



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

21 June 2010

Ms. Leah Walker, P.E.
Chief, Drinking Water Technical Programs Branch
California Department of Public Health
P.O. Box 997377, MS 7418
Sacramento, CA 95899-7377

Dear Ms. Walker:

Thank you for your comments, which you provided in your email dated June 7, 2010 to members of my staff on the draft Drinking Water State Revolving Fund (DWSRF) Program Evaluation Report (PER). We appreciate your comments and have incorporated them into the text of the final enclosed PER. This year the PER encompasses a review of both the DWSRF base and American Recovery and Reinvestment Act (ARRA) activities.

Based on our review, the California Department of Public Health (CDPH) DWSRF financial management system and procedures continue to meet applicable Federal regulations. CDPH also completed the required financial and program reports accurately and timely. Thanks for the work you have done to maintain your financial systems and the DWSRF programs in compliance with EPA grant requirements. While this review found no deficiencies in your EPA grant management system, the PER Section VI. identified several observations with recommended follow-up actions to be addressed in SFY2010/2011:

1. program improvements to increase the use of uncommitted Fund balances; and
2. enhancements to the Annual Report content and format to provide sufficient information to EPA.

On behalf of the review team, I would like to express my appreciation for the assistance that you and your staff provided during the review. If you have questions about the report, please call me at 415-972-3420 or the EPA Region 9 California DWSRF project officer, Juanita Licata at 415-972-3450.

Sincerely,

Douglas E. Eberhardt
Manager, Sustainable Infrastructure Office

Enclosure

Electronic copy to: Kelvin Yamada, CDPH
Addie Aguirre, CDPH

Drinking Water State Revolving Fund Program Evaluation Report June 2010

I. Introduction

The Drinking Water State Revolving Fund (DWSRF) rules require EPA to conduct an annual oversight review of the State's DWSRF Program. The purpose of the annual review process is to assess the cumulative program effectiveness; fiscal health of the DWSRF program in California since the program began (May 1998); compliance with the statutes and regulations; Operating Agreement (OA); and grant conditions governing the DWSRF.

In conjunction with the annual oversight review of the base DWSRF program, the Region was required to conduct an annual review of ARRA grant and project activities to ensure compliance with ARRA grant conditions and requirements. Included in this report is a summary (**Appendix 1**) of the on-site DWSRF ARRA review findings.

EPA Region 9 conducted its annual review of the CA DWSRF base and ARRA activities on January 11-12, 2010. Staff from EPA Region 9 along with representatives from Northbridge Environmental Management Consultants visited the State offices to review selected project files, cash draws, and talk with state staff about various aspects of the CWSRF base and ARRA activities.

The scope of the annual review includes consideration of the legal, managerial, technical, financial and operational capabilities of the State of California (State) specifically the California Department of Public Health (CDPH) to manage the DW SRF program.

EPA Region 9 used the SRF Annual Review Guidance, base SRF Annual Review Checklist, ARRA Semi-annual Review Checklist and ARRA Project File Review Checklist to ensure that all major elements of the program were reviewed and discussed with the California DWSRF management and staff. Transaction testing of base and ARRA DWSRF cash draws as required by EPA's HQ SRF management was also performed.

Following the review, EPA prepares a Program Evaluation Report (PER). This 2010 PER correlates to: California's DW SRF Annual Report for the period ending June 30, 2009; and relevant activities through March 30, 2010. This PER highlights the review findings and identifies follow-up actions to be addressed in SFY2010/2011.

II. Program Status and Updates

The DWSRF uses Federal capitalization grants, state match funds, loan repayments, and interest earnings to make loans for construction of drinking water treatment facilities and support several Safe Drinking Water Act (SDWA) programs. Since the program began in May 1998 through March 30, 2010, 2010 CDPH has closed 207 loans totaling \$895 million cumulatively, including ARRA.

Table 1 illustrates the federal grants awarded in SFYs 09 and 10.

Table 1

Fiscal Year Allotment	Date of Award	Federal \$\$\$	State 20% Match \$\$\$	Set-asides State 1:1 Match	Total Award
2007	9/18/08	\$67,105,000	\$13,421,000	\$4,934,400	\$85,460,400
2008/2009 (single grant)	9/29/09	FY-08 \$66,424,000 FY-09 \$66,424,000	\$13,284,800 \$13,284,800	\$4,882,164 \$4,882,164	\$169,181,928

On May 20, 2009, the State received ARRA federal assistance in the amount of \$159,008,000. No state match was required. The State committed \$149,811,000 of the ARRA funds to finance 52 projects. The remaining funds, \$6,017,000 and \$3,180,000 are being used for administering the Fund and Small System Technical Assistance, respectively. The State successfully met the programmatic and project deadlines as required under ARRA. The following Table 2 illustrates the States success at achieving or exceeding the goals set under ARRA.

Table 2

ARRA Goals	California DWSRF
Over 50% in Additional Subsidies	78%
Over 20% in Green Projects	38%
100% of \$\$\$ Under Construction Contract	100%

III. Compliance with Grant Conditions and Assurances

California is managing the DW SRF program in accordance with State and Federal laws and regulations. California is in compliance with the conditions and assurances in the DWSRF Operating Agreement and grants.

On January 28, 2010, the California Office of the Controller completed its financial and compliance audit of the California DPH, Safe Drinking Water State Revolving Fund for the fiscal year ended June 30, 2009. The Office of the Controller opined that the Fund's financial statements presented fairly, in all material respects, the financial position of the Fund and found no instances of material noncompliance with applicable laws, regulations, contracts, or grant agreements.

The Auditor's Report on Compliance with Requirements Applicable to the Federal Program and on Internal Control over Compliance in Accordance with OMB Circular A-133 noted no findings required to be reported under *OMB Circular A-133*. The auditors noted no matters involving the internal control over financial reporting and its operation that would be considered to be material weaknesses.

The following conditions and assurances regarding the required Base and ARRA program and financial elements have been reviewed and do not require any further discussion unless otherwise noted in Section V of this report.

Required Program Elements

- A. Biennial Report
- B. Funding Eligibility
- C. Compliance with DBE Requirements
- D. Compliance with Federal Cross-Cutting Authorities

- E. Compliance with Environmental Review Requirements
- F. Operating Agreement
- G. Staff Capacity

Required Financial Elements

- H. State Match
- I. Binding Commitment Requirements
- J. Rules of Cash Draw
- K. Timely and Expeditious Use of Funds
- L. Compliance with Audit Requirements
- M. Assistance Terms
- N. Use of Fees
- O. Assessment of Financial Capability and Loan Security
- P. Financial Management
- Q. Other Program and/or Financial Elements related to ARRA

IV. Program Review, Follow-up Actions SFY 2010/2011, and State Response

EPA's review assessed certain program, financial and project management practices as they relate to the State's ability to effectively administer base and ARRA DWSRF program activities. This section presents specific observations and suggests desired action items that can be incorporated into the future operations or management of the program. The State has commented on the stated observations and suggestions.

A. Program Management (Base and ARRA activities)

1. **Biennial Report** – EPA requires the state to submit a biennial report of the DWSRF program. Historically, California has prepared an annual report. The CDPH submitted a draft Annual Report for SFY 08-09 on January 4, 2010. The audited financial statements and the report on the financial and compliance audit for the CDPH DWSRF were subsequently submitted on January 28, 2010. The final CDPH 2009 DWSRF Annual Report will be submitted to EPA by June 30, 2010.

The State's draft Annual Report for SFY 08-09 provided a general description of DWSRF program status and activities. EPA understands that CDPH prepares a more comprehensive DWSRF report biennially when it must report to the California legislature. EPA suggests that the biennial report for SFY 09-10 provide more detail in describing how CDPH met the goals and objectives of its DWSRF Program for the previous fiscal year as identified in the Intended Use Plan (IUP) and Workplan. This would include a full explanation of the DWSRF program status and activities, loan executed, audit findings, and any programmatic changes or upcoming modifications that affect the performance of the DWSRF program.

It is important that the Annual Report tie information to the IUP through goals and objectives, reality versus expectations, and experience with program elements (example: provide an explanation for bypassed projects). To address this comparison, we suggest future DPH DWSRF Biennial Reports provide additional coverage that includes a discussion on the difference between the intended versus

the actual as it pertains to number and priority of assistance recipients, types and numbers of projects, and loan commitment amounts.

From a financial management perspective, the Report should describe the extent of the existing DWSRF program financial operating policies, alone or in combination with other state financial assistance programs, provide for the long term fiscal health of the Fund, attain and maintain compliance with the Safe Drinking Water Act, and carry out other provisions specified by legislation, including ARRA.

We also suggest that DPH take a couple of additional steps to verify or clarify the financial information in the Annual Report. We found that portions of the financial information of the draft report did not reconcile with information reported in the National Information Management System (NIMS) report.

We included in **Appendix 2** a copy of the *Washington State Department of Health DWSRF Annual Report* to serve as a sample format when designing the DPH DWSRF Annual Report.

State follow-up needed: Submit final version of DWSRF Annual Report for SFY 08-09 to EPA by June 30, 2010. Include more detailed information in the DWSRF SFY 09-10 Annual Report, and every two years thereafter.

State Comments: CDPH will review the format for the biennial DWSRF report for SFY 09-10 with EPA and will incorporate additional information as appropriate.

B. Financial Management

1. **Financial Management** - To comply with a U.S. Office of Management and Budget (OMB) policy requirement to evaluate improper payments, each Region is required to perform transaction testing on two separate payments for State base DWSRF funded transactions and four separate payments for State ARRA DWSRF funded transactions annually, Table 3.

We tested 2 base funded financial transactions which drew a total of over \$18.2 million from the federal treasury between July 1, 2008 and October 30, 2009. Our review of these base program financial transactions found that there were no improper payments.

Similarly, we tested 4 financial ARRA funded transactions from the ARRA DWSRF grant, which drew a total of over \$352,000 from the federal treasury between November 1, 2009 and January 30, 2010. Our review of these ARRA financial transactions found that there were no improper payments.

Table 3

DWSRF Base Funded

\$\$\$ Amt of Federal Transactions (Cash draw)	Date of Cash Draw Transaction	Project Name & #	\$ Amt of Transactions
\$16,973,273.81	July 14, 2008	Tuolumne Utilities District Loan #SRF2007C502	\$796,478.49
		Meadow Vista County Water District SRF2007C149	\$725,570.33
		Placer County Water District SRF 2007C145	\$15,451,224.99
\$1,323,970.09	Oct 26, 2009	Fort Ross Elementary	\$97,258.48
		Indian Valley	\$50,179.75
		West Side Union School District	\$166,351.88
		San Luis Obispo Co.	\$22,459.80
		City of Dinuba	\$533,353.39
		Kern County Water Agency	\$12,269.62
			\$29,533.50
			\$412,563.67

DWSRF ARRA Funded

\$\$\$ Amt of Federal Transactions (Cash draw)	Date of Cash Draw Transaction	Project Name & #	\$ Amt of Transactions
\$203,619.21	Nov 23, 2009	Administrative Set-Aside	\$203,619.21
\$86,890.14	Dec 24, 2009	Set-Aside 2%	\$86,890.14
\$60,769.06	Jan 7, 2010	Weaverville CSD AR09FP13	\$60,751.92
\$902.35	Nov 17, 2009	Administrative Set-Aside	\$902.35

State follow up needed: None.

2. Timely and Expeditious Use of Funds

a. Fund Utilization Performance Indicators: Fund utilization rate represents the cumulative assistance provided as a percent of cumulative SRF funds available for projects. The State's performance for the top DWSRF programmatic and financial indicators is below the acceptable $\pm 5\%$ range of the national average. Between June 30 and August 11, 2009, CDPH fell out of compliance with the timely and expeditious grant condition. We understand that this was due to the additional workload of ARRA, and that other states experienced similar compliance issues during this time period. To meet the timely and expeditious grant condition, CDPH should have had \$758.2 million in executed loans, not \$699.9 million.

On August 11, 2009, CDPH returned to compliance when the ARRA executed loan amount added \$61 million to the CA DWSRF loan portfolio.

State follow up needed: Table 4 shows CDPH has improved its fund utilization rate. However, we suggest the CDPH establish programmatic and financial milestones and goals so it can reach an acceptable range of performance.

Table 4

DWSRF Fund Utilization Rate	June 2009		May 2010	June 2010 Projection
	National	California	California	California
	86.7%	57%	63%	63.5%

State Comments: CDPH acknowledges that the fund utilization rate for DWSRF must be improved. CDPH, with additional flexibility provided from the passage of Assembly Bill AB 1438 in 2009, has implemented changes in DWSRF procedures that will allow the State to increase its fund utilization rate, and to better assist small water systems and disadvantaged communities in getting through the funding process. AB 1438 expanded the funding limit and the purposes for which DWSRF planning funds could be used.

Specifically, each year CDPH determines how far down the Project Priority List to invite. Those projects that are invited for funding are asked to submit a Statement of Intent (SOI) indicating their ability to submit required documentation for funding for construction. Based on the SOI responses, projects are then placed into either Construction (Tier 1) or Planning (Tier 2).

Construction applications (Tier 1) are available for projects that are “Ready to Proceed” to construction, that is, the system has final plans, specifications and an engineering estimate of costs; the system has evaluated alternatives and has is ready to move forward with a CDPH District approved alternative; an engineering report is prepared and available, and environmental processes are complete or are near ready to be completed.

Planning (Tier 2) applications are available for water systems with projects that do not meet the Tier 1 “Ready to Proceed” criteria, but are working toward study and development of a project that will meet the “Ready to Proceed” criteria. Elements of the planning studies include preliminary and final plans and specifications; environmental studies; analysis of alternatives including test wells, if necessary; a technical, managerial, and financial evaluation; and preparation of a construction application. CDPH headquarters staff, field staff, and third-party contractors work with applicants in Tier 2 to complete the planning requirements so that projects are “ready to proceed” as soon as possible, and can proceed to a Tier 1 funding application.

b. Unliquidated Obligations: As of May 20, 2010, CDHP has six DWSRF capitalization grants open with \$537.8 million in unliquidated obligations. This total represents a substantial percentage of idle funds, i.e., 46.3% of the \$1,162.1 million in total grant funding awarded to CDPH DWSRF. Timely and expeditious use of the funds is critical to maximizing the use and effectiveness of DWSRF assets and in meeting the public health needs of the State. While unliquidated obligations are not currently a performance indicator, it is being closely tracked for the ARRA funds because it is viewed as the cash transaction that transfers the funds to the local level and stimulates the economy. The Office of Management and Budget (OMB) and Congress also look at the unliquidated obligations when determining next year’s budget. OMB and Congress only see the available cash, not the amount of funds committed to loans. Large grant cash balances create an additional burden to EPA when justifying the need for additional DWSRF funds in its budget requests.

State follow up needed: CDPH should do everything possible to increase the DWSRF Federal draw down.

State Comments: CDPH acknowledges that unliquidated obligations for the DWSRF program must be reduced. Part of the large balance is due to funding recipients waiting until the end of very large projects to submit reimbursement claims. CDPH is implementing changes to DWSRF funding agreements to require funding recipients to submit reimbursement claims at least quarterly. This will increase the pace of disbursements and reduce the unliquidated obligations rate.

V. Project File Review

EPA project file review found the projects to be eligible and in compliance with the program requirements. Issues that were identified during the file reviews have been resolved and CDPH is implementing or reinforcing procedures to ensure compliance. EPA reviewed the following project files:

Base Program

- (1) Meadow Vista Co WD SRF2007C149
- (2) Villa Del Monte SRF2008C201

ARRA Program

- (1) Cappell Valley Estates,
- (2) City of Grass Valley
- (3) Weaverville CSD
- (4) City of Sacramento

VI. Conclusion

We have conducted an annual review of the California Drinking Water SRF base and ARRA Programs in accordance with EPA's SRF Annual Review Guidance. Based upon the file reviews, on-site project file reviews and interviews, EPA concludes that the State of California has administered the program in general compliance with the Capitalization Grant Agreements.

While this review found no deficiencies in your EPA grant management system, the PER Section VI. identified the following actions to be addressed in SFY2010/2011:

- 1 program improvements to increase the use of uncommitted Fund balances; and
- 2 enhancements to the Annual Report content and format to provide sufficient information to EPA.

Appendices

- Appendix 1** DWSRF ARRA Review Summary – EPA Region 9 Memo to File April 6, 2010
- Appendix 2** Washington State Department of Health DWSRF Annual Report
- Appendix 3** CW and DW SRF Base and ARRA Review Checklist
- Appendix 4** DW SRF ARRA Transaction Testing Sheets
- Appendix 5** DW SRF Base Transaction Testing Sheets
- Appendix 6** DW SRF ARRA Project Files Reviews Checklists

Appendix 1

**DWSRF ARRA Review Summary – EPA Region 9 Memo to File
April 6, 2010**

US EPA Region 9 Memo to File

April 6, 2010

California Drinking Water State Revolving Fund (DWSRF) Annual American Recovery and Reinvestment Act (ARRA) Project File Review and Transaction Testing

Region 9, Infrastructure Office, SRF Team (WTR-4)

CDPH Response Comments June 7, 2010

Background

This document encompasses the Annual ARRA review for the state of California Department of Public Health, Drinking Water State Revolving Fund, conducted January 11-14, 2010. EPA will use this document in drafting the Program Evaluation Report.

I. DWSRF Review Summary

DWSRF projects reviewed were City of Sacramento, Cappell Valley, Grass Valley and Weaverville. Summaries of each project are provided below.

A. City of Sacramento (3410020-004)

1. \$20 million in DWSRF funds to retrofit approximately 13,000 residential water services with water meters, funded wholly from ARRA with 0% interest and \$10,000,000 in principal forgiveness. Project is 50% complete.
2. There is no evidence of any Buy American waiver (project specific or Nat'l) in project file or of one submitted to EPA by the assistance recipient. Checklist Reference 2.4.5.
Based on a previous conversation with the State, EPA understands that the City of Sacramento ultimately chose to acquire American made material for the project thereby eliminating the need for a waiver.

State follow up needed: Please confirm that American products and materials were used for this project. If this is not the case, CA needs to provide clarification to EPA and, if applicable, request documentation for project file for de minimis meter components.

STATE COMMENTS: A review of the products used in the City of Sacramento ARRA project revealed the use of Canadian components. However, the review also revealed that the Canadian components were covered under the Buy American de minimus waiver. Per ARRA guidance, documentation for de minimus waivers are to maintained by the funding recipient, which City of Sacramento has done. Nevertheless, CDPH will include information on the nature and amount of the components as well as documentation supporting the de minimus waiver within the project file for future evaluation by USEPA.

B. Cappell Valley (2800543-003)

1. \$502,970 in DWSRF funds for upgrades and improvements to a private water system. This project is funded entirely through ARRA with 100% principal forgiveness and is 14% complete.
2. At the time of review, PBR had not been updated to reflect a change in ARRA financing amount. Checklist reference 1.2.1. The PBR report has been updated to reflect the correct data.

No follow up needed.

C. Grass Valley (2910001-003)

1. \$2,620,316 in DWSRF ARRA funds with 100% principal forgiveness to replace a reservoir with two water tanks, retrofit an existing pump station and other related work. Project is 96% complete.

US EPA Region 9 Memo to File

April 6, 2010

California Drinking Water State Revolving Fund (DWSRF) Annual American Recovery and Reinvestment Act (ARRA) Project File Review and Transaction Testing

Region 9, Infrastructure Office, SRF Team (WTR-4)

CDPH Response Comments June 7, 2010

2. Project file did not contain inspection reports, even though project is more than 50% complete. Checklist reference 2.5.

State follow up needed: Please confirm inspection status.

It is important that the CA DWSRF program conducts onsite inspections at least twice during construction to confirm assistance recipients comply with ARRA requirements. At a minimum, these inspections should be at 50% project completion and at project completion. Now that the February 17th deadline has passed, we expect the Office of Inspector General to turn their attention to projects under construction. EPA can provide support for state workshops to train borrowers on ongoing ARRA compliance through the construction phase. Showing assistance recipients how to track their ARRA project activities and document ARRA relevant requirements will aid and expedite the State with its inspection process by providing an efficient and well documented source of information. The EPA is also available to provide onsite project inspection support to the State.

STATE COMMENTS: A mid-phase on site inspection of the ARRA Grass valley Project was performed by the CDPH field staff. While an inspection report was not included in the project files located at CDPH headquarters, CDPH District staff have been trained and directed by department procedures manual to prepare a summary inspection report to be filed in their ARRA funding agreement project files located in their respective district offices. Moreover, CDPH management has begun to enforce stricter oversight of the ARRA project inspections by requiring notice of inspection dates to be sent to CDPH headquarters. CDPH headquarters staff then track the inspection dates relative to the project progress reported by the ARRA funding recipients in their ARRA quarterly reports.

D. Weaverville (5310001-009)

1. \$495,100 in DWSRF funds to add raw water, contact clarification improvements to the West Weaverville Water Treatment Plant in order to re-classify the plant from in-line to direct filtration. This project is funded entirely through ARRA with 100% principal forgiveness and is about 40% complete.
2. Information provided in the project file does not specify whether or not bids were advertised for the correct length of time as established by state rules. Checklist Reference 2.2.5.

State follow up needed: Confirm compliance with state rules.

STATE COMMENTS: CDPH acknowledges that the project's bid advertise and bid award dates were not documented within its project file at the time of inspection. However, the project's file does show that the funding recipient's draft bid solicitation documents were reviewed for conformance with state laws relating to the minimum bid advertise period and that for any bid solicitation documents that did not conform to state law, the funding recipient was subsequently advised to modify their bid package accordingly. Moreover, the project's final bid advertise and award dates were documented on a bid package summary sheet within the project file following the time of inspection by USEPA. Nevertheless, CDPH will continue to reinforce amongst its staff the established procedures of documenting within a

US EPA Region 9 Memo to File

April 6, 2010

California Drinking Water State Revolving Fund (DWSRF) Annual American Recovery and Reinvestment Act (ARRA) Project File Review and Transaction Testing

Region 9, Infrastructure Office, SRF Team (WTR-4)

CDPH Response Comments June 7, 2010

project's file the final bid advertise and award dates and ensuring that the length of bid advertisement conforms to state requirements.

II. Transaction Testing Review Summary

The transactions reviewed were complete and included evidence of review by the California Department of Public Health (DW). The cash draw amounts matched the information provided in the IFMS. No erroneous payments were found.

- A. The cash draw dated December 24, 2009 (DWSRF) consists of an invoice from the California Rural Water Association for personnel and travel plus overhead. A note on the invoice indicates that the travel amount was deducted for the disbursement. However, the overhead charge associated with the travel was paid by the DWSRF. This discrepancy was brought to the attention of the DWSRF staff and they will correct it as needed. No erroneous payments were found.

No follow up needed.

- B. The cash draw dated January 7, 2010 (DWSRF) found a \$17.14 difference in Line Item #8 for a work order that was unaccounted for in the Claim #1 Disbursement Request. The wrong work order timesheet (for Claim #3) was erroneously attached to the invoices for Claim #1 and the timesheet for the unaccounted work order was not collected. CDPH was successful in locating the timesheet for Claim #1 to correct the error. No erroneous payments were found.

No follow up needed.

Appendix 2

Washington State Department of Health DWSRF Annual Report

Appendix 3

CW and DW SRF Base and ARRA Review Checklist

Region 9 SRF Base & ARRA Review Information Sheet

State Under Review: California - SWRCB and DPH
CW and DW Programs

For State Fiscal Year Beginning: July 1, 2008 Ending: Jun 30, 2009
SRF Base & ARRA Review Through: CW - Feb 17, 2010; DW - March 30, 2010

State Contact: Doug Wilson - CWSRF, Leah Walker - DWSRF

Annual Audit Received:

Audit Year:
Jul 1, 2008 - June 30,
2009

Phone No. CWSRF 916-341-5745
DWSRF 916-449-5620

Core Review Team:

<u>Role</u>	<u>Name</u>
	Juanita Licata
	Josh Amaris
	Abimbolo Odusoga
	Jose Caratini

<u>State Staff Interviewed</u>
<u>Doug Wilson - CW</u>
<u>Christopher Stevens - CW</u>
<u>Kelly Valine - CW</u>
<u>Heather Bell - CW</u>
<u>Dan Newton - CW</u>
<u>Leah Walker - DW</u>
<u>Kelvin Yamata - DW</u>

Project Files Reviewed:

CWSRF Base Projects
Orange County Water District, Loan #4462-150
City of Canada, Loan #4252-510

DWSRF Base Projects
Meadow Vista Co WD SRF2007C149
Villa del Monte SRF2008C201

	First Team Meeting	Second Team Meeting	On-Site Visit	Draft PER	Final PER	
Estimated Date:	___/___/___	___/___/___	DW --	January 11-12, 2010	DW 5/26/2010	DW - Pending
Actual Date:	___/___/___	12/21/2009	CW	January 13-14,2010	CW 4/15/2010	CW - 5/26/10

CA R9 Jan10 SRF Base & ARRA Review Checklist 2010-01-08.xls

Worksheet 1

Base & ARRA Required Program Elements

Review Item and Questions to Answer <i>reference to guidance manual</i>	CWSRF ARRA			CWSRF Base			DWSRF ARRA			DWSRF Base			Data Sources & Comments (check all that apply)
	Yes	No	N/A										
1.1 Funding Eligibility													
1 Are projects that received ARRA assistance eligible for funding?	y						y						Project Files
a. Were funds used for any casino, gambling establishment, aquarium, zoo, golf course, swimming pool, or land purchase?		n						n					Project Files
b. Were ARRA funds used to refinance a project? (allowable only if the initial debt was incurred between October 1, 2008 and February 17, 2009)		n						n					Project Files
1.2.1 Are projects receiving assistance eligible for funding?	y			y			y			y			Project Files, Priority List, Project ranking and selection process
1.2.2 Is documentation being received from assistance recipients to support the amount and eligibility of disbursement requests?	y			y			y			y			Project Files - Pay Request Documentation, Approval documentation, Inspection reports
1.2.3 Does the State have controls over SRF disbursements to ensure that funds are used for eligible purposes?	y			y			y			y			Procedures
1.2.4 Is the state meeting the 15% small system requirement? (DW only)													Annual Report
1.2.5 Does the State have procedures to ensure that systems in significant noncompliance with any NPDWR are not receiving assistance, except to achieve compliance? (DW only)										y			Procedures
1.2 Compliance with DBE Requirements													
1 1.3.1 Is the State complying with all DBE requirements (setting goals, six affirmative steps and reporting) for Base & ARRA-funded projects?	y			y			y			y			Staff Interviews, Grant/Operating Agreement, Annual Report, DBE Reporting Forms
2 1.3.2 Are Base & ARRA assistance recipients complying with all DBE requirements (setting goals, six affirmative steps and reporting) for Base & ARRA-funded projects?	y			y			y			y			Project Files
1.3 Compliance with Federal Cross-Cutting Authorities (Cross-Cutters)													
1.4.1 Is the State complying with applicable federal cross-cutting authorities for Base & ARRA-funded projects?	y			y			y			y			State Interviews, Grant/Operating Agreement, Annual Report
1 1.4.2 Is the State ensuring that Base & ARRA assistance recipients are complying with all applicable federal cross-cutting authorities?	y			y			y			y			Project Files
2 1.4.3 Were there any issues which required consultation with other State or Federal agencies?		n			n			n			n		Staff Interviews
2a 1.4.3.a. What did the consultation conclude with regard to compliance with the cross-cutter?			NA			NA			NA			NA	Staff Interviews

CA R9 Jan10 SRF Base & ARRA Review Checklist 2010-01-08.xls

Worksheet 1

Base & ARRA Required Program Elements

Review Item and Questions to Answer <i>reference to guidance manual</i>	CWSRF ARRA			CWSRF Base			DWSRF ARRA			DWSRF Base			Data Sources & Comments (check all that apply)
	Yes	No	N/A										
1.4 Compliance with Environmental Review Requirements													
1													
1.5.1 Are environmental reviews being conducted for Base & ARRA-funded projects in accordance with the State's approved environmental review procedures (SERP)?	y			y			y			y			Project Files, SERP, Annual Report
2													
1.5.2 Does the State document the information, processes, and premises leading to decisions during the environmental review process?	y			y			y			y			Project Files, Staff Interviews
a. Decisions that projects meet requirements for a categorical exclusion (CE) or the State equivalent?	y			y			y			y			
b. Environmental Assessment (EA)/Findings of No Significant Impacts (FONSI) or the state equivalent.	y			y			y			y			
c. Decisions to reaffirm or modify previous SERP decisions.	y			y			y			y			
d. Environmental Impact Statement (EIS)/Records of Decisions (ROD) or the State equivalent.	y			y			y			y			
3													
1.5.3 Are public notices and meetings, as required by the SERP, provided during the environmental review process?	y			y			y			y			Project Files
4													
1.5.4 Are documented public concerns being addressed/resolved by the State in the environmental review process?	y			y			y			y			Project Files. When applicable comments are addressed.
5													
1.5.5 Do environmental reviews document the anticipated environmental and public health benefits of the project?	y			y			y			y			Project Files
1.5 Staff Capacity													
1													
1.7.1 Does the State have staff, in terms of numbers and capability, to effectively implement Base & ARRA?	y			y			y			y			Program Budget, Org Chart, Staff Interviews
a. Accounting & Finance	y			y			y			y			CW - SWRCB presently has RFP for Financial advisor
b. Engineering and field inspection	y			y			y			y			
c. Environmental review / planning	y				n		y			y			CW - SWRCB has 1 FTE vacancy for Envir. Review Superv
d. Management	y			y			y			y			
e. Management of set-asides (DW only)							y			y			
1.7.2 Does the program have an organizational structure to effectively operate the SRF?				y						y			
1.6 Reporting													
1													
Has the State entered data for all ARRA-funded projects into the CWSRF Benefits Reporting (CBR) database or Drinking Water Project Benefits Reporting System (PBR)?	y			y			y			y			CBR/PBR database
a. Were projects entered into the database by the end of the week of loan closing?	y			y			y			y			CBR/PBR database
b. Are the records complete, to the extent possible?	y			y			y			y			CBR/PBR database
2													
Has the Region reviewed the State's CBR/PBR data?	y			y			y			y			

CA R9 Jan10 SRF Base & ARRA Review Checklist 2010-01-08.xls

Worksheet 1

Base & ARRA Required Program Elements

Review Item and Questions to Answer <i>reference to guidance manual</i>	CWSRF ARRA			CWSRF Base			DWSRF ARRA			DWSRF Base			Data Sources & Comments (check all that apply)
	Yes	No	N/A										
1.7 Certifications													
1 Has the Governor or other chief executive of the State provided certification that ARRA-funded projects have received full review and vetting required by law?	y						y						State website
1.8 Green Project Reserve Requirements													
1 Did the State comply with ARRA Green Project Reserve requirements?	y						y						Intended Use Plan, Project files CW & DW met or exceeded the GPR requirement Staff Interviews
a. Do projects funded by the Green Project Reserve contain documentation or a business case showing the project type/project components to be consistent with the intent of ARRA?	y						y						Project Files
2 Did the State provided a written certification if it was unable to meet the 20% Green Project Reserve requirement, including the steps the State used to identify and/or solicit Green Project Reserve projects?			NA						NA				State records
a. Does State documentation demonstrate a timely and concerted effort to solicit projects for the Green Project Reserve?			NA						NA				State records
1.9 Davis-Bacon Requirements													
1 Did the State include Davis-Bacon requirements in ARRA assistance agreements?	y						y						Assistance agreement
2.0 Buy American Requirements													
1 Did the State include Buy American requirements in ARRA assistance agreements?	y						y						Assistance agreement
2 Do project files contain a certification or waiver demonstrating that the assistance recipient has complied with Buy American requirements?	y							n					DWSRF file review of City of Sacto needs evidence of American products/materials or documentation of waiver

CA R9 Jan10 SRF Base & ARRA Review Checklist 2010-01-08.xls

Worksheet 2

Base & ARRA Required Financial Elements

Review Item and Questions to Answer	CWSRF ARRA			CWSRF Base			DWSRF ARRA			DWSRF Base			Data Sources & Comments (check all that apply)
	Yes	No	N/A										
2.1 Cash Draws													
1 For jointly-funded projects (ARRA and base program) was only the ARRA portion drawn from the ARRA grant?	y						y						IFMS - State accounting records
2.3.1 Has the State correctly adhered to the "Rules of Cash Draw" ?	y			y			y			y			State accounting records, Project disbursement requests, Accounting transactions, Approved leveraging structure, Federal draw records (IFMS), Audits. CWSRF - Administrative records/transactions were not reviewed for this period.
2.3.2 Does a review of specific cash draw transactions confirm use of correct proportionality percentages?	y			y			y			y			
2.3.3 For leveraged states, what proportionality ratio is the state using to draw federal funds?			NA			NA			NA			NA	
2.3.4 Have any erroneous payments/cash draws/disbursements been discovered and, if so , what corrective steps are being taken?		n			n			n			n		
2.3.5 Does a review of specific Project cash draw transactions confirm the use of federal funds for eligible purposes?	y			y			y			y			
2.3.6 Does a review of specific Administrative cash draw transactions confirm the use of federal funds for eligible purposes?			NA			NA							
2.2 Timely and Expeditious Use of Funds													
1 Were all ARRA funds under contract or construction by February 17th, 2010?	y						y						Project Files
2 Has the State included conditions in its assistance agreements to allow termination of the agreement if a project fails to proceed in a timeframe consistent with ARRA requirements?	y						y						See Nonmortgage CW ARRA Proj File Rev Checklist. CWSRF explicitly states that "time is of the essence." Failure to meet this date will result in automatic termination of the agreement with immediate repayment due."
2.4.1 Is the State using SRF funds in a timely and expeditious manner?	y			y			y			y			IUP, Binding commitments, Annual Report.
a. Does the fund have large uncommitted balances?													CWSRF program pace is excellent and exceeds National benchmarks. The DWSRF program pace has improved and with the implementation of process changes should improve future pace. DWSRF needs to process payments faster.
b. Does the fund have large balances of undrawn federal and state funds?						n				y			The DWSRF program pace has improved and with the implementation of process changes should improve future pace. DWSRF needs to process payments faster.
c. Are the uncommitted balances growing at a faster annual percentage rate than the growth of the total assets of the SRF?						n					n		
2.4.2 Does the State need to improve its use of funds to ensure timely and expeditious use? Has the state developed a plan to address the issue?						n				y			
2.4.3 If the state was required to develop a plan demonstrating timely and expeditious use of funds, is progress being made on meeting this plan?							NA					NA	DW - Plan was implemented in 2010 too early to evaluate progress.
2.3 Compliance with Audit Requirements													
1													
Is the State managing and accounting for ARRA funds separately from the base SRF program funds?	y			y			y			y			State accounts; CWSRF same reqmts are passed down to subrecipients regarding acctg practices.
1.a. 2.5.5 Are State accounting procedures adequate for managing Base & ARRA?	y			y			y			y			Staff interviews
2.5.5.a Do the State's accounting procedures include internal control procedures for state-purchased equipment?	y			y			y			y			Accounting Procedures Manuals & Internal Controls
2 Did the State notify assistance recipients of the requirement to provide a single audit if they receive more than \$500,000 in Federal funds?	y			y			y			y			Staff interviews

CA R9 Jan10 SRF Base & ARRA Review Checklist 2010-01-08.xls

Worksheet 2

Base & ARRA Required Financial Elements

Review Item and Questions to Answer	CWSRF ARRA			CWSRF Base			DWSRF ARRA			DWSRF Base			Data Sources & Comments (check all that apply)
	Yes	No	N/A										
a 2.5.6 . Are assistance recipients providing single audits?			y							y			Project files. This may have not occurred yet for ARRA recipients.
b 2.5.6.a . Is the State reviewing assistance recipients' audits and resolving issues?			NA	y						NA	y		Project files Staff interviews
c 2.5.6.b Does the State ensure that assistance recipients are adhering to GAAP accounting requirements?	y			y			y			y			Staff interviews
2.5.1 Are annual audits being conducted by an independent auditor?	y			y			y			y			CWSRF - Clifton Gunderson, CPA; DWSRF - California State Controller
a. Who conducted the most recent audit?													
b. Did the program receive an unqualified opinion?				y						y			
c. Were there any significant findings? (Briefly discuss the findings.)						n						n	
d. Is the program in compliance with GAAP?				y						y			
2.5.2 Does the annual audit confirm compliance with State laws and procedures?				y						y			
a. Did the audit include any negative comments on the state's internal control structure?						n						n	
b. Did the audit identify any erroneous payments/cash draws/disbursements?						n						n	
c. Has the State taken action to recover the improperly paid funds?						NA						na	
2.5.3 Has the program implemented prior audit recommendations and/or recommendations in the "management" letter?						NA						na	
2.5.4 Are the states cash management and investment practices consistent with State law, policies, and any applicable bond requirements?				y						y			Audit,
a. Is the SRF earning a reasonable rate of return on invested funds?				y									
2.4 Assistance Terms													
1 2.6.1 Are the terms of assistance consistent with Base & ARRA requirements?	y			y			y			y			IUP, Loan Agreement
a Did the State provide at least 50% of ARRA funds to eligible recipients in the form of principal forgiveness, negative interest loans, grants, or combinations of these? If so, report the percentage of project funding in each of these categories in the Comments section.	y						y						IUP, State Accounts
2.6.1.a Are interest rates charged between 0% and market rates? (except as allowed for principal forgiveness)	y			y			y			y			
b Do ARRA principal repayments start within one year of project completion and end within 20 years?	y						y						Assistance agreement
2.6.1.b Do principal repayments start within one year of project completion and end within 20 years, for all non-extended term projects with non-extended loan repayment terms?	y			y			y			y			
c Do ARRA principal repayments end within the agreed-upon period for CWSRF extended-term financing agreements and DWSRF disadvantaged community agreements (if applicable)?	y						y						Assistance agreement
2.6.1.c Does the program use extended terms or principal forgiveness to the extent it is allowable? (If so report the percentage of project funding in these categories.)				y						y			DW - approximately 8% in base for principle forgiveness; CW - less than 1% in extended term financing
2 Did the State evaluate the impact of the ARRA subsidy provided relative to the supply and demand for funds and the long-term financial health of the fund?	y						y						Staff interviews
2.6.2 Does the State periodically evaluate the terms of assistance offered relative to the supply and demand for funds and the long-term financial health of the fund?				y						y			

2.5 Use of Fees

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Worksheet 2

Base & ARRA Required Financial Elements

Review Item and Questions to Answer	CWSRF ARRA			CWSRF Base			DWSRF ARRA			DWSRF Base			Data Sources & Comments (check all that apply)
	Yes	No	N/A										
1 2.7.1 Does the State assess fees on Base & ARRA assistance?		n	y					n			n		IUP, Loan Agreement, Repayment Transactions
a 2.7.1.a. What is the fee rate charged and on what basis (e.g., percentage of closing amount, principal outstanding, principal repaid, etc.)?												NA	The CWSRF service charge may not exceed 1% of the outstanding principal balance.
b 2.7.1.b. Are fees being used in accordance with program requirements?			y									NA	
2.7.2 Does the State periodically evaluate the use of fees relative to loan terms to set appropriate total charges to borrowers and assess long-term funding needs to operate the program?			y									NA	
2.7.3 Does the State have procedures for accounting and reporting on its use of fees?			y									NA	
2.6 Assessment of Financial Capability and Loan Security													
1 2.8.1 Does the State have procedures for assessing the financial capability of Base & ARRA assistance recipients? (CW only)													Financial Capability Review Procedures - CWSRF: Calmuni and CWSRF staff review credit of assistance recipients.
2 2.8.2 Are the financial capability policies and procedures being followed? (CW only)	y		y										Financial Capability Review Procedures
3 2.8.3 Does the state have procedures for assessing the technical, financial, and managerial capability of Base & ARRA assistance recipients? (DW only)							y			y			Capability Review Procedures
4 2.8.4 Are the technical, financial, and managerial review procedures being followed? (DW only)							y			y			Capability Review Procedures
5 2.8.5 Do Base & ARRA assistance recipients have a dedicated source of revenue for repayment or, for privately-owned systems, adequate security to assure repayment?	y		y				y			y			Financial Capability Review Procedures
6 2.8.6 Do Base & ARRA assistance recipients have access to additional funding sources, if necessary, to ensure project completion?	y		y				y			y			Project Files, Staff interviews
2.7 Financial Management													
2.9.1. Is the SRF program's financial management designed to achieve both short- and long -term financial goals?	y		y				y			y			Annual Report, Staff interviews
2.9.1.a. Do the Financial Indicators show progress in the program in funding the maximum amount of assistance to achieve environmental and public health objectives?	y		y				y			y			CWSRF - Financial advisor will assist with long-term planning and review fiscal impacts.
2.9.2. Does the State have a long-term financial plan to direct the program?	y		y				y			y			DW - With the implementation of its LGTS system DW program will be able to adequately assess the cashflow of the Fund to determine scope of funding.
2.9.2.a. Was financial modeling used to develop the plan?	y		y				y			y			Reviewed by Qtrly Audit Finance Cmt
2.9.2.b. Is the plan periodically reviewed and updated?	y		y				y			y			DW - The program is beginning to address these financial elements.
2.9.2.c. Does planning address types of assistance and terms, use of leveraging, and transfers or cross-collateralization between programs?	y		y						na	y			DW - Average time to process a payment to a loan recipient is 45 calendar days. Efforts to improve processing time are underway.
2.9.3. Are funds disbursed to assistance recipients in a timely manner?	y		y					n			n		
1 2.9.4. Has the State resolved any issues related to loan restructuring, the potential for defaults, and the timeliness of loan repayments?			y							NA		NA	Staff interviews, Annual Report. CWSRF has one bad debt and is seeking payment through legal means.

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Worksheet 2

Base & ARRA Required Financial Elements

Review Item and Questions to Answer	CWSRF ARRA			CWSRF Base			DWSRF ARRA			DWSRF Base			Data Sources & Comments (check all that apply)
	Yes	No	N/A	Yes	No	N/A	Yes	No	N/A	Yes	No	N/A	
2 Are ARRA repayments being deposited into the base SRF fund? 2.9.5. Are net bond proceeds, interest earnings, and repayments being deposited into the fund?	y			y			y			y			State accounts
3 If the State leverages its ARRA funds, are the ARRA requirements being applied to the leveraged loans? 2.9.6. If the State leverages, is its leveraging activity consistent with the accepted leveraging structure?			NA							NA			Project files Project files - CWSRF currently does not leverage. Program leveraged once in 2005.
2.9.7. Are leverage and state match bond documents consistent with SRF regulations?			NA	y						NA		NA	
2.8 Transaction Testing for Erroneous Payments													
1 Are receipts and disbursements of ARRA funds properly reported on Federal financial reports?	y						y						State accounting records; Will comply when due. FSR/IFMS reports
2 Do project invoices confirm that disbursements are for ARRA-eligible expenses?	y						y						Project files
3 Did the audit identify any erroneous payments/cash draws/disbursements? a. Has the State taken action to correct the erroneous payment? If so, please describe in the Comments section		n			n			n			n		Audit report
4 Does the State have internal controls to safeguard against erroneous payments during the ARRA cash draw and disbursement processes?	y						y						Procedures manuals Staff interviews
5 Are funds disbursed to assistance recipients in a timely manner following request for reimbursement and cash draw?	y			y			y			y			State accounting records Project files
6 Were invoices reviewed for at least four ARRA cash draws? a. Number of cash draws reviewed b. Dollar amount of cash draws reviewed	y			y			y			y			
	4			2			4			2			
	\$6,479,158.54			\$4,835,453.81			\$352,180.76			\$18,297,243.90			
		n			n			n			n		
7 Were any erroneous payments identified? a. What corrective action will be taken by the State to correct the erroneous payment?			na		na			na			na		Transaction testing Staff interviews

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Worksheet 3

Base & ARRA DWSRF Set-Aside Elements

Review Item and Questions to Answer <i>reference to guidance manual</i>	CWSRF ARRA			CWSRF Base			DWSRF ARRA			DWSRF Base			Data Sources & Comments (check all that apply)
	Yes	No	N/A										
3.1 General Account Management													
1 3.1.1 Does the State maintain separate and identifiable accounts for the portion of its Base & ARRA capitalization grant to be used for set-aside activities?							y			y			Chart of Accounts, audited Financial Statements
3.1.2. If depositing repayments from loans under section 1452(k) into a separate dedicated account, does the State subject this account to the same management oversight requirements as the Fund?									na			na	
3.2 General Set-Aside Funding													
1 Did the State submit a workplan for ARRA set-aside activity, that includes the amounts reserved, activity descriptions, goals and milestones?							y			y			
2 3.2.1. Are set-aside funding activities coordinated with the overall goals of ARRA and the State's public drinking water program?							y			y			
3 3.2.2. Did any federal cross-cutter and State environmental review requirements apply to set-aside projects funded from the ARRA capitalization grant?									na			na	
4 3.2.3. Has the State made significant changes to planned activities and/or budgets from what was originally described in its Base &/or ARRA set-aside work								n			n		
4.a 3.2.3.a. If so, has the State amended its work plan(s) and submitted it (them) to EPA for approval?									na			na	
3.2.4. Does the State annual/biennial report or other separate set-aside activity report identify the amount of set-aside funding reserved, committed, and expended?									na	y			Annual Report, Set-aside Activity Report, Capacity Dev Report
3.2.4.a. Does the funding information presented in the annual/biennial report or other separate set-aside activity report reconcile with previous year's IUP and set-aside work plans?									na	y			Annual Report, Set-aside Activity Report, Capacity Dev Report
3.2.5. Does the State Annual/Biennial Report or separate set-aside activity report describe activities funded?									na	y			Annual Report, Set-aside Activity Report, Capacity Dev Report
3.3 Specific Set-Aside Requirements													
1 3.3.1. Does the State account for and comply with uses of set-aside funding for the DWSRF program?							y			y			
a Was equipment purchased by set-asides appropriately and proportionally funded?							y			y			Split funded, Time accting sheet
b Were salaries funded by set-asides appropriately and proportionally funded?							y			y			
2 3.3.2. Did the State implement technical assistance activities under the administration set-aside as detailed in the work plan(s)?								n			n		

CA R9 Jan10 SRF Base & ARRA Review Checklist 2010-01-08.xls

Worksheet 3

Base & ARRA DWSRF Set-Aside Elements

Review Item and Questions to Answer <i>reference to guidance manual</i>	CWSRF ARRA			CWSRF Base			DWSRF ARRA			DWSRF Base			Data Sources & Comments (check all that apply)
	Yes	No	N/A										
3 3.3.3. Did the State implement small system technical assistance activities under the small systems technical assistance set-aside as detailed in the work plan(s)?							y			y			
4 3.3.4. Has the State matched the ARRA State Program Management expenditures with at least an equal amount of State funds or in-kind services (including up to 50% from credit for State funds expended for the PWSS program in fiscal year 1993)?										na	y		
a 3.3.4.a. Did the State document how it has met its match requirement?										na	y		Budget sheets, Annual Report
5 3.3.5. Did the State implement activities under the State Program Management set-aside as detailed in the work plan(s)?										na	y		
3.3.6. Did the State implement activities under the Local Assistance and Other State Programs set-aside as detailed in the work plan(s)?										na		na	
6 3.3.7. Does the State follow established policies on interest rates and repayment terms for loans made for source water protection?										na		na	

CA R9 Jan10 SRF Base & ARRA Review Checklist 2010-01-08.xls

Worksheet 4

Base Program Required Elements

Review Item and Questions to Answer <i>reference to guidance manual</i>	CWSRF ARRA			CWSRF Base			DWSRF ARRA			DWSRF Base			Data Sources & Comments (check all that apply)	
	Yes	No	N/A											
1.1 Annual / Biennial Report														
1 Does the State's Annual / Biennial Report meet all requirements?				y								n		Report Date: DW draft Jan 2010; CW Oct 1, 200
a. Reports on progress towards goals and objectives				y								n		DW AR needs additional detail
b. Reports on use of funds and binding commitments				y							y			DW draft AR table 3
c. Reports on the timely and expeditious use of funds				y								n		DW Needs additional discussion on topic of fund utilization
d. Identifies projects and types of assistance provided.				y								n		DW Needs additional detail on types of assistance and projects
e. Includes financial statements and cross-references independent audit report				y							y			DW Financial statements and audit report provided on January 28, 2010
f. Provides overall assessment of the SRF's financial position and long-term financial health				y							y			
g. Demonstrates compliance with all SRF assurances				y								n		DW Compliance or certifications are weak; demonstrates compliance with match, not binding commitments, cross-cutters, environ review, DBE, funding eligibility, timely & expeditious, rules of cash draw, proportionality, and compliance with audit.
h. Demonstrates compliance with SRF program grant conditions				y								n		
i. Demonstrates that the highest priority projects listed in the IUP were funded (DW only)												y		DW - Not identified in AR but was confirmed during interview with state DW staff
j. Documents why priority projects were bypassed in accordance with state bypass procedures and whether state complied with bypass procedures.												y		Interview with staff.
k. Documents use of set-aside funds (see set-aside sheet for details)												y		
2 Was the Annual / Biennial Report submitted on time?				y								n		DW - Draft Annual Report was submitted in January to EPA; DW to finalize report in May.
3 If the State assesses the environmental and public health benefits of projects, are the benefits discussed in the Annual/Biennial Report? If the answer is yes, the comment section should contain an explanation.				y								n		
1.6 Operating Agreement														
1 Is the State's Operating Agreement up to date reflecting current operating practices?				y								y		Last update date _____
a. Program administration				y								y		
b. MOUs				y								y		
c. Description of responsible parties				y								y		

CA R9 Jan10 SRF Base & ARRA Review Checklist 2010-01-08.xls

Worksheet 4

Base Program Required Elements

Review Item and Questions to Answer <i>reference to guidance manual</i>	CWSRF ARRA			CWSRF Base			DWSRF ARRA			DWSRF Base			Data Sources & Comments (check all that apply)
	Yes	No	N/A										
d. Standard operating procedures				y						y			
1.8 DWSRF Withholding Determinations													
1 Did the State document ongoing implementation of its program for ensuring demonstration of new system capacity?										y			
2 Did the State document ongoing implementation of its capacity development strategy?										y			Capacity Development Annual Report
3 Did the State document ongoing implementation of its operator certification program?										y			Operator Certification Annual Report.
2.1 State Match													
1 Has the State provided match equal to 20 percent of the grant amount?				y						y			Audited Financial Statements Annual / Biennial Report State Accounting Records Review
2 Was each match amount deposited at or before the federal cash draw?				y						y			Audited Financial Statements; DW - Local match is deposited into the SRF fund directly when received. GO bond proceeds for match are in the bond fund acct until Fund is ready to use it and then it gets transferred over to the SRF fund. Annual / Biennial Report State Accounting Records Review
3 What is the source of the match (e.g., appropriation, State GO bonding, revenue bonds, etc.)?				y						y			Grant Application. CWSRF - Appropriation and local match contributions. DWSRF - local match and Appropriations from GO bonds. Audited Financial Statements Annual / Biennial Report
4 Are match funds held outside the SRF until the time of cash draws?				y						y	n		DW - SEE comment for 2.
5 If bonds are issued for state match, and the SRF is used to retire these bonds, do the bond documents clearly state what funds are being used for debt service and security?													NA
a. Has the state match structure been approved by Headquarters?													NA
6 Is the state match bond activity consistent with the approved state match structure?													NA
2.2 Binding Commitment Requirements													
1 Are binding commitment requirements being met?				y						y			Annual / Biennial Report Project files
a. Are cumulative binding commitments greater than or equal to cumulative grant payments and accompanying State match within one year of receipt of payment?				y						y			
2 Are binding commitments documented in the project files?				y						y			
a. Do the commitment dates match reported commitments in the Annual/Biennial report?				y						y			

Appendix 4

DW SRF ARRA Transaction Testing Sheets

ARRA Cash Draw Testing Checklist

For Regional Review of State CW/DWSRF Programs

	Project Total:	\$0.00			
Notes:					
Total Disbursements:		\$60,751.92			

ARRA Cash Draw Testing Checklist

For Regional Review of State CW/DWSRF Programs

State California DWSRF	Reviewer Lisa Casseres, Northbridge
Project DWSRF	Review Date January 11, 2010

Review Item	Yes, No, N/A	Descriptions/Comments
The assistance recipient did NOT invoice costs for any of the following: casino, gambling establishment, zoo, aquarium, golf course, swimming pool, land purchase	No	
ARRA cash draws are only pulled from the ARRA grant	Yes	
The State is reviewing and approving invoices in a timely manner	N/A	
Funds are being disbursed to recipients in a timely manner following requests for reimbursement and cash draw	N/A	

Date of Cash Draw: 12/24/2009	Cash Draw Amount: \$86,890.14
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Grant Number: 2F00T05409

Purpose of Cash Draw (Loan, Administration or Set-Aside): Set-Asides (2%)	Federal Share: 100%
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Small Systems	Invoice Number	Invoice Amount	Project Number	Erroneous Payment	Flags
Technical Assistance, contract with California Rural Water Association	10-2009	\$86,890.14	N/A	No	Invoice from CRWA includes Personnel, Travel and Overhead. Only Personnel and Overhead were paid. However, the Travel amount was included in the Overhead calculation. If Travel were not an eligible expense, the Overhead figure and therefore the payment should have been \$1,749 lower.
Project Total:		\$86,890.14			

Notes:

Project Total:		\$0.00			

Notes:

Notes:

Total Disbursements:	\$86,890.14			
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Appendix 5

DW SRF Base Transaction Testing Sheets

SRF Cash Draw Testing Checklist

For Regional Review of State CW/DWSRF Programs

State : California (CA)		Reviewer	Abimbola Odusoga & Josh Amaris
Project	DWSRF	Review Date	Jan 11-14, 2010

Review Item	Yes, No, N/A	Descriptions/Comments
Are the invoice items eligible under the SRF program?		June 18 2008 -
The State is reviewing and approving invoices in a timely manner		
Funds are being disbursed to recipients in a timely manner following requests for reimbursement		

Date of Cash Draw: 7/14/2008	Cash Draw Amount: \$16,973,273.81
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Grant Number: FS-989349-04

Purpose of Cash Draw (Loan, Administration or Set-Aside):	Federal Share:
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Tuolumne Utilities District, SRF2007C502, \$796,478.49	Invoice Number	Invoice Amount	Project Number	Erroneous Payment	Flags
	kennedy jenks	\$105,200.74	470005	no	
	Eco-logic Engineering	\$25,640.93	2007CX502		Paid \$25,494.10
	ineligible portion	-\$146.83			
	Pipe, Values & Fitting	\$140,158.12			
	consulting line	\$5,862.81			
	Rentals	\$59,942.31			
		\$172,273.34			
	Project Total:	\$508,931.42			

Notes:

Meadow Vista County Water District. SRF2007C149, \$725,570.33	Invoice Number	Invoice Amount	Project Number	Erroneous Payment	Flags
				no	
	Project Total:	\$725,570.33			

Notes:

Placer County Water District, SRF 2007, C145, \$15,451,224.99	Invoice Number	Invoice Amount	Project Number	Erroneous Payment	Flags
			Multiple invoices	no	
			documented in CD		
	Project Total:	\$15,451,224.99			

Notes:

SRF Cash Draw Testing Checklist
For Regional Review of State CW/DWSRF Programs

Total Disbursements:	\$16,685,726.74			
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SRF Cash Draw Testing Checklist

For Regional Review of State CW/DWSRF Programs

	Overhead County of	\$3,277.65	13		
	Labor County of SLO	\$25,287.30	14		
	Equipment County of	\$55.66	15		
	Project Total:	\$465,583.33			
Notes:					
San Luis Obispo#26 \$261,676.90 SRF02CX138	Instumentation NW	\$4,352.53	1		
			2		Missing \$176199.57
	McMaster-Carr	\$279.12	3		
	Kathleen Stewart	\$4,900.00	4		
	T Simons Co.	\$26,637.53	5		
	town and Country	\$1,930.00	6		
	Bosch Landscape	\$11,375.00	7		
	Parker Supply	\$1,435.89	8		
	The Gordian Group	\$149.31	9		
	Overhead County of	\$1,704.83	10		
	Labor County of SLO	\$32,661.14	11		
	Equipment County of	\$51.98	12		
	Project Total:	\$85,477.33			
Notes:					
San Luis Obispo#28 14,962.95 SRF02CX138	Kathy Stewart	\$2,594.63	1		
	Labor County of SLO	\$8,000.00	2		
	Overhead County of	\$79.46	3		
	Labor County of SLO	\$4,288.86	4		
	Project Total:	\$14,962.95			
Notes:					
	Project Total:	\$602,040.07			
Notes:					

SRF Cash Draw Testing Checklist

For Regional Review of State CW/DWSRF Programs

	Project Total:	\$0.00			
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	Project Total:	\$0.00			
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Appendix 6

DW SRF ARRA Project Files Reviews Checklists

Project File Review Checklist
for Clean Water/Drinking Water State Revolving Fund (SRF)
American Recovery and Reinvestment Act (ARRA) Projects

State: California

Reviewer: Tahne Corcutt

Project: City of Sacramento

Review Date: January 11, 2010

ARRA Required Program Elements

Review Item and Question to Answer	Yes	No	N/A	Comments
1.1 Funding Eligibility				
1 File contains a signed application from the recipient	X			
2 The assistance recipient is eligible for CWSRF/DWSRF assistance	X			
3 As described in the file, the project is eligible for CWSRF/DWSRF financing	X			
4 File documents the anticipated environmental and public health benefits of the project	X			
5 All technical documents required by the state for the type of project have been submitted (pre-engineering reports, plans & specs, etc.)	X			As evidenced by the CDPH staff comments in ARRA Applicant Engineering Report
6 The technical documents were reviewed and approved by the state in accordance with their established procedures	X			
7 ARRA: The project and recipient are eligible for ARRA funding (e.g. no zoos, casinos, golf courses, land purchases, etc.)	X			
8 ARRA: All funds are under contract or construction by February 17, 2010	X			
9 ARRA: For refinance projects, the initial debt was incurred between October 1, 2008 and February 17, 2009			X	
1.2 CBR/PBR				
1 Information in the file supports the project data entered in CBR/PBR				
1.3 Socio-Economic and Other				
1 File includes a completed EPA Form 4700-4		X		
2 Project file includes a certification from the assistance recipient confirming compliance with EEO and Non-Segregated activities	X			

Project File Review Checklist
for Clean Water/Drinking Water State Revolving Fund (SRF)
American Recovery and Reinvestment Act (ARRA) Projects

ARRA Required Program Elements

Review Item and Question to Answer	Yes	No	N/A	Comments
1.4 State Environmental Review				
1 The project is subject to the State Environmental Review Process (SERP) <i>[N/A for nonpoint source projects]</i>	X			
2 File includes an information document from the assistance recipient that includes the following:				
a. Discussion of required mitigation measures	X			
b. Analysis of other sites considered, as appropriate			X	
c. Analysis of other projects considered, as appropriate	X			
3 File contains a state Environmental Assessment document <i>[N/A for projects receiving a categorical exclusion]</i>			X	
4 File contains the state's decision memo documenting one of the following:				
a. Decision to classify the project as a Categorical Exclusion (CE)	X			
b. Decision to grant a Finding of No Significant Impact (FNSI)			X	
c. Decision to require an Environmental Impact Statement (EIS)			X	
5 File includes evidence of public notification of CE/FNSI/EIS in accordance with the SERP	X			
a. The comment period was in accordance with state procedures	X			CATX Notice dated 6/15/2009
b. The state addressed all comments appropriately			X	CATX Notice must be filed in Office of Planning & Research w/in 5 days of issuance of funding agmt
6 File contains documentation of compliance with the Endangered Species Act, including state equivalents			X	
7 File contains documentation of concurrence from the State Historic Preservation Office			X	
8 File contains documentation of compliance with Wild and Scenic Rivers Act			X	
9 File contains documentation of compliance with the Coastal Zone Management Act			X	
10 File contains documentation of compliance with the Coastal Barriers Resources Act <i>[Louisiana and Texas only]</i>			X	
11 File contains documentation of compliance with the Farmland Protection Act			X	
12 File includes documentation assessing the possible location of wetlands in the project area			X	
13 File includes documentation assessing the possible location of floodplains in the project area			X	
14 File includes documentation showing compliance with the Clean Air Act			X	
15 File includes evidence of consultation with the state groundwater program office or EPA Regional Office of Groundwater to identify any EPA-designated sole source aquifers in the vicinity of the project			X	

Project File Review Checklist
for Clean Water/Drinking Water State Revolving Fund (SRF)
American Recovery and Reinvestment Act (ARRA) Projects

ARRA Required Technical Elements				
Review Item and Question to Answer	Yes	No	N/A	Comments
2.1 Green Project Reserve (GPR)				
1 The project description provides sufficient detail to classify the project as eligible for inclusion in the Green Project Reserve	X			
2 File includes a business case (for non-categorical green projects)			X	Project includes installation of 11,000 - 13,000 meters on currently un-metered residential/commercial project areas. meters, thus categorically qualified. Categorical eligibility does not extend to retrofits to existing meters w/o a business case.
2.2 Bid and Procurement				
1 Project file contains RFP/bid documentation	X			This information is housed separately, not in the project file but available upon request.
a. Project file includes evidence that the state has reviewed and approved the bid documents	X			CDPH ltrs located in project file confirm review of bid tabs and authorization of award to lowest bidder
2 Project file includes tabulation of bids	X			This information is housed separately, not in the project file but available upon request.
3 Selected bid is included in the file	X			This information is housed separately, not in the project file but available upon request.
a. If other than the lowest bid was selected, an explanation is provided			X	
4 The bid documents include Disadvantaged Business Enterprise (DBE) requirements	X			CDPH has reviewed DBE Compliance documentation finding it acceptable per 9/2/2009 Letter
a. The bid documents provide DBE forms 6100-2, 6100-3 and 6100-4	X			Received for all Phases of project except for Phase 9
b. Assistance recipient has submitted semi-annual DBE reports on subcontracting procurements to the state [DBE form 5700-52A or equivalent] [note: these forms may be located elsewhere]	X			
5 The bid was advertised for the correct length of time as established by state rules		X		
6 The bid documents include Equal Employment Opportunity and Anti-Discrimination provisions	X			
7 Bid documents or construction contracts prohibit the use of contractors or subcontractors who have been suspended or debarred by the Federal government	X			
8 ARRA: Bid documents include Buy American terms and conditions	X			City of Sacramento has had some issues w/small Canadian-made meter components that went into 30 of the meters installed prior to discovery of this country of origin info. City of Sacramento has since corrected this error and is ensuring that these components are not included as part of any project bid
9 ARRA: Bid documents include Davis-Bacon requirements	X			DB Self-Certification Forms are signed and filed separately under "Certifications"
a. Bid documents include Federal wage determinations for the project	X			
b. For assistance recipients that are non-profit organizations: The state obtained and reviewed wage determinations prior to bid advertisements to ensure compliance with Davis-Bacon requirements			X	
2.3 Construction Contracts				
<i>[Note: states are not required to obtain copies of construction contracts]</i>				
1 ARRA: Construction contracts include Buy American terms and conditions	X			This information is housed separately, not in the project file but available upon request.
2 ARRA: Construction contracts require the contractor to comply with Davis-Bacon requirements	X			This information is housed separately, not in the project file but available upon request.
a. Contracts include a reference to the Federal wage determination(s) applicable to the contract	X			
b. Construction contracts include Davis-Bacon contract provisions from EPA grant terms and conditions	X			Funding Agmt (Ex E, F) requires that suppliers acknowledge and comply with DB terms and conditions in their contracts.

Project File Review Checklist
for Clean Water/Drinking Water State Revolving Fund (SRF)
American Recovery and Reinvestment Act (ARRA) Projects

ARRA Required Technical Elements				
Review Item and Question to Answer	Yes	No	N/A	Comments
2.4 ARRA Reporting				
1 Project file includes documentation from the assistance recipient indicating compliance with Davis-Bacon for each weekly payroll	X			
2 Project file includes quarterly reports on job creation and retention	X			
3 For projects covered by a Buy American national waiver, documentation for the waiver is included in the project file			X	There is no evidence of any Buy American waiver (project specific or Nt'l) in project file
4 For projects that received a project-specific Buy American waiver, documentation for the waiver is included in the project file			X	There is no evidence of any Buy American waiver (project specific or Nt'l) in project file
5 File includes documentation from the assistance recipient on utilization of the Buy American de minimis waiver		X		There is no evidence of any Buy American waiver (project specific or Nt'l) in project file. CA needs to request documentation for project file for de minimis meter components.
2.5 Inspection Reports				
Project is just now hitting 50% completion and first inspections are scheduled to occur w/in a couple of weeks				
1 Project file includes copies of inspection reports prepared by the state or its representative			X	
2 Inspections were performed at intervals in accordance with the state's procedures (e.g., monthly during construction, quarterly, etc.)			X	
3 ARRA: Inspection reports noted issues or concerns regarding compliance with Buy American			X	
a. All issues or concerns were appropriately resolved			X	
4 ARRA: Inspection reports noted issues or concerns regarding eligibility for the Green Project Reserve			X	
a. All issues or concerns were appropriately resolved			X	
5 ARRA: Inspection reports noted issues or concerns regarding compliance with Davis-Bacon requirements			X	
a. All issues or concerns were appropriately resolved			X	
6 ARRA: Inspection reports noted issues or concerns regarding information previously reported on jobs created and retained			X	
a. All issues or concerns were appropriately resolved			X	
7 ARRA: project file includes evidence that the ARRA logo was posted at the project site			X	This is coordinated w/first site inspection where field staff will take photos and put in project file.

Project File Review Checklist
for Clean Water/Drinking Water State Revolving Fund (SRF)
American Recovery and Reinvestment Act (ARRA) Projects

ARRA Required Financial Elements

Review Item and Question to Answer	Yes	No	N/A	Comments
3.1 Financial Review				
1 CWSRF: File includes documentation that the state conducted a financial capability review	X			
2 DWSRF: State conducted a technical, managerial and financial capability review of the recipient	X			
3 Loan agreement includes requirement for the assistance recipient to submit Single Audit Reports, if required	X			
a. The assistance recipient is submitting Single Audit Reports [if required]			X	Supplier is compelled to comply, but no reports have yet been submitted
b. The state ensured that the assistance recipient resolved any issues identified in the Single Audit Report			X	Supplier is compelled to comply, but no reports have yet been submitted
4 ARRA: For projects receiving only partial ARRA funding, the state ensured that the recipient obtained funding to allow for the project to be completed	X			
3.2 Loan or Bond Purchase Agreement				
1 The loan or bond purchase document:				
a. Is signed by the state and assistance recipient	X			
b. Includes a budget and/or description of eligible costs		X		This is included in ARRA Applicant Engineering Report, financials and project application
c. Includes the interest rate	X			2.5017% w/50% PF
d. Includes the fee rate [if applicable]			X	
e. Includes the repayment period	X			20 year term
f. Requires the assistance recipient to maintain accounting practices in accordance with GAAP	X			A15
g. Prohibits funds from going to contractors or subcontractors who have been suspended or debarred	X			
h. Includes an amortization schedule or refers to the date when repayment must begin	X			Semi-annually beginning September 1, 2013
2 The repayment period is in accordance with the state's policies and procedures (up to 20 years or extended term)	X			
3 ARRA: The loan or bond purchase document:				
a. Includes a provision allowing the state to terminate the agreement if the project fails to proceed in a timeframe consistent with ARRA requirements for all funds to be under contract or construction by February 17, 2010	X			Exhibit E
b. Includes the Buy American requirements	X			Exhibit E, F
c. Includes the Davis-Bacon requirements	X			Exhibit E, F
d. Includes the requirement to report jobs created and/or retained	X			Exhibit E, F

Project File Review Checklist
for Clean Water/Drinking Water State Revolving Fund (SRF)
American Recovery and Reinvestment Act (ARRA) Projects

State: California DWSRF

Reviewer: Lisa Casseres, Northbridge

Project: City of Grass Valley

Review Date: January 11, 2009

ARRA Required Program Elements

Review Item and Question to Answer	Yes	No	N/A	Comments
1.1 Funding Eligibility				
1 File contains a signed application from the recipient	X			Application is kept in a separate file. Main program file contains confirmation/checklist that application has been received and is complete.
2 The assistance recipient is eligible for CWSRF/DWSRF assistance	X			
3 As described in the file, the project is eligible for CWSRF/DWSRF financing	X			Replace reservoir with two water tanks, retrofit existing pump station and other related work.
4 File documents the anticipated environmental and public health benefits of the project	X			Technical Authorization completed July, 2009. Also in the Engineering Report from 2006.
5 All technical documents required by the state for the type of project have been submitted (pre-engineering reports, plans & specs, etc.)	X			Technical Authorization completed July, 2009
6 The technical documents were reviewed and approved by the state in accordance with their established procedures	X			Application Processing Checklist completed by Kim Wilhelm on 7/13/09 and signed Application Completeness Reviews in file for the four required reviewers.
7 ARRA: The project and recipient are eligible for ARRA funding (e.g. no zoos, casinos, golf courses, land purchases, etc.)	X			Technical Authorization confirms this fact.
8 ARRA: All funds are under contract or construction by February 17, 2010	X			Financing Agreement requires project to be under contract by 9/30/09. PBR says construction contract was started on 3/5/2009
9 ARRA: For refinance projects, the initial debt was incurred between October 1, 2008 and February 17, 2009			X	
10 ARRA: No construction contracts signed or construction work begun prior to Oct. 1, 2008 on any ARRA-funded portion of the project		X		
1.2 CBR/PBR				
1 Information in the file supports the project data entered in CBR/PBR	X			
1.3 Socio-Economic and Other				
1 File includes a completed EPA Form 4700-4		X		
2 Project file includes a certification from the assistance recipient confirming compliance with EEO and Non-Segregated activities	X			
1.4 State Environmental Review				
1 The project is subject to the State Environmental Review Process (SERP) <i>[N/A for nonpoint source projects]</i>	X			
2 File includes an information document from the assistance recipient that includes the following:				
a. Discussion of required mitigation measures		X		Project already had a DWSRF loan with an EA
b. Analysis of other sites considered, as appropriate		X		Project already had a DWSRF loan with an EA
c. Analysis of other projects considered, as appropriate	X			Engineering Report dated November 2006.
3 File contains a state Environmental Assessment document <i>[N/A for projects receiving a categorical exclusion]</i>	X			Environmental Report is separate from the project file but in the ARRA file room.
4 File contains the state's decision memo documenting one of the following:				
a. Decision to classify the project as a Categorical Exclusion (CE)			X	
b. Decision to grant a Finding of No Significant Impact (FNSI)	X			Mitigated Negative Declaration
c. Decision to require an Environmental Impact Statement (EIS)			X	

Project File Review Checklist
for Clean Water/Drinking Water State Revolving Fund (SRF)
American Recovery and Reinvestment Act (ARRA) Projects

ARRA Required Program Elements

Review Item and Question to Answer	Yes	No	N/A	Comments
5 File includes evidence of public notification of CE/FNSI/EIS in accordance with the SERP		X		Memo from Environmental Review Unit (June 15, 2009) says that it was distributed through the State Clearinghouse for 30 day review from May 10-June 8, 2007. No additional evidence of publication is in the file.
a. The comment period was in accordance with state procedures	X			May 10 - June 8, 2007
b. The state addressed all comments appropriately	X			June 15, 2009 memo states that no coments were received.
6 File contains documentation of compliance with the Endangered Species Act, including state equivalentents	X			DOI FWS concurrence letter cated 7/18/07 is included in the Environmental Review file for this project
7 File contains documentation of concurrence from the State Historic Preservation Office	X			SHPO concurrence letter cated 1/31/08 is included in the Environmental Review file for this project
8 File contains documentation of compliance with Wild and Scenic Rivers Act	X			DWSRF Program Cross-Cutter Checklist is in the environmental review file. No additional certifications were needed because the project received a Categorical Exclusion.
9 File contains documentation of compliance with the Coastal Zone Management Act	X			DWSRF Program Cross-Cutter Checklist is in the environmental review file. No additional certifications were needed because the project received a Categorical Exclusion.
10 File contains documentation of compliance with the Coastal Barriers Resources Act [Louisiana and Texas only]			X	
11 File contains documentation of compliance with the Farmland Protection Act	X			DWSRF Program Cross-Cutter Checklist is in the environmental review file. No additional certifications were needed because the project received a Categorical Exclusion.
12 File includes documentation assessing the possible location of wetlands in the project area	X			DWSRF Program Cross-Cutter Checklist is in the environmental review file. No additional certifications were needed because the project received a Categorical Exclusion.
13 File includes documentation assessing the possible location of floodplains in the project area	X			DWSRF Program Cross-Cutter Checklist is in the environmental review file. No additional certifications were needed because the project received a Categorical Exclusion.
14 File includes documentation showing compliance with the Clean Air Act	X			DWSRF Program Cross-Cutter Checklist is in the environmental review file. No additional certifications were needed because the project received a Categorical Exclusion.
15 File includes evidence of consultation with the state groundwater program office or EPA Regional Office of Groundwater to identify any EPA-designated sole source aquifers in the vicinity of the project	X			DWSRF Program Cross-Cutter Checklist is in the environmental review file. No additional certifications were needed because the project received a Categorical Exclusion.

Project File Review Checklist
for Clean Water/Drinking Water State Revolving Fund (SRF)
American Recovery and Reinvestment Act (ARRA) Projects

ARRA Required Technical Elements

Review Item and Question to Answer	Yes	No	N/A	Comments
2.1 Green Project Reserve (GPR)				
1 The project description provides sufficient detail to classify the project as eligible for inclusion in the Green Project Reserve	_____	_____	X	
2 File includes a business case (for non-categorical green projects)	_____	_____	X	
2.2 Bid and Procurement				
1 Project file contains RFP/bid documentation	X	_____	_____	
a. Project file includes evidence that the state has reviewed and approved the bid documents	X	_____	_____	Bid review checklist and comments/missing items from CDPH noted are in the file
2 Project file includes tabulation of bids	_____	X	_____	
3 Selected bid is included in the file	X	_____	_____	Mountain Cascade, Inc.
a. If other than the lowest bid was selected, an explanation is provided	_____	_____	_____	
4 The bid documents include Disadvantaged Business Enterprise (DBE) requirements	_____	_____	_____	MBE/WBE worksheet signed 2/3/2009 and included in the bid instructions. Loan agreement also contains DBE requirement. July 2009 emails with CDPH staff indicate that they have found the MBE/WBE sufficient to comply with the DBE requirements in this case.
a. The bid documents provide DBE forms 6100-2, 6100-3 and 6100-4	X	_____	_____	Funding Agreement requires submission of these forms and inclusion in procurement solicitation
b. Assistance recipient has submitted semi-annual DBE reports on subcontracting procurements to the state [DBE form 5700-52A or equivalent] [note: these forms may be located elsewhere]	_____	X	_____	Funding Agreement requires submission of semi-annual reports
5 The bid was advertised for the correct length of time as established by state rules	X	_____	_____	December 19, 2008 - February 3, 2009
6 The bid documents include Equal Employment Opportunity and Anti-Discrimination provisions	X	_____	_____	Certification included in the bid
7 Bid documents or construction contracts prohibit the use of contractors or subcontractors who have been suspended or debarred by the Federal government	X	_____	_____	Certification included in the bid
8 ARRA: Bid documents include Buy American terms and conditions	_____	_____	_____	Project received a bid waiver because it completed bidding prior to February 17, 2009. However, bid instructions do contain a Buy American clause.
9 ARRA: Bid documents include Davis-Bacon requirements	_____	X	_____	
a. Bid documents include Federal wage determinations for the project	_____	X	_____	
b. For assistance recipients that are non-profit organizations: The state obtained and reviewed wage determinations prior to bid advertisements to ensure compliance with Davis-Bacon requirements	_____	_____	X	
2.3 Construction Contracts				
<i>[Note: states are not required to obtain copies of construction contracts]</i>				
1 ARRA: Construction contracts include Buy American terms and conditions	_____	X	_____	State does not maintain construction contracts on file, only the notice to proceed signed by the assistance recipient and the contractor.
2 ARRA: Construction contracts require the contractor to comply with Davis-Bacon requirements	_____	X	_____	State does not maintain construction contracts on file, only the notice to proceed signed by the assistance recipient and the contractor.
a. Contracts include a reference to the Federal wage determination(s) applicable to the contract	_____	X	_____	State does not maintain construction contracts on file, only the notice to proceed signed by the assistance recipient and the contractor.
b. Construction contracts include Davis-Bacon contract provisions from EPA grant terms and conditions	_____	X	_____	State does not maintain construction contracts on file, only the notice to proceed signed by the assistance recipient and the contractor.
2.4 ARRA Reporting				
1 Project file includes documentation from the assistance recipient indicating compliance with Davis-Bacon for each weekly payroll	X	_____	_____	Davis-Bacon self certification form dated 8/25/09 included in file.

Project File Review Checklist
for Clean Water/Drinking Water State Revolving Fund (SRF)
American Recovery and Reinvestment Act (ARRA) Projects

ARRA Required Technical Elements

Review Item and Question to Answer	Yes	No	N/A	Comments
2 Project file includes quarterly reports on job creation and retention	X			Not in the file but available at CDPH staff.
3 For projects covered by a Buy American national waiver, documentation for the waiver is included in the project file	X			Letter from EPA Region 9 explaining that the project falls under the Bid Waiver. Bid solicitation began on December 18, 2008 and bids were opened on February 3, 2009.
4 For projects that received a project-specific Buy American waiver, documentation for the waiver is included in the project file			X	
5 File includes documentation from the assistance recipient on utilization of the Buy American de minimis waiver			X	Project is not using the De Minimis waiver option
2.5 Inspection Reports				
1 Project file includes copies of inspection reports prepared by the state or its representative			X	Project has not yet had a 50% completion inspection.
2 Inspections were performed at intervals in accordance with the state's procedures (e.g., monthly during construction, quarterly, etc.)			X	Project has not yet had a 50% completion inspection.
3 ARRA: Inspection reports noted issues or concerns regarding compliance with Buy American			X	Project has not yet had a 50% completion inspection.
a. All issues or concerns were appropriately resolved			X	Project has not yet had a 50% completion inspection.
4 ARRA: Inspection reports noted issues or concerns regarding eligibility for the Green Project Reserve			X	Project has not yet had a 50% completion inspection.
a. All issues or concerns were appropriately resolved			X	Project has not yet had a 50% completion inspection.
5 ARRA: Inspection reports noted issues or concerns regarding compliance with Davis-Bacon requirements			X	Project has not yet had a 50% completion inspection.
a. All issues or concerns were appropriately resolved			X	Project has not yet had a 50% completion inspection.
6 ARRA: Inspection reports noted issues or concerns regarding information previously reported on jobs created and retained			X	Project has not yet had a 50% completion inspection.
a. All issues or concerns were appropriately resolved			X	Project has not yet had a 50% completion inspection.
7 ARRA: project file includes evidence that the ARRA logo was posted at the project site		X		Financing Agreement required signage with the logo. No photo is included in the file but that would be done at the inspection.

Project File Review Checklist
for Clean Water/Drinking Water State Revolving Fund (SRF)
American Recovery and Reinvestment Act (ARRA) Projects

ARRA Required Financial Elements				
Review Item and Question to Answer	Yes	No	N/A	Comments
3.1 Financial Review				
1 CWSRF: File includes documentation that the state conducted a financial capability review	<u> </u>	<u> </u>	X	
2 DWSRF: State conducted a technical, managerial and financial capability review of the recipient	X	<u> </u>	<u> </u>	ARRA Financial Report completed 7/31/2009. File also includes ARRA TMF Staff Evaluation dated 7/7/2009.
3 Loan agreement includes requirement for the assistance recipient to submit Single Audit Reports, if required	X	<u> </u>	<u> </u>	Financing Agreement Section 16 and Article A-32
a. The assistance recipient is submitting Single Audit Reports [if required]	<u> </u>	<u> </u>	X	No Single Audit Reports in the file. Might not be necessary yet.
b. The state ensured that the assistance recipient resolved any issues identified in the Single Audit Report	<u> </u>	<u> </u>	X	
4 ARRA: For projects receiving only partial ARRA funding, the state ensured that the recipient obtained funding to allow for the project to be completed	X	<u> </u>	<u> </u>	Project had an earlier base DWSRF loan. Project also has non-SRF funding.
3.2 Loan or Bond Purchase Agreement				
1 The loan or bond purchase document:				
a. Is signed by the state and assistance recipient	X	<u> </u>	<u> </u>	Funding agreement signed 8/13/09. Amendment signed 12/7/09.
b. Includes a budget and/or description of eligible costs	X	<u> </u>	<u> </u>	Technical Authorization contains the approved budget, not the Loan Agreement
c. Includes the interest rate	X	<u> </u>	<u> </u>	
d. Includes the fee rate [if applicable]	<u> </u>	<u> </u>	X	
e. Includes the repayment period	X	<u> </u>	<u> </u>	20 years
f. Requires the assistance recipient to maintain accounting practices in accordance with GAAP	X	<u> </u>	<u> </u>	Funding Agreement Article A-15
g. Prohibits funds from going to contractors or subcontractors who have been suspended or debarred	X	<u> </u>	<u> </u>	Funding Agreement Article D-1
h. Includes an amortization schedule or refers to the date when repayment must begin	X	<u> </u>	<u> </u>	Funding Agreement Article A-13
2 The repayment period is in accordance with the state's policies and procedures (up to 20 years or extended term)	X	<u> </u>	<u> </u>	
3 ARRA: The loan or bond purchase document:				
a. Includes a provision allowing the state to terminate the agreement if the project fails to proceed in a timeframe consistent with ARRA requirements for all funds to be under contract or construction by February 17, 2010	X	<u> </u>	<u> </u>	Funding Agreement Article A-8 requires that project be under contract by September 30, 2009.
b. Includes the Buy American requirements	X	<u> </u>	<u> </u>	Funding Agreement Article E-14
c. Includes the Davis-Bacon requirements	X	<u> </u>	<u> </u>	Funding Agreement Article E-7
d. Includes the requirement to report jobs created and/or retained	X	<u> </u>	<u> </u>	Funding Agreement Article E-5

Project File Review Checklist
for Clean Water/Drinking Water State Revolving Fund (SRF)
American Recovery and Reinvestment Act (ARRA) Projects

State: California DWSRF

Reviewer: Lisa Casseres, Northbridge

Project: Cappell Valley Estates

Review Date: January 11, 2009

ARRA Required Program Elements

Review Item and Question to Answer	Yes	No	N/A	Comments
1.1 Funding Eligibility				
1 File contains a signed application from the recipient	X			Application is kept in a separate file. Main program file contains confirmation/checklist that application has been received and is complete.
2 The assistance recipient is eligible for CWSRF/DWSRF assistance	X			Private water system
3 As described in the file, the project is eligible for CWSRF/DWSRF financing	X			Upgrades and improvements to treatment plant filtration and clarification processes
4 File documents the anticipated environmental and public health benefits of the project	X			Technical Authorization completed September 28, 2009
5 All technical documents required by the state for the type of project have been submitted (pre-engineering reports, plans & specs, etc.)	X			Technical Authorization completed September 28, 2009
6 The technical documents were reviewed and approved by the state in accordance with their established procedures	X			Letter from CDPH to project sponsor (September 2, 2009) citing completeness of application and additional requirements. Also, Technical Authorization document contains several checklists noting the approval of different project aspects and submission of materials.
7 ARRA: The project and recipient are eligible for ARRA funding (e.g. no zoos, casinos, golf courses, land purchases, etc.)	X			Technical Authorization confirms this fact.
8 ARRA: All funds are under contract or construction by February 17, 2010	X			Certification of Readiness to Proceed from community with contractor (Monito Construction) signed on December 9, 2009
9 ARRA: For refinance projects, the initial debt was incurred between October 1, 2008 and February 17, 2009			X	
10 ARRA: No construction contracts signed or construction work begun prior to Oct. 1, 2008 on any ARRA-funded portion of the project		X		
1.2 CBR/PBR				
1 Information in the file supports the project data entered in CBR/PBR		X		PBR still contains original project cost; has not been changed to reflect amended financing agreement from 12/22/09
1.3 Socio-Economic and Other				
1 File includes a completed EPA Form 4700-4		X		
2 Project file includes a certification from the assistance recipient confirming compliance with EEO and Non-Segregated activities	X			Requirement to comply is contained in the Funding Agreement Exhibit D

Project File Review Checklist
for Clean Water/Drinking Water State Revolving Fund (SRF)
American Recovery and Reinvestment Act (ARRA) Projects

ARRA Required Program Elements

Review Item and Question to Answer	Yes	No	N/A	Comments
1.4 State Environmental Review				
1 The project is subject to the State Environmental Review Process (SERP) <i>[N/A for nonpoint source projects]</i>	X			
2 File includes an information document from the assistance recipient that includes the following:				
a. Discussion of required mitigation measures			X	Project received a Categorical Exclusion
b. Analysis of other sites considered, as appropriate	X			Located in the Applicant Engineering Report
c. Analysis of other projects considered, as appropriate	X			Located in the Applicant Engineering Report
3 File contains a state Environmental Assessment document <i>[N/A for projects receiving a categorical exclusion]</i>			X	
4 File contains the state's decision memo documenting one of the following:				
a. Decision to classify the project as a Categorical Exclusion (CE)	X			Notice of Exemption from NEPA issued on 10/5/09
b. Decision to grant a Finding of No Significant Impact (FNSI)			X	
c. Decision to require an Environmental Impact Statement (EIS)			X	
5 File includes evidence of public notification of CE/FNSI/EIS in accordance with the SERP				Notice of Exemption must be filed with the Governor's Office of Planning and Research within 5 days of signing the funding agreement. The file does not contain certification that this occurred, other than the Notice of Exemption, which states that this must be done
a. The comment period was in accordance with state procedures	X			
b. The state addressed all comments appropriately			X	
6 File contains documentation of compliance with the Endangered Species Act, including state equivalents	X			DWSRF Program Cross-Cutter Checklist is in the environmental review file. No additional certifications were needed because the project received a Categorical Exclusion.
7 File contains documentation of concurrence from the State Historic Preservation Office		X		DWSRF Program Cross-Cutter Checklist is in the environmental review file. Box for SHPO is not checked. No additional certifications were needed because the project received a Categorical Exclusion.
8 File contains documentation of compliance with Wild and Scenic Rivers Act	X			DWSRF Program Cross-Cutter Checklist is in the environmental review file. No additional certifications were needed because the project received a Categorical Exclusion.
9 File contains documentation of compliance with the Coastal Zone Management Act	X			DWSRF Program Cross-Cutter Checklist is in the environmental review file. No additional certifications were needed because the project received a Categorical Exclusion.
10 File contains documentation of compliance with the Coastal Barriers Resources Act <i>[Louisiana and Texas only]</i>			X	
11 File contains documentation of compliance with the Farmland Protection Act	X			DWSRF Program Cross-Cutter Checklist is in the environmental review file. No additional certifications were needed because the project received a Categorical Exclusion.
12 File includes documentation assessing the possible location of wetlands in the project area	X			DWSRF Program Cross-Cutter Checklist is in the environmental review file. No additional certifications were needed because the project received a Categorical Exclusion.
13 File includes documentation assessing the possible location of floodplains in the project area	X			DWSRF Program Cross-Cutter Checklist is in the environmental review file. No additional certifications were needed because the project received a Categorical Exclusion.
14 File includes documentation showing compliance with the Clean Air Act	X			DWSRF Program Cross-Cutter Checklist is in the environmental review file. No additional certifications were needed because the project received a Categorical Exclusion.
15 File includes evidence of consultation with the state groundwater program office or EPA Regional Office of Groundwater to identify any EPA-designated sole source aquifers in the vicinity of the project	X			DWSRF Program Cross-Cutter Checklist is in the environmental review file. No additional certifications were needed because the project received a Categorical Exclusion.

Project File Review Checklist
for Clean Water/Drinking Water State Revolving Fund (SRF)
American Recovery and Reinvestment Act (ARRA) Projects

ARRA Required Technical Elements				
Review Item and Question to Answer	Yes	No	N/A	Comments
2.1 Green Project Reserve (GPR)				
1 The project description provides sufficient detail to classify the project as eligible for inclusion in the Green Project Reserve	X			Project would partially qualify as green due to the installation of a solar array. However, the state is only counting projects that are 100% green and categorical under the GPR.
2 File includes a business case (for non-categorical green projects)			X	
2.2 Bid and Procurement				
1 Project file contains RFP/bid documentation	X			File is electronically available on their shared drive
a. Project file includes evidence that the state has reviewed and approved the bid documents	X			CDPH checklist and emails by Marques Pitts
2 Project file includes tabulation of bids		X		
3 Selected bid is included in the file		X		
a. If other than the lowest bid was selected, an explanation is provided			X	
4 The bid documents include Disadvantaged Business Enterprise (DBE) requirements	X			
a. The bid documents provide DBE forms 6100-2, 6100-3 and 6100-4	X			
b. Assistance recipient has submitted semi-annual DBE reports on subcontracting procurements to the state [DBE form 5700-52A or equivalent] [note: these forms may be located elsewhere]		X		Funding Agreement requires submission of semi-annual reports. Project has not yet submitted for disbursements.
5 The bid was advertised for the correct length of time as established by state rules	X			30 days
6 The bid documents include Equal Employment Opportunity and Anti-Discrimination provisions	X			
7 Bid documents or construction contracts prohibit the use of contractors or subcontractors who have been suspended or debarred by the Federal government	X			
8 ARRA: Bid documents include Buy American terms and conditions	X			
9 ARRA: Bid documents include Davis-Bacon requirements	X			Including poster
a. Bid documents include Federal wage determinations for the project		X		Bid document notes that the wage determinations are available at the project site. Generally, state wages are higher than Davis-Bacon.
b. For assistance recipients that are non-profit organizations: The state obtained and reviewed wage determinations prior to bid advertisements to ensure compliance with Davis-Bacon requirements			X	
2.3 Construction Contracts				
<i>[Note: states are not required to obtain copies of construction contracts]</i>				
1 ARRA: Construction contracts include Buy American terms and conditions		X		State does not maintain construction contracts on file, only the notice to proceed signed by the assistance recipient and the contractor.
2 ARRA: Construction contracts require the contractor to comply with Davis-Bacon requirements		X		State does not maintain construction contracts on file, only the notice to proceed signed by the assistance recipient and the contractor.
a. Contracts include a reference to the Federal wage determination(s) applicable to the contract		X		State does not maintain construction contracts on file, only the notice to proceed signed by the assistance recipient and the contractor.
b. Construction contracts include Davis-Bacon contract provisions from EPA grant terms and conditions		X		State does not maintain construction contracts on file, only the notice to proceed signed by the assistance recipient and the contractor.

Project File Review Checklist
for Clean Water/Drinking Water State Revolving Fund (SRF)
American Recovery and Reinvestment Act (ARRA) Projects

ARRA Required Technical Elements				
Review Item and Question to Answer	Yes	No	N/A	Comments
2.4 ARRA Reporting				
1 Project file includes documentation from the assistance recipient indicating compliance with Davis-Bacon for each weekly payroll	X			Davis-Bacon self certification form signed 12/10/09 is in the file. The program also has a checklist of items that must be included with every disbursement request. This includes a Davis-Bacon authorization.
2 Project file includes quarterly reports on job creation and retention	X			Not in the file but available at CDPH staff.
3 For projects covered by a Buy American national waiver, documentation for the waiver is included in the project file			X	
4 For projects that received a project-specific Buy American waiver, documentation for the waiver is included in the project file			X	
5 File includes documentation from the assistance recipient on utilization of the Buy American de minimis waiver		X		Project is not planning to use the De Minimis waiver
2.5 Inspection Reports				
1 Project file includes copies of inspection reports prepared by the state or its representative			X	Project has not yet had a 50% completion inspection.
2 Inspections were performed at intervals in accordance with the state's procedures (e.g., monthly during construction, quarterly, etc.)			X	Project has not yet had a 50% completion inspection.
3 ARRA: Inspection reports noted issues or concerns regarding compliance with Buy American			X	Project has not yet had a 50% completion inspection.
a. All issues or concerns were appropriately resolved			X	Project has not yet had a 50% completion inspection.
4 ARRA: Inspection reports noted issues or concerns regarding eligibility for the Green Project Reserve			X	Project has not yet had a 50% completion inspection.
a. All issues or concerns were appropriately resolved			X	Project has not yet had a 50% completion inspection.
5 ARRA: Inspection reports noted issues or concerns regarding compliance with Davis-Bacon requirements			X	Project has not yet had a 50% completion inspection.
a. All issues or concerns were appropriately resolved			X	Project has not yet had a 50% completion inspection.
6 ARRA: Inspection reports noted issues or concerns regarding information previously reported on jobs created and retained			X	Project has not yet had a 50% completion inspection.
a. All issues or concerns were appropriately resolved			X	Project has not yet had a 50% completion inspection.
7 ARRA: project file includes evidence that the ARRA logo was posted at the project site		X		Financing Agreement required signage with the logo. No photo is included in the file but that would be done at the inspection.

Project File Review Checklist
for Clean Water/Drinking Water State Revolving Fund (SRF)
American Recovery and Reinvestment Act (ARRA) Projects

ARRA Required Financial Elements				
Review Item and Question to Answer	Yes	No	N/A	Comments
3.1 Financial Review				
1 CWSRF: File includes documentation that the state conducted a financial capability review	_____	_____	X	
2 DWSRF: State conducted a technical, managerial and financial capability review of the recipient	X	_____	_____	ARRA Financial Report 9/30/09
3 Loan agreement includes requirement for the assistance recipient to submit Single Audit Reports, if required	X	_____	_____	Funding Agreement
a. The assistance recipient is submitting Single Audit Reports [if required]	X	_____	_____	
b. The state ensured that the assistance recipient resolved any issues identified in the Single Audit Report	_____	_____	X	
4 ARRA: For projects receiving only partial ARRA funding, the state ensured that the recipient obtained funding to allow for the project to be completed	_____	_____	X	
3.2 Loan or Bond Purchase Agreement				
1 The loan or bond purchase document:				
a. Is signed by the state and assistance recipient	X	_____	_____	October 6, 2009. Amendment on December 22, 2009 to account for increase in project cost
b. Includes a budget and/or description of eligible costs	X	_____	_____	Technical Authorization contains the approved budget, not the Loan Agreement
c. Includes the interest rate	X	_____	_____	Amortization Schedule attached to Loan Agreement Amendment
d. Includes the fee rate [if applicable]	_____	_____	_____	
e. Includes the repayment period	X	_____	_____	Amortization Schedule attached to Loan Agreement Amendment
f. Requires the assistance recipient to maintain accounting practices in accordance with GAAP	X	_____	_____	Funding Agreement
g. Prohibits funds from going to contractors or subcontractors who have been suspended or debarred	X	_____	_____	Funding Agreement Exhibit D
h. Includes an amortization schedule or refers to the date when repayment must begin	X	_____	_____	Amortization Schedule attached to Loan Agreement Amendment
2 The repayment period is in accordance with the state's policies and procedures (up to 20 years or extended term)	X	_____	_____	30 Year Loan
3 ARRA: The loan or bond purchase document:				
a. Includes a provision allowing the state to terminate the agreement if the project fails to proceed in a timeframe consistent with ARRA requirements for all funds to be under contract or construction by February 17, 2010	X	_____	_____	Funding Agreement Exhibit A contains timelines for milestones, which will ensure project is under contract or construction by February 17, 2010. Exhibit E says that if they don't comply with the timeline, the loan agreement is void.
b. Includes the Buy American requirements	X	_____	_____	Funding Agreement Exhibit E
c. Includes the Davis-Bacon requirements	X	_____	_____	Funding Agreement Exhibit E
d. Includes the requirement to report jobs created and/or retained	X	_____	_____	Funding Agreement Exhibit E

Project File Review Checklist
for Clean Water/Drinking Water State Revolving Fund (SRF)
American Recovery and Reinvestment Act (ARRA) Projects

State: California

Reviewer: Tahne Corcutt

Project: Weaverville CSD

DWSRF

Review Date: January 11, 2010

ARRA Required Program Elements

Review Item and Question to Answer		Yes	No	N/A	Comments
1.1	Funding Eligibility				
1	File contains a signed application from the recipient	X			
2	The assistance recipient is eligible for CWSRF/DWSRF assistance	X			
3	As described in the file, the project is eligible for CWSRF/DWSRF financing	X			
4	File documents the anticipated environmental and public health benefits of the project	X			
5	All technical documents required by the state for the type of project have been submitted (pre-engineering reports, plans & specs, etc.)	X			Evidenced in ARRA Applicant Engineering Report
6	The technical documents were reviewed and approved by the state in accordance with their established procedures	X			Pursuant to Memo dated 7/12/2009 from Dat Tran, PE Chief
7	ARRA: The project and recipient are eligible for ARRA funding (e.g. no zoos, casinos, golf courses, land purchases, etc.)	X			
8	ARRA: All funds are under contract or construction by February 17, 2010	X			
9	ARRA: For refinance projects, the initial debt was incurred between October 1, 2008 and February 17, 2009			X	
1.2	CBR/PBR				
1	Information in the file supports the project data entered in CBR/PBR				
1.3	Socio-Economic and Other				
1	File includes a completed EPA Form 4700-4		X		
2	Project file includes a certification from the assistance recipient confirming compliance with EEO and Non-Segregated activities	X			

Project File Review Checklist
for Clean Water/Drinking Water State Revolving Fund (SRF)
American Recovery and Reinvestment Act (ARRA) Projects

ARRA Required Program Elements

Review Item and Question to Answer	Yes	No	N/A	Comments
1.4 State Environmental Review				
1 The project is subject to the State Environmental Review Process (SERP) <i>[N/A for nonpoint source projects]</i>	X			Project is a CATX
2 File includes an information document from the assistance recipient that includes the following:				
a. Discussion of required mitigation measures	X			
b. Analysis of other sites considered, as appropriate			X	
c. Analysis of other projects considered, as appropriate	X			
3 File contains a state Environmental Assessment document <i>[N/A for projects receiving a categorical exclusion]</i>			X	
4 File contains the state's decision memo documenting one of the following:				
a. Decision to classify the project as a Categorical Exclusion (CE)	X			
b. Decision to grant a Finding of No Significant Impact (FNSI)			X	
c. Decision to require an Environmental Impact Statement (EIS)			X	
5 File includes evidence of public notification of CE/FNSI/EIS in accordance with the SERP	X			
a. The comment period was in accordance with state procedures			X	No evidence of any comments received
b. The state addressed all comments appropriately			X	
6 File contains documentation of compliance with the Endangered Species Act, including state equivalents			X	
7 File contains documentation of concurrence from the State Historic Preservation Office			X	
8 File contains documentation of compliance with Wild and Scenic Rivers Act			X	
9 File contains documentation of compliance with the Coastal Zone Management Act			X	
10 File contains documentation of compliance with the Coastal Barriers Resources Act <i>[Louisiana and Texas only]</i>			X	
11 File contains documentation of compliance with the Farmland Protection Act			X	
12 File includes documentation assessing the possible location of wetlands in the project area			X	
13 File includes documentation assessing the possible location of floodplains in the project area			X	
14 File includes documentation showing compliance with the Clean Air Act			X	
15 File includes evidence of consultation with the state groundwater program office or EPA Regional Office of Groundwater to identify any EPA-designated sole source aquifers in the vicinity of the project			X	

Project File Review Checklist
for Clean Water/Drinking Water State Revolving Fund (SRF)
American Recovery and Reinvestment Act (ARRA) Projects

ARRA Required Technical Elements				
Review Item and Question to Answer	Yes	No	N/A	Comments
2.1 Green Project Reserve (GPR)				
1 The project description provides sufficient detail to classify the project as eligible for inclusion in the Green Project Reserve	_____	_____	X	Project is traditional
2 File includes a business case (for non-categorical green projects)	_____	_____	X	
2.2 Bid and Procurement				
1 Project file contains RFP/bid documentation	_____	X	_____	This information is housed separately, not in the project file but available upon request.
a. Project file includes evidence that the state has reviewed and approved the bid documents	X	_____	_____	This information is housed separately, not in the project file but available upon request.
2 Project file includes tabulation of bids	X	_____	_____	This information is housed separately, not in the project file but available upon request.
3 Selected bid is included in the file	X	_____	_____	There is a one-page summary of the selected bid in the file, but no addtl detail or bid info
a. If other than the lowest bid was selected, an explanation is provided	_____	_____	X	
4 The bid documents include Disadvantaged Business Enterprise (DBE) requirements	_____	_____	_____	
a. The bid documents provide DBE forms 6100-2, 6100-3 and 6100-4	X	_____	_____	
b. Assistance recipient has submitted semi-annual DBE reports on subcontracting procurements to the state [DBE form 5700-52A or equivalent] [note: these forms may be located elsewhere]	_____	_____	X	
5 The bid was advertised for the correct length of time as established by state rules	_____	X	_____	Cannot be determined from information provided in project file
6 The bid documents include Equal Employment Opportunity and Anti-Discrimination provisions	X	_____	_____	
7 Bid documents or construction contracts prohibit the use of contractors or subcontractors who have been suspended or debarred by the Federal government	X	_____	_____	
8 ARRA: Bid documents include Buy American terms and conditions	X	_____	_____	
9 ARRA: Bid documents include Davis-Bacon requirements	X	_____	_____	DB Self-Certification Forms are signed and filed separately under "Certifications"
a. Bid documents include Federal wage determinations for the project	_____	X	_____	
b. For assistance recipients that are non-profit organizations: The state obtained and reviewed wage determinations prior to bid advertisements to ensure compliance with Davis-Bacon requirements	_____	_____	X	
2.3 Construction Contracts [Note: states are not required to obtain copies of construction contracts]				9/11/2009 Agreement between Weaverville CSD and Tico Construction
1 ARRA: Construction contracts include Buy American terms and conditions	X	_____	_____	
2 ARRA: Construction contracts require the contractor to comply with Davis-Bacon requirements	X	_____	_____	
a. Contracts include a reference to the Federal wage determination(s) applicable to the contract	_____	X	_____	
b. Construction contracts include Davis-Bacon contract provisions from EPA grant terms and conditions	X	_____	_____	

Project File Review Checklist
for Clean Water/Drinking Water State Revolving Fund (SRF)
American Recovery and Reinvestment Act (ARRA) Projects

ARRA Required Technical Elements				
Review Item and Question to Answer	Yes	No	N/A	Comments
2.4 ARRA Reporting				
1 Project file includes documentation from the assistance recipient indicating compliance with Davis-Bacon for each weekly payroll	X			
2 Project file includes quarterly reports on job creation and retention	X			
3 For projects covered by a Buy American national waiver, documentation for the waiver is included in the project file			X	There is no evidence of any Buy American waiver (project specific or Nt'l) in project file
4 For projects that received a project-specific Buy American waiver, documentation for the waiver is included in the project file			X	There is no evidence of any Buy American waiver (project specific or Nt'l) in project file
5 File includes documentation from the assistance recipient on utilization of the Buy American de minimis waiver			X	There is no evidence of any Buy American waiver (project specific or Nt'l) in project file
2.5 Inspection Reports				
Project has not yet hit 50% completion, the threshold for the first inspection to occur				
1 Project file includes copies of inspection reports prepared by the state or its representative			X	
2 Inspections were performed at intervals in accordance with the state's procedures (e.g., monthly during construction, quarterly, etc.)			X	
3 ARRA: Inspection reports noted issues or concerns regarding compliance with Buy American			X	
a. All issues or concerns were appropriately resolved			X	
4 ARRA: Inspection reports noted issues or concerns regarding eligibility for the Green Project Reserve			X	
a. All issues or concerns were appropriately resolved			X	
5 ARRA: Inspection reports noted issues or concerns regarding compliance with Davis-Bacon requirements			X	
a. All issues or concerns were appropriately resolved			X	
6 ARRA: Inspection reports noted issues or concerns regarding information previously reported on jobs created and retained			X	
a. All issues or concerns were appropriately resolved			X	
7 ARRA: project file includes evidence that the ARRA logo was posted at the project site			X	This is coordinated w/first sit einspection. Field staff will photograph and place in file.

Project File Review Checklist
for Clean Water/Drinking Water State Revolving Fund (SRF)
American Recovery and Reinvestment Act (ARRA) Projects

ARRA Required Financial Elements

Review Item and Question to Answer	Yes	No	N/A	Comments
3.1 Financial Review				
1 CWSRF: File includes documentation that the state conducted a financial capability review	X			Contained in ARRA Applicant Engineering Report
2 DWSRF: State conducted a technical, managerial and financial capability review of the recipient	X			Contained in ARRA Applicant Engineering Report
3 Loan agreement includes requirement for the assistance recipient to submit Single Audit Reports, if required	X			
a. The assistance recipient is submitting Single Audit Reports [if required]			X	does not meet \$500,000 threshold amount to be required
b. The state ensured that the assistance recipient resolved any issues identified in the Single Audit Report			X	
4 ARRA: For projects receiving only partial ARRA funding, the state ensured that the recipient obtained funding to allow for the project to be completed			X	
3.2 Loan or Bond Purchase Agreement				
1 The loan or bond purchase document:				
a. Is signed by the state and assistance recipient	X			
b. Includes a budget and/or description of eligible costs		X		project costs per task item are located in the financials & Engineering Report; not as part of the funding agmt
c. Includes the interest rate	X			0% interest w/100% PF
d. Includes the fee rate [if applicable]				
e. Includes the repayment period	X			20 year term
f. Requires the assistance recipient to maintain accounting practices in accordance with GAAP	X			
g. Prohibits funds from going to contractors or subcontractors who have been suspended or debarred	X			
h. Includes an amortization schedule or refers to the date when repayment must begin	X			Semi-annually beginning March 13, 2013
2 The repayment period is in accordance with the state's policies and procedures (up to 20 years or extended term)	X			
3 ARRA: The loan or bond purchase document:				
a. Includes a provision allowing the state to terminate the agreement if the project fails to proceed in a timeframe consistent with ARRA requirements for all funds to be under contract or construction by February 17, 2010	X			Exhibit E
b. Includes the Buy American requirements	X			Exhibit E, F
c. Includes the Davis-Bacon requirements	X			Exhibit E, F
d. Includes the requirement to report jobs created and/or retained	X			Exhibit E, F