

APPENDIX L: Emerging Contaminants Supplemental Intended Use Plan

California
State Water Resources Control Board
Division of Financial Assistance

Drinking Water State Revolving Fund (DWSRF)
& Clean Water State Revolving Fund (CWSRF)

Infrastructure Investment and Jobs Act –
Emerging Contaminants Funding

Emerging Contaminants in Small or Disadvantaged
Communities Grant Funding

SUPPLEMENTAL INTENDED USE PLAN

STATE FISCAL YEAR 2026-27

I. BACKGROUND AND PURPOSE

President Biden signed the Infrastructure Investment and Jobs Act (IIJA) of 2021, (P.L. 117-58) on November 15, 2021. IIJA includes \$50 billion to the U.S. Environmental Protection Agency (EPA) to strengthen the nation's drinking water and wastewater systems – the single largest investment in clean water and safe drinking water that the federal government has ever made.

The IIJA provides \$5 billion through the Clean Water and Drinking Water State Revolving Funds (SRFs) to reduce people's exposure to perfluoroalkyl and polyfluoroalkyl substances (PFAS) and other emerging contaminants (EC) through their drinking water and to help address discharges through wastewater and, potentially, nonpoint sources. This is a unique opportunity to prioritize investment to local communities that are on the frontlines of PFAS contamination and that have few options to finance solutions through traditional programs. The IIJA provides EC funding through the SRFs that must be distributed to communities entirely as forgivable loans and grants.

PFAS are not the only EC that threaten our water supplies and environment. Water projects that address other EC will also be eligible for funding under this program.

The State Water Resources Control Board (State Water Board) intends to apply for the full FFY 2026 DWSRF EC Capitalization Grant of \$82,428,000 that is allotted to the California DWSRF and the full FFY 2026 CWSRF EC Capitalization Grant of \$15,208,000 allotted to the California CWSRF. This Supplemental Intended Use Plan describes the State Water Board's plan for administering the funds in accordance with current U.S. EPA guidance; DFA has the discretion to modify the requirements if allowed by subsequent guidance to be consistent with federal requirements.

II. TRANSFER OF CLEAN WATER STATE REVOLVING FUND

The State Water Board will transfer California's entire \$15,362,000 CWSRF EC allocation from the CWSRF program to the DWSRF program. The DWSRF statutes and regulations allow for the transfer of an amount that is up to thirty-three percent (33%) of the amount of the DWSRF capitalization grant from the CWSRF to the DWSRF or vice versa. Therefore, the resulting total amount of available EC supplemental funds for the DWSRF program in SFY 2026-27 will be \$97,790,000. The Deputy Director of DFA has the discretion to request that the U.S. EPA transfer all or a portion of the CWSRF EC allocation back to the CWSRF program if the Deputy Director of DFA deems such transfer appropriate considering the applications received for those funds under both the DWSRF and CWSRF programs. If such a transfer occurs, eligibility for EC funds

under the CWSRF program shall be consistent with all applicable state and federal rules, and the Deputy Director of DFA shall have discretion to determine the funding limit for each CWSRF EC project or applicant.

III. COMPLEMENTARY FUNDING

The IIJA also includes a total of \$5 billion in FFY 2022-2026 for the Emerging Contaminants in Small or Disadvantaged Communities (EC-SDC) grant, which focuses on addressing EC, including PFAS, in drinking water served by public water systems in small communities ¹) and/or disadvantaged communities (DACs). For FFY 2022 and 2023, U.S. EPA awarded the State Water Board a combined \$169,115,000 in federal EC-SDC grant funds; for FFY 2024 \$82,961,000 was awarded in federal EC-SDC grant funds to the State Water Board; for FFY 2025 the state applied for its allotment of \$80,895,000. The state also intends to apply for its FFY 2026 EC-SDC allotment, anticipated to be \$77,257,000. The State Water Board will administer the funds as authorized by Health and Safety Code, sections 116774-116774.1, and provide grants to eligible public water systems with no cost share or match required. EC-SDC funding is intended to complement the DWSRF program and DWSRF EC funding to support disadvantaged communities' and small communities' development of projects to address emerging contaminants in drinking water.

IV. PROGRAM GOALS

The DWSRF EC funds will “address emerging contaminants in drinking water with a focus on perfluoroalkyl and polyfluoroalkyl substances through capitalization grants under section 1452(t) of the Safe Drinking Water Act for the purposes described in section 1452(a)(2)(G) of such Act.” The EC-SDC funds will provide grants to public water systems in small and/or disadvantaged communities to address emerging contaminants, including PFAS.

The EC program goals are in concert with the long-term and short-term goals listed in the SFY 2026-2027 DWSRF IUP (Outcomes, Goals, Activities, and Measures), including public health benefits and expeditious use of funds.

¹ For the purposes of EC-SDC grant eligibility, "Small community" means a community with a population of less than 10,000 individuals that the State Water Board determines does not have the capacity to incur debt sufficient to finance a project or activity otherwise eligible for EC-SDC grant funding. Given the small size of a public water system serving a population of less than 10,000 individuals and the lack of economies of scale for such a system to incur additional debt to address emerging contaminants, for the purpose of EC-SDC grant funding all such systems will be deemed to be serving communities that do not have the capacity to incur debt sufficient to finance a project addressing emerging contaminants.

V. PROGRAM REQUIREMENTS

A. In General

To receive funding under this EC IUP, projects must meet the eligibility requirements set forth below and established by the applicable funding program. Projects must be included on the EC Fundable List (see Section XII). The Deputy Director of DFA may add to the EC Fundable List any potentially eligible projects that request DWSRF EC funding for which applications have been submitted.² DFA may periodically post an updated Emerging Contaminants Fundable Project List on the DWSRF website that identifies all projects for which applications are received by DFA after the development of this Supplemental IUP. A project added to the EC Fundable List will also be automatically added to the Base Program Fundable List. Beginning this year, as long as EC funding is available, the EC Fundable List is a subset of the DWSRF Fundable List; that is, while EC funding is available, all projects on the EC Fundable List are also on the Base DWSRF program Fundable List (see base DWSRF IUP for more information).

Projects administered under this supplemental IUP will generally be implemented in accordance with the base DWSRF IUP except to the extent inconsistent with this supplemental EC IUP or the applicable funding program requirements. In addition, projects receiving DWSRF EC funds must meet the specific requirements noted in U.S. EPA's March 8, 2022, memorandum "[Implementation of the Clean Water and Drinking Water State Revolving Fund Provisions of the Bipartisan Infrastructure Law](#)" as modified by the U.S. EPA's May 15, 2025, Memorandum "[State Revolving Funds: Back to Basics, Back to Business](#)" and in any other applicable guidance.

Eligible DWSRF EC and EC-SDC projects are not subject to DWSRF loan priority scoring system, or the DWSRF PF/grant project type and Failing Status criteria provided in the base DWSRF IUP, but certain guidelines from the DWSRF Policy and IUP regarding eligible costs do apply, at the discretion of the Deputy Director or designee. Certain provisions in the DWSRF IUP, such as limitations on PF/grant funding for work on private property, and limitations on industrial/commercial use, may not be applicable to funding administered under this supplemental IUP.

B. DWSRF EC Funding

Under the IIJA and SDWA, one hundred percent (100%) of the DWSRF EC capitalization grant, net of set-asides taken, must be provided as forgivable loans or grants for the purpose of addressing emerging contaminants in drinking water with a

² Projects requesting funding through another DWSRF program in addition to EC funding will need to meet the requirements for that other specific DWSRF program. Inclusion on the EC Fundable List is not a guarantee of any other DWSRF funding.

focus on perfluoroalkyl and polyfluoroalkyl substances.³ Not less than twenty-five percent (25%) of the DWSRF EC funds must be provided to disadvantaged communities or public water systems serving fewer than 25,000⁴ people, in accordance with SDWA section 1452(a)(2)(G).

For a project or activity to be eligible for funding from the DWSRF EC Capitalization Grant, it must be eligible under the SDWA section 1452(a)(2)(G), and otherwise DWSRF eligible. All existing requirements for implementation of the DWSRF program and execution of a DWSRF funding agreement, and the provisions of the DWSRF IUP and DWSRF Policy, apply to projects receiving DWSRF EC Funding as required by the IIJA, unless inconsistent with the IIJA, the SDWA section 1452(a)(2)(G), or this supplemental EC IUP. Applicants' EC projects receiving DWSRF EC funds must meet the requirements of the DWSRF program, including all federal cross-cutting requirements and Build America, Buy America (BABA) requirements.⁵ In addition, projects receiving DWSRF EC funds must meet the current U.S. EPA guidance, and DFA has the discretion to modify the requirements if allowed by subsequent guidance to be consistent with federal requirements. Only costs incurred after November 15, 2021 may be eligible for DWSRF EC funds.

C. EC-SDC Funding

EC-SDC provides grants to public water systems in small communities (population less than 10,000) and/or disadvantaged communities to address EC/PFAS. EC-SDC projects must be consistent with the workplan (approved by U.S. EPA) for the state's EC-SDC funds. Projects receiving EC-SDC funds must meet the requirements of the DWSRF IUP, generally including all federal cross-cutting requirements⁶ and Build America, Buy America (BABA) requirements, unless otherwise provided in this supplemental IUP or the applicable federal guidance. Projects receiving only EC-SDC funds do not need to satisfy the Davis-Bacon requirements.

³ The State Water Board directs that 100% of DWSRF EC project funding be provided as forgivable loans (principal forgiveness).

⁴ To determine whether a system serves less than 25,000 people for the purposes of the DWSRF EC funding eligibility, all population benefiting from the project must be considered, including population outside of the system's service area.

⁵ See Section XIII.G. Federal Cross-Cutters of the DWSRF IUP for more details on the list of federal cross-cutting requirements. Tier II environmental review as set forth in Appendix G of the DWSRF IUP does not apply to projects that receive DWSRF EC funding.

⁶ See Section XIII.G. Federal Cross-Cutters of the DWSRF IUP for more details on the list of federal cross-cutting requirements. Tier II environmental review as set forth in Appendix G of the DWSRF IUP does not apply to projects that receive EC-SDC funding.

Additionally, eligibility for projects receiving EC-SDC funds will generally be aligned with U.S. EPA's grant implementation document, "[Implementation Manual for FY 2026 Funding](#)," issued in May 2026, as well as the regulations of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 CFR Part 200 (the Uniform Grant Guidance), and any other applicable federal rules. The Uniform Grant Guidance is a government-wide framework of specific requirements for federal grants management and is comprised of several parts:

- Subparts B through D set forth the administrative requirements for federal grants, including the requirements for U.S. EPA's management of grant programs before awards are made and the requirements U.S. EPA may impose on recipients.
 - Included within subpart D ("post federal award requirements"; when the U.S. EPA has awarded the grant to a non-federal entity) are several procurement standards, prohibitions, and requirements that grant recipients and subrecipients must follow. Such procurement standards and requirements do not apply when the State Water Board awards repayable financing or principal forgiveness under its DWSRF program.
- Subpart E establishes principles for determining the allowable costs incurred by grant recipients and subrecipients. The principles are for the purpose of cost determination only and are not intended to identify the circumstances or the extent of U.S. EPA participation in the financing of a particular project.
- Subpart F sets forth standards for audits of grant recipients. Most relevant to the grant recipients and subrecipients are the provisions that lay out the responsibilities and other requirements of entities being audited.

EC-SDC grant funding is similar to the DWSRF EC funding in many ways; however, there are at least a few key differences between the two funding sources:

- EC-SDC funding is limited only to community water systems and non-profit non-community water systems that serve small (population less than 10,000) and/or disadvantaged communities. The DWSRF EC funding is not limited to systems that serve small and/or disadvantaged communities.
- EC-SDC funding may only be provided as grants, subject to the federal Uniform Grant Guidance; whereas DWSRF EC funding may be provided as principal forgiveness.
- EC-SDC funding may be used to pay for research and testing projects; whereas such projects are not eligible for DWSRF EC funding.
- EC-SDC funding may not be used for acquisition of land, easements, rights-of-way, or relocations necessary for the project; whereas these costs are eligible for DWSRF EC funding.

VI. ELIGIBLE PROJECTS AND ACTIVITIES

Below is a non-exhaustive list of eligible projects and activities under this supplemental IUP. In addition to satisfying the program requirements discussed above, for a project or activity to be eligible for funding from the DWSRF EC Capitalization Grant and EC-SDC grant, the primary⁷ purpose must be to address PFAS or EC in drinking water. Funding for projects with a focus on PFAS will be prioritized. Projects are potentially eligible for DWSRF EC or EC-SDC funding if they address any contaminants listed on any of EPA's [Contaminant Candidate Lists](#) (i.e., CCL1 – CCL5 and any future CCL).⁸

Examples of eligible projects include, but are not limited to:

- Construction of a new treatment facility or upgrade to an existing treatment facility that addresses EC/PFAS.
- Development of a new source (i.e., new/replacement well or intake for a public water system) that addresses an EC/PFAS issue [Note: for DWSRF EC funding, water rights purchases must still meet the criteria in the [Class Deviation for Water Rights](#)].
- Consolidation with another water system that does not have EC/PFAS present or has removal capability.
- Infrastructure related to pilot testing for treatment alternatives.
- Planning and design for DACs of any size.
- Creation of a new community water system to address unsafe drinking water provided by individual (i.e., privately-owned) wells or surface water sources.
- Connection of private wells to an existing public water system.

Eligible construction projects may include costs for planning and design.

VII. PROGRAM SCHEDULE AND FUNDING APPROACH

The schedule for public comment, application to the U.S. EPA, State Water Board adoption of this EC Supplemental IUP, and award of the EC funds is the same as the

⁷ For the purpose of determining EC-SDC eligible projects, “primary” means the components of the project that address ECs exceed 50% of the total project costs or level of effort.

⁸ In accordance with U.S. EPA guidance, if U.S. EPA has promulgated a NPDWR for a contaminant, then a project whose primary purpose is to address that contaminant is not eligible for DWSRF Emerging Contaminants funding, unless the contaminant is PFAS, which is eligible regardless of whether NPDWR has been promulgated. Projects addressing contaminants for which a NPDWR has been promulgated may be eligible for other DWSRF funding.

schedule for the SFY 2026-2027 DWSRF IUP as presented in the SFY 2026-27 DWSRF IUP.

Applications for funding under this supplemental IUP will be accepted on a continuous basis. Applicants for funding under this supplemental IUP shall follow the existing DWSRF application process. Applicants can refer to the State Water Board’s website https://www.waterboards.ca.gov/drinking_water/services/funding/SRF.html, the Emerging Contaminants (EC) and Per- and Polyfluoroalkyl Substances (PFAS) Funding website https://www.waterboards.ca.gov/water_issues/programs/grants_loans/pfas.html, and the FFAST portal <https://faast.waterboards.ca.gov/> where details of the application and supporting documentation are described in order to complete the DWSRF application. The EC Fundable List in Section XII was developed to determine how best to allocate the EC funds.

IJA requires that "not less" than twenty-five percent (25%) of the DWSRF EC funds go to DACs or systems with populations less than 25,000 in accordance with section 1452(a)(2)(G) of SDWA. Based on the FFY 2026 DWSRF EC allotment, the amount of DWSRF EC available as PF for projects (after set-asides) is \$76,204,720; the minimum available for DACs or systems with populations less than 25,000 is \$19,051,180.

The Deputy Director of the Division of Financial Assistance (DFA) is authorized to bypass any project with a complete application if the applicant is non-responsive to DFA’s request for information or consultation after notifying the applicant and giving the applicant a reasonable opportunity to respond, and instead to fund any other eligible project on the Fundable List that is ready to proceed to an agreement.

The Deputy Director may administer a portion of these funds through the Expedited Drinking Water Grant Funding Program. Applicable EC program requirements will continue to apply.

A. Recent Financing Activity

The table below shows recent financing from DWSRF EC and EC-SDC and is inclusive of funds committed through amendments.

Table 1: Number of Executed Agreements and Total Financing per SFY*

SFY	Number of Agreements	\$ of Executed EC Program Funds (in millions)	\$ of Co-Funding with other DFA drinking water funding sources(in millions)
2023-24	3	\$21.2	\$68.4
2024-25	11	\$97.9	\$11.9

2025-26	2 (+10)*	\$31.4 (+\$127.4)*	\$35.0 (+\$50.0)*
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* Numbers are as of April 1, 2026. Additional projects have funding decisions in progress and are expected to be executed by June 30, 2026.

VIII. FUNDING AVAILABILITY AND TERMS

The State Water Board will provide one hundred percent (100%) of the funding available under this supplemental IUP for eligible PWS as principal forgiveness (PF) or grants in accordance with the limits shown in Table 3 below, consistent with funding source requirements. After reserving \$21.4 million for set-aside activities, there will be \$76.2 million in FFY 2026 DWSRF EC funds available as PF for projects for a total of \$209.4 million available as PF for projects from all DWSRF EC funds awarded to the state. For EC-SDC, after administration activities, it is anticipated that there will be \$74.2 million in FFY 2026 funds available as grant for projects for a total of \$255.2 million available as grant for projects from all EC-SDC funds awarded to the state.

Table 2: Breakdown of Funding Availability for Projects (\$ in millions)

	DWSRF EC (FFY 2022- 2025)	Anticipated DWSRF EC (FFY 2026)	EC-SDC (FFY 2022- 2025)	Anticipated EC-SDC (FFY 2026)	Total
Total Allotment	\$368.6	\$97.6	\$333.0	\$77.3	\$876.5
Set-Asides/ Admin	\$82.2	\$21.4	\$12.1	\$3.1	\$118.9
PF/Grant	\$286.4	\$76.2	\$320.8	\$74.2	\$757.6
Executed Agreements	\$97.1 (+\$56.2)*	\$0.0	\$53.4 (+\$86.6)*	\$0.0	\$150.4 (+\$142.8)*
Total Funding Available for Projects*	\$133.2	\$76.2	\$180.9	\$74.2	\$464.6

* Numbers are as of April 1, 2026. Additional projects have funding decisions in progress and are expected to be executed by June 30, 2026.

Of the total DWSRF EC funding available for projects, at least \$62.2 million is reserved for DACs or systems with populations less than 25,000, and a maximum of \$147.0 million is available to non-DAC systems with populations at least 25,000 for SFY 2026-27.

The DWSRF EC and EC-SDC funds will be subject to the limits in Table 3. DWSRF EC and EC-SDC funds do not have cost per connection limits, but DFA will review project

costs for reasonableness.

Table 3: Maximum Emerging Contaminants Grant/PF per Water System

Type of Community	Percentage of Total Eligible Project Cost	Maximum Amount of grant/PF ²
DAC Systems and/or Systems That Serve a Population Under 25,000	up to 100%	No maximum
Non-DAC Systems That Serve a Population of 25,000 or greater	up to 50% ¹	\$25,000,000
<p>Notes:</p> <ol style="list-style-type: none">1. Funding amount will be determined by DFA based on percentage of project cost and incorporated into the agreement between the State Water Board and Recipient.2. The Deputy Director of DFA may increase the funding that eligible projects/systems have received under previous EC supplemental IUPs to the current EC supplemental IUP maximum funding amounts.		

The maximum grant/PF limit will be applied on a per public water system basis. Some applicants may have jurisdiction over multiple public water systems and wish to implement a program that will address multiple public water systems within their jurisdiction. Multiple projects proposed by an applicant may be funded, provided that the projects would have otherwise been recommended for funding had they been submitted individually and the per-water system limit has not been exceeded. The State Water Board may enter into a single agreement with an applicant for multiple projects, if it is administratively expedient to do so, or may have separate funding agreements for individual projects (e.g., if the projects have significantly different timelines for completion; or legal issues may hold up one project, but not another). To the extent permitted by statute, the Deputy Director of DFA has the authority to streamline application requirements and structure agreements as appropriate for the purposes of funding programmatic applications. The Deputy Director of DFA may approve modified financial application requirements for projects funded under this supplemental IUP.

The State Water Board may offer DWSRF Base Program or other funding in addition to funding administered under this supplemental IUP to fund EC/PFAS projects or projects that have both EC/PFAS components as well as components that are eligible for Base Program or other funding. To be eligible for DWSRF Base Program funding, projects must also be placed on the Base Program Fundable List in accordance with the provisions of the DWSRF IUP.

DFA will also establish a goal of using at least fifty percent (50%) of the EC Capitalization Grant to fund PFAS projects, with highest priority going to projects addressing PFAS concentrations that exceed the new federal MCL or Division of Drinking Water (DDW) Response Level (consistent with DDW's criteria for evaluating exceedances). Eligible DWSRF EC and EC-SDC projects that protect a greater number of households per dollar may also be prioritized if funding is limited.

Section XII provides a summary table of the EC Fundable List. Currently, the list includes projects from entities for total project costs of \$592.8 million. Based on the current EC Fundable List, DFA will be able to commit one hundred percent (100%) of the DWSRF EC PF funds available to Non-DAC systems serving at least 25,000, after set-asides, to eligible projects. DFA will continue to solicit additional applications for projects serving DACs or systems with less than 25,000 population (Small PWSs). Table 4 summarizes the status of applications requesting EC funding.

Table 4: EC Application Funding Request Summary (\$ in millions)

	Application Status	No. of Applications	Estimated Funding Requested	Funding Availability for Projects
Population < 25,000 and/or DAC	Complete	11	\$128.5	\$317.6
	Incomplete	21	\$143.2	
Non-DAC systems serving 25,000 or more	Complete	7	\$136.1	\$147.0
	Incomplete	17	\$184.9	
Total Requests		56	\$592.8	\$464.6

* Numbers are as of April 1, 2026. Additional projects have funding decisions in progress and are expected to be executed by June 30, 2026.

IX. ADMINISTRATION AND SET-ASIDE FUNDS

The IJA allows each state to set aside up to thirty-one percent (31%) of its DWSRF EC capitalization grant to support various DWSRF and Division of Drinking Water (DDW) program activities, including (1) the administration of the DWSRF, (2) small water system (SWS) technical assistance, (3) public water system (PWS) supervision by DDW and (4) other technical assistance to PWSs in support of technical, managerial, and financial capacity development. The Set-Asides are especially beneficial to SWSs serving SDACs and DACs.

The IJA allows each state to use up to four percent (4%) of its CWSRF EC capitalization grant to support administration of the CWSRF.

For SFY 2026-27, the State Water Board will set-aside twenty-six percent (26%) of the 2026 DWSRF EC Capitalization Grant, four percent (4%) of the 2026 EC-SDC, and bank four percent (4%) of the 2026 CWSRF EC Capitalization Grant for set-aside activities as further described in Table 5.

Table 5: FFY 2026 DWSRF EC, CWSRF EC, and EC-SDC Set-Aside Budget

Set-Aside Category	Max Allowed	Budgeted from FFY 2026 Grant	Estimate
DWSRF EC			
Administration	4%	4%	\$3,297,120
SWS Technical Assistance	2%	2%	\$1,648,560
PWS Supervision	10%	10%	\$8,242,800
Other Local Assistance	15%	10%	\$8,242,800
FFY 2026 DWSRF EC Set-Aside		26%	\$21,431,280
CWSRF EC			
Administration	4%	0%	\$0
EC-SDC			
Administration	4%	4%	\$3,090,280

The 2026 DWSRF EC Capitalization Grant set-aside work plans will contain information about the specific tasks, contracts and full-time equivalent personnel that will be supported in DFA and DDW by the 2026 DWSRF EC Capitalization Grant set-aside budgets. The Deputy Director of DFA is authorized to submit initial workplans to USEPA Region 9 or otherwise amend existing workplans for DWSRF EC Capitalization Grants. The Deputy Director of DFA may adjust DWSRF EC Capitalization Grant budgets for good cause. The Deputy Director of DFA is also authorized to make grants, enter into contracts, including multi-year contracts, and establish in-kind funding from USEPA to accomplish work covered by the set-aside budgets for the DWSRF EC Capitalization Grants. The Deputy Director of DFA is also authorized to request from USEPA the transfer of any unspent DWSRF EC set-aside funds to DWSRF principal forgiveness for expenditure on eligible DWSRF EC projects.

A. Administration Set-Aside

The Administration Set-Aside may fund the State Water Board’s administration of the DWSRF EC program. This may include the review and processing of drinking water funding applications, project management and general oversight of DWSRF construction and planning projects. The DWSRF Administration Set-Aside may also cover the costs for accounting, legal, budgetary, and general management and oversight of the DWSRF EC/EC-SDC funds.

B. Small Water System Technical Assistance Set-Aside

The SWSTA Set-Aside may fund DFA technical assistance to small PWS applicants with 10,000 or fewer persons to help establish eligibility for DWSRF EC funds and

provide other technical assistance necessary for project development.

C. State Program Management Set-Aside

The State Program Management Set-Aside may be used to partially fund DDW's administration of the State Water Board's PWSS program as it relates to ECs. The Set-Aside may provide funds for DDW's inspection, compliance, and monitoring activities related to ECs in accordance with the SDWA and PWSS responsibilities delegated by U.S. EPA.

D. Local Assistance Set-Aside

The Local Assistance Set-Aside may be used for contracts and the personnel costs of DFA and DDW working with PWSs addressing ECs. These contract and staff costs are associated with the State Water Board's implementation of its Capacity Development Strategy and providing direct technical assistance to PWSs in support of this strategy.

X. EC CAPITALIZATION GRANT PAYMENTS AND DRAWS

1. Federal EC Capitalization Payments

Based upon the State Water Board's cash flow for SFY 2026-27, the State Water Board has requested the following federal payment schedule from U.S. EPA for the 2026 EC Capitalization Grant, as detailed in Table 6.

Table 6: 2026 EC Capitalization Grant Payment Schedule*

FFY	Payment Date	Percentage of Cap Grant	Estimated Amount	Description	Site Code **
2026	Award Date	4%	\$3,297,120	DWSRF Administration Set-Aside	DD
2026	Award Date	2%	\$1,648,560	DWSRF SWS Technical Assistance Set-Aside	DE
2026	Award Date	10%	\$8,242,800	DWSRF State Program Management Set-Aside	DF
2026	Award Date	10%	\$8,242,800	DWSRF Local Assistance & Other Programs Set-Aside	DG
2026	Award Date	74%	\$60,996,720	DWSRF Loan Fund	DA
<p>*Amounts and percentages do not include the transfer of the FFY 2026 CWSRF EC Capitalization Grant (\$15,362,000) to the DWSRF for the sole purpose of funding DWSRF EC eligible projects. The requested payment date for the additional transferred EC funds from the CWSRF is also the award date of the FFY 2026 DWSRF EC Capitalization Grant.</p> <p>**Site Codes reference the federal accounts in which the various loan and set-aside funds of a capitalization grant are deposited and made available for liquidation by the State Water Board.</p>					

2. EC Federal Draw Schedule and Estimated EC Project Disbursements

Section XIII represents the State Water Board’s anticipated federal draw schedule of the 2026 EC Capitalization Grant, subject to the timely commitment of available funds to eligible projects and plans for the eligible use of 2026 DWSRF EC set-aside funds per forthcoming workplans.

XI. REPORTING

The State Water Board’s DFA will report on EC projects, including project characteristics and milestone information as well as the public water system(s) receiving federal funding, to the U.S. EPA through the Office of Water State Revolving Fund (OWSRF) system and to the U.S. General Services Administration’s SAM.gov reporting system.

XII. EMERGING CONTAMINANTS FUNDABLE LIST

XIII. FFY 2026 ESTIMATED EC CAPITALIZATION GRANT CASH DRAW SCHEDULE

FFY 2026 DWSRF and CWSRF EC Capitalization Grant/ Accounts	Total Payment Amount (Date of Award)	SFY 2026-27 Federal Draws	SFY 2027-28 Federal Draws				SFY 2028-29 Federal Draws				SFY 2029-30 Federal Draws				
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Project PF Loan Fund		none													
2026 PF Loan Funds	\$76,358,720				\$7,635,872	\$7,635,872	\$7,635,872	\$7,635,872	\$7,635,872	\$7,635,872	\$7,635,872	\$7,635,872	\$7,635,872	\$7,635,872	\$7,635,872
Set-Aside Accounts															
2026 DWSRF Administration	\$ 3,297,120						\$824,280	\$824,280	\$824,280	\$824,280					
2026 SWS Administration	\$1,648,560								\$824,280	\$824,280					
2026 PWSS	\$8,242,800						\$1,030,350	\$1,030,350	\$1,030,350	\$1,030,350	\$1,030,350	\$1,030,350	\$1,030,350	\$1,030,350	\$1,030,350
2026 Local Assistance	\$8,242,800						\$1,030,350	\$1,030,350	\$1,030,350	\$1,030,350	\$1,030,350	\$1,030,350	\$1,030,350	\$1,030,350	\$1,030,350