



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION IX

75 Hawthorne Street
San Francisco, CA 94105-3901

SEP 24 2013

Ms. Elizabeth L. Haven, Deputy Director
Division of Financial Assistance
California State Water Resources Control Board
P.O. Box 944212
Sacramento, CA 94244-2120

Dear Ms. Haven:

Enclosed is the final California Clean Water State Revolving Fund (CWSRF) Program Evaluation Report (PER) for state fiscal year 2012. Thank you for your comments on the draft PER, which you provided in your letter dated September 13, 2013. The California State Water Resources Control Board's (SWRCB) response letter on the draft PER is included as an attachment to the final PER.

Your response to the draft PER observations and suggested follow-up actions was thorough and clearly reported the direction the SWRCB has taken or is taking to improve operations and create additional demand for the program. For example, effective October 1, 2013, the SWRCB authorized design financing as part of its CWSRF Policy amendment. This action shows SWRCB's dedication to improve the performance of its CWSRF activities and make expeditious use of its funds. EPA commends the SWRCB for its proactive approach.

Overall this PER found no deficiencies in the management of the California CWSRF program and found the technical, managerial and financial management of the program favorable. We appreciate your clarifying comments and detailed reply to the draft PER, section III, follow-up actions, which are summarized as follows: (For convenience, we used the original letter designations from your response letter.)

- A. 2. The SWRCB will expand its discussion of the effect of extended term financing on financing levels in its future annual reports to EPA to ensure that California continues to provide at least its baseline financing.
- B. 1. The SWRCB will continue to look for ways to improve the attractiveness and efficiency of its CWSRF program, such as streamlining the application process to expedite financing for agencies' capital improvement plans.
- B. 2. The SWRCB is exploring ways to improve its operation and make expeditious use of its CWSRF funds including evaluating the benefits of offering extended term financing to all CWSRF projects to create additional demand for the program.
- C. The SWRCB will include the revenue and expenses information for FY 2012/2013 in the Annual Report, and in future Annual Reports.

On behalf of the review team, I would like to express my appreciation for the assistance you and your staff provided during the review. If you have questions about the final report, please call me at 415-972-3420 or the EPA Region 9 California program officer, Josh Amaris, at 415-972-3597.

Sincerely,



Douglas E. Eberhardt
Manager, Infrastructure Office

Encls. & Electronic Copies:
Christopher Stevens, DFA
Doug Wilson, DFA
Christine Gordon, DFA
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STATE FISCAL YEAR 2012 PROGRAM EVALUATION REPORT
California Clean Water State Revolving Fund Program
Review Conducted December 2012
Final Report Prepared September 2013

I. Introduction

Section 606(e) of the Clean Water Act (CWA) requires EPA to conduct an annual oversight review of the Clean Water State Revolving Fund (CWSRF) program. The purpose of the annual review is to assess the cumulative program effectiveness; fiscal health of the CWSRF program in California since the program began (1988); compliance with the statutes and regulations; Operating Agreement (OA); and grant conditions governing the CWSRF.

The American Recovery and Reinvestment Act (ARRA), signed into law February 17, 2009 by President Obama, made available federal monies for both the CWSRF and Drinking Water State Revolving Fund. The ARRA funds are also subject to an annual oversight review to be carried out by the EPA. The purpose of the ARRA review is to assess the cumulative program effectiveness and fiscal health of the CWSRF program in California in light of the impact of ARRA in addition to evaluating the implementation of ARRA.

EPA Region 9 conducted its on-site annual review of the California CWSRF base and ARRA program activities on December 11-13, 2012. Staff from EPA Region 9 visited the State offices to review selected project files and cash draws, and to talk with state staff about various aspects of the CWSRF base and ARRA activities. Following the review, EPA prepared this Program Evaluation Report (PER). The PER covers all program activities from program inception to the present, with major emphasis on the activities performed during state fiscal year (SFY) 2012. This PER correlates to the State's CWSRF Annual Report for SFY 2012, which ended June 30, 2012. The PER also highlights the review findings and identifies follow-up actions to be addressed in SFY2014.

II. Background and Scope

The CWSRF uses Federal capitalization grants, state match funds, loan repayments, 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 type projects. Since the program began in 1988 through June 30, 2012, SWRCB has closed 618 loans totaling approximately \$6.3 billion cumulatively, including ARRA.¹

The California CWSRF program is required to contain the following program and financial elements, which EPA assessed during its review.

Required Program Elements

- Annual Report
- Funding Eligibility

¹ As of August 30, 2012, and as reported in the National Information Management System (NIMs)

- Compliance with DBE Requirements
- Compliance with Federal Cross-Cutting Authorities
- Compliance with Environmental Review Requirements
- Operating Agreement
- Staff Capacity
- Compliance with Davis Bacon and Buy American
- Compliance with Green Project Reserve (GPR)
- Other Program Elements related to ARRA

Required Financial Elements

- Rules of Cash Draw
- Timely and Expeditious Use of Funds
- Compliance with Audit Requirements
- Assistance Terms
- Use of Fees
- Assessment of Financial Capability and Loan Security
- Financial Management
- Compliance with Additional Subsidy
- Other Financial Elements related to ARRA

The scope of the annual review included consideration of the legal, managerial, technical, financial and operational capabilities of the State of California (State) specifically the California State Water Resources Control Board (SWRCB), Divisions of Financial Assistance (DFA) and Administrative Services (DAS).

EPA Region 9 used the SRF Annual Review Guidance, SRF Program Review Checklist, Project File Review Checklist, Transaction Testing Checklist, and data collected in the National Information Management System (NIMS) for SRFs to ensure that all major elements of the program were reviewed and discussed with the California CWSRF management and staff. In response to the Improper Payments Elimination and Recovery Act, the Office of Management and Budget (OMB) through the EPA Office of the Chief Financial Officer (OCFO) has directed that the State Revolving Funds be subject to testing of a random selection of SRF transactions to develop a national estimate of improper payments from these programs. Therefore, for this review, eight CWSRF cash transactions selected by OCFO were tested.

Following the review, EPA Region 9 prepared a draft PER for the State to review for accuracy and context. The final PER includes the State's comments as Attachment 6. Copies of the final PER will be provided to the State and EPA HQ.

III. Observations, Suggested Follow-up, and State Comments

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 CWSRF program activities (**Attachment 1**). Based on the review, EPA finds that California is managing the CWSRF program in accordance with State and Federal laws and regulations and that California is in compliance with the conditions and

assurances in the CWSRF Operating Agreement and grants. This section presents EPA's specific observations and suggested action items, to be incorporated into the future operations or management of the program, and the State's comments.

A. Financial Management

1. Transaction Testing and Improper Payments

To comply with OMB and the Improper Payments Elimination and Recovery Act requirements to evaluate improper payments, each Region is required to perform transaction testing of separate payments for State base CWSRF funded transactions and for State ARRA CWSRF funded transactions annually.

EPA tested eight CWSRF cash transactions comprised of both ARRA and base funded transactions selected by OCFO. Of the eight, six were base funded financial transactions with a total draw of over \$12 million from the federal treasury between January 31, 2012 and September 27, 2012. Our review of these base program financial transactions found that there were no improper payments.

The remaining two transactions were ARRA funded cash draws. The draws were for a total of \$3.4 million from the federal treasury. EPA's review found that there were no improper payments associated with these ARRA financial transactions.

The details for each cash draw tested can be found in **Attachments 2 and 3** for the ARRA and base cash draw transactions, respectively.

Suggested follow-up: None.

2. Extended Term Financing

The CA CWSRF program provides CWSRF funds in the form of extended term financing (ETF) to the following eligible recipients: (1) to disadvantaged communities; (2) to communities that are regionalizing their wastewater treatment infrastructure and (3) to economically distressed communities. EPA approved the CA CWSRF proposals to offer ETF, based on a 60-year model developed by the state that demonstrated the projected revolving level of the fund would not decrease by 10% or more with use of ETF compared to the revolving level the fund would attain if ETF were not offered. While ETF expands the economic benefits of the CWSRF program to a broader spectrum of communities, it also exposes the fund's corpus to financial vulnerability. For this reason the impact of ETF on the fund's viability should be monitored on an annual basis.

Suggested follow-up: EPA recommends that the state update their model and include a discussion on the long-term planning implications of ETF with each Annual Report.

State Comments: *See Attachment 6*

B. Timely and Expeditious Use of Funds

California's performance for the major base CWSRF program financial indicators is above or within an acceptable range of the national average, as described in Table I. California also appears to be in full compliance with the CWSRF requirements for efficient, timely and expeditious expenditure of the funds. The State is maximizing the use and effectiveness of CWSRF assets.

Table I. Performance Indicators

Indicator	CWSRF 2012 ¹		CWSRF 2011	
	California	National	California	National
Fund Utilization	113%	99%	107%	99%
Return on Federal Investment	215%	281%	212%	279%
Retained Earnings	11.7%	6.6%	13.3%	10.5%

1. Fund Utilization

Fund utilization rate or pace of the program represents the cumulative assistance provided as a percent of cumulative SRF funds available for projects. It is one indicator of how quickly funds are made available to finance CWSRF eligible projects. Table I shows that California has done an excellent job in quickly converting CWSRF funds to loans for eligible projects and exceeds the national average.

Some of the major cash flow and fund management challenges state CWSRF programs face are (1) optimizing and aligning the rate at which loans are committed and disbursed with the funding capacity of the fund; and (2) balancing the need to disburse federal funds quickly while ensuring that recycled and other non-federal funds are also used in a timely and expeditious manner.

As was noted in the Annual Report and in discussions with SWRCB staff, the rate of disbursements in the CA CWSRF recently has not been as high as expected, and SWRCB has increased its rate of commitments to compensate. This seems to signal that there are not enough projects in the funding pipeline and that there is a significant amount of uncertainty in the timing of disbursements.

Several factors may contribute to the rate of disbursements being lower than expected, including, but not limited to:

- borrowers infrequently submit disbursement requests, and;
- an insufficient number of projects in the funding pipeline.

Because the CA CWSRF assesses interest on funds disbursed without requiring regular submittal of claims, many loan recipients submit claims only upon or close to project completion to avoid accruing interest charges. Having claims submitted at the end of the project delays disbursements, which, if not anticipated, disrupts management of the program's cash flow.

¹ As of August 30, 2012, and as reported in the National Information Management System (NIMS)

A sufficient inventory of projects in the pipeline and updated and current construction timelines can help a state disburse funds in a timely manner. Although CA CWSRF has maintained a high rate of fund utilization, keeping it at a high level in the long term requires a pipeline of projects that are ready to proceed, substantial outreach to existing and repeat customers, and marketing to potential customers to keep demand high and grow the program. The CWSRF programs that maintain high levels of demand typically visit communities (both current and potential customers) frequently, have an idea of a community's capital improvement plan (CIP), and have a good understanding of project demand over the next two to five years.

In addition, the SWRCB maintains a \$25 million cash balance reserve for unexpected expenses adding to the overall balance of unexpended funds. Nationally, we are not aware of any CWSRF program that keeps a cash balance reserve and question the need by the CA CWSRF to keep this sizable reserve.

Suggested follow-up: Timely and expeditious use of the funds is critical to maximizing the use and effectiveness of CWSRF assets and in meeting the environmental and water quality needs of the State. In light of the fact that disbursements from the CA CWSRF have been lower than anticipated, EPA suggests that the program evaluate and determine if there are enough projects in the funding pipeline to ensure funds will be spent promptly. An insufficient number of projects in the pipeline could signal a need by the program to engage in additional outreach/marketing activities to re-engage or establish anew its customer base. In addition, the SWRCB should reevaluate the need for the program to maintain a \$25 million cash reserve and consider directing these dollars to funding projects instead. With advanced cash management and financial tracking tools in place, the SWRCB has the ability to effectively plan for and quickly respond to potential operating income shortfalls without relying on a reserve fund. Therefore, the benefit of optimizing all available funds for projects appears to outweigh the benefits of maintaining a reserve fund.

The SWRCB should also consider implementing the following actions to help ensure funds are disbursed in a timely and predictable pace:

1. Stipulate in the assistance agreement that claims be submitted quarterly or as defined by a schedule based on an annual outlay rate. For example, the national title II construction grant outlay rate required annual disbursements to occur at 7% in year 1; 35% in year 2; 26% in year 3; 20% in year 4; and 12% in year 5.
2. Charge interest on undrawn principal, if not requested within a designated time (for example within 18 months) following loan closing.
3. Map the current claims and disbursement process to identify areas where there are bottlenecks and resolve any issues that are found.

State Comments: *See Attachment 6*

2. Unliquidated Obligations (ULOs) - Use of Federal and Non-federal Funds

While unliquidated obligations or undrawn federal and non-federal funds are not currently a performance indicator, they are being closely tracked by the EPA, OMB and Congress who may look at the unliquidated obligations when determining next year's budget.

As of May 5, 2011, EPA has established new federal fund utilization expectations for water programs, consisting of two inter-related elements. The first element is to accelerate the pace of fund obligation with a long-term goal of obligating all federal funds during the fiscal year in which they are appropriated. The second element is to encourage and monitor the prompt and full utilization of these funds.

Table II shows the status of capitalization grants for fiscal years 2005 through 2011 (the most recent seven fiscal years assessed during this review), including ARRA. The SWRCB has a history of successfully obligating all federal funds during the fiscal year in which they are appropriated. As of June 30, 2012, the SWRCB had three capitalization grants open with a total of \$132 million in unspent federal funds, which is 16% of the federal funds awarded during this period.

Table II. California ULOs as of end of SFY 2012

Grant ID	Fiscal Year (of funding)	Approved Funding	Funds Paid to Date	Remaining funds/ULO	ULO (%)
CS06000105	FY05	\$82,665,541.00	\$82,665,541.00	Grant Closed	0%
CS06000106	FY06	\$46,383,876.00	\$46,383,876.00	Grant Closed	0%
CS06000107	FY07	\$92,791,710.00	\$92,791,710.00	Grant Closed	0%
CS06000108	FY08	\$48,826,491.00	\$48,826,491.00	Grant Closed; final FFR 10/03/11	0%
CS06000109	FY09	\$48,667,707.00	\$48,667,707.00	Grant Closed 5/21/12; final FFR 10/2/12	0%
CS06000110	FY10	\$145,721,000.00	\$100,258,435.71	\$45,462,564.29	31%
CS06000111	FY11	\$105,570,800.00	\$29,232,709.35	\$76,338,090.65	72%
2W06000209 (ARRA)	FY09	\$280,285,800.00	\$269,680,581.35	\$10,605,218.65	4%
Subtotal CWSRF (Base)		\$570,627,125.00	\$448,826,470.06	\$121,800,654.94	21%
Total CWSRF (Base + ARRA)		\$850,912,925.00	\$718,507,051.41	\$132,405,873.59	16%
Total CWSRF less FY10 & 11 Grants		\$599,621,125.00	\$589,015,906.35	\$10,605,218.65	2%

This federal ULO seems reasonable, especially in light of the large FY 2010 allotment of approximately \$146 million, which is almost three times the previous year's allotment of \$49 million. Also, the federal ULO of \$139 million is less than the total of the two most recent capitalization grants (FY 2010 and FY 2011) of approximately \$251 million.

The State, on average, expends its SRF grant funds within three years of award. During SFY 2012 the State closed the FY 2009 grant and had three active and open grants (FY 2010 and FY 2011 base grants and ARRA). This spend down rate of federal funds is well above the grant authorized timeframe that allows SRF grants to run for a total project period of not more than seven years.

With respect to the utilization of non-federal dollars in the program, states are required to make timely loans using all available CWSRF funds for eligible projects. As stated in EPA Policy Memoranda, SRF 99-05 and SRF 99-09, one year is a reasonable time frame for expecting states to commit repayments and other available funds to CWSRF projects. The memoranda further clarify that in the event the state does not have sufficient projects ready to receive commitments, it must identify in its Intended Use Plan how and when the funds will be used. In the case of the CA CWSRF program, the NIMs report shows that California has satisfactorily committed all available program funds to CWSRF projects within a year.

Federal, recycled and other non-federal funds need to be disbursed as soon as possible to avoid the appearance of fund underutilization. The CWSRF program uses the following metrics to determine whether a state is having trouble with the timely use of their federal and non-federal funds:

- **Disbursements as a percent of CWSRF assistance - cumulative.** In the case of the CA CWSRF, the 2012 NIMs shows a ratio of 83%, slightly below the national average of 86% and the CA CWSRF previous year's value of 86%.
- **Construction starts as a percent of CWSRF assistance - cumulative.** For the CA CWSRF, the 2012 NIMs shows a ratio of 88%, somewhat below the national average of 92% and the CA CWSRF previous year's value of 90%.

Although slight, the declining trends in these metrics may indicate a need to reconsider processes or create incentives to get projects to construction and improve the frequency and rate of disbursements.

Suggested follow-up: To help ensure that all CWSRF funds are committed and expended efficiently and in a timely and expeditious manner, EPA suggests that the CA CWSRF program evaluate and implement incentives to encourage construction starts and improve the rate of disbursements to align with the national averages. Other states have used the following incentives or strategies to get projects to construction and draw funds more quickly:

- Base interest charges on undrawn funds to motivate projects to request disbursements frequently.
- Minimize credit review for large municipalities/repeat customers by assigning them a line of credit based on affordability.
- Provide planning and design loans or additional subsidy assistance.

State Comments: See Attachment 6

3. Return on Federal Investment

Return on federal investment represents the cumulative assistance disbursed as a percentage of cumulative federal cash draws. This indicator is designed to show how many dollars of assistance were disbursed to eligible borrowers for each federal dollar spent. States with a direct loan program should have an expected value for this indicator of 120%, which reflects the 83% federal and 17% state contribution ratio for funding projects. States that leverage should have a higher value than 120% because they have more funds available relative to the amount of federal funding than non-leveraged states. In California's case, the State CWSRF has exceeded the standard level of performance, i.e., 120%. The 215% return on investment is in part attributed to availability of more funds due to leveraging, repayments and interest and investment income earned.

Suggested follow-up: None

4. Gross Sustainability (Retained Earnings) Includes Subsidy

This indicator seeks to gauge how well the CWSRFs are maintaining their invested or contributed capital, without making adjustments for loss of purchasing power due to inflation. For purposes of this indicator only, contributed capital is defined as the federal capitalization grant less the 4 percent allowed for administrative expenses, plus the required 20 percent State match regardless of the source (i.e., borrowed, appropriated, etc.). For those States that do not borrow for State match, like California, if the amount of retained earnings of a CWSRF is greater than or equal to zero then the CWSRF is deemed to be maintaining its contributed capital and the sustainability of the fund. The California CWSRF is exceeding the national average by retaining over 10.5% of its contributed capital and thus sustaining the financial health of the fund.

Suggested follow-up: None

C. Use of Fees

The CA CWSRF program collects two service charges. These service charges provide a source of revenue for the administration of the program and for grant funding to small and disadvantaged communities. From the Annual Report, EPA was unable to identify or determine the rates of these service charges assessed to communities, the amount of revenues generated in SFY 12 for the grant program, the amounts of program income or non-program income derived from the fees, the uses of these funds (i.e., personnel costs, equipment, etc.), or the names of the small and disadvantaged community grant recipients.

Suggested follow-up: EPA requests that the state identify and show the fee rates charged, and the amount and uses of revenue generated from the service charges with each Annual Report. As a reference, on October 20, 2005, EPA issued guidance on fees charged by states to recipients of

State Comments: *See Attachment 6*

Clean Water State Revolving Fund (CWSRF) program assistance, **40 CFR Part 35 [FRL-7983-7]** **Guidance on Fees Charged by States to Recipients of Clean Water State Revolving Fund Program Assistance.** This guidance provides a framework for the use of fees collected under the CWSRF. The SWRCB should follow this guidance when charging fees to recipients of CWSRF assistance.

IV. 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 the State is implementing or reinforcing procedures to ensure compliance. The Project File Reviews for each of the below listed projects can be found in **Attachments 4 and 5:**

Base Program

- (1) Sausalito, City of #5354-110
- (2) Techachapi, City of #5563-110

ARRA Program

- (1) Big Bear Lake, City of #5710-110
- (2) Plymouth, City of #4556-120

V. Conclusion

We have conducted an annual review of the California Clean Water SRF Program base and ARRA activities 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 SWRCB's grant management system, the PER Section III identified the following actions to be addressed in the SFY2013 Annual Report:

- **Use of Fees** - *State must identify and show the fee rates charged, and the amounts and uses of revenue generated from the service charges with each Annual Report.*
- **Extended Term Financing** – *State must show an updated ETF model and include a discussion on the long-term planning implications of ETF with each Annual Report.*
- **Timely and Expeditious Use of Funds** – *The CA CWSRF program should evaluate and implement incentives to encourage construction starts and improve the rate of disbursements to align with the national averages. Along these lines, EPA recommends that the CA CWSRF program consider ways to keep demand high with a sufficient number of projects in its pipeline to ensure all funds will be committed and disbursed promptly.*

VI. Attachments

- Attachment 1** CWSRF "Program Review Checklist for Base and ARRA SRF Activities"
- Attachment 2** CWSRF ARRA Transaction Testing Sheets
- Attachment 3** CWSRF Base Transaction Testing Sheets
- Attachment 4** CWSRF Base Project Files Reviews Checklists
- Attachment 5** CWSRF ARRA Project Files Reviews Checklists
- Attachment 6** SWRCB letter dated 13 Sept 2013: Comments on draft 2012 Annual Program Evaluation Report (PER); California Clean Water State Revolving Fund (CWSRF) Program

Attachment 1 CWSRF "Program Review Checklist for Base and ARRA SRF Activities"

SRF Annual or Mid-Year Review Information Sheet

State Under Review: California
 DW or CW Program? CWSRF
 ARRA or Base review? both

For SRF Fiscal Year Beginning: 1-Jul-11 Ending: 30-Jun-12

ARRA: This is the ☐ First ☐ Second review in this fiscal year

Base: Annual / Biennial Report Received: 28-Sep-12
 Base: Annual Audit Received: 28-Sep-12
 Base: Audit Year: SFY 2012

State Contact: Christine Gordon

Phone No. 916-341-5835

Core Review Team:

<u>Role</u>	<u>Name</u>
Project Officer	Juanita Licata
Grants Officer	Gwen Brown
EPA SRF Team	Josh Amaris
EPA SRF Team	Bola Odusoga

<u>State Staff Interviewed</u>
Doug Wilson
Kelly Valine
Chrispher Stevens
Heather Bell

Project files and transaction review:
(4 projects and 4 transactions per program once a year for base, 4 projects and 4 transactions per program twice a year for ARRA)

ARRA - Project Files

City of Big Bear #5710-110
City of Plymouth #4556-120

Base - Project Files

City of Sausalito #5354-110
City of Techachapi #5563-110

Transactions - ARRA

14 Mar 2012: \$1,648,268
12 Sept 2012: \$1,798,646

Transactions - Base

1 Jan 2012: \$4,396,592; 16 Mar 2012: \$1,160,032.65
27 Apr 2012: \$1,641,966; 1 Aug: \$1,113,082
12 Sept 2012: \$2,216,998.19; 27 Sept 2012: \$1,544,001

First Team Meeting

Second Team Meeting

On-Site Visit

Draft PER

Final PER

Estimated Date:

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 / /

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 / /

 / /

Actual Date:

 / /

 / /

 13 / Dec / 2012

15-Aug-13

24-Sep-13

This report utilizes the following abbreviations to clearly note which program the answers refer too

DW: Drinking Water Program

Required Program Elements												
Review Item and Questions to Answer			Base			ARRA			Comments	Data Sources	Follow up Y/N	PER Citation
			Yes	No	N/A	Yes	No	N/A				
1.1 Operating Agreement												
1	Is the State's Operating Agreement up to date reflecting current operating practices?		Y						OA was recently updated, November 2012, to capture administrative changes and current practices.	Operating Agreement		
	a. Program administration		Y									
	b. Memoranda of Agreement		Y									
	c. Description of responsible parties		Y									
	d. Standard operating procedures		Y									
1.2 Annual / Biennial Report												
1	Was the Annual / Biennial Report submitted on time?		Y			Y			Annual Report was submitted by SWRCB on Oct 1, 2012	Annual/Biannual Report		
2	Does the State's Annual / Biennial Report meet the following requirements:											
	a. Reports on progress towards goals and objectives		Y			Y			Reported in Annual Report (AR)			
	b. Reports on use of funds and binding commitments		Y			Y			Reported in Annual Report (AR)			
	c. Reports on the timely and expeditious use of funds		Y			Y			Reported in Annual Report (AR) pg 15			
	d. Identifies projects and types of assistance provided.		Y			Y			Additional spreadsheets were provided to identify types of assistance (add subsidy, GPR,etc)			
	e. Includes financial statements and cross-references independent audit report		Y			Y			Reported in AR			
	f. Provides assessment of the SRF's financial position and long-term financial health		Y			Y			Reported in AR (short and long term goals)			
	g. Demonstrates compliance with all SRF assurances		Y			Y						
	h. Demonstrates compliance with SRF program grant conditions		Y			Y						
	i. DWSRF: Demonstrates that the highest priority projects listed in the IUP were funded				NA			NA				
	j. DWSRF: Documents why priority projects were bypassed in accordance with state bypass procedures and whether state complied with bypass procedures.				NA			NA				
	k. DWSRF: Documents use of set-aside funds (see set-aside sheet for details)				NA			NA				
	l. Documents Green Reserve eligible projects that were funded (N/A for reports that do not include ARRA, FY 2010, or more recently appropriated funds)		Y			Y						
	m. Documents projects that received principal forgiveness, negative interest loans, grants, or a combinations of these? (N/A for reports that do not include ARRA, FY 2010, or more recently appropriated funds)		Y			Y			65% of ARRA funds were used for additional subsidization in the form of principal forgiveness. CA provided principal forgiveness (PF) in the amount of \$64.5million using FY 2010 funds. During this period, CA provided a total of \$29.6 million in PF.			

Review Item and Questions to Answer		Required Program Elements						Comments	Data Sources	Follow up Y/N	PER Citation
		Base			ARRA						
		Yes	No	N/A	Yes	No	N/A				
3	n. Documents whether additional subsidy went to "fix-it-first" projects and, if not, gives an explanation for why this decision was made	Y			Y			CA CWSRF does not have an explicit "fix it first" project priority classification. Most CWSRF funded projects upgrade, expand or rehabilitate existing wastewater infrastructure. CWSRF staff believes that the majority of CWSRF funded projects could be considered as "fix it first" projects. Future Annual Report will provide a discussion concerning sustainable infrastructure and "fix it first" projects.			
	If the State assesses the environmental and public health benefits of projects, are the benefits discussed in the Annual/Biennial Report?	Y			Y			Multiple environmental and water quality benefits are detailed and tracked in CBR and in the Annual Report.	Annual/Biannual Report		

Required Program Elements												
Review Item and Questions to Answer			Base			ARRA			Comments	Data Sources	Follow up Y/N	PER Citation
			Yes	No	N/A	Yes	No	N/A				
1.3 Funding Eligibility												
1	Are all funded projects eligible to receive SRF assistance?		Y			Y			All funded projects were eligible	Project Files		
2	Are projects that received ARRA assistance eligible for funding?					Y				Project Files		
	a. No funds were used for any casino, gambling establishment, aquarium, zoo, golf course or swimming pool?					Y						
	b. CWSRF: no ARRA funds were used for land purchase					Y						
	c. 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					
3	Is documentation being received from assistance recipients to support the amount and eligibility of disbursement requests?		Y			Y			As agreed upon in the Resolution Plan dated April 7, 2011, ARRA projects that contain force accounts must submit final budgets detailing the amount and nature of the disbursement request.	Project Files		
4	Does the State have controls over SRF disbursements to ensure that funds are used for eligible purposes?		Y			Y			Disbursement requests are reviewed by project engineer and program staff for eligibility.	Staff Interviews		
5	DWSRF: Is the state meeting the 15% small system requirement?				NA					Project Files		
6	DWSRF: Does the State have procedures to ensure that systems in significant noncompliance with any NPDWR are not receiving assistance, except to achieve compliance?				NA					Staff Interviews		
1.4 DWSRF Withholding Determinations												
1	DWSRF: Did the State document ongoing implementation of its program for ensuring demonstration of new system capacity?				NA							
2	DWSRF: Did the State document ongoing implementation of its capacity development strategy?				NA							
3	DWSRF: Did the State document ongoing implementation of its operator certification program?				NA							
1.5 Reporting												
1	Has the State entered data for all projects into the CWSRF Benefits Reporting (CBR) database or Drinking Water Project Benefits Reporting System (PBR)?		Y			Y				CBR/PBR database		
	a. Were projects entered into the database by the end of the week of loan closing?		Y			Y						
	b. Are the records complete, to the extent possible?		Y			Y						
2	Are 1512 jobs created and retained reporting fields up to date?					Y				CBR/PBR database		

Required Program Elements												
Review Item and Questions to Answer			Base			ARRA			Comments	Data Sources	Follow up Y/N	PER Citation
			Yes	No	N/A	Yes	No	N/A				
1.6 Staff Capacity												
1	Does the State have staff, in terms of numbers and capability, to effectively implement the SRF programs?		Y			Y			Full capacity	Program Budget		
	a. Accounting & Finance		Y			Y						
	b. Engineering and field inspection		Y			Y						
	c. Environmental review / planning		Y			Y						
	d. Management		Y			Y						
	e. DWSRF: Management of set-asides				NA			NA				
2	Was the State able to add staff as needed to effectively implement ARRA?					Y			Staffing resources were primarily redirected from the State Bond Program to SRF-ARRA	State Interviews		
1.7 Compliance with Environmental Review Requirements												
1	Are environmental reviews being conducted in accordance with the State's approved environmental review procedures (SERP)?		Y			Y			State Clearing House is used in environmental review process. Project environmental documents kept in files maintained by Environmental Unit w/in Div of Financial Assistance.	Project Files		
2	Does the State document the information, processes, and premises leading to decisions during the environmental review process?		Y			Y				Project Files		
	a. Decisions that projects meet requirements for a categorical exclusion (CE) or the State equivalent?		Y			Y						
	b. Environmental Assessment (EA)/Findings of No Significant Impacts (FONSI) or the state equivalent.		Y			Y						
	c. Decisions to reaffirm or modify previous SERP decisions.		Y			Y						
	d. Environmental Impact Statement (EIS)/Records of Decisions (ROD) or the State equivalent.		Y			Y						
3	Are public notices and meetings, as required by the SERP, provided during the environmental review process?		Y			Y			State public notices are issued for 30 day comment period.	Project Files		
4	Are documented public concerns being addressed/resolved by the State in the environmental review process?		Y			Y			Follow-up actions conducted by Environmental Unit staff.	Project Files		
5	Do environmental reviews document the anticipated environmental and public health benefits of the project?		Y			Y				Project Files		
1.8 Compliance with Federal Cross-Cutting Authorities (Cross-Cutters)												
1	Does the state maintain adequate documentation of compliance with with applicable federal cross-cutting authorities?		Y			Y				State Interviews		
2	Is the State ensuring that assistance recipients comply with all applicable federal cross-cutting authorities?		Y			Y			State requires recipient to certify compliance with cross-cutting authorities.	Project Files		
	Does the State have a process in place to address the applicability of federal cross-cutting authorities to nonpoint source projects or projects that received Categorical Exclusions from environmental review requirements?		Y			Y			NPS projects follow same procedures used by State for point source projects.			
	Were there any issues which required consultation with other State or Federal agencies? (Note in Comments section conclusion of any consultations)			N			N			Staff Interviews		

Required Program Elements												
Review Item and Questions to Answer			Base			ARRA			Comments	Data Sources	Follow up Y/N	PER Citation
			Yes	No	N/A	Yes	No	N/A				
1.9 Compliance with DBE Requirements												
1	Is the State complying with all DBE requirements (setting goals, six affirmative steps and reporting)?		Y			Y			Positive efforts were made to meet goal.	Staff Interviews		
2	Are assistance recipients complying with all DBE requirements?		Y			Y			Certifications from assistance recipients kept in project files.	Project Files		
1.10 Green Project Reserve Requirements												
1	Did the State comply with Green Project Reserve requirements?		Y			Y			FY 11 CWSRF capitalization funds in the amount of \$137.4 million were used to fund GPR projects representing 130% of the FY11 allocation. State exceeded the 20% GPR ARRA requirement. A total of 28% of ARRA funds were used for GPR projects.	Intended Use Plan		
	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 the GPR?		Y			Y			ARRA GPR projects were all categorical. Likewise, FY 2011 funded projects were water reuse type projects that categorically meet the water use efficiency category requirements established for GPR under the FY 2011 guidance.	Project Files		
2	Does State documentation demonstrate a timely and concerted effort to solicit projects for the Green Project Reserve?		Y			Y			Active steps were taken to meet the 20% GPR requirement with these funds during the 2010 grant budget period.			
3	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				
4	Did the state post business cases for green projects on the state website?				NA				The use of business cases was not required since projects categorically met the GPR requirements.	State records		
1.11 Davis-Bacon Requirements												
1	Did the State include Davis-Bacon requirements, including applicable wage determinations, in assistance agreements?		Y			Y				Assistance agreement		
2	Has the state implemented a process for the collection of certifications of compliance with Davis-Bacon for all assistance recipients for each week?		Y			Y				Project Files		
	a. Has the state collected these certifications as specified in the state process?		Y			Y						
1.12 Buy American Requirements												
1	Did the State include Buy American requirements in ARRA assistance agreements?					Y			Assistance recipient receive weekly payroll information from contractors. Such documentation shall be available upon request by the State or EPA per DB guidance dtd Nov 20, 2009.	Assistance agreement		

Required Program Elements									
Review Item and Questions to Answer		Base			ARRA			Comments	Data Sources
		Yes	No	N/A	Yes	No	N/A		
2	Do project files contain a certification or waiver demonstrating that the assistance recipient has complied with Buy American requirements?				Y			Each funding recipient provides a contact person for Davis Bacon compliance and collects weekly payroll certifications. CA has a Davis Bacon staff specialist that administers and tracks Davis Bacon requirements for the CWSRF program. This includes issuing qtrly self-certification reminders to those recipients who are subject to Davis Bacon. State followed protocol for collecting certifications for all ARRA projects.	Staff interviews and follow-up emails.

Required Financial Elements

Review Item and Questions to Answer			Base			ARRA			Comments	Data Sources	Follow up Y/N	PER Citation
			Yes	No	N/A	Yes	No	N/A				
2.1 Binding Commitment Requirements												
1	Are binding commitment requirements being met (cumulative binding commitments greater than or equal to cumulative grant payments and accompanying State match within one year of payment receipt?			Y					State exceeds the binding commitment requirement as noted and documented in Annual Report. Binding commitments equal 250% of the federal payments received.			
2	Do the dates of binding commitments as documented in the files match those reported in the Annual/Biannual Report?			Y								
3	Do projects that receive binding commitments execute a loan within a reasonably short amount of time? (Note the average lag between commitment and project start in the Comments section)			Y					Binding commitment = executed loan agreement			
	a. If this is a significant time lag, is it recurring? (If so, note steps the State is taking to correct the situation in the Comments section)					NA						
2.2 Assistance Terms												
1	Are the terms of assistance consistent with SRF program requirements?			Y			Y			Assistance agreement		
	a. Are interest rates charged between 0% and market rate except as allowed for principal forgiveness)?			Y			Y		A range of assistance terms were available, such as combo base and ARRA: 1% ARRA w/ 1/2 GO bond rate; ARRA 0% loan; Base at 1/2 GO bond rate.			
	b. Do principal repayments start within one year of project completion and end within 20 years, for all projects with non-extended loan repayment terms?			Y			Y					
	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					Program uses both extended terms and principal forgiveness. Four disadvantaged entities received extended term financing along with principal forgiveness in SFY 11/12 : 1) Heber Public Utilities District for ETF of \$4.9 million; 2) City of Rio Dell for ETF of \$6.98 million; 3) Cityof Colfax for ETF of \$7.76 million; and 4) Placer County Sewer Maintenance District for ETF of \$52.4 million. The dollar amount and percentage of FY 2011 funds used in SFY 12 to provide additional subsidy was \$29.6 million or 28% of the total allotment. These amounts are within the required range of more than \$9.8m but less than \$32.6 m for additional subsidy.			
	d. Did the state provide more than 30% (DWSRF) or more than 14.98% and less than 49.92% (CWSRF) of funds to eligible recipients in the form of principal forgiveness, negative interest loans, grants, or a combination of these? (Report the percentage of project funding in each of these categories in the Comments section)			Y					CA provide 28% of FY 2011 CWSRF funds to eligible recipients in the form of principal forgiveness.			

Required Financial Elements

Review Item and Questions to Answer		Base			ARRA			Comments	Data Sources	Follow up Y/N	PER Citation
		Yes	No	N/A	Yes	No	N/A				
2.3 Use of Fees											
1	Does the State assess fees on assistance? If so, note the fee rate charge and on what basis (e.g., percentage of closing amount, principal outstanding, principal repaid, etc.) in the comments section	Y					NA	The service charge is established each year when the CA State Water Resource Control Board approves the IUP. The service charge may not exceed 1% of the outstanding principal balance. The service charge may be applied at any time during the term of the loan, and once applied, shall remain unchanged for the duration. Fees are not applied to loans funded with bond proceeds or to loans that provide the local match.	IUP		
	a. Are fees being used in accordance with program requirements?	Y					NA	The proceeds from the service charges are used to administer the fund and provide wastewater grants to small disadvantaged communities.			
	b. Does the State periodically evaluate the use of fees relative to loan terms to set appropriate total charges to assistance recipients and assess long-term funding needs for program operation?	Y						Fees relative to program activities is assessed periodically.			
	d. Does the State have procedures for accounting and reporting fee use?	Y						Tracking of fees by the finance and accounting staff through LGTS.		Y	PER recommendation requesting additional details
2.4 Assessment of Financial Capability and Loan Security											
1	Does the State have the procedures for assessing the financial capability (CW) or the technical, financial, and managerial capability (DW) or assistance recipients?	Y			Y			State contracts with California Municipal Statistics Inc. to prepare a credit analysis on projects over \$5 million. State staff also review credit risk of potential recipients.	Financial Capability Review Procedures		
	a. Are these financial capability policies and procedures being followed?	Y			Y						
2	Do assistance recipients have a dedicated source of revenue for repayment or, for privately-owned systems, adequate security to assure repayment?	Y			Y				Financial Capability Review Procedures		
3	Do assistance recipients have access to additional funding sources, if necessary, to ensure project completion?	Y			Y				Project Files, Staff interviews		
2.5 Cash Draws											
1	Has the State correctly adhered to the "Rules of Cash Draw" ?	Y			Y			States has banked excess match in the SRF in prior years and disbursed these amounts prior to drawing federal funds the Federal proportional share is 100%	State accounting records		
2	Have any erroneous payments/cash draws/disbursements been discovered by the State? (If so , note corrective actions that have been taken in the Comments section)		N			N		Not during this reporting period			

Required Financial Elements

Review Item and Questions to Answer		Base			ARRA			Comments	Data Sources	Follow up Y/N	PER Citation
		Yes	No	N/A	Yes	No	N/A				
3	Does a review of Project and Administrative cash draw transactions confirm the use of federal funds for eligible purposes?	Y			Y						
4	For jointly-funded projects (ARRA and base program) was only the ARRA portion drawn from the ARRA grant?				Y			Audit confirmed draws were done appropriately.	IFMS		

Required Financial Elements

Review Item and Questions to Answer				Base			ARRA			Comments	Data Sources	Follow up Y/N	PER Citation
				Yes	No	N/A	Yes	No	N/A				
2.6 State Match													
1	Has the State provided match equal to 20 percent of the grant amount? (Note in comments the source of match funds - e.g. appropriation, State GO bonding, revenue bonds, etc.)			Y						State match provided through local match or appropriation.	State accounting records		
	a. 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							
	b. Has the state match structure been approved by Headquarters?					NA							
2	Were match funds deposited at or before applicable federal cash draws?			Y							State accounting records		
	a. Are match funds held outside the SRF until the time of cash draws?			Y									
	b. Is the state match bond activity consistent with the approved state match structure?					NA							
2.7 Transaction Testing for Erroneous Payments													
1	Are state records of Federal funds received consistent with Federal records of Federal funds disbursed?			Y			Y				State accounting records and FSR/IFMS reports		
2	Do project invoices confirm that disbursements are for eligible expenses?			Y			Y				Project files		
3	Are funds disbursed to assistance recipients in a timely manner following request for reimbursement and cash draw?			Y			Y			Funds to assistance recipients are typically disbursed within 30 days of reimbursement request.	State accounting records		
4	Were invoices reviewed for the required number cash draws? (Note the number of cash draws reviewed and the dollar amount of each cash draw in the Comments section)			Y			Y			See cover sheet			
5	Does a review of specific cash draw transactions confirm use of correct proportionality percentages? (For leveraged states, note the proportionality ratio being used for Federal cash draws in the Comments section)			Y						State used correct proportionality percentages.	State accounting records		
6	Were any erroneous payments/cash draws/disbursements identified?				N			N			Audit report		
	a. Has the State taken action to correct identified erroneous payment? If so, please describe in the Comments section					NA			NA				
	b. Does the State have internal controls to safeguard against erroneous payments during the cash draw and disbursement processes?			Y			Y				Procedures manuals		

Required Financial Elements

Review Item and Questions to Answer			Base			ARRA			Comments	Data Sources	Follow up Y/N	PER Citation
			Yes	No	N/A	Yes	No	N/A				
2.8 Timely and Expeditious Use of Funds												
1	Is the State using SRF funds in a timely and expeditious manner?			Y					Cumulative fund utilization for SFY 2012 is 113%, which exceeds the national average.	State accounting records		
	a. Does the fund have large uncommitted balances?				N							
	b. Does the fund have large balances of undrawn federal and state funds?				N				Federal unliquidated balance at end of SFY 2012 was 16%, a decrease from previous year.			
	c. Are the uncommitted balances growing at a faster annual percentage rate than the growth of the total assets of the SRF?				N							
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				State needs to reaccess plan to improve pipeline and secure sufficient projects for long-term as discussed in PER.		Y	See comments in PER
	a. 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						
3	Were all ARRA funds under contract or construction by February 17th, 2010?						Y			Project Files		
4	Is the State disbursing ARRA funds in a timely and expeditious manner?						Y		During SFY 2012, the State drew approximately \$270 million in ARRA funds which represents 96% of the total ARRA allotment.	Project Files		
2.9 Financial Management												
1	Is the SRF program's financial management designed to achieve both short- and long -term financial goals?			Y					Financial advisor is assisting with long-term planning and review of fiscal impacts.	Staff interviews		
	a. Do Financial Indicators show progress in the program in funding the maximum amount of assistance to achieve environmental and public health objectives?			Y					State is providing subsidy to SRF recipients without compromising health of fund.			
2	Does the State have a long-term financial plan to direct the program?			Y					Financial advisor has developed plan with ongoing updates.	Staff interviews		
	a. Was financial modeling used to develop the plan?			Y								
	b. Is the plan periodically reviewed and updated?			Y								
	c. Does planning address types of assistance and terms, use of leveraging, and transfers or cross-collateralization between programs?			Y					State may leverage in the near term.			
3	If the State leverages, is its leveraging activity consistent with the accepted leveraging structure? (N/A if the State does not leverage)			Y					State has not leveraged since 2002.			
	a. Are leverage and state match bond documents consistent with SRF regulations?			Y								
4	Does the State have a financial plan that incorporates the long-term impacts of ARRA?						Y		Long-term impacts of ARRA are considered in future program planning.	Staff interviews		
	a. If the State leveraged its ARRA funds, are the ARRA requirements being applied to the loans made from the leveraged bond proceeds?							NA		Project files		
5	Are net bond proceeds, interest earnings, and repayments being deposited into the fund?			Y				NA				

Required Financial Elements

Review Item and Questions to Answer		Base			ARRA			Comments	Data Sources	Follow up Y/N	PER Citation
		Yes	No	N/A	Yes	No	N/A				
6	Are ARRA repayments being deposited into the base SRF fund?				Y				State accounts		
7	Has the State resolved any issues related to loan restructuring, the potential for defaults, and the timeliness of loan repayments?	Y					NA	The CWSRF has two bad debts totaling \$9.356 million. The State is seeking payment through legal means and the restructuring of the assistance agreement.	Staff interviews		

Required Financial Elements

Review Item and Questions to Answer	Base			ARRA			Comments	Data Sources	Follow up Y/N	PER Citation
	Yes	No	N/A	Yes	No	N/A				
2.10 Compliance with Audit Requirements										
1 Are annual audits being conducted by an independent auditor?	Y			Y			Unqualified audit opinion. CliftonLarsonAllen CPA Firm for year ending June 30, 2012	Audit report		
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 Has the program implemented prior audit recommendations and/or recommendations in the "management" letter?			NA			NA		Audit report/Staff Interviews		
3 Did the most recent audit confirm compliance with State laws and procedures?	Y			Y				Audit report		
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				
4 Did the most recent audit find that state cash management and investment practices consistent with State law, policies, and any applicable bond requirements?	Y			Y			The California State Treasurer's Ofc administers a pooled investment program for the State. Investment Fund administered by State Treasurer's Ofc and adheres to State investment policies.	Audit report		
a. Is the SRF earning a reasonable rate of return on invested funds?	Y			Y						
5 Did the most recent audit find State accounting procedures adequate for managing the SRF?	Y			Y			Internal controls and accounting procedures appear adequate.	Audit report		
a. Do the State's accounting procedures include internal control procedures for state-purchased equipment?	Y			Y			State has SOP for the procurement of equipment.			
6 Is the State managing and accounting for ARRA funds separately from the base SRF program funds?				Y			Separate fund maintained for ARRA funds.	State accounts		
a. Are State accounting procedures adequate for managing ARRA?				Y				Staff interviews		
7 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			This requirement is stated in the Assistance Agreement.	Staff interviews		
a. Are assistance recipients providing single audit reports?							Recipient Single Audit Reports sent to DAS for review.	Project files		
b. Is the State reviewing assistance recipients' audits and resolving issues?	Y			Y				Project files		

Attachment 2

CWSRF ARRA Transaction Testing Sheets



Cash Draw Testing Checklist: For Regional Review of State CWSRF and DWSRF

State: CA

Indicate CW/DW and Base/ARRA Review: CW ARRA SRF

Reviewer: Gwen Brown

Review Date: Dec 11, 2012

Cash Draw Amount: \$1,648,268 (Draw #2) (Schedule #6172317)

Cash Draw Date: 03/13/2012

Purpose of Cash Draw (Loan, Admin or Set-Aside): Loan

Grant Number: 2W-060002-09

Review Item	Yes	No	N/A	Descriptions/Comments
1. The State is reviewing and approving invoices in a timely manner	X			
2. State accounting records accurately reflect the cash draw	X			
3. Funds are being disbursed to recipients in a timely manner following requests for reimbursement and cash draw	X			
4. ARRA: Disbursements were only made for ARRA-eligible costs (no casino, gambling establishment, zoo, aquarium, golf course or swimming pool, or for CWSRF only, land purchase)	X			
5. ARRA: Cash draws were only drawn from the ARRA grant	X			
6. Base: State used the correct proportionality ratio to calculate value drawn	X			

Project Name: Eastern Municipal WaterDistrict, Moreno Valley Reg. WW			Project Number: Loan C-06-5100-	
Disbursement Request Date: 01/24/2012			Erroneous Payment (Yes/No?): No	
Invoice Date	Invoice Number	Invoice Amount	Payee	Notes on Invoice
6-Mar-12	08845550-0/13	\$1,684,268.00	Eastern Municipal Water District	See Pymt 13, JE 004107 and JE B0041988
Invoiced Total		\$1,684,268.00	Explanation If Paid Amount is Different from Invoiced Total:	
Amount Paid from Other Sources				
Amount Paid from SRF ARRA or base funds (as applicable):		\$1,684,268.00	Additional Notes: Construction costs: \$1,340,129; Construction Mgt costs: \$308,139. See notes to invoice (12 pgs)	

Project Name: same as above			Project Number: same as above	
Disbursement Request Date:			Erroneous Payment (Yes/No?):	
Invoice Date	Invoice Number	Invoice Amount	Payee	Notes on Invoice
Invoiced Total		\$0.00	Explanation If Paid Amount is Different from Invoiced Total:	
Amount Paid from Other Sources				

Appendix D Transaction Testing Worksheet: For Regional Review of State CWSRF and DWSRF

State: CA
 Indicate CW/DW Review: DW ARRA Review
 Reviewer: Gwen Brown
 Review Date: April 2-3, 2013

Cash Draw Amount: \$1,798,646
 Cash Draw Date: 9/12/12
 Purpose of Cash Draw (Loan, Admin or Set-Aside): Loan
 Grant Number: 2W-06000209

Review Item	Yes	No	N/A	Descriptions/Comments
1. The State is reviewing and approving invoices in a timely manner	X			
2. State accounting records accurately reflect the cash draw	X			
3. Funds are being disbursed to recipients in a timely manner following requests for reimbursement and cash draw	X			
4. State used the correct proportionality ratio to calculate value drawn (enter the proportionality ratio from the State's IUP or grant application in the Comments section)				
5. If State is drawing 100% federal funds, the entire state match was disbursed prior to federal draws				
			X	100% Fed

Project Name: Eastern Municipal Water District			Project Number: C-06-5100-110 (08-845-550) Sect E, Draw #14	
Disbursement Request Date:			Improper Payment (Yes/No): No	
Improper Payment Resolution:				
Invoice Date	Invoice Number	Invoice Amount	Payee	Notes on Invoice
		\$1,690,107.00	J.R. Filance	Contract Project Estimates
		\$101,072.00	J.R. Filance	Admin Allowances
		\$7,467.00	J.R. Filance	Valve Engineering
Invoiced Total		\$1,798,646.00	Explanation If Paid Amount is Different from Invoiced Total:	
Amount Paid from Other Sources				
Amount Paid from SRF funds:		\$1,798,646.00	Additional Notes:	

Project Name:			Project Number:	
Disbursement Request Date:			Improper Payment (Yes/No):	
Improper Payment Resolution:				
Invoice Date	Invoice Number	Invoice Amount	Payee	Notes on Invoice
Invoiced Total		\$0.00	Explanation If Paid Amount is Different from Invoiced Total:	

Appendix D Transaction Testing Worksheet: For Regional Review of State CWSRF and DWSRF

Amount Paid from Other Sources		
Amount Paid from SRF funds:	\$0.00	Additional Notes:

Project Name:			Project Number:		
Disbursement Request Date:			Improper Payment (Yes/No):		
Improper Payment Resolution:					
Invoice Date	Invoice Number	Invoice Amount	Payee	Notes on Invoice	
Invoiced Total		\$0.00	Explanation If Paid Amount is Different from Invoiced Total:		
Amount Paid from Other Sources					
Amount Paid from SRF funds:		\$0.00	Additional Notes:		

Total SRF Disbursements	\$1,798,646.00	
Total Cash Draw Amount:	\$1,798,646.00	
State Match Amount(if applicable):		
Improper Payment Amount (if applicable):		

J.R. Filance Construction Invoices:									
Number:	Amount:	Date:	Notes:						
1103_30	\$123,050	20-Nov-11	MVRWRF SCATT Project, Moreno Valley Regional Water Reclamation Facility						
1103_31	\$113,489	1-Dec-11	MVRWRF SCATT Project, Secondary Clarifiers and Tertiary Treatment						
1103_32	\$1,453,568	6-Jan-12	(supported by 18 pages of costs)						
	\$1,690,107								

C-06-5100-110, Eastern MWD, SCATT						
Admin Costs:						
Page	Vendor	Amount	Invoice #	Date	Notes:	
						Admin Costs:
5	Consultants - Engineering/Carollo Engineerings	\$14,261.60	122595	12-Jun-12		14261.6
						2172.03
6	Consultants - Engineering/Elan Associates LTD	\$230.89	5007-02K-10CG	30-Nov-11	(Part of \$4,082.50)	4547.17
		\$319.50	5007-02K-11CG	31-Dec-11	(Part of \$3,514.50)	1792.45
		\$727.75	5007-02K-01CG	31-Jan-12	(Part of \$6,070.50)	950
		\$417.48	5007-02K-03CG	31-Mar-12	(Part of \$4,544)	16062.64
		\$14.20	5007-02K-03CG	30-Apr-12	(Part of \$4,153.50)	2,877.00
		\$89.46	5007-02K-03CG	31-May-12	(Part of \$2,662.50)	11,611.68
		\$372.75	5007-02K-03CG	30-Jun-12	(Part of \$5,964)	46962.09
		\$2,172.03	(cumulative)			-164.84
						101071.82
7	Consultants - Engineering/Converse Consultants	\$4,547.17	06-81211-30-00	2-Dec-11		
8	Consultants - Engineering/3QC Inc. Consultant	\$896.22	55351	30-Nov-11		
		\$448.12	55397	12-Dec-11		
		\$448.11	55435	31-Jan-12		
		\$1,792.45	(cumulative)			
9	Consultants - Engineering/Kazarrians & Associates	\$950	5306.42.01	3-Apr-12		
10	Outside Svcs - Others/Minders Protective Svcs	\$1,046.89	0808-2720	12-Dec-11	(Part of \$2,093.90)	
		1,021.77	0808-2729	17-Dec-11	(Part of 2,043.64)	
		837.52	0808-2737	10-Jan-12	(Part of 2,043.64)	
		\$1,046.89	0808-2745	23-Jan-12	(Part of \$2,093.90)	
		\$1,046.89	0808-2756	6-Feb-12	(Part of \$2,093.90)	
		\$1,046.89	0808-2765	20-Feb-12	(Part of \$2,093.90)	
		\$1,046.89	0808-2774	5-Mar-12	(Part of \$2,093.90)	
		\$1,046.89	0808-2782	19-Mar-12	(Part of \$2,093.90)	
		\$1,046.89	0808-2790	2-Apr-12	(Part of \$2,093.90)	
		\$1,046.89	0808-2800	16-Apr-12	(Part of \$2,093.90)	
		\$1,046.89	0808-2810	30-Apr-12	(Part of \$2,093.90)	
		\$1,046.89	0808-2822	14-May-12	(Part of \$2,093.90)	
		\$1,046.89	0808-2831	29-May-12	(Part of \$2,093.90)	
		\$942.20	0808-2840	11-Jun-12	(Part of \$2,093.90)	
		\$1,221.88	0808-2851	25-Jun-12	(Part of \$2,443.90)	
		\$523.48	0808-2861	9-Jul-12	(Part of \$1,884.51)	
		\$16,062.64				
		(\$164.84)	(discounts)			
		\$15,897.80	(cumulative)			
11	Outside Svcs - Others/Goodwin Insurance Agency	\$2,877	0808-4258	13-Apr-12		
12	Water Quality Treatment & Solutions	\$7,860.50	12-1811	9-Jan-12		
		\$3,751.18	12-1825	2-Feb-12		
		\$11,611.68	(cumulative)			
13	Engineering Labor (From 12/1/11 - 6/30/12)					
	Direct Labor	\$14,853.45				
	Engineering Labor	4,089.41				
	Construction Admin Labor	3,714.86				
	Project Spec. Labor	10,847.69				

	Inspection Labor	13,456.68					
		\$46,962.09	(Cumulative)				
15	Valve Engineering Costs Accrued						
	Consultants Engineering /Elan Assoc LTD	\$7,466.76	5007-02G-02	21-Feb-08	(Part of \$14,933.51)		

Materials on Hand = \$146,049				J.R. Filance Construction Co.			
Construction Invoices (cumulative) \$357,837							
Item #	Description	Amount	Location				
9	By-Pass Pumping	\$50,000	Pg 1 of 13				
26	Area 44 Sc Eq Hand Rail Drawing	\$17,335	Pg 2 of 13				
67	Instrument Loop	\$15,000	Pg 3 of 13				
71	Curb & Gutter Sidewalk Culverts	\$5,457	Pg 4 of 13				
74	Misc sitework	\$12,300	Pg 4 of 13				
87	6" Utility Water	\$28,546	Pg 4 of 13				
104	54" FE(future) 25	\$8,219	Pg 5 of 13				
120	Set Manholes & PB's in Tertiary Area	\$2,161	Pg 6 of 13				
121	Install Duct Banks 08 & 09	\$2,400	Pg 6 of 13				
131	Pull Wire in Duct Banks	\$2,500	Pg 6 of 13				
132	Pull Wire in Duct Banks	\$2,500	Pg 6 of 13				
133	Pull Wire in Duct Banks	\$1,000	Pg 6 of 13				
134	Pull Wire in Duct Banks	\$1,500	Pg 6 of 13				
135	Pull Wire in Duct Banks	\$500	Pg 6 of 13				
140	Mechanical	\$5,346	Pg 7 of 13				
141	Area 13 Conduit/Spts	\$516	Pg 7 of 13				
146	Mechanical	\$2,404	Pg 7 of 13				
149	Area 14 Pull Wire, Test and Loop Check	\$500	Pg 7 of 13				
156	Ara 20 Pull Wire, Test and Loop Check	\$500	Pg 7 of 13				
168	Existing Clarifiers No 1 an 2	\$2,717	Pg 8 of 13				
170	Area 24 Pull Wire/Set Instruments/Terminate Loop Check	\$655	Pg 8 of 13				
175	Area 25 Above Ground Conduit/Supports	\$1,750	Pg 8 of 13				
183	Area 26 Set Electrical Equipment	\$1,000	Pg 9 of 13				
190	Area 27 Set Electrical Equipment	\$400	Pg 9 of 13				
191	Area 27, Pull Wire, Test and Loop Check	\$450	Pg 9 of 13				
195	Area 31, Set Electrical Equipment	\$3,700	Pg 9 of 13				
197	Area 31, Pull Wire, Test and Loop Check	\$3,100	Pg 9 of 13				
202	Area 32, Set Electrical Equipment	\$1,500	Pg 10 of 13				
203	Area 32, Pull Wire, Test and Loop Check	\$1,100	Pg 10 of 13				
211	Area 35, Lighting fixtures, conduit, wire, complete system	\$2,500	Pg 10 of 13				
212	Area 35, Pull Wire, Test and Loop Check	\$1,675	Pg 10 of 13				
218	Area 35, Pull Wire, Test and Loop Check	\$2,100	Pg 10 of 13				
223	Mechanical	\$3,546	Pg 11 of 13	Note:	Cumulative categories...		
226	Area 40, Pull Wire, Test and Loop Check	\$1,250	Pg 11 of 13	Contract Item Subtotal:			357,837
232	Area 41, Set Electrical Equip	\$600	Pg 11 of 13	Material on Hand:			\$1,461,049
233	Area 41, Pull Wire, Test and Loop Check	\$1,450	Pg 11 of 13	Less Retention:			(\$128,779)
236	Area 44 Demo/Shutdowns	11,212	Pg 11 of 13	Total Construction Costs:			1,690,107
237	Area 44 Excavation/Base/Backfill	29,692	Pg 11 of 13				
238	Area 44 Structure	83,042	Pg 11 of 13				
239	Area 44 Mechanical	26,000	Pg 11 of 13				
240	Area 44 Finishes, coatings, special construction, misc	1,600	Pg 11 of 13				
242	Area 45 Conduit/supports	600	Pg 11 of 13				
243	Area 45, Pull Wire, Test and Loop Check	1,000	Pg 11 of 13				
245	Area 70, Mechanical	2,855	Pg 12 of 13				
246	Area 70, Conduits, Tray/Supports	3,000	Pg 12 of 13				
250	Area 70, Pull Wire, Test and Loop Check	1,965	Pg 12 of 13				
253	Area 71, Mechanical	2,440	Pg 12 of 13				
257	Area 71, Lighting Fixtures, Conduit, Wire, Complete system	960	Pg 12 of 13				
258	Area 71, Pull Wire, Test and Loop Check	1,100	Pg 12 of 13				
259	Finishes, coating, special construction, misc	2,208	Pg 12 of 13				
261	Area 72, Mechanical	1,071	Pg 12 of 13				
266	Ara 72, Pull Wire, Test and Loop Check	915	Pg 13 of 13				
		\$357,837	(cumulative)				

Construction Invoices:							
Invoices for 1103S_30							
Line Item	Description	Costs	Location				
7600	Misc Site Work	12300	Pg 4 of 18				
12200	Set manholes	2161	Pg 6 of 18				
12300	Install ductbank	2400	Pg 6 of 18				
13300	Pull Wire, Test and Loop Check	2500	Pg 7 of 18				
13400	Pull Wire, Test and Loop Check	2500	Pg 7 of 18				
13700	Pull Wire, Test and Loop Check	500	Pg 7 of 18				
14400	Mechanical	3346.2	Pg 7 of 18				
15100	Mechanical	2404	Pg 8 of 18				
16200	Area 20 Pull Wire, Test and Loop Check	500	Pg 8 of 18				
17600	Existing Clarifiers No 1 &2	2716.7	Pg 9 of 18				
17800	Area 24 Pull Wire/Set Instrument/ Terminate Loop Check	655	Pg 9 of 18				
18400	Area 25 Above Ground Conduit	1750	Pg 9 of 18				
19300	Area 26 Set Elect Equip	1000	Pg 10 of 18				
20200	Area 27, Pull Wire, Test and Loop Check	400	Pg 10 of 18				
20300	Finishes, Coating, Special Construction	450	Pg 10 of 18				
20700	Area 31 conduit/Supports	3700	Pg 10 of 18				
20900	Area 31, Pull Wire, Test and Loop check	1500	Pg 11 of 18				
21600	Area 31, Pull Wire, Test and Loop check	1500	Pg 11 of 18				
21700	Area 32, Finishes, Coating, & Special Construction	1100	Pg 11 of 18				
22500	Area 35, Lighting Fixtures, Conduit, Wire...	2500	Pg 11 of 18				
22600	Area 35, Pull Wire, Test and Loop check	675	Pg 11 of 18				
23900	Mechanical	3546.2	Pg 12 of 18				
24300	Finishes, Coating, Special Construction	1250	Pg 12 of 18				
24900	Area 41 Set Electrical Equip	600	Pg 12 of 18				
25000	Area 41 Pull Wire, Test and Loop Check	1450	Pg 13 of 18				
25400	Demo/Shutdowns	11212	Pg 13 of 18				
25500	Excavation/Base/Backfill	26692	Pg 13 of 18				
25600	Structure	83042	Pg 13 of 18				
25700	Mechanical	26000	Pg 13 of 18				
25800	Finishes, Coating, Special Construction	1600	Pg 13 of 18				
26100	Area 45, Set Electical Equipment	600	Pg 13 of 18				
26200	Area 45, Pull Wire Test and Loop Check	1000	Pg 13 of 18				
26500	Mechanical	2855	Pg 13 of 18				
26600	Area 70 Conduits, Tray/Spts	3000	Pg 13 of 18				
27400	Mechanical	2440	Pg 14 of 18				
27800	Area 71 Lighting Fixtures, Conduit, Wire	960	Pg 14 of 18				
28000	Finishes, Coating, Special Construction	2208.5	Pg 14 of 18				
28300	Mechanical	1071	Pg 14 of 18				
28800	Area 72 Pull Wire Test and Loop Check	915	Pg 14 of 18				
41510	PCO #26A - Misc/Unknown Conditions (T&M)	20000	Pg 17 of 18				
42510	CO#31A - Delete Inlet Structure at EQ Ponds	-124,352	Pg 18 of 18				
42610	CO#31B - Diff btwn COE63 & PCO29, 15Cal Day Ext	10406	Pg 18 of 18				
		123053.6					
		Note: Amount of invoices exceeds the amount that was paid.					

Construction Invoices:									
Invoices for 11035_31									
Line Item	Description	Costs	Location						
2700	Area 44 Basins Misc	17335	Pg 2 of 18						
6800	Instrument Loop Drawings	15000	Pg 4 of 18						
7300	Curb & Gutter/Sidewalk/Culverts	\$5,457	pg 4 of 18						
8900	6" Utility Water	28546	Pg 5 of 18						
10600	54" FE (Future) 25	8219	Pg 6 of 18						
13500	Pull Wire, Test and Loop Check	1000	Pg 7 of 18						
13600	Pull Wire in Ductbank	1500	Pg 7 of 18						
14400	Mechanical	2000	Pg 7 of 18						
14500	Area 13 Conduit/Spts	516	pg 8 of 18						
15550	Finishes, coatings, spec construction misc	500	pg 8 of 18						
20900	Area 31 Pull wire, test and loop check	1600	pg 11 of 18						
22600	Area 35 Pull wire, test and loop check	1000	pg 11 of 18						
23300	Area 36 Pull wire, test and loop check	2100	pg 12 of 18						
25500	Excavation/base/backfill	3000	pg 13 of 18						
27000	Area 70, pull wire test and loop check	1965	Pg 13 of 18						
27900	Area 71, pull wire test and loop check	1100	pg 14 of 18						
42010	CO#28B - Provide Alum. Trad Plate over Open Trench	843	pg 18 of 18						
42710	CO#32A-Rewire & provide contacts to Elim Latching	5163	Pg 18 of 18						
42810	CO#32B Wiring for Ext San Filter Flash Mix Pump	16684	pg 18 of 18						
		113528.3							
			Note:	Amount of invoices exceed the amount paid.					
				Amount paid was \$113,489.					
Invoice for 1103S_32 for \$1,453,568 = remaining costs due for 100% completion of project.									

Cash Draw Testing Checklist: For Regional Review of State CWSRF and DWSRF

Amount Paid from SRF ARRA or base funds (as applicable):	\$0.00	Additional Notes:
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Project Name:			Project Number:	
Disbursement Request Date:			Erroneous Payment (Yes/No?):	
Invoice Date	Invoice Number	Invoice Amount	Payee	Notes on Invoice
Invoiced Total		\$0.00	Explanation If Paid Amount is Different from Invoiced Total:	
Amount Paid from Other Sources				
Amount Paid from SRF ARRA or base funds (as applicable):		\$0.00	Additional Notes:	

Total ARRA or SRF Disbursements (as applicable):	\$1,684,268.00		
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Page 1 of 12 pages		(Construction Costs Transaction Testing; Tracking Report Items to EMWD's invoices/spt docs (27-29))									
Pre-negotiated Contract Bid Items:				Cost:			Note: Recipient Agency: Eastern Municipal Water District				
Item 2				5,748			Contractor: J.R. Filanc Construction Company Inc.				
Item 5				15,000.00			Project: C-06-5100-110				
Item 7				40,320			Agreement: 8-845-550				
Procurement Items:							Estimates (pgs 27-29)				
Item 15				1983							
Item 16				383							
Item 17				4200			Pg 1:	76293			
Item 21				1402			Pg 2:	36854			
Item 22				7257			Pg 3:	473426			
				76,293			Pg 4:	35472			
							Pg 5:	39961			
							Pg 6:	67085			
Page 2 of 12 pages							Pg 7:	84176			
Contract Bid Items:							Pg 8:	86,810			
Item 24				3020			Pg 9:	117151			
Item 25				4015			Pg 10:	142548			
Item 30				3115			Pg 11:	134022			
Item 40				10000			Pg 12:	54048			
Item 42				2594				1347846			
Item 43				7,594.00							
Item 44				6516			Note: \$1,347,846 less \$7,717 retention = \$1,340,129				
				36854							
Page 3 of 12 pages											
Contract Bid Items:											
Item 49				42,908							
Item 52				44149							
Item 53				22980							
Item 65				14500							
Item 66				6651							
Item 68				24000							
Civil/Site											
Item 69				16008							
Item 70				268,000.00							
Item 71				30030							
Item 72				4200							
				473,426							
Page 4 of 12 pages											
Contract Bid Items:											
Item 74				12300							
Item 83				1829							
Item 84				13445							
Item 91				5928							
Item 94				187							
Item 95				1783							
				35472							
Page 5 of 12 pages											
Contract Bid Items:											
Item 102				9268							
Item 103				1825							
Item 105				2269							
Item 107				8240							
Item 109				3980							
Item 115				10149							
Item 122				4230							
				39961							

Page 6 of 12 pages												
Contract Bid Items:												
Item 123				9500								
Item 126				1300								
Item 132				17500								
Item 133				4000								
item 134				8500								
Item 136				1500								
Structure by Area 8												
Filter M/H/INF/SP/Drain PS:												
Line 137				679								
Line 138				2268								
Plant 1 Aeration Basin:												
Line 139				1840								
Line 140				19578								
Line 144				420								
				67085								
Page 7 of 12 Pages												
Area 14 Plan 1 Blower Bldg:												
Line 145				2887								
Line 146				1500								
Line 150				1125								
Area 20 Plant 1 Secondary Polyner Facility:												
Line 154				19895								
Line 155				3100								
Line 156				500								
Line 157				15088								
Area 21 Plant 2 Aeration Basin Effluent Splitter Box:												
Line 160				1835								
Line 161				9686								
Line 162				5600								
Area 23-24 Secondary Claifiers:												
Line 164				11480								
Line 165				11480								
				84176								
Page 8 of 12 Pages												
Area 23-24 Secondary Claifiers:												
Line 166				476								
Lline 167				3289								
Line 168				31617								
Line 169				1470								
Line 171				700								
Line 172				21578								
Area 25 RAS/WAS Pump Station:												
Line 174				3941								
Line 175				2000								
Line 177				1500								
Line 178				13200								
Area 26 Plan 2 Secondary Polymer Facility:												
Line 180				1930								
Line 181				875								
Line 182				675								
Line 183				1000								
Line 185				2559								
				86810								
Page 9 of 12 Pages												
Area 26 Plan 2 Secondary Polymer Facility:												
Line 189				3818								

Line 192				638								
Area 31 Filter Influent Pump Station:												
Line 193				1400								
Line 194				25448								
Line 195				8500								
Line 196				5800								
Line 198				7200								
Area 32 Flow Control Valve Station:												
Line 199				5190								
Line 200				6053								
Line 201				7200								
Line 202				2000								
Line 203				1000								
Line 204				5600								
Area 35 Tertiary Filters:												
Line 205				3200								
Line 206				7499								
Line 207				9962								
Line 208				13318								
Line 209				3325								
				117151								
Page 10 Of 12 Pages												
Area 35 Tertiary Filters:												
Line 211				7500								
Line 212				4000								
Line 213				26745								
Area 36 Tertiary Chemical Bldg Modification:												
Line 215				7473								
Line 216				2600								
Line 217				3280								
Line 218				6000								
Line 219				3085								
Area 40 Chlorine Induction Box/Splitter Box:												
Line 220				3976								
Line 222				4617								
Line 223				3000								
Line 224				16550								
Line 225				6600								
Line 226				1250								
Line 227				4000								
Area 41 Chlorine Contact Basins:												
Line 228				730								
Line 229				10232								
Line 230				5395								
Line 231				25515								
				142548								
Page 11 of 12 Pages												
Area 41 Chlorine Contact Basins:												
Line 232				13600								
Line 233				5450								
Line 234				10120								
Line 235				23800								
Area 45 Tertiary Effluent Pump Station:												
Line 241				2550								
Line 242				950								
Line 243				3100								
Area 70 Tertiary Filter Electrical Bldg:												
Line 244				6096								
Line 245				5000								
Line 246				12900								

Line 247				7300								
Line 249				2550								
Line 250				12815								
Line 251				24054								
Area 71 Secondary Clarifer Electrical Bldg:												
Line 252				3737								
				134022								
Page 12 of 12 Pages												
Area 71 Secondary Clarifer Electrical Bldg:												
Line 253				2500								
Line 254				5490								
Line 256				900								
Line 257				2000								
Line 258				1000								
Line 259				16217								
Area 72 RAS/WAS Electrical Bldg:												
Line 260				1993								
Line 261				8500								
Llne 267				15448								
				54048								

EMWD's Invoices for Pymt #13:												
Invoice #:		Amount:		Check #	Date:							
1103-27		594020.22		494011	9/12/2011							
1103-28		455158.49		495352	10/20/2011							
1103-29		290950.06		496846	11/21/2011							
Note: All 3 payments were for Contract Progress Estimates for JR Filanc Construction Company.												
Allowance = contractor's version of our administrative costs.												
Allowances/Construction Management Cost for Pymt 13:												
Ref Pg:	Amount:		Contractor/Purpose:				Invoice #		Amount:	Date:	Check #:	
3	171261.9		Carollo Engineering for Consultants -Engineering				117841		same	Sep 7 2011		
4	1702		Elan Assoc LTD for Consultants- Engineering				5007-02K-07CG		568	n/a	494579	
			Elan Assoc LTD for Consultants- Engineering				5007-02K-08		34.5	n/a	494579	
			Elan Assoc LTD for Consultants- Engineering				5007-02K-08CG		887.5	n/a	495710	
			Elan Assoc LTD for Consultants- Engineering				5007-02K-09CG		177.5	n/a	497035	
			Elan Assoc LTD for Consultants- Engineering				5007-02K-10		34.5	n/a	497175	
5	7700.21		Converse Consultants for Consultants-Engineering				06-81211-30-0000026		4761.07	n/a	494434	
			Converse Consultants for Consultants-Engineering				06-81211-30-0000027		2939.14	n/a	497175	
6	5376.87		3QC Inc for Consultants- Engineering				55118		1792.33	n/a	494496	
			3QC Inc for Consultants- Engineering				55154		1792.27	n/a	495580	
			3QC Inc for Consultants- Engineering				55246		1792.27	n/a	496990	
7	2156.25		Cox Industrial Service for Outside Services				16053-3		same	n/a	494953	
8	6872.1		Minders Protective Svcs for Outside Services - others				Note: \$6941.58 less \$69,48 for discounts...					
			Minders Pr`				0808-2656		1058.6	n/a	494227	
			Minders Protective Svcs for Outside Services - others				0808-2664		947.72	n/a	494786	
			Minders Protective Svcs for Outside Services - others				0808-2673		1064.88	n/a	495214	
			Minders Protective Svcs for Outside Services - others				0808-2682		1046.05	n/a	496051	
			Minders Protective Svcs for Outside Services - others				0808-2691		1046.05	n/a	496506	
			Minders Protective Svcs for Outside Services - others				0808-2700		941.44	n/a	497069	
			Minders Protective Svcs for Outside Services - others				0808-2711		836.84	n/a	497487	
9	13,197.29		Water Quality & Treatment Solutions (WQTS)				11-1748		6940	n/a	493975	
			Water Quality & Treatment Solutions (WQTS)				11-1759		560	n/a	494754	
			Water Quality & Treatment Solutions (WQTS)				11-1776		3897.4	n/a	496078	
			Water Quality & Treatment Solutions (WQTS)				11-1787		1799.89	n/a	497118	
Note: Pg 10 shows Engineering labor costs. Project Cost Tracking System Report shows the following columns:												
Direct Labor:			15,258.47	Date, ID, Description of Item (name of person), Hours, Amount, plus balance due.								
Engineering Labor:			7625.06	Chart of Account Numbers precedes each category...								

Construction Admin Labor:		3906.31								
Project Spec. Labor		14691.77		15150 = Direct Labor						
Inspection Labor:		58390.57		15151 = Engineering Labor						
		99,872.18		15154 = Construction Admin Labor						
				15156 = Project Specialist Labor						
				15157 = Inspection Labor						

Attachment 3 CWSRF Base Transaction Testing Sheets

Appendix D Transaction Testing Worksheet: For Regional Review of State CWSRF and DWSRF

State: CA
Indicate CW/DW Review: CW
Reviewer: Josh Amaris
Review Date: 4/3/13

Cash Draw Amount:	\$ 1,544,001.00
Cash Draw Date: 9/27/12	
Purpose of Cash Draw (Loan, Admin or Set-Aside): loan	
Grant Number: cs06000110	

Review Item	Yes	No	N/A	Descriptions/Comments
1. The State is reviewing and approving invoices in a timely manner	Yes			
2. State accounting records accurately reflect the cash draw	Yes			
3. Funds are being disbursed to recipients in a timely manner following requests for reimbursement and cash draw	Yes			
4. State used the correct proportionality ratio to calculate value drawn (enter the proportionality ratio from the State's IUP or grant application in the Comments section)	Yes			State drew 100% fed as State Match was already 100% drawn down.
5. If State is drawing 100% federal funds, the entire state match was disbursed prior to federal draws	Yes			

Project Name: Rio Dell			Project Number: 7401-110	
Disbursement Request Date: 8/29/12			Improper Payment (Yes/No): No	
Improper Payment Resolution:				
Invoice Date	Invoice Number	Invoice Amount	Payee	Notes on Invoice
31-Aug-12	6	\$661,093.00	Wahlrud Construction	
Invoiced Total		\$661,093.00	Explanation If Paid Amount is Different from Invoiced Total: 1/2 SRF draw 1/2 paid from other source	
Amount Paid from Other Sources		\$330,547.00		
Amount Paid from SRF funds:		\$330,546.00	Additional Notes:	

Project Name: Heber PUD			Project Number: 5302-110	
Disbursement Request Date: 9/12/12			Improper Payment (Yes/No): No	
Improper Payment Resolution:				
Invoice Date	Invoice Number	Invoice Amount	Payee	Notes on Invoice
	12	\$1,161,762.00	W. M. Lyles Co. for Construction costs	
		\$51,693.00	for CM	

Appendix D Transaction Testing Worksheet: For Regional Review of State CWSRF and DWSRF

Invoiced Total	\$1,213,455.00	Explanation If Paid Amount is Different from Invoiced Total:	
Amount Paid from Other Sources			
Amount Paid from SRF funds:	\$1,213,455.00	Additional Notes:	

Project Name:	Project Number:
Disbursement Request Date:	Improper Payment (Yes/No):
Improper Payment Resolution:	

Invoice Date	Invoice Number	Invoice Amount	Payee	Notes on Invoice
Invoiced Total	\$0.00	Explanation If Paid Amount is Different from Invoiced Total:		
Amount Paid from Other Sources				
Amount Paid from SRF funds:	\$0.00	Additional Notes:		

Total SRF Disbursements	\$1,544,001.00	
Total Cash Draw Amount:		
State Match Amount(if applicable):		
Improper Payment Amount (if applicable):		

Appendix D Transaction Testing Worksheet: For Regional Review of State CWSRF and DWSRF

State: CA

Indicate CW/DW Review: CW

Reviewer: Josh Amaris

Review Date: 4/2/13

Cash Draw Amount: \$ 4,396,592.00

Cash Draw Date: 1/31/12

Purpose of Cash Draw (Loan, Admin or Set-Aside): Loan

Grant Number: cs06000110

Review Item	Yes	No	N/A	Descriptions/Comments
1. The State is reviewing and approving invoices in a timely manner	Yes			
2. State accounting records accurately reflect the cash draw	Yes			
3. Funds are being disbursed to recipients in a timely manner following requests for reimbursement and cash draw	Yes			
4. State used the correct proportionality ratio to calculate value drawn (enter the proportionality ratio from the State's IUP or grant application in the Comments section)	Yes			100% fed draw b/c 100% of state match already drawn
5. If State is drawing 100% federal funds, the entire state match was disbursed prior to federal draws	Yes			

Project Name: Redding Contract # 10-807-550			Project Number: 5835-110 Draw 1	
Disbursement Request Date:			Improper Payment (Yes/No): No	
Improper Payment Resolution:				
Invoice Date	Invoice Number	Invoice Amount	Payee	Notes on Invoice
4-Jan-12		\$1,630,354.00	Axner Excavating	
		\$31,390.00	Allowance Planning	
		\$561,786.00	Allowance Design	
		\$224,290.00	Allowance CM	
		\$18,285.00	Allowance Admin	
Invoiced Total		\$2,466,105.00	Explanation If Paid Amount is Different from Invoiced Total:1/2 Principal Forgiveness, 1/2 Repayment	
Amount Paid from Other Sources		\$1,233,053.00		
Amount Paid from SRF funds:		\$1,233,052.00	Additional Notes:	

Project Name: Redding Contract # 11-800-550			Project Number: 4971-240 Draw 1	
Disbursement Request Date:			Improper Payment (Yes/No):	
Improper Payment Resolution:				
Invoice Date	Invoice Number	Invoice Amount	Payee	Notes on Invoice
24-Oct-11		\$3,100,130.00	F & H Construction	
		\$22,723.00	Allowance Planning	
		\$2,322,937.00	Allowance Design	
		\$86,212.00	Allowance CM	
		\$8,562.00	Allowance Admin	
Invoiced Total		\$5,540,564.00	Explanation If Paid Amount is Different from Invoiced Total:1/2 Principal Forgiveness, 1/2 Repayment	
Amount Paid from Other Sources		\$2,770,282.00		
Amount Paid from SRF funds:		\$2,770,282.00	Additional Notes:	

Project Name: Santa Nella Contract #11-823-550			Project Number: 7132-110 Draw 3	
Disbursement Request Date:			Improper Payment (Yes/No): No	
Improper Payment Resolution:				
Invoice Date	Invoice Number	Invoice Amount	Payee	Notes on Invoice
1-Nov-11		\$365,167.00	Teichert Construction	
		\$24,571.00	Allowance CM	
		\$6,323.00	Allowance Admin	
Invoiced Total		\$396,061.00	Explanation If Paid Amount is Different from Invoiced Total: 1/2 Principal Forgiveness, 1/2 Repayment	
Amount Paid from Other Sources		\$198,030.00		
Amount Paid from SRF funds:		\$198,031.00	Additional Notes:	

Project Name: Susanville Contract # 10-824-550			Project Number: 5727-110 Draw 7	
Disbursement Request Date:			Improper Payment (Yes/No): No	
Improper Payment Resolution:				
Invoice Date	Invoice Number	Invoice Amount	Payee	Notes on Invoice
13-Dec-11		\$363,430.00	RTA Construction	
		\$24,538.00	Allowance CM	
		\$2,487.00	Allowance Admin	
Invoiced Total		\$390,455.00	Explanation If Paid Amount is Different from Invoiced Total: 1/2 Principal Forgiveness, 1/2 Repayment	
Amount Paid from Other Sources		\$195,228.00		

Appendix D Transaction Testing Worksheet: For Regional Review of State CWSRF and DWSRF

Amount Paid from SRF funds:	\$195,227.00	Additional Notes:
Total SRF Disbursements	\$4,396,592.00	
Total Cash Draw Amount:		
State Match Amount(if applicable):		
Improper Payment Amount (if applicable):		

Appendix D Transaction Testing Worksheet: For Regional Review of State CWSRF and DWSRF

State: CA
Indicate CW/DW Review: CW
Reviewer: Josh Amaris
Review Date: 4/2/13

Cash Draw Amount:	\$ 2,216,998.19
Cash Draw Date: 9/12/12	
Purpose of Cash Draw (Loan, Admin or Set-Aside): Loan	
Grant Number: cs0600010	

Review Item	Yes	No	N/A	Descriptions/Comments
1. The State is reviewing and approving invoices in a timely manner	Yes			
2. State accounting records accurately reflect the cash draw	Yes			
3. Funds are being disbursed to recipients in a timely manner following requests for reimbursement and cash draw	Yes			
4. State used the correct proportionality ratio to calculate value drawn (enter the proportionality ratio from the State's IUP or grant application in the Comments section)	Yes			State drew 100% fed as State Match was
5. If State is drawing 100% federal funds, the entire state match was disbursed prior to federal draws	Yes			

Project Name: Orange County: Construction			Project Number: 4463-110	
Disbursement Request Date: 8/6/12			Improper Payment (Yes/No): No	
Improper Payment Resolution:				
Invoice Date	Item Number	Invoice Amount	Payee	Notes on Invoice
6/30/2012	1	\$297,393.00	McCarthy Const	
	2	\$238,390.00	McCarthy Const	
	7	\$18,761.00	McCarthy Const	
	8	\$81,817.00	McCarthy Const	
	9	\$412,980.00	McCarthy Const	
	12	\$255,303.00	McCarthy Const	
	14	\$557,046.00	McCarthy Const	
Invoiced Total		\$1,861,690.00	Explanation If Paid Amount is Different from Invoiced Total: Amount previously paid \$1 Held by agency	
Amount Paid from Other Sources		\$1.00		
Amount Paid from SRF funds:		\$1,861,689.00	Additional Notes:\$1 Rounding error caused by Construction Contract Spreadsheet	

Project Name: Orange County: CM			Project Number: 4463-110	
Disbursement Request Date:			Improper Payment (Yes/No): No	
Improper Payment Resolution:				
Invoice Date	Invoice Number	Invoice Amount	Payee	Notes on Invoice
19-Jun-12	1141295	\$119,740.54	Black and Veatch	
7/3/2012	1141993	\$110,502.11	Black and Veatch	
7/5/2012	1207A020	\$164,403.43	Parsons Water and Infrastructure Inc	
5/11/2012	1138801	\$159,583.25	From Paymnet 7: Black and Veatch	

Appendix D Transaction Testing Worksheet: For Regional Review of State CWSRF and DWSRF

5/30/2012	1205A984	\$129,416.02	From Paymnet 7: Parsons Water and Infrastructure Inc	
Invoiced Total		\$683,645.35	Explanation If Paid Amount is Different from Invoiced Total:	
Amount Paid from Other Sources				
Amount Paid from SRF funds:		\$683,645.35	Additional Notes:	

Project Name: Orange County: Admin	Project Number: 4463-110
Disbursement Request Date:	Improper Payment (Yes/No): No
Improper Payment Resolution:	

Invoice Date	Invoice Number	Invoice Amount	Payee	Notes on Invoice
		\$63,453.37	Payment 8 Admin	
		\$62,145.83	From Payment 7 Admin costs not prior claimed	
Invoiced Total		\$125,599.20	Explanation If Paid Amount is Different from Invoiced Total:	
Amount Paid from Other Sources				
Amount Paid from SRF funds:		\$125,599.20	Additional Notes:	

Total SRF Disbursements	\$2,670,933.55	SRFFED 2010: \$2,216,998.19 SRFFED 2011: \$453,933.81
Total Cash Draw Amount:		
State Match Amount(if applicable):		
Improper Payment Amount (if applicable):		

Appendix D Transaction Testing Worksheet: For Regional Review of State CWSRF and DWSRF

State: California

Indicate CW/DW Review: CW (Waterboard - Cal EPA)

Reviewer: Abimbola Odusoga

Review Date: April 2, 2013

Cash Draw Amount: \$1,160,032.65 **Disbursement #2 - \$10,361,020.00**

Cash Draw Date: 3/16/2013

Purpose of Cash Draw (Loan, Admin or Set-Aside):

Grant Number: CS06000110

Review Item	Yes	No	N/A	Descriptions/Comments
1. The State is reviewing and approving invoices in a timely manner	Yes			
2. State accounting records accurately reflect the cash draw	Yes			
3. Funds are being disbursed to recipients in a timely manner following requests for reimbursement and cash draw	Yes			
4. State used the correct proportionality ratio to calculate value drawn (enter the proportionality ratio from the State's IUP or grant application in the Comments section)	Yes			State drew 100% fed as State Match was already 100% drawn down.
5. If State is drawing 100% federal funds, the entire state match was disbursed prior to federal draws	Yes			

Project Name: Orange County Water District			Project Number: 4463-110	
Disbursement Request Date: Mar 06 2012			Improper Payment (Yes/No):	
Improper Payment Resolution:				
Invoice Date	Invoice Number	Invoice Amount	Payee	Notes on Invoice
			CONSTRUCTION (McCarthy Building Company)- \$9,258,380.00	
2/23/2012	PRN 2	\$900,000.00	Mobilization/Demobilization - Contract	Bid 1 (\$900,000.00)
			Siemens Low Pressure MicroFiltration System	Bid 4 (\$5,070,592.85)
6-Dec-10	19731	\$1,416,468.75	Siemens Membrane - \$1,416,468.75	
2/23/2012	PRN 2	\$3,654,124.10	MicroFiltration system - \$3,654,124.10	
2/23/2012	PRN 2	\$3,368,937.00	Trojan Ultraviolet Light System	Bid 5 (\$3,368,937.00)
2/23/2012	PRN 2	-\$81,149.80	Reduction Factor	-0.8688852384%
			ALLOWANCES (Soft Costs)	
		\$14,102.77	Design	
		\$754,390.62	Management	
		\$334,146.88	Admin	
Invoiced Total		\$10,361,020.32	Explanation If Paid Amount is Different from Invoiced Total:	

Appendix D Transaction Testing Worksheet: For Regional Review of State CWSRF and DWSRF

Amount Paid from Other Sources		
Amount Paid from SRF funds:	\$10,361,020.32	Additional Notes:

Total SRF Disbursements	\$10,361,020.32	Split between FY10 (\$1,160,032.65) and FY11 (\$9,200,987.35) resulting from FIFO
Total Cash Draw Amount:	\$10,361,020.00	
State Match Amount(if	\$0.00	100% Federal Draw. State has over matched due to local credits. As shown on page 14 (Note 6, Table 2 - Capital contribution of
applicable):	\$0.00	

Appendix D Transaction Testing Worksheet: For Regional Review of State CWSRF and DWSRF

Draw \$10,361,020.00

Split FY10 and FY 11 FIFO

20%

FY 10 \$1,160,032.65 \$232,006.53

FY11 \$9,200,987.35 \$1,840,197.47
 \$10,361,020.00 \$2,072,204.00

\$7,819.97 \$892,180.03

\$5,070,592.85

Appendix D Transaction Testing Worksheet: For Regional Review of State CWSRF and DWSRF

State: CA SWRCB

Indicate CW/DW Review: CW SRF

Reviewer: Gwen Brown

Review Date: Apr 2-3, 2013

Cash Draw Amount:

\$ 1,641,966.00

Cash Draw Date: Apr 27, 2012

Purpose of Cash Draw (Loan, Admin or Set-Aside): Loan

Grant Number: CS-06000111

Review Item

1. The State is reviewing and approving invoices in a timely manner
2. State accounting records accurately reflect the cash draw
3. Funds are being disbursed to recipients in a timely manner following requests for reimbursement and cash draw
4. State used the correct proportionality ratio to calculate value drawn (enter the proportionality ratio from the State's IUP or grant application in the Comments section)
5. If State is drawing 100% federal funds, the entire state match was disbursed prior to federal draws

Yes No N/A Descriptions/Comments

x 83.33% = fed; 16.66% = local match

x

Project Name: Upper San Gabriel Valley WMD

Disbursement Request Date: Feb 15, 2012

Project Number: C-06-5115-110 (09-803-550) Sect E, Draw #3

Improper Payment (Yes/No): No

Improper Payment Resolution:

Invoice Date	Invoice Number	Invoice Amount	Payee	Notes on Invoice
		\$165,348.00	Pacific Tank and Construction, Inc	Planning
		\$679,641.00	Pacific Tank and Construction, Inc	Design
		\$472,398.00	Pacific Tank and Construction, Inc	Construction Management
		\$652,980.00	Pacific Tank and Construction, Inc	Construction
		-\$328,401.00	Pacific Tank and Construction, Inc	Allowances (local match)
Invoiced Total		\$1,641,966.00	Explanation If Paid Amount is Different from Invoiced Total: See SRF Schedule #61 72345, funded by both SRF loan and local match.	
Amount Paid from Other Sources			Request = \$1,970,367. Loan = \$1,641,966 (83.33%); local match = \$328,401 (16.66%), JE 0048199 dated 4/24/12.	
Amount Paid from SRF funds:		\$1,641,966.00	Additional Notes: Invoices reviewed exceeds amount paid.	

Project Name:

Project Number:

Disbursement Request Date:

Improper Payment (Yes/No):

Improper Payment Resolution:

Invoice Date	Invoice Number	Invoice Amount	Payee	Notes on Invoice
Invoiced Total		\$0.00	Explanation If Paid Amount is Different from Invoiced Total:	

Appendix D Transaction Testing Worksheet: For Regional Review of State CWSRF and DWSRF

Amount Paid from Other Sources			Additional Notes:	
Amount Paid from SRF funds:		\$0.00		
Project Name:				
Disbursement Request Date:		Project Number:		
Improper Payment Resolution:		Improper Payment (Yes/No):		
Invoice Date	Invoice Number	Invoice Amount	Payee	Notes on Invoice
Invoiced Total		\$0.00	Explanation if Paid Amount is Different from Invoiced Total:	
Amount Paid from Other Sources			Additional Notes:	
Amount Paid from SRF funds:		\$0.00		
Total SRF Disbursements		\$1,641,966.00		
Total Cash Draw Amount:		\$1,641,966.00		
State Match Amount(if applicable):		\$328,403.00		
Improper Payment Amount (if applicable):		n/a		

Pacific Tank and Construction, Inc. Allowances												
Construction 1A Invoices:		Construction 1B Invoices:		Design 1A Invoices:		Design 1B Invoices:		Planning Invoices:		Planning Invoices con't:		
76386		1014		910		9957		16829		6330		
39040		792		31481		13612		7910		12487		
32162		7176		28861		18443		10232		18519		
20758		1710		58691		56854		14761		45349		
1611		9361		67482		56105		802		22079		
7521		23913		54125		87237		14011		4181		
4850		2599		26662		74945		7614		1381		
5604		32902		50487		20959		15132		27505		
5254		855		12616		39408		12891		2330		
193186		42052		4137		10685		17122		4694		
		760		15962		17452		57277		4188		
		39278		3582		8018		25197		4907		
		760		354996		6333		25518		6404		
		44470				5000		29843		9715		
		1425				425008		16563		12432		
		35214						17318		2146		
		570						10844		184647		
		26549						62903				
		4158						9708				
		3651						11738				
		279209						384213				
Explanation if Paid Amount is Different from Invoiced Total: See SRF Schedule #6172345, funded by both SRF loan and local match. Request = \$1,970,367. Loan = \$1,641,966 (83.33%).												
		193186		354996				384213				
		279209		425008				184647				
		472395		780004				568860				
Note: \$3 difference due to rounding				Note: Invoice amounts exceed cost paid.				Note: Invoice amounts exceed amount paid.				

[illegible]

C-06-5115-110 (09-803-550) Element 1B Construction Costs									
Item #:	Cost:	Project Description:							
1	\$1,845	Mobilization & De-mobilization							
3	8375	Earthwork excavation and embarkment							
4	153956	Yard Piping							
5	50566	Site Improvements							
6	688	Sheeting, shoring and bracing							
7	55986	Construction of concreet ring foundation for resevoir							
8	244983	Construction of 2MG welded steel resevoir							
9	86170	Install interior and exterior coating system							
10	11647	Cathodic pretection system							
11	33474	Landscaping							
12	3057	Perform survey monitoring							
13	20405	Noise Migration Measures							
14	17468	SCADA System							
15	36913	Emergency Connection							
	\$725,533.								
	-72533	Less Retention							
	\$653,000								
	Note: Paid \$652,980; not 653,000..								
		Explanation If Paid Amount is Different from Invoiced Total: See SRF Schedule #61723							

[illegible]

C-06-5115-110 Elements 1A and 1B Planning as of 1/31/12			Element 1A Design			Element 1B Design		
Job # 1342550			Professional Services					
Amount:	Invoice #:	Date:	Amount:	Invoice:	Date:	Amount:	Invoice:	Date:
16829	986882	7/2/2006	910	1253617	3/3/2009	9957	1266227	5/13/2009
7910	1046084	8/7/2006	31481	1260392	4/7/2009	13612	1272857	6/15/2009
10232	1053646	9/18/2006	28861	1266212	5/13/2009	18433	1280420	7/17/2009
14761	1061380	10/5/2006	58691	1272850	6/15/2009	56854	1284458	8/3/2009
802	1067690	10/5/2006	67482	1280414	7/17/2009	56105	1290056	9/1/2009
14011	1074926	1/12/2007	54125	1284452	8/3/2009	87237	1297288	10/9/2009
7614	1085993	1/12/2007	26662	1290048	9/1/2009	74945	1302522	11/6/2009
15132	1087448	2/1/2007	50487	1297268	10/9/2009	20959	1304883	11/23/2009
12891	1095069	3/2/2007	12616	1302513	11/6/2009	39408	1315251	1/7/2010
17122	1102964	4/5/2007	4137	1304881	11/23/2009	10685	1319030	2/8/2010
57277	1108977	5/2/2007	15962	1260401	1/7/2010	17452	1325076	3/5/2010
25197	1114789	6/6/2007	3582	1318989	2/8/2010	8018	1341679	6/2/2010
25518	1122101	7/9/2007	354996			6333	1347102	7/8/2010
29843	1127876	8/6/2007				5000	1369153	11/9/2010
16563	1133865	9/4/2007				424998		
17318	1139893	10/5/2007						
10844	1145874	11/2/2007						
62903	1162572	2/22/2008						
9708	1169412	3/1/2008						
11738	1176230	4/3/2008	Explanation If Paid Amount is Different from Invoiced Total: See SRF Schedule #6172345, funded by both SRF loan and local m					
6330	1182008	5/6/2008						
12487	1187661	5/3/2008						
18519	1195300	7/2/2008						
45349	1201056	7/31/2008						
22079	1216812	10/9/2008						
4181	1224721	11/5/2008						
1381	1231233	12/8/2008						
27505	1211367	9/3/2008						
2330	1237403	1/20/2009						
4694	1245629	2/9/2009						
4188	1253620	3/9/2009						
4513	1260401	4/7/2009						
4907	1276409	6/26/2009						
6404	1280431	7/17/2009						
9715	1284477	8/3/2009						
12432	1290081	9/1/2009						
2146	1266233	5/13/2009						
573373								

C-06-5115-110 Element 1A Construction/Project Management as of 1/31/12										C-06-5115-110 Element 1B Construction/Project Management as of 1/31/12									
Amount:	Invoice #:	Date:								Amount:	Invoice #:	Date:							
76386	301-10	11/11/2010								1014	302-01	6/28/2010							
39040	301-11	12/8/2010								792	302-01	8/5/2010							
32162	301-12	1/6/2011								7176	302-03	10/6/2010							
20758	301-15*	9/2/2011								1710	302-05	11/11/2010							
168346										9361	302-04	11/12/2010							
* Note: Invoice 301-13 = \$20,280;										23913	302-06	12/8/2010							
Invoice 301-14 = \$8550										2599	302-07	12/8/2010							
\$30758 less \$10,000 discount = \$20,758										32902	302-08	1/6/2011							
that was paid on invoice 301-15, final payment.										855	302-09	1/6/2011							
										42052	302-10	2/9/2011							
1611	2009-12A-1	7/8/11								760	302-11	2/24/2011							
7521	2009-12A-2	8/2/2011								39278	302-12	3/10/2011							
4850	2009-12A-3	9/3/2011								760	302-13	3/10/2011							
5604	2009-12A-4	10/4/2011								44471	302-14	4/5/2011							
5252	2009-12A-5	11/30/2011								1425	302-15	4/5/2011							
24838										35214	302-16	5/11/2011							
										570	302-17	5/11/2011							
										26549	302-18	6/7/2011							
										4158	302-19	7/7/2011							
										3651	302-20	8/16/2011							
Explanation if Paid Amount is Different from Invoiced Total: See										279210									

83.33% = fed; 16.66% = local match

[illegible]

Appendix D Transaction Testing Worksheet: For Regional Review of State CWSRF and DWSRF

State: California

Indicate CW/DW Review: CW (Waterboard - Cal EPA)

Reviewer: Abimbola Odusoga

Review Date: April 2, 2013

Cash Draw Amount:

\$1,113,082.00

Cash Draw Date: 8/1/2012

Purpose of Cash Draw (loan, Admin or Set-Aside):

Grant Number: CS06000110

Review Item

1. The State is reviewing and approving invoices in a timely manner
2. State accounting records accurately reflect the cash draw
3. Funds are being disbursed to recipients in a timely manner following requests for reimbursement and cash draw
4. State used the correct proportionality ratio to calculate value drawn (enter the proportionality ratio from the State's IUP or grant application in the Comments section)
5. If State is drawing 100% federal funds, the entire state match was disbursed prior to federal draws

Project Name: Anaheim #2			Project Number: 7630-110		
Disbursement Request Date: 8/1/2012			Improper Payment (Yes/No):		
Improper Payment Resolution:					
Invoice Date	Invoice Number	Invoice Amount	Payee	Notes on Invoice	
7/18/2012	PRN 2		CONSTRUCTION \$158,477		
			Mike Pritch and Sons	Contractor	
			Mobilization, Permits, Bonds, Insurance, Scheduling and Demo	\$14,931.00	
			Traffic Control	\$4,029.00	
			Remove and Replace traffic inductive loops	\$442.00	
			Potholing and Utility Locating	\$1,778.00	
			Pre-construction CCTV Inspection	\$798.00	
			Post-construction CCTV Inspection	\$395.00	
			Construct 12" VCP Sewer Pipe	\$98,085.00	
			Construct 12" Bell-less Sewer Pipe	\$1,896.00	
			Sewer Bypassing	\$2,370.00	
			Remove and Dispose of existing 8" sewer	\$1,049.00	
			Remove and Dispose of existing MH & Base	\$830.00	
			Connect existing service lateral to New Orleans	\$1,289.00	
			2" Asphalt concrete Grind and Cap	\$11,818.00	
			Construct 48" Dia STD	\$8,532.00	
			Construct 48" Dia Drop	\$1,074.00	
			Abandon 8" Sewer	\$139.00	

State drew 100% fed as State Match was already 100% drawn down.

Appendix D Transaction Testing Worksheet: For Regional Review of State CWSRF and DWSRF

		Removing Existing Plug and connect to OCS	\$79.00
		Remove and reconstruct P.C.C Cross Gutter	\$1,422.00
		Remove and reconstruct Driveway Approach	\$1,138.00
		Connect existing Sewer proposed MH	\$79.00
		Connect existing 6" Sewer proposed MH	\$237.00
		Construct brick and mortar plug	\$63.00
		Construct MWD Encasement crossing	\$474.00
		Sheeting, Shoring and Bracing	\$5,530.00
		Total	\$158,477.00
7/18/2012	PRN 2	Reduction Factor (N/A)	-0.8688852384%
4/20/2012	Pro Cost Anal.	CONSTRUCTION MANAGEMENT - \$8721	
		Contract Administration Expenditures Billing 2	\$5,977.00
		Inspections Expenditures Billing 2	\$30,657.00
		Survey Expenditures Billing 2	\$18,956.00
		Traffic Engineering Expenditures Billing 2	\$0.00
		Contract Administration Expenditures Billing 1	\$2,361.00
		Inspections Expenditures Billing 1	\$7,091.00
		Survey Expenditures Billing 1	\$15,490.00
		Traffic Engineering Expenditures Billing 1	\$678.00
		Subtotal	\$81,210.00
		Reimbursement rate to state	15.80%
		Subtotal	\$12,831.18
		Subtract Previously paid Billing #1	-\$4,048.00
		Total Reimbursement	\$8,783.18
4/20/2012	Pro Cost Anal.	ADMINISTRATION \$116	
		Expenditures Contract Administration Billing 2	\$731.00
		Expenditures Contract Administration reported Billing #1	\$957.00
		Subtotal	\$1,688.00
		Reimbursement rate to state	15.80%
		Subtotal	\$266.70
		Subtract Previously paid Billing #1	-\$151.00
		Total Reimbursement	\$115.70

Appendix D Transaction Testing Worksheet: For Regional Review of State CWSRF and DWSRF

State: CA

Indicate CW/DW Review: ~~DM~~ ARRA Review

Reviewer: Gwen Brown

Review Date: April 2-3, 2013

Review Item

1. The State is reviewing and approving invoices in a timely manner
2. State accounting records accurately reflect the cash draw
3. Funds are being disbursed to recipients in a timely manner following requests for reimbursement and cash draw
4. State used the correct proportionality ratio to calculate value drawn (enter the proportionality ratio from the State's IUP or Grant application in the Comments section)
5. If State is drawing 100% federal funds, the entire state match was disbursed prior to federal draws

Yes	No	N/A
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Descriptions/Comments

Cash Draw Amount:

\$1,798,646

Cash Draw Date: 9/12/12

Purpose of Cash Draw (Loan, Admin or Set-Aside): Loan

Grant Number: 2W-06000209

Central Municipal Water District

Project Number: C-06-5100-110 (08-845-550) Sect E, Draw #14

Disbursement Request Date:

Improper Payment (Yes/No):	No
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Improper Payment Resolution:					
Invoice Date	Invoice Number	Invoice Amount	Payee	Notes on Invoice	
		\$1,690,107.00	J.R. Filance	Contract Project Estimates	
		\$101,072.00	J.R. Filance	Admin Allowances	
		\$7,467.00	J.R. Filance	Valve Engineering	
Invoiced Total		\$1,798,646.00	Explanation if Paid Amount is Different from Invoiced Total:		
Amount Paid from Other Sources					
Amount Paid from SRF funds:		\$1,798,646.00	Additional Notes:		

Project Name:

Project Number:	
-----------------	--

Disbursement Request Date:

Improper Payment (Yes/No)::

Improper Payment Resolution:

		Payee		Notes on Invoice	
Invoice Date	Invoice Number	Invoice Amount			
Invoice Total		\$0.00	Explanation If Paid Amount is Different from Invoiced Total:		

Appendix D Transaction Testing Worksheet: For Regional Review of State CWSRF and DWSRF

Amount Paid from Other Sources			Additional Notes:	
Amount Paid from SRF funds:		\$0.00		
Project Name:			Project Number:	
Disbursement Request Date:			Improper Payment (Yes/No):	
Improper Payment Resolution:				
Invoice Date	Invoice Number	Invoice Amount	Payee	Notes on Invoice
Invoiced Total		\$0.00	Explanation if Paid Amount is Different from Invoiced Total:	
Amount Paid from Other Sources				
Amount Paid from SRF funds:		\$0.00	Additional Notes:	
Total SRF Disbursements		\$1,798,646.00		
Total Cash Draw Amount:		\$1,798,646.00		
State Match Amount (if applicable):				
Improper Payment Amount (if applicable):				

Appendix D Transaction Testing Worksheet: For Regional Review of State CWSRF and DWSRF

		Subtract previously paid Billing #1	\$44,183.00
	\$1,972.47	Total Reimbursement	\$1,972.47
Invoiced Total	\$170,736.14	Explanation If Paid Amount is Different from Invoiced Total:	
Amount Paid from Other Sources			
Amount Paid from SRF funds:	\$170,736.14	Additional Notes:	

Project Name: Heber #10			Project Number: 5302-110	
Disbursement Request Date: 8/1/12			Improper Payment (Yes/No):	
Improper Payment Resolution:				
Invoice Date	Invoice Number	Invoice Amount	Payee	Notes on Invoice
			CONSTRUCTION - \$1,767,713	
			WM Lyles Co	Subtotal
			Item 1 *	\$18,000.00
			Item 6	\$55,186.00
			Item 7	\$60,795.00
			Item 8	\$19,228.00
			Item 12	\$95,921.00
			Item 13	\$31,256.00
			Item 14	\$65,343.00
			Item 15	\$899,404.00
			Item 16	\$407,229.00
			Item 20	\$47,857.00
			Item 21	\$66,422.00
			Item 22	\$1,072.00
		\$1,767,713.00	Subtotal	\$1,767,713.00
			ALLOWANCES	
			CONSTRUCTION MANAGEMENT - \$76,666	Sub Total
			Construction Admin	\$48,403.00
			Geotechnical Staking	\$1,936.00
			Geotechnical Services	\$20,175.00
			Reimbursable Expenses	\$6,152.42
		\$76,666.42	Subtotal	\$76,666.42
		-5922,189.71	Subsidy Ratio (-.50%) (CA Give's 50% subsidy so only pays)	50%

Appendix D Transaction Testing Worksheet: For Regional Review of State CWSRF and DWSRF

		PLANNING \$1388	
		Design Engineering Expenditures Billing 2	\$12,546.00
		Design Engineering Expenditures Reported Billing #1	\$85,038.00
		Subtotal	\$97,584.00
		Design Time spent on Planning	70.00%
		Subtotal	\$68,308.80
		Percent Reimbursable by State	15.80%
		Subtotal	\$10,792.79
		Subtract previously paid Billing #1	-\$9,405.00
		Total Reimbursement	\$1,387.79
		DESIGN \$1,972	
		Design Engineering Expenditures Billing 2	\$12,546.00
		Design Engineering Expenditures Reported Billing #1	\$85,038.00
		Subtotal	\$97,584.00
		Design Time spent on Design	30.00%
		a) Subtotal	\$29,275.20
		Design service contract	
		Psomas (Contract Services Private)	\$256,243.00
		Blais & Associates (Contract Services Private)	\$421.00
		Group Delta Consultants (Contract Services Private)	\$5,403.00
		Crisp Enterprises (Printing and Shipping)	\$708.00
		FedEx (Printing and Shipping)	\$73.00
		b) Subtotal Design service contract	\$262,848.00
		Total Design Expenditures a + b	\$292,123.20
		Percent Reimbursable by State	15.80%
		Subtotal	\$46,155.47

Appendix D Transaction Testing Worksheet: For Regional Review of State CWSRF and DWSRF

Invoiced Total	\$922,189.71	Explanation if Paid Amount is Different from Invoiced Total:
Amount Paid from Other Sources		
Amount Paid from SRF funds:	\$922,189.71	Additional Notes:

Project Name: Susanville #13			Project Number:5727-110	
Disbursement Request Date: 8/1/2012			Improper Payment (Yes/No):	
Improper Payment Resolution:				
Invoice Date	Invoice Number	Invoice Amount	Payee	Notes on Invoice
			CONSTRUCTION - \$33,300	
PRN 13			Checkpoint Bioassay (2.7)	\$37,000.00
			less 10% Retention	-\$3,700.00
		\$33,300.00	Total	\$33,300.00
			ALLOWANCE	
			Construction Management \$7012	
6/7/2012	19861		Pace Engineering	\$6,743.00
5/9/2012	19747		Pace Engineering	\$269.25
		\$7,012.25	Total	\$7,012.25
		-\$20,156.13	Subsidy Ratio (-50%) (CA Give's 50% subsidy so only pays)	50%
Invoiced Total		\$20,156.13	Explanation If Paid Amount is Different from Invoiced Total:	
Amount Paid from Other Sources				
Amount Paid from SRF funds:		\$20,156.13	Additional Notes:	

Total SRP Disbursements	\$1,113,081.98	
Total Cash Draw Amount:	\$1,113,082.00	
State Match Amount(if applicable):	\$0.00	

			CONSTRUCTION MANAGEMENT - \$8721	
2/10/2012	20111		Group Delta Consultants - Inspection and	\$3,232.10
3/10/2012	20194		Group Delta Consultants - Inspection and	\$2,171.16
1/5/2012	78362		Psomas	\$1,522.62
2/13/2012	79048		Psomas	\$859.50
3/8/2012	79614		Psomas	\$891.00
3/9/2012	7-817-87637		Fed-Ex (Part of \$134.02)	\$44.53
		\$8,720.91	Total	\$8,720.91

Attachment 4 CWSRF ARRA Project Files Reviews Checklists

Project File Review Checklist
for the Clean Water and Drinking Water State Revolving Funds (SRFs)

State: CA CWSRF Base or ARRA Review: ARRA
Project or Borrower: City of Big Bear Lake 5710-110 \$721,408

Reviewer: Jlicata
Review Date: 12/11/2012

Required Program Elements										
Review Item and Question to Answer		Base			ARRA			Comments	Follow up Y/N	PER Citation
		Yes	No	N/A	Yes	No	N/A			
1.1 Funding Eligibility										
1	File contains an application submitted by the recipient				Y			Application submitted April 20, 2009 by the City	N	
2	The assistance recipient and project is eligible for CWSRF/DWSRF assistance				Y			Assistance to municipality for the modification and improvements of lift station to prevent SSO	N	
3	The project and recipient are eligible for ARRA funding (e.g. no zoos, casinos, golf courses, land purchases, etc.)				Y				N	
4	All technical documents required by the state for the type of project have been submitted (preliminary engineering reports, plans & specs, etc.) and reviewed				Y			On Sept 24, 2009 SWRCB issued a Facility Plan Approval letter to the City based on the plans/specs and project information sent by the City.	N	
5	All funds are under contract or construction by February 17, 2010 <i>[note values of signed contracts and dates those contracts were signed in Comments section]</i>				Y			Executed construction contract dtd Jan 25, 2010 between the City and Cora Construction in the amount of \$627,838, which was later amended to \$721,408 per Amended Assistance Agreement dtd Jan 14, 2010 to accommodate higher bid than anticipated.	N	
6	For refinance projects, the initial debt was incurred between October 1, 2008 and February 17, 2009						NA			
1.2 Green Project Reserve (GPR)										
1	Project file indicates that any portion of the project designated to receive GPR funding is either:						NA	Not green		
	a. Categorically qualified for the GPR						NA			
	b. Supported as GPR eligible by a State-approved business case						NA			
2	Project file includes EPA concurrence with conclusion that project is GPR eligible						NA			
3	Business case has been posted on State website			NA						
1.3 Socio-Economic and Other Cross-Cutters										
1	Project file includes a completed EPA Form 4700-4				Y			EPA Form 4700-4 is completed by State for all programs	N	
2	Project file includes certifications from the assistance recipient confirming: <i>[note: certifications may be included in the assistance agreement or application]</i>							Certification of compliance with all federal authorities for projects receiving ARRA funding rec'd by SWRCB from City on Aug 10, 2009		
	a. Compliance with Equal Employment Opportunity requirements				Y			All certifications contained in the assistance agreement	N	
	b. That no contract will be entered into with a Federally suspended or debarred individual or company				Y			All certifications contained in the assistance agreement	N	

Project File Review Checklist
for the Clean Water and Drinking Water State Revolving Funds (SRFs)

Required Program Elements										
Review Item and Question to Answer		Base			ARRA			Comments	Follow up Y/N	PER Citation
		Yes	No	N/A	Yes	No	N/A			
1.4	State Environmental Review									
1	Project File includes the following, as appropriate <i>[note: may be included in the Preliminary Engineering Report or Facilities Plan]</i> :									
	a. Discussion of required mitigation measures						NA	None		
	b. Analysis of other sites and/or other projects considered				Y			Project alternatives were considered with this one be the one choosen.	N	
2	The project is subject to the State Environmental Review Process (SERP) <i>[N/A for nonpoint source projects]</i> :									
	a. For projects subject to the SERP, file includes an Environmental Information Document (EID) from the assistance recipient <i>[N/A for projects receiving a Categorical Exclusion]</i> :						NA	Project was determined categorically exempt by SWRCB.		
3	File contains the state's decision memo (with environmental assessment, as applicable) documenting one of the following:									
	a. Decision to classify the project as a Categorical Exclusion (CE or CatEx)				Y			Project was determined categorically exempt by SWRCB in the Facility Plan Approval dtd Aug 25, 2009	N	
	b. Decision to grant a Finding of No Significant Impact (FNSI or FONSI)				Y				N	
	c. Decision to require an Environmental Impact Statement (EIS)						NA			
4	File includes Environmental Impact Statement and accompanying Record of Decision <i>[N/A for projects receiving a Categorical Exclusion or Finding of No Significant Impact]</i>									
5	File includes evidence of public notification, as required:									
					Y			Public Hearing was held on Nov 17, 2005 per minutes from City Council mtg notes and public hearing notification in Amador Public Ledger newspaper issued Oct 5-7, 2005.	N	
	a. State environmental decision memo received public notification or an announcement was distributed to a list of interested parties and agencies, as specified in the SERP				Y			The City filed a Notice of Exemption with the State Clearinghouse on June 22, 2009 per project file and SWRCB determined this review satisfies the public participation requirement. Adequate public participation was provided through the CEQA process.	N	
	b. The comment period was in accordance with state procedures <i>[N/A for projects receiving a Categorical Exclusion]</i>						NA			
	c. The state addressed all comments appropriately						NA			

Project File Review Checklist
for the Clean Water and Drinking Water State Revolving Funds (SRFs)

Required Program Elements										
Review Item and Question to Answer		Base			ARRA			Comments	Follow up Y/N	PER Citation
		Yes	No	N/A	Yes	No	N/A			
1.4	Environmental Cross-Cutters [required for all projects, including projects not subject to the SERP and projects receiving a categorical exclusion; for each item, either a finding of "no effect" by the State, or a concurrence letter from the applicable cross-cutting agency is required]:									
1	Endangered Species Act and Magnuson-Stevens Fishery Conservation and Management Act (essential fish habitat)				Y			Finding of no effect by the SWRCB per Environmental Review Summary dtd Aug 25, 2009.	N	
	a. File documents state determination of "no effect" on endangered species of protected habitat				Y			Finding of no effect by the SWRCB per Environmental Review Summary dtd Aug 25, 2009.	N	
	b. File includes concurrence from US Fish and Wildlife Service or National Marine Fisheries Service				Y			Finding of no effect by the SWRCB per Environmental Review Summary dtd Aug 25, 2009.	N	
2	National Historic Preservation Act									
	a. File documents state determination of "no effect" on historic properties				Y			No historic properties affected per Environmental Review Summary dtd Aug 5, 2009.	N	
	b. File includes concurrence from State or Tribal Historic Preservation Office				Y			Native American respondents had no concerns for construction of the Project per Env. Review Summary dtd Aug 25, 2009	N	
3	Wild and Scenic Rivers Act									
	a. File documents state determination of "no effect" on wild or scenic rivers				Y			None in Project area	N	
e	b. File includes concurrence from appropriate Federal or State Agencies						NA			
4	Coastal Zone Management and Coastal Barriers Resources Act									
	a. File documents state determination of "no effect" on coastal zones or coastal barrier resources				Y			Project not within coastal zone.	N	
	b. File includes concurrence from State Coastal Zone Management agency						NA			
5	Farmland Protection Policy Act									
	a. File documents state determination of "no effect" on important farmland				Y			Project will not result in the conversion of farmland.	N	
	b. File includes concurrence from appropriate State agency						NA			
6	Wetland Protection (Executive Order 11990)									
	a. File documents state determination of "no effect" on wetlands				Y			No riparian or wetland habitat exists with the Project area.	N	
	b. File includes concurrence from appropriate State agency						NA			
	Flood Plain Management (Executive Order 11988)									
	a. File documents state determination of "no effect" on flood plains				Y			The Project is not within a 100 year floodplain.	N	
	b. File includes concurrence from appropriate State agency						NA			
8	Clean Air Act									
	a. File documents state determination of "no effect" on air quality				Y			Project construction air emissions are below the federal de minimis levels, therefore an air quality conformity determination is not required for the Project.	N	
	b. File includes concurrence from appropriate State agency				Y			contained in CEQA documents	N	

Project File Review Checklist
for the Clean Water and Drinking Water State Revolving Funds (SRFs)

Required Program Elements										
Review Item and Question to Answer		Base			ARRA			Comments	Follow up Y/N	PER Citation
		Yes	No	N/A	Yes	No	N/A			
9	Sole-source Aquifers (Safe Drinking Water Acct									
	a. File documents state determination of "no effect" on sole source aquifers				Y			No impacts	N	
	b. File includes concurrence from appropriate Federal or State agency						NA			

Project File Review Checklist
for the Clean Water and Drinking Water State Revolving Funds (SRFs)

Required Program Elements									
Review Item and Question to Answer	Base			ARRA			Comments	Follow up Y/N	PER Citation
	Yes	No	N/A	Yes	No	N/A			

Project File Review Checklist
for the Clean Water and Drinking Water State Revolving Funds (SRFs)

State: **CA CWSRF** Base or ARRA Review: **ARRA**
Project or Borrower: **City of Big Bear Lake 5710-110 \$721,408**

Reviewer: **Jlicata**
Review Date: **12/11/2012**

Required Technical Elements									
Review Item and Question to Answer		Base			ARRA			Comments	Follow up Y/N
		Yes	No	N/A	Yes	No	N/A		
2.1	Bid, Procurement, and Construction Contracts								
1	File contains request for proposals or bid announcement				Y			Proof of Publication of Notice of Invitation to Bid in Project file and issued in Oct 26, 2009	N
2	File contains evidence that request for proposals or bid announcement was advertised according to state rules				Y			Proof of Publication of Notice of Invitation to Bid in Project file and issued in Oct 26, 2009	N
3	File contains a copy of specifications or construction contracts [N/A if file includes documentation that specifications or construction contracts include all required socio-economic cross-cutter and ARRA-specific language and forms, as listed in Section 2.1.4]				Y			Contract agreement includes documentation that specifications or construction contracts include all required socio-economic cross cutter and ARRA specific requirements.	N
4	File contains documentation that specifications or construction contracts contain the following required socio-economic cross-cutter and ARRA-specific language and forms:							Outlined and specified in Assistance Agreement and bid document.	
	a. Disadvantage Business Enterprise (DBE) requirements				Y			In bid document per project file	N
	b. DBE forms 6100-2, 6100-3 and 6100-4						NA	forms being revised	
	c. Equal Employment Opportunity requirements				Y				N
	d. Prohibition of the use of contractors or subcontractors who have been suspended or debarred by the Federal government				Y				N
	e. Applicable EPA Davis-Bacon grant term and condition [N/A for project funded with non-ARRA funds prior to October 1, 2009]				Y			In contract agreement and assistance agreement.	N
	f. Applicable Davis-Bacon wage determination(s) [N/A for project funded with non-ARRA funds prior to October 1, 2009]				Y			In contract agreement and assistance agreement.	N
	g. Reference to Buy American requirements				Y			In contract agreement and assistance agreement.	N
5	Project file contains documentation showing the amount of the contract and the winning bidder (record date in comments) [Note: Construction contract, selected bid, or notice to proceed may include this information]				Y			Contract was signed by the City and awarded to Cora Construction Inc. on January 25, 2010 in the amount of \$708,945 which was later increased to \$721,408 as stated in the amended Assistance Agreement Summary dtd Feb 2, 2010.	N
6	For assistance recipients that are non-governmental entities: File includes documentation that state obtained and reviewed wage determinations prior to bid advertisements to ensure compliance with Davis-Bacon requirements						NA		

Project File Review Checklist
for the Clean Water and Drinking Water State Revolving Funds (SRFs)

Required Technical Elements									
Review Item and Question to Answer		Base			ARRA			Comments	Follow up Y/N
		Yes	No	N/A	Yes	No	N/A		
2.2	Reporting and Ongoing Compliance (* required section for repeat reviews)								
1	File includes information to support project data entered into the CWSRF Benefits Reporting or DWSRF Project Benefits Reporting databases				Y			Project data entered into CBR.	N
2	Project file includes semi-annual DBE reports on subcontracting procurement [DBE form 5700-52A or equivalent] [note: may be kept elsewhere]				Y				N
3	Project file includes documentation from the assistance recipient indicating compliance with Davis-Bacon for each weekly payroll [N/A for project funded with non-ARRA funds prior to October 1, 2009]				Y			SWRCB verified DB against wage determination and daily wage reports from construction foreman.	N
4	Project file includes reports on job creation and retention [quarterly at minimum]				Y				N
5	Project file includes Federal Funds Accountability and Transparency Act (FFATA) reports [note: N/A for projects funded by non-Federal funds or Federal funds received prior to October 1, 2010]								
6	Project file includes applicable Buy American forms								
	a. Documentation from the assistance recipient on utilization of the Buy American de minimis waiver				Y			Inspection reports in file document compliance with Buy American requirements dtd 9/13/10	N
	b. For projects covered by a Buy American national waiver, documentation of qualification for that waiver						NA		
	c. For projects that have received a project-specific Buy American waiver, documentation of compliance with the requirements of the waiver [may be included in inspection reports]						NA		
2.3	State Inspections (*required section for repeat reviews)								
1	Project file includes copies of inspection reports prepared by the state or its representative				Y			Maintained in project file along with CD	N
2	Inspections were performed at intervals in accordance with the state’s procedures (e.g., monthly during construction, quarterly, etc.)				Y			Projects inspected typically 3 times (i.e., beginning of construction, during construction and final construction).	N
3	Inspection reports indicate project is in compliance with:								
	a. Davis-Bacon requirements				Y				N
	b. Buy American requirements				Y				N
	c. Requirement to report jobs created or retained (e.g. assistance recipients has maintained documentation to show that job data reported to the states is being compiled and calculated accurately)				Y			Qtrly reports submitted by recipient on payroll hours and job manhours.	N
	d. Requirement to post ARRA logo and whistleblower poster onsite				Y			Photo of ARRA logo poster in project file. First inspection report indicated whistleblower poster not yet installed. Recipient later posted and sent photo of whistleblower poster to State.	
	e. Green Project reserve eligibility (when applicable)						NA	Not designated a green project	

Project File Review Checklist
for the Clean Water and Drinking Water State Revolving Funds (SRFs)

Review Item and Question to Answer		Required Technical Elements						Comments	Follow up Y/N
		Base			ARRA				
		Yes	No	N/A	Yes	No	N/A		
e	All issues and concerns identified in inspection reports were adequately resolved				Y			Good followup and resolution by State of any issues	N

Project File Review Checklist
for the Clean Water and Drinking Water State Revolving Funds (SRFs)

Required Technical Elements									
Review Item and Question to Answer	Base			ARRA			Comments	Follow up Y/N	
	Yes	No	N/A	Yes	No	N/A			

Project File Review Checklist
for the Clean Water and Drinking Water State Revolving Funds (SRFs)

State: **CA CWSRF** Base or ARRA Review: **ARRA**
Project or Borrower: **City of Big Bear Lake 5710-110 \$721,408**

Reviewer: **Jlicata**
Review Date: **12/11/2012**

Required Financial Elements										
Review Item and Question to Answer		Base			ARRA			Comments	Follow up Y/N	PER Citation
		Yes	No	N/A	Yes	No	N/A			
3.1	Financial Review									
1	File includes documentation of applicable review of assistance recipient:									
	a. For CWSRF projects, a financial capability review <i>[note: in some states, N/A for projects receiving 100% principal forgiveness or grant]</i>				Y			Credit review determined project eligible for principal forgiveness.	N	
	b. For DWSRF projects, a technical, managerial, and financial capability review									
2	For projects receiving only partial SRF or ARRA SRF funding, the state ensured that the recipient obtained funding to allow for the project to be completed									
					Y				N	
3.2	Loan or Bond Purchase Agreement									
1	The loan agreement or bond purchase document:									
	a. Is signed by the state and assistance recipient (record date in comments)				Y			Assistance agreement between SWRCB and City signed on Sept 29, 2009	N	
	b. Includes a budget and/or description of eligible costs				Y			Final plan and spec incorporated in Assistance Agreement	N	
	c. Includes the interest rate				Y			0% interest rate; principal forgiveness	N	
	d. Includes the fee rate [if applicable]						NA	0 fee rate		
	e. Includes an amortization schedule or includes the repayment period and the date when repayments must begin <i>[N/A for projects receiving 100% grant or principal forgiveness]</i>						NA			
	f. Includes requirement for the assistance recipient to submit Single Audit Reports <i>[note: N/A for non-governmental assistance recipients]</i>				Y			Assistance Agreement, para. 2.12	N	
	g. Requires the assistance recipient to maintain accounting practices in accordance with Generally Accepted Accounting Principals				Y			Assistance Agreement pg 11 3.7	N	
2	The assistance agreement's repayment period is in accordance with the state's policies and procedures:									
	a. For loan agreements, repayment period does not exceed 20 years.						NA	principal forgiveness		
	b. For bond purchase documents, repayment periods exceeding 20 years are in accordance with a state extended term financing program approved by EPA.						NA			
3	The loan or bond purchase document makes reference to:									
	a. Davis-Bacon requirements				Y			Exhibit H of Assistance Agreement	N	
	c. Buy American requirements				Y			Exhibit E of Assistance Agreement	N	
	c. Requirement to report jobs created or retained				Y			Exhibit E of Assistance Agreement	N	

Project File Review Checklist
for the Clean Water and Drinking Water State Revolving Funds (SRFs)

Required Financial Elements									
Review Item and Question to Answer	Base			ARRA			Comments	Follow up Y/N	PER Citation
	Yes	No	N/A	Yes	No	N/A			
d. Federal Funds Accountability and Transparency Act (FFATA) reporting requirements <i>[note: N/A for projects funded by non-Federal funds or Federal funds received prior to October 1, 2010]</i>									
3.3 Single Audit Act compliance (*required section for repeat reviews)									
The assistance recipient is submitting Single Audit Reports <i>[note: N/A for a fiscal year if assistance recipients has not received more than \$500,000 in Federal funds from all sources in that fiscal year]</i>				y				N	
a. The state ensured that the assistance recipient resolved any issues identified in a Single Audit Report				Y				N	

Project File Review Checklist
for the Clean Water and Drinking Water State Revolving Funds (SRFs)

Required Financial Elements									
Review Item and Question to Answer	Base			ARRA			Comments	Follow up Y/N	PER Citation
	Yes	No	N/A	Yes	No	N/A			

Project File Review Checklist
for the Clean Water and Drinking Water State Revolving Funds (SRFs)

State:	CA CWSRF	Base or ARRA Review:	ARRA	Reviewer:	Jlicata
Project or Borrower:	City of Plymouth 4556-120 \$2,817,274			Review Date:	12/11/2012

Required Program Elements										
Review Item and Question to Answer		Base			ARRA			Comments	Follow up Y/N	PER Citation
		Yes	No	N/A	Yes	No	N/A			
1.1	Funding Eligibility									
1	File contains an application submitted by the recipient				Y			Application submitted April 23, 2009 by the City	N	
2	The assistance recipient and project is eligible for CWSRF/DWSRF assistance				Y			WWTP improvements and sewer collection system rehabilitation.	N	
3	The project and recipient are eligible for ARRA funding (e.g. no zoos, casinos, golf courses, land purchases, etc.)				Y				N	
4	All technical documents required by the state for the type of project have been submitted (preliminary engineering reports, plans & specs, etc.) and reviewed				Y			On Sept 21, 2009 SWRCB issued a Facility Plan Approval letter to the City based on the plans/specs and project information sent by the City.	N	
5	All funds are under contract or construction by February 17, 2010 [note values of signed contracts and dates those contracts were signed in Comments section]				Y			Approval to award contract to Ford Construction and Twain Harte Construction was issued by SWRCB on Jan 6, 2010 in the amounts of \$1,154,500 and \$1,101,830 respectively (total \$2,256,330). Assistance Agreement was later amended to include \$\$567,274 in additional ARRA funding to pay for additional construction costs under the Ford contract and additional construction managment costs. Assistance Agreement amended on Jan 28, 2010. Contract agreements signed on Jan 14, 2010 between City and contractors.	N	
6	For refinance projects, the initial debt was incurred between October 1, 2008 and February 17, 2009						NA		N	
1.2	Green Project Reserve (GPR)									
1	Project file indicates that any portion of the project designated to receive GPR funding is either:						NA	Not green	N	
	a. Categorically qualified for the GPR						NA		N	
	b. Supported as GPR eligible by a State-approved business case						NA		N	
2	Project file includes EPA concurrence with conclusion that project is GPR eligible						NA		N	
3	Business case has been posted on State website			NA					N	
1.3	Socio-Economic and Other Cross-Cutters									
1	Project file includes a completed EPA Form 4700-4				Y			EPA Form 4700-4 is completed by State for all programs	N	
2	Project file includes certifications from the assistance recipient confirming: [note: certifications may be included in the assistance agreement or application]							Certification of compliance with all federal authorities for projects receiving ARRA funding rec'd by SWRCB from City on Aug 10, 2009		
	a. Compliance with Equal Employment Opportunity requirements				Y			All certifications contained in the assistance agreement	N	
	b. That no contract will be entered into with a Federally suspended or debarred individual or company				Y			All certifications contained in the assistance agreement	N	

Project File Review Checklist
for the Clean Water and Drinking Water State Revolving Funds (SRFs)

Review Item and Question to Answer		Required Program Elements						Comments	Follow up Y/N	PER Citation
		Base			ARRA					
		Yes	No	N/A	Yes	No	N/A			
1.4	State Environmental Review									
1	Project File includes the following, as appropriate <i>[note: may be included in the Preliminary Engineering Report or Facilities Plan]</i> :									
	a. Discussion of required mitigation measures						NA	None	N	
	b. Analysis of other sites and/or other projects considered				Y			Non-feasible alternatives were assessed and determined infeasible because of the need to correct violations and meet the requirements of the CDO and WDR.	N	
2	The project is subject to the State Environmental Review Process (SERP) <i>[N/A for nonpoint source projects]</i> :									
	a. For projects subject to the SERP, file includes an Environmental Information Document (EID) from the assistance recipient <i>[N/A for projects receiving a Categorical Exclusion]</i> :						NA	Project was determined categorically exempt by SWRCB.	N	
3	File contains the state's decision memo (with environmental assessment, as applicable) documenting one of the following:									
	a. Decision to classify the project as a Categorical Exclusion (CE or CatEx)				Y			Project was determined categorically exempt by SWRCB in the Facility Plan Approval dtd Aug 9, 2009	N	
	b. Decision to grant a Finding of No Significant Impact (FNSI or FONSI)						NA			
	c. Decision to require an Environmental Impact Statement (EIS)						NA			
4	File includes Environmental Impact Statement and accompanying Record of Decision <i>[N/A for projects receiving a Categorical Exclusion or Finding of No Significant Impact]</i>						NA			
5	File includes evidence of public notification, as required:				Y			Public Hearing was held on Nov 17, 2005 per minutes from City Council mtg notes and public hearing notification in Amador Public Ledger newspaper issued Oct 5-7, 2005.	N	
	a. State environmental decision memo received public notification or an announcement was distributed to a list of interested parties and agencies, as specified in the SERP				Y			The City filed a Notice of Exemption with the State Clearinghouse on May 27, 2009 per project file and SWRCB determined this review satisfies the public participation requirement. Adequate public participation was provided through the CEQA process.	N	
	b. The comment period was in accordance with state procedures <i>[N/A for projects receiving a Categorical Exclusion]</i>						NA			
	c. The state addressed all comments appropriately						NA			

Project File Review Checklist
for the Clean Water and Drinking Water State Revolving Funds (SRFs)

Required Program Elements										
Review Item and Question to Answer		Base			ARRA			Comments	Follow up Y/N	PER Citation
		Yes	No	N/A	Yes	No	N/A			
1.4	Environmental Cross-Cutters [required for all projects, including projects not subject to the SERP and projects receiving a categorical exclusion; for each item, either a finding of "no effect" by the State, or a concurrence letter from the applicable cross-cutting agency is required]:									
1	Endangered Species Act and Magnuson-Stevens Fishery Conservation and Management Act (essential fish habitat)				Y			Finding of no effect by the SWRCB per Environmental Review Summary dtd Aug 5, 2009.	N	
	a. File documents state determination of "no effect" on endangered species of protected habitat				Y			Finding of no effect by the SWRCB per Environmental Review Summary dtd Aug 5, 2009.	N	
	b. File includes concurrence from US Fish and Wildlife Service or National Marine Fisheries Service				Y			Finding of no effect by the SWRCB per Environmental Review Summary dtd Aug 5, 2009.	N	
2	National Historic Preservation Act									
	a. File documents state determination of "no effect" on historic properties				Y			No historic properties affected per Environmental Review Summary dtd Aug 5, 2009.	N	
	b. File includes concurrence from State or Tribal Historic Preservation Office				Y			Native American respondents had no concerns for construction of the Project per Env. Review Summary dtd Aug 5, 2009	N	
3	Wild and Scenic Rivers Act									
	a. File documents state determination of "no effect" on wild or scenic rivers				Y			None in Project area	N	
e	b. File includes concurrence from appropriate Federal or State Agencies						NA			
4	Coastal Zone Management and Coastal Barriers Resources Act									
	a. File documents state determination of "no effect" on coastal zones or coastal barrier resources				Y			Project not within coastal zone.	N	
	b. File includes concurrence from State Coastal Zone Management agency						NA			
5	Farmland Protection Policy Act									
	a. File documents state determination of "no effect" on important farmland				Y			Project will not result in the conversion of farmland.	N	
	b. File includes concurrence from appropriate State agency						NA			
6	Wetland Protection (Executive Order 11990)									
	a. File documents state determination of "no effect" on wetlands				Y			No riparian or wetland habitat exists with the Project area.	N	
	b. File includes concurrence from appropriate State agency						NA			
	Flood Plain Management (Executive Order 11988)									
	a. File documents state determination of "no effect" on flood plains				Y			The Project is not within a 100 year floodplain.	N	
	b. File includes concurrence from appropriate State agency						NA			
8	Clean Air Act									
	a. File documents state determination of "no effect" on air quality				Y			Project construction air emissions are less than the significance thresholds established for Sacramento and El Dorado counties and below federal de minimis levels. Therefore a conformity determination is not required for the Project.	N	

Project File Review Checklist
for the Clean Water and Drinking Water State Revolving Funds (SRFs)

Required Program Elements										
Review Item and Question to Answer		Base			ARRA			Comments	Follow up Y/N	PER Citation
		Yes	No	N/A	Yes	No	N/A			
9	b. File includes concurrence from appropriate State agency				Y			contained in CEQA documents	N	
	Sole-source Aquifers (Safe Drinking Water Acct									
	a. File documents state determination of "no effect" on sole source aquifers				Y			No impacts	N	
	b. File includes concurrence from appropriate Federal or State agency						NA			

Project File Review Checklist
for the Clean Water and Drinking Water State Revolving Funds (SRFs)

Review Item and Question to Answer		Required Technical Elements						Comments	Follow up Y/N	PER Citation
		Base			ARRA					
		Yes	No	N/A	Yes	No	N/A			
6	For assistance recipients that are non-governmental entities: File includes documentation that state obtained and reviewed wage determinations prior to bid advertisements to ensure compliance with Davis-Bacon requirements						NA			

Project File Review Checklist
for the Clean Water and Drinking Water State Revolving Funds (SRFs)

Required Technical Elements										
Review Item and Question to Answer		Base			ARRA			Comments	Follow up Y/N	PER Citation
		Yes	No	N/A	Yes	No	N/A			
2.2	Reporting and Ongoing Compliance (* required section for repeat reviews)									
1	File includes information to support project data entered into the CWSRF Benefits Reporting or DWSRF Project Benefits Reporting databases				Y			Project data entered into CBR.	N	
2	Project file includes semi-annual DBE reports on subcontracting procurement [DBE form 5700-52A or equivalent] [note: may be kept elsewhere]				Y				N	
3	Project file includes documentation from the assistance recipient indicating compliance with Davis-Bacon for each weekly payroll [N/A for project funded with non-ARRA funds prior to October 1, 2009]				Y			SWRCB verified DB against wage determination and daily wage reports from construction foreman.	N	
4	Project file includes reports on job creation and retention [quarterly at minimum]									
5	Project file includes Federal Funds Accountability and Transparency Act (FFATA) reports [note: N/A for projects funded by non-Federal funds or Federal funds received prior to October 1, 2010]									
6	Project file includes applicable Buy American forms									
	a. Documentation from the assistance recipient on utilization of the Buy American de minimis waiver				Y			Inspection reports in file document Buy American	N	
	b. For projects covered by a Buy American national waiver, documentation of qualification for that waiver				Y			Project adequately documented qualifying for waiver.	N	
	c. For projects that have received a project-specific Buy American waiver, documentation of compliance with the requirements of the waiver [may be included in inspection reports]						NA			
2.3	State Inspections (*required section for repeat reviews)									
1	Project file includes copies of inspection reports prepared by the state or its representative				Y				N	
2	Inspections were performed at intervals in accordance with the state’s procedures (e.g., monthly during construction, quarterly, etc.)				Y			Projects inspected typically 3 times (i.e., beginning of construction, during construction and final construction).	N	
3	Inspection reports indicate project is in compliance with:									
	a. Davis-Bacon requirements				Y				N	
	b. Buy American requirements				Y				N	
	c. Requirement to report jobs created or retained (e.g. assistance recipients has maintained documentation to show that job data reported to the states is being compiled and calculated accurately)				Y				N	
	d. Requirement to post ARRA logo and whistleblower poster onsite					N		Did not see evidence in file of ARRA logo or whistle blower poster onsite but is stated as a requirement in assistance agreement.	N	
	e. Green Project reserve eligibility (when applicable)						NA	Not designated a green project	N	
e	All issues and concerns identified in inspection reports were adequately resolved				Y				N	

Project File Review Checklist
for the Clean Water and Drinking Water State Revolving Funds (SRFs)

State: CA CWSRF Base or ARRA Review: ARRA
Project or Borrower: City of Plymouth

Reviewer: Jlicata
Review Date: 12/11/2012

Required Financial Elements										
Review Item and Question to Answer		Base			ARRA			Comments	Follow up Y/N	PER Citation
		Yes	No	N/A	Yes	No	N/A			
3.1	Financial Review									
1	File includes documentation of applicable review of assistance recipient:									
	a. For CWSRF projects, a financial capability review <i>[note: in some states, N/A for projects receiving 100% principal forgiveness or grant]</i>				Y			Credit review determined project eligible for principal forgiveness.	N	
	b. For DWSRF projects, a technical, managerial, and financial capability review									
2	For projects receiving only partial SRF or ARRA SRF funding, the state ensured that the recipient obtained funding to allow for the project to be completed									
					Y				N	
3.2	Loan or Bond Purchase Agreement									
1	The loan agreement or bond purchase document:									
	a. Is signed by the state and assistance recipient (record date in comments)				Y			Assistance agreement between SWRCB and City signed on Sept 28, 2009	N	
	b. Includes a budget and/or description of eligible costs				Y			Final plan and spec incorporated in Assistance Agreement	N	
	c. Includes the interest rate				Y			0% interest rate; principal forgiveness	N	
	d. Includes the fee rate [if applicable]						NA	0 fee rate		
	e. Includes an amortization schedule or includes the repayment period and the date when repayments must begin <i>[N/A for projects receiving 100% grant or principal forgiveness]</i>						NA			
	f. Includes requirement for the assistance recipient to submit Single Audit Reports <i>[note: N/A for non-governmental assistance recipients]</i>				Y			Assistance Agreement, para. 2.12	N	
	g. Requires the assistance recipient to maintain accounting practices in accordance with Generally Accepted Accounting Principals				Y			Assistance Agreement pg 11 3.7	N	
2	The assistance agreement's repayment period is in accordance with the state's policies and procedures:									
	a. For loan agreements, repayment period does not exceed 20 years.						NA	principal forgiveness		
	b. For bond purchase documents, repayment periods exceeding 20 years are in accordance with a state extended term financing program approved by EPA.						NA			
3	The loan or bond purchase document makes reference to:									
	a. Davis-Bacon requirements				Y			Exhibit H of Assistance Agreement	N	
	c. Buy American requirements				Y			Exhibit E of Assistance Agreement	N	
	c. Requirement to report jobs created or retained				Y			Exhibit E of Assistance Agreement	N	

Project File Review Checklist
for the Clean Water and Drinking Water State Revolving Funds (SRFs)

Required Financial Elements										
Review Item and Question to Answer		Base			ARRA			Comments	Follow up Y/N	PER Citation
		Yes	No	N/A	Yes	No	N/A			
	d. Federal Funds Accountability and Transparency Act (FFATA) reporting requirements <i>[note: N/A for projects funded by non-Federal funds or Federal funds received prior to October 1, 2010]</i>									
3.3	Single Audit Act compliance (*required section for repeat reviews)									
2	The assistance recipient is submitting Single Audit Reports <i>[note: N/A for a fiscal year if assistance recipients has not received more than \$500,000 in Federal funds from all sources in that fiscal year]</i>						NA	As applicable.	N	
	a. The state ensured that the assistance recipient resolved any issues identified in a Single Audit Report				Y				N	

Project File Review Checklist
for the Clean Water and Drinking Water State Revolving Funds (SRFs)

Required Financial Elements									
Review Item and Question to Answer	Base			ARRA			Comments	Follow up Y/N	PER Citation
	Yes	No	N/A	Yes	No	N/A			

Attachment 5 CWSRF Base Project Files Reviews Checklists



Project File Review Checklist
for the Clean Water and Drinking Water State Revolving Funds (SRFs)

State: **CA CWSRF** Base or ARRA Review: **Base**
Project or Borrower: **City of Sausalito C-06-53554-110 \$1,100,000**

Reviewer: **Jlicata**
Review Date: **12/11/2012**

Required Program Elements										
Review Item and Question to Answer		Base			ARRA			Comments	Follow up Y/N	PER Citation
		Yes	No	N/A	Yes	No	N/A			
1.1 Funding Eligibility										
1	File contains an application submitted by the recipient	Y						Application submitted April 23, 2010, 2009 by the City	N	
2	The assistance recipient and project is eligible for CWSRF/DWSRF assistance	Y						Capital improvement project - sewer and pump station rehabilitation	N	
3	The project and recipient are eligible for ARRA funding (e.g. no zoos, casinos, golf courses, land purchases, etc.)									
4	All technical documents required by the state for the type of project have been submitted (preliminary engineering reports, plans & specs, etc.) and reviewed	Y						On Aug 4, 2011 SWRCB issued a Facility Plan Approval letter to the City based on the plans/specs and project information sent by the City.	N	
5	All funds are under contract or construction by February 17, 2010 [note values of signed contracts and dates those contracts were signed in Comments section]									
6	For refinance projects, the initial debt was incurred between October 1, 2008 and February 17, 2009									
1.2 Green Project Reserve (GPR)										
1	Project file indicates that any portion of the project designated to receive GPR funding is either:			NA						
	a. Categorically qualified for the GPR									
	b. Supported as GPR eligible by a State-approved business case									
2	Project file includes EPA concurrence with conclusion that project is GPR eligible									
3	Business case has been posted on State website			NA						
1.3 Socio-Economic and Other Cross-Cutters										
1	Project file includes a completed EPA Form 4700-4	Y						EPA Form 4700-4 is completed by State for all programs	N	
2	Project file includes certifications from the assistance recipient confirming: [note: certifications may be included in the assistance agreement or application]	Y							N	
	a. Compliance with Equal Employment Opportunity requirements	Y						All certifications contained in the assistance agreement	N	
	b. That no contract will be entered into with a Federally suspended or debarred individual or company	Y						All certifications contained in the assistance agreement	N	

Project File Review Checklist
for the Clean Water and Drinking Water State Revolving Funds (SRFs)

Required Program Elements										
Review Item and Question to Answer		Base			ARRA			Comments	Follow up Y/N	PER Citation
		Yes	No	N/A	Yes	No	N/A			
1.4	State Environmental Review									
1	Project File includes the following, as appropriate <i>[note: may be included in the Preliminary Engineering Report or Facilities Plan]</i> :									
	a. Discussion of required mitigation measures	Y						A special condition was added to the assistance agreement to address compliance with the Migratory Bird Treaty Act. The recipient will ensure a biologist will conduct pre-construction surveys for nesting birds and take appropriate actions per recommendations of the biologist.	N	
	b. Analysis of other sites and/or other projects considered	Y						Other alternatives were considered and included in SWRCB Environmental Review Summary, dtd Jan 6, 2011.	N	
2	The project is subject to the State Environmental Review Process (SERP) <i>[N/A for nonpoint source projects]</i> :									
	a. For projects subject to the SERP, file includes an Environmental Information Document (EID) from the assistance recipient <i>[N/A for projects receiving a Categorical Exclusion]</i> :			NA				Project was determined categorically exempt by SWRCB.		
3	File contains the state's decision memo (with environmental assessment, as applicable) documenting one of the following:									
	a. Decision to classify the project as a Categorical Exclusion (CE or CatEx)	Y						Project was determined categorically exempt by SWRCB in the Facility Plan Approval dtd Aug 4, 2011	N	
	b. Decision to grant a Finding of No Significant Impact (FNSI or FONSI)			NA						
	c. Decision to require an Environmental Impact Statement (EIS)			NA						
4	File includes Environmental Impact Statement and accompanying Record of Decision <i>[N/A for projects receiving a Categorical Exclusion or Finding of No Significant Impact]</i>									
5	File includes evidence of public notification, as required:									
	a. State environmental decision memo received public notification or an announcement was distributed to a list of interested parties and agencies, as specified in the SERP	Y						The City filed a Notice of Exemption with the State Clearinghouse on Apr 29, 2010 per project file and SWRCB determined this review satisfies the public participation requirement. Adequate public participation was provided through the CEQA process.	N	
	b. The comment period was in accordance with state procedures <i>[N/A for projects receiving a Categorical Exclusion]</i>			NA						
	c. The state addressed all comments appropriately			NA						

Project File Review Checklist
for the Clean Water and Drinking Water State Revolving Funds (SRFs)

Required Program Elements										
Review Item and Question to Answer		Base			ARRA			Comments	Follow up Y/N	PER Citation
		Yes	No	N/A	Yes	No	N/A			
1.4	Environmental Cross-Cutters [required for all projects, including projects not subject to the SERP and projects receiving a categorical exclusion; for each item, either a finding of "no effect" by the State, or a concurrence letter from the applicable cross-cutting agency is required]:									
1	Endangered Species Act and Magnuson-Stevens Fishery Conservation and Management Act (essential fish habitat)									
	a. File documents state determination of "no effect" on endangered species of protected habitat	Y						Finding of no effect by the SWRCB per Environmental Review Summary dtd Jan 5, 2011	N	
	b. File includes concurrence from US Fish and Wildlife Service or National Marine Fisheries Service	Y						Finding of no effect by the SWRCB per Environmental Review Summary dtd Jan 5, 2011	N	
2	National Historic Preservation Act									
	a. File documents state determination of "no effect" on historic properties	Y						No historic properties affected per Environmental Review Summary dtd Jan 5, 2011.	N	
	b. File includes concurrence from State or Tribal Historic Preservation Office	Y						Native American respondents had no concerns for construction of the Project per Env. Review Summary dtd Jan 5, 2011	N	
3	Wild and Scenic Rivers Act									
	a. File documents state determination of "no effect" on wild or scenic rivers	Y						None in Project area	N	
e	b. File includes concurrence from appropriate Federal or State Agencies			NA						
4	Coastal Zone Management and Coastal Barriers Resources Act									
	a. File documents state determination of "no effect" on coastal zones or coastal barrier resources	Y						Project is in Coastal Zone and coastal permit was obtained on June 29, 2010.	N	
	b. File includes concurrence from State Coastal Zone Management agency			NA				Permit obtained from Bay Conservation and Development Commission on Jun 29, 2010.		
5	Farmland Protection Policy Act									
	a. File documents state determination of "no effect" on important farmland	Y						Project will not result in the conversion of farmland.	N	
	b. File includes concurrence from appropriate State agency			NA						
6	Wetland Protection (Executive Order 11990)									
	a. File documents state determination of "no effect" on wetlands	Y						No riparian or wetland habitat exists with the Project area.	N	
	b. File includes concurrence from appropriate State agency			NA						
	Flood Plain Management (Executive Order 11988)									
	a. File documents state determination of "no effect" on flood plains	Y						The Project is not within a 100 year floodplain.	N	
	b. File includes concurrence from appropriate State agency			NA						
8	Clean Air Act									
	a. File documents state determination of "no effect" on air quality	Y						Conformance with the federal Clean Air Act, therefore, an air quality conformity determination is not required.	N	
	b. File includes concurrence from appropriate State agency	Y							N	
9	Sole-source Aquifers (Safe Drinking Water Act)									

Project File Review Checklist
for the Clean Water and Drinking Water State Revolving Funds (SRFs)

Required Program Elements									
Review Item and Question to Answer	Base			ARRA			Comments	Follow up Y/N	PER Citation
	Yes	No	N/A	Yes	No	N/A			
a. File documents state determination of "no effect" on sole source aquifers			NA				No impacts		
b. File includes concurrence from appropriate Federal or State agency			NA						

Project File Review Checklist
for the Clean Water and Drinking Water State Revolving Funds (SRFs)

State: CA CWSRF Base or ARRA Review: Base
Project or Borrower: City of Sausalito C-06-53554-110 \$1,100,000

Reviewer: Jlicata
Review Date: 12/11/2012

Required Technical Elements										
Review Item and Question to Answer		Base			ARRA			Comments	Follow up Y/N	PER Citation
		Yes	No	N/A	Yes	No	N/A			
2.1	Bid, Procurement, and Construction Contracts									
1	File contains request for proposals or bid announcement			NA				Notice of Invitation to Bid has not yet been issued.		
2	File contains evidence that request for proposals or bid announcement was advertised according to state rules			NA				Notice of Invitation to Bid has not yet been issued.		
3	File contains a copy of specifications or construction contracts [N/A if file includes documentation that specifications or construction contracts include all required socio-economic cross-cutter and ARRA-specific language and forms, as listed in Section 2.1.4]			NA				Notice of Invitation to Bid has not yet been issued. Assistance Agreement includes copy of specifications or required cross-cutter language.		
4	File contains documentation that specifications or construction contracts contain the following required socio-economic cross-cutter and ARRA-specific language and forms:							Outlined and specified in Assistance Agreement.		
	a. Disadvantage Business Enterprise (DBE) requirements	Y							N	
	b. DBE forms 6100-2, 6100-3 and 6100-4			NA				forms being revised		
	c. Equal Employment Opportunity requirements	Y							N	
	d. Prohibition of the use of contractors or subcontractors who have been suspended or debarred by the Federal government	Y							N	
	e. Applicable EPA Davis-Bacon grant term and condition [N/A for project funded with non-ARRA funds prior to October 1, 2009]	Y							N	
	f. Applicable Davis-Bacon wage determination(s) [N/A for project funded with non-ARRA funds prior to October 1, 2009]	Y								
	g. Reference to Buy American requirements									
5	Project file contains documentation showing the amount of the contract and the winning bidder (record date in comments) [Note: Construction contract, selected bid, or notice to proceed may include this information]									
6	For assistance recipients that are non-governmental entities: File includes documentation that state obtained and reviewed wage determinations prior to bid advertisements to ensure compliance with Davis-Bacon requirements			NA						

Project File Review Checklist
for the Clean Water and Drinking Water State Revolving Funds (SRFs)

Required Technical Elements										
Review Item and Question to Answer		Base			ARRA			Comments	Follow up Y/N	PER Citation
		Yes	No	N/A	Yes	No	N/A			
2.2	Reporting and Ongoing Compliance (* required section for repeat reviews)									
1	File includes information to support project data entered into the CWSRF Benefits Reporting or DWSRF Project Benefits Reporting databases	Y						Project data entered into CBR...screen shot of CBR entry in project file, tab 11	N	
2	Project file includes semi-annual DBE reports on subcontracting procurement [DBE form 5700-52A or equivalent] [note: may be kept elsewhere]			NA				Project not yet initiated therefore no data		
3	Project file includes documentation from the assistance recipient indicating compliance with Davis-Bacon for each weekly payroll [N/A for project funded with non-ARRA funds prior to October 1, 2009]			NA				Project not yet initiated therefore no data		
4	Project file includes reports on job creation and retention [quarterly at minimum]									
5	Project file includes Federal Funds Accountability and Transparency Act (FFATA) reports [note: N/A for projects funded by non-Federal funds or Federal funds received prior to October 1, 2010]			NA						
6	Project file includes applicable Buy American forms									
	a. Documentation from the assistance recipient on utilization of the Buy American de minimis waiver									
	b. For projects covered by a Buy American national waiver, documentation of qualification for that waiver									
	c. For projects that have received a project-specific Buy American waiver, documentation of compliance with the requirements of the waiver [may be included in inspection reports]									
2.3	State Inspections (*required section for repeat reviews)									
1	Project file includes copies of inspection reports prepared by the state or its representative			NA				Project not yet initiated therefore no data		
2	Inspections were performed at intervals in accordance with the state’s procedures (e.g., monthly during construction, quarterly, etc.)			NA				Project not yet initiated therefore no data		
3	Inspection reports indicate project is in compliance with:									
	a. Davis-Bacon requirements			NA				Project not yet initiated therefore no data		
	b. Buy American requirements									
	c. Requirement to report jobs created or retained (e.g. assistance recipients has maintained documentation to show that job data reported to the states is being compiled and calculated accurately)									
	d. Requirement to post ARRA logo and whistleblower poster onsite									
	e. Green Project reserve eligibility (when applicable)		N					Not designated a green project		
4	All issues and concerns identified in inspection reports were adequately resolved			NA				Project not yet initiated therefore no data		

Project File Review Checklist
for the Clean Water and Drinking Water State Revolving Funds (SRFs)

State: CA CWSRF Base or ARRA Review: Base
Project or Borrower: City of Sausalito

Reviewer: Jlicata
Review Date: 12/11/2012

Required Financial Elements										
Review Item and Question to Answer		Base			ARRA			Comments	Follow up Y/N	PER Citation
		Yes	No	N/A	Yes	No	N/A			
3.1	Financial Review									
1	File includes documentation of applicable review of assistance recipient:									
	a. For CWSRF projects, a financial capability review <i>[note: in some states, N/A for projects receiving 100% principal forgiveness or grant]</i>	Y						Credit review conducted of City, Project file CD credit review package	N	
	b. For DWSRF projects, a technical, managerial, and financial capability review			NA						
2	For projects receiving only partial SRF or ARRA SRF funding, the state ensured that the recipient obtained funding to allow for the project to be completed	Y							N	
3.2	Loan or Bond Purchase Agreement									
1	The loan agreement or bond purchase document:									
	a. Is signed by the state and assistance recipient (record date in comments)	Y						Assistance agreement between SWRCB and City signed on Oct 26, 2011	N	
	b. Includes a budget and/or description of eligible costs	Y						replacement of sewer pipe, install new grease interceptor and rehabilitate pump station.	N	
	c. Includes the interest rate	Y						Interest rate is 2.6% on \$1.1 million 20 year term loan.	N	
	d. Includes the fee rate [if applicable]			NA				0 fee rate		
	e. Includes an amortization schedule or includes the repayment period and the date when repayments must begin <i>[N/A for projects receiving 100% grant or principal forgiveness]</i>	Y						Financial Assistance Agreement includes repayment period, schedule and date exhibit C of Assistance Agreement.	N	
	f. Includes requirement for the assistance recipient to submit Single Audit Reports <i>[note: N/A for non-governmental assistance recipients]</i>	Y						Assistance Agreement, para. 3.8	N	
	g. Requires the assistance recipient to maintain accounting practices in accordance with Generally Accepted Accounting Principals	Y						Assistance Agreement pg 13 3.9	N	
2	The assistance agreement's repayment period is in accordance with the state's policies and procedures:									
	a. For loan agreements, repayment period does not exceed 20 years.	Y						20 year loan	N	
	b. For bond purchase documents, repayment periods exceeding 20 years are in accordance with a state extended term financing program approved by EPA.			NA						
3	The loan or bond purchase document makes reference to:									
	a. Davis-Bacon requirements	Y						Exhibit G of Assistance Agreement	N	
	c. Buy American requirements									
	c. Requirement to report jobs created or retained									

Project File Review Checklist
for the Clean Water and Drinking Water State Revolving Funds (SRFs)

Required Financial Elements										
Review Item and Question to Answer		Base			ARRA			Comments	Follow up Y/N	PER Citation
		Yes	No	N/A	Yes	No	N/A			
	d. Federal Funds Accountability and Transparency Act (FFATA) reporting requirements <i>[note: N/A for projects funded by non-Federal funds or Federal funds received prior to October 1, 2010]</i>	Y						Para. 11. of Assistance Agreement	N	
3.3	Single Audit Act compliance (*required section for repeat reviews)									
2	The assistance recipient is submitting Single Audit Reports <i>[note: N/A for a fiscal year if assistance recipients has not received more than \$500,000 in Federal funds from all sources in that fiscal year]</i>			NA				Audit not yet required.		
	a. The state ensured that the assistance recipient resolved any issues identified in a Single Audit Report			NA				Audit not yet required.		

Project File Review Checklist
for the Clean Water and Drinking Water State Revolving Funds (SRFs)

Required Financial Elements									
Review Item and Question to Answer	Base			ARRA			Comments	Follow up Y/N	PER Citation
	Yes	No	N/A	Yes	No	N/A			

Project File Review Checklist
for the Clean Water and Drinking Water State Revolving Funds (SRFs)

State: **CA CWSRF** Base or ARRA Review: **Base**
Project or Borrower: **City of Tehachapi C-065563-110 \$4,242,060**

Reviewer: **Jlicata**
Review Date: **12/11/2012**

Required Program Elements										
Review Item and Question to Answer		Base			ARRA			Comments	Follow up Y/N	PER Citation
		Yes	No	N/A	Yes	No	N/A			
1.1 Funding Eligibility										
1	File contains an application submitted by the recipient	Y						Application submitted Aug 31, 2009 by the City of Tehachapi		
2	The assistance recipient and project is eligible for CWSRF/DWSRF assistance	Y						Upgrade and improvements of WWTP; goal of project is to reduce the level of nitrates in the treated effluent; improve the sludge drying and handling practices; and update the pumping facilities supervisory Control and data acquisition system and programmable logic controller.		
3	The project and recipient are eligible for ARRA funding (e.g. no zoos, casinos, golf courses, land purchases, etc.)									
4	All technical documents required by the state for the type of project have been submitted (preliminary engineering reports, plans & specs, etc.) and reviewed	Y						On May 26, SWRCB approved the facility plans of the project.		
5	All funds are under contract or construction by February 17, 2010 [note values of signed contracts and dates those contracts were signed in Comments section]									
6	For refinance projects, the initial debt was incurred between October 1, 2008 and February 17, 2009									
1.2 Green Project Reserve (GPR)										
1	Project file indicates that any portion of the project designated to receive GPR funding is either:		N							
	a. Categorically qualified for the GPR									
	b. Supported as GPR eligible by a State-approved business case									
2	Project file includes EPA concurrence with conclusion that project is GPR eligible									
3	Business case has been posted on State website			NA						
1.3 Socio-Economic and Other Cross-Cutters										
1	Project file includes a completed EPA Form 4700-4	Y						EPA Form 4700-4 is completed by State for all programs	N	
2	Project file includes certifications from the assistance recipient confirming: [note: certifications may be included in the assistance agreement or application]	Y						Attachmt in project file yellow tab 6	N	
	a. Compliance with Equal Employment Opportunity requirements	Y							N	
	b. That no contract will be entered into with a Federally suspended or debarred individual or company	Y							N	

Project File Review Checklist
for the Clean Water and Drinking Water State Revolving Funds (SRFs)

Required Program Elements										
Review Item and Question to Answer		Base			ARRA			Comments	Follow up Y/N	PER Citation
		Yes	No	N/A	Yes	No	N/A			
1.4	State Environmental Review									
1	Project File includes the following, as appropriate <i>[note: may be included in the Preliminary Engineering Report or Facilities Plan]</i> :									
	a. Discussion of required mitigation measures	Y						The City adopted a Mitigation Monitoring Program (MMP) which is mentioned in the Project file , SWRCB Environmental Review Summary, yellow tab 5, dtd Mar 24, 2011	N	
	b. Analysis of other sites and/or other projects considered	Y						Other alternatives were considered and included in SWRCB Environmental Review Summary, dtd Mar 24, 2011, yellow tab 5	N	
2	The project is subject to the State Environmental Review Process (SERP) <i>[N/A for nonpoint source projects]</i> :									
	a. For projects subject to the SERP, file includes an Environmental Information Document (EID) from the assistance recipient <i>[N/A for projects receiving a Categorical Exclusion]</i> :	Y							N	
3	File contains the state's decision memo (with environmental assessment, as applicable) documenting one of the following:									
	a. Decision to classify the project as a Categorical Exclusion (CE or CatEx)			NA						
	b. Decision to grant a Finding of No Significant Impact (FNSI or FONSI)	Y						SWRCB decision to grant FONSI included in Environmental Review Summary dtd Mar 24, 2011	N	
	c. Decision to require an Environmental Impact Statement (EIS)			NA						
4	File includes Environmental Impact Statement and accompanying Record of Decision <i>[N/A for projects receiving a Categorical Exclusion or Finding of No Significant Impact]</i>									
5	File includes evidence of public notification, as required:									
	a. State environmental decision memo received public notification or an announcement was distributed to a list of interested parties and agencies, as specified in the SERP	Y						The public was given the opportunity to review the EIR under CEQA requirements, and circulated from Jan 25-March 11, 1991. Additionally, the City prepared an Initial Study (IS) and NOI to evaluate the current conditions because the EIR is older than 5 years. The City distributed the IS and NOI for public review from Sept 16-Oct 1, 2007 through the State Clearinghouse..	N	
	b. The comment period was in accordance with state procedures <i>[N/A for projects receiving a Categorical Exclusion]</i>	Y						Complied with CEQA.	N	
	c. The state addressed all comments appropriately	Y						Written comments were received by the City from the CA Dept of Fish and Game and CA Dept of Transportation. The City did not provide formal written responses but did perform a biological survey as recommended by DFG. The City concluded that no new significant impacts will occur from the Project. The SWRCB staff reviewed and considered the EIR, final EIR, the IS and NOI and associated documents and determined that the Project will not result in any significant adverse water quality impacts. Included in Project file under Environmental Review Summary.	N	

Project File Review Checklist
for the Clean Water and Drinking Water State Revolving Funds (SRFs)

Required Program Elements										
Review Item and Question to Answer		Base			ARRA			Comments	Follow up Y/N	PER Citation
		Yes	No	N/A	Yes	No	N/A			
	Environmental Cross-Cutters [required for all projects, including projects not subject to the SERP and projects receiving a categorical exclusion; for each item, either a finding of "no effect" by the State, or a concurrence letter from the applicable cross-cutting agency is required]:									
1	Endangered Species Act and Magnuson-Stevens Fishery Conservation and Management Act (essential fish habitat)									
	a. File documents state determination of "no effect" on endangered species of protected habitat	Y						Enviromental Review Summary dtd Mar 24, 2011	N	
	b. File includes concurrence from US Fish and Wildlife Service or National Marine Fisheries Service			NA						
2	National Historic Preservation Act									
	a. File documents state determination of "no effect" on historic properties			NA				No historic properties affected per Environmental Review Summary dtd Mar 24, 2011. City will develop mitigation plan if archaeological sites are discovered and implement measures for appropriate sites.		
	b. File includes concurrence from State or Tribal Historic Preservation Office	Y						Native American respondents had no concerns for construction of the Project per Env. Review Summary dtd Mar 24, 2011	N	
3	Wild and Scenic Rivers Act									
	a. File documents state determination of "no effect" on wild or scenic rivers	Y						None in Project area	N	
e	b. File includes concurrence from appropriate Federal or State Agencies	Y							N	
4	Coastal Zone Management and Coastal Barriers Resources Act									
	a. File documents state determination of "no effect" on coastal zones or coastal barrier resources	Y						Project is no located in a Coastal Zone	N	
	b. File includes concurrence from State Coastal Zone Management agency			NA						
5	Farmland Protection Policy Act									
	a. File documents state determination of "no effect" on important farmland	Y						Project will not result in the conversion of farmland.	N	
	b. File includes concurrence from appropriate State agency			NA						
6	Wetland Protection (Executive Order 11990)									
	a. File documents state determination of "no effect" on wetlands	Y						No riparian or wetland habitat exists with the Project area.	N	
	b. File includes concurrence from appropriate State agency			NA						
	Flood Plain Management (Executive Order 11988)									
	a. File documents state determination of "no effect" on flood plains	Y						The Project will occur within the flood plain. However, all Project related-structures will be built on pads elevated above the 100 year flood plan. Project will not affect drainage patterns.	N	
	b. File includes concurrence from appropriate State agency	Y						Contained in SERP document files	N	
8	Clean Air Act									
	a. File documents state determination of "no effect" on air quality	Y						AN Air quality conormrity aetermination is not required and steps will be taken to test influent and implement dispersion mechanisms as needed for odors.	N	
	b. File includes concurrence from appropriate State agency	Y						Contained in SERP document files	N	

Project File Review Checklist
for the Clean Water and Drinking Water State Revolving Funds (SRFs)

Required Program Elements										
Review Item and Question to Answer		Base			ARRA			Comments	Follow up Y/N	PER Citation
		Yes	No	N/A	Yes	No	N/A			
9	Sole-source Aquifers (Safe Drinking Water Acct									
	a. File documents state determination of "no effect" on sole source aquifers	Y						Part of CEQA review.	N	
	b. File includes concurrence from appropriate Federal or State agency									

Project File Review Checklist
for the Clean Water and Drinking Water State Revolving Funds (SRFs)

Required Program Elements									
Review Item and Question to Answer	Base			ARRA			Comments	Follow up Y/N	PER Citation
	Yes	No	N/A	Yes	No	N/A			

Project File Review Checklist
for the Clean Water and Drinking Water State Revolving Funds (SRFs)

State: CA CWSRF Base or ARRA Review: Base
Project or Borrower: City of Tehachapi C-065563-110 \$4,242,060

Reviewer: Jlicata
Review Date: 12/11/2012

Required Technical Elements										
Review Item and Question to Answer		Base			ARRA			Comments	Follow up Y/N	PER Citation
		Yes	No	N/A	Yes	No	N/A			
2.1	Bid, Procurement, and Construction Contracts									
1	File contains request for proposals or bid announcement	Y						Notice of Invitation to Bid issued Feb 3, 2011; with proof of publication from the Bakersfield Californian Newspaper		
2	File contains evidence that request for proposals or bid announcement was advertised according to state rules	Y								
3	File contains a copy of specifications or construction contracts [N/A if file includes documentation that specifications or construction contracts include all required socio-economic cross-cutter and ARRA-specific language and forms, as listed in Section 2.1.4]	Y						Financial assistance agreements specifies construction contracts must include all required socio-economic cross-cutter forms and requirements.		
4	File contains documentation that specifications or construction contracts contain the following required socio-economic cross-cutter and ARRA-specific language and forms:									
	a. Disadvantage Business Enterprise (DBE) requirements	Y						Contained in Project file and specs		
	b. DBE forms 6100-2, 6100-3 and 6100-4			NA						
	c. Equal Employment Opportunity requirements	Y								
	d. Prohibition of the use of contractors or subcontractors who have been suspended or debarred by the Federal government	Y								
	e. Applicable EPA Davis-Bacon grant term and condition [N/A for project funded with non-ARRA funds prior to October 1, 2009]	Y								
	f. Applicable Davis-Bacon wage determination(s) [N/A for project funded with non-ARRA funds prior to October 1, 2009]	Y								
	g. Reference to Buy American requirements									
5	Project file contains documentation showing the amount of the contract and the winning bidder (record date in comments) [Note: Construction contract, selected bid, or notice to proceed may include this information]									
6	For assistance recipients that are non-governmental entities: File includes documentation that state obtained and reviewed wage determinations prior to bid advertisements to ensure compliance with Davis-Bacon requirements			NA						

Project File Review Checklist
for the Clean Water and Drinking Water State Revolving Funds (SRFs)

Review Item and Question to Answer		Required Technical Elements						Comments	Follow up Y/N	PER Citation
		Base			ARRA					
		Yes	No	N/A	Yes	No	N/A			
2.2	Reporting and Ongoing Compliance (* required section for repeat reviews)									
1	File includes information to support project data entered into the CWSRF Benefits Reporting or DWSRF Project Benefits Reporting databases									
2	Project file includes semi-annual DBE reports on subcontracting procurement [DBE form 5700-52A or equivalent] <i>[note: may be kept elsewhere]</i>	Y						Recipient is to report on subcontracting procurement EPA Form 6100-4	N	
3	Project file includes documentation from the assistance recipient indicating compliance with Davis-Bacon for each weekly payroll <i>[N/A for project funded with non-ARRA funds prior to October 1, 2009]</i>									
4	Project file includes reports on job creation and retention [quarterly at minimum]									
5	Project file includes Federal Funds Accountability and Transparency Act (FFATA) reports <i>[note: N/A for projects funded by non-Federal funds or Federal funds received prior to October 1, 2010]</i>			NA				SWRCB determines which projects will serve to meet the FFATA requirement in advance of funding and reports accordingly.		
6	Project file includes applicable Buy American forms									
	a. Documentation from the assistance recipient on utilization of the Buy American de minimis waiver									
	b. For projects covered by a Buy American national waiver, documentation of qualification for that waiver									
	c. For projects that have received a project-specific Buy American waiver, documentation of compliance with the requirements of the waiver <i>[may be included in inspection reports]</i>									
2.3	State Inspections (*required section for repeat reviews)									
1	Project file includes copies of inspection reports prepared by the state or its representative		N						N	
2	Inspections were performed at intervals in accordance with the state's procedures (e.g., monthly during construction, quarterly, etc.)	Y							N	
3	Inspection reports indicate project is in compliance with:									
	a. Davis-Bacon requirements	Y						Certification received from City that project is in compliance with DB requirements.	N	
	b. Buy American requirements									
	c. Requirement to report jobs created or retained (e.g. assistance recipients has maintained documentation to show that job data reported to the states is being compiled and calculated accurately)									
	d. Requirement to post ARRA logo and whistleblower poster onsite									
	e. Green Project reserve eligibility (when applicable)			NA						
4	All issues and concerns identified in inspection reports were adequately resolved									

Project File Review Checklist
for the Clean Water and Drinking Water State Revolving Funds (SRFs)

State: **CA CWSRF** Base or ARRA Review: **Base**
Project or Borrower: **City of Tehachapi C-065563-110 \$4,242,060**

Reviewer: **Jlicata**
Review Date: **12/11/2012**

Required Financial Elements										
Review Item and Question to Answer		Base			ARRA			Comments	Follow up Y/N	PER Citation
		Yes	No	N/A	Yes	No	N/A			
3.1	Financial Review									
1	File includes documentation of applicable review of assistance recipient:									
	a. For CWSRF projects, a financial capability review <i>[note: in some states, N/A for projects receiving 100% principal forgiveness or grant]</i>	Y						Credit review conducted of City, Project file yellow tab 7	N	
	b. For DWSRF projects, a technical, managerial, and financial capability review			NA						
2	For projects receiving only partial SRF or ARRA SRF funding, the state ensured that the recipient obtained funding to allow for the project to be completed	Y						Split funded project between base and additional subsidy	N	
3.2	Loan or Bond Purchase Agreement									
1	The loan agreement or bond purchase document:									
	a. Is signed by the state and assistance recipient (record date in comments)	Y						Assistance agreement between SWRCB and City signed on Sept 30, 2011	N	
	b. Includes a budget and/or description of eligible costs	Y							N	
	c. Includes the interest rate	Y						Interest rate is 2.6% on \$2,121,030 and principal forgiveness on @2,121,030.	N	
	d. Includes the fee rate [if applicable]			NA					N	
	e. Includes an amortization schedule or includes the repayment period and the date when repayments must begin <i>[N/A for projects receiving 100% grant or principal forgiveness]</i>	Y						Financial Assistance Agreement includes repayment period, schedule and date	N	
	f. Includes requirement for the assistance recipient to submit Single Audit Reports <i>[note: N/A for non-governmental assistance recipients]</i>	Y						Assistance agreemt states audit requirements...Recipient must comply with audit standards. Pg 8 (2.12)	N	
	g. Requires the assistance recipient to maintain accounting practices in accordance with Generally Accepted Accounting Principals	Y						Assistance Agreement pg 13 3.9	N	
2	The assistance agreement's repayment period is in accordance with the state's policies and procedures:									
	a. For loan agreements, repayment period does not exceed 20 years.	Y						20 year loan	N	
	b. For bond purchase documents, repayment periods exceeding 20 years are in accordance with a state extended term financing program approved by EPA.			NA						
3	The loan or bond purchase document makes reference to:									
	a. Davis-Bacon requirements	Y							N	
	c. Buy American requirements									
	c. Requirement to report jobs created or retained									

Project File Review Checklist
for the Clean Water and Drinking Water State Revolving Funds (SRFs)

Required Financial Elements									
Review Item and Question to Answer		Base		ARRA			Comments	Follow up Y/N	PER Citation
		Yes	No	N/A	Yes	No			
	d. Federal Funds Accountability and Transparency Act (FFATA) reporting requirements <i>[note: N/A for projects funded by non-Federal funds or Federal funds received prior to October 1, 2010]</i>			NA					
3.3	Single Audit Act compliance (*required section for repeat reviews)								
2	The assistance recipient is submitting Single Audit Reports <i>[note: N/A for a fiscal year if assistance recipients has not received more than \$500,000 in Federal funds from all sources in that fiscal year]</i>			NA			Audit is in process at time of review.		
	a. The state ensured that the assistance recipient resolved any issues identified in a Single Audit Report			NA			Audit is in process at time of review.		

Attachment 6 SWRCB letter dated 13 Sept 2013: Comments on draft 2012 Annual Program
Evaluation Report (PER); California Clean Water State Revolving Fund (CWSRF)
Program





EDMOND G. BROWN, JR.
GOVERNOR



MATTHEW RODRIGUEZ
SECRETARY FOR
ENVIRONMENTAL PROTECTION

State Water Resources Control Board

SEP 13 2013

Douglas E. Eberhardt
Chief, Sustainable Infrastructure Office
EPA Region 9, WTR-4
75 Hawthorne Street
San Francisco, CA 94105-3901

Dear Mr. Eberhardt:

COMMENTS ON DRAFT 2012 ANNUAL PROGRAM EVALUATION REPORT (PER); CALIFORNIA CLEAN WATER STATE REVOLVING FUND (CWSRF) PROGRAM

Thank you for the opportunity to comment on the draft 2012 Annual PER. We appreciate the constructive comments provided in the PER and the United States Environmental Protection Agency's (EPA) continued assistance with improving California's CWSRF Program.

Section III, Observations, Suggested Follow-up, and State Comments has four observations with follow-up items. Our comments are as follows. For convenience, we used the original letter designations from your report on our responses.

A. 2. Extended Term Financing

The California CWSRF program provides CWSRF funds in the form of extended term financing (ETF) to the following eligible recipients: (1) to disadvantaged communities; (2) to communities that are regionalizing their wastewater treatment infrastructure; and (3) to economically distressed communities. EPA approved the California CWSRF proposals to offer ETF, based on a 60-year model developed by the state that demonstrated the projected revolving level of the fund would not decrease by 10% or more with use of ETF, compared to the revolving level the fund would attain if ETF were not offered. While ETF expands the economic benefits of the CWSRF program to a broader spectrum of communities, it also exposes the fund's corpus to financial vulnerability. For this reason, the impact of ETF on the fund's viability should be monitored on an annual basis.

Suggested follow-up: EPA recommends that the state update their model and include a discussion on the long-term planning implications of ETF with each Annual Report.

State Comments: Per EPA's guidance on ETF, there are two options for evaluating the financial effect of ETF. The two most recent ETF approvals from EPA (dated May 15, 2012 and January 3, 2013) used the second option, maintaining the historic, or baseline, level of financing, rather than the 60-year/10 percent decrease model.

FELICIA MARCUS, CHAIR | THOMAS HOWARD, EXECUTIVE DIRECTOR

1001 I Street, Sacramento, CA 95814 | Mailing Address: P.O. Box 100, Sacramento, Ca 95812-0100 | www.waterboards.ca.gov

In addition, we would note that ETF does not increase the risk of losing the CWSRF's contributed capital (i.e., the "fund's corpus"). Only a write down, for example, a loan default, can reduce the CWSRF's original capital. ETF does, however, reduce the growth rate on the fund's capital (i.e., its earnings rate), and therefore, the CWSRF's future capacity to finance projects.

The last two ETF applications submitted to EPA were supported by Public Financial Management's (PFM) analysis of California's ability to maintain its baseline financing level. PFM's analysis indicated that the California CWSRF can consistently provide an average of \$560 million annually in 30-year financing. The average annual financing since program inception has been approximately \$262 million. The average annual financing level since 2005 has been approximately \$443 million. Therefore, the analysis showed that California CWSRF can provide all of its baseline financing as ETF without decreasing its future levels of financing to compensate for the reduced growth associated with ETF.

California CWSRF first provided ETF during the 2008/2009 State Fiscal Year (FY). Below are the amounts of ETF and the overall levels of financing provided annually by CWSRF since FY 2005/2006. A rolling, 2-year average was used for the financing level to smooth out year-to-year fluctuations. As seen from Table 1 below, average financing levels have increased since the introduction of ETF. Given the present levels of ETF and the CWSRF's capacity to provide all of its financing as ETF, as indicated by PFM's analysis, the CWSRF does not anticipate any difficulty continuing to provide its baseline level of financing. State Water Board staff will expand its discussion of the effect of ETF on financing levels in its future annual reports to EPA to ensure that California continues to provide at least its baseline financing.

Table 1
Recent ETF and Financing Levels in the CA CWSRF

FY	ETF, \$ (millions)	Financing – Rolling 2 Year Average, \$ (millions)
2005/2006	0.0	280
2006/2007	0.0	444
2007/2008	0.0	411
2008/2009	10.3	437
2009/2010	170.5	568
2010/2011	105.0	513
2011/2012	95.0	598
2012/2013	19.0	531

B. 1. Fund Utilization

Suggested follow-up: Timely and expeditious use of the funds is critical to maximizing the use and effectiveness of CWSRF assets and in meeting the environmental and water quality needs of the state. In light of the fact that disbursements from the California CWSRF have been lower than anticipated, EPA suggests that the program evaluate and determine if there are enough projects in the funding pipeline to ensure funds will be spent promptly. An insufficient number of projects in the pipeline could signal a need by the program to engage in additional outreach/marketing activities to re-engage or establish anew its customer base. In addition, the State Water Resources Control Board (State Water Board) should reevaluate the need for the program to maintain a \$25 million cash reserve and consider directing these dollars to funding projects instead. With advanced cash management and financial tracking tools in place, the State Water Board has the ability to effectively plan for and quickly respond to potential operating income shortfalls without relying on a reserve fund. Therefore, the benefit of optimizing all available funds for projects appears to outweigh the benefits of maintaining a reserve fund.

The State Water Board should also consider implementing the following actions to help ensure funds are disbursed in a timely and predictable pace:

1. Stipulate in the assistance agreement that claims be submitted quarterly or as defined by a schedule based on an annual outlay rate. For example, the national title II construction grant outlay rate required annual disbursements to occur at 7% in year 1; 35% in year 2; 26% in year 3; 20% in year 4; and 12% in year 5.
2. Charge interest on undrawn principal, if not requested within a designated time (for example within 18 months) following loan closing.
3. Map the current claims and disbursement process to identify areas where there are bottlenecks and resolve any issues that are found.

State Comments: State Water Board staff acknowledges EPA's comments about timely and expeditious use of CWSRF funds. The CWSRF's cash balance may indicate that outstanding obligations are being drawn too slowly, the obligation level is too low, or a combination of both.

Although recipients request eligible costs irregularly, our experience is that most recipients request funds throughout construction. The State Water Board's Division of Financial Assistance (Division) also periodically reviews its CWSRF obligations and follows up if recipients are sitting on large, undisbursed balances.

In addition, the Division worked with Northbridge Environmental in 2012, to analyze past disbursement trends. The analysis was used to develop average spending curves based on the date a financing agreement is executed, the start of construction, and the amount of the financing agreement. The spending forecasts in the Loans and Grants Tracking System (LGTS) were automated based on this analysis so that each individual forecast is updated each time funds are disbursed. This has resulted in better program level forecasts, and considerably reduced the time spent by Division staff updating project spending forecasts.

The most recent review of our obligations confirmed that most recipients are requesting disbursements consistent with their construction progress and historic trends. Division staff have evaluated using specific drawdown targets or charging interest on undrawn balances as a way to increase the pace of disbursements, and has determined that these could be counter-productive. We believe these measures would tend to make the program less attractive because they require additional effort by recipients and reduce their flexibility. They also require additional effort by Division staff; requirements must be monitored and enforced to be effective. We believe enforcing such requirements would at best produce a minimal increase in the pace of disbursements. The down side of monitoring and enforcing these requirements, though, is that it will divert valuable staff time from developing and reviewing our pipeline of new applications, and could discourage applicants from submitting applications. Since most recipients seem to be requesting funds consistent with their construction progress and historic disbursement patterns, the implication is that CWSRF can finance additional projects. As seen from Table 1 above, the Division continues to increase its CWSRF funding levels, but clearly more needs to be done to increase demand.

As discussed with EPA staff over the past several years, California has been working hard to improve its CWSRF program to finance more projects, and will continue to look for additional improvements. We have a robust marketing program that conducts joint funding fairs each year through our California Financing Coordinating Committee (CFCC). The CFCC has offered these financing fairs every year since 1998. We also attended or participated in conferences this past year with the Association of California Water Agencies, the California Water Environment Association, the California WaterReuse Conference, the Green California Summit, the California Tribal Water Summit, the California Association of Sanitation Agencies, and the Central Valley Clean Water Association.

On May 7, 2013, the State Water Board took a significant step towards improving the attractiveness and efficiency of the CWSRF. It approved a revamped CWSRF application and additional program streamlining that should create additional demand on the program. The new application and process were also designed to help expedite financing for agencies' capital improvement plans by reducing paperwork redundancy and making it easier to maintain and update basic due diligence information on repeat customers. CWSRF now accepts electronic applications by email or on compact disc, and will soon be able to accept applications through our on-line application system. We are also using LGTS to manage applications and documents electronically.

Currently we are also evaluating whether to request approval to offer extended term financing to all CWSRF projects to create additional demand on the program.

Additional improvements in the disbursement process are probably achievable. CWSRF's disbursement performance measure is to fulfill 100 percent of disbursement requests within 30 days. CWSRF achieved an 82 percent fulfillment rate in FY 2012/2013. The two main factors that contributed to not fully meeting the target are incomplete disbursement requests and final disbursement requests that require extra time to verify the eligibility of project change orders. In FY 2013/2014, Division staff will provide additional outreach, communication, and education to applicants on providing complete, well-documented disbursement requests, and will assess whether it is more efficient to return incomplete requests rather than keep those requests in-house pending the submittal of additional documents. The Division will make appropriate changes to

increase the percentage of complete disbursement requests and to ensure the most efficient review of final disbursement requests.

Division staff notes that the \$25 million referred to in B.1 is not a cash "reserve." The State Water Board has established a minimum cash balance of \$25 million as a safety measure to ensure that the cash level does not go so low that we would be unable to fulfill disbursement requests. The minimum balance would only be relevant if the cash balance approached \$25 million. Since current cash levels are considerably greater than \$25 million, the minimum cash balance has no effect on financing decisions or the liquidation of obligations.

B. 2. Unliquidated Obligations (ULOs) - Use of Federal and Non-federal Funds

Suggested follow-up: To help ensure that all CWSRF funds are committed and expended efficiently and in a timely and expeditious manner, EPA suggests that the California CWSRF program evaluate and implement incentives to encourage construction starts and improve the rate of disbursements to align with the national averages. Other states have used the following incentives or strategies to get projects to construction and draw funds more quickly:

- Base interest charges on undrawn funds to motivate projects to request disbursements frequently.
- Minimize credit review for large municipalities/repeat customers by assigning them a line of credit based on affordability.
- Provide planning and design loans or additional subsidy assistance.

State Comments: The State Water Board has a history of improving its processes so it can finance more projects and disburse more funds. We regularly evaluate potential changes to the CWSRF's procedures, and appreciate any suggestions for improvement.

Construction starts, disbursement rates, and cash levels are all indicators of program demand, but they should not be seen as objectives. The CWSRF program's focus in recent years has been on creating more demand. As noted earlier, the CWSRF program continues to increase its financing, but clearly CWSRF is capable of financing more projects. As discussed on the previous page, the May 7, 2013 Policy amendment included several additional changes that will speed up the funding process. Our expectation is that these changes will increase the number of applications financed. The greater demand will in turn increase construction starts and disbursement requests, and will lower the amount of cash on hand.

Based on 2012 National Information Management System (NIMS) data, California's "cumulative construction starts" is only slightly below the national average (88% vs. 92%). A review of the 2013 data shows that cumulative construction starts have increased marginally to 89%. We would also point out that our average percentage of construction starts since 2004 is approximately 93%.

The CWSRF is one of many funding mechanisms available to California wastewater agencies. The State Water Board staff believes that charging interest on undrawn balances could discourage potential applicants from applying to the program. While

charging interest on undrawn funds may increase disbursements in the short-term, in the long-term we believe it would have a negative effect on program demand.

In FY 2012/2013, the State Water Board took another significant step towards improving the CWSRF by streamlining the application process for repeat customers. Currently, we are working with several applicants to fund their capital improvement needs over the next three to five years. A key part of the process is establishing a yearly borrowing limit based on the applicant's ability to meet the expected debt service. Each year the borrowing limit is updated based on the borrower's most recent financial statements. This reassures applicants that funding is available for their projects, and reduces the resubmission of information by applicants.

The CWSRF has provided planning financing since March 2009 to numerous applicants. In addition, the State Water Board authorized design financing as part of the May 7, 2013, CWSRF Policy amendment. The amended CWSRF Policy is effective October 1, 2013. Both planning and design financing can include additional subsidies to help projects proceed to construction more quickly.

As noted earlier, State Water Board staff will be reviewing its disbursement request instructions and procedures during FY 2013/2014 to identify any actions that will help us meet our disbursement fulfillment goal.

Lastly, as noted previously we are evaluating whether to request approval to offer extended term financing to all CWSRF projects to create additional demand on the program.

C. Use of Fees

Suggested follow-up: EPA requests that the state identify and show the fee rates charged, and the amount and uses of revenue generated from the service charges with each Annual Report. As a reference, on October 20, 2005, EPA issued guidance on fees charged by states to recipients of CWSRF program assistance, **40 CFR Part 35 [FRL-7983-7] Guidance on Fees Charged by States to Recipients of Clean Water State Revolving Fund Program Assistance**. This guidance provides a framework for the use of fees collected under the CWSRF. The State Water Board should follow this guidance when charging fees to recipients of CWSRF assistance.

State Comments: The State Water Board currently has two accounts that are funded by fees assessed on CWSRF financing agreements: (1) the Administration Fund; and (2) the Small Community Grant Fund. Both are funded and maintained consistent with EPA's guidance.

Administration Fund

The rate for Administration Fund charges is reestablished each year in the Intended Use Plan. The current rate is 1.0 percent of the outstanding principal balance on agreements that are assessed the charge. The rate will remain at 1.0 percent until the State Water Board changes the rate. Exhibit D of each year's Annual Report lists the projects that are assessed a fee for the Administration Fund during the year.

For FY 11/12, the Administration Fund revenue was \$8,319,562, and the Administration Fund expenses were (1) Personal Services (Salaries, Benefits and Paid Time Off) = \$2,354,847; and (2) Operating Expenses (Contracts, Supplies, and Operating IDC) = \$1,648,270. State Water Board will include the revenue and expenses information for FY 2012/2013 in the Annual Report, and in future Annual Reports.

Small Community Grant (SCG) Fund

Section 13477.6 of the California Water Code authorizes the State Water Board to assess an annual charge through 2013 to collect a cumulative amount of \$50 million for the SCG Fund. The SCG Fund fee can be applied to the outstanding principal balance on agreements that are assessed the charge up to the agreement's interest rate. The State Water Board had a short timeframe to meet the requirements. Therefore, the financing agreements that were assessed the service fee were a combination of agreements that had already been assessed the Administration Fee and new projects that had not been assessed any fee. Exhibit D of each year's Annual Report lists the projects that were assessed the SCG fee during the year.

For FY 2011/2012, the SCG Fund revenue was \$7,336,779, and the SCG Fund disbursements were \$880,605.

Section V. of the FY 2011/2012 Annual Report indicates that the City of Dunsmuir, Project No. 7820-110, received a \$1 million commitment from the SCG Fund. State Water Board will include a list of projects receiving commitments of SCG Funds in the FY 2012/2013 Annual Report, and in future Annual Reports.

If you have any questions about our responses, please contact Mr. Christopher Stevens at (916) 341-5698, or cstevens@waterboards.ca.gov.

Sincerely,



Elizabeth L. Haven, Deputy Director
Division of Financial Assistance

