

Exhibit C

Summary of Proposed Drinking Water State Revolving Fund (DWSRF) Policy Amendments and Statement of Reasons

Item	Page (Redline Version)	Section	Description of Change	Reason
1	Table of Contents	Table of Contents	Updated to match Policy	
2	List of Appendices	Appendices	Replaced Section E <i>Financial Hardship and Loan Affordability Criteria</i> with <i>Credit/Financial Guidelines</i>	Improves credit evaluation process to handle variety of applicants
3	List of Appendices	Appendices	Removed Appendix G <i>Sample PRF Resolutions</i>	PRF Resolution replaced by closing resolution
4	List of Appendices	Appendices	Replaced Appendix I <i>DBE Compliance Guidelines</i> with <i>Final Budget Approval Form, Submittal Instructions, and DBE Compliance Guidelines</i>	Match CWSRF
5	List of Appendices	Appendices	Added New Appendix M <i>Marketing Plan</i>	Match CWSRF
6	List of Appendices	Appendices	Added New Appendix N <i>Post-Issuance Tax Compliance Policy for Tax-Exempt Bond Issues</i>	Match CWSRF
7	List of Appendices	Appendices	Added New Appendix O <i>State and Federal Cross-Cutting Requirements</i>	Provides guidance regarding State and Federal Cross-Cutting Requirements
8	List of Appendices	Appendices	Added New Appendix P <i>State Environmental Review Process</i>	Provides guidance regarding State Environmental Review Process
9	List of Appendices	Appendices	Added New Appendix Q <i>Legal Opinion Templates</i>	To make the legal consultation process more transparent
10	List of Appendices	Appendices	Replaced the link where appendices are located with the correct link	To ensure accurate working link
11	List of Acronyms and Abbreviations	List of Acronyms and Abbreviations	Added a list of acronyms and abbreviations	Text amended for clarity
12	1	Introduction	General text changes (insertions and deletions)	Text relocated for clarity and updated Policy effective date
13	2	Climate Change	Added Climate Change section	To clarify DWSRF Program's purpose

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14	2-8	Definitions	New definitions added: <i>Affected Residence, Allowances (Soft Costs), Authorized Representative, Eligible Start Date, Existing Debt, Expanded Small Community Water System, Non-Community Water System, Non-Profit, Non-Repayable Financing, Receiving Water System, State Small Water System, and Waterworks Standards</i>	Definitions added for clarity
15	2-8	Definitions	Amended definitions of: <i>Acceptable Result, Applicant, Completion of Construction, Consolidation, Eligible Project Cost, Environmental Document, Ground Water Under the Direct Influence, Intended Use Plan, Median Household Income, Operating Agreement, Pledged Revenue and Funds, Project, Recipient, and Useful Life</i>	Terms amended for clarity
16	4-7	Definitions	Deleted definitions of: <i>Drinking Water Grant, Not-For-Profit Water Company, Regional Project, and Restructured Water System</i>	Policy no longer uses these terms
17	8-15	Program Management	General text changes (insertions, relocations, and deletions)	Text amended for clarity; establishment of administrative service charge and small community emergency grant charge
18	13-14	Program Management	Fundable List and Project Bypass added as sections C and D	Expands upon purpose and use of Fundable List and Bypass process
19	15	Match Financing	A subsection was added title "Match Contribution"	Text added for clarification

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20	16-17	Assistance for Disadvantaged and Severely Disadvantaged Communities	General text changes (insertions and deletions)	Merged DAC and SDAC sections; text amended for clarification
21	17	Water Rate Studies	General text changes (insertions and deletions)	Text amended for clarity
22	17-19	Planning/Design Financing (subsection X.A.2 Technical Package)	General text changes (insertions and deletions)	Text amended for clarity
23	19	Planning/Design Financing (subsection X.A.3 Environmental Package)	Refers to new Appendix O <i>State Environmental Review Process</i> to fulfill environmental review	Provides detailed and transparent explanation of CEQA review process
24	20-25	Planning/Design Financing (subsection X.A.4 Financial Package)	General text changes (insertions and deletions)	General clarification plus Added Appendix E <i>Credit/Financial Guidelines</i> ; removed restricted reserve; updated coverage requirements; added debt management policy
25	26	Planning/Design Financing (subsection X.B Eligible Planning/Design Costs)	Updated eligible and ineligible costs lists	Updated for additional eligibility clarification
26	26-27	Planning/Design Financing (subsection X.C Planning/Design Financing Terms)	General text changes (insertions and deletions)	Allows option for 10-year or 5-year loan repayment plus general text changes for clarity
27	27-29	Construction Financing (subsection XI.A.2 Technical Package)	General text changes (insertions and deletions)	Added clarification on water rights requirement

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28	29-31	Construction Financing (subsection XI.A.3 Environmental Package)	Abbreviated text and now refers to new Appendix O <i>State Environmental Review Process</i> to fulfill environmental review	Provides detailed and transparent explanation of CEQA review process
29	32-38	Construction Financing (subsection XI.A.4 Financial Security Package)	General text changes (insertions and deletions)	General clarification plus Added Appendix E <i>Credit/Financial Guidelines</i> ; revised restricted reserve; updated coverage requirements; added debt management policy; added tax questionnaire and reimbursement resolution requirement
30	38-41	Construction Financing (subsection XI.B Eligible Construction Costs)	General text changes (insertions and deletions)	Added private laterals to eligible items and irrigation facilities to ineligible; plus additional clarification on the Eligible Start Date
31	41-42	Construction Financing (subsection XI.C Construction Financing Terms)	General text changes (insertions and deletions)	Change terms to allow for 30-year terms. Allow up to 40-year terms and first amortized repayment due up to 18 months for Eligible Systems.
32	42	Financing Agreements (subsection XII.A Financing Approval)	General text changes (insertions and deletions)	Added: legal opinion requirement; clarification on construction timing; loan closing resolution requirement

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33	43-44	Financing Agreements (subsection XII.B Execution of the Financing Agreement)	General text changes (insertions and deletions)	Text amended for clarity; added references to new Appendix O <i>State and Federal Cross-Cutting Requirements</i>
34	44-45	Financing Agreements (subsection XII.C Financing Agreement Amendments)	General text changes (insertions and deletions)	Text amended for clarity
35	45-46	Disbursements	General text changes (insertions and deletions)	Text amended for clarity
36	46	Construction	General text changes (insertions and deletions)	Text amended for clarity
37	47	Project Completion Report	General text changes (insertions and deletions)	Text amended for clarity
38	47-49	Record Keeping Requirements & Financing Payments	Order of Sections Switched	Match CWSRF
39	47-48	Financing Payments	General text changes (insertions and deletions)	Change loan repayment from semi- annual to annual, remove specific address to send payments to
40	48-49	Financing Payments	Added Prepayments and Loan Compliance and Monitoring Sections	Limits loan prepayment to require consent; adds loan compliance/monitoring requirements