

**California Clean Water and Drinking Water
State Revolving Fund Program Evaluation Report for SFY Ending 2020
Report Issued December 2021**

I. Executive Summary

EPA conducted its annual review of the California State Water Resources Control Board (SWRCB) Clean Water State Revolving Fund (CWSRF) and Drinking Water State Revolving Fund (DWSRF) programs in accordance with EPA's SRF annual review guidance. Based upon the transaction tests, file and program reviews and interviews, EPA concludes that the State of California has administered the programs in general compliance with the capitalization grant agreements. All financing executed by the SWRCB assisted wastewater and water systems to maintain or bring them into compliance with federal and state clean water and drinking water requirements.

II. Introduction

In accordance with the Safe Drinking Water Act and the Clean Water Act, EPA provides funds to states to capitalize their DWSRF and CWSRF programs, respectively. EPA is required to conduct an annual oversight review of each state's DWSRF and CWSRF program as required by 40 CFR §35.3165(c) and 40 CFR 35.3570(c), respectively. The purpose of the annual review process is to assess the cumulative program effectiveness; fiscal health; compliance with the statutes and regulations; operating agreement; and grant conditions governing the state's DWSRF and CWSRF programs.

SWRCB is responsible for administering the California DWSRF and CWSRF programs. SWRCB provides low interest loans to offset the financial burden of planning, designing, and constructing water and wastewater infrastructure. SWRCB also sets aside some of the DWSRF funds to supplement the Public Water System Supervision (PWSS) program and to provide technical assistance to water systems.

To provide EPA with information on the progress and many accomplishments of the California SRF programs for the review period ending June 30, 2020, the State Water Board submitted to EPA final versions of the California DWSRF Annual Report and the California CWSRF Annual Report on November 9, 2021 and June 8, 2021, respectively.

On June 23 and 28, 2021, EPA conducted an off-site annual review of DWSRF and CWSRF program activities. During this time, staff from EPA Region 9 conducted teleconferences with SWRCB staff and management to discuss various aspects of the DWSRF and CWSRF programs. To ensure that the annual review addressed all major review elements for both programs, EPA staff completed the *SRF Annual Program and Financial Review Checklist*, **Attachment A**.

Following the annual review, EPA prepares a Program Evaluation Report (PER). The PER covers all program activities from program inception to the present, with major emphasis on the activities performed during the last state fiscal year. This PER correlates with California's

Annual Reports for the period ending June 30, 2020 (the Period). This PER highlights the review findings and identifies follow-up actions to be addressed as soon as feasible.

III. Background and Scope

The California DWSRF uses federal capitalization grants, state match funds, loan repayments, and interest earning to make loans for construction of drinking water treatment facilities and support several Safe Drinking Water Act programs. As reported in the National Information Management Systems (NIMS), SWRCB has received \$2.057 billion from EPA in DWSRF capitalization grants since the inception of the program. Together with the state match and American Recovery and Reinvestment Act (ARRA) funds, the total state-federal investment is \$2.518 billion. Since the inception of the program, SWRCB has closed 508 DWSRF assistance agreements totaling \$3.418 billion according to NIMS as of June 30, 2020.

The California CWSRF uses federal capitalization grants, state match funds, loan repayments, bond proceeds and interest earnings to make loans for construction of wastewater treatment facilities, the implementation of nonpoint source water quality control projects, and the development and implementation of estuary enhancement projects. As reported in NIMS, SWRCB has received \$3.376 billion from EPA in CWSRF capitalization grants since the inception of the program, including ARRA and special appropriation grant funds. Together with the state match, the total state-federal investment is \$4.006 billion. Since the inception of the program, SWRCB has closed 861 CWSRF assistance agreements totaling \$11.833 billion according to NIMS, as of June 30, 2020.

The scope of the annual review includes consideration of the legal, managerial, technical, financial, and operational capabilities of the State of California, specifically SWRCB, to manage the CW and DW SRF programs. EPA Region 9 used the *2020 SRF Annual Review Guidance*, the *SRF Program Review Checklist*, the *Project File Review checklist*, the *Transaction Testing Checklist*, and all data collected in NIMS and the additional financial metrics required by Government Accountability Office (GAO) to ensure that all major elements of the program were reviewed and discussed with SWRCB management and staff. In response to the Improper Payments Elimination and Recovery Act of 2012 the Office of Management and Budget through the EPA Office of the Chief Financial Officer directed that the SRFs be subjected to testing of a random selection of SRF transactions to develop a national estimate of improper payments from these programs. For this review EPA selected four DWSRF and four CWSRF program cash transactions for testing.

The California DWSRF and CWSRF programs are required to maintain the following program and financial elements, which EPA assessed during its review. Elements noted with an asterisk are discussed in Sections IV and V of this report. The other elements were found to be acceptable and do not require further discussion:

Required Program Management Elements

- Annual/Biennial Reports and Intended Use Plans*
- Funding Eligibility
- Compliance with DBE Requirements

- Compliance with Federal Requirements and Grant Conditions: i.e., Cross-Cutting Authorities, American Iron and Steel, Davis-Bacon, Additional Subsidy, Green Projects, and Project File Reviews
- Compliance with Environmental Review Requirements
- Operating Agreement
- State Match
- Binding Commitment Requirements
- Staff Capacity*

Required Financial Management Elements

- Timely and Expeditious Use of Funds (fund utilization) *
- Compliance with Audit Requirements*
- Assistance Terms
- Use of Fees
- Assessment of Financial Capability and Loan Security
- Financial Indicators and Performance*
- Financial Oversight, and Management
- Cash Draw Transactions & Improper Payments
- Other Financial Elements

IV. California DWSRF and CWSRF Program and Financial Management: Observations and Follow-up

EPA’s review assessed program, financial and project management practices as they relate to the State’s ability to effectively administer DWSRF and CWSRF program activities. This section presents EPA’s specific observations and suggested or required follow-up actions to be incorporated into future operations, annual reports, or management of the program. As necessary, EPA will continue to meet regularly with the State to discuss these and other issues related to the California DWSRF and CWSRF.

A. Program Management

1. CW and DW SRF Annual Reports

The Annual Reports should be provided to EPA within 90 days from the close of the state fiscal year, i.e., October 1, 2020. The SWRCB final CW and DW SRF Annual Reports were submitted to EPA in June and November 2021, 8 and 13 months from the expected date.

EPA recognizes the unusual and unanticipated circumstances surrounding the delays in submitting the reports including the work environment disruptions caused by COVID-19 and the challenges with the implementation of California’s new financial information system for California, Fi\$Cal. Considering this unique sequence of events, the SWRCB carried out a proactive and concentrated effort to provide EPA with draft Annual Reports along with project and cash transaction information for EPA’s review.

Recommended Follow-up: EPA appreciates the SWRCB's efforts during these unprecedented times and asks that you strive to meet the SRF program reporting requirements in the next state fiscal year reporting cycle. EPA asks that if delays are anticipated in submitting the annual reports that the SWRCB submit a request in writing requesting an extension.

2. **Compliance with Federal Requirements and Grant Conditions**

CWSRF & DWSRF Project File Review - The 2020 EPA annual review for California was conducted remotely, which required project files to be provided to EPA electronically. These files were readily made available to EPA and any follow-up questions or additional requests for documentation were provided by the State. The project file review checklists for each of the projects listed below can be found in **Attachment B**.

a) **CWSRF** - EPA's review of CWSRF project files found the projects to be eligible and compliant with the program requirements.

1. City of San Luis Obispo Water Resource Recovery Facility Project (CS 06-8029-110)
 - Assistance Amount \$140 million.
 - The project will make improvements to Water Resource Recovery Facility to increase recycled water production and meet new permit requirements. The project involves the demolition of existing structure, installation of modern equipment, upgrading the effluent cooling system, improving site drainage, incorporating public amenities at the site, and promoting research and development activities.
2. Hi-Desert Water District Septic System Abatement and Private Lateral Installation Project (7860-110)
 - Assistance Amount CWSRF Loan is for \$37.2M, with additional subsidy/grant of \$8M from CA Prop 1, totaling \$45.2M
 - The project will decommission and abandon septic systems on private property and install laterals to connect residences and businesses to the new municipal sewer system.

Recommended Follow-up: None

b) **DWSRF** - EPA's review of DWSRF project files found the projects to be eligible and in compliance with the program requirements.

1. Arvin Community Services District
 - Assistance amount of \$14,348,616.00 with a \$5,000,000.00 principal forgiveness component.
 - The project involves drilling, constructing, and developing three new municipal water wells along with equipping them with pumps, motors, discharge piping, electrical, and conveyance pipelines to connect them to the existing distribution system.

2. Frazier Park Public Utility District
 - Assistance amount of \$1,014,892.00.
 - The project includes design and construction of two new test wells with interconnection, distribution, and transmission piping, along with tanks and booster pumps as required. The proposed construction project (not part of this loan) will also consider consolidating LDS Church - Frazier Park (System 1503230), Shepard of the Mountains Lutheran Church (System No. 1503558) and approximately 17 nearby private properties that are currently on single or shared wells.

Recommended Follow-up: None

3. CWSRF & DWSRF Staff Capacity

Historically the SWRCB has actively and successfully managed staff resources to meet workload demands. One case in point was the establishment of a Revenue Bond Unit in the Division of Financial Assistance to absorb and support the increased workload related to the issuances of revenue bonds for the SRF programs. EPA applauds the SWRCB for their initiative in managing staff resources to support the SRF programs. However, EPA is concerned that as SRF related work increases with the addition of new supplemental funding programs the SWRCB staff will be unable to satisfactorily support the administrative needs of the two SRF programs.

Recommended Follow-up: With the potential increase in SRF related funding, EPA strongly encourages the SWRCB to reassess staffing levels and hire appropriately. In doing so, sufficient staff will be available to accommodate anticipated administrative and technical level workloads associated with processing a lot more funds through the SRFs.

B. Financial Management

1. **CWSRF & DWSRF Timely and Expeditious Use of Funds** - A state must agree to commit and expend all funds as efficiently as possible and in an expeditious and timely manner. Timely and expeditious use of the funds is critical to maximize the effectiveness of SRF assets and in meeting the public health needs of the state per 40 CFR § 35.3550(1).

Both of California's SRF programs have done an exceptional job in forecasting and monitoring the SRFs' cash balances and predicting and planning for the funds' ability to commit to new projects. In doing so the SWRCB can reliably commit over 100% of its available DW and CW funds to projects through binding commitments and executed funding agreement.

To ensure the timely and expeditious use of the funds from the federal capitalization grant, EPA SRF program policy encourages states to limit the number of open CW and DW SRF grants to two for each SRF. In California's case, there are four grants open in

each of the SRFs. The resulting open federal capitalization grants is in part a factor of how the SWRCB encumbers funds. California state statute prohibits state SRF funds and repayments to be used or encumbered to recipients as principal forgiveness. Therefore, only federal funds can be used for the purpose of principal forgiveness. The timing and disbursement schedule of these principal forgiveness assistance agreements is a driving factor in determining when the draws and disbursements of federal funds occur and is therefore contributing to delays in the timely and expeditious draw down of federal funds.

Recommended Follow-up: EPA understands the dilemma faced by the California SRF programs but is concerned that the limitations presented by the State statute adversely impact its ability to expend funds in an expeditious and timely manner. EPA encourages the SWRCB to explore ways to resolve this problem, which impedes the draw downs of the federal capitalization grant. With anticipated new and increased SRF federal grant funding, it is important that multiple open grants or the appearance of idle grant funds be reduced to avoid scrutiny.

In the short-term, the SWRCB should strive to reduce the number of open federal capitalization grants in each SRF to two. Steps should be taken to draw down all the federal funds from the FFY 2018 and 2019 CW and DW SRF capitalization grants by January 2022 and June 2022, respectively: CWSRF CS-06000118 and CS-06000119; and DWSRF FS-98934918 and FS-98934919. For the latter, EPA encourages the SWRCB to facilitate coordination between the Division of Drinking Water, the Division of Administrative Services, and the Division of Financial Assistance to explore approaches that will result in the expeditious use of the set-asides funds.

2. **Financial Indicators and Performance** – As developed through the State/EPA SRF Workgroup, several SRF financial performance indicators are generated through NIMS and used annually by EPA to measure the progress of the SRF programs. These financial indicators, in addition to audited financial statements and the recommended GAO indicators, serve as tools to help understand and assess state programs.

EPA has reviewed these financial indicators for FY2020 against the State Water Board's performance in prior years and against national averages. In general, these indicators are used as a suite, and not individually. EPA considers all the indicators together to gain a comprehensive picture of the State's program.

The PER addresses the following mandatory financial indicators and any other indicators where follow-up is necessary.

- a) **CWSRF**

- NIMS Financial Indicators**

- **Fund Utilization Rate:** This indicator shows how quickly funds are committed to finance CWSRF projects. This is one of the most significant

metrics EPA utilizes to evaluate the effectiveness with which an CWSRF is being managed. The table below shows California’s performance against the national average.

Table 1.

CWSRF Fund Utilization (SFY) (NIMS Line 285 cumulative)	2016	2017	2018	2019	2020
National (%)	96	97	97	97	97
California (%)	114	118	115	114	112

California fund utilization rate slightly declined in SFY 2020. This change in part is the result of delays in loan and assistance activity because of the pandemic. Also note that historical values will have changed slightly from prior PER’s because of ongoing data clean-up efforts in NIMs.

Recommended Follow-up: None

- ***Cumulative Disbursement as a Percent of Executed Loans:*** While the fund utilization indicator reflects how quickly the California CWSRF commits funds to projects by signing assistance agreements, the disbursement rate reflects how quickly the California CWSRF disburses the committed funds (i.e., federal cap grants, state match, and repayments) to systems.

Full fund utilization coupled with timely disbursement indicates a well-functioning SRF program. These taken together maximize environmental benefits and protect public health.

The California CWSRF disbursements to executed loans has historically been below the national average. This indicates that when loans are signed the SWRCB processes and disburses claims in an untimely fashion.

During EPA’s review of sample projects, it was noted that there were instances where the review and approval of disbursements took over two months to complete (sample project was Western Municipal). Additionally, a couple of weeks followed before the final payment for the reimbursement of project costs was issued to the assistance recipient.

Table 2.

CWSRF Cumulative Disbursements as a Percent of Executed Loans (SFY) (NIMS Line 311)	2016	2017	2018	2019	2020
National (%)	88	88	88	89	90
California (%)	78	73	74	79	80

Recommended Follow-up: We are encouraged by the SWRCB’s recent decision to engage the Environmental Finance Center (EFC) in conjunction with the California State University, Fullerton to study ways to identify potential efficiencies, improvements, or enhancement that would facilitate timely review, processing, and execution of loan agreements, as well as make disbursement request more efficient and improve timeliness of payments. We also would like to remind the SWRCB that they have access to an existing state contract with Northbridge Environmental Consultants. Given Northbridge’s history and knowledge of the workings of the California SRFs, they could provide a narrowly focused exploration for analyzing and solving the workflow structure of the programs.

We look forward to the results of the EFC study and how the SRF programs might reach a goal of approving, processing, and issuing loans and payments in a timely manner.

GAO Financial Indicators

- **Undispersed Cash to 3-year Average Disbursement Ratio:** This indicator looks at available funds that a state has at the U.S. Treasury and in state accounts and divides this by the prior three-year average annual disbursement figure. It is a metric to gauge how long it will take a state to disburse its funds.

California’s CWSRF program has a ratio of undisbursed funds to disbursements of 1.57. This means that the California CWSRF holds a little more than 1.5 years’ worth of undisbursed funds. This ratio is slightly higher from the previous year but much higher than the low of roughly 0.75 in 2015. While there is no absolute figure for this metric, maintaining only the cash on hand needed for projects in the near term is indicative of managing the fund in a timely and expeditious way.

Recommended Follow-up: SWRCB should continue to monitor this metric to ensure the timely submittal and processing of disbursement requests. The SWRCB should only maintain the cash on hand necessary for near term project disbursements so that this ratio remains low.

- **Total Net:** This indicator seeks to gauge if an SRF program is growing. A positive figure indicates that a program is growing.

California's CWSRF program has a total net of over \$556.8 million in 2020. This figure has increased substantially since the prior year. As the State Water Board continues to leverage to increase funding in the CWSRF, EPA will continue to monitor this indicator to ensure that the fund corpus is not threatened by leveraging activities.

Recommended Follow-up: The SWRCB should continue to monitor this indicator to ensure that the fund corpus is not at risk by leveraging activities.

- **Net Interest Margin:** This indicator measures the net earning the SRF is generating from its Total Assets through loans and investments after accounting for the interest expenses associated with match and leveraged bonds. Simply stated it is a measurement comparing the net interest income generated from the SRF loans, with the outgoing interest it pays to bondholders. This indicator seeks to gauge if an SRF program is growing through interest earnings. A positive figure indicates that a program is growing.

The California's CWSRF program has a net interest margin of -.05%. A negative net interest margin indicates that the fund may have been unable to make an optimal decision, as interest expenses were higher than the amount of returns produced by loan interest income or investments. Thus, in calculating the Net Interest Margin, financial stability is a constant concern. This figure has been on a downward trend from 1999, when the figure for the CWSRF was 2.5%, which indicates that in recent years the growth of the fund from interest earnings has been diminishing. If interest earnings remain low and the state continues to leverage, the total net figure could drop into the negative even further, which would be of concern to EPA.

EPA recognizes this negative net interest margin may be a short-term anomaly because of the bottle neck on issuing new financing (interest generating) due to FI\$Cal.

Recommended Follow-up: The negative Net Interest Margin is of concern to EPA, and we would like to get the SWRCB's perspective on the reasons for the lower earnings. The State Water Board and EPA should

continue to monitor these indicators and discuss the Net Interest Margin specifically during the next annual review.

b) DWSRF

NIMS Financial Indicators

- **Fund Utilization Rate:** This indicator shows how quickly funds are committed to finance DWSRF projects. This is one of the most significant metrics EPA utilizes to evaluate the effectiveness with which an DWSRF is being managed. The table below shows California’s performance against the national average.

California’s DWSRF program has a pace in 2020 of 110%, which is above the national average. Although this rate is a slight drop from the previous year of 113% given the challenges faced nationally resulting from the COVID-19 pandemic, EPA recognizes and commends this high utilization of funds.

Their fund utilization rate remains above the national average and above 100%. This indicates that the SWRCB is anticipating funds received and planning for their use prior to having them deposited. The SWRCB has demonstrated a commendable capacity to properly manage the flow of funds over this time.

Table 3.

DWSRF Fund Utilization (SFY) (NIMS line 419) – Based on Cumulative Activity	2016	2017	2018	2019	2020
National (%)	95	95	96	95	96
California (%)	113	110	115	113	110

Recommended Follow-up: Given a downward trend, the California DWSRF should continue to actively manage the DWSRF and ensure that the program has enough viable projects in the pipeline. This will minimize future downward trends and ensure full fund utilization.

- **Disbursements as a Percentage of Assistance Provided – Based on Cumulative Activity:** While the fund utilization indicator reflects how quickly the California DWSRF commits funds to projects by signing assistance agreements, the disbursement rate reflects how quickly the California DWSRF disburses the committed funds (i.e., federal capitalization grants, state match, and repayments) to systems.

The California DWSRF disbursements to executed loans has historically been below the national average. This indicates that when loans are signed the SWRCB processes and disburses claims slower than the national average. The delays in drawing down DWSRF set-asides is primarily due to Fi\$Cal implementation because Accounting has been delayed in closing periods and therefore delayed in drawing down set-asides to reimburse the SWRCB for personnel expenditures.

Table 4.

DWSRF Cumulative Disbursements as a Percent of Assistance Provided (SFY) (NIMS line 420)	2016	2017	2018	2019	2020
National (%)	87	87	87	88	87
California (%)	70	76	77	78	83

Recommended Follow-up: As discussed on page 7 of this PER, the State’s DWSRF program is like its CWSRF program as it too has historically fallen below the National average for this metric as noted in Table 4. EPA encourages the SWRCB to look also at how to best streamline and improve the disbursement process for the DWSRF program to better perform within the national range. EPA recommends targeting a goal of processing and issuing DWSRF payments within 30-45 days to reach this range. EPA would also like to better understand the steps the SWRCB will take to effectively improve the process of reviewing, approving, and disbursing pay requests.

GAO Financial Indicators

- **Undispersed Cash to 3-year Average Disbursement Ratio:** This indicator looks at available funds that a state has at the U.S. Treasury and in state accounts and divides this by the prior three-year average annual disbursement figure. It is a metric to gauge how long it will take a state to disburse its funds.

The California DWSRF has a disbursement ratio of 1.1 in 2020 and is an improvement from the previous year of 1.4. The 1.1 represents just over a year’s cash needs held and is one of the lowest figures in the nation indicating that California is successfully managing its cash supply based upon a three-year average.

However, when viewed on a cumulative basis as calculated by the NIMS metric of *Disbursements as a Percentage of Assistance Provided - Cumulative* California’s DWSRF disburses committed funds slower than the national average.

Although California's DWSRF is successfully managing its cash supply per the GAO metric, the program must also consider and weight its performance against the NIMS metric. California's DWSRF needs to ensure that there are an appropriate number of DWSRF loans drawing funds and that the SWRCB is processing them at a steady and timely pace.

Recommended Follow-up: EPA recommends monitoring this metric and maintaining a strong pipeline of projects that keeps the fund utilization high followed with timely disbursements.

- **Total Net:** This indicator seeks to gauge if an SRF program is growing through the activity of making loans. A positive figure shows that a program is maturing.

The California DWSRF has a total net of \$122.4 million. This is an increase from the previous year by approximately \$40.3 million.

Recommended Follow-up: EPA recommends keeping up the good work and monitoring this metric.

- **Net Interest Margin:** This indicator seeks to gauge if an SRF program is growing through interest earnings. A positive figure indicates that a program is maturing.

The California DWSRF is at 1.2%, which is the same as the prior year's figure.

Recommended Follow-up: EPA recommends keeping up the good work.

3. **CWSRF & DWSRF Cash Transactions & Improper Payments** –

Cash draws from the U.S. Treasury for SRF expenses must be based on eligible incurred project or set-aside costs. Any inconsistency between the eligible incurred costs, the allowable draw proportion, and amount drawn is considered an improper payment. As part of EPA's oversight of the CWSRF and DWSRF programs, EPA reviews state cash draws to protect against waste, fraud, and abuse, and to minimize and document improper payments.

To comply with the Improper Payments Elimination and Recovery Act 2012 and implementing requirements established by the Office of Management and Budget to evaluate improper payments, EPA is required to test several state CWSRF & DWSRF funded transactions annually.

EPA randomly selected and tested four cash transactions from each program with a total CWSRF draw of \$13,601,690 and a total DWSRF draw of \$8,731,776.82 from the U.S. Treasury between July 1, 2019, and June 30, 2020. The review of these program financial transactions found no instances of cash draw rule violations and no improper payments.

The details of each CWSRF and DWSRF cash draw tested can be found in **Attachment C**.

EPA also reviewed the transactions for the suitability of incurred project costs. EPA found that the SWRCB did a thorough job of scrutinizing the eligibility of CWSRF and DWSRF project construction, engineering/design, and administrative costs submitted for reimbursement.

EPA reviewed the eligibility of DW and CW SRF project costs for construction, engineering/design, and administrative costs submitted for reimbursement. No major concerns were found during this period of review.

Recommended Follow-up: As in previous years, EPA would like to reiterate the importance of standardizing detailed information presented in project claim adjustments, as this would minimize the possibility of cost adjustments and/or reimbursement errors. EPA asks the SWRCB continue its efforts in providing staff with training sessions and designing standardized formats for staff to follow.

4. **CWSRF and DWSRF Compliance with Audit Requirements** – The auditor noted that the financial statements for both SRFs were in conformance with GAAP and no material weaknesses were identified.

Recommended Follow-up: None. EPA congratulates the State’s SRFs for achieving a clean audit.

V. **Summary of Key Required and/or Recommended Follow-ups**

EPA has identified the following recommended or required follow-up actions:

1. The SWRCB should strive to submit its Clean Water and Drinking Water SRF program Annual Reports within 90 days of the close of the state fiscal year.
2. With the anticipated increase in CW and DW SRF related funding and workload, EPA strongly encourages the SWRCB to reassess staffing levels and potentially hire additional staff.
3. The California CW and DW SRFs should adhere to the EPA policy of maintaining no more than two open capitalization grants at a time. Therefore, the SWRCB needs to draw down all the federal funds from the CW and DW SRF FFY 2018 and 2019 capitalization grants by January 2022 and June 2022, respectively.
4. EPA recommends that the SWRCB look at how they may streamline and improve the disbursement processes of both the CW and DW SRFs to ensure the timely processing of disbursement requests and better perform within the national ranges.
5. The CWSRF negative Net Interest Margin is of concern to EPA, and we would like to get the SWRCB’s perspective on the reasons for the low percentage.

6. The California DWSRF should continue to actively manage the DWSRF and ensure that the program has enough viable projects in the pipeline.
7. EPA would like to reiterate the importance of standardizing detailed information presented in project claim adjustments and asks the SWRCB to continue its efforts in providing staff with training sessions and designing standardized formats for staff to follow.

VI. Attachments

- Attachment A: Program Checklist
- Attachment B: CWSRF & DWSRF Project File Checklists
- Attachment C: CWSRF & DWSRF Transaction Checklists