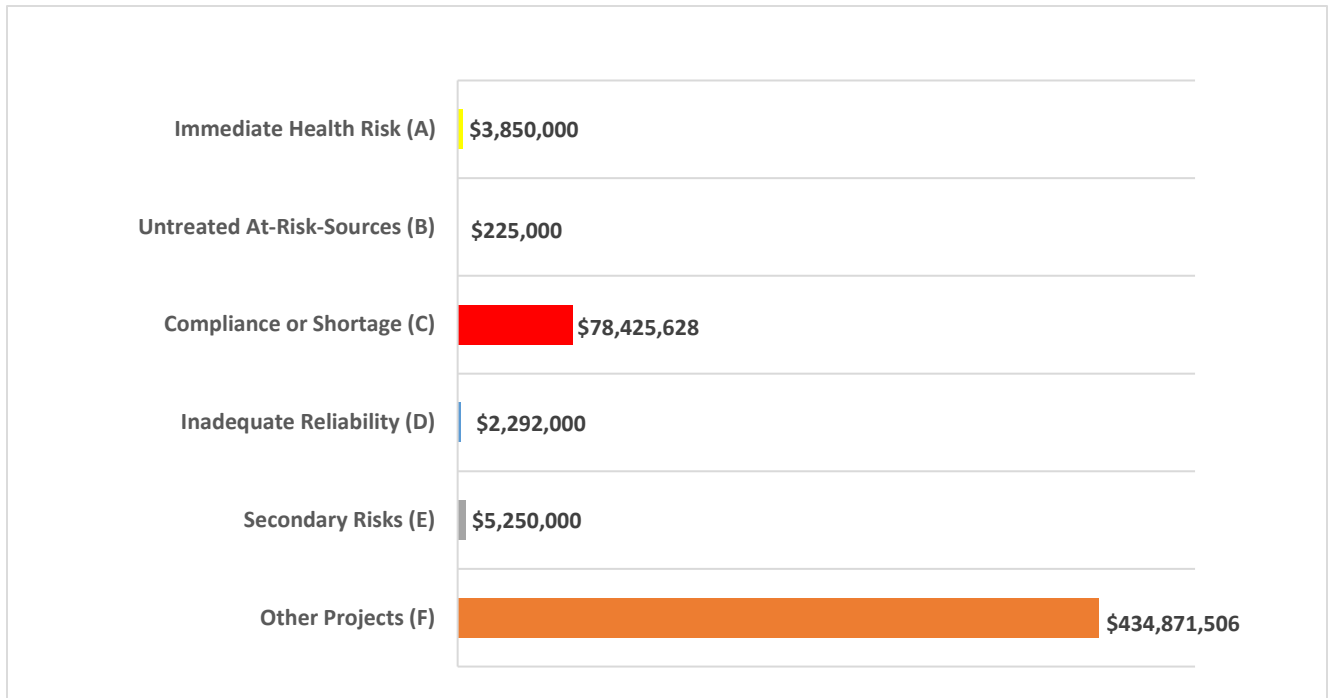


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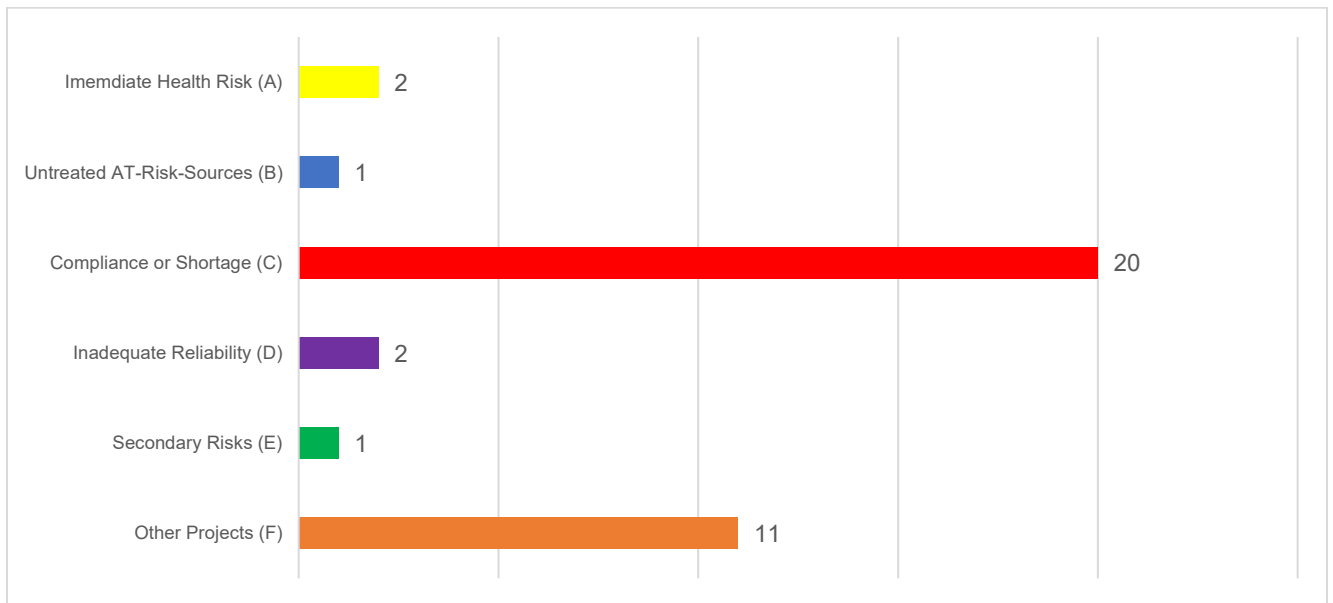
## B. Drinking Water Public Health Benefits and Outcomes

The contributions of the DWSRF program to public health and drinking water quality are diverse. The program has the strength and versatility to address a wide range of drinking water issues. To the maximum extent possible, in SFY 2024-25, priority was given to projects that addressed the most serious risks to human health, were necessary to ensure compliance with SDWA requirements, and assisted water systems most in need on a per household basis. Projects were ranked by the categories below as defined in the DWSRF Policy, Section IV.B.2: Figures 2-5 summarize the drinking water benefits derived from the DWSRF projects funded during SFY 2024-25. The data supporting this summary has been reported to USEPA's OOWSRF database.

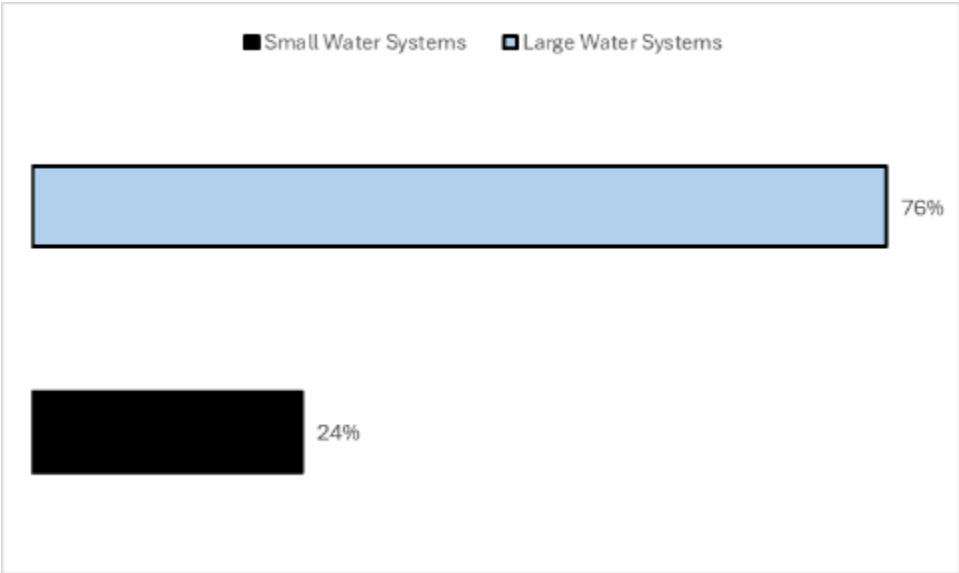
**Figure 2: SFY 2024-2025 DWSRF Funding by Public Health Objective**



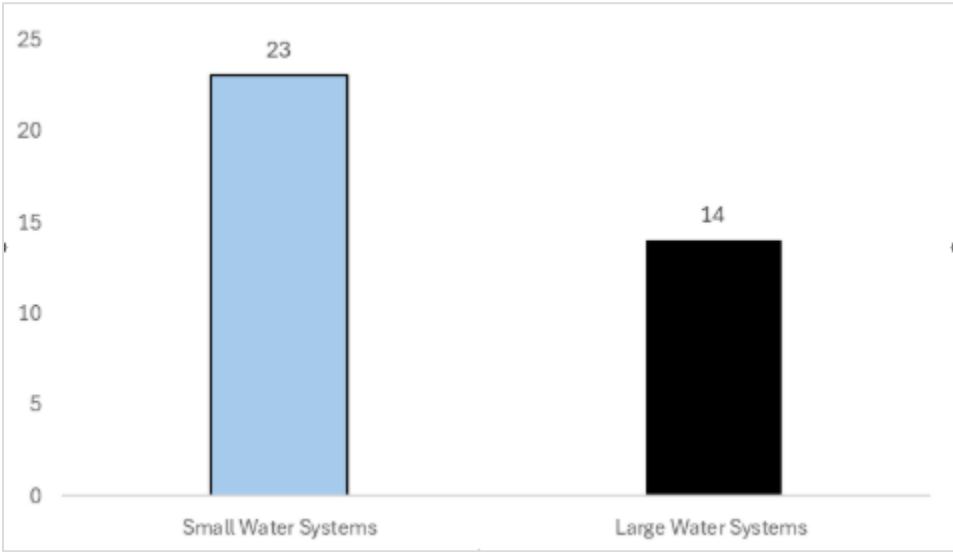
**Figure 3: SFY 2024-2025 DWSRF Projects by Public Health Objective**



**Figure 4: SFY 2024-2025 DWSRF Funding for Small and Large Water Systems**



**Figure 5: SFY 2024-2025 DWSRF Projects for Small and Large Water Systems**



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### C. Drinking Water Project Need Outcomes

DWSRF funded projects are multi-faceted and generally address drinking water infrastructure needs via planning and construction financing. Table 3 below shows a breakdown of the many project benefit types funded through the DWSRF in SFY 2024-25. In particular, \$339,354,572 million or sixty-five percent (65%) was provided to fund transmission and distribution, \$120,891,395 million or twenty-three percent (23%) was for treatment, and the remaining was for source, storage, planning, and restructuring of system and land acquisition benefit.

**Table 3: SFY 2024-2025 DWSRF Infrastructure Funding by Need**

Need	Cost	Number of Projects/Benefit/Need <sup>1</sup>
Planning and Design Only	\$16,346,897	11
Treatment	\$120,891,395	15
Transmission & Distribution	\$339,354,572	8
Source	\$9,191,050	4
Storage	\$34,952,220	2
Restructuring	\$4,046,500	2
Land Acquisition	\$0	0
Other	\$131,500	1
<b>Total</b>	<b>\$524,914,134</b>	<b>43</b>

The State Water Board funded a variety of planning and construction projects through the DWSRF in SFY 2024-25 to address a range of public health issues for public water systems. Specifically, the State Water Board funded projects from the DWSRF for the benefit of both small water systems (SWSs) (populations less than 10,000 people) and large water systems (populations over 10,000 people).<sup>2</sup> Table 4 below displays the number of small and large water systems as well as the amount of funding for planning and construction financing in each category. See also Exhibit A for a list of projects that received funding in SFY 2024-25.

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<sup>1</sup> The total number of projects for all benefits is greater than the total number of projects funded because individual projects may benefit in multiple ways.

<sup>2</sup> "Data for Expanded Small (ESCWS) and Medium sized systems are included under "Large" in the tables and figures

**Table 4: SFY 2024-2025 DWSRF Construction & Planning Financing Summary**

System/ Community Type	Project Type	No. of Projects	Total Funding	Total Population
Small	Planning	8	\$7,358,424	79,775
	Construction	15	\$117,013,715	
Large	Planning	2	\$8,788,155	7,033,541
	Construction	12	\$391,753,840	
<b>Total</b>		<b>37</b>	<b>\$524,914,134</b>	<b>7,113,316</b>

**D. IIJA – Emerging Contaminant & Lead Service Line**

DWSRF IIJA Emerging Contaminant and Lead Service Line Replacement programs made the following commitments in FY 2024-25:

- The State Water Board awarded funding for eight (8) projects: \$37M from the FFY 2022 emerging contaminant capitalization grants and \$7M from the FFY 2023 emerging contaminant capitalization grant.
- The State Water Board awarded funding for three (3) projects in the amount of \$8.9M from the FFY 2022 lead service line replacement grants.

**III. FINANCIAL RESULTS**

**A. Cumulative Financial Activity**

To satisfy federal requirements and ensure the accuracy of the State Water Board’s financial management of the DWSRF, audited financial statements for the year ending June 30, 2025, were completed December 20, 2025, and are included as Appendix F in this report. This section provides important financial highlights about the DWSRF as of June 30, 2025.

DWSRF Base Program, including the IIJA General Supplemental Grants, as of June 30, 2025:

- The cumulative DWSRF federal funds available for planning and construction financial assistance since inception was approximately \$5.2 billion.
- The State Water Board’s, and preceding departments/agencies, cumulative binding commitments (executed agreements) were approximately ~208% of cumulative DWSRF federal payments (not including set-aside amount).
- The State Water Board, and preceding departments/agencies, had disbursed approximately ~86% of available DWSRF federal funds for planning and construction projects.

- The State Water Board had committed ~200% of the DWSRF fund balance. The DWSRF fund balance may include any undisbursed federal (base grant + IIJA General Supplemental grant) and State match funds, principal and interest repayments, investment earnings and any revenue bond proceeds available for disbursement to DWSRF financings.
- Cumulative DWSRF base program activity from inception through the end of SFY 2024-25 is further described in Table 5.

**Table 5: Cumulative DWSRF Base Program Activity, including IIJA General Supplemental Grant<sup>3</sup>**

<b>DWSRF Construction and Planning Funding (Base Program)</b>	
<b>Activity</b>	<b>Life of Program</b>
Number of Binding Commitments	654
Value of Binding Commitments	\$5.2 billion
Disbursements and Expenditures	\$4.1 billion <sup>4</sup>
Balance of Funding Agreements	\$1.1 billion
<b>DWSRF Set-Aside Funding</b>	
DWSRF Set-Aside Amount	~\$596 million
DWSRF Set-Aside Expenditures	~\$476 million <sup>5</sup>
Balance of Set-Asides	~\$120 million

The State Water Board also administers the DWSRF Small Community Emergency Grant (SCEG) fund. The DWSRF SCEG Fund is separate from the DWSRF and can derive revenues from a “fee-in-lieu-of-interest” on DWSRF financings. However, the State Water Board has not established such fees yet for DWSRF SCEG Fund due to the availability of other State and federal funding sources for small communities. However, the State Water Board anticipates charging fees for the DWSRF SCEG Fund in the near future.

### **B. Credit Risk of the DWSRF**

Each loan recipient must pledge or dedicate one or more sources of revenue toward the payment of its DWSRF repayable financing. For publicly owned entities, dedicated sources of revenue are generally net water rate revenues, but may also be any number of revenue sources, special tax pledges, or other pledgeable income. Privately owned entities must demonstrate that there is adequate security for repayment of the loan, which may include a first priority lien on deposit accounts for a restricted reserve fund equal to one year’s DWSRF debt service, Uniform Commercial Code (UCC)-1 liens on

<sup>3</sup> Program activity includes all available DWSRF base program activity, excluding BIL – emerging contaminant and lead service line replacement program activity.

<sup>4</sup> Amount includes American Recovery and Reinvestment Act of 2009 (ARRA) funds and excludes set asides funds (including Legal Entity Formation Assistance (LEFA) and a DWSRF set aside grant to the American Water Association).

<sup>5</sup> Amount includes LEFA and a recent DWSRF set-aside grant to the American Water Association.

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the recipient's accounts (as defined in Division 9 of the California Commercial Code) arising from the services of the recipient's water system, including a surcharge dedicated for repayment of the loan, and all the fixtures and equipment financed by the loan, or other collateral and credit enhancement.

In SFY 2024-25, there was no allowance for uncollectible accounts as all repayments remained current, and all repayable financings were anticipated to be repaid in accordance with the financing terms. State Water Board staff continued to work diligently to ensure funding agreements were secure and that all payments were made on time and in full. Staff efforts included using a variety of analysis and monitoring measures to reduce the possibility of non-payment and continually evaluating additional steps to ensure full and timely payments.

### C. Extended Term Financing and Reduced Interest Rate

In SFY 2024-25, the State Water Board provided 40-year financing to the City of Sanger. In accordance with federal rules, the State Water Board may provide 40-year loan repayment terms to eligible funding applicants that serve Disadvantaged Communities (DACs). (42 U.S.C. § 300j-12(f)(1)(C)(i); Health & Saf. Code, § 116760.40(a)(3).). The State Water Board may provide Extended Term Financing (ETF) to publicly owned PWSs for construction projects in accordance with USEPA's policy on ETF.

In SFY 2024-2025, the State Water Board provided a zero percent (0%) interest rate for six (6) DWSRF financings totaling \$64,567,259 in principal amount. Prior to 2015, state law permitted zero percent (0%) interest rate loans from the DWSRF if the funding applicant served a Disadvantaged Community (DAC), regardless of the water system size. In 2015, the California Legislature directed the State Water Board to provide zero percent (0%) interest rate financing if the funding recipient served a DAC with financial hardship. The State Water Board's DWSRF Policy and IUPs determined financial hardship based upon the size of the water system and the system's residential water rates on January 1, 2023, the state law was amended to remove the financial hardship requirement and to provide that the State Water Board may provide reduced or 0% interest financing without limitation on the type of water system. The 2024-25 DWSRF IUP limited 0% interest rate financing to eligible SWSs and Expanded Small Community Water Systems (ESCWSs) serving DACs or Severely Disadvantaged Communities (SDACs) or eligible non-transient, non-community water systems serving small DACs or SDACs.

The 2024-25 DWSRF IUP also offered a maximum of \$10 million at 0% interest rate for financing an incentive project when a receiving water system completes a full physical consolidation of an existing PWS, and a maximum of \$2 million at 0% interest following a managerial consolidation.

### D. DWSRF Set-Asides and Administration Fund

The State Water Board used a percentage of the FFY 2024 federal capitalization grants, including the IJA federal grants, in SFY 2024-25 to fund the administration of the

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DWSRF program and other activities critical to the success of California’s drinking water program. The set-asides that were used included DWSRF Administration, SWSTA, State Program Management, and Local Assistance Special Programs. These set-asides helped with administering the DWSRF program and California’s Public Water Supervision Program as well as provide technical assistance to PWSs. The State Water Board budgeted 26 percent (26%) of the FFY 2024 Capitalization Grants, including the IIJA grants for all four (4) set-asides, totaling \$98,978,100. The budgeting and expenditures of the DWSRF set-asides, as of June 30, 2025, are shown in Exhibit I.

The State Water Board did not budget and expend from the DWSRF Administration Fund in SFY 2024-2025. However, fees were applied to existing loans starting July 1, 2025, and will be reported in detail in SFY 2025-2026 DWSRF Annual Report. The DWSRF Administration Fund is being funded from a 1% “fee-in-lieu-of-interest” on DWSRF financings in anticipation of potential, future expenditure authority under a future State Budget Act. The State Water Board has initiated DWSRF administration fees to develop a long-term, sustainable source of funding for the administration of the DWSRF program, especially considering growing risks to reductions in future DWSRF federal grants and related administrative set-aside funding due to recent congressionally directed spending of the DWSRF federal appropriations and budget proposals from the federal administration to reduce and eliminate future DWSRF federal grants.

#### E. Administration Set-Aside

The State Water Board budgeted four percent (4%) of the FFY 2024 federal grants, totaling \$15,227,400, along with prior years’ DWSRF Administration set-aside funds in SFY 2024-25 for the management of the DWSRF program, including administration of the DWSRF emerging contaminant and lead service line replacement programs. In general, the DWSRF Administration set-aside funded technical and administrative personnel within DFA who prepared construction and planning approvals and agreements, inspected, and evaluated projects, and processed claims for reimbursement, and funded personnel activities associated with project tracking and reporting required by USEPA as well as other state and federal agencies. The Administration set-aside also funded legal activities within the State Water Board’s Office of Chief Counsel related to reviewing agreements and advising on a variety of programmatic issues including the IUP, anticipated revenue bond requirements, and implementation of various State and federal requirements. Finally, the DWSRF Administration set-aside funded a variety of support activities conducted by Division of Administrative Services (DAS) and DIT, including accounting, human resources, and budget office support as well as Information Technology support and communications.

A portion of the Administration set-aside also funded state procurement contracts with other entities, such as the accounting firm CliftonLarsonAllen. CliftonLarsonAllen completed the federal single-audit of the DWSRF program for SFY 2024-25 and produced audited financials for the DWSRF program, which were included in the SFY 2024-25 DWSRF Annual Report. The Administration set-aside also funded a contract with Northbridge Environmental for maintenance of the State Water Board’s Loans and

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Grant Tracking System (LGTS). This set-aside also funded a contract with Sonoma State University to assist we environmental impact research for DWSRF projects as well as a contract with the Environmental Finance Center at Sacramento State University to assist with DWSRF stakeholder engagement and other program assessment and engagement.

The budgeting and expenditures of the DWSRF Administration set-aside, as of June 30, 2025, are shown in Exhibit I.

#### F. Small Water System Technical Assistance Set-Aside

The State Water Board budgeted two percent (2%) of the FFY 2024 federal grants, totaling \$7,613,700 along with prior years' set-aside funds for SWSTA in SFY 2024-25, including SWSTA under the DWSRF emerging contaminant and lead service line replacement programs. The SWSTA set-aside funded DFA staff to provide technical assistance to SWSs. The primary goal of DFA's SWSTA is to assist SWSs to become eligible for DWSRF financing to reduce the instances of non-compliance with drinking water standards and requirements; establish and assure safe and dependable water supplies; improve operational capability and establish or improve their TMF capacities.

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

The budgeting and expenditures of the SWSTA Set-Aside as of June 30, 2025, are shown in Exhibit I.

#### G. Local Assistance Set-Aside

The State Water Board budgeted ten percent (10%) of the FFY 2024 federal grants totaling \$38,068,500 along with prior years' capitalization grants in SFY 2024-25, for local assistance to PWSs to support the State Water Board's TMF Capacity Development Strategy. This includes the Local Assistance Set-aside funds budgeted under the DWSRF emerging contaminant and lead service line replacement programs. In general, the expenditures of Local Assistance set-aside in SFY 2024-25 were for DFA and DDW technical and administrative staff costs to provide technical assistance to PWSs in support of the State Water Board's TMF Capacity Development Strategy. DFA staff oversaw and engaged with third-party technical assistance contractors on a variety of small DAC technical assistance, as well as assisted funding applicants with achieving the TMF capacity necessary to be eligible for DWSRF funding; advised and reviewed proposed water system consolidations and interties; assisted and mediated in legal entity formation and water system ownership issues; and reviewed water rate studies. The Local Assistance set-aside also supported DDW's implementation of the Capacity Development Strategy by funding staff costs and contracts in the development of the

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new PWS lead and copper reporting database as well as technical assistance in addressing emerging contaminant issues, namely PFAS contaminants.

Additional details about technical assistance provided to public water systems in support of the Capacity Development Strategy are discussed in Section IV (F) below.

The budgeting and expenditures of the DWSRF Local Assistance set-aside, as of June 30, 2025, are shown in Exhibit I.

#### H. State Program Management Set-Aside

The State Water Board budgeted ten percent (10%) of the FFY 2024 federal grants totaling \$38,068,500 along with prior years' Capitalization Grants, for the State Program Management set-aside in SFY 2024-25. This set-aside funded a portion of DDW's Public Water System Supervision (PWSS) regulatory program. In SFY 2024-25, the State Program Management set-aside subsidized a pro-rated portion of DDW's permitting, inspection, compliance, and monitoring (PICM) activities as well as the general administration activities of DDW with the PWSS grant and California's safe drinking water cost-recovery account.

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

This set-aside also funded 3-positions that helped implement the State Water Board's Drinking Water Operator Certification program.

The budgeting and expenditures of the State Program Management set-aside as of June 30, 2025, are shown in Exhibit I.

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## IV. PROGRAM HIGHLIGHTS AND UPDATES

In SFY 2024-25, the State Water Board continued to fund drinking water projects to provide safe and affordable drinking water for all Californians and continued to pair DWSRF financing with other funds appropriated to the State Water Board to achieve its drinking water objectives.

In SFY 2024-25, the State Water Board strived to finance DWSRF projects quickly and efficiently to reach the program's full potential as a water quality tool and continued to pair DWSRF financing with other appropriated financing sources to achieve the overall objectives of the State Water Board. This section highlights significant achievements of the program and noteworthy factors that affected the DWSRF program in SFY 2024-25.

### A. Fundable List and Sustainable Funding Target Update

The SFY 2024-25 Intended Use Plan Fundable List included 25 ranked DWSRF loan projects requesting approximately \$802 million. Eleven (11) loan agreements were executed for \$484 million for the 2024-25 fiscal year. Projects that did not receive funding agreements were generally rolled over to the 2025-26 Fundable List.

Additionally, projects eligible for principal forgiveness or grant, and consolidation incentive projects, were added to the Fundable List as applications were completed. These projects received approximately \$117 million in principal forgiveness. These agreements did not exhaust the available principal forgiveness and small DAC projects that did not receive funding agreements were generally rolled over to the 2025-26 IUP. DFA funded only the highest priority projects listed on the Fundable List that were ready to proceed to an agreement.

### B. IIJA Updates

The 2024-25 Intended Use Plan was California's third IUP to reference the federal Infrastructure Investment and Jobs Act (IIJA). The IIJA funding awarded to the State Water Board under the DWSRF in SFY 2024-2025 provided for the following additional objectives:

- \$247,974,000 in DWSRF General Supplemental funding for SFY 2024-25 that can be deployed for any eligible use of the DWSRF.
- \$82,428,000 in DWSRF Emerging Contaminants (EC) funding for SFY 2024-25

The DWSRF General Supplemental funding contributed to the \$300 million sustainable loan capacity of the base DWSRF program, established in the IUP, and also contributed \$121.5 million in principal forgiveness for projects serving small DACs. The DWSRF General Supplemental funding is intended to supplement the DWSRF base program and therefore uses the same criteria and Fundable List as the base program. In SFY

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2024-25, the SWRCB committed \$19 million of the General Supplemental principal forgiveness and \$307 million in IIJA “equivalency” loan funding. However, there is a large pipeline of projects and DFA continues to balance multiple complementary sources to fund projects as applications become complete.

The CWSRF Emerging Contaminants funding was transferred to the DWSRF program for SFY 2024-25 and combined with the new DWSRF Emerging Contaminants funding, in compliance with 40 C.F.R. §§ 35.3530(c) and 35.3555(c)(8). Emerging Contaminants represents a relatively new objective within the DWSRF program and State Water Board staff spent the year garnering interest and building an application pipeline of eligible projects. The program executed eight (8) DWSRF EC agreements in SFY 2024-25. The DWSRF emerging contaminants set-asides also funded DDW’s various regulatory efforts and technical assistance in support of addressing emerging contaminants within PWSs, namely PFAS contaminants.

Lead Service Line Replacement funding also represents a relatively new objective within the DWSRF program. Demand for LSLR funding has been less than anticipated with a majority of water systems already in compliance with California’s requirement (Health and Safety Code 116885) to submit utility-side lead service line inventories and replacement schedules prior to the signing of the IIJA on November 21, 2021, the date after which work is eligible for funding. In addition, with 88.5% of systems having submitted completed lead service line inventories for both utility side and customer sides of the service lines, only 2.5% of systems have found lead service lines or galvanized lines requiring replacement. State Water Board staff spent the year reaching out to communities to solicit interest in the LSLR funds; most of the systems interested in LSLR funding have been smaller water systems or schools that need assistance in completing the inventories for both the system side and private side but are not finding lead service lines. During SFY 2024-25 State Water Board Staff worked with US EPA to contract with a third party to assist public water systems in completing their inventories of service lines owned by both water systems and their customers. Assistance is made available to eligible public water systems. Priority is given to eligible public water systems with 500 service connections or less serving disadvantaged communities (DAC). The assistance application form can be found online at [https://www.waterboards.ca.gov/drinking\\_water/services/funding/documents/2023/lsl-request-form.pdf](https://www.waterboards.ca.gov/drinking_water/services/funding/documents/2023/lsl-request-form.pdf).

The program executed three (3) LSLR funding agreements for inventories in SFY 2024-25. The LSLR set-asides also funded DDW’s efforts in assessing lead service line issues, including the development of new lead and copper reporting by PWSs within the development of their new WaterTAP database. After these commitments, there was still a significant amount of funding available for projects; therefore, SWRCB did not apply for FFY 2024 Lead Service Line Replacement (LSLR) Capitalization Grant during SFY 2024-25.

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### C. Lead Service Line Supplemental Funding

DWSRF funding for lead service line inventories and replacement provides 100% principal forgiveness to eligible PWSs serving DACs and zero percent interest repayable loans for eligible PWSs serving non-DACs. During SFY 2024-25, the State Water Board executed 3 lead service line inventory funding agreements for a total amount of \$8.9 million.

In addition to the funding applications, the LSLR funds are used to provide technical assistance to small DACs in conducting lead service line inventories. During SFY 2024-25, 214 systems received technical assistance.

### D. Emerging Contaminants Supplemental Funding

Emerging contaminants funds provide funds in the form of forgivable loans with priority of projects addressing PFAS. Up to 100% of the project cost is available to systems serving less than 25,000 people or DACs and up to 50% of the project cost is available for non-DAC systems serving over 25,000 population. The funding amount was limited to a maximum of \$10 million per water system. During the SFY 2024-25, the State Water Board executed eight (8) funding agreements for a total amount of \$44.5 million.

### E. Additional Supplemental Appropriations for Disaster Relief Act Funding

The State Water Board adopted the Additional Supplemental Appropriations for Disaster Relief Act (ASADRA) Supplemental IUP in August 2024. In SFY 2024-25, the State Water Board did not receive additional applications for the ASADRA program. The total amount of ASADRA funds awarded to California as of FY 2024-25 was \$51,974,515. The ASADRA amount awarded to a project for FY 2024-25 was \$34,894,970. During SFY 2024-2025, staff continued to work with remaining applicants to complete their ASADRA applications, and to better define the scope and costs of the projects.

### F. Leveraging Update

The State Water Board did not issue any DWSRF revenue bonds in SFY 2024-2025 because the pace of DWSRF disbursements to existing commitments remained within recent historical averages despite a record commitment of \$910 million in new funding agreements in SFY 2021-2022. The State Water Board was also awarded a net increase in DWSRF federal funding under IIJA, which helped offset any need for DWSRF revenue bonds in SFY 2024-2025. The State Water Board continued to monitor its DWSRF cash flows in SFY 2024-2025 and may need to sell DWSRF revenue bonds in the future to fund, in part, existing DWSRF commitments. See the DWSRF Audited Financial Statements in Appendix F for more details on the outstanding par amount in DWSRF bonds.

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## G. Small Disadvantaged Community Update

### 1. Safe and Affordable Funding for Equity and Resilience (SAFER) Program

The DWSRF program continued to support the State Water Board's SAFER drinking water program in SFY 2024-2025 by financing 18 projects with \$31,007,128 of principal forgiveness for small DACs. Senate Bill (SB) 200 (Ch. 120, Stats. 2019) established the Safe and Affordable Drinking Water Fund (SADW Fund) to address funding needs that cannot be financed by the DWSRF and its complementary funding programs as well provide solutions to water systems, especially those serving DACs, to address both their short and long-term drinking water needs. Expenditures from the SADW Fund complement other funding sources as part of the broader SAFER drinking water Program, which includes California General Obligation bond funding for drinking water projects under Proposition 1 (Prop 1) and Proposition 68 (Prop 68), the State Water Pollution Cleanup and Abatement Account (CAA), the 2021 Water Resiliency and other General Fund appropriations, and the DWSRF, which offers repayable, low-interest financing and loans with partial or complete principal forgiveness. The DWSRF and the SADW Fund, as well as these other complementary funding sources, constitute the larger SAFER Program.

The SAFER drinking water program also encompasses regulatory efforts to protect drinking water, community engagement to identify needs and solutions, data collection and assessment to promote sound decision-making, and information management to provide transparency and accountability. The State Water Board administers the SAFER drinking water program primarily through its Division of Drinking Water (DDW), DFA, and Office of Public Participation (OPP). The SAFER drinking water program's goal is to provide safe and affordable drinking water in every California community, for every Californian.

### 2. Small DAC SFY 2024-25 Committed Expenditures

In SFY 2024-25, 198 small DAC projects were funded, 72 planning/technical assistance, 52 construction, and 74 interim solutions, for a total of \$255.6 million in grant or principal forgiveness, funded via DWSRF principal forgiveness, Prop 1, Prop 68, General Fund, and SADW Fund projects.

## H. Technical Assistance

The State Water Board's Office of Sustainable Water Solutions Branch continued to administer a comprehensive, statewide technical assistance program under both the DWSRF and complementary State funding programs. The DWSRF small water system and local assistance set-asides helped fund staff that coordinated and implemented this

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drinking water technical assistance program in coordination with a variety of technical assistance providers. Technical assistance providers, in coordination with the State Water Board staff, provided technical assistance to 585 PWSs, and 100 state small water and domestic well communities, including income surveys, water rate studies, engineering and environmental services, and DWSRF application development.

RCAC and SHE, in coordination with the State Water Board staff, also provided TMF assistance in SFY 2024-25, including mutual water company board training, PWS operation training, and water system ownership research. In addition, RCAC developed and conducted statewide online training workshops that focused on building the TMF capacity of PWSs. In SFY 2024-25, RCAC held two California Technical Assistance Provider (CalTAP) funding fairs. The fairs provided information on free services and materials available to the water systems and included two water symposia that focused on revised Total Coliform Rule compliance and champions of water safety. The CalTAP fairs averaged 55 attendees and the symposia averaged 19 attendees. In addition to the funding fairs, RCAC held 132 workshops. Board members, water system staff, and operators from up to 5,657 individual water systems participated in the training events in SFY 2024-25. RCAC utilized feedback from training and workshop attendees to improve its organizations' effectiveness in communicating with the public and ability to provide helpful information.

#### I. Marketing Updates

State Water Board staff continued to participate in the California Financing Coordinating Committee (CFCC) funding fairs during SFY 2024-25. The funding fairs provide members of the public and infrastructure development professionals with current information on funding options available for different project types.

Finally State Water Board communications and marketing team worked closely with USEPA Region 9 to coordinate various media events, including ribbon cuttings and press releases.

#### J. DWSRF Source Water Protection Program

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

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

As of SFY 2024-25, the program had set aside a total of \$24,889,390 from the FFY 2000-2005 Capitalization Grants for this program, but, due to lack of demand from

PWSs, subsequent federal grant amendments returned \$22,890,390 from the FFY 2000-2005 Capitalization Grants to the DWSRF infrastructure loan fund. As shown in Table 6 below, \$2,000,000 has been committed and expended for SWP loans. The State Water Board does not anticipate setting aside funds for SWP loans in the near future.

**Table 6: Source Water Protection Loan Set-Asides**

Funding Recipient	Project No.	Category	Population	Executed FA Date	Contract No.	Loan Amount	Grant Amount	Total Funding Assistance
Contra Costa Water District	0710003-017	SWP	201,100	9/1/2003	2001SWP101	\$2,000,000	\$0	\$2,000,000

**K. Environmental Review Updates**

During the 2024/25 SFY, the State Water Board Cultural Resources Staff conducted consultations with the Native American tribes pursuant to Section 106 of the National Historic Preservation Act for 13 projects. The State Water Board Cultural Resources Staff also conducted consultations with the Native American tribes for three projects pursuant to CEQA for the State Water Board preparation of environmental documents as the Lead Agency.

The State Water Board Environmental Staff in coordination with the USEPA, Region 9 Staff continued consultations with the Advisory Council on Historic Preservation, the State Historic Preservation Officer, Native American tribes and other interested parties to prepare two programmatic agreements (PAs) for the Clean and Drinking Water SRF Programs for implementation of Section 106 of the National Historic Preservation Act. The State Water Board Environmental Staff continued to work on the PAs with the parties.

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## V. ACRONYMS

AIS	American Iron and Steel
ARRA	American Recovery and Reinvestment Act of 2009
ASADRA	Additional Supplemental Appropriations for Disaster Relief Act
ASAP	Automated Standard Application of Payments
BABA	Build America Buy America
CalTap	California Technical Assistance Provider
CFCC	California Financing Coordinating Committee
CWSRF	Clean Water State Revolving Fund
DAC	Disadvantaged Community
DACs	Disadvantaged Communities
DAS	Division of Administrative Services
DBE	Disadvantaged Business Enterprise
DDW	Division of Drinking Water
DFA	Division of Financial Assistance
DIT	Division of Information Technology
DWSRF	Drinking Water State Revolving Fund
ETF	Extended Term Financing
EDWG	Expedited Drinking Water Grant Funding Program
ESCWSs	Expanded Small Community Water Systems
FFATA	Federal Funding Accountability and Transparency Act
FFY	Federal Fiscal Year
FI\$Cal	Financial Information System for California
IJA	Infrastructure Investment and Jobs Act
IUP	Intended Use Plan
LEFA	Legal Entity Formation Assistance
MCL	Maximum Contaminant Levels
MBE	Minority Owned Business Enterprise
MHI	Median Household Income
OMB	Office of Management and Budget
OPP	Office of Public Participation
OSWS	Office of Sustainable Water Solutions
PICM	Permitting, Inspection, Compliance, Monitoring
PF	Principal Forgiveness
PWS	Public Water System
PWSs	Public Water Systems

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PWSS	Public Water System Supervision
RCAC	Rural Community Assistance Corporation
SADW Fund	Safe and Affordable Drinking Water Fund
SAFER	Safe and Affordable Funding for Equity and Resilience
SAM.gov	System for Award Management
SCG-DW	Small Community Grant Drinking Water
SCO	State Controller's Office
SDAC	Severely Disadvantaged Community
SDACs	Severely Disadvantaged Communities
SDWA	Safe Drinking Water Act
SERP	State Environmental Review Process
SFY	State Fiscal Year
SHE	Self-Help Enterprises
SWP	Source Water Protection
SWS	Small Water System
SWsS	Small Water Systems
SWSTA	Small Water System Technical Assistance
TMF	Technical, Managerial, Financial
ULO	Unliquidated Obligation
USEPA	United States Environmental Protection Agency
WBE	Women Owned Business Enterprise

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## VI. EXHIBITS

Exhibit A	SFY 2024-25 DWSRF Projects Funded List
Exhibit B	SFY 2024-25 DWSRF Federal Funding Accountability and Transparency Act (FFATA)/Equivalency Projects
Exhibit C	SFY 2024-25 DWSRF Small Community Emergency Grant Fund Projects
Exhibit D	SFY 2024-25 DWSRF Co-Funded Projects
Exhibit E	SFY 2024-25 DWSRF Intended Use Plan (IUP) Non-Funded Projects
Exhibit F	SFY 2024-25 DWSRF Revenue Bond Funded Projects Update
Exhibit G	SFY 2024-25 DWSRF Green Project Reserve Funding Summary
Exhibit H	SFY 2024-25 DWSRF Additional Subsidy Funding Summary
Exhibit I	SFY 2024-25 DWSRF Set-Aside Expenditures/Banked Authority
Exhibit J	SFY 2024-25 DWSRF Financings with Servicing Fees

**Exhibit A: SFY 2024-25 DWSRF Projects Funded List**

Funding Recipient	Project Name and Description	Category	Region	Project Number	Population	Connections	System Type	Project Type	Agreement Date	Base Principal Forgiveness	IIJA Principal Forgiveness (Including General Supplemental, EC, LSLR)	DWSRF Loan Amount	Total Financed	Status/ Degree of Disadvantaged	Green Project Reserve Amount	DWSRF Base Program Equivalency	IIJA General Supplemental equivalency	IIJA Emerging Contaminant	IIJA Lead Service Line Replacement
Anaheim, City of	Groundwater Treatment Plant (PFAS) - Phase B	C	5	3010001-004C	358,000	64,751	Large	Construction	4/30/2025	\$0	\$10,000,000	\$0	\$10,000,000	Non-DAC	\$0	No	No	Yes	No
Big Sandy Rancheria of Western Mono Indians of California	Big Sandy Rancheria Water System Capital Improvement	C	4	0600121-001P	235	50	Small	Planning	1/27/2025	\$485,370	\$0	\$0	\$485,370	DAC	\$0	No	No	No	No
Browns Elementary School District	Browns School Well Rehabilitation Project	A	1	5100138-001C	160	48	Small	Construction	10/9/2024	\$1,750,000	\$0	\$0	\$1,750,000	SDAC	\$0	No	No	No	No
Coachella Valley Water District	East Coachella Valley Water Supply Plan Update and Consolidation Planning Project	C	6	3310001-010P	1,628	407	Small	Planning	5/2/2025	\$1,987,214	\$0	\$0	\$1,987,214	SDAC	\$0	No	No	No	No
Cobb Area County Water District	Alpine Meadows and Starview Improvement Project	C	2	1710012-004C	310	90	Small	Construction	1/16/2025	\$0	\$3,893,000	\$0	\$3,893,000	DAC	\$0	No	Yes	No	No
Colusa, City of	Water Well Construction Project	C	1	0610002-001C	6,428	2,028	Small	Construction	6/16/2025	\$0	\$6,876,497	\$0	\$6,876,497	SDAC	\$0	No	Yes	No	No
Crows Landing Community Services District	Crows Landing Community Services District - Water System Improvements	C	3	5000005-003P	322	137	Small	Planning	9/26/2024	\$1,162,000	\$0	\$0	\$1,162,000	SDAC	\$0	No	No	No	No
East Orange County Water District	East Orange CWD PFAS WATER TREATMENT PLANT	C	5	3010068-001C	3,222	1,209	Small	Construction	10/7/2024	\$0	\$2,102,775	\$0	\$2,102,775	Non-DAC	\$0	No	No	Yes	No
Fullerton, City of	City of Fullerton Main Plant PFAS Water Treatment Plant Project	C	5	3010010-001C	141,874	31,411	Large	Construction	10/1/2024	\$0	\$3,628,384	\$0	\$3,628,384	Non-DAC	\$0	No	No	Yes	No
Hamilton Branch Community Services District	Source Capacity Development and Associated Infrastructure Improvements	D	1	3210010-001P	1,874	644	Small	Planning	1/24/2025	\$775,000	\$0	\$0	\$775,000	Non-DAC	\$0	No	No	No	No
Irvine Ranch Water District	Irvine Ranch Water District Well OPA-1 PFAS Water Treatment Plant System	C	5	3010092-001C	452,772	121,691	Large	Construction	11/25/2024	\$0	\$2,767,415	\$0	\$2,767,415	Non-DAC	\$0	No	No	Yes	No
JHC River Ranch Inc	River Ranch Mobile Home Park Water System Consolidation Project	A	3	3600155-001C	700	138	Small	Construction	10/18/2024	\$2,100,000	\$0	\$0	\$2,100,000	SDAC	\$0	No	No	No	No
Knights Ferry Community Services District	KFCSD Functioning Upgrades	C	3	5000008-002P	168	67	Small	Planning	8/26/2024	\$735,500	\$0	\$0	\$735,500	DAC	\$0	No	No	No	No
Los Angeles, City of Acting by and through the Department of Water & Power	City Trunk Line North Unit 1	F	5	1910067-059C	3,990,456	681,710	Large	Construction	10/22/2024	\$0	\$0	\$139,000,000	\$139,000,000	Non-DAC	\$0	No	No	No	No
Lukins Brothers Water Company	Phase 2 Waterline Project - James Avenue	C	1	0910007-001C	3,168	937	Small	Construction	7/11/2024	\$3,284,011	\$0	\$0	\$3,284,011	DAC	\$0	No	No	No	No

Funding Recipient	Project Name and Description	Category	Region	Project Number	Population	Connections	System Type	Project Type	Agreement Date	Base Principal Forgiveness	IJA Principal Forgiveness (Including General Supplemental, EC, SLR)	DWSRF Loan Amount	Total Financed	Status/ Degree of Disadvantaged	Green Project Reserve Amount	DWSRF Base Program Equivalency	IJA General Supplemental equivalency	IJA Emerging Contaminant	IJA Lead Service Line Replacement
Montecito Water District	Montecito Water Resilience Project (ASADRA)	F	4	4210007-001C	11,817	4,636	Small	Construction	12/30/2024	\$10,468,791 <sup>6</sup>	\$0	\$24,427,179	\$34,895,970	Non-DAC	\$0	No	No	No	No
Nicasio School District	Nicasio School District Water System Upgrade Project	B	2	2100582-001C	40	12	Small	Construction	11/4/2024	\$225,000	\$0	\$0	\$225,000	SDAC	\$0	No	No	No	No
Orange, City of	City of Orange Wells 20, 21 and 22 PFAS Treatment Systems	C	5	3010027-001C	138,995	35,478	Large	Construction	11/5/2024	\$0	\$5,000,000	\$0	\$5,000,000	Non-DAC	\$0	No	No	Yes	No
Placer County Water Agency	Heather Glen Consolidation Planning Project	C	1	3110005-009P	250	86	Small	Planning	3/7/2025	\$597,000	\$0	\$0	\$597,000	SDAC	\$0	No	No	No	No
Placer County Water Agency	Colfax WTP Replacement Project	F	1	3110006-001C	3,114	965	Small	Construction	3/13/2025	\$0	\$2,510,000	\$10,000,000	\$12,510,000	DAC	\$0	No	Yes	No	No
San Diego, City of	Alvarado 2nd Pipeline Extension	F	6	3710020-079C	1,430,000	282,511	Large	Construction	10/31/2024	\$0	\$0	\$145,691,810	\$145,691,810	Non-DAC	\$0	No	No	No	No
San Diego, City of	Lead Service Line Replacement Inventory and Investigation	F	6	3710020-001P	1,420,000	284,724	Large	Planning	12/20/2024	\$0	\$0	\$7,770,000	\$7,770,000	Non-DAC	\$0	No	No	No	Yes
Sanger, City of	City of Sanger New Water Well Project	E	4	1010029-002C	25,664	6,973	Large	Construction	10/24/2024	\$580,000	\$0	\$4,670,000	\$5,250,000	DAC	\$0	No	No	No	No
Santa Ana, City of	City of Santa Ana Wells 27 and 28 PFAS Treatment System	C	5	3010038-004C	332,005	45,831	Large	Construction	4/1/2025	\$0	\$5,000,000	\$0	\$5,000,000	Non-DAC	\$0	No	No	Yes	No
Santa Clarita Valley Water Agency	T&U Wells PFAS Treatment, Saugus 1&2 Wells VOC Treatment & Disinfection Facility Improvement Project	C	5	1910240-001C	298,731	28,837	Large	Construction	6/9/2025	\$1,130,000	\$6,000,000	\$10,000,000	\$17,130,000	Non-DAC	\$0	No	No	Yes	No
Santa Cruz, City of	Newell Creek Pipeline Replacement - Felton/Graham Hill Project	F	3	4410010-004C	96,168	24,708	Large	Construction	9/20/2024	\$0	\$0	\$41,352,000	\$41,352,000	Non-DAC	\$0	No	No	No	No
Shasta Community Services District	Lead Service Line Inventory	F	1	4510013-001P	2,234	913	Small	Planning	10/24/2024	\$0	\$99,340	\$0	\$99,340	DAC	\$0	No	No	No	Yes
Sierra County (Calpine) Waterworks District No. 1	New Well and Treatment Facilities	C	1	4600019-001C	182	135	Small	Construction	10/31/2024	\$471,926	\$0	\$0	\$471,926	Non-DAC	\$0	No	No	No	No
Sierra East Homeowners' Association, Inc.	Water System Improvement Project	C	6	2600622-001C	50	29	Small	Construction	11/4/2024	\$1,086,097	\$0	\$0	\$1,086,097	SDAC	\$0	No	No	No	No
South Tahoe Public Utility District	Waterline Upgrades and Improvement Project	F	1	0910002-030C	47,041	14,235	Large	Construction	9/27/2024	\$0	\$0	\$6,934,231	\$6,934,231	DAC	\$0	No	No	No	No
Stockton, City of	Century Mobile Home Park and Sunny Road Water System Consolidation Project	C	3	3910012-001C	90	36	Small	Construction	6/4/2025	\$20,000	\$1,401,588	\$0	\$1,421,588	DAC	\$0	No	Yes	No	No

<sup>6</sup> Amount listed is ASADRA Principal Forgiveness funded.

Funding Recipient	Project Name and Description	Category	Region	Project Number	Population	Connections	System Type	Project Type	Agreement Date	Base Principal Forgiveness	IJA Principal Forgiveness (Including General Supplemental, EC, SLR)	DWSRF Loan Amount	Total Financed	Status/ Degree of Disadvantaged	Green Project Reserve Amount	DWSRF Base Program Equivalency	IJA General Supplemental equivalency	IJA Emerging Contaminant	IJA Lead Service Line Replacement
Sweetwater Authority	Sweet Water Authority Lead and Copper Rule Revisions Inventory and Identification Requirements	F	6	3710025-001P	186,550	33,393	Large	Planning	12/12/2024	\$0	\$1,018,155	\$0	\$1,018,155	DAC	\$0	No	No	No	Yes
Tuolumne Utilities District	Sierra Pines Regional Water Treatment Facility Project	F	3	5510012-001C-001	13,280	4,991	Small	Construction	10/24/2024	\$0	\$27,479,008	\$10,000,000	\$37,479,008	Non-DAC	\$0	No	Yes	No	No
Tuolumne Utilities District	Sierra Pines Regional Water Treatment Facility	F	3	5510012-001C-002	13,280	4,991	Small	Construction	10/24/2024	\$0	\$0	\$8,120,992	\$8,120,992	Non-DAC	\$0	No	No	No	No
Tustin, City of	City of Tustin PFAS Water Treatment Plant	C	5	3010046-001C	66,600	14,400	Large	Construction	10/1/2024	\$0	\$10,000,000	\$0	\$10,000,000	Non-DAC	\$0	No	No	Yes	No
Wasco, City of	Water System Improvement & Treatment Project	C	4	1510021-004C	22,757	5,361	Small	Construction	3/24/2025	\$796,851	\$0	\$0	\$796,851	SDAC	\$0	No	No	No	No
Yreka, City of	South Yreka Water Supply & Distribution Improvements	D	1	4710011-004P	7,746	3,015	Small	Planning	8/9/2024	\$1,517,000	\$0	\$0	\$1,517,000	SDAC	\$0	No	No	No	No
<b>TOTALS</b>										<b>\$29,171,760</b>	<b>\$87,776,162</b>	<b>\$407,966,212</b>	<b>\$524,914,134</b>						

**Exhibit B: SFY 2024-25 DWSRF Federal Funding Accountability and Transparency ACT (FFATA) Equivalency Projects<sup>7</sup>**

Base Program

FFY	DWSRF Grant	Grant Amount (less set-asides)	FFATA/Equivalency Agreement	Project Number	FFATA/Equivalency Recipient	Agreement Execution Date	FFATA/Equivalency Agreement Amount	Total Initial Funding Agreement Amount
2022	Base	\$45,746,060	D22-02003	3010038-003C	Santa Ana, City of	1/17/2023	\$5,290,000	\$5,290,000
			D22-02010	3410021-004C	San Juan Water District	4/24/2023	\$3,995,000	\$3,995,000
			D22-02073	3710020-077C	San Diego, City of	11/21/2023	\$52,534,000	\$57,673,459
	Unassigned Balance	\$0				<b>Total Assigned</b>	<b>\$61,819,000</b>	
2023	Base	\$40,095,420	D23-02005	3310021-020C	Jurupa Community Services District	6/18/2024	\$54,183,000	\$66,180,000
	Unassigned Balance	\$0				<b>Total Assigned</b>	<b>\$54,183,000</b>	
2024	Base	\$37,209,420	D25-02009	3410021-002C	San Juan Water District	11/7/2025	\$12,110,000	\$12,110,000
			D25-02006	3610012-008C	Chino, City of	12/5/2025	\$35,000,000	\$60,000,000
	Unassigned Balance	\$0				<b>Total Assigned</b>	<b>\$47,110,000</b>	

<sup>7</sup> Reported FFATA amounts exceed the estimated Grant Amount (less Set-Asides) because final expenditure of set-asides will be determined in the future, and any unspent set-asides will need to be assigned to projects as federal funds.

IIJA General Supplemental

FFY	DWSRF Grant	Grant Amount (less set-asides)	FFATA/Equivalency Agreement	Project Number	FFATA/Equivalency Recipient	Agreement Execution Date	FFATA/Equivalency Agreement Amount	Total Initial Funding Agreement Amount
2022	IIJA - General	\$117,462,420	D22-02013	3610004-002C	West Valley Water District	10/6/2023	\$46,665,000	\$46,665,000
			D22-02008	1910067-057C	Los Angeles, City of Acting by and through the Department of Water & Power	10/6/2023	\$9,574,000	\$9,574,000
			D24-02007	4410010-004C	Santa Cruz, City of	9/27/2024	\$41,352,000	\$41,352,000
			D24-02008	1910067-059C	Los Angeles, City of Acting by and through the Department of Water & Power	10/22/2024	\$39,000,000	\$139,000,000
			D22-02003	3010038-003C	Santa Ana, City of	1/17/2023	\$5,290,000	\$8,471,712
	Unassigned Balance	\$0				<b>Total Assigned</b>	<b>\$141,881,000</b>	
2023	IIJA - General	\$168,091,000	D24-02008	1910067-059C	Los Angeles, City of Acting by and through the Department of Water & Power	10/22/2024	\$100,000,000	\$139,000,000
			D23-02008	3710020-079C	San Diego, City of	10/31/2024	\$127,150,000	\$145,691,810
		Unassigned Balance	\$0				<b>Total Assigned</b>	<b>\$227,150,000</b>
2024	IIJA - General	\$183,500,760	D25-02003	4210010-006C	Santa Barbara, City of	9/4/2025	\$50,000,000	\$50,000,000
			D25-02012	3710020-080C	San Diego, City of	10/30/2025	\$45,000,000	\$45,000,000
		Unassigned Balance	\$88,500,760				<b>Total Assigned</b>	<b>\$95,000,000</b>

IIJA -Emerging Contaminants

FFY	DWSRF Grant	Grant Amount* (less set-asides)	FFATA/Equivalency Agreement	Project Number	FFATA/Equivalency Recipient	Actual Date Reported	FFATA/Equivalency Agreement Amount	Total Initial Funding Agreement Amount
2022	IIJA - Emerging Contaminants	\$56,007,260	D23-02005	3310021-020C	Jurupa Community Services District	3/5/2025	\$5,000,000	\$5,000,000
			D21-02050	1010025-001C	City of Parlier	12/5/2024	\$12,679,905	\$14,233,850
			D24-02043	1910240-001C	Santa Clarita Valley Water Agency	8/6/2025	\$6,000,000	\$17,130,000
			D24-02000	3010001-004C	City of Anaheim	8/6/2025	\$10,000,000	\$10,000,000
			D24-02018	3010092-001C	Irvine Ranch Water District	12/5/2024	\$2,751,753	\$2,751,753
			D23-02090	3010027-001C	City of Orange	1/7/2025	\$5,000,000	\$5,000,000
			D24-02017	3010046-001C	City of Tustin	12/5/2024	\$10,000,000	\$10,000,000
	D24-02016	3010010-001C	City of Fullerton	12/5/2024	\$3,628,384	\$3,628,384		
	Unassigned Balance	\$947,218				<b>Total Assigned</b>	<b>\$55,060,042</b>	
2023	IIJA - Emerging Contaminants	\$76,204,720	D23-020009	5510016-001C	Sierra Park Water Company, Inc.	3/5/2025	\$1,500,000	\$1,500,000
			D24-02022	3010038-004C	City of Santa Ana	8/6/2025	\$5,000,000	\$5,000,000
	D24-02014	3010068-001C	East Orange County Water District	12/5/2024	\$2,099,891	\$2,099,891		
	Unassigned Balance	\$67,604,829				<b>Total Assigned</b>	<b>\$8,599,891</b>	
2024	IIJA - Emerging Contaminants	\$76,204,720						
	Unassigned Balance	\$76,204,720				<b>Total Assigned</b>	<b>\$0</b>	

IIJA – Lead Service Line

FFY	DWSRF Grant	Grant Amount* (less set-asides)	FFATA/Equivalency Agreement	Project Number	FFATA/Equivalency Recipient	Actual Date Reported	FFATA/Equivalency Agreement Amount	Total Initial Funding Agreement Amount
2022	IIJA - Lead	\$192,241,680	D24-02023	3710020-001P	City of San Diego	1/7/2025	\$7,770,000	\$7,770,000
			D24-02009	3710025-001P	Sweetwater Authority	1/7/2025	\$1,018,155	\$1,018,155
			D24-02003	4510013-001P	Shasta Community Services District	12/5/2024	\$99,340	\$99,340
	Unassigned Balance	\$183,354,185				<b>Total Assigned</b>	<b>\$8,887,495</b>	
2023	BIL	\$14,828,822						
	Unassigned Balance	\$14,828,822				<b>Total Assigned</b>	<b>\$0</b>	

ASADRA

FFY	DWSRF Grant	Grant Amount* (less set-asides)	FFATA/Equivalency Agreement	Project Number	FFATA/Equivalency Recipient	Actual Date Reported	FFATA/Equivalency Agreement Amount	Total Initial Funding Agreement Amount
2024	ASADRA	\$51,974,515	D24-02005	4210007-001C	Montecito Water District	12/30/2024	\$27,916,776	\$27,916,776
	Unassigned Balance	\$24,057,739				<b>Total Assigned</b>	<b>\$27,916,776</b>	

**Exhibit C SFY 2024-25 DWSRF Small Community Emergency Grant Fund Projects**

No agreements for eligible projects were executed under the DWSRF Small Community Emergency Grant Fund because the State Budget has not yet provided appropriation authority and DWSRF loan fees have not yet been established as a revenue source for the fund.

**Exhibit D: SFY 2024-25 DWSRF Co-funded Projects**

Agreement Execution Date	Project Number	Contract Number	Party	Project Name	Region	County	Congressional District(s)	State Assembly District(s)	State Senate District(s)	DWSRF Funding Amount (incl. Base, IJA GS, EC, LSL)	Other Funding Amount (other state/federal funding)	Total Funding
3/24/2025	1510021-004C	D2402029	Wasco, City of	Water System Improvement & Treatment Project	5	Kern	21	32	14	\$796,851	\$37,149,073	\$37,945,924
10/31/2024	4600019-001C	D2302105	Sierra County (Calpine) Waterworks District No. 1	New Well and Treatment Facilities		Sierra	3	1	1	\$471,926	\$3,250,474	\$3,722,400
4/30/2025	3010001-004C	D2402000	Anaheim, City of	Groundwater Treatment Plants (PFAS) -Phase B	8	Orange	46	69	34	\$10,000,000	\$58,786,564	\$68,786,564
10/1/2024	3010046-001C	D2402017	Tustin, City of	City of Tustin PFAS Water Treatment Plant	8	Orange	40	73	37	\$10,000,000	\$12,840,000	\$22,840,000
6/9/2025	1910240-001C	D2402043	Santa Clarita Valley Water Agency	T7, U4 and U6 Wells PFAS Treatment, Saugus 1 and Saugus 2 Wells VOC Treatment and New Disinfection Facility Improvements Project	4	Los Angeles	25	36	21	\$17,130,000	\$1,513,862	\$18,643,862
11/9/2023	1010025-001C	D2102050	Parlier, City of	1,2,3-TCP Removal Treatment Systems	5	Fresno	16	21	12	\$12,679,905	\$7,231,998	\$19,911,903
4/1/2025	3010038-004C	D2402022	Santa Ana, City of	City of Santa Ana Wells 27 and 28 PFAS Treatment System	8	Orange	40	68	34	\$5,000,000	\$3,920,000	\$8,920,000
11/5/2024	3010027-001C	D2302090	Orange, City of	City of Orange Wells 20, 21 and 22 PFAS Treatment Systems	8	Orange	40	68	37	\$5,000,000	\$3,920,000	\$8,920,000
10/1/2024	3010010-001C	D2402016	Fullerton, City of	City of Fullerton Main Plant PFAS Water Treatment Plant Project	8	Orange	46	68	34	\$3,628,384	\$3,901,065	\$7,529,449
10/7/2024	3010068-001C	D2402014	East Orange County Water District	East Orange CWD PFAS WATER TREATMENT PLANT	8	Orange	40	59	37	\$2,102,775	\$3,237,906	\$5,340,681
11/25/2024	3010092-001C	D2402018	Irvine Ranch Water District	Irvine Ranch Water District Well OPA-1 PFAS Treatment System	8	Orange	40	59	37	\$2,767,415	\$1,661,600	\$4,429,015

**Exhibit E: SFY 2024-25 DWSRF Intended Use Plan (IUP) Non-Funded Projects**

Applicant	Category	Project Number	Funding Type	Estimated Project Costs	Description	Population	Service Connection	COMMENT/ REASON NOT FUNDED IN SFY 2024-25	Degree of Disadvantaged
Ventura River Water District	F	5610022-002C	Construction	\$14,800,000	2023 Water Projects (Incentive)	6,400	2,125	1	Non-DAC
Bakman Water Company	D	2010009-003C	Construction	\$5,000,000	Rolling Hills Water Meter Project	727	333	2	Non-DAC
Los Angeles, City of Acting by and through the Department of Water & Power	D	1910067-061C	Construction	\$25,000,000	Mission Wells Ammoniation Station	4,071,873	680,607	5	Non-DAC
Elsinore Valley Municipal Water District	E	3310012-019C	Construction	\$46,500,000	Canyon Lake Water Treatment Plan Phase 1 Improvements (PFAS)	121,420	36,817	1	Non-DAC
Arcata, City of	F	1210001-001C	Construction	\$9,600,000	Steel Water Line Replacement	20,359	6,036	4	Non-DAC
Chino, City of	F	3610012-008C	Construction	\$39,000,000	State Street Water Treatment Project (WA212)	62,000	16,677	3	Non-DAC
Eureka, City of	F	1210004-001C	Construction	\$3,500,000	City of Eureka Energy and Water Conservation Project	32,800	9,949	7	Non-DAC
Los Angeles, City of Acting by and through the Department of Water & Power	F	1910067-062C	Construction	\$142,320,000	Western Trunk Line Project	4,071,873	680,607	3	Non-DAC
Los Angeles, City of Acting by and through the Department of Water & Power	F	1910067-063C	Construction	\$37,620,000	San Fernando Groundwater Basin Chlorination Station Improvements	4,071,873	680,607	5	Non-DAC
San Diego, City of	F	3710020-080C	Construction	\$19,420,000	Otay 2nd Pipeline Steel Replacement Phase 3	1,266,731	271,962	3	Non-DAC
San Francisco, Public Utilities Commission of the City and County of	F	3810001-003C	Construction	\$214,000,000	Sunol Valley Water Treatment Plant Ozonation Facility and Other Site Improvements Project	2,700,000	175,000	3	Non-DAC
San Juan Water District	F	3410021-002C	Construction	\$13,360,000	Kokila Reservoir Replacement	33,792	10,240	3	Non-DAC
Santa Barbara, City of	F	4210010-006C	Construction	\$27,000,000	Cater Reservoir Resiliency Project	94,370	25,580	3	Non-DAC
Seal Beach, City of	F	3010041-001C	Construction	\$2,741,000	LCWA Watermain Lining Project	24,157	5,358	1	Non-DAC
Seal Beach, City of	F	3010041-002C	Construction	\$7,388,300	Beverly Manor Booster Pump Station Rehabilitation Project	24,157	5,358	2	Non-DAC
South Coast Water District	F	3010042-001C	Construction	\$175,000,000	Doheny Ocean Desalination	35,000	12,519	2	Non-DAC
South Tahoe Public Utility District	F	0910002-032C	Construction	\$7,000,000	Pioneer Trail Waterline and PRV Upgrade	21,414	14,160	1	Non-DAC
Valley Center Municipal Water District	F	3710026-004C	Construction	\$9,300,000	2023 Water Facilities Replacement Project	25,572	9,704	3	Non-DAC
<b>Small DAC Projects</b>									
Caruthers Community Services District	C	1010039-005C	Construction	\$3,900,000	Caruthers Well 5 TCP Treatment	2,503	748	2	DAC
Fresno, County of (Service Area 49)	B	1000546-006C	Construction	\$4,067,714	CSA 49 Water System Improvements	450	31	2	SDAC
Liberty Utilities (Apple Valley Ranchos Water) Corp.	C	3610003-001C	Construction	\$5,910,431	Rehabilitation of the Yermo Water System	1,049	277	4	SDAC
Livingston, City of	C	2410004-004C	Construction	\$42,000,000	Livingston 1,2,3-TCP Removal Treatment System Project	13,795	2,948	2	DAC
Madera, County of (MD10A - Madera Ranchos)	E	2010008-007C	Construction	\$2,779,780	Meter and Pipeline Replacement Project	2,255	922	3	Non-DAC

Applicant	Category	Project Number	Funding Type	Estimated Project Costs	Description	Population	Service Connection	COMMENT/ REASON NOT FUNDED IN SFY 2024-25	Degree of Disadvantaged
Plainview Mutual Water Company	A	5410039-003C	Construction	\$5,070,567	Plainview Nitrate Relief Project	800	187	3	SDAC
Sky View County Water District	C	5200562-001C	Construction	\$13,622,400	Water System Improvement Project	412	125	6	SDAC
South Feather Water & Power Agency	A	0410006-001C	Construction	\$13,266,780	Palermo Drinking Water Consolidation Project	1,490	490	3	SDAC
Tuolumne Utilities District	F	5510001-004C	Construction	\$4,400,000	Muller Mutual Water Company Consolidation with Tuolumne Utility District Project	10,294	4,362	1	SDAC
Waterford, City of	D	5010026-001C	Construction	\$5,033,821	Hickman Water System Improvements Construction Project	597	183	6	Non-DAC
Western Water Conservation	C	3301529-001C	Construction	\$5,780,000	ANZA-RAMONA WATER SYSTEM IMPROVEMENT PROJECT	250	106	2	SDAC
Woodville Public Utility District	A	5410025-001C	Construction	\$3,488,578	Replacement Well Project	1,678	478	5	SDAC
Bishop Paiute-Shoshone Tribe	C	0600122-001P	Planning	\$407,421	Bishop Paiute Tribe Water System Improvements	2,950	762	5	SDAC
Burnt Ranch Estates Mutual Water Company	C	5304109-001P	Planning	\$397,750	Water Treatment Plant & Supporting Infrastructure Upgrades	53	35	6	SDAC
Copco Lake Mutual Water Company	B	4700551-001P	Planning	\$686,000	Copco Lake MWC Infrastructure Improvement	181	65	2	DAC
Fowler, City of	C	1010006-001P	Planning	\$495,000	City of Fowler Water System Improvement Project	7,100	2,160	6	DAC
Lake Francis Mutual Water Company	C	5800805-001P	Planning	\$780,949	Lake Francis MWC DWSRF Planning Application	60	21	6	DAC
OLA Rambling Hills, LLC	F	5500243-001P	Planning	\$500,000	Water Source Planning	45	17	3	SDAC
Placer County Water Agency	C	3110005-010P	Planning	\$2,000,000	Weimar Water Company Pipeline Project	900	442	6	Non-DAC

List for Reasons not Funded:

1. DWSRF Reviews are not Complete. (Complete Application)
2. Application requires additional studies, more documents, and/or more hearings (Incomplete Application)
3. N/A - DWSRF financing agreement pending or executed in 2024-25
4. Project dropped from consideration due to inactive status
5. N/A- application withdrawn
6. N/A- funded with other complementary grant financing
7. Lower Priority Project (Category D-F non-consolidation) so not currently grant eligible and put on hold

## **Exhibit F: SFY 2024-25 Revenue Bond Funded Projects Update**

The State Water Board has fully expended the Series 2019 DWSRF revenue bonds and has not sold any additional revenue bonds. Therefore, there are no DWSRF revenue bond funded project updates for SFY 2024-2025.

**Exhibit G: SFY 2024-25 DWSRF Green Project Reserve Funding Summary**

FFY Grant	SFY	Grant Award Amount	Minimum Green Project Reserve Amount by FFY Grant <sup>8</sup>	Committed Green Project Reserve Amount by FFY Grant <sup>9</sup>	Uncommitted Subsidy Amount by FFY	Disbursed Green Project Reserve Amount by SFY <sup>10</sup>	Undisbursed Green Project Reserve Amount by SFY <sup>11</sup>
2010 Base	10-11	\$126,958,000	\$25,391,600	\$25,391,600	\$0	\$0	\$0
2011 Base	11-12	\$86,698,000	\$17,339,600	\$26,013,832	\$0	\$12,457,278	\$0
2012 Base	12-13	\$85,358,000	\$0	\$7,231,611	\$0	\$31,910,690	\$0
2013 Base	13-14	\$78,770,000	\$0	\$1,193,050	\$0	\$7,037,464	\$0
2014 Base	14-15	\$83,221,000	\$0	\$0	\$0	\$2,242,734	\$0
2015 Base	15-16	\$83,674,000	\$0	\$476,717	\$0	\$2,715,139	\$0
2016 Base	16-17	\$78,215,000	\$0	\$1,098,593	\$0	\$2,203,628	\$0
2017 Base	17-18	\$77,545,000	\$0	\$31,042,366	\$0	\$5,940,768	\$0
2018 Base	18-19	\$97,991,000	\$0	\$0	\$0	\$14,729,081	\$0
2019 Base	19-20	\$97,072,000	\$0	\$1,830,133	\$0	\$12,715,988	\$0
2020 Base	20-21	\$97,134,000	\$0	\$0	\$0	\$1,489,022	\$0
2021 Base	21-22	\$97,047,000	\$0	\$9,704,700	\$0	\$0	\$0
2022 Base	22-23	\$61,819,000	\$0	\$10,117,365	\$0	\$42,148,907	\$0
2022 IJJA General	22-23	\$158,733,000	\$0	\$0	\$0	\$0	\$0
2023 Base	23-24	\$54,183,000	\$0	\$0	\$0	\$0	\$0
2023 IJJA General	23-24	\$227,150,000	\$0	\$0	\$0	\$0	\$0
2024 Base	24-25	\$50,283,000	\$0	\$0	\$0	\$0	\$0
2024 IJJA General	24-25	\$247,974,000	\$0	\$0	\$0	\$0	\$0

<sup>8</sup> USEPA required the State Water Board to commit and expend a minimum amount of DWSRF capitalization grant to projects that qualify under the rules and requirements of USEPA's "Green Project Reserve." This minimum amount became discretionary beginning in FFY 2012.

<sup>9</sup> In accordance with USEPA procedures, these amounts represent the DWSRF project amounts assigned under the Green Project Reserve authority of the respective DWSRF capitalization grant as of 6/30/2025.

<sup>10</sup> These amounts represent the Green Project Reserve disbursements for each respective SFY. Per USEPA policy, the Green Project Reserve funding is not necessarily encumbered and liquidated from DWSRF capitalization grants.

<sup>11</sup> This amount represents the total encumbering balance of Green Project Reserve funding as well as the minimum Green Project Reserve Authority not yet encumbered as of 6/30/2025.

FFY Grant	SFY	Grant Award Amount	Minimum Green Project Reserve Amount by FFY Grant <sup>8</sup>	Committed Green Project Reserve Amount by FFY Grant <sup>9</sup>	Uncommitted Subsidy Amount by FFY	Disbursed Green Project Reserve Amount by SFY <sup>10</sup>	Undisbursed Green Project Reserve Amount by SFY <sup>11</sup>
<b>Totals</b>		<b>\$1,889,825,000</b>	<b>\$42,731,200</b>	<b>\$114,099,967</b>	<b>\$0</b>	<b>\$135,590,699</b>	<b>\$0</b>
<b>Grand Total:</b>							<b>\$103,982,602</b>

### Green Project Reserve Funding Summary (Continued)

FFY Grant	SFY	Grant Award Amount	Minimum Green Project Reserve Amount by FFY Grant <sup>12</sup>	Committed Green Project Reserve Amount by FFY Grant <sup>13</sup>	Uncommitted Subsidy Amount by FFY	Disbursed Green Project Reserve Amount by SFY <sup>14</sup>	Undisbursed Green Project Reserve Amount by SFY <sup>15</sup>
2022 IIJA EC	22-23	\$73,336,000	\$0	\$0	\$0	\$0	\$0
2023 IIJA EC	23-24	\$97,636,000	\$0	\$0	\$0	\$0	\$0
2024 IIJA EC	24-25	\$97,636,000	\$0	\$0	\$0	\$0	\$0
<b>Totals</b>		<b>\$268,608,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Grand Total:</b>							<b>\$0</b>

<sup>12</sup> USEPA required the State Water Board to commit and expend a minimum amount of DWSRF capitalization grant to projects that qualify under the rules and requirements of USEPA's "Green Project Reserve." This minimum amount became discretionary beginning in FFY 2012.

<sup>13</sup> In accordance with USEPA procedures, these amounts represent the DWSRF project amounts assigned under the Green Project Reserve authority of the respective DWSRF capitalization grant as of 6/30/2025.

<sup>14</sup> These amounts represent the Green Project Reserve disbursements for each respective SFY. Per USEPA policy, the Green Project Reserve funding is not necessarily encumbered and liquidated from DWSRF capitalization grants.

<sup>15</sup> This amount represents the total encumbering balance of Green Project Reserve funding as well as the minimum Green Project Reserve Authority not yet encumbered as of 6/30/2025.

## Exhibit H: SFY 2024-25 Additional Subsidy Funding Summary

FFY GRANT	SFY	GRANT AWARD AMOUNT	MINIMUM SUBSIDY AMOUNT BY FFY GRANT	MAXIMUM SUBSIDY BY FFY GRANT	COMMITTED SUBSIDY AMOUNT BY FFY GRANT ASSIGNMENT	UNCOMMITTED SUBSIDY AMOUNT BY FFY GRANT ASSIGNMENT	DISBURSED SUBSIDY AMOUNT BY FFY Grant Assignment	UNDISBURSED SUBSIDY AMOUNT BY FFY Grant Assignment
2010 Base	10-11	\$126,958,000	\$38,087,400	\$38,087,400	\$38,087,400	\$0	\$38,087,400	\$0
2011 Base	11-12	\$86,698,000	\$26,009,400	\$26,009,400	\$26,009,400	\$0	\$26,009,400	\$0
2012 Base	12-13	\$85,358,000	\$17,071,600	\$25,607,400	\$25,607,400	\$0	\$25,589,940	\$17,460
2013 Base	13-14	\$78,770,000	\$15,754,000	\$23,631,000	\$23,631,000	\$0	\$23,631,000	\$0
2014 Base	14-15	\$83,221,000	\$16,704,200	\$24,966,300	\$24,966,300	\$0	\$24,955,300	\$11,000
2015 Base	15-16	\$82,674,000	\$16,534,800	\$24,802,200	\$24,802,200	\$0	\$23,670,028	\$1,132,172
2016 Base	16-17	\$78,215,000	\$15,643,000	\$39,107,500	\$39,107,500	\$0	\$37,371,354	\$1,736,146
2017 Base	17-18	\$77,545,000	\$15,509,000	\$38,772,500	\$38,772,500	\$0	\$33,927,203	\$4,845,297
2018 Base	18-19	\$97,991,000	\$19,598,200	\$48,995,500	\$48,995,500	\$0	\$36,609,557	\$12,385,943
2019 Base	19-20	\$97,984,000	\$19,414,400	\$48,992,000	\$48,992,000	\$0	\$41,195,348	\$7,796,652
2020 Base	20-21	\$97,072,000	\$19,414,400	\$48,536,000	\$48,536,000	\$0	\$29,552,055	\$18,983,945
2021 Base	21-22	\$97,048,000	\$13,586,580	\$47,553,030	\$47,553,030	\$0	\$21,220,252	\$26,332,778
2022 Base	22-23	\$61,819,000	\$8,654,660	\$30,291,310	\$30,291,310	\$0	\$4,538,929	\$25,752,381
2022 IJJA General	22-23	\$158,733,000	\$77,779,170	\$77,779,170	\$77,779,170	\$0	\$28,636,533	\$49,142,637
2023 Base	23-24	\$54,183,000	\$5,418,300	\$26,549,670	\$11,687,853	\$14,861,817	\$0	\$26,549,670
2023 IJJA General	23-24	\$227,150,000	\$111,303,500	\$111,303,500	\$30,249,716	\$81,053,784	\$764,769	\$110,538,731
2024 Base	24-25	\$50,283,000	\$5,028,300	\$24,638,670	\$1,130,000	\$23,508,670	\$104,493	\$24,534,177
2024 IJJA General	24-25	\$247,974,000	\$121,507,260	\$121,507,260	\$0	\$121,507,260	\$0	\$121,507,260
<b>Totals</b>		<b>\$1,889,676,000</b>	<b>\$563,018,170</b>	<b>\$827,129,810</b>	<b>\$586,198,279</b>	<b>\$240,931,531</b>	<b>\$395,863,561</b>	<b>\$431,266,249</b>

**Exhibit H: SFY 2024-25 Additional Subsidy Funding Summary (Continued)**

FFY GRANT	SFY	GRANT AWARD AMOUNT	MAXIMUM SUBSIDY BY FFY GRANT	COMMITTED SUBSIDY AMOUNT BY FFY GRANT ASSIGNMENT	UNCOMMITTED SUBSIDY AMOUNT BY FFY GRANT ASSIGNMENT	DISBURSED SUBSIDY AMOUNT BY SFY	UNDISBURSED SUBSIDY AMOUNT BY SFY
2022 IIJA EC	22-23	\$73,336,000	\$56,007,260	\$54,507,260	\$1,500,000	\$30,066,598	\$25,940,662
2022 IIJA LSLR	22-23	\$250,107,000	\$122,552,430	\$1,253,155	\$121,299,275	\$238,430	\$122,314,000
2023 IIJA EC	23-24	\$97,636,000	\$76,204,720	\$19,171,219	\$57,033,501	\$2,382,882	\$73,821,838
2023 IIJA LSLR	23-24	\$28,650,000	\$14,038,500	\$485,000	\$13,533,500	\$0	\$14,038,500
2024 IIJA EC	24-25	\$97,636,000	\$76,204,720	\$0	\$76,204,720	\$0	\$76,204,720
<b>Totals</b>		<b>\$547,365,000</b>	<b>\$345,007,630</b>	<b>\$75,416,634</b>	<b>\$269,590,996</b>	<b>\$32,687,910</b>	<b>\$312,319,720</b>

## Exhibit I: SFY 2024-25 DWSRF Set-Aside Expenditures/Banked Authority

### DWSRF Administrative Set-Aside

FFY	Final Cap Grant Amount (incl. In-Kind)	Budget Amount	In-Kind Amount	Expenditure Amount	Balance	Banked Amount
Base 1997	\$75,565,707	\$3,027,304	\$0	\$3,027,304	\$0	\$0
Base 1998	\$77,108,200	\$3,084,328	\$0	\$3,084,328	\$0	\$0
Base 1999	\$80,816,700	\$3,232,668	\$0	\$3,232,668	\$0	\$0
Base 2000	\$83,993,100	\$3,359,724	\$0	\$0	\$0	\$0
Base 2001	\$84,340,000	\$3,373,600	\$0	\$3,373,600	\$0	\$0
Base 2002	\$82,460,900	\$3,298,436	\$68,553	\$3,229,883	\$0	\$0
Base 2003	\$81,966,200	\$3,278,648	\$0	\$3,278,648	\$0	\$0
Base 2004	\$85,027,600	\$3,401,104	\$70,000	\$6,609,752	\$0	\$0
Base 2005	\$84,847,500	\$3,393,880	\$0	\$2,781,076	\$0	\$693,880
Base 2006	\$67,153,678	\$2,684,166	\$30,000	\$2,654,166	\$0	\$0
Base 2007	\$67,105,000	\$2,684,200	\$0	\$2,684,200	\$0	\$0
ARRA 2009	\$159,008,000	\$6,017,000	\$0	\$5,364,472	\$0	\$0
Base 2008	\$66,424,000	\$2,656,960	\$0	\$2,656,960	\$0	\$0
Base 2009	\$66,424,000	\$2,656,960	\$0	\$2,656,960	\$0	\$0
Base 2010	\$126,958,000	\$5,078,320	\$0	\$5,078,320	\$0	\$0
Base 2011	\$86,698,000	\$3,467,920	\$0	\$3,467,920	\$0	\$0
Base 2012	\$85,358,000	\$3,414,320	\$300,000	\$3,114,320	\$0	\$0
Base 2013	\$78,770,000	\$3,150,800	\$426,867	\$2,723,933	\$0	\$0
Base 2014	\$83,221,000	\$3,328,840	\$0	\$3,328,840	\$0	\$0
Base 2015	\$82,674,000	\$3,306,960	\$395,000	\$2,911,960	\$0	\$0
Base 2016	\$78,215,000	\$3,128,600	\$75,000	\$3,053,600	\$0	\$0
Base 2017	\$77,545,000	\$3,101,800	\$0	\$3,101,800	\$0	\$0

FFY	Final Cap Grant Amount (incl. In-Kind)	Budget Amount	In-Kind Amount	Expenditure Amount	Balance	Banked Amount
Base 2018	\$97,991,000	\$3,919,640	\$0	\$3,919,640	\$0	\$0
Base 2019	\$97,984,000	\$3,882,880	\$0	\$3,882,880	\$0	\$0
Base 2020	\$97,134,000	\$3,885,360	\$0	\$3,885,360	\$0	\$0
Base 2021	\$97,047,000	\$3,881,880	\$0	\$3,881,880	\$0	\$0
Base 2022	\$61,819,000	\$2,472,760	\$0	\$2,472,760	\$0	\$0
IIJA-Any Eligible 2022	\$158,733,000	\$6,349,320	\$0	\$6,349,320	\$0	\$0
IIJA-Lead 2022	\$250,107,000	\$10,004,280	\$0	\$0	\$2,841,780	\$0
IIJA-Emerging Con 2022	\$73,336,000	\$2,665,960	\$0	\$16,649	\$2,649,311	\$0
Base 2023	\$54,183,000	\$2,167,320	\$0	\$2,167,320	\$0	\$0
IIJA-Any Eligible 2023	\$227,150,000	\$9,086,000	\$0	\$9,086,000	\$0	\$0
IIJA-Lead 2023	\$28,650,000	\$1,146,000	\$7,518,179	\$8,308,500	\$0	\$0
IIJA-Emerging Cont. 2023	\$97,636,000	\$3,297,120	\$0	\$0	\$3,297,120	\$0
Base 2024	\$50,283,000	\$2,011,320	\$0	\$1,022,471	\$988,849	\$0
IIJA-Emerging Cont. 2024	\$97,636,000	\$3,297,120	\$0	\$0	\$3,297,120	\$0
IIJA-Any Eligible 2024	\$247,974,000	\$9,918,960	\$0	\$5,855,451	\$4,063,509	\$0
<b>Total</b>	<b>\$3,599,342,585</b>	<b>\$142,112,458</b>	<b>\$8,883,599</b>	<b>\$122,262,941</b>	<b>\$17,137,689</b>	<b>\$693,880</b>

DWSRF Small Water Technical Assistance Set-Aside

FFY	Final Cap Grant Amount (incl. In-Kind)	Budget Amount	In-Kind Amount	Expenditure Amount	Balance	Banked Amount
Base 1997	\$75,565,707	\$1,513,652	\$0	\$68,245	\$0	\$1,445,407
Base 1998	\$77,108,200	\$1,542,164	\$0	\$1,542,164	\$0	\$0
Base 1999	\$80,816,700	\$1,616,334	\$0	\$1,616,334	\$0	\$0
Base 2000	\$83,993,100	\$1,679,862	\$0	\$0	\$0	\$0
Base 2001	\$84,340,000	\$1,686,800	\$0	\$1,686,800	\$0	\$0
Base 2002	\$82,460,900	\$1,649,218	\$0	\$1,649,218	\$0	\$0
Base 2003	\$81,966,200	\$1,639,324	\$0	\$1,639,324	\$0	\$0

FFY	Final Cap Grant Amount (incl. In-Kind)	Budget Amount	In-Kind Amount	Expenditure Amount	Balance	Banked Amount
Base 2004	\$85,027,600	\$1,700,552	\$0	\$3,339,876	\$0	\$0
Base 2005	\$84,847,500	\$1,696,950	\$0	\$1,390,538	\$0	\$346,950
Base 2006	\$67,153,678	\$1,342,083	\$0	\$1,342,083	\$0	\$0
Base 2007	\$67,105,000	\$1,342,100	\$0	\$1,342,100	\$0	\$0
ARRA 2009	\$159,008,000	\$3,180,000	\$0	\$2,787,147	\$0	\$0
Base 2008	\$66,424,000	\$1,328,480	\$0	\$1,328,480	\$0	\$0
Base 2009	\$66,424,000	\$1,328,480	\$0	\$1,328,480	\$0	\$0
Base 2010	\$126,958,000	\$2,539,160	\$0	\$2,539,160	\$0	\$0
Base 2011	\$86,698,000	\$1,733,960	\$0	\$1,733,960	\$0	\$0
Base 2012	\$85,358,000	\$1,707,160	\$0	\$1,707,160	\$0	\$0
Base 2013	\$78,770,000	\$1,575,400	\$0	\$1,575,400	\$0	\$0
Base 2014	\$83,221,000	\$1,664,420	\$0	\$1,664,420	\$0	\$0
Base 2015	\$82,674,000	\$1,653,480	\$0	\$1,653,480	\$0	\$0
Base 2016	\$78,215,000	\$1,564,300	\$0	\$1,564,300	\$0	\$0
Base 2017	\$77,545,000	\$1,550,900	\$0	\$1,550,900	\$0	\$0
Base 2018	\$97,991,000	\$1,959,820	\$0	\$1,959,820	\$0	\$0
Base 2019	\$97,984,000	\$1,941,440	\$0	\$1,941,440	\$0	\$1,609,689
Base 2020	\$97,134,000	\$1,942,680	\$0	\$1,942,680	\$0	\$1,942,680
Base 2021	\$97,047,000	\$1,940,940	\$0	\$1,940,940	\$0	\$0
Base 2022	\$61,819,000	\$1,236,380	\$0	\$1,236,380	\$0	\$0
IIJA-Any Eligible 2022	\$158,733,000	\$3,174,660	\$0	\$422,489	\$2,752,171	\$0
IIJA-Lead 2022	\$250,107,000	\$5,002,140	\$0	\$0	\$5,002,140	\$0
IIJA-Emerging Con 2022	\$73,336,000	\$1,332,980	\$0	\$0	\$1,332,980	\$0
Federal-2023	\$54,183,000	\$1,083,660	\$0	\$209,776	\$873,884	\$0
IIJA-Any Eligible 2023	\$227,150,000	\$4,543,000	\$0	\$0	\$4,543,000	\$0
IIJA-Lead 2023	\$28,650,000	\$573,000	\$0	\$0	\$573,000	\$0
IIJA-Emerging Cont. 2023	\$97,636,000	\$1,648,560	\$0	\$0	\$1,648,560	\$0

FFY	Final Cap Grant Amount (incl. In-Kind)	Budget Amount	In-Kind Amount	Expenditure Amount	Balance	Banked Amount
Federal 2024	\$50,283,000	\$1,005,660	\$0	\$0	\$1,005,660	\$0
IIJA-Emerging Cont. 2024	\$97,636,000	\$1,648,560	\$0	\$0	\$1,648,560	\$0
IIJA-Any Eligible 2024	\$247,974,000	\$4,959,480	\$0	\$0	\$4,959,480	\$0
<b>Total</b>	<b>\$3,599,342,585</b>	<b>\$71,227,739</b>	<b>\$0</b>	<b>\$44,703,094</b>	<b>\$24,339,435</b>	<b>\$5,344,726</b>

DWSRF State Program Management Set-Aside

FFY	Final Cap Grant Amount (incl. In-Kind)	Budget Amount	In-Kind Amount	Expenditure Amount	Balance	Banked Amount
Base 1997	\$75,565,707	\$302,730	\$0	\$4,157	\$0	\$298,573
Base 1998	\$77,108,200	\$308,433	\$0	\$308,433	\$0	\$0
Base 1999	\$80,816,700	\$323,267	\$0	\$323,267	\$0	\$0
Base 2000	\$83,993,100	\$335,972	\$0	\$0	\$0	\$335,972
Base 2001	\$84,340,000	\$2,000,000	\$0	\$2,000,000	\$0	\$0
Base 2002	\$82,460,900	\$2,000,000	\$0	\$2,000,000	\$0	\$0
Base 2003	\$81,966,200	\$2,000,000	\$0	\$2,000,000	\$0	\$0
Base 2004	\$85,027,600	\$2,400,000	\$0	\$2,400,000	\$0	\$0
Base 2005	\$84,847,500	\$4,077,000	\$0	\$4,077,000	\$0	\$0
Base 2006	\$67,153,678	\$4,704,000	\$0	\$4,704,000	\$0	\$0
Base 2007	\$67,105,000	\$4,934,400	\$0	\$4,934,400	\$0	\$0
Base 2008	\$66,424,000	\$4,882,164	\$0	\$4,882,164	\$0	\$0
Base 2009	\$66,424,000	\$4,882,164	\$0	\$4,882,164	\$0	\$0
Base 2010	\$126,958,000	\$9,318,717	\$0	\$9,318,717	\$0	\$0
Base 2011	\$86,698,000	\$8,669,800	\$0	\$8,669,800	\$0	\$0
Base 2012	\$85,358,000	\$8,535,800	\$0	\$8,535,800	\$0	\$0
Base 2013	\$78,770,000	\$7,089,300	\$0	\$7,089,300	\$0	\$0
Base 2014	\$83,221,000	\$8,322,100	\$300,000	\$8,022,100	\$0	\$0
Base 2015	\$82,674,000	\$8,267,400	\$0	\$8,267,400	\$0	\$0

FFY	Final Cap Grant Amount (incl. In-Kind)	Budget Amount	In-Kind Amount	Expenditure Amount	Balance	Banked Amount
Base 2016	\$78,215,000	\$7,821,500	\$0	\$7,821,500	\$0	\$0
Base 2017	\$77,545,000	\$7,754,500	\$0	\$7,754,500	\$0	\$0
Base 2018	\$97,991,000	\$9,799,100	\$0	\$9,799,100	\$0	\$0
Base 2019	\$97,984,000	\$9,707,200	\$0	\$9,707,200	\$0	\$0
Base 2020	\$97,134,000	\$9,713,400	\$0	\$9,713,400	\$0	\$0
Base 2021	\$97,047,000	\$9,704,700	\$0	\$9,704,700	\$0	\$0
Base 2022	\$61,819,000	\$6,181,900	\$0	\$6,181,900	\$0	\$0
IIJA-Any Eligible 2022	\$158,733,000	\$15,873,300	\$0	\$15,873,300	\$0	\$0
IIJA-Lead 2022	\$250,107,000	\$25,010,700	\$0	\$5,786,584	\$19,224,116	\$0
IIJA-Emerging Con 2022	\$73,336,000	\$6,664,900	\$0	\$459,300	\$6,205,600	\$0
Federal-2023	\$54,183,000	\$5,418,300	\$0	\$2,751,562	\$2,666,738	\$0
IIJA-Any Eligible 2023	\$227,150,000	\$22,715,000	\$0	\$9,970,205	\$12,744,795	\$0
IIJA-Lead 2023	\$28,650,000	\$2,865,000	\$0	\$0	\$2,865,000	\$0
IIJA-Emerging Cont. 2023	\$97,636,000	\$8,242,800	\$0	\$0	\$8,242,800	\$0
Federal 2024	\$50,283,000	\$5,028,300	\$0	\$0	\$5,028,300	\$0
IIJA-Emerging Cont. 2024	\$97,636,000	\$8,242,800	\$0	\$0	\$8,242,800	\$0
IIJA-Any Eligible 2024	\$247,974,000	\$24,797,400	\$0	\$0	\$24,797,400	\$0
<b>Total</b>	<b>\$3,440,334,585</b>	<b>\$268,894,047</b>	<b>\$300,000</b>	<b>\$177,941,953</b>	<b>\$90,017,549</b>	<b>\$634,545</b>

DWSRF Local Assistance Set-Aside

FFY	Final Cap Grant Amount (incl. In-Kind)	Budget Amount	In-Kind Amount	Expenditure Amount	Balance	Banked Amount
Base 1997	\$75,565,707	\$7,568,260	\$0	\$6,831,577	\$0	\$0
Base 1999	\$80,816,700	\$4,040,835	\$0	\$0	\$0	\$0
Base 2000	\$83,993,100	\$4,199,655	\$0	\$2,000,000	\$0	\$0
Base 2001	\$84,340,000	\$4,217,000	\$0	\$0	\$0	\$0
Base 2002	\$82,460,900	\$4,123,045	\$0	\$0	\$0	\$0
Base 2003	\$81,966,200	\$4,098,310	\$0	\$0	\$0	\$0
Base 2004	\$85,027,600	\$4,251,380	\$0	\$0	\$0	\$0
Base 2005	\$84,847,500	\$4,000,000	\$0	\$0	\$0	\$0
Base 2010	\$126,958,000	\$0	\$0	\$0	\$0	\$0
Base 2011	\$86,698,000	\$2,600,940	\$0	\$2,600,940	\$0	\$0
Base 2012	\$85,358,000	\$4,267,900	\$0	\$4,267,900	\$0	\$0
Base 2013	\$78,770,000	\$6,301,600	\$3,794,593	\$2,507,007	\$0	\$3,794,593
Base 2014	\$83,221,000	\$4,993,260	\$0	\$4,993,260	\$0	\$0
Base 2015	\$82,674,000	\$8,267,400	\$0	\$8,267,400	\$0	\$0
Base 2016	\$78,215,000	\$7,821,500	\$0	\$7,821,500	\$0	\$0
Base 2017	\$77,545,000	\$5,428,150	\$0	\$5,428,150	\$0	\$0
Base 2018	\$97,991,000	\$9,799,100	\$0	\$9,799,100	\$0	\$0
Base 2019	\$97,984,000	\$9,707,200	\$0	\$9,707,200	\$0	\$0
Base 2020	\$97,134,000	\$9,713,400	\$0	\$9,713,400	\$0	\$0
Base 2021	\$97,047,000	\$9,704,700	\$0	\$9,704,700	\$0	\$0
Base 2022	\$61,819,000	\$6,181,900	\$0	\$6,181,900	\$0	\$0
IIJA-Any Eligible 2022	\$158,733,000	\$15,873,300	\$0	\$3,125,970	\$12,747,330	\$0
IIJA-Lead 2022	\$250,107,000	\$25,010,700	\$0	\$64,440	\$24,946,260	\$0
IIJA-Emerging Con 2022	\$73,336,000	\$6,664,900	\$0	\$0	\$6,664,900	\$0
Base 2023	\$54,183,000	\$5,418,300	\$0	\$450,596	\$4,967,704	\$0
IIJA-Any Eligible 2023	\$227,150,000	\$22,715,000	\$0	\$0	\$22,715,000	\$0

FFY	Final Cap Grant Amount (incl. In-Kind)	Budget Amount	In-Kind Amount	Expenditure Amount	Balance	Banked Amount
IIJA-Lead 2023	\$28,650,000.00	\$2,865,000	\$0	\$0	\$2,865,000	\$0
IIJA-Emerging Cont. 2023	\$97,636,000.00	\$8,242,800	\$0	\$0	\$8,242,800	\$0
Base 2024	\$50,283,000	\$5,028,300	\$0	\$0	\$5,028,300	\$0
IIJA-Emerging Cont. 2024	\$97,636,000	\$8,242,800	\$0	\$0	\$8,242,800	\$0
IIJA-Any Eligible 2024	\$247,974,000	\$24,797,400	\$0	\$0	\$24,797,400	\$0
<b>Total</b>	<b>\$3,096,119,707</b>	<b>\$246,144,035</b>	<b>\$3,794,593</b>	<b>\$93,465,039</b>	<b>\$121,217,495</b>	<b>\$3,794,593</b>

### Exhibit J: SFY 2024-25 DWSRF Financings with Servicing Fees

No “fees-in-lieu-of-interest” (e.g. service fees) are currently being charged on DWSRF financings. It is anticipated that DWSRF administration service fees will be charged starting FY 2025-26 for deposit in the in the DWSRF Administration Fund.

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## VII. APPENDICES

Appendix A	SFY 2024-2025 DWSRF IUP Short-Term Goals
Appendix B	SFY 2024-2025 DWSRF IUP Long-Term Goals
Appendix C	Key Performance Indicators
Appendix D	Operating Agreement and Capitalization Grant Conditions
Appendix E	DWSRF Performance Evaluation Report
Appendix F	SFY 2024-2025 DWSRF Audited Financial Statements

## Appendix A: SFY 2024-2025 DWSRF IUP Short-Term Goals

This section describes the State Water Board’s efforts to meet the following short-term goals established in the SFY 2024-25 DWSRF IUP. These goals provided the framework for the State Water Board’s decision-making, maximization, and prioritization of staff and funding sources.

	<b>Short-Term Goal</b>	<b>Comments</b>
1	Identify public health issues and evaluate solutions for SWSs, including technical assistance and consolidation where feasible.	<ul style="list-style-type: none"> <li>• DFA coordinated with DDW and Local Primacy Agencies to ensure that available drinking water funding sources are targeted to expeditiously address the most significant public health and compliance issues. The State Water Board maintains a list of systems in violation of their water permits and staff regularly meet to determine if there are additional steps that can be taken to assist these systems with returning to compliance. DFA prioritizes financing for TA, planning and construction that address public health issues.</li> </ul>
2	Reduce instances of noncompliance with drinking water standards by providing technical and consolidation assistance to SWSs with significant SDWA violations, including those PWSs that are violating the arsenic maximum contaminant level (MCL).	<ul style="list-style-type: none"> <li>• The State Water Board continued to provide a suite of technical assistance in SFY 2024-25 to SWSs, especially those with significant SDWA violations, but in SFY 2020-21, DFA began using the SADW Fund instead of the DWSRF set-asides for the purpose of funding third-party contractors for TMF capacity development assistance to SWSs. See Section IV.G for more information on DWSRF technical assistance.</li> <li>• DFA also continued to fund technical assistance for a variety of projects using Prop 1.</li> <li>• DFA and DDW provided direct technical assistance to SWSs with significant SDWA violations. Examples of direct technical assistance included: (a) meeting with DDW Consolidation Specialists and applicants to discuss project concepts before applications were submitted; (b) reviewing applications with minimal material submitted and guiding applicants to complete additional application packages; and (c) helping funding recipients</li> </ul>

	Short-Term Goal	Comments
		properly prepare and submit reimbursement claims.
3	Continue marketing and outreach efforts to PWSs, including application status reports, Spanish translation services, newsletters, and social media to advertise the availability of technical assistance to assist small, and disadvantaged communities as well as large PWSs.	<ul style="list-style-type: none"> <li>DFA continued to participate in various PWS marketing and outreach efforts in SFY 2024-25. Specifically, DFA marketed the DWSRF program at four (4) California Financing Coordinating Committee events, two CalTAP fairs, two symposia (treatment certification and distribution) that focused on treatment certification and distribution.</li> </ul>
4	Continue regular staff level finance/audit coordination meetings to ensure the immediate and long-term financial health of the DWSRF.	<ul style="list-style-type: none"> <li>DFA and DAS staff conducted regular finance/audit coordination meetings on August 12, 2024, and April 30, 2025, to ensure oversight of the DWSRF's finances. Standing topics at finance/audit coordination meetings included (a) reviewing cash flow of projects under contract, short and long-term cash flow projections, and cash flow needs for upcoming projects; (b) comparing actual performance with target performance measures; and (c) reviewing audit issues, program control issues, tax compliance issues, and planning for upcoming audits.</li> </ul>
5	Continue to maximize all available DWSRF state match sources, including DWSRF Local Match financing options.	<ul style="list-style-type: none"> <li>The 2021 California Budget Act appropriated \$440 million of General Fund State Match for the FFY2022-2026 SRF federal capitalization grants, of which \$255 million was allocated to the DWSRF while the remaining \$175 million was allocated to the CWSRF.</li> </ul>
6	Coordinate with Environmental Finance Center and stakeholders on completing a program management review of the CWSRF and DWSRF Programs to identify potential efficiencies, improvements, or enhancements that would facilitate review processing, and execution of loan agreements and disbursements.	<ul style="list-style-type: none"> <li>The Environmental Finance Center (EFC) at California State University, Sacramento completed a program management review of California's CWSRF program and published a final EFC report in July 2022. DFA executed a contract with EFC to facilitate discussions with both CWSRF and DWSRF stakeholders around the identified recommendations for potential efficiencies, improvements, or enhancements that would facilitate application reviews and execution of loan agreements and</li> </ul>

	Short-Term Goal	Comments
		<p>disbursements. DFA met at least bi-monthly with the SRF Stakeholder Advisory Group throughout SFY 2024-25.</p> <ul style="list-style-type: none"> <li>• Process Improvements implemented by DFA in the SFY 2024-25 include; 1) Developed a standardized process to streamline claims intakes, approvals, and routing processes. 2) Upgraded the online application status tool to accept new information in accordance with AB 682. 3) Modified travel expense submittal requirements to reduce documentation required for travel expense reimbursement under the adopted DWSRF and CWSRF policy revisions.</li> <li>• On June 30, 2021, the Joint Legislative Audit Committee initiated an audit of the State Water Board that focused primarily on funding programs for safe drinking water. The audit report was released on July 26, 2022 and can be found here: <a href="#">Report 2021-118 (ca.gov)</a> with our response under <a href="#">section 6</a>.</li> </ul>
7	<p>Apply for and accept the anticipated 2024 Capitalization Grants from U.S. EPA. Upon award, commit funds from the 2024 Capitalization Grants, including the associated state match, by June 30, 2025, so that the federal funds can be utilized in an efficient and timely manner in accordance with 40 C.F.R. § 35.3550(c).</p>	<ul style="list-style-type: none"> <li>• The State Water Board finalized its FFY 2024 Capitalization Grant application June 1, 2024. USEPA awarded the FFY 2024 Grant on July 17, 2024, in the amount of \$50,283,000. State Match was provided from State General Fund appropriations.</li> <li>• See Section A above for a discussion of the commitment of DWSRF federal and state match funds.</li> </ul>
8	<p>Continue to liquidate DWSRF capitalization grants within two to three years of their award by prioritizing disbursements for federal funds to the maximum extent possible.</p>	<ul style="list-style-type: none"> <li>• The State Water Board accomplished this goal in SFY 2024-2025 through the transfer of the FFY2020 SWS TA set-aside balances to the loan fund for immediate liquidation. The State Water Board has also awarded the ASADRA funds after several years of soliciting possible eligible projects and challenges related to the narrow eligible use of these special funds.</li> </ul>
9	<p>Review cash forecasts of existing and potential commitments to ensure that DWSRF can satisfy its obligations timely and</p>	<ul style="list-style-type: none"> <li>• State Water Board staff regularly reviewed the DWSRF's cash balances to ensure that</li> </ul>

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	<b>Short-Term Goal</b>	<b>Comments</b>
	to also evaluate the need for leveraging or other actions to regulate cash outflows.	<p>sufficient cash would be available to meet all disbursement requests.</p> <ul style="list-style-type: none"> <li>• Staff evaluated the cash flow impact of each new project during the financing approval process.</li> </ul>
10	Amend the DWSRF Policy	<ul style="list-style-type: none"> <li>• SWRCB adopted the DWSRF Policy amendment on May 6, 2025. The objective of the DWSRF Policy amendment is to improve funding agreement processing times through process improvements and revise prioritization criteria to better align project applications with stated Board priorities. Additionally, repayable projects will undergo priority scoring to be recommended for the fundable list.</li> </ul>

## Appendix B: SFY 2024-2025 DWSRF IUP Long-Term Goals

	Long-Term Goal	Comments
1	Address Significant Risks to Public Health	<ul style="list-style-type: none"> <li>• The State Water Board helped PWSs address significant public health risks in SFY 2024-25 by funding construction and planning as well as technical assistance.</li> <li>• More than 50 percent (50%) of the projects funded by the DWSRF and its complementary funding sources addressed primary drinking water standards. This result was attributable to close coordination between DFA and DDW. OSWS staff met regularly with DDW District staff and management to prioritize funding for small DACs and the technical assistance needed by PWSs to obtain DWSRF and complementary funding.</li> <li>• DFA also updated DDW staff monthly on the status of applications for projects to address arsenic violations, including outstanding application items; the progress of technical assistance; recently executed funding agreements; and anticipated compliance dates.</li> </ul>
2	Promote SDWA Compliance	<ul style="list-style-type: none"> <li>• DFA continued to coordinate with DDW to prioritize DWSRF and complementary funding for projects that reestablish compliance or prevent non-compliance.</li> <li>• DFA staff continued to make technical assistance available to help SWSs apply for planning and construction funding.</li> <li>• DDW also continued its permitting, inspection, monitoring and enforcement activities for compliance with the SDWA.</li> </ul>
3	Improve Affordability and Sustainability	<ul style="list-style-type: none"> <li>• The State Water Board continued to provide below market financing and principal forgiveness in SFY 2024-25 to make funding affordable for communities throughout California. The average interest rate for SFY 2024-25 was two and one tenths of one percent (2.1%), below market rates. DWSRF principal forgiveness was combined with other drinking water grant funding</li> </ul>

	Long-Term Goal	Comments
		<p>in certain cases to further reduce costs for California's small DACs.</p> <ul style="list-style-type: none"> <li>• Approximately \$42 million in DWSRF principal forgiveness and grant funds were awarded to small DACs in SFY 2024-25.</li> </ul>
4	Use revenue and capital effectively	<ul style="list-style-type: none"> <li>• DFA continued to monitor cash and financing forecasts to determine whether additional capital would be needed. DFA determined that additional capital was not needed during SFY 2024-25 for the DWSRF program, and the State Water Board did not issue revenue bonds or other debt in SFY 2024-25. Additionally, the State Water Board prioritized the disbursement of General Fund state match and federal capitalization grants to the maximum extent possible.</li> </ul>
5	Maintain financial integrity	<ul style="list-style-type: none"> <li>• State Water Board staff analyzed the creditworthiness of all loan applicants to ensure DWSRF loans are repaid on time and in full and imposed special conditions where appropriate on applicants to lower the credit risk.</li> <li>• Approvals and transactions associated with individual DWSRF projects were documented in each project's file. In general, either a hard-copy file or an electronic file was established and maintained for each project, and duplicate electronic records were also maintained for each project in the "Loans and Grants Tracking System," the DWSRF's data management system.</li> <li>• Each approval and transaction in SFY 2024-25 required multiple reviews and signoffs from staff and management to ensure accuracy and validity. Written internal procedures for the DWSRF program were also maintained.</li> <li>• State Water Board staff also surveilled financing recipients with outstanding obligations. Recipients are generally required to provide</li> </ul>

	Long-Term Goal	Comments
		<p>ongoing financial information after loan closing or to complete public outreach if there was significant public disapproval during their rate setting process.</p> <ul style="list-style-type: none"> <li>• DFA staff maintained its “watch list” of financing recipients and potential applicants that show signs of financial weakness. Financial weakness was assessed using the financing recipients’ annual financial statements, a variety of news outlets, and periodic interactions with applicants, the DDW District Offices, and the public.</li> <li>• DFA staff monitored payments of all outstanding agreements in SFY 2024-25 to identify late payments and generally prevent delinquent payments, that is payments greater than 10 days past the payment due date, especially payments on agreements that have been pledged to repay DWSRF revenue bonds.</li> <li>• State Water Board staff prepared financial statements for the DWSRF, and the financial statements were audited by an independent auditor in accordance with Government Auditing Standards. A copy of the audited financial statements is included in this report (Appendix F) and is posted on the State Water Board’s DWSRF website.</li> <li>• Designated State Water Board supervisors and managers were required to file an annual “Statement of Economic Interest” with the California Fair Political Practices Commission. In addition, State Water Board supervisors and managers completed conflict of interest training and are required to complete ethics training biennially.</li> </ul>
6	Provide good customer service with a special emphasis on assisting SDACs and DACs.	<ul style="list-style-type: none"> <li>• The OSWS continued to focus its efforts on small SDACs and small DACs, and to provide principal forgiveness (PF) and grant funds to</li> </ul>

	Long-Term Goal	Comments
		those communities in SFY 2024-25 for safe and affordable drinking water projects.
7	Ensure the timely commitment and disbursement of DWSRF funds.	<ul style="list-style-type: none"> <li>• The State Water Board prioritized staff and financial resources to the maximum extent possible to ensure that it can quickly and fully disburse DWSRF funds to existing obligations.</li> <li>• The State Water Board also managed its staff to ensure that new obligations will be made to eligible projects so that future commitments and disbursements are timely.</li> </ul>
8	Maximize cash flow and the disbursement of funds	<ul style="list-style-type: none"> <li>• The State Water Board continued to commit DWSRF funds based on its cash-flow model. Commitments were made based on future disbursements being made with future repayments, Capitalization Grants, or other sources, including bonds or loans secured with future revenues.</li> <li>• DFA also generally focused on recipients that were “ready to proceed” to both a funding agreement and construction. Because the State Water Board focused on “ready-to-proceed” projects that addressed public health priorities, the State Water Board successfully managed the DWSRF’s finances to ensure compliance with USEPA’s ULO reduction strategy.</li> <li>• The DWSRF set asides were also employed in SFY 2024-2025 for the administration of the DWSRF and the State Water Board’s PWSS program managed by DDW, as well as providing for TMF and SWS technical assistance.</li> </ul>

## Appendix C: Key Performance Indicators

This section discusses the State Water Board’s efforts to track performance metrics for the DWSRF program established in the SFY 2024-25 IUP. These are targets for the State Water Board to enable timely and efficient processing of applications and disbursements.

	Key Performance Indicator	Outcome
1	Provide TA assistance (TA provider or DDW) by end of Fiscal Year to ninety percent (90%) of currently incomplete applications for Category A-C projects that are eligible for grant/PF under 2024-25 DWSRF IUP, Appendices D and E (Table 2), who require TA to complete their application.	<ul style="list-style-type: none"> <li>The State Waterboard provided Technical Assistance to 81% of incomplete applications for Category A-C projects.</li> </ul>
2	Conduct initial application completeness reviews and notify applicant within 35 days.	<ul style="list-style-type: none"> <li>Approximately 84% of initial application completeness reviews were conducted within 35 days. Following the establishment of new key performance indicators, staff will continue to track these milestones and key timelines in the LGTS system for this year and anticipate more comprehensive reporting in future annual reports.</li> </ul>
3	Complete Tier I environmental reviews within 6 months and Tier II environmental reviews within 4 months of receiving a complete environmental package.	<ul style="list-style-type: none"> <li>Total of 27 projects, 17 Tier I and ten Tier II, were reviewed during the SFY 24/25. 94% of Tier I environmental reviews met the 6-months KPI and 100% of Tier II environmental reviews met the 4-months KPI.</li> </ul>
4	Complete financial reviews within 30 days of receiving complete financial information and legal concurrence with agreement conditions.	<ul style="list-style-type: none"> <li>DFA management began embarking on an effort to establish reliable KPIs and tracking efforts related to processing financial reviews. During the first year of tracking, it was estimated that DWSRF financial reviews took an average of 41 days to work through from start to finish. Staff anticipates improved reporting in future annual reports.</li> </ul>
5	Execute agreements within 120 days of completing package reviews (environmental,	<ul style="list-style-type: none"> <li>Approximately 30% of executed agreements met the 4 month KPI, with a median of 6 months. This timeline includes the recipients’</li> </ul>

	<b>Key Performance Indicator</b>	<b>Outcome</b>
	financial, technical) and receiving legal concurrence from applicant.	time to sign and return the funding agreements. Based on further establishment of tracking indicators, staff anticipate additional reporting information in future annual reports.
6	For projects funded via the Expedited Drinking Water Grant Funding Program (EDWG) process: DFA award letters within 6 weeks after proposal deadline, and agreement execution within 4 months from date of award letter.	<ul style="list-style-type: none"> <li>• N/A, EDWG Rounds 1-4 were closed solicitations whose approval process did not align with these performance metrics.</li> <li>• DWSRF Funding was not used for EDWG in 2024-25.</li> <li>• The average timeframe from award letter issuance to agreement execution is 208 days (approximately 7 months).</li> </ul>
7	Seventy percent (70%) of DWSRF Ranked, Fundable List Applications Executed by End of Fiscal Year.	<ul style="list-style-type: none"> <li>• The State Water Board executed 49% of ranked applications on the Fundable List. Reasons for not reaching an executed agreement during the fiscal year are listed in Exhibit E.</li> </ul>
8	Issue funding agreements (or approve planning workplans) for ninety percent (90%) of projects with complete applications that are eligible for grant/PF under Appendices D and E.	<ul style="list-style-type: none"> <li>• The State Water Board issued agreements to 30 of the applicants on the Fundable List adopted on August 20, 2024. Projects that were withdrawn, inactive, or deemed ineligible are not included in the final results. (73% of the projects).</li> </ul>
9	Fulfill seventy-five percent (75%) of complete disbursement requests in 60 days or less.	<ul style="list-style-type: none"> <li>• The State Water Board processed 68.5% of DWSRF disbursement requests in 60 Days or less during SFY 24-25, which did not meet the SFY target.</li> </ul>
10	DWSRF Fund utilization rate > one hundred and five percent (105%) of available funds.	<ul style="list-style-type: none"> <li>• ~100% - The rate is below target because of the slower loan commitment pace in FY2022-23 and FY2023-24 for the base program when a substantial increase in IIJA General Funding was being awarded, as well as the slower commitment pace of the IIJA Lead Service Line Replacement and the Emerging Contaminant Grants. The pace is expected to reverse trend in FY 2025-26 with a reverse trend in the loan commitment pace of both the base program</li> </ul>

	Key Performance Indicator	Outcome
		and Lead Service Line Replacement and Emerging Contaminant grant programs.

## Appendix D: Operating Agreement and Capitalization Grant Conditions

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

### 1. Assistance Activities

The State Water Board continued to provide DWSRF funding to eligible PWSs in SFY 2024-25 for projects needed to achieve or maintain compliance with safe drinking water standards. All activities funded were eligible under Section 35.3520 of Title 40 of Code of Federal Regulations. A total of \$524,914,134 million in DWSRF funding was awarded to thirty-seven (37) projects in SFY 2024-25. DWSRF funds were provided to eligible recipients to enhance drinking water transmission and distribution, treatment, sources, storage, as well as ensure water system reliability through the installation of interties and the consolidation of PWSs. Water quality issues such as arsenic and nitrate contamination, as well as groundwater under direct influence, and disinfection by-product formation continued to be addressed in SFY 2024-25. Eligible recipients included privately and publicly owned community and non-profit non-community PWSs. The projects and PWSs funded in SFY 2024-25 are further detailed in Exhibit A.

The SFY 2024-25 DWSRF IUP Comprehensive List included projects that might be funded by the DWSRF or from other complementary funding sources. The SFY 2024-25 DWSRF IUP Fundable List included projects eligible for loan funding, as well as projects eligible for grant/PF with complete applications. However, many projects listed in the SFY 2024-25 DWSRF Fundable List were not funded by the DWSRF during the SFY 2024-25 for various reasons as noted in Exhibit E, including options for other funding. The high demand for drinking water improvement funding in California required the State Water Board to prioritize projects based upon their public health benefits as well as the recipient's readiness to proceed to a funding agreement.

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## 2. Eligible Categories of Projects and Financing Terms

The State Water Board continued to provide below-market financing and additional subsidy in SFY 2024-25 for projects ranked in Categories A-F of the DWSRF public health prioritization scheme and consolidation projects. The State Water Board also generally prioritized higher ranked public health categories and projects benefiting small DACs in SFY 2024-25. Towards the end of the SFY, grant and principal forgiveness funding was also prioritized for projects addressing Safe and Affordable Funding for Equity and Resilience (SAFER) Failing or At-Risk status of a water system. Types of assistance included loans and installment sale agreements for the planning, design, and construction of drinking water infrastructure projects. Principal forgiveness was available for Category A-C or consolidation projects for SWSs and ESCWSs serving DACs and SDACs; not-for-profit non-transient, non-CWS serving small DACs and SDACs; certain medium CWS serving DACs and SDACs; and small non-DACs with an MHI less than 150% of the statewide MHI. SWSs serving SDACs and not-for-profit non-transient, non-CWS serving small DACs and SDACs requesting DWSRF repayable financing generally were eligible for zero percent (0%) interest rates. SWS and ESCWSs serving small DACs requesting DWSRF repayable financing were eligible for 0% interest rates if their residential water rates were at least 1.5% of MHI. The standard interest rate for all other repayable financing was one-half the state's average general obligation rate in the previous year. Standard repayable financing for construction projects for publicly and privately owned PWSs and PWSs was generally amortized over a 30-year period, although certain DACs were eligible for a 40-year repayment period.

## 3. Provide a State Match

The State Water Board demonstrated the source of its twenty percent (20%) state match requirement (\$10.05 million) for the FFY 2024 base capitalization grant (\$60.3 million) in SFY 2024-25 through 2021 State Budget Act General Fund appropriations of which \$255 million was allocated for the DWSRF. This same state match funding sources were also employed for the ten percent (20%) state match requirement (\$49.6million) of the DWSRF IJA – General Supplemental grant (\$247.9 million). See the DWSRF Audited Financial Statements in Appendix F for more information on DWSRF state match expenditures. State match was

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deposited into the DWSRF Fund in accordance with the requirements of 40 C.F.R. § 35.3550(g).

#### 4. Binding Commitments Within One Year

The State Water Board continued to commit DWSRF base program funding, including the FFY DWSRF IIJA – General Supplemental grant, to projects in an amount equal to or greater than one hundred and twenty percent (120%) of each federal payment within one year of receipt of that payment. As of June 30, 2025, executed funding agreements for the entire DWSRF program, including all DWSRF IIJA funding agreements, totaled approximately \$5.2 billion, or 140 percent (140%) of the approximately \$3.7 billion in federal payments, including all IIJA federal payments and related set-asides.

#### 5. Expeditious and Timely Expenditure

The State Water Board continued to make timely and expeditious use of DWSRF funds for the base program by generally maintaining a ULO equal to or less than 2-years of DWSRF federal grants, namely DWSRF base and IIJA General Supplemental grant funds. As of June 30, 2025, almost all the ULO balances for the base DWSRF program existed within FFY 2023-2024 DWSRF base and IIJA grants, with a minor set-aside amount in the FFY2022 IIJA General grant for forthcoming work by the DDW on the development of its WaterTAP database. This timely and expeditious use of federal capitalization grant funds was substantially achieved through cash-flow modeling and the over-commitment of DWSRF funds in SFY 2024-25 and prior fiscal years.

The timely and expeditious use of DWSRF funds was also satisfied through the prompt and efficient processing of DWSRF reimbursement claims. To ensure timely reimbursement, DWSRF claims were generally reviewed and paid within 60 days from receipt of a complete claim. The implementation of FI\$Cal has added additional processing time to the disbursement of funds within DFA, DAS and the SCO over the last several years. DFA continues to identify and streamline processes to improve the reimbursement rate.

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The State Water Board continued to draw federal funds in SFY 2024-25 from the United States Treasury via the Automated Standard Application for Payments (ASAP) system as warrants are issued by SCO. ASAP is a request and delivery system of federal funds developed by the Financial Management Service of the United States Treasury and the Federal Reserve Bank. By using ASAP, the State Water Board draws funds from USEPA for expenditures incurred by the DWSRF program in an expeditious and timely manner. Draw requests are generally made within one week of an issued warrant. Requested funds are also deposited electronically the next business day to account(s) specified by the State Water Board. For the DWSRF set-aside accounts, federal draws are typically requested through ASAP monthly for the prior month's costs.

To further enable the timely and expeditious use of DWSRF funds, the State Water Board prioritized the disbursement of State Match and federal funds.

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

Pursuant to a USEPA memo dated March 17, 2025, USEPA announced the suspension of the following related to its DBE program until further notice:

- a) Fair share objectives negotiation requirements under Title 40 of the United States Code of Federal Regulations (40 CFR) Part 33 Subpart D;
- b) Recipient reporting requirements under 40 CFR 33.502;
- c) All enforcement and compliance actions pursuant to 40 CFR Part 33.105; and
- d) Collection of EPA Form 5700-52A as a condition of closeout under USEPA's Order 5700.6 Section 7.

In response to the USEPA memo, State Water Board staff shall suspend its review of all projects for DBE compliance and reporting requirements, effective immediately. However, given that the DBE good faith effort requirements are still in effect for federally funded projects, the State Water Board will continue to include DBE requirements in funding agreements for those projects but will rely on those recipients to ensure their own compliance with the USEPA's DBE program.

All DWSRF funded projects were required to comply with Davis-Bacon prevailing wage requirements in SFY 2024-25. Each funding agreement included provisions requiring applicants to follow Davis-Bacon requirements. DFA conducted a variety of surveillance activities throughout SFY 2024-25 to ensure each recipient's compliance with

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Davis-Bacon requirements. Such surveillance activities included (1) reviewing recipient and sub-recipient reports and compliance certifications; (2) tracking compliance with federal annual monitoring requirements; and (3) annually reviewing quarterly site inspection reports to verify the adequacy of site inspections and other control activities.

DWSRF funding recipients were also required to use American-made iron and steel products in SFY 2024-25 pursuant to USEPA guidelines for projects involving the construction, alteration, maintenance, or repair of a PWS or public treatment works. DWSRF funding recipients were only exempt from this AIS requirement if the project qualified under a national or project-specific AIS waiver from USEPA. To ensure compliance with AIS requirements, the AIS provisions were included in DWSRF financing agreements and DFA examined recipient records for AIS certifications and/or any AIS waivers.

New Build America, Buy America (BABA) provisions requiring domestically sourced construction materials and manufactured products (in addition to iron and steel products) were introduced with IIJA and are a requirement for all FFATA reported projects pursuant to USEPA guidelines for BABA. For SFY 2024-25, the applicable FFATA projects complied with BABA through use of the Adjustment Period Waiver issued by US EPA on September 2, 2022. Finally, DWSRF funding recipients were required to comply with a list of other cross-cutting federal authorities, including but not limited to non-discrimination requirements, USEPA general terms and conditions, the requirement to use generally accepted accounting principles, the requirement for disclosure of conflicts of interest, the prohibition on the use of disqualified contractors, and a number of other requirements specified by USEPA.

## 7. Additional Subsidy and Green Requirements

The State Water Board continued to provide the maximum amount of available additional subsidy in the form of principal forgiveness in SFY 2024-25 for the benefit of SWSs and ESCWSs serving DACs and SDACs. Since the inception of the DWSRF program, federal regulations have allowed for up to thirty percent (30%), and now recently thirty five percent (35%), of a capitalization grant to be provided as additional subsidy (i.e., principal forgiveness) to DACs, regardless of the size of the PWS. In 2020, Congress began adding a fourteen percent (14%) additional subsidy allotment to the annual DWSRF appropriations, separate from the thirty percent (35%) additional subsidy allocation for DACs. The 14% subsidy was available for any eligible DWSRF recipient. Effective January 1, 2023, state law was amended to allow principal forgiveness to be provided to non-DACs, by removing the provision limiting principal forgiveness and grants to DACs. The 2024-25 IUP made small non-DACs with an MHI of less than 150% of the statewide MHI and medium (serves more than

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6,600 service connections but no more than 30,000 service connections; or a yearlong population of more than 20,000 persons but no more than 100,000 persons) DACs potentially eligible for principal forgiveness.

To encourage the consolidations of PWSs, the State Water Board offered incentives to Receiving Water Systems in exchange for completing a consolidation. An incentive project must be DWSRF eligible, and it solely benefits the Receiving Water System. Receiving Water Systems were eligible for up to \$10 million in zero percent interest rate financing in addition to up to \$1 million in grant/principal forgiveness funding per consolidated community/water system.

The State Water Board's SFY 2024-25 IUP directed that the maximum amount of additional subsidy allowed under federal rules and regulations be awarded to SWSs and ESCWSs serving DACs and SDACs in the form of principal forgiveness. Exhibit A identifies additional subsidy projects funded in SFY 2024-25.

Besides additional subsidy, the State Water Board may also allocate a portion of a capitalization grant to projects with "green" benefits (Green Project Reserve). While funding of GPR projects has been discretionary since FFY 2012, funds made available by capitalization grants may be used for GPR eligible projects. Exhibits A and G show the amount of DWSRF funding for GPR assigned under the current and prior year capitalization grants.

## 8. Federal Funding Accountability and Transparency Act

The State Water Board reported sixteen (16) projects totaling \$531 million into the System for Award Management (SAM.gov) for funding agreements executed in SFY 2024-25. Of the amount, \$237,749,632 and \$293,291,701 were to satisfy the Federal Funding Accountability and Transparency Act (FFATA) reporting requirements for the FFY 2022 and 2023 IIJA-any capitalization grants, respectively. The FFATA, along with associated Office of Management and Budget (OMB) directives, and interpretive guidance from USEPA, requires the State Water Board to report sub-recipient information on the use of capitalization grants awarded after October 1, 2010. The DWSRF program began reporting FFATA data in FFY 2011 on an equivalency basis, by choosing loans that equaled the total DWSRF grant amount received from the USEPA. In accordance with USEPA guidance, for FFY 2022 forward, the State Water Board will report loans that at least equal the DWSRF capitalization grants minus the set-asides. The DWSRF program continues to report FFATA loan data on an equivalency basis to the SAM.gov (Exhibit B).

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## 9. Federal Environmental Cross-Cutters

The State Water Board Environmental Review Staff (ERS) reviewed the DWSRF projects consistent with the DWSRF State Environmental Review Process (SERP) approved by USEPA in May 2023 until an updated SERP was approved by USEPA on June 16, 2025. The June 16, 2025 update modified the list of federal environmental cross-cutters and incorporated a May 12, 2025 letter from USEPA Pacific Southwest (Region 9) to the State Water Board designating the State Water Board as its non-federal representative under the Endangered Species Act and Magnuson-Stevens Act. The SERP follows the requirements of the California Environmental Quality Act and federal DWSRF regulations. Applicants were required to complete and submit an environmental application package and provide supporting materials. Applicants subject to “Tier I” environmental review were required to submit relevant supporting documents for the applicable federal environmental cross-cutting authorities. In accordance with the SERP and the 2024-25 IUP, applicants subject to “Tier II” environmental review were not subject to the federal environmental cross-cutting authorities. The ERS reviewed the completed application package and the supporting federal environmental cross-cutting documents if applicable to assure compliance with the SERP, and coordinated with the USEPA, Region 9 to initiate consultations with relevant federal agencies on projects with known (or suspected) effects under federal environmental laws and regulations.

## 10. Single Audit Act

The State Water Board continued to require recipients receiving an executed agreement in SFY 2024-25 to comply with applicable provisions of the federal Single Audit Act of 1984 and 2 CFR Part 200, subpart F, and updates or revisions, thereto. In SFY 2023-24 reporting requirements for the Single Audit Act were clarified by USEPA. In SFY 2024-2025 only “equivalency projects” were subject to Single Audit Act reporting, as it was clarified that all funds disbursed for those projects are considered federal funds. The State Water Board included the applicable Single Audit Act requirement language in all SRF agreements that were identified as equivalency projects. In prior years, all DWSRF projects receiving DWSRF capitalization grant disbursements were subject to the Single Audit Act.

## Appendix E: DWSRF Performance Evaluation Report

US EPA Region 9 conducted its annual review of the California State Water Resources Control Board (SWRCB) Drinking Water State Revolving Fund (DWSRF) program in accordance with EPA's SRF annual review guidance. Based upon the programmatic and financial reviews and on-site interviews, EPA concluded that the State of California has administered the program in compliance with the capitalization grant agreements. All financing executed by the SWRCB assisted public water systems to maintain or bring them into compliance with federal and state drinking water requirements.

The DWSRF program in California demonstrated strong performance in SFY 2024. In its second year of implementing the supplemental sources of funding provided by the Infrastructure Investment and Jobs Act (IIJA), SWRCB executed \$261.5 million in new DWSRF assistance and achieved among the highest fund utilizations in the country. In light of the California DWSRF program's performance and activities conducted during the review period, EPA identified the following required action items for the State Water Resources Control Board (SWRCB) to address accordingly:

Item	Action
<p><b>Equivalency Projects:</b> SWRCB must report additional equivalency projects to <a href="http://www.Sam.gov">www.Sam.gov</a> as specified in the FFATA section of this PER, after additional DW Emerging Contaminant and Lead Service Line Replacement assistance agreements are identified.</p>	<p>SWRCB staff are assisting communities through the funding process and committing funds as expeditiously as possible. SWRCB staff continue to report newly committed Emerging Contaminant and Lead Service Line Replacement projects to <a href="http://www.Sam.gov">www.Sam.gov</a>. Staff are also exploring additional targeted outreach, research, and technical assistance for Emerging Contaminants.</p>
<p><b>Additional Subsidy:</b> As of June 30, 2024, SWRCB has not committed the minimum additional subsidy required for the following grants: FFY 2022 DW IIJA General Supplemental, FFY 2022 DW IIJA LSLR, and all FFY 2023 grants. SWRCB must detail necessary milestones in its Annual Reports towards achieving compliance for these grants if the State cannot commit the minimum required by the next state fiscal year reporting cycle.</p>	<p>Detail necessary milestones SWRCB continues to prioritize small DACs for principal forgiveness, but included eligibility for Moderate Income Communities, expanded small DACs, and Medium DACs in the 2025-26 DWSRF IUP. The 2025-26 DWSRF IUP recorded over 200 applications requesting more than \$1.2 billion in funding. SWRCB continues to execute funding agreements as complete applications are submitted. SWRCB staff will update available PF balances in the 2026-27 IUP.</p> <p>SWRCB staff are processing additional EC applications to commit IIJA EC funds and anticipate existing applications will utilize the remaining EC funds and meet minimum additional subsidy required. Due to lack of</p>

Item	Action
	demand, staff are evaluating potentially returning some IIJA LSLR funds and will meet separately with EPA.
<b>Annual Reports:</b> EPA and SWRCB agreed to interim milestones leading to delivery of the final SFY 2024-2025 Annual Reports. Interim milestones and deadlines: Lists of projects executed between July 1, 2024-June 30, 2025, by November 1, 2025; All reporting to OWSRF for SFY 2024-2025 by November 1, 2025; Draft Annual Reports by December 31, 2025; Final Annual Reports by March 30, 2026.	All Annual Report milestones were achieved except for the submission of the Final Annual Reports which were submitted on June 9, 2026. The Final Annual Reports were submitted after the deadline due to internal reporting errors within LGTS.
<b>ASADRA:</b> The remainder of ASADRA funds should be committed no later than June 2026.	SWRCB staff are working with the two remaining ASADRA projects to commit remaining funds by June 2026.
<b>Uncommitted Lead Funds:</b> By January 2026, EPA asks SWRCB to thoroughly evaluate its needs for IIJA LSLR funding, encompassing both its project pipeline and set-aside activities, and meet with EPA to continue the discussion on voluntary de-obligation.	SWRCB staff are evaluating the needs for LSLR funds and will meet with EPA on the outcome, and to discuss options forward.

US EPA Region 9’s annual review included an insightful discussion with SWRCB regarding the programmatic and financial risks facing the programs, including but not limited to uncertain future federal capitalization and barriers associated with the federal requirements. In SFY 2024, for the first time in the DWSRF program, SWRCB began collecting administrative fees to mitigate for potential reductions in federal funding and the sunset of state-provided sources of grant funding principal forgiveness, the latter of which has largely fueled the State’s ability to fund infrastructure projects serving disadvantaged communities sans federal SRF requirements for the last 5-10 years. EPA commends SWRCB for taking steps to mitigate for these risks and looks forward to its continued partnership with California in implementing the SRF programs.

**Appendix F: SFY 2024-25 DWSRF Audited Financial Statements**

- [Audited Financial Statement](#)
- [Single Audit Report](#)