

**ITEM #5.A**

*Approval of Minutes of the October 02, 2023 Regular Meeting*



**REGULAR MEETING OF THE BOARD OF DIRECTORS  
DEL PASO MANOR WATER DISTRICT**

**DRAFT MINUTES**

**October 02, 2023 6:00 PM  
1817 Maryal Drive, Suite 300, Sacramento 95864**

**1. CALL TO ORDER:**

President Saunders called the meeting to order at 6:01 p.m.

**2. ROLL CALL:**

Directors Present: President Ryan Saunders, Bob Matteoli, Gwynne Pratt, and David Ross

Directors Absent: Carl Dolk

Staff Present: General Manager Adam Coyan  
Office Manager Victoria Hoppe  
Field Manager Mike Jenner  
Certified Public Accountant Robert Merritt  
Assistant Legal Counsel Lauren Bernadette

A quorum of the Board was present.

**3. ADOPTION OF AGENDA:** Members may pull an item from the agenda.

Director Ross made a motion to adopt the agenda. The motion was seconded by Director Pratt. The agenda was adopted on a 4 Yes/0 No vote/1 Absent (Dolk).

**4. PUBLIC COMMENTS - ITEMS NOT ON THE AGENDA** The Board of Directors welcomes participation at these meetings. Matters under the jurisdiction of the Board that are not posted on the agenda may be addressed by the public, California law prohibits the Board from acting on any matter which is not on the posted agenda, unless the members determines that it is an emergency or other situation specified in Government Code Section 54954.2. Public comments are limited to five (5) minutes per individual. Please make your comments directly to the DPMWD Chair. Comments will be accepted via teleconference and in writing.

(6:03 pm)

President Saunders called for public comment.

Roy Wilson spoke to the seating arrangement in the Board Room, requested matters be returned to the Board's agenda for discussion, and desire for more transparency.

Trish Harrington spoke to timing of past due notices on the water bills and obtaining volunteers for office support.

Seeing no further comments, President Saunders closed public comment.

President Saunders fielded public comment inquires.

**5. CONSENT CALENDAR:** All items under Consent Calendar will be considered together by one action of the Board, any Member or members of the public may request that an item be removed and considered separately.

(6:14 pm)

Request was made for Item 5.G to be discussed and considered separately.

- Item 5.A: Approval of Minutes of the June 5, 2023 Regular Meeting**
- Item 5.B: Approval of Minutes of the July 3, 2023 Regular Meeting**
- Item 5.C: Approval of Minutes of the August 21, 2023 Regular Meeting**
- Item 5.D: Approval of Minutes of the September 05, 2023 Regular Meeting**
- Item 5.E: Approval of Minutes of the September 13, 2023 Special Meeting**
- Item 5.F: Approval of Minutes of the September 18, 2023 Regular Meeting**

President Saunders called for public comment. Seeing no one come forward, he closed public comment.

Director Ross made a motion to approve the Consent Calendar Items 5.A through 5.F. The motion was seconded by Director Pratt. The motion was approved on a 4 Yes/0 No/1 Absent (Dolk) vote.

**Item 5.G: Approval of Warrants and Payroll**

Director Ross requested clarification on expenses and Title 22 requirements.

President Saunders called for public comment.

Roy Wilson requested clarification on itemized expenses regarding the wells.

Seeing no further comments, President Saunders closed public comment.

Director Ross made a motion to approve the Consent Calendar Item 5.F. The motion was seconded by Director Pratt. The motion was approved on a 4 Yes/0 No/1 Absent (Dolk) vote.

**6. PUBLIC HEARING:**

There were no Public Hearing items to consider.

**7. OLD BUSINESS:**

There were no Old Business items to consider.

**8. NEW BUSINESS:**

**Item 8.A: Budget to Actuals**

(6:19 pm)

Certified Public Accountant Merritt presented the staff report.

President Saunders called for public comment.

Roy Wilson inquired about the LAIF account getting separated out.

Seeing no further comments, President Saunders closed public comment.

President Saunders and staff fielded public comment inquires.

**Item 8.B: Salary Survey**

(6:28 pm)

General Manager Coyan presented the staff report and recommended approval of the resolution moving the Office Manager position to Step 1.

Director Matteoli stated he could not support as the resolution needed more review.

President Saunders called for public comment.

Carol Rose provided general comments regarding the presentation.

Seeing no further comments, President Saunders closed public comment.

President Saunders fielded inquiry from public comment.

Director Ross made a motion to approve Resolution 23-1002-1. The motion was seconded by Director Pratt. The motion was approved on a 3 Yes/1 No (Matteoli)/1 Absent (Dolk) vote.

**Item 8.C: Monthly Billing**

(6:48 pm)

General Manager Coyan presented the staff report, recommended moving to monthly billing for commercial and residential accounts beginning November 1, 2023, and fielded questions from the Board.

Board expressed concern for timing of change and requested pushing out the monthly billing to January.

President Saunders called for public comment.

Roy Wilson provided general comments regarding the presentation.

Trish Harrington provided general comments regarding the presentation.

Seeing no further comments, President Saunders closed public comment.

Director Ross made a motion to move to monthly billings beginning with the January, 2024, billing. The motion was seconded by Director Pratt. The motion was approved on a 4 Yes/0 No/1 Absent (Dolk) vote.

**Item 8.D:    Establishing the Time and Place to Hold One Regular Meetings on the First Monday of Each Month**

(7:05 pm)

President Saunders presented the staff report and recommended approval of Resolution 23-1002-2.

Discussion commenced regarding support for one meeting a month and moving to Tuesdays.

President Saunders called for public comment.

Trish Harrington spoke in support of the resolution and provided general comments regarding the presentation.

Roy Wilson spoke in support of the resolution and provided general comments regarding the presentation.

Marcy spoke in support of moving to Tuesday and provided general comments regarding the presentation.

Seeing no further comments, President Saunders closed public comment.

Director Pratt made a motion to approve Resolution 23-1002-2 with an amendment to move meetings to Tuesday. The motion was seconded by Director Matteoli. The motion was approved on a 4 Yes/0 No/1 Absent (Dolk) vote.

**Item 8.E:    Well 2**

(7:16 pm)

General Manager Coyan presented the staff report and fielded inquiries from the Board.

General discussion ensued amongst the Board regarding Well 2 and continuing the 2x2 discussions.

President Saunders called for public comment.

Trish Harrington provided general comments regarding the presentation.

Carol Rose provided general comments regarding the presentation.

Roy Wilson provided general comments regarding the presentation.

Seeing no further comments, President Saunders closed public comment.

Direction was given to staff to pause improvements on Well 2, reevaluate benefits, and weigh against other projects.

President Saunders called a break at 8:10 p.m. Meeting reconvened at 8:21 p.m.

**Item 8.F: Board Approval for Two Directors to Attend the California Water Rights and Regulations Webinar Hosted By Halfmoon Education**

(8:21 pm)

Directors Pratt and Matteoli withdrew their request and stated they were to pay for the webinar themselves.

**9. FIELD REPORT:** Verbal report

**Item 9.A: Field Report on Current and Upcoming Projects**

(8:23 pm)

Field Manager Jenner summarized the staff report and fielded inquires from the Board.

President Saunders called for public comment. Seeing no one come forward, President Saunders closed public comment.

**10. DIRECTOR REPORT ON COMMITTEE MEETINGS:** Verbal report  
*Each Board Member will have 5 minutes to report out on all associated committees*

**Item 10.A: Director Dolk**

American Water Works Association (AWWA)  
Association of California Water Agencies (ACWA)

**Item 10.B: Director Matteoli**

Association of California Water Agencies (ACWA) Agriculture  
Association of California Water Agencies (ACWA) Groundwater  
Sacramento Groundwater Authority (SGA)

**Item 10.C: Director Ross**

California Rural Water Authority (CRWA)  
California Special Districts Association (CSDA)

**Item 10.D: Director Saunders**

Joint Powers Insurance (JPIA)

**Item 10.E: Director Pratt**

Regional Water Authority (RWA)  
Water Forum

(8:26 pm)

Directors provided brief reports on committee meetings they attended or would attend at future meetings.

**11. GENERAL MANAGERS COMMENTS:** Verbal report

(8:40 pm)

General Manager Coyan provided an update on general District matters.

President Saunders called for public comment.

Trish Harrington provided general comments regarding the presentation.

Roy Wilson provided general comments regarding the presentation.

Seeing no further comments, President Saunders closed public comment.

General Manager Coyan fielded inquiry from public comments.

**12. CLOSED SESSION:**

1. Conference with Legal Counsel – Anticipated Litigation - Significant exposure to litigation pursuant to Gov. Code § 54956.9(d)(2): 2 cases
2. Conference with Legal Counsel – Anticipated Litigation - Initiation of litigation pursuant to Gov. Code § 54956.9(d)(4): 2 cases

*This item was heard out of order.*

**13. DIRECTORS COMMENTS:** Verbal information, non-action comments.

(8:43 pm)

Director Ross reported out on the ad-hoc committee regarding banking and noted a recommendation was forthcoming.

**14. FUTURE AGENDA REQUESTS:** Directors can suggest topics they would like on future agendas

(8:44 pm)

Director Matteoli requested a discussion on main line leaks since July, 2017. Support was provided by all Directors.

**12. CLOSED SESSION:**

1. Conference with Legal Counsel – Anticipated Litigation - Significant exposure to litigation pursuant to Gov. Code § 54956.9(d)(2): 2 cases
2. Conference with Legal Counsel – Anticipated Litigation - Initiation of litigation pursuant to Gov. Code § 54956.9(d)(4): 2 cases

*This item was heard out of order.*

President Saunders called for public comment. Seeing no one come forward, he closed the public comment.

President Saunders recessed the open session and convened the closed session at 8:48 p.m.

The open session reconvened at 10:53 p.m.

President Saunders reported direction was provided to staff on all four matters.

**15. ADJOURNMENT:** Next Regular Board of Directors meeting is scheduled for October 16, 2023

Director Ross made a motion to adjourn. Director Pratt seconded the motion. There being no further business, the Board of Directors meeting adjourned at 10:54 p.m.

APPROVAL:

ATTEST:

\_\_\_\_\_  
Ryan Saunders, President of the Board

\_\_\_\_\_  
Norma I. Alley, MMC, Clerk of the Board



**ITEM #5.B**

*Approval of Warrants and Payroll*

**Del Paso Manor Water District**  
**VENDORS PAID / APPROVED - OCTOBER 2023**

<b>VENDORS NAME</b>	<b>DESCRIPTION</b>	<b>CIP</b>	<b>AMOUNT</b>	<b>CHECK #</b>
ACWA JPIA	Health		\$549.41	10803
ADP	Payroll		\$22,412.58	EFT
ADP Taxes	Payroll Taxes		\$11,459.40	EFT
All Phase Construction	Refund for Hydrant Use Permit/Fees		\$857.70	10801
Appletree Answers	Answering service		\$519.11	CC
AT&T	Internet; Phone/Fax		\$85.60	CC
AT&T	Phone		\$343.52	CC
AT&T	Phone		\$211.33	CC
AT&T Mobility	Cell Phones; iPads		\$443.34	CC
CalPers	Employee Contribution - Classic		\$2,400.85	EFT
CalPers	Employee Contribution - Pepra		\$2,992.54	EFT
CalPers	Health			EFT
CalPers	Unfunded Liability - Classic		\$5,958.92	EFT
DEX.YP	Yellow Pages		\$15.50	CC
Emigh Hardware	Material/Supplies		\$555.15	10807
Forsgren Associates, Inc.	Services Rendered Thru 08/25/2023 (Well 02 Engineering)		\$190.00	10792
Forsgren Associates, Inc.	Services Rendered Thru 08/25/2023 (Well 6B Modification)		\$200.00	10792
Forsgren Associates, Inc.	Services Rendered Thru 08/25/2023 (Well 07 Support)		\$3,127.50	10792
Forsgren Associates, Inc.	Services Rendered Thru 08/25/2023 (Well 09 Engineering)		\$636.25	10792
Forsgren Associates, Inc.	Services Rendered Thru 08/25/2023 (On-Call Services)		\$6,926.25	10792
Iconix Waterworks (US) Inc.	4268 Stock		\$222.78	10793
Leaf	Photocopy Machine Lease		\$172.92	10805
Legacy Cleaning Services	Maryal office		\$160.00	CC
Munibilling	Billing System (4th Quarter Subscription & Merchant Fees)		\$1,936.00	10794
Natomas Lock & Key	4268 Stock (Padlocks)		\$120.71	10795
PG&E	Gas		\$8.32	EFT
Regional Government Services (RGS)	August 2023 Clerk Services		\$1,652.13	10796
Sacramento County Utilities	Utilities		\$242.68	EFT
Sierra Chemical Company	Chemicals		\$420.00	10797
Smud	Account# 7000000179		\$12,826.77	10798
Streamline	Website		\$249.00	CC
Uinta Holdings, LLC	November 2023 Rent		\$2,570.00	10806
Umpqua Bank	District Credit Card		\$2,549.04	EFT

**Del Paso Manor Water District  
VENDORS PAID / APPROVED - OCTOBER 2023**

USA BlueBook	4268 Stock		\$100.82	10799
VOYA	September 2023 Emp. Contribution		\$500.00	10800
Wex Bank	Gas		\$676.87	EFT
Wizix Technology Group, Inc.	Photocopy Machine		\$97.45	CC
Wizix Technology Group, Inc.	Photocopy Machine Toner		\$14.50	CC
<b>MONTHLY TOTAL-----&gt;</b>			<b>\$0.00</b>	<b>\$84,404.94</b>

**Approved at October 2, 2023 Regular Meeting**

Approved at \_\_\_\_\_ Regular Meeting

**TOTAL CHECKS ISSUED: 14**

**PAID VIA CREDIT CARD (CC): 20**

**PAID VIA ELECTRONIC FUNDS TRANSFER (EFT): 10**

**\* DISTRICT FILES INCLUDES INVOICES BEHIND CREDIT CARD BILL WHICH ARE AVAILABLE FOR REVIEW AT THE DISTRICT OFFICE**

**Del Paso Manor Water District**  
**VENDORS PAID / APPROVED - OCTOBER 2023**

<b>UMPQUA DISTRICT CREDIT CARD - PAID OCTOBER 2023</b>				
<b>VENDORS NAME</b>	<b>DESCRIPTION</b>	<b>AMOUNT</b>	<b>PAID DATE</b>	<b>ACCT. / INV</b>
Nextdoor	Advertising	39.66	10/3/2023	
Streamline	Website	249.00	10/3/2023	
Wizix Technology Group, Inc.	Photocopy Machine	111.95	10/3/2023	
Legacy Cleaning Services	Maryal office	160.00	10/3/2023	
Zoom	Cloud Recording	40.00	10/4/2023	
DEX.YP	Yellow Pages	15.50	10/4/2023	
Amazon	Office Supplies	157.90	10/4/2023	
AT&T	Phone	343.52	10/4/2023	
Amazon	Office Supplies	269.36	10/5/2023	
Amazon	Office Supplies	71.83	10/5/2023	
Amazon	Office Supplies	83.81	10/5/2023	
Offcie Depot	Office Supplies	1,085.05	10/11/2023	
Appletree Answers	Answering service	503.99	10/17/2023	
AT&T	Phone	211.33	10/17/2023	
AT&T Mobility	Cell Phones; iPads	443.34	10/17/2023	
Amazon	Office Supplies	-83.81	10/18/2023	
Amazon	Office Supplies	-269.36	10/19/2023	
Heartland Clarke	Checks/Deposit Slip	75.94	10/23/2023	
Walgreens	Office Supplies	25.96	10/24/2023	
AT&T	Internet; Phone/Fax	85.60	10/17/2023	
		<b>3,620.57</b>		

**Del Paso Manor Water District  
NOVEMBER 2023 VENDORS FOR APPROVAL**

<b>VENDORS NAME</b>	<b>DESCRIPTION</b>	<b>CIP</b>	<b>AMOUNT</b>	<b>CHECK #</b>
ACWA JPIA	Health			
ACWA JPIA	Worker's Comp, Q1 (07/01/2023 - 10/30/2023)		\$4,196.39	
ADP	Payroll			
ADP Taxes	Payroll Taxes			
A.I. Electric	Well 7		\$270.00	
A.I. Electric	Well 6B		\$272.00	
American Water Works Association (AWWA)	Annual Membership Dues (01/2024 - 12/2024)		\$501.00	
Appletree Answers	Answering service			
Association of California Water Agencies (ACWA)	Annual Membership Dues (01/2024 - 12/2024)		\$9,830.00	
AT&T	Internet; Phone/Fax			
AT&T	Phone		\$344.77	
AT&T	Phone			
AT&T Mobility	Cell Phones; iPads			
BSK	Labs		\$2,922.00	
Bud's Tri County Tree Services, Inc	4020 El Camino		\$400.00	
California Special Districts Association (CSDA)	Annual Membership (01/2024 - 12/2024)		\$8,212.00	
CalPers	Employee Contribution - Classic		\$2,400.85	
CalPers	Employee Contribution - Pepra		\$3,214.86	
CalPers	Health		\$20,027.99	
CalPers	Unfunded Liability - Classic		\$5,958.92	
CalPers	Unfunded Liability - Pepra			
County of Sacramento	Construction Management/Inspection		\$75.50	
DEX.YP	Yellow Pages		\$15.50	
Forsgren Associates, Inc.	Services Rendered Thru 09/26/2023 (On-Call Services FY 23/24)		\$2,154.84	
Forsgren Associates, Inc.	Services Rendered Thru 09/26/2023 (Well 9 Engineering)		\$1,474.75	
Kronick, Moskovitz, Tiedemann & Girard	Services Rendered Through September 2023		\$13,402.74	
Leaf	Photocopy Machine Lease			
Legacy Cleaning Services	Maryal office		\$160.00	
MailRite	Billing Mailhouse (Rate Increase Card #2)		\$1,996.84	
MailRite	Sept./Oct 2023 Flat Rate		\$1,964.36	
Lubrication Engineers, Inc.	Gear Oil		\$437.60	
PG&E	Gas		\$8.88	
PG&E	Well 9 Generator		\$12,961.58	

**Del Paso Manor Water District  
NOVEMBER 2023 VENDORS FOR APPROVAL**

Regional Government Services (RGS)	September 2023 Clerk Services		\$1,284.99	
Robert Merritt	CPA - Services Rendered Through September 2023		\$950.00	
Sacramento County	Property Tax (Kings Way)(2023-2024)		\$41.10	
Sacramento County	Property Tax (Lusk Drive)(2023-2024)		\$17.88	
Sierra Chemical Company	Chemicals		\$546.00	
Sierra Chemical Company	Chemicals		\$231.00	
Sierra Chemical Company	Chemicals		\$462.00	
Smud	Account# 7000000179		\$11,513.27	
Streamline	Website		\$249.00	
Terrapin Technology Group	Software / Computers		\$574.81	
Terrapin Technology Group	Protest Hearing A/V		\$2,080.00	
Tripepi Smith & Associates, Inc	Milestone 3 (final Payment)		\$10,987.28	
Uinta Holdings, LLC	December 2023 Rent		\$2,570.00	
Umpqua Bank	District Credit Card		\$3,620.57	
USA BlueBook	4268 Stock		\$335.12	
USA BlueBook	4268 Stock		\$5.22	
USA BlueBook	4268 Stock		\$32.59	
VOYA	October 2023 Emp. Contribution		\$500.00	
Wex Bank	Gas		\$524.41	
Wizix Technology Group, Inc.	Photocopy Machine		\$97.45	
<b>MONTHLY TOTAL-----&gt;</b>			<b>\$0.00</b>	<b>\$129,826.06</b>

**Del Paso Manor Water District  
BOD Compensation Expense Summary  
OCTOBER 2023**

<b>OCTOBER 2023 MEETINGS</b>		<b>DOLK</b>	<b>MATTEOLI</b>	<b>PRATT</b>	<b>ROSS</b>	<b>SAUNDERS</b>
	<b>Board Meetings</b>					
10/2/2023	DPMWD - Regular Board Meeting		1	1	1	1
	DPMWD - Special Board Meeting					
	DPMWD - Emergency Board Meeting					
	<b>ADHOC Committee Meetings</b>					
	Director Compensation Committee Meeting					
	Finance Standing Committee Meeting					
	General Counsel Review Committee					
	General Manager Evaluation Committee					
	LAFCo 2x2 Meeting					
	SSWD / DPMWD 2X2 Committee					
	Succession Planning Committee					
	<b>Other Meetings</b>					
	American Water Works Association (AWWA) ( <i>Dolk</i> )					
	Association of California Water Agencies (ACWA) ( <i>Dolk</i> )					
	Association of California Water Agencies (ACWA) Agriculture ( <i>Matteoli</i> )					
	Association of California Water Agencies (ACWA) Groundwater ( <i>Matteoli</i> )					
	California Rural Water Authority (CRWA) ( <i>Ross</i> )					
	California Special Districts Association (CSDA) ( <i>Ross</i> )					
	Ethics Training (AB1234)					
	Joint Powers Insurance (JPIA) ( <i>Saunders</i> )					
	Legal Council Meeting					
	Regional Water Authority (RWA) ( <i>Pratt</i> )					
	Sacramento Groundwater Authority (SGA) ( <i>Matteoli / Pratt</i> )					
	Sacramento Suburban Water District (SSWD)					
	Sexual Harassment Prevention Training (AB1825)					
10/16, 10/17, 2023	Water Forum ( <i>Pratt</i> )			2		
	<b>October Monthly Meeting Totals</b>					
	TOTAL MEETINGS	0	1	3	1	1
	TOTAL COMPENSATED MEETINGS	0	1	3	1	1
	TOTAL COMPENSATION	\$0	\$100	\$300	\$100	\$100

## **ITEM #8.A**

*Budget to Actuals*



Del Paso Manor Water District  
 Budget To Actual Comparison  
 July 1, 2023 to October 31, 2023

Notes

	Year to Date July 1, 2023 to October 31, 2023	Budget	Percent of Budget
<b>Revenues</b>			
Water Sales	518,384	1,358,847	38.15%
C.I.P. Revenue	198,925	598,811	33.22%
Other water sales	606	-	Not budgeted
Other customer charges	120	-	Not budgeted
Interest income	16,309	30,000	54.36%
Misc. income	-	-	Not budgeted
<b>Total Revenues</b>	<b>734,344</b>	<b>1,987,658</b>	<b>36.95%</b>
<b>Employee Related</b>			
Management Salaries	39,374	160,000	24.61%
Staff Salaries	75,998	328,051	23.17%
Director Fees	4,400	22,000	20.00%
Payroll Taxes	9,153	41,000	22.32%
PERS Retirement	29,727	100,500	29.58%
Health	17,648	90,000	19.61%
Retiree Health Benefits & OPEB	16,085	80,000	20.11%
<b>Total Employee Related</b>	<b>192,385</b>	<b>821,551</b>	<b>23.42%</b>
<b>Administration</b>			
Insurance	13,906	59,500	23.37%
Office Expense	35,781	91,500	39.10%
Audit Fees	10,700	12,000	89.17%
Legal Fees	28,457	200,000	14.23%
Election Related	-	3,000	0.00%
Miscellaneous	10,387	5,000	207.74%
Professional Administration Fees	17,214	131,700	13.07%
Bank Charges	639	2,000	31.95%
Professional Dues	36,098	58,500	61.71%
Professional Meetings	-	10,000	0.00%
Cert/Continuing Education	-	5,000	0.00%
<b>Total Administration</b>	<b>153,182</b>	<b>578,200</b>	<b>26.49%</b>
<b>Operations</b>			
Conservation	-	3,400	0.00%
Power	26,544	112,000	23.70%
Repairs & Maintenance	33,053	216,000	15.30%
Lab Fees	10,960	7,000	156.57%
Backflow Program	-	2,000	0.00%
Engineering	29,257	250,000	11.70%
City Water	-	7,000	0.00%
Capital/Equipment Expenditures	-	60,000	0.00%
<b>Total Operating</b>	<b>99,814</b>	<b>657,400</b>	<b>15.18%</b>
<b>Total Employee Related, Administration and Operating Expenses</b>	<b>445,381</b>	<b>2,057,151</b>	<b>21.65%</b>
<b>C.I.P.</b>			
New Pipeline	-	50,000	0.00%
Well #2	-	950,000	0.00%
Well # 6B	-	50,000	0.00%
Well #9	-	360,000	0.00%
Interest Expense & Principal Debt Payment	-	325,000	0.00%
<b>Total C.I.P.</b>	<b>-</b>	<b>1,735,000</b>	<b>0.00%</b>

Amounts above are not audited

Notes

1 Misc. expenses include employee relocation and operating interest expenses

	<u>October 2023</u>	<u>Budget</u>	<u>Percentage of Budget</u>
<b>Employee Related</b>			
5102.10 · Management salaries	39,374.00	160,000.00	24.61%
5102.15 · Field salaries	53,701.00	250,000.00	21.48%
5102.20 · Office manager salary	22,297.00	78,051.00	28.57%
5102.05 · Director fees	4,400.00	22,000.00	20.00%
5102.30 · Payroll taxes	9,153.00	41,000.00	22.32%
6451.00 · PERS/retirement	29,727.00	100,500.00	29.58%
6501.00 · Employee healthcare (CalPers)	17,648.00	90,000.00	19.61%
6502.00 · Retiree health benefits	16,085.00	80,000.00	20.11%
<b>Administration</b>			
<b>5251.00 · Insurance</b>			
5251.05 · Liability	9,322.00	40,000.00	23.31%
5251.10 · Property	4,585.00	4,500.00	101.89%
5251.15 Workers Compensation	0.00	15,000.00	0.00%
<b>6151.00 · Office expense</b>			
6151.05 · District office lease	12,850.00	32,000.00	40.16%
6151.10 · Phone service	1,877.00	4,500.00	41.71%
6151.15 · Internet provider	1,835.00	5,000.00	36.70%
6151.20 · Sewer & garbage (Lusk)	479.00	2,000.00	23.95%
6151.21 · Miscellaneous (office other)	0.00	0.00	N/A
6151.25 · Postage	12,785.00	20,000.00	63.93%
6151.30 · Printing	0.00	1,000.00	0.00%
6151.35 · Computers & supplies	90.00	3,500.00	2.57%
6151.40 · Office supplies	2,184.00	7,500.00	29.12%
6151.45 · Answering service	2,001.00	5,500.00	36.38%
6151.50 · Office furniture	0.00	2,000.00	0.00%
6151.55 · Payroll preparation	425.00	2,000.00	21.25%
6151.60 · GASB 75 valuation	0.00	2,000.00	0.00%
6151.70 · Janitorial	640.00	2,500.00	25.60%
Office expense - other	615.00	0.00	N/A
6152.00 Building maintenance	0.00	2,000.00	0.00%
6251.00 · Audit	10,700.00	12,000.00	89.17%
6255.00 Election related	0.00	3,000.00	N/A
6301.00 · Legal	28,457.00	200,000.00	14.23%
6401.00 · Misc	10,387.00	5,000.00	207.74%
<b>6601.00 · Professional Admin fees</b>			
6601.05 · SWRCB annual fees	0.00	16,000.00	0.00%
6601.10 · NDPES permit	0.00	1,500.00	0.00%
6601.15 · Cal Pers actuarial reports	700.00	700.00	100.00%
6601.25 · Air Quality permits	0.00	5,000.00	0.00%
6601.30 · Encroachment permits	0.00	500.00	0.00%
6601.35 · CPA fees	2,565.00	18,000.00	14.25%
6601.00 · Professional admin fees - other	13,949.00	60,000.00	23.25%
6601.50 · Public relations	0.00	30,000.00	0.00%

6171.00 · Bank fees	639.00	2,000.00	31.95%
<b>6561.00 · Professional dues</b>			
6561.05 · ACWA	4,867.00	11,000.00	44.25%
6561.10 · AWWA	244.00	700.00	34.86%
6561.15 · CSDA	4,093.00	8,300.00	49.31%
6561.20 · CRWA	750.00	1,000.00	75.00%
6561.25 · RWA	4,423.00	9,500.00	46.56%
6561.30 · SGA	21,243.00	25,000.00	84.97%
6561.35 · SAWWA	0.00	1,000.00	0.00%
6561.00 · Professional dues - other	478.00	2,000.00	23.90%
6551.00 · Professional meetings	0.00	10,000.00	0.00%
6610.00 Certification/continuing education	0.00	5,000.00	0.00%
<b>Operations</b>			
5121.00 Conservation	0.00	3,400.00	0.00%
<b>5151.00 · Power</b>			
5151.05 · PG&E	26.00	2,000.00	1.30%
5151.10 · SMUD	26,519.00	110,000.00	24.11%
<b>5201.00 · R &amp; M</b>			
5201.05 · Leak repairs	21,342.00	104,000.00	20.52%
5201.10 Field Equipment	0.00	2,000.00	0.00%
5201.15 · Field supplies	2,585.00	35,000.00	7.39%
5201.20 · Fuel for vehicles	1,524.00	9,000.00	16.93%
5201.25 Vehicle repair and maintenance	718.00	3,000.00	23.93%
5201.35 · Chlorine	3,129.00	11,000.00	28.45%
5201.45 · Well repair & maintenance	1,403.00	6,000.00	23.38%
5201.55 · Field staff cellular service	1,868.00	6,000.00	31.13%
5201.00 R & M other	0.00	0.00	N/A
5201.70 SSWD Mutual Aide Field Staff	483.00	40,000.00	1.21%
5301.00 · Lab fees (H2O testing)	10,960.00	7,000.00	156.57%
5451.00 City water	0.00	7,000.00	0.00%
5452.00 Backflow program	0.00	2,000.00	0.00%
5351.00 Engineering	29,257.00	250,000.00	11.70%

**Del Paso Manor Water District**  
**Monthly Cash Flow Activity (Unaudited)**  
**September 2023**

	Operating Bank Account	L.A.I.F.	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Account Balances at September 1, 2023	\$ 446,179	\$ 1,809,008	\$ 2,255,187
Rate payer collections	133,995	-	133,995
Other receipts	27,629	-	27,629
Payroll disbursements	(33,620)	-	(33,620)
Vendor payments	<u>(133,228)</u>	<u>-</u>	<u>(133,228)</u>
Account Balances at September 30, 2023	<u>\$ 440,955</u>	<u>\$ 1,809,008</u>	<u>\$ 2,249,963</u>

The activity above is not audited

## **ITEM #8.B**

*Presentation on District Funding Options*

**DEL PASO MANOR WATER DISTRICT**

**BOARD MEETING**

**DATE: November 07, 2023**

**AGENDA ITEM NO. 8.B**

---

**SUBJECT: Presentation on District Funding Options**

---

**STAFF CONTACT:**

Adam Coyan, General Manager

**BACKGROUND:**

The 2023 Proposition 218 was approved at the September 18, 2023 meeting and assumes a debt issuance of \$9.23M for upcoming capital projects. The District contacted Jeff Land with Brandis Tallman, LLC to provide a presentation on potential options for the required financing. Mr. Land assisted the District in June 2018 with the 2018 Installment Purchase Contract, in the amount of \$4,827,000. Following that, in 2020, Mr. Land again assisted the District with the 2020 Installment Purchase Contract.

Staff contacted Jeff Land with Brandis Tallman, LLC to provide a presentation on funding options through a possible loan &/or bond(s).

The District's rate consultant Doug Dove with Bartle Wells suggested using the State revolving fund. Per his suggestion, Staff has researched and prepared a presentation on the options for borrowing from the State revolving fund.

**BUDGET:**

The presentation to the Board would have no effect on the district budget.

**RECOMMENDATION:**

Received information presented, discuss possible options and direct staff as appropriate.

**ATTACHMENTS:**

Brandi Tallman, LLC Presentation  
State Revolving Fund Presentation



BRANDIS TALLMAN  
A DIVISION OF OPPENHEIMER & CO. INC.

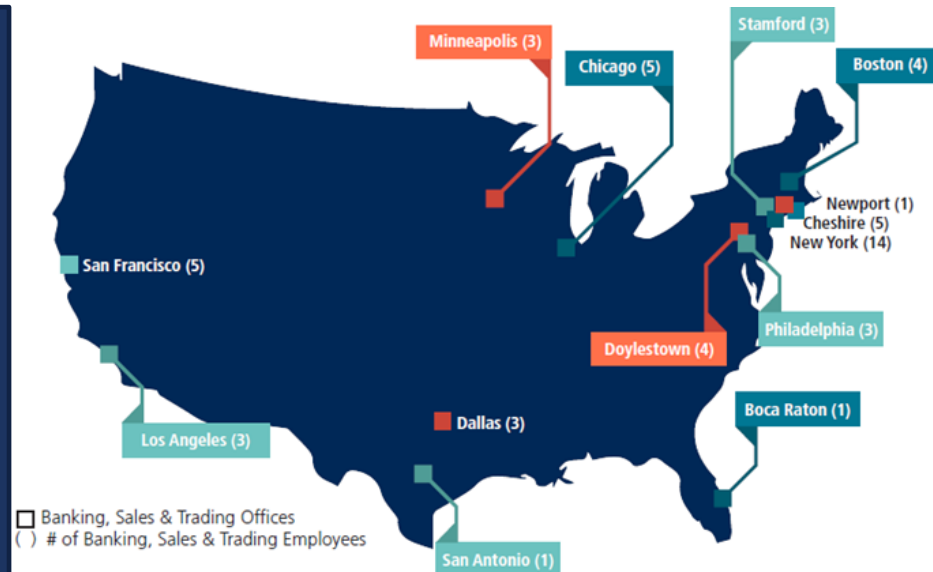


# DEL PASO MANOR WATER DISTRICT FINANCING UPCOMING CAPITAL IMPROVEMENT PROJECTS

NOVEMBER 7, 2023

# INTRODUCTION

- National Firm: Publicly traded on NYSE (Symbol: OPY)
- Large, independent full service retail broker-dealer
- 100 offices in 24 states, the District of Columbia, and 3 foreign jurisdictions
- Approximately 2,900 total employees
  - Women and minorities make up approximately 46% of the Firm's workforce



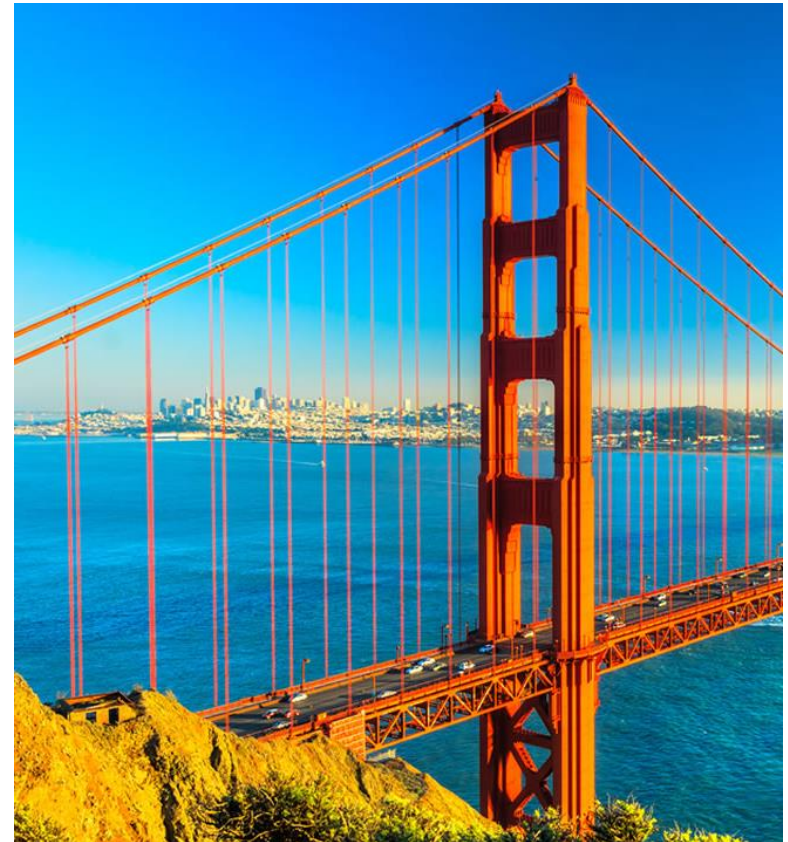
As of June 30, 2023:

- 964 financial advisors; over 350,000 accounts
- \$113.2 billion of client assets under administration; \$41.2 billion of clients under management
- \$788.3 million of Total Equity Capital; \$394.7 million of Excess Net Capital
- Capability to sole underwrite a bond issue of over \$1.5 billion



# BRANDIS TALLMAN DIVISION

- Brandis Tallman is the California public finance division of Oppenheimer & Co. Inc.
- Specializes in underwriting and placement agent services for all types of local government agencies
- Founding members have 65 years of combined service to California communities
- Members of the California Society of Municipal Finance Officers (CSMFO), consultants to the California Special Districts Association Finance Corporation (CSDA), and contributors to the California Debt and Investment Advisory Commission (CDIAC)

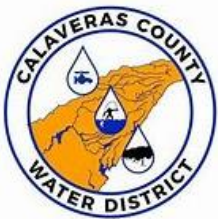


# EXPERIENCE

- Since 2018, we have completed 76 utility revenue financings for California public agencies, totaling over \$780 million in par amount.

## Examples of Special District Utility Revenue Financings:

Calaveras County Water District



\$19,843,000  
Water Revenue Financing

Diablo Water District



\$10,806,000  
Water Revenue Financing

Discovery Bay CSD



\$11,650,000  
Enterprise Revenue  
Refinancing Bonds

Truckee Donner Public Utility District



\$14,825,000  
Water Revenue Financing

# SACRAMENTO AREA CLIENTS

Special Districts		
Cameron Park CSD	Cosumnes CSD	Fair Oaks Rec and Park
Carmichael Rec and Park	Del Paso Manor WD	Orangevale Rec and Park
Cordova Rec and Park	El Dorado Hills CSD	Sacramento Metro Fire District

Cities/Counties		
Amador County	Marysville	Woodland
Folsom	Sutter County	Yolo County

School Districts		
Elk Grove USD	Elverta ESD	Woodland Joint USD



# WATER REVENUE CERTIFICATES OF PARTICIPATION

- District can finance their upcoming capital improvement projects by issuing Water Revenue Certificates of Participation (Revenue COPs)
- Repayment can be tailored to fit the District's goals; typical maximum term of 30 years, but longer can be considered
- Interest is exempt from federal and state income tax, allowing bondholders to accept a lower interest rate, thus lowering the borrowing cost to the District
- Revenue COPs are secured by a pledge of District revenues (net of O&M), which would include revenues received by the District's wholesale municipal customers

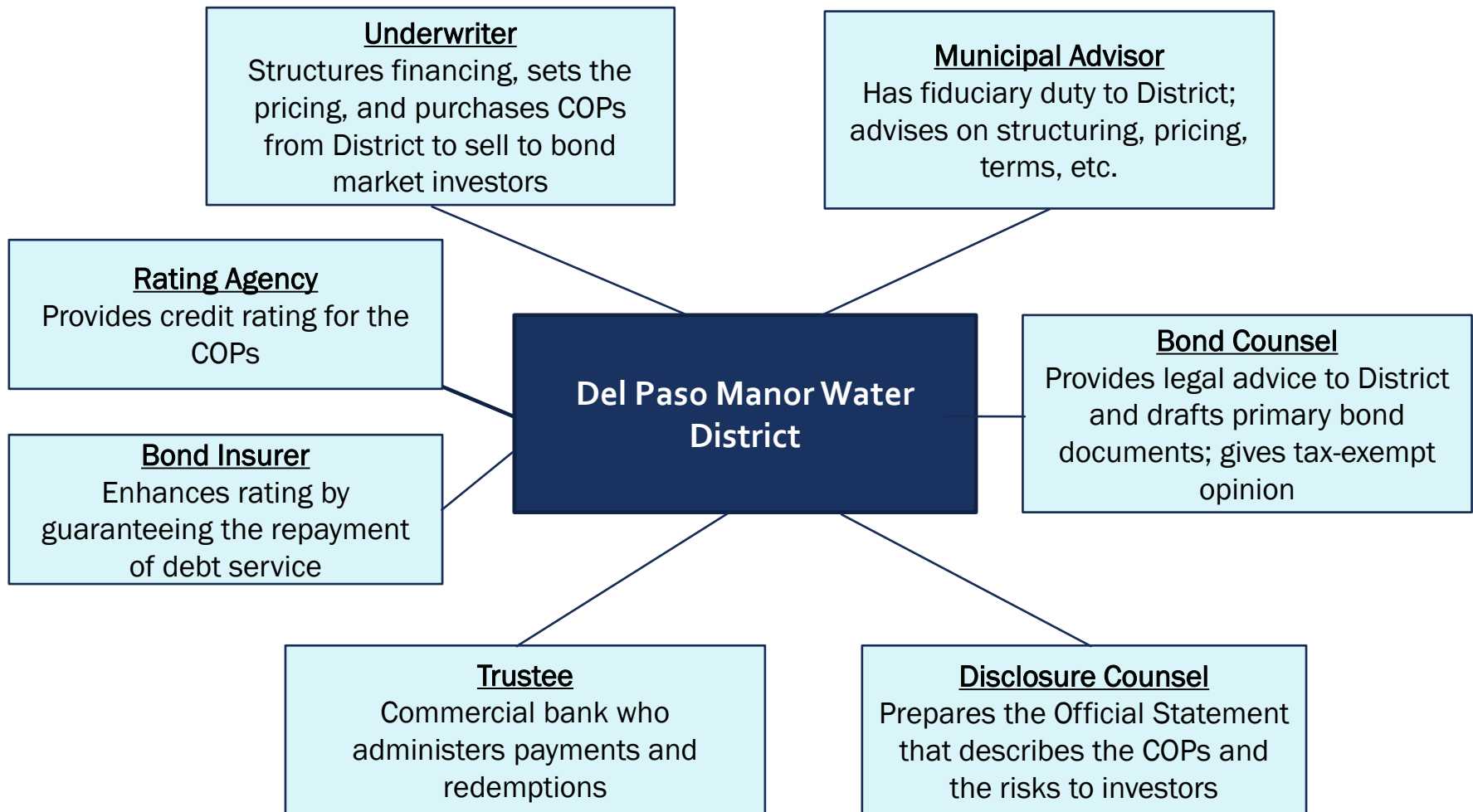
# CREDIT RATING PROCESS

- Rating process occurs when the Preliminary Official Statement (POS) is nearly completed:
  - Underwriter and Municipal Advisor provide rating agency with full credit package
  - Rating agency holds a call with the District and financing team members to walk through a rating presentation (prepared by Underwriter or Municipal Advisor) and allow the District to answer any questions from the rating agency
  - Rating agency takes their report to credit committee and assigns a rating to the Revenue COPs, approximately a week after the rating call
- Rating is then added to the POS. Bond insurance bids are evaluated, and if worthwhile insurance language is added to the POS. Once finalized, Underwriter distributes the POS to its investors to begin marketing the Revenue COPs

# CREDIT RATING CRITERIA

- S&P Global Ratings (S&P) is the predominant rating agency of Revenue COPs
- S&P bases some of their rating of utility district debt on:
  - Historical and projected debt service coverage
  - Financial strength of rate payer community
  - Rate structure
  - Size of system and service area
  - Diversification of rate payers
  - Liquidity position (days of cash on hand and reserves)
  - Strength of management (policies and procedures)
  - Rate collection procedures (percentage of delinquencies)
  - Water access
  - Drought management
  - Legal provisions of the Revenue COPs

# FINANCING TEAM MEMBERS



# ESTIMATED FINANCING TIMELINE

Week	Event	Lead Party
One	Kick-off call with financing team	ALL
	Finance Committee meeting to introduce the financing	ISS/UW/MA
Two	1 <sup>st</sup> draft of Resolution, legal documents, and POS are distributed	BC
Three	Comments on legal documents due	ALL
Four	District Board meeting to introduce financing to the Board and public	ISS
Five	2 <sup>nd</sup> draft of Resolution, legal documents, and POS are distributed	BC
Six	Distribute credit package to rating agency and bond insurers	UW/MA
Seven	Rating call with rating agency	ALL
Eight	Receive rating and insurance bids	UW/MA
Nine	District Board meeting to approve financing and legal documents	ISS
	Distribute POS to investors	UW
Ten	Price bonds, execute Certificate Purchase Agreement	UW/ISS
Twelve	Close financing	ALL

ISS= Issuer; UW= Underwriter; BC=Bond Counsel & Disclosure Counsel; MA=Municipal Advisor



# PRELIMINARY NUMERICAL ANALYSIS

- Preliminary numbers assume a 30-year public bond sale in the amount of \$9,230,000. This is in line with debt issuance estimates provided by the District’s Adopted 2023 Rate Study.

Water Revenue COPs	30-Year Term
Par Amount	\$9,230,000
Net Issue Premium	\$354,672
<b>Project Fund Proceeds</b>	<b>\$9,216,175</b>
Costs of Issuance (1)	\$368,497
Arbitrage Yield (Interest Rate) (2)	4.63%
All-In True Interest Cost (2)	5.18%
Average Fiscal Year Debt Service	\$594,710
Total Debt Service	\$18,436,002

- (1) Cost of issuance estimates include Bond and Disclosure Counsel, Municipal Advisor, Underwriter, Rating, Trustee, Printing, Counterparty, Surety, Bond Insurance, and Misc.
- (2) Interest rates are subject to change with market conditions.

# PRELIMINARY MODEL – 30-YEAR TERM

<b>Sources:</b>		<b>Period</b>	<b>Principal</b>	<b>Interest</b>	<b>Debt Service</b>
		<b>Ending</b>			
Bond Proceeds:		6/30/2025	165,000	428,989.79	593,989.79
	Par Amount	6/30/2026	130,000	462,425.00	592,425.00
	Net Premium	6/30/2027	140,000	455,675.00	595,675.00
		6/30/2028	145,000	448,550.00	593,550.00
		6/30/2029	155,000	441,050.00	596,050.00
		6/30/2030	160,000	433,175.00	593,175.00
		6/30/2031	170,000	424,925.00	594,925.00
		6/30/2032	180,000	416,175.00	596,175.00
		6/30/2033	190,000	406,925.00	596,925.00
		6/30/2034	195,000	397,300.00	592,300.00
		6/30/2035	210,000	387,175.00	597,175.00
		6/30/2036	220,000	376,425.00	596,425.00
		6/30/2037	230,000	365,175.00	595,175.00
		6/30/2038	240,000	353,425.00	593,425.00
		6/30/2039	255,000	341,050.00	596,050.00
		6/30/2040	265,000	328,050.00	593,050.00
		6/30/2041	280,000	314,425.00	594,425.00
		6/30/2042	295,000	300,050.00	595,050.00
		6/30/2043	310,000	284,925.00	594,925.00
		6/30/2044	325,000	269,050.00	594,050.00
		6/30/2045	345,000	251,868.75	596,868.75
		6/30/2046	360,000	233,362.50	593,362.50
		6/30/2047	380,000	213,937.50	593,937.50
		6/30/2048	400,000	193,462.50	593,462.50
		6/30/2049	425,000	171,806.25	596,806.25
		6/30/2050	445,000	148,968.75	593,968.75
		6/30/2051	470,000	124,950.00	594,950.00
		6/30/2052	495,000	99,618.75	594,618.75
		6/30/2053	520,000	72,975.00	592,975.00
		6/30/2054	550,000	44,887.50	594,887.50
		6/30/2055	580,000	15,225.00	595,225.00
			9,230,000	9,206,002.29	18,436,002.29

<b>Uses:</b>	
Project Fund Deposits:	
	Project Fund 9,216,175.11
Delivery Date Expenses:	
	Cost of Issuance 200,000.00
	Underwriter's Discount 83,070.00
	Bond Insurance 64,526.01
	Surety Policy 20,901.13
	368,497.14
	9,584,672.25

# PRO FORMA DEBT SERVICE COVERAGE

Description	Unaudited FYE 2023	Projected (1) FYE 2024	Projected (1) FYE 2025	Projected (1) FYE 2026	Projected (1) FYE 2027	Projected (1) FYE 2028
<b>REVENUES:</b>						
Fixed Rate Revenue	1,077,040	1,471,955	1,752,883	1,840,527	1,932,554	2,029,181
Volumetric Rate Revenue	281,807	385,137	458,641	481,573	505,652	530,935
CIP Charge Revenue	595,035	598,811	1,140,373	1,140,373	1,140,373	1,140,373
Interest Earnings	31,475	21,067	100,223	58,918	17,259	18,938
<b>TOTAL GROSS REVENUE</b>	<b>1,985,357</b>	<b>2,476,970</b>	<b>3,452,120</b>	<b>3,521,391</b>	<b>3,595,838</b>	<b>3,719,427</b>
<b>LESS: OPERATING AND MAINTANCE COST</b>	<b>2,214,745</b>	<b>2,057,151</b>	<b>2,097,009</b>	<b>2,201,859</b>	<b>2,289,933</b>	<b>2,381,531</b>
<b>NET OPERATING REVENUE</b>	<b>(229,388)</b>	<b>419,819</b>	<b>1,355,111</b>	<b>1,319,532</b>	<b>1,305,905</b>	<b>1,337,896</b>
<b>DEBT SERVICE</b>						
2020 Installment Sale Agreement	321,154	321,304	321,259	320,035	319,633	320,019
2024 Water Revenue COPs (2)			593,990	592,425	595,675	593,550
<b>TOTAL DEBT SERVICE</b>	<b>321,154</b>	<b>321,304</b>	<b>915,249</b>	<b>912,460</b>	<b>915,308</b>	<b>913,569</b>
<b>DEBT SERVICE COVERAGE</b>	<b>-0.71</b>	<b>1.31</b>	<b>1.48</b>	<b>1.45</b>	<b>1.43</b>	<b>1.46</b>

## Notes

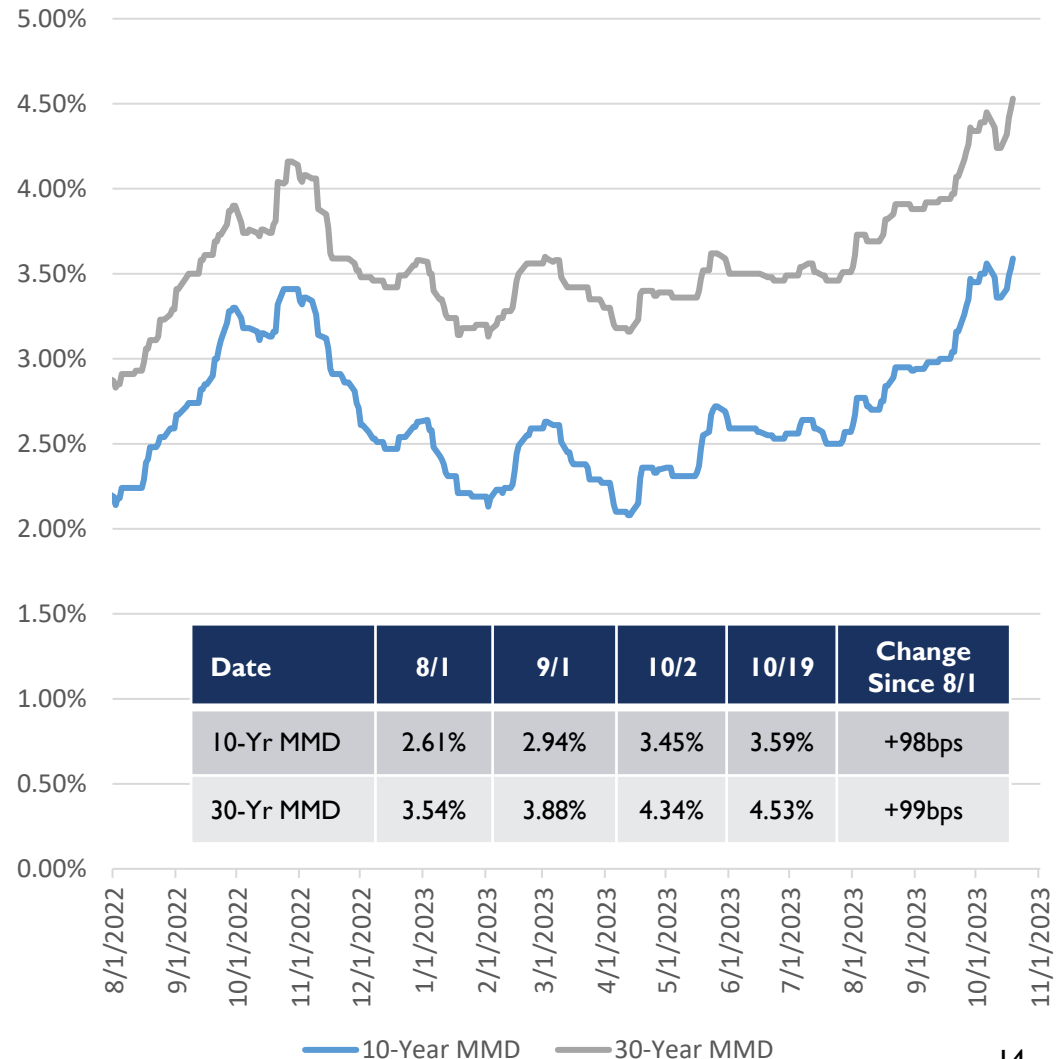
(1) Projections are based on the District's adopted 2023 Rate Study.

(2) 2024 financing numbers assume an A rating and a 30 year financing term. Estimates are subject to change with market conditions.

# MARKET UPDATE

- Economic data on inflation and actions taken by or hinted at by the Federal Reserve continue to drive the bond market.
- At the September Fed meeting, the Federal Reserve Board voted to keep interest rates unchanged, in line with expectations.
- However, the Federal Reserve also provided an increasingly hawkish monetary outlook. In short, the Fed is keeping the door open for additional rate increases and reducing expectations for rate cuts in 2024.
- In recent weeks, strong economic reports and geopolitical events have contributed to volatility in the bond market.
- The September CPI Report came in slightly higher than projected and the September Jobs report shattered expectations. This combined with recent comments by the Fed Chairman have solidified the view among investors that rates may need to stay higher for longer.
- The Federal Reserve's next policy meeting will be held on October 31<sup>st</sup>.

Municipal Bond Yields Since August 1, 2022



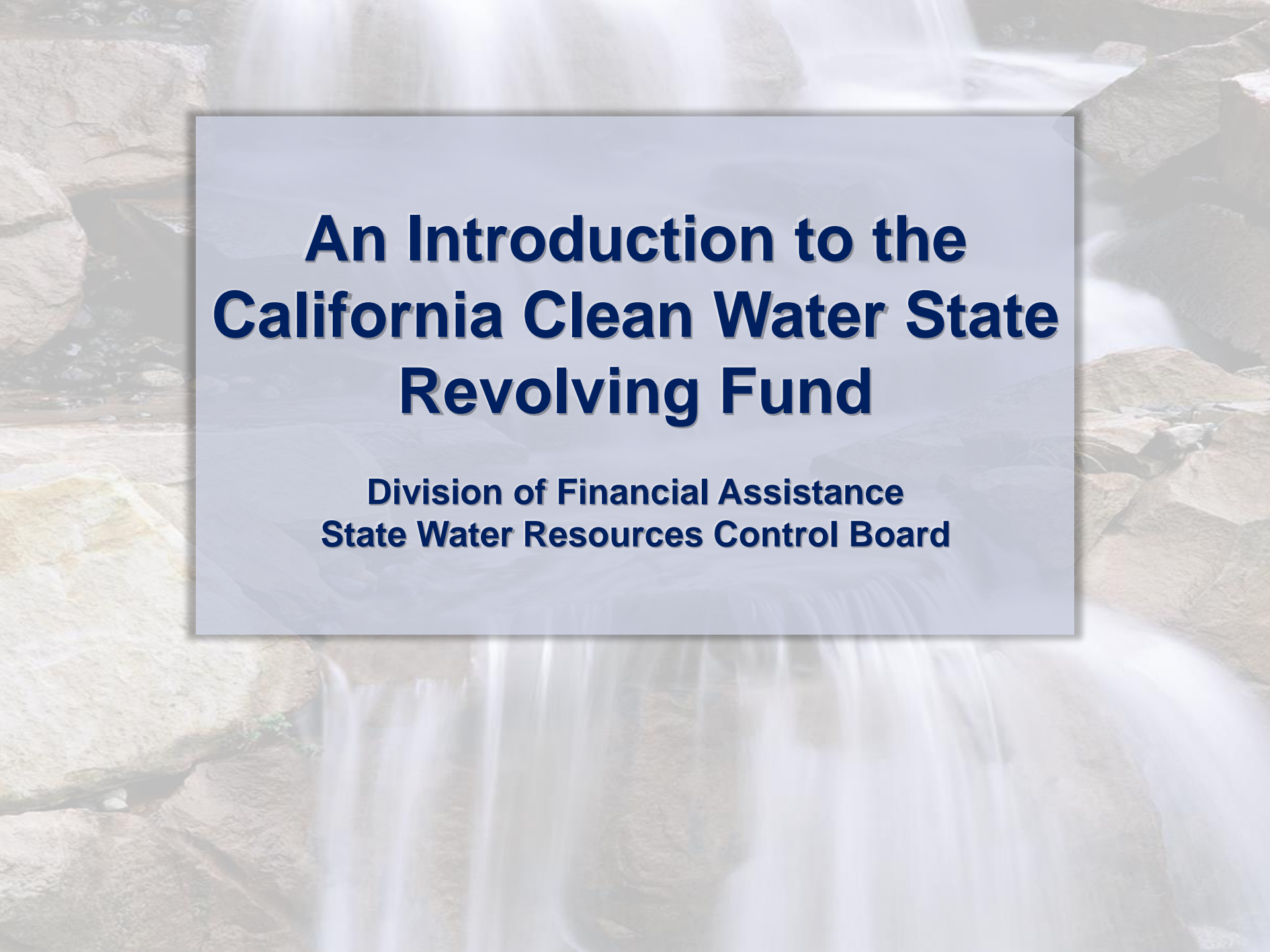


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A background image of a waterfall cascading over large, light-colored rocks. The water is in motion, creating a soft, blurred effect. The rocks are rugged and layered, with some water pooling in the crevices.

# **An Introduction to the California Clean Water State Revolving Fund**

**Division of Financial Assistance  
State Water Resources Control Board**

# WHAT DOES THE CLEAN WATER STATE REVOLVING FUND DO?

Provides low cost financing  
to protect California's  
waters from pollution.

### Region 2

- Napa County Department of Public Works.....\$99.9 m
- Crystal Springs County Sanitation District.....\$22.4 m
- City of San Mateo.....\$27 m
- City of San Mateo.....\$32.5 m
- Union Sanitary District.....\$12.2 m
- West County Wastewater District.....\$41.1 m
- West County Wastewater District.....\$22.9 m
- West County Wastewater District.....\$101.8 m
- City of Yountville.....\$32.5 m

- City of Ukiah.....\$26.4 m
- Jamestown Sanitary District.....\$480.1 m
- Placer County Sewer Main District #3.....\$9.7 m
- County of Placer.....\$76.4 m
- City of Redding.....\$7 m
- City of Stedden.....\$1.6 m
- Thermalito Water and Sewer District.....\$2.7 m
- City of Visalia.....\$32.5 m
- City of Visalia.....\$12.6 m
- City of Woodlake.....\$500.1 m

# Cumulative

## Over \$7 billion

# Yearly Average

## \$450 million

### Region 3

- City of Monterey.....\$32.5 m
- City of Monterey.....\$12.2 m

### Region 6

- Victor Valley Wastewater Reclamation Authority.....\$24.7 m
- Victor Valley Wastewater Reclamation Authority.....\$22.5 m
- Victor Valley Wastewater Reclamation Authority.....\$4 m

### Region 7

- City of Corcoran.....\$1.5 m
- City of Holtville.....\$7.8 m

### Region 4

- Los Angeles County Sanitation District.....\$22.4 m
- City of South Pasadena.....\$27 m

### Region 5

- Inland Empire Utilities Agency.....\$26.5 m
- Inland Empire Utilities Agency.....\$7.1 m
- Orange County Water District.....\$3.6 m

### Region 8

- City of Bakersfield.....\$11.3 m
- City of Wasco.....\$2.2 m

# 27 Years of Investment in CA Water Infrastructure and Watershed Protection



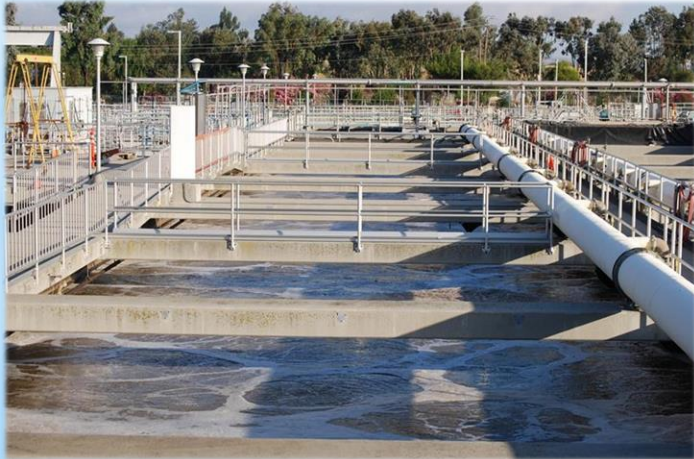
- Below-Market Interest Rate
- 30 Year Financing
- Loan Forgiveness
- Wide Variety of Eligible Projects
- Wide Variety of Eligible Borrowers
- Compatibility with Other Funding Sources
- **Financing Limits:** No maximum, but depends on available funding and applicant's ability to repay
- **Repayment:** Begins 1 year after completion of construction



**WHY USE CWSRF?**

❖ **Depending on the type of project, eligible applicants include:**

- Public agencies
- 501(c)(3) Non-profit organizations
- Private entities
- Federally recognized tribes or State tribes on the Native American Commission consult list
- Community water system created by project



**ELIGIBLE APPLICANTS**

- 
- Treatment systems
  - Distribution systems
  - Interconnections
  - Decentralized wastewater treatment systems
  - Storm water projects
  - Water conservation
  - Watershed projects
  - Energy conservation
  - Consolidation incentive grants
  - Water meters
  - Water sources

# ELIGIBLE PROJECT TYPES

The Financial Assistance Application consists of four packages:

- General Information Package
- Technical Package
- Environmental Package
- Financial Security Package

STATE OF CALIFORNIA  
STATE WATER RESOURCES CONTROL BOARD  
Division of Financial Assistance  
P. O. Box 940712, Sacramento, CA 95894-0712

Print Save

FINANCIAL ASSISTANCE APPLICATION  
Clean Water State Revolving Fund  
Water Recycling Funding Program

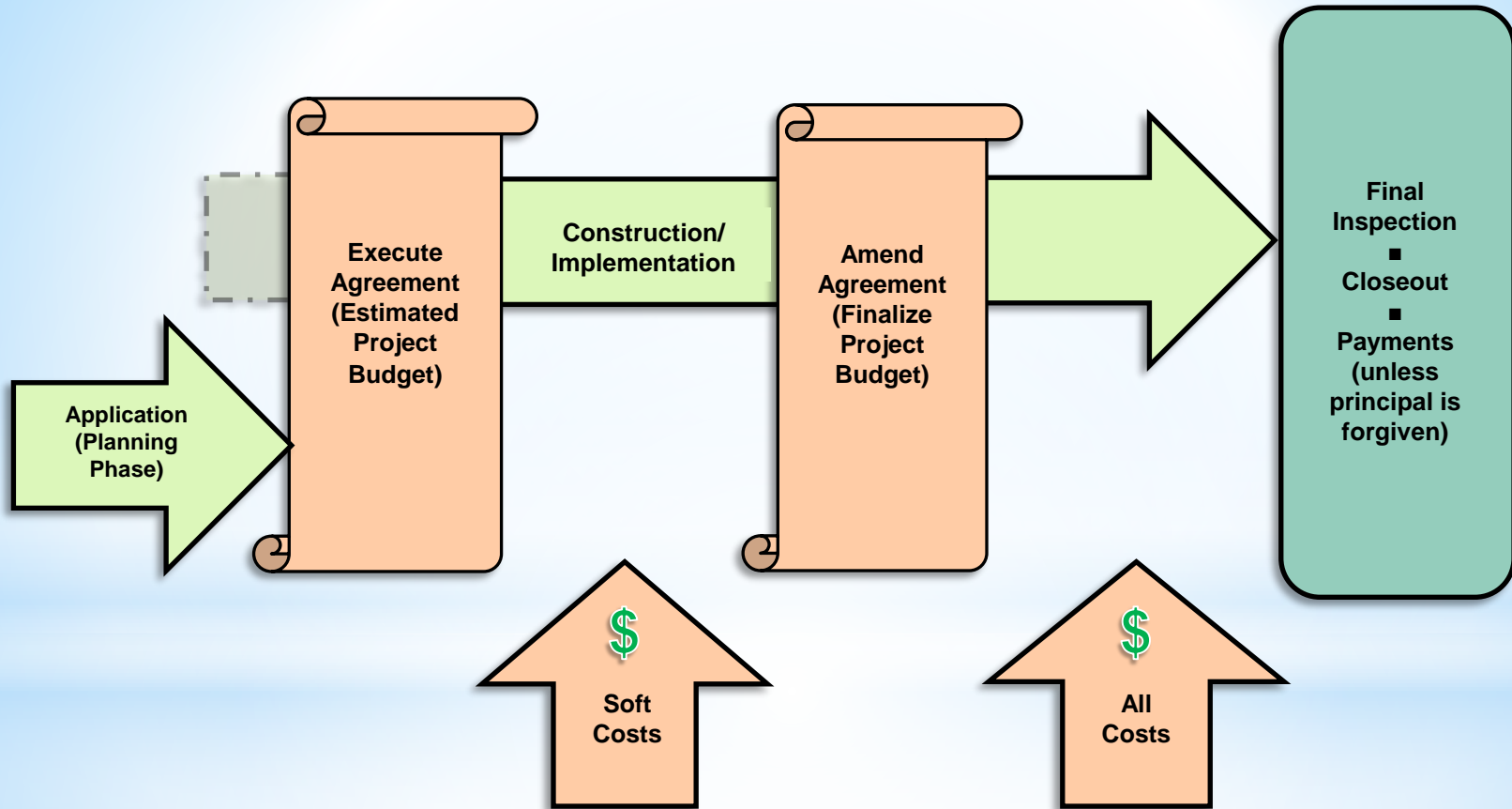
**I. TYPE OF ASSISTANCE REQUESTED**  
Amount of Assistance Requested: \$  
Proposed Security:  Wastewater revenues and fund  Water revenues and fund

**II. APPLICANT INFORMATION**  
Project Type(s):  Wastewater  Water Recycling  Estuary  Nonpoint Source  
Applicant Name: \_\_\_\_\_  
Street Address: \_\_\_\_\_  
Charter City/County:  Public  Indian Tribe  Nonprofit  Other: \_\_\_\_\_  
Mailing Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip+4 Code: \_\_\_\_\_  
Congressional District(s): \_\_\_\_\_  
State Senate District(s): \_\_\_\_\_ City: \_\_\_\_\_ Other: Specify \_\_\_\_\_  
State Assembly District(s): \_\_\_\_\_  
County: \_\_\_\_\_ State: \_\_\_\_\_ Zip+4 Code: \_\_\_\_\_  
Data Universal Numbering System (DUNS) No.: \_\_\_\_\_ Federal Tax ID No.: \_\_\_\_\_  
Regional Water Board where the project will take place:  1 (North Coast)  2 (San Francisco Bay)  3 (Central Coast)  4 (Los Angeles)  5 (Central Valley)  6 (Aurorian)  7 (Colorado River)  8 (Santa Ana)  9 (San Diego)

Authorized Representative Name: \_\_\_\_\_ Title: \_\_\_\_\_  
Phone No.: ( ) \_\_\_\_\_  
Contact Person Name: \_\_\_\_\_  
Phone No.: ( ) \_\_\_\_\_ Email Address: \_\_\_\_\_  
Local Counsel Name: \_\_\_\_\_  
Phone No.: ( ) \_\_\_\_\_ Email Address: \_\_\_\_\_

**III. PROJECT INFORMATION AND PROPOSED SCHEDULES**  
Project Description: (Enter a brief description of the project)  
Project Title: \_\_\_\_\_  
NPDES Permit or WOR Order No. (if applicable): \_\_\_\_\_

# FINANCIAL ASSISTANCE APPLICATION



# APPLICATION PROCESS

## California Drinking Water State Revolving Fund Interest Rate History

YEAR	RATE*
<b>2023</b>	<b>2.100%</b>
2022	1.100%
2021	1.200%
2020	1.400%
2019	1.900%
2018	1.800%
2017	1.7000%
2016	1.6000%
2015	1.6630%
2014	2.0850%
2013	1.7875%
2012	2.0933%
2011	2.3035%
2010	2.5707%
2009	2.5017%
2008	2.3086%
2007	2.2836%
2006	2.2923%
2005	2.4517%
2004	2.6000%
2003	2.3400%
2002	2.3900%
2001	2.5132%
2000	2.3200%

# Past Interest Rates

Period Ending	Principal	Interest	Total Payment	Balance	Total Debt Service
			\$413,602.76	\$9,200,000.00	
6/30/2025	\$220,402.76	\$193,200.00	\$413,602.76	\$8,979,597.24	
6/30/2026	\$225,031.22	\$188,571.54	\$413,602.76	\$8,754,566.02	
6/30/2027	\$229,756.87	\$183,845.89	\$413,602.76	\$8,524,809.15	
6/30/2028	\$234,581.77	\$179,020.99	\$413,602.76	\$8,290,227.38	
6/30/2029	\$239,507.99	\$174,094.77	\$413,602.76	\$8,050,719.39	
6/30/2030	\$244,537.65	\$169,065.11	\$413,602.76	\$7,806,181.74	
6/30/2031	\$249,672.94	\$163,929.82	\$413,602.76	\$7,556,508.80	
6/30/2032	\$254,916.08	\$158,686.68	\$413,602.76	\$7,301,592.72	
6/30/2033	\$260,269.31	\$153,333.45	\$413,602.76	\$7,041,323.41	
6/30/2034	\$265,734.97	\$147,867.79	\$413,602.76	\$6,775,588.44	
6/30/2035	\$271,315.40	\$142,287.36	\$413,602.76	\$6,504,273.04	
6/30/2036	\$277,013.03	\$136,589.73	\$413,602.76	\$6,227,260.01	
6/30/2037	\$282,830.30	\$130,772.46	\$413,602.76	\$5,944,429.71	
6/30/2038	\$288,769.74	\$124,833.02	\$413,602.76	\$5,655,659.98	
6/30/2039	\$294,833.90	\$118,768.86	\$413,602.76	\$5,360,826.08	
6/30/2040	\$301,025.41	\$112,577.35	\$413,602.76	\$5,059,800.66	
6/30/2041	\$307,346.95	\$106,255.81	\$413,602.76	\$4,752,453.72	
6/30/2042	\$313,801.23	\$99,801.53	\$413,602.76	\$4,438,652.49	
6/30/2043	\$320,391.06	\$93,211.70	\$413,602.76	\$4,118,261.43	
6/30/2044	\$327,119.27	\$86,483.49	\$413,602.76	\$3,791,142.16	
6/30/2045	\$333,988.77	\$79,613.99	\$413,602.76	\$3,457,153.38	
6/30/2046	\$341,002.54	\$72,600.22	\$413,602.76	\$3,116,150.84	
6/30/2047	\$348,163.59	\$65,439.17	\$413,602.76	\$2,767,987.25	
6/30/2048	\$355,475.03	\$58,127.73	\$413,602.76	\$2,412,512.22	
6/30/2049	\$362,940.00	\$50,662.76	\$413,602.76	\$2,049,572.22	
6/30/2050	\$370,561.74	\$43,041.02	\$413,602.76	\$1,679,010.48	
6/30/2051	\$378,343.54	\$35,259.22	\$413,602.76	\$1,300,666.94	
6/30/2052	\$386,288.75	\$27,314.01	\$413,602.76	\$914,378.18	
6/30/2053	\$394,400.82	\$19,201.94	\$413,602.76	\$519,977.36	
6/30/2054	\$402,683.24	\$10,919.52	\$413,602.76	\$117,294.13	
6/30/2055	\$117,294.13	\$2,463.18	\$413,602.76	\$0.00	
<b>Total:</b>	\$9,200,000.00	\$3,327,840.11			\$12,527,840.11

## **Construction Application Requirements**

- Applicant must evaluate all feasible alternatives. For Applicants seeking Construction Financing, an analysis of alternatives must be submitted as part of the application.
- The Applicant must evaluate consolidation of the subject system with nearby water systems. If consolidation is deemed infeasible, the Applicant must discuss the reasons for that determination.
- The selected construction project must be the most long-term, cost-effective solution. The engineering analysis required as part of the application must compare estimated capital and operations and maintenance (O&M) costs over the projected term of the Financing Agreement or over a twenty (20) year period, whichever is longer. The evaluation must analyze the technical effectiveness of each alternative.





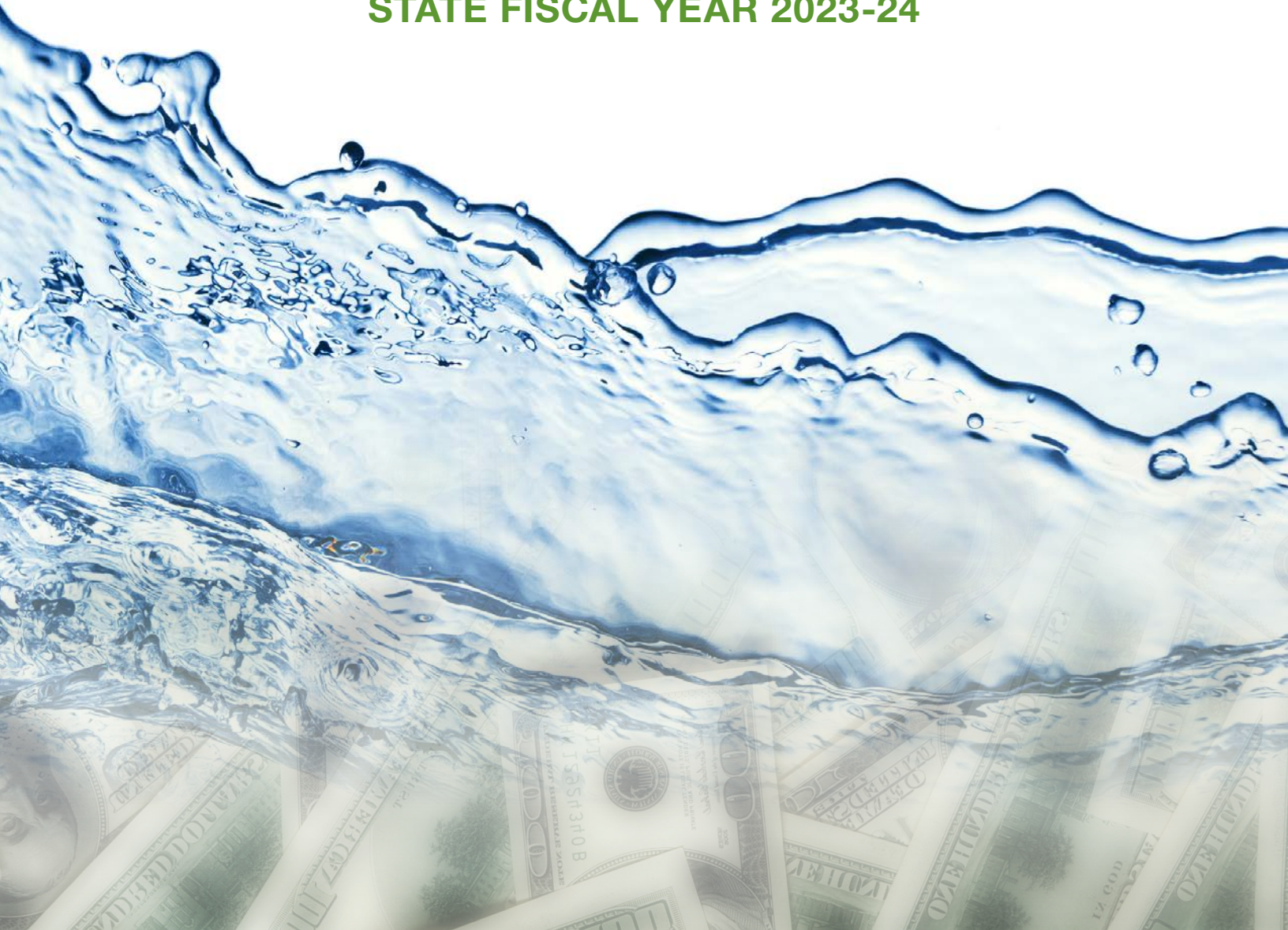
STATE OF CALIFORNIA  
**Drinking Water State Revolving Fund Program  
and Complimentary Programs**

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# Intended Use Plan

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**STATE FISCAL YEAR 2023-24**





STATE OF CALIFORNIA

**Drinking Water State Revolving Fund Program  
and Complimentary Programs**

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# Intended Use Plan

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STATE FISCAL YEAR 2023-24  
(Federal Fiscal Year 2023 Base Program Capitalization Grant  
and General Supplemental Capitalization Grant)

WITH SUPPLEMENTAL INTENDED USE PLAN  
(2019 Asadra Capitalization Grant)

WITH SUPPLEMENTAL INTENDED USE PLANS  
(Federal Fiscal Year 2023 Emerging Contaminants Capitalization Grant  
and Lead Service Line Replacement Capitalization Grant)

and

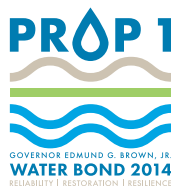
The Water Quality, Supply, and Infrastructure Improvement  
Act of 2014 (Proposition 1)

and

The California Drought, Water, Parks, Climate, Coastal Protection,  
and Outdoor Access for All Act of 2018 (Proposition 68) Guidelines

and

California Budget Act of 2021 and Budget Act of 2022,  
General Fund Appropriations



Approved By: State Water Resources Control Board  
Approval Date: July 18, 2023 | Resolution No. 2023-0021

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## I. ES. EXECUTIVE SUMMARY

The Drinking Water State Revolving Fund (DWSRF) program finances infrastructure improvements to mitigate drinking water risks and support the human right to water. This Intended Use Plan (IUP) describes the State Water Resources Control Board's (State Water Board) plan for implementing the DWSRF and its complementary financing programs for State Fiscal Year (SFY) 2023-24. This IUP also serves as guidelines for the State Water Board's administration of certain General Fund, Proposition 1, and Proposition 68 drinking water funds.

This Executive Summary is intended to provide a condensed overview of highlights and notable changes for SFY 2023-24.

### A. Notable Changes

The SFY 2023-24 DWSRF IUP is substantially similar to last year's DWSRF IUP. Impacts from the Bipartisan Infrastructure Law (BIL) remain similar and State Water Board staff continue to coordinate with the United States Environmental Protection Agency (U.S. EPA) on related program and project requirements.

- Guidelines for the new [Expedited Drinking Water Grant \(EDWG\) funding program](#) were adopted by the State Water Board in March of 2023. The EDWG targets specific high priority, grant-eligible projects for a new streamlined application process to enable the State Water Board to commit funds to projects more quickly. Certain projects funded by State Grant funds will be administered pursuant to those guidelines rather than the DWSRF IUP.
- U.S. EPA recently released new allotment formulas to calculate each state's portion of federally appropriated DWSRF funds. The new allotment formulas result in:
  - \$53,272,000 in Base Program funding for SFY 2023-24 (21% increase from previous allocation estimate). However, this is 45% (\$43.7 million) lower than historical base program funding levels of \$97 million.
  - \$227,150,000 in General Supplemental funding for SFY 2023-24 (24% increase from previous allocation estimate)
  - \$82,428,000 in Emerging Contaminants funding for SFY 2023-24 (24% increase from previous allocation estimate)
  - \$28,650,000 in Lead Service Line Replacement (LSLR) Funding for SFY 2023-24 (89% decrease from previous allocation estimate)
- Additional performance metrics and targets are included in Section VI.D to reinforce the State Water Board's goals of timely and efficient processing of applications and disbursements.

### B. Funding Objectives

The DWSRF program and associated state funding sources will be used to provide financial assistance to eligible drinking water projects with priority given to projects that (1) address the most serious human health risks to drinking water, (2) are necessary to

comply with the federal Safe Drinking Water Act (SDWA), and (3) assist eligible drinking water systems most in need on a per household basis. To meet this goal, the State Water Board will use the DWSRF and its complementary funds timely and expeditiously and manage the available funding responsibly.

In accordance with the BIL, additional funding was appropriated for: (1) any eligible DWSRF project, (2) projects addressing emerging contaminants in drinking water, with a focus on perfluoroalkyl and polyfluoroalkyl substances (PFAS), and (3) projects that identify and replace lead service lines. The State Water Board will manage these additional funds to quickly and effectively support DWSRF goals and objectives.

The State Water Board's drinking water funding priorities in SFY 2023-24 continue to stress helping small severely disadvantaged communities (SDACs) and small disadvantaged communities (DACs) solve their drinking water problems. In particular, available state Small Community Grant Drinking Water (SCG DW) funds, DWSRF Principal Forgiveness (PF) funds, and Drinking Water Small Community Emergency Grant (DWSCEG) funds will be prioritized to address the most serious health risks for these communities. The DWSRF program will be managed so that sufficient funds are available to finance the eligible drinking water projects of Small SDACs and Small DACs.

### **C. Connections to Other Plans and Goals**

The Office of Sustainable Water Solutions was established on March 27, 2015 as a result of the Governor signing Assembly Bill 92. The office is part of the State Water Board's Division of Financial Assistance (DFA). The office was created to promote permanent and sustainable drinking water and wastewater treatment solutions to ensure effective and efficient provision of safe, clean, affordable, and reliable drinking water and wastewater treatment services, focusing on addressing financial and technical assistance (TA) needs, particularly for small disadvantaged communities.

The Safe and Affordable Drinking Water (SADW) Fund Expenditure Plan (FEP) and Policy for Developing the Fund Expenditure Plan for the Safe and Affordable Drinking Water Fund (SADW Policy) complement and support the Water Board's efforts at addressing drinking water capital infrastructure needs described in this IUP and the DWSRF Policy.

### **D. Application Demand**

Demand on the DWSRF Base Program and complementary funding remains high. DFA has received applications requesting approximately \$3.37 billion as of March 2023 for drinking water planning and construction projects, \$2.5 billion out of the requested amount was repayable loan requests. The applications on the Comprehensive List (Appendix B) include some projects on the Emerging Contaminants Fundable List that may also be applying for a repayable loan.

### Comprehensive List Applications

Priority Ranking	Description	No. of Applications	Estimated Requested Funding
A	Immediate Health Risk	26	\$97,737,457
B	Untreated At-Risk Sources	11	\$11,677,759
C	Compliance or Shortage	105	\$385,735,115
D	Inadequate Reliability	33	\$91,240,521
E	Secondary Risks	23	\$162,951,700
F	Other Projects	148	\$2,623,817,848
<b>Total</b>		<b>346</b>	<b>\$3,373,160,400</b>

### DWSRF Comprehensive List Repayable Funding Request Summary by Priority Ranking

Priority Ranking	Description	No. of Applications	Estimated Requested Funding
A	Immediate Health Risk	0	\$0
B	Untreated At-Risk Sources	0	\$0
C	Compliance or Shortage	0	\$0
D	Inadequate Reliability	4	\$39,819,000
E	Secondary Risks	6	\$94,425,230
F	Other Projects	45	\$2,360,345,704
<b>Total</b>		<b>55</b>	<b>\$2,494,589,934</b>

The DWSRF grant/PF Comprehensive List funding requests are summarized below. A majority of the applications are for Small DACs/SDACs, Expanded Small DACs/SDACs, Medium DACs/SDACs with Category A-C projects, Small Non-DACs with Category A-D projects, and consolidation projects.

### Small, Expanded Small, and Medium DACs/SDACs, Small Non-DACs, and Consolidation Project Applications

Priority Ranking	Description	No. of Applications	Estimated Requested Funding
A	Immediate Health Risk	26	\$97,737,457
B	Untreated At-Risk Sources	10	\$17,062,759
C	Compliance or Shortage	105	\$439,286,598
D	Inadequate Reliability	30	\$60,998,521
E	Secondary Risks	17	\$98,877,920
F	Other Projects	103	\$325,453,478
<b>Total</b>		<b>291</b>	<b>\$1,039,416,733</b>



Of the 291 applications, 90 are considered complete (62 construction and 28 planning applications) and are requesting approximately \$301 million in funding.

Given the ongoing high demand on the DWSRF, the State Water Board will not be able to fund all projects currently requesting funding in SFY 2023-24. Applicants whose projects are not on the Fundable List are encouraged to evaluate all viable, alternative financing options for their projects considering any deadlines they must meet.

## **E. General Funding Approach**

This IUP updates the DWSRF Fundable List (Appendix B), which serves the DWSRF Base Program and DWSRF General Supplemental funding. The Fundable List is a subset of the Comprehensive List and represents those projects that the Deputy Director of DFA may approve for funding, provided the projects meet all eligibility requirements. The State Water Board's goal is to execute agreements for all eligible projects on the Fundable List for which there is an appropriate funding source by June 30, 2024. No guarantee can be given that all projects on the Fundable List will receive an executed agreement or that the agreement will be executed by June 30, 2024.

Projects are added to the Fundable List in two ways:

1. Projects that may be eligible for grant/PF under Appendices D and E, or for consolidation incentive, will be added to the Fundable List after the Deputy Director deems the application initially complete. This includes projects that may be eligible for partial grant/PF and partial loan.
2. For all other applications, projects expected to receive a financing agreement in SFY 2023-24 are placed on the Fundable List with priority given to those that 1) address the most serious risk to human health, 2) are necessary to ensure compliance with the requirements of the SDWA, and 3) assist systems most in need on a per household basis.

As project application statuses are expected to change throughout the year, DFA will periodically post an updated Comprehensive List on the DWSRF website which also identifies those projects which are on the Fundable List. This updated Fundable List will include all projects that may be eligible for grant/PF under Appendices D and E or for consolidation incentive with a complete application.

## **F. Financing Terms**

The standard interest rate for DWSRF (repayable) financing is 50 percent (50%) of California's average general obligation bond rate obtained by the State Treasurer for the previous calendar year, rounded up to the next highest ten basis points (0.10%). Therefore, the interest rate for the 2023 calendar year is 2.1%. This rate will be adjusted on January 1, 2024.

The standard term for a planning loan is five or ten years, at the applicant's option. The standard term for a construction loan is the lesser of 30 years or the useful life of the financed facilities. SDAC and DAC communities may finance drinking water

construction facilities over the lesser of 40 years or the useful life of the financed facilities.

Eligible community water systems (CWSs) serving a Small DAC/SDAC, Expanded Small DAC/SDAC, Medium DAC/SDAC, or Small Non-DAC; eligible not-for-profit Non-Transient Non-Community Water Systems (NTNCs) serving a Small DAC/SDAC; and eligible Public Water Systems (PWSs) implementing a consolidation project may receive grant/PF in accordance with Appendices D and E, to the extent consistent with state and federal law, as applicable.

Criteria for consolidation projects are described in Section IV.A.4.

## G. Recent Financing Activity

### Number of Executed Agreements and Total Financing per SFY

SFY	Number of Agreements	\$ of Agreements (in millions)
2018-19	22	\$245
2019-20	50	\$195
2020-21	42	\$326
2021-22	57	\$986
2022-23	27 (62)	\$126 (\$403)

The State Water Board executed 27 agreements during SFY 2022-23 as of March 19, 2023 for DWSRF and complementary funding. The State Water Board is currently drafting agreements for another 62 projects for an additional \$403 million in funding. Some of these agreements are anticipated to be executed by June 30, 2023.

## H. Available Funding

Available DWSRF and complementary financing programs for SFY 2023-24 are summarized below. The amounts included below are estimated amounts, which may fluctuate for several reasons, including project cancellations, the disencumbrance of undisbursed funds, or any appropriation of additional amounts.

### 1. DWSRF

The long-term sustainable repayable loan capacity for the DWSRF Base Program is established as \$300 million for SFY 2023-24. However, the program's financing history should be viewed as a long-term average. The DWSRF has historically committed funds below its capacity, apart from SFY 2021-22.

#### a. DWSRF Base Program and General Supplemental

Based on the adoption of the federal budget for FFY 2023, and considering the effect of Congressionally directed spending on the DWSRF appropriation, the FFY 2023 Base Program Capitalization Grant is estimated to be \$53,272,000.

An additional \$911,000 of federal grant funding will be added to California's FFY 2023 Base Program Capitalization Grant, for a combined total of \$54,183,000 FFY 2023 base program funding, reflecting a re-allotment to California of Wyoming's uncommitted DWSRF capitalization grant funds from the FFY 2022.

The BIL appropriated \$11.7 billion over five years nationwide as DWSRF General Supplemental Funding and California expects to receive \$227,150,000 during SFY 2023-24. The funds supplement the regular DWSRF capitalization grants and have the same eligibility criteria. Of the General Supplemental Funds, 49% will be committed as principal forgiveness to systems serving disadvantaged communities.

All PF from the FFY 2020, 2021, 2022, and 2023 DWSRF Base Program Capitalization Grants and the FFY 2022 and 2023 DWSRF General Supplemental Funding Capitalization Grant will be available for eligible systems serving the following:

- Small DACs/SDACs, Expanded Small DACs/SDACs, Medium DACs/SDACs with Category A-C projects, Small Non-DACs with Category A-D projects, and consolidation projects, as described in Appendices D and E.

The Project list for DWSRF General Supplemental is the same Fundable List (Appendix B) used for the DWSRF Base Program. The Fundable List contains projects requesting funding which exceeds the combined total of Base Program capitalization grant plus General Supplemental capitalization grant, which for FFY 2023 is \$280,422,000.

**b. DWSRF Emerging Contaminants**

California is also estimated to receive \$82,428,000 as part of the DWSRF Emerging Contaminants funding, appropriated by the BIL. The funds are available to DWSRF eligible projects which address emerging contaminants, with a focus on Per- and Polyfluoroalkyl Substances (PFAS). One hundred percent (100%), except for set-asides, will be committed as principal forgiveness. The BIL requires that at least twenty-five percent (25%) of the Emerging Contaminants capitalization grant funds be committed to DACs or PWSs serving a population of less than 25,000.

Additional information regarding the availability of and requirements associated with DWSRF Emerging Contaminants funding can be found in the DWSRF Emerging Contaminants Supplemental Intended Use Plan in Appendix J. Applications for DWSRF Emerging Contaminants funding are listed in the Emerging Contaminant Fundable List, also in Appendix J.

**c. DWSRF Lead Service Line Replacement**

California is also estimated to receive \$28,650,000 as part of the DWSRF LSLR funding, appropriated by the BIL. The funds are available to DWSRF eligible

projects which identify and/or replace lead service lines and 49% will be committed as principal forgiveness to disadvantaged communities.

Additional information regarding the availability of and requirements associated with DWSRF LSLR funding can be found in the DWSRF LSLR Supplemental Intended Use Plan in Appendix I. Potential projects eligible for DWSRF LSLR funding are listed in the LSLR Fundable List, also in Appendix I.

<b>FFY 2023 Capitalization Grant</b>	<b>Loan</b>	<b>PF</b>	<b>Set-Asides</b>	<b>Total Cap Grant</b>
Base Program + Wyoming re-allotment	\$13,545,750	\$26,549,670	\$14,087,580	<b>\$54,183,000</b>
General Supplemental (appropriated by BIL)	\$56,787,500	\$111,303,500	\$59,059,000	<b>\$227,150,000</b>
Emerging Contaminants (appropriated by BIL)	\$0	\$60,996,720	\$21,431,280	<b>\$82,428,000</b>
Lead Service Line Replacement (appropriated by BIL)	\$0	\$14,038,500	\$14,611,500	<b>\$28,650,000</b>
<b>Total</b>	<b>\$70,333,250</b>	<b>\$212,888,390</b>	<b>\$109,189,360</b>	<b>\$392,411,000</b>

- 2. State Grants and DWSRF PF for Small, Expanded Small, and Medium Disadvantaged Communities, Small Non-DACs, and Consolidation Projects**  
 Small DACs/SDACs, Expanded Small DACs/SDACs, Medium DACs/SDACs with Category A-C projects, Small Non-DACs with Category A-D projects, and consolidation projects may be eligible for DWSRF PF, and/or funds from state general obligation bonds or state general fund appropriations that are not used as state match for DWSRF capitalization grants (such funding will be referred to as “State Grants”), as described in Appendices D and E, depending on the funding source. Current grant funding for drinking water projects is provided by Prop 1, Prop 68, and the infrastructure grant appropriations under Item 3940-106-0001, Provision 1, of Section 2.00 of the state Budget Act of 2021 (2021 Budget Act Infrastructure Appropriation). The funding sources are sometimes interchangeable but are subject to different eligibility criteria and requirements. The State Water Board will allocate the most appropriate State Grant/PF funds for eligible projects with a complete application.

**Estimated Available Grant/PF funds for SFY 2023-24**

<b>Funding Type</b>	<b>Total (Million)</b>
PF (FFY 2023 Base Program and General Supplemental)	\$137.4
PF (previous cap grants)	\$68.4
Prop 1 grant	\$15.1
Prop 68 grant	\$89.7

2021 Budget Act Infrastructure Appropriation	\$347.5
<b>Total</b>	<b>\$658.1</b>

### 3. Safe and Affordable Drinking Water (SADW) Fund

The SADW Fund was established through Senate Bill 200 in July 2019. Expenditures from the SADW Fund will be made consistent with the State Water Board’s larger SAFER program and associated annual FEP. The annual FEP is intended to complement this IUP as SADW funds are used in combination with DWSRF and SCG DW to address similar goals.

### 4. ASADRA funds

The State Water Board previously received approximately \$53.2 million in supplemental funds from the Additional Supplemental Appropriations for Disaster Relief Act of 2019 (ASADRA). The funds are available for use by the State Water Board to help any DWSRF-eligible entity that was damaged, demonstrates an impact, or had a loss or disruption of a mission-essential function, including loss of function where there was potential impact to public health, from calendar year 2018 wildfires.

The State Water Board will provide 30 percent (30%) of its ASADRA grant as PF to eligible recipients with the remaining funds provided as loan at zero percent (0.0%). Additional information regarding the availability of and requirements associated with ASADRA funds can be found in the ASADRA Supplemental Intended Use Plan in Appendix H. Applications for ASADRA funds are listed in the ASADRA Fundable List, also in Appendix H.

### 5. Other Funding

**Per- and Polyfluoroalkyl Substances (PFAS)** – PFAS are a class of contaminants of emerging concern. These anthropogenic chemicals may be present in drinking water sources and may pose a potential human health risk. The state Budget Act of 2021 included \$30 million in General Fund local assistance for technical and financial assistance to drinking water systems for implementation projects to address PFAS. The Budget Acts of 2022 and 2023 appropriated an additional \$50 million and \$45 million, respectively, as further described in Appendix J. See the [PFAS Funding Program webpage](#) for more information. These state funds will be administered along with the BIL Emerging Contaminants funding consistent with the process outlined in the DWSRF Emerging Contaminants Supplemental IUP in Appendix J, although projects for Small DACs may be administered through the SADW FEP, depending on authority therein<sup>1</sup>. Applications for PFAS projects are included in the Emerging Contaminant Fundable List, also in Appendix J.

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<sup>1</sup> The criteria and process outlined in Appendix J are focused on implementing capital improvement projects, whereas many Small DACs are expected to need assistance with other things such as sampling and technical assistance. The SFY 2023/24 SADW FEP is expected to include criteria and a process for funding the needs of Small DACs

**Groundwater Grant Program (GWGP)** – GWGP funds may be available for projects benefiting PWS serving SDACs for drinking water treatment projects. Up to \$21.8 million in GWGP funds remain available for eligible projects that serve SDACs. DFA does not anticipate any GWGP funding to be available for DAC projects. See the guidelines from the [State Water Board’s Groundwater Sustainability Program](#) for more information.

## I. DWSRF Base and General Supplemental Fundable List

The DWSRF base and General Supplemental Fundable List includes approximately \$589.7 million in estimated repayable loan financing. Of these, \$267 million of projects are projected to be funded in SFY 2022-23 and \$322.7 million of projects in SFY 2023-24 which is consistent with the long-term repayable loan capacity. Projects that may be eligible for State Grants/PF under Appendices D and E or for consolidation incentive will be added to the Fundable List after the Deputy Director, deems the application initially complete. For readability, these projects are shown on the Comprehensive List, which includes all projects with active applications. The Comprehensive List is included as Appendix B.

### SFY 2023-24 DWSRF Base and General Supplemental Repayable Loan Fundable List Summary

Summary	Projected Number of Projects	Estimated DWSRF Loan Amount	Projected to be funded in FY 2022-23
Small Water System Planning	0	\$0	\$0
Medium Water System Planning	0	\$0	\$0
Large Water System Planning	0	\$0	\$0
Small Water System Construction	1	\$425,230	\$0
Medium Water System Construction	5	\$169,414,000	\$50,660,000
Large Water System Construction	7	\$419,830,245	\$216,345,269
<b>TOTAL</b>	<b>13</b>	<b>\$589,669,475</b>	<b>\$267,005,269</b>

using the budget act PFAS funds. Eligible PFAS drinking water implementation projects for water systems that are serving Expanded Small, Medium or Large DACs, or non-DACs, as well as for Small DACs that are not funded through the SADW FEP, will be funded according to Appendix J.

## J. Set-Aside Activities

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

For SFY 2023-24, the State Water Board will set-aside 26 percent (26%) of the 2023 Base Program Capitalization Grant, including the Wyoming re-allotment, and 26 percent (26%) of the 2023 General Supplemental Capitalization Grant for set-aside activities as further described below. Set-asides for EC and LSLR funding are described in the supplemental IUPs. In the event of an emergency requiring use of set-aside funds, the State Water Board intends to submit an email request that US EPA approve such use of the set-aside funds.

### SFY 2023-24 DWSRF Set-Aside Budget

Set-Aside Category	Max Allowed	Budgeted from FFY 2023 Grant	Estimate
<b>Base Program</b>			
Administration	4%	4%	\$2,167,320
SWS Technical Assistance	2%	2%	\$1,083,660
State Program Management	10%	10%	\$5,418,300
Other Local Assistance	15%	10%	\$5,418,300
<b>Base Program Subtotal</b>		<b>26%</b>	<b>\$14,087,580</b>
<b>General Supplemental</b>			
Administration	4%	4%	\$9,086,000
SWS Technical Assistance	2%	2%	\$4,543,000
State Program Management	10%	10%	\$22,715,000
Other Local Assistance	15%	10%	\$22,715,000
<b>General Supplemental Subtotal</b>		<b>26%</b>	<b>\$59,059,000</b>
<b>Total</b>			<b>\$73,146,580</b>

## K. Programmatic Requirements

DWSRF requirements are substantially similar to those described in the SFY 2022-23 DWSRF IUP. New provisions specific to the FFY Capitalization Grant will apply as directed by Congress or U.S. EPA.

The State Water Board is required to apply federal environmental review requirements to all DWSRF projects. As part of this review, cross-cutting federal environmental authorities (Tier I) must be applied to DWSRF equivalency projects, i.e., projects funded in an amount equal to the federal capitalization grants (although environmental review does not apply to certain set-asides). DFA will apply an alternative environmental review

(Tier II) to certain non-equivalency DWSRF projects, as described in further detail in Section VI.D.1. and Appendix F. Review under the California Environmental Quality Act (CEQA) will apply to all projects that are not CEQA-exempt regardless of funding source. Requirements may differ for projects funded by complementary funding (see Table 10).

## L. Other Activities

The California State Auditor conducted a performance audit at the request of the Joint Legislative Audit Committee to evaluate the State Water Board's efforts to help provide Californians with clean drinking water. The results of the July 26, 2022, audit report provided an independent review of the State Water Board's efforts to provide safe drinking water to the 920,000 Californians without it. The State Water Board also worked with the Environmental Finance Center (EFC) at California State University, Sacramento on a program management review of the California Clean Water State Revolving Fund (CWSRF) program. The findings from this review will be beneficial to the DWSRF program because the State Water Board administers the DWSRF program using many of the same staff and essentially similar processes used to administer the CWSRF program. EFC has developed a report in coordination with stakeholders and State Water Board staff and provided a final [report](#) and recommendations in July 2022. The report identifies potential efficiencies, improvements, or enhancements that would facilitate application reviews and execution of loan agreements and disbursements.

DFA submitted a six month audit response in January 2023 which outlined more immediate implementation responses to the July 2022 audit report. DFA's process improvement workgroup meets bi-weekly to focus on process improvements identified in the audit report, as well as improvements identified by staff. DFA has established a regular stakeholder advisory group meeting which is creating sub workgroups to further evaluate the EFC report and prioritize process improvements. DFA is also refining expectations and key performance indicators as a tool to make adjustments to review and communication processes. Section VII.D includes new performance metrics and targets for greater transparency and to reinforce the timely and efficient processing of applications and disbursements. DFA is scheduled to submit another audit response in July 2023.



## M. Schedule

Draft IUP and Draft Supplemental IUPs posted for public comment	May 19, 2023
Submit FFY 2023 Capitalization Grant applications to U.S. EPA	June 1, 2023
Board Workshop	June 20, 2023
Deadline for Public Comments on Draft IUP and Draft Supplemental IUPs	June 23, 2023
State Water Board considers IUP and Supplemental IUPs at regularly scheduled meeting	July 18, 2023
Receive FFY 2023 Capitalization Grant agreements from U.S. EPA	September 2023

## II. INTRODUCTION

Clean, affordable, accessible, and safe water adequate for human consumption, cooking, and sanitary purposes is a human right<sup>2</sup>, and is essential to health and well-being. The State Water Board's DDW and DFA work cooperatively to protect California's drinking water and help ensure that all Californians have access to clean, safe, accessible, and affordable drinking water through several regulatory and financial assistance programs.

The DWSRF program finances infrastructure improvements to mitigate drinking water risks and support the human right to water. In accordance with federal rules, the DWSRF program generally prioritizes financing for projects that (1) address the most serious human health risks, (2) are necessary to comply with federal SDWA requirements and (3) assist public water systems (PWSs) most in need on a per household basis. The DWSRF program is also managed to ensure expeditious use of DWSRF funds and long-term financial strength for future generations.

The Legislature and the Governor also periodically appropriates funding to the State Water Board for programs or projects that help provide clean and safe drinking water, typically from the proceeds of general obligation bonds or general tax revenues, that can be used in combination with the DWSRF program. The State Water Board has issued revenue bonds to augment the DWSRF program.

In July 2019, [Senate Bill 200](#) established the Safe and Affordable Drinking Water Fund (SADW Fund). The SADW Fund is one tool in the State Water Board's larger [Safe and Affordable Funding for Equity and Resilience \(SAFER\) Drinking Water program](#). The State Water Board administers the SAFER Drinking Water program primarily through DDW, DFA, and the Office of Public Participation (OPP). The SAFER Drinking Water program's goals are to provide safe drinking water in every California community, for every Californian. The Policy for Developing the Fund Expenditure Plan for the Safe and Affordable Drinking Water Fund (SADW Policy) was adopted by the State Water Board on May 5, 2020. The SADW Policy establishes the State Water Board's direction on how the FEP will be developed and implemented. The SADW Fund will be used in combination with the DWSRF program to complement the State Water Board's existing suite of financial assistance programs.

This Intended Use Plan (IUP) and the supplemental IUPs describe the State Water Board's plan for implementing the DWSRF and its complementary and supplementary financing programs for drinking water projects to be funded in SFY 2023-24. The terms and requirements of these IUPs shall remain in effect until the State Water Board amends or updates them. In the absence of an adopted IUP for SFY 2024-25, funding will continue to be administered consistent with this SFY 2023-24 IUP until the SFY 2024-25 IUP is adopted.

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<sup>2</sup> Wat. Code, § 106.3.

## A. Authority and Past Achievements

In 1996, the United States Congress and the President amended the SDWA to establish the DWSRF program nationally, based in part on the success of the CWSRF program. All 50 states and Puerto Rico are currently operating DWSRF programs. The total DWSRF program financing nationwide currently exceeds \$42.0 billion.

The federal DWSRF program provides each state the opportunity to establish a drinking water public health and infrastructure bank capitalized by federal and state funds. This capital along with its earnings is used to provide financial assistance to eligible applicants for a wide variety of drinking water planning and construction projects. The federal DWSRF program also authorizes states to provide TA to help PWSs solve their drinking water problems. States may offer a variety of financing options and customize terms to meet their drinking water public health needs. Financing options include loans, refinancing debt, purchasing or guaranteeing local debt, and purchasing bond insurance. Interest rates must be below the market rate. Repayment periods are generally the lesser of 30 years or the expected useful life of the financed asset and can be as long as 40 years for some communities. Federal statutes, regulations and appropriations, as well as California law, have also authorized “additional subsidy” in the form of grants, negative interest rates, and PF on a limited basis. Because PF has historically been the least difficult form of additional subsidy for California’s applicants to accept, state law has historically authorized PF in certain circumstances. Senate Bill 1188 (Regular Session, 2021-22), which became effective on January 1, 2023, expanded the State Water Board’s authority to provide additional subsidy to match the authority provided under federal law. The State Water Board is currently authorized to manage the DWSRF program pursuant to Chapter 4.5 of Part 12 of Division 104 of the Health and Safety Code, and does so in accordance with an [Operating Agreement](#) with the U.S. EPA, Region 9. The DFA, in cooperation with DDW, the Division of Administrative Services (DAS), and the Office of Chief Counsel (OCC), implements the DWSRF program in accordance with the Policy for Implementing the Drinking Water State Revolving Fund (DWSRF Policy) adopted by the State Water Board. References to the DWSRF Policy in this IUP and the supplemental IUPs refer to the DWSRF Policy dated December 3, 2019. If the DWSRF Policy is amended in the future, the amended provisions will apply to the extent specified in that document.

The Infrastructure Investment and Jobs Act, also referred to as the Bipartisan Infrastructure Law (BIL) appropriated \$30.7 billion over five years to DWSRF programs nationally. The BIL amended requirements of Safe Drinking Water Act (SDWA) applicable to all DWSRF programs and introduced additional requirements and provisions applicable to the BIL appropriations.

California’s DWSRF has grown since financing its first project in 2000. California has executed more than \$4.5 billion in financial assistance agreements and annual repayments to the DWSRF are approximately \$118.5 million.

California's DWSRF program has funded a broad range of projects since its inception. As of February 2023, approximately eighty-five percent (85%) of California's funds have been for the benefit of large water systems, while approximately fifteen percent (15%) of DWSRF funds have been awarded to small water systems (SWSs). However, approximately sixty-nine percent (69%) of funded projects have been for the benefit of SWSs, while thirty-one percent (31%) of funded projects have been for the benefit of large water systems. California's DWSRF has also provided approximately \$621.6 million of PF to disadvantaged communities since 2000.

## **B. Connections to Other Plans and Goals**

In establishing the terms of this IUP, the State Water Board considered statewide policy set forth in section 106.3 of the Water Code. Specifically, subdivision (a) declares it is the established policy of the State that "every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes." Subdivision (b) requires the State Water Board to consider this state policy when "revising, adopting, or establishing policies, regulations, and grant criteria when those policies, regulations, and criteria are pertinent to the uses of water." State Water Board [Resolution No. 2016-0010](#) adopted the human right to water as a core value and directed its implementation in Water Board programs and activities. This IUP, in addition to the SAFER Drinking Water program, directly supports this policy.

The SADW Fund, which is administered through the SADW Policy and FEP, complements the DWSRF program which addresses capital infrastructure. The SADW Fund may be used for various types of assistance for PWS, state small water systems, and domestic wells with demonstrated failure or risk of failure, including but not limited to projects that: (1) provide interim access to safe water sources; (2) contract or provide a grant to an administrator to address or prevent failure to provide safe and affordable drinking water; (3) improve water delivery infrastructure; (4) provide TA; (5) consolidate systems; and (6) fund operation and maintenance for disadvantaged and low-income communities.

U.S. EPA, in cooperation with the State, has designated the State Water Board as the "primacy agency" to implement and enforce the federal SDWA. As the state primacy agency, the State Water Board, through DDW, regulates more than 7,500 PWSs located throughout the State. To assist in this effort, through DDW, the State Water Board has also delegated its primacy authority to 27 local health departments, known as local primacy agencies (LPA), to regulate PWSs serving less than 200 service connections. The State Water Board also promotes safe and reliable drinking water through drought preparedness and water conservation measures; promoting water recycling projects; certifying drinking water treatment and distribution operators; supporting and promoting water system security; providing for small water system technical assistance (SWSTA) and mandating minimum standards for PWS technical, managerial, and financial (TMF) capacity.

The DWSRF program supports the [U.S. EPA Strategic Plan](#) Goal 1 (Core Mission), Objective 1.2: Provide for Clean and Safe Water – “Ensure waters are clean through improved water infrastructure and, in partnership with states and tribes, sustainably manage programs to support drinking water, aquatic ecosystems, and recreational, economic, and subsistence activities.” Specifically, California established and is managing the DWSRF to provide affordable financing and other types of assistance to water systems to finance the cost of infrastructure projects to achieve or maintain compliance with SDWA requirements.

The DWSRF program supports the four goals of the [Water Resilience Portfolio](#) (July 2020): maintain and diversify water supplies; protect and enhance natural ecosystems; build connections and be prepared. The State Water Board is tasked as the responsible agency for 17 actions of which 8 actions require direct involvement from DFA.

Additionally, the DWSRF program supports the State Water Board [Resolution No. 2017-0012](#), which was adopted on March 7, 2017 to establish a comprehensive and robust response to climate change that will support California’s ongoing climate leadership.

Similarly, U.S. EPA confirmed in recent years that DWSRF funds may be awarded to projects that address “green” infrastructure, water and energy efficiency improvements, or other environmentally innovative activities. In response to Resolution No. 2017-0012, as well as the “green” objectives of U.S. EPA, the State Water Board will continue to prioritize DWSRF funding in SFY 2023-24 for the installation of new or replacement water meters as a means of promoting effective water conservation and management and energy efficiency and sustainable energy projects. Other Green Project Reserve (GPR) projects may include, but are not limited to, ones that reduce water losses and energy consumption, reduce the environmental footprint of water treatment and distribution, help utilities adapt to climate change, adopt more sustainable solutions, and promote innovative approaches to water conservation and source protection, as long as they meet all DWSRF criteria and requirements.

The DWSRF program and its project priority approach also support the Governor’s [Executive Order B-40-17](#) of April 7, 2017, which states, “The Water Board and [the Department of Water Resources] shall continue to direct actions to minimize water system leaks that waste large amounts of water. The State Water Board, after funding projects to address health and safety, shall use loans from the DWSRF to prioritize local projects that reduce leaks and other water system losses”.

The DWSRF program supports the State Water Board’s combined [Clean Water and Drinking Water Capacity Development Strategy](#). With DWSRF set-aside funds as well as leveraging DWSRF planning and infrastructure financing, the DWSRF program and this IUP support the following strategic goals of the combined Clean Water and Drinking Water Capacity Development Strategy:

- Strategic Goal 1 - Use available resources to continuously improve the Capacity Development program

- Strategic Goal 2 - Identify systems with low TMF capacity
- Strategic Goal 3 - Assist water systems identified in Goal 2 to improve their TMF and if they are in violation, return to compliance
- Strategic Goal 4 – Ensure all new systems, systems changing ownership and systems using public funds to construct projects have TMF capacity to remain sustainable into the foreseeable future
- Strategic Goal 5 –Strengthen existing and foster new partnerships with federal, state, local governmental entities, environmental justice organizations, local non-profits and drinking water organizations
- Strategic Goal 6 – Provide a system of technical assistance and training for operators, managers and board members to ensure that drinking water provided by public drinking water systems is consistently safe

In 2017, the Drinking Water Capacity Development program, as required by the Safe Drinking Water Act, was moved from DFA to DDW, but both divisions play a role in supporting the Board’s capacity development goals.

The State Water Board’s Division of Water Quality and DDW are investigating, in coordination with the Regional Water Quality Control Boards (Regional Water Boards), the magnitude and distribution of PFAS. The DWSRF can provide funding to treat drinking water for the presence of PFAS and will provide funding to eligible entities with projects that are ready to proceed consistent with the “General Project Funding Approach” described in Section III.A below. See also more information about recent state funding for PFAS in Section III.C.4 and the DWSRF Emerging Contaminants Supplemental IUP in Appendix J.

### **C. Intended Use Plan (IUP) and Capitalization Grant Application**

This IUP contains elements required under federal law. The State Water Board will submit this IUP as part of its application for the Federal Fiscal Year (FFY) 2023 Capitalization Grants from U.S. EPA for the DWSRF Base Program and DWSRF General Supplemental Funding. The State Water Board will submit this IUP and Supplemental IUPs for the DWSRF Emerging Contaminants Funding and DWSRF LSLR Funding for their respective FFY 2023 Capitalization Grants. The SFY 2023-24 IUP also serves as guidelines for the State Water Board’s administration of Proposition 1 (Prop 1) and Proposition 68 (Prop 68) Drinking Water funds and as the Implementation Plan for the 2021 Budget Act Infrastructure Appropriation - in general referred to as the “Small Community Grant Drinking Water (SCG DW) funds.”

In summary, this IUP establishes the State Water Board's business plan for the DWSRF and its associated state funding programs for SFY 2023-24 and discusses the State Water Board's general approach and ability to successfully carry out that business plan with the available financial and programmatic resources. It also describes how the State Water Board will operate the DWSRF and its associated state funding programs in conjunction with other funding sources, outside the State Water Board, which may be used to jointly finance projects.

This IUP outlines the funding and resources available for SFY 2023-24, the prioritization approach used to rank projects for DWSRF and SCG DW funding and describes the State Water Board's plans for using the FFY 2023 Capitalization Grants (Base Program, General Supplemental, Emerging Contaminants, and LSLR) and ASADRA Capitalization Grant from U.S. EPA, including a summary of applicable DWSRF federal requirements. The IUPs identify projects that the State Water Board anticipates financing in SFY 2023-24 (Appendix A – the Base Program and General Supplemental Fundable List, Appendix J – Emerging Contaminants Fundable List, Appendix I – Lead Service Line Replacement Fundable List, and Appendix H – the ASADRA Fundable List), and forecasts the potential effect they would have on DWSRF cash flows and availability of SCG DW funds over the next several years. This IUP also describes the financing terms for SFY 2023-24, including special financing terms for Small DACs and Small SDACs. The Supplemental IUPs describe the financing terms applicable to their respective projects. Finally, this IUP details key aspects of the DWSRF program including short and long-term goals, associated performance metrics, and the methods used to achieve the DWSRF program's goals and metrics.

Federal and State laws allow a portion of federal capitalization funds to be used for specified set-aside activities in addition to providing financial assistance to PWSs for infrastructure improvements. In summary, the State Water Board intends to use seventy-four percent (74%) of the 2023 Base Program Capitalization Grant and seventy-four percent (74%) of the 2023 General Supplemental Capitalization Grant for financing the planning, design, and construction of drinking water infrastructure projects. The remaining twenty-six percent (26%) of the 2023 Base Program and twenty-six percent (26%) of the General Supplemental Capitalization Grant will be reserved for set-aside activities. The State Water Board intends to use twenty-six percent (26%) from the Emerging Contaminants (EC) and LSLR Supplemental Capitalization Grants for set-aside activities. Further details about the planned use of the set-asides can be found in Section IV of this IUP.

The State Water Board may amend this IUP and the Supplemental IUPs only after the public and interested parties are given an opportunity to comment on the proposed amendments, except for non-substantive corrections, which may be made by the Deputy Director of DFA. Authority is delegated to the Deputy Director of DFA to add the following projects to the specified Fundable Lists as applications are received, and the lists will be posted for public review, as described in section III.D.

- Any project that may be eligible for grant/PF under Appendices D and E for the Base Program or General Supplemental capitalization grant or for a consolidation incentive that has submitted a complete application (Base Program Fundable List);
- EC projects with complete applications (EC Fundable List);
- LSLR projects with complete applications (LSLR Fundable List)

Per section VI of the DWSRF Policy, the Deputy Director of DFA may bypass a project on the Fundable List if it is determined that the project is not ready to proceed to financing and the Deputy Director may add a project from the Comprehensive List to the Fundable List if (a) the project is expected to proceed to financing and (b) the aggregate funding amount is consistent with the funding capacities determined in this IUP. EDWG projects may be funded without being designated on a Fundable List as fundable under DWSRF due to the differences in application requirements.

The Executive Director, or designee, may update stakeholders during SFY 2023-24 on DFA's progress implementing this IUP and the Supplemental IUPs and the current capacity of the DWSRF and its complementary programs to provide financing to applicants.

Throughout this document, the Deputy Director of DFA has been authorized to perform actions. The Deputy Director of DFA also has authority to re-delegate any of those actions to a designee.

The State Water Board will continue to implement the DWSRF consistent with applicable state and federal statutes, regulations, and policies. These include, but are not limited to:

- [The DWSRF Policy](#);
- [The Operating Agreement between the State Water Board and U.S. EPA](#);
- [The Clean Water and Drinking Water State Revolving Funds Debt Management Policy](#) (CWSRF/DWSRF Debt Management Policy) and agreements related to outstanding revenue bonds;
- [The Clean Water and Drinking Water Capacity Development Strategy](#) (Capacity Development Strategy);
- [U.S. EPA Interpretive Guidance regarding the DWSRF](#);
- U.S. EPA's October 23, 2019, Memorandum "[Award of State Revolving Funds Appropriated by the 'Additional Supplemental Appropriations for Disaster Relief Act, 2019'](#)";
- U.S. EPA's February 23, 2021, Memorandum "[Reallotment of FY 2019 ASADRA SRF Funds](#)";



- [U.S. EPA guidance](#) regarding Implementation of the CW and DWSRF Provisions of the Bipartisan Infrastructure Law
- DWSRF regulations, including the general grant regulations at 40 C.F.R. part 200
- Any additional federal requirements in the 2023 budget appropriation, the 2023 Capitalization Grant Agreement, and/or guidance from U.S. EPA. The State Water Board will operate its complementary financing programs in accordance with any requirements applicable thereto.

## D. Supplementary Definitions

Unless otherwise defined below, the definitions in the DWSRF Policy shall apply to funding under this IUP. If a single facility with a large residential population that does not pay drinking water rates and is reasonably isolated and divisible from the larger community, such as a prison, contributes significantly to the population of the community, the Deputy Director has discretion to determine it is appropriate to exclude that facility's population in determining population for the purposes of funding eligibility.

1. "Consolidation" means joining two or more Public Water Systems, State Small Water Systems, or affected residences into a single Public Water System. For the purposes of funding eligibility under this IUP, consolidations can also include projects that will achieve the following, where separate water system permits may still exist upon completion of the project: provision of water via an interconnection or a master meter agreement, or managerial consolidation.
2. For the purposes of DWSRF funding, "Disadvantaged Community" means the entire service area of a Community Water System, or a community therein, in which the Median Household Income (MHI) is less than 80 percent of the statewide annual MHI (Health & Saf. Code, §§ 116275, 116760.20). For the purposes of State Grant funding, "Disadvantaged Community" means a community with an annual MHI that is less than 80 percent of the statewide annual MHI (Wat. Code, §§ 79702, 79705.5.).
3. "Expanded Small Disadvantaged Community" or "Expanded Small DAC" means a Disadvantaged Community with a population more than 10,000 persons but no more than 20,000 persons, or more than 3,300 service connections but no more than 6,600 service connections.
4. For the purposes of DWSRF funding, except for LSLR funding, "Median Household Income" or "MHI" shall be defined as in the DWSRF Policy. The LSLR Supplemental IUP in Appendix I defines "Median Household Income" or "MHI" for the purposes of any projects administered through the LSLR Supplemental IUP. For other funding sources, "Median Household Income" or "MHI" means the household income that represents the median value for the area benefiting from the project.

5. "Medium Disadvantaged Community" or "Medium DAC" means a Disadvantaged Community with a population more than 20,000 but no more than 100,000 people, or more than 6,600 service connections but no more than 30,000 connections.
6. "Multifamily Residential" means a classification of housing where multiple separate housing units for residential inhabitants are contained within one building, such as a duplex or apartment building.
7. "Native American Tribe" means a federally recognized Indian tribe, or a State Indian tribe listed on the Native American Heritage Commission's California Tribal Consultation List.
8. "Non-transient Non-Community Water System" or "NTNC" means a Public Water System that is not a Community Water System and that regularly serves at least 25 of the same persons over six months per year.
9. "Receiving Water System" means the Public Water System that provides service to a Subsumed Water System through consolidation.
10. "Small Disadvantaged Community" or "Small DAC" means a Disadvantaged Community with a population no more than 10,000 persons, or no more than 3,300 service connections.
11. "Small Non-Disadvantaged Community" or "Small Non-DAC" means a community with a population no more than 10,000 persons, or no more than 3,300 service connections, and with an MHI greater than or equal to 80 percent of the statewide annual MHI.
12. "Small Severely Disadvantaged Community" or "Small SDAC" means a community with a population no more than 10,000 persons, or no more than 3,300 service connections, and whose MHI is less than 60 percent of the statewide average MHI.
13. "State Grant" means a grant administered under this IUP funded by state general obligation bonds or state general fund appropriations that is not used as state match for a DWSRF capitalization grant.
14. "State Small Water System" means a system for the provision of piped water to the public for human consumption that serves at least five, but not more than 14, service connections and does not regularly serve drinking water to more than an average of 25 individuals daily for more than 60 days out of the year.
15. "Subsumed Water System" means the Public Water System consolidated into or receiving service from the Receiving Water System.

### III. DRINKING WATER FINANCING NEEDS

#### A. Drinking Water Needs Survey and Assessment

Based on the [7<sup>th</sup> Drinking Water Infrastructure Needs Survey and Assessment \(DWINSA\) Fact Sheet](#), California needs approximately \$83.5 billion over the next 20 years to adequately fund drinking water infrastructure. The DWINSA is to be conducted every four years and results are used to determine allotment of capitalization grants for state DWSRF programs. The 2021 DWINSA began in January 2021 and California completed its assessment on 182 large and medium water systems selected by U.S. EPA in February 2022. U.S. EPA is expected to post the detailed report on the 2021 or 7<sup>th</sup> DWINSA report to Congress in May/June 2023.

In 2018, the Legislature appropriated \$3 million to the State Water Board to perform a statewide safe and affordable drinking water needs analysis (Needs Analysis). In July 2018, the State Water Board's DDW used this allocation to enter into a service contract with the University of California, Los Angeles and multiple subcontractors to do the following:

- (1) Identify PWSs in violation and at risk of failure, including the development of an interactive geographic information systems (GIS) map;
- (2) Identify state small water systems and domestic wells with known or high risk of unsafe water, including interactive GIS map; and
- (3) Develop a cost analysis for interim and long-term solutions.

The [2022 Drinking Water Needs Assessment](#) was released in May 2022 and will continue to be updated on an annual basis. Section XI.B. of the [SADW Policy](#) further defines the above three elements of the Needs Analysis with up to date information available online at:

[https://www.waterboards.ca.gov/drinking\\_water/certlic/drinkingwater/needs.html](https://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/needs.html).

#### B. Comprehensive List of Financing Requests

As a result of California's statewide need, the State Water Board currently has approximately 346 funding requests totaling approximately \$3.37 billion for drinking water planning and construction funding on its Comprehensive List. The Comprehensive List (Appendix B) identifies PWSs seeking financial assistance for specific drinking water infrastructure projects. The funding applications and the due diligence reviews by DFA vary in completeness. A summary of the total funding requested is shown in Table 1.

The Comprehensive List includes all funding requests submitted to the State Water Board as of March 2023 and is used to identify projects potentially eligible for the Base and General Supplemental Fundable List. Placement of a project on the Comprehensive List does not constitute a commitment to provide financing. The DFA will periodically post an updated Comprehensive List on the DWSRF website that will include all projects eligible for grant/PF under Appendices D and E, and all consolidation incentive projects, for which applications were received by the State Water Board after the development of this IUP.

**Table 1: SFY 2023-24 DWSRF Comprehensive List Funding Request Summary by Priority Ranking**

Priority Ranking	Description	No. of Applications	Estimated Requested Funding
A	Immediate Health Risk	26	\$97,737,457
B	Untreated At-Risk Sources	11	\$11,677,759
C	Compliance or Shortage	105	\$385,735,115
D	Inadequate Reliability	33	\$91,240,521
E	Secondary Risks	23	\$162,951,700
F	Other Projects	148	\$2,623,817,848
<b>Total</b>		<b>346</b>	<b>\$3,373,160,400</b>

**Table 2: SFY 2023-24 DWSRF Repayable Comprehensive List Funding Request Summary by Priority Ranking**

Priority Ranking	Description	No. of Applications	Estimated Requested Funding
A	Immediate Health Risk	0	\$0
B	Untreated At-Risk Sources	0	\$0
C	Compliance or Shortage	0	\$0
D	Inadequate Reliability	4	\$39,819,000
E	Secondary Risks	6	\$94,425,230
F	Other Projects	45	\$2,360,345,704
<b>Total</b>		<b>55</b>	<b>\$2,494,589,934</b>

## IV. PROJECT FUNDING CAPACITY AND DISTRIBUTION OF FUNDS

### A. General Project Funding Approach

As seen from the previous section, California's drinking water infrastructure needs exceed \$80 billion over the next 20 years. The DWSRF's capacity to fund this is likely less than \$10 billion over the same period given the existing capitalization and estimated future capitalization based on historic capitalization from the federal and state governments. This year's Comprehensive List includes applications totaling more than \$3 billion. Approximately \$2.5 billion of this is requested repayable loan funding. With a repayable loan capacity of approximately \$300 million in loans per year, the Comprehensive List represents over eight years' worth of loan funding. Most of California's drinking water loan financing will come from water systems themselves through financing sources other than the DWSRF.

A primary goal of the State Water Board is to use the DWSRF program and its associated state funding sources to provide drinking water project financing that (1) addresses the most serious human health risks, (2) is necessary to comply with the SDWA, and (3) assists the PWSs most in need on a per household basis. To meet this goal, the State Water Board will use the DWSRF and its complementary and supplementary funds timely and expeditiously and manage the available funding responsibly.

The State Water Board's drinking water funding priorities will stress helping Small SDACs and Small DACs solve their drinking water problems. In particular, available SCG DW funds, DWSRF PF funds, and Drinking Water Small Community Emergency Grant (DWSCEG) funds will be prioritized to address the most serious health risks for these communities. The State Water Board also directs DFA to manage the DWSRF program so that sufficient funds are available under all circumstances to meet the repayable financing needs of Small SDACs and Small DACs for drinking water projects.

Applications for the DWSRF program and associated funding are accepted on a continuous basis. After DFA receives a complete application, a detailed technical, environmental, legal, and financial review is conducted to determine the applicant's eligibility for DWSRF and associated drinking water funding and to evaluate whether the project, once funded, is sustainable and will be operated and maintained for its useful life.

The DWSRF Policy and this IUP set forth the credit review process that the State Water Board undertakes to assess the credit and financial capacity of applicants, in order to evaluate the ability of the applicants to operate and maintain the funded projects over the useful life, as well as to repay borrowed DWSRF monies. For non-repayable planning and certain consolidation project funding, DFA may undertake an alternative financial capacity review, consistent with the statutory and other legal requirements for the funding source to be used (see section V.A.3).

The State Water Board will conduct environmental reviews of projects as described in section VI.D.1 and Appendix F.

Eligible projects are funded as applications are completed and approved in accordance with the applicable federal and state rules and requirements, including the DWSRF Policy<sup>3</sup>. The online portal to submit an application for the DWSRF and its associated drinking water funding sources can be found at: <https://faast.waterboards.ca.gov/>.

DWSRF projects, including projects receiving (or contributing) state match funds, will be consistent with the [DWSRF Policy](#)<sup>4</sup>, the [SRF Debt Management Policy](#), the [Operating Agreement](#), U.S. EPA's October 23, 2019, Memorandum "[Award of State Revolving Funds Appropriated by the 'Additional Supplemental Appropriations for Disaster Relief Act, 2019](#)," U.S. EPA BIL guidance, federal capitalization grant conditions, and applicable federal and state statutes, regulations, and guidance. Any guidelines applicable to the complementary funding sources that may be used to fund a project jointly with DWSRF program funds may also apply.

In addition, repayable financing will generally be consistent with the requirements of the DWSRF program's Master Trust Indenture and associated bond documents to ensure compliance with the U.S. Securities and Exchange Commission, Internal Revenue Service, and Municipal Securities Rulemaking Board (MSRB) rules and regulations and ensure that all DWSRF revenue bonds are secure and repaid in full and on time.

The funds available to fund drinking water projects generally consist of:

- State bond funds;
- Capitalization Grants from U.S. EPA, potentially including PF;
- Repayments of DWSRF principal and interest on past loans and investment earnings;
- Proceeds from revenue bond sales secured by past DWSRF loans and approved by the State Water Board;
- SADW Fund (generally administered via the SADW Fund Expenditure Plan rather than the DWSRF IUPs); and

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<sup>3</sup> For projects with a primary purpose of connecting state small water systems and domestic wells, it can be challenging to get binding commitments to participate from households in the absence of final funding information which informs final costs to the households. For such projects that are expected to be funded with the 2021 Budget Act Infrastructure Appropriation, the Deputy Director of DFA is authorized to provide a preliminary commitment of funds prior to application completion. Such commitments will include necessary conditions, including but not limited to, conditions regarding required household participation to receive the funds and deadlines to complete the application.

<sup>4</sup> Please refer to Section VI.F. of this IUP for an exception to the [DWSRF Policy](#) regarding reimbursement of eligible construction costs.

- State general fund allocations, including the 2021 Budget Act Infrastructure appropriation, and PFAS appropriations from the 2021, 2022, and 2023 Budget Acts.

The Deputy Director of DFA is authorized to initiate the process to sell revenue bonds. The Deputy Director of DFA is also authorized to regulate project commitment levels, loan increases, or cash disbursement levels, suspend project approvals, or do some combination of these actions to ensure prior commitments are fulfilled. The Deputy Director is directed to evaluate the potential impacts of rising construction costs for existing projects and the impacts to the DWSRF's long term repayable loan capacity. The Deputy Director should prioritize use of the loan capacity for potential cost increases on previously funded repayable loans rather than funding new projects. A detailed financial analysis is described in Section III.C.

The State Water Board's disbursement priorities for the DWSRF program during SFY 2023-24 will be:

- Liquidating revenue bond proceeds, if available during the effective period of this IUP;
- Liquidating any available state match funds at a rate sufficient to access and liquidate federal capitalization funds timely and expeditiously;
- Liquidating capitalization grants once awarded; and
- Liquidating repayments and investment earnings.

Without restricting the approach described in these IUPs, the Executive Director (or designee), should update the State Water Board members and the public at State Water Board meetings or by other appropriate communications regarding the finances of the DWSRF and its complementary and supplementary financing sources. They should also recommend appropriate adjustments to these IUPs or other changes in policy or procedure necessary to achieve the maximum drinking water benefit in California.

General provisions applicable to financing projects in SFY 2023-24 may include, but are not limited to:

### **1. Best Use of Available Financing Sources and Terms**

The State Water Board will consider the requirements associated with all available sources of funds, and pair available funds with projects to achieve the maximum drinking water benefits. In order to provide the best funding package for an applicant, DFA will combine funding sources where appropriate. This includes the use of PF and grant funds, reduced interest rates, match financing, other state sources of funds appropriated to the State Water Board, and other state and federal funding sources managed by other agencies to the extent they are available and compatible with the State Water Board's funding to maximize the financing of drinking water projects.

## 2. Financing Terms in General

Unless otherwise noted, the terms established in the DWSRF Policy will be used for drinking water funding.<sup>5</sup>

The State Water Board will provide funding for the planning, design, and construction of eligible drinking water improvements to publicly and privately-owned CWS and non-profit, non-community water systems. Eligible planning, preliminary engineering studies, environmental review, project design, and construction costs are described in the [DWSRF Policy](#), Sections X.B. and XI.B. An eligible applicant may apply solely for planning funding with the option to later apply for construction funding. An eligible applicant may also apply for construction funding with the option to be reimbursed for eligible planning costs as part of the construction financing agreement.

The standard interest rate for repayable planning and construction financing is 50 percent (50%) of California's average general obligation bond rate obtained by the State Treasurer for the previous calendar year. The term for repayable planning projects is a maximum of five or ten years at the applicant's request. Repayable construction financing can be amortized for the lesser of 30 years or the useful life of the financed facilities for all communities; SDAC and DAC communities may finance drinking water construction facilities over the lesser of 40 years or the useful life of the financed facilities.

The State Water Board will prioritize funding to systems or households experiencing serious drinking water public health issues (Category A-C), inadequate reliability (Category D), and consolidation projects. Grant/PF criteria for eligible projects serving Small DACs/SDACs, Expanded Small DACs/SDACs, Medium DACs/SDACs, Small Non-DACs are described in Appendices D and E.

Consolidation projects are eligible for up to one hundred percent (100%) grant/PF funding, regardless of project category, as provided in Appendices D and E, if they meet funding source requirements. Each system owner's ability to pay will not be considered in determining funding for reasonable connection fees and constructed facilities that will be owned and operated by the Receiving Water System, except to the extent required by the funding source. For other work that is occurring on private property associated with a Subsumed Water System<sup>6</sup>, the Deputy Director may

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<sup>5</sup> The Deputy Director or Assistant Deputy Director may determine not to apply certain DWSRF Policy requirements to projects that only receive State Grant funding. To the extent that the DWSRF Policy is inconsistent with any federal requirements, federal requirements will apply to DWSRF projects. See Section VI.D. The terms of a future amendment to the DWSRF Policy shall apply to projects funded under this IUP and supplemental IUPs to the extent specified in any such Policy amendment.

<sup>6</sup> If recipients do not own or have authority over project components located on private property, such as private laterals, the Deputy Director or Assistant Deputy Director has



waive the ability to pay analysis, to the extent allowed by the funding source, when available information indicates either: the Subsumed Water System owner has no other commercial assets other than the property associated with the system; the Subsumed Water System is a CPUC-regulated entity and will be required to comply with CPUC rules governing the receipt and use of state grant funds, including rules that (i) limit enrichment of the owners by excluding PF and grant funded assets from the fair market value of the system in the case of a transfer, and (ii) ensure that grant funds benefit rate payers by excluding PF and grant funded assets from the rate base; or that necessary improvements to complete the consolidation are likely to result in negligible appreciation of the value of the Subsumed Water System owner's property. In most cases, for consolidations resulting in a single public water system, funding will be provided to the Receiving Water System. To the extent that the Receiving Water System requires infrastructure improvements (e.g., pipelines, storage tank, new well, treatment) for the consolidation, those improvements may be eligible for 100% grant/PF. The Deputy Director of DFA may reduce or limit reimbursement of connection fees if such infrastructure improvements, that provide capacity for the new service connections, are being funded with grant/PF.

For projects that consist of consolidation of homes not currently served by a PWS, or for consolidations that may require work on private property associated with the residences served by a Subsumed Water System, the work on private property associated with the residences, including items such as laterals, well destruction, or backflow prevention, can qualify for grant/PF, if allowed by the funding source, if the community being consolidated is a DAC. If available MHI data for the community does not appear representative for some or all of the households served by the consolidation project, household income verification may be required. Exceptions to grant eligibility may apply if the total cost per connection for specific households is significantly higher than others in the community being consolidated, for example because there is a larger individual property with an exceptionally long lateral or a higher connection fee required.

For non-consolidation projects, privately-owned for-profit water systems that serve Small, Expanded Small or Medium DACs/SDACs may be eligible for grant/PF based on the following criteria<sup>7</sup>:

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the discretion to determine whether recipients are required to ensure the operation and maintenance of such components, notwithstanding footnote 3 of the DWSRF Policy (Dec. 3, 2019).

<sup>7</sup> Notwithstanding the criteria outlined in parts a and b, the Deputy Director or Assistant Deputy Director may waive the ability to pay analysis, to the extent allowed by the funding source, if the funding recipient is a CPUC-regulated entity and will be required to comply with CPUC rules that limit enrichment of the owners and ensure grant funds benefit rate payers by excluding grant assets from fair market value of the system in the case of a transfer and ensuring grant funded assets are recorded as non-rate based.

- a. For Category A-D projects, work on private property may be eligible for up to one hundred percent (100%) grant/PF. For construction projects, the system owner's ability to pay is considered when determining the grant/PF amount to be provided. The Deputy Director or Assistant Deputy Director may waive the ability to pay analysis, to the extent allowed by the funding source, when available information indicates the system owner has no other commercial assets other than the property associated with the system. Eligible planning projects may receive 100% grant/PF or be funded through TA, depending on the requirements of the funding source.
- b. For Category E-F projects, the system owner's ability to pay will be considered in determining whether to provide any financial assistance.

### **3. Financing Terms and Limitations for Specific Applicants**

#### **a. MHI Determinations for CWS, NTNC & Communities Not Currently Served by a PWS**

In general, the MHI determination for a CWS will be based on the entire permitted service area of the CWS. The MHI is determined using the Census geography that best represents the community (i.e., city/Census Designated Place [CDP] or block group). DFA utilizes the American Community Survey (ACS) data set to determine the MHI of a community. ACS data is updated annually using a five-year rolling average. New ACS data is utilized by DFA as of April 1st of each year. If the MHI cannot be determined due to unavailable ACS data or the available data is not considered representative based on consultation with DDW or Regional Board staff, an income survey may be conducted. An impartial third party must conduct an income survey in accordance with the current Multiagency Income Survey Guidelines.

A NTNC owned by a K-12 public school district is deemed to serve a severely disadvantaged community because the primary users are minor students. Minors generally have incomes below 60 percent (60%) of the statewide MHI. All other eligible NTNCs and the MHI of the small community they serve will be evaluated on a case-by-case basis based upon the intended customer base.

For a consolidation including the extension of water service by a PWS to a small community not currently being served by a PWS, for purposes of providing reduced interest rates and PF, the MHI of the PWS extending service/the Receiving Water System or the community receiving service/Subsumed Water

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Funding agreements require that recipients can not abandon, substantially discontinue use of, lease, sell, transfer ownership of, or dispose of all or a significant part or portion of the funded project during the useful life of the project without prior written approval of DFA. Such approval may be conditioned as determined to be appropriate by DFA, including a condition requiring repayment of all disbursed project funds or all or any portion of all remaining funds together with accrued interest and any penalty assessments that may be due.

System may be considered, consistent with statutory requirements. Grant eligibility for state small water systems or individual residences may be determined based on the best fit block group, an income survey, individual household certifications, or a combination thereof.

Except for consolidation projects, in making funding eligibility determinations for Category E-F projects, the State Water Board will consider whether the households benefiting from the project are primary residences. If a community with a Category E-F project includes secondary homes in an amount that is greater than 50 percent of the total number of dwellings, the community will not be eligible for grant/PF funding. A community with a Category E-F project with between 25 percent (25%) and 50 percent (50%) secondary homes will be evaluated by DFA on a case-by-case basis and the Deputy Director will determine eligibility for grant/PF or partial grant/PF funding. Typically, permanent residents are those residing in the community at least six months out of the year; however, seasonal, migrant laborers can also be counted as permanent residents. Secondary homes are homes that are classified as vacation or seasonal homes.

If a project will benefit a system that has industrial/commercial connections that account for greater than ten percent of the total water consumption, then grant/PF funding may be reduced for costs attributable to industrial/commercial use. In addition, project components that are solely for industrial/commercial use (e.g., water meters at an industrial/commercial facility) are not grant/PF eligible.

#### **b. Subsidized Planning Financing**

Eligible small CWSs (SCWSs) serving a Small DAC/SDAC, eligible not for profit NTNCs serving a Small DAC/SDAC, and eligible PWSs consolidating with Small DACs/SDACs may receive grant/PF for a planning project in accordance with Appendix D. Repayable financing may also be made available to fund a planning project. The Deputy Director of DFA may approve planning grants/PF for small, non-DAC Category A-D and/or consolidation projects for good cause to the extent authorized under state law.

#### **c. Subsidized Construction Financing**

The following PWSs may be eligible for reduced interest rates, PF, grant, or a combination of PF and grant for a construction project in accordance with the terms in Appendix E, to the extent consistent with state and federal law.<sup>8</sup>

1. A SCWS serving a Small DAC, a Small SDAC, or a Small Non-DAC with a MHI of less than 150% of the statewide MHI.

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<sup>8</sup> Eligibility for non-repayable financing varies depending on funding source. To the extent permitted by funding source, the categories below include systems owned by Native American Tribes.

2. A NTNC that serves a Small DAC or a Small SDAC, if the system serves solely the following:

- a public K-12 school<sup>9</sup>; and/or
- a not-for profit K-12 private school; and/or
- a not-for-profit daycare facility, and/or
- a not-for profit labor camp; and/or
- a not-for-profit elder care facility; and/or
- a not-for-profit health care facility

Grant/PF funds will only be awarded to an eligible not-for-profit NTNC to the extent the NTNC cannot afford the full cost of repayable financing. With the exception of a PWS owned by a public school district, the current operating budget shall be evaluated when determining an eligible NTNC's ability to afford repayable financing. As stated in the DWSRF Policy, an eligible PWS owned by a public school district is deemed to have no ability to repay any financing. and is eligible for 100% grant/PF, subject to all other eligibility rules and requirements. To determine the equivalent service connections for a school, the total number of staff and students is divided by 3.3. In the case of multifamily residential properties served by a single connection, the single connection can be treated as multiple service connections for the purposes of calculating grant eligibility, based on the number of households or housing units within the building or complex.

3. A PWS that is consolidating or extending service to a Small DAC, an Expanded Small DAC, a Small Non-DAC with a MHI of less than 150% of the statewide MHI, or a Medium DAC.

4. An Expanded SCWS that serves a DAC or SDAC.

5. A Medium CWS that serves a DAC or SDAC.

See Appendix E for limitations. The Prop 1 and Prop 68 Drinking Water local cost share is reduced for a SCWS, Expanded SCWS, or Medium CWS that serves a DAC or SDAC and a NTNC that serves a Small DAC or Small SDAC and a PWS extending service to a Small DAC or Small SDAC in accordance with Appendices D and E.

In evaluating project eligibility, DFA will consider any drinking water-related settlement funds received by or due to the applicant, including those related to 1,2,3- Trichloropropane (1,2,3-TCP), when determining grant/PF eligibility. Pending or unrestricted funds must either be allocated to a capital improvement project related to the settlement or placed in a restricted account (e.g., escrow or other restricted account) reserved specifically for operation and maintenance of

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<sup>9</sup> Notwithstanding the definition of "not-for-profit" in the DWSRF Policy, NTNCs owned by public schools are deemed to be not-for-profit and may be eligible for PF/grant if authorized under the funding source.

the portion of the system that removes or treats the contaminant. If neither of these options is available, a condition of State Water Board funding will be that settlement funds are held in a capital reserve and/or emergency reserve account to help bolster the financial capacity of the system.

#### **4. Consolidation**

It is the intent of the State Water Board to promote consolidation where appropriate and feasible, especially among SCWS serving DACs and SDACs. Many SCWSs struggle to meet minimum state and federal requirements to provide safe and reliable drinking water. Due to their smaller scale and limited resources, SCWSs face many TMF challenges and have difficulty maintaining long-term compliance. Infrastructure projects are increasingly costly, the technical complexity of compliance grows, and economic constraints are especially onerous for these systems. Consolidation is a promising solution to many difficulties faced by SCWSs, particularly when confronted with compliance-related problems or depleted water sources. To support consolidation, DFA, in coordination with DDW, will continue to emphasize consolidation opportunities by providing project financing and TA. Funding available through DFA can act as a key incentive for consolidation projects, even when other approaches such as mandatory consolidation orders are not applicable.

DFA will continue to require that all funding applicants evaluate the feasibility of consolidation to be eligible for the DWSRF construction funding. If planning funding is being provided to a SCWS, DFA may also require a consolidation assessment prior to reimbursement of other planning activities under the planning funding agreement. For SCWS applicants proximal to another community water system within 1.5 miles, the feasibility assessment or study shall include a consolidation assessment with an analysis of consolidation alternatives, including estimates of consolidation costs. For SCWS applicants proximal to another community water system at a distance greater than 1.5 miles, DFA may determine that a consolidation assessment is necessary. The consolidation assessment shall also include an assessment of the cost-effectiveness of consolidation over at least a period of 30-years and the impact to ratepayers.

If the applicant determines consolidation is infeasible, the applicant will be required to discuss the reasons supporting that determination. If consolidation is determined to be feasible and the most sustainable solution by DFA based on the consolidation assessment or other supplemental factors, DFA may provide grant/PF for the applicable consolidation project only, and not any alternative to consolidation. Loan funding may be available for alternative projects when consolidation is determined to be feasible but is not the preferred solution identified by the applicant. There may be unique cases where DFA approves grant/PF funding for a non-consolidation improvement project on a case-by-case basis, if that project is necessary to address a high priority issue while consolidation is evaluated and implemented, and either of the following applies: (1) the improvements included in the project would be necessary and continue to operate as part of the identified future consolidation opportunities; or (2) the project or a key portion of the project is identified as consistent with, and approved for funding consistent with, the Urgent Drinking Water Needs approach outlined in the FEP, and funding source requirements are met. Examples of high priority issues that such projects might address include: a chronic water quality issue that cannot generally be mitigated with short-term, interim solutions (e.g., brown water that cannot be used to wash clothes; an imminent threat of tank failure, that requires immediate action to avoid a risk to public health and safety).

Consolidation projects will be prioritized for DWSRF and associated drinking water funding. Consolidation projects are eligible for one hundred percent (100%) grant/PF funding, regardless of project category, but will be prioritized based on their public health ranking. Funding limits are described in Appendices D and E. As part of a consolidation project, reasonable and necessary connection fees or source capacity fees may be eligible for grant/PF. If a Receiving Water System does not have sufficient capacity to serve the additional customers of the Subsumed Water System, grant/PF funding may be available to increase a Receiving Water System's water supply capacity. The Deputy Director of DFA may approve grant funding for necessary improvements to recently consolidated systems for good cause.

To encourage the consolidation of PWSs, the State Water Board may continue to offer incentives to Receiving Water Systems in exchange for completing a consolidation (Consolidation Incentives). The project that solely benefits a Receiving Water System is an Incentive Project. Incentive Projects must be eligible; criteria depend on the funding source. The Consolidation Incentives DFA is authorized to offer a Receiving Water System for their Incentive Project include, but are not limited to:

- A PWS completes a full physical consolidation of an existing PWS(s) (where the Subsumed Water System is no longer separately permitted) or a community (at least 15 year-round residential service connections or a year-round population of at least 25 people) not currently served by a PWS.
  - Up to \$10 million in zero percent (0%) interest rate financing per consolidated community/water system from available sources for planning or construction of an Incentive Project; and

- Grant/PF funding for planning or construction of an Incentive Project of up to \$3,000 per connection<sup>10</sup> when consolidating a community water system that does not qualify as a Small DAC, \$5,000 per connection when consolidating a community/water system that qualifies as a small DAC, or up to \$10,000 per connection when consolidating a community/water system that qualifies as a Small SDAC. Maximum of \$5 million grant/PF per consolidated community/water system.
- A PWS either managerially consolidates or provides water via an interconnection (where separate water system permits still exist), or a master meter agreement to one or more SCWS (where separate water system permits still exist).
  - Up to \$2 million in zero percent (0%) interest rate financing for planning or construction of an Incentive Project; and
  - Grant/PF funding of up to \$2,500 per connection when managerially consolidating or providing water via an interconnection/master meter to a Small DAC water system or up to \$5,000 per connection for a Small SDAC water system for an Incentive Project. Maximum of \$1 million grant/PF per water system.
- PWS acts as an administrator to one or more SCWSs.
  - Up to \$5 million in zero percent (0%) interest rate financing for planning or construction of an Incentive Project; or
  - Grant/PF funding of up to \$2,500 per connection when acting as an administrator for a Small DAC water system or up to \$5,000 per connection for a Small SDAC water system for an Incentive Project. Maximum of \$1 million grant/PF per water system.

The Consolidation Incentive may be applied to one or more eligible projects chosen by a Receiving Water System and approved by DFA. The Receiving Water System may apply for planning grant/PF to develop their Incentive Project. Incentive Project financing may be combined with other financing options, including SADW, to fully fund an Incentive Project. Consolidation Incentives may include, but are not limited to, planning or construction for infrastructure improvements to mitigate drinking water risks and support the human right to water, O&M support, refinancing existing loans, and/or loan forgiveness to the extent allowed by applicable statutes. The subsidized financing for the Incentive Project is in addition to any subsidized financing for the associated Consolidation project.

Additional criteria and application requirements for the Consolidation Incentive include:

- The Receiving Water System must be a voluntary participant in the consolidation project. Consolidation Incentive will not be available to Receiving Water Systems completing a [mandatory consolidation](#), unless the Deputy Director of DFA approves a case-by-case exception for good cause.

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<sup>10</sup> For all Consolidation Incentives, available Consolidation Incentive grant/PF funding is based on the number of residential connections in the Subsumed Water System.

- The Receiving Water System must not be an entity consolidating two or more systems it already owns. Such cases may qualify for project funding consistent with Appendices D and E, but the entity is not additionally eligible for consolidation incentive.
- The Receiving Water System should submit, at minimum, a [DWSRF General Application Package](#) or [Urgent Drinking Water Needs \(UDWN\) Application](#) for the Incentive Project(s) to DFA before completion of the associated consolidation project(s), or Subsumed System acquisition (if DFA is not funding the consolidation).
- The DWSRF or UDWN application must indicate that it is for an Incentive Project associated with a specific consolidation project or group of consolidation projects.
- The Receiving Water System must complete and submit a full DWSRF or UDWN application for the Incentive Project(s) within one year of completion of the associated consolidation project, or Subsumed System acquisition (if DFA is not funding the consolidation). The Deputy Director of DFA is authorized to allow additional time for good cause. Receiving systems that have implemented or are implementing a consolidation that does not include a DFA-funded consolidation project may be eligible for Consolidation Incentive at the discretion of the Deputy Director of DFA, but these Incentive Project(s) will generally be considered a low priority, and must meet above-described application deadlines tied to the date of Subsumed System acquisition.
- In the case where the consolidation project has been designed to include the Incentive Project, then up to \$10 million in zero percent (0%) funding shall apply to the portion of costs that are part of the Incentive Project. The consolidation project may also receive up to \$5 million grant/PF funding towards the Incentive Project as described above. The remaining costs associated with the consolidation project shall be funded in accordance with the financing terms discussed in Section V of this IUP. For example, the Receiving Water System may choose to replace some of its distribution system pipeline at the same time as the consolidation project. If the distribution system replacement that solely benefits the Receiving Water System is estimated to cost \$15 million, then that portion of the project may receive up to \$5 million incentive grant/PF (depending on the community that is being consolidated) and up to \$10 million in zero percent (0%) financing per consolidated community/water system.

## 5. Small Water System Reserve

Federal rules require that at least 15 percent (15%) shall be available solely for providing loan assistance to public water systems that serve less than 10,000 people to the extent that funds can be obligated for eligible projects for these public water systems (Small Water System Reserve). Based on the DWSRF SFY 2023-24 long-term (repayable and non-repayable) loan capacity of approximately \$330 million, the minimum that must be reserved for SWSs is approximately \$49.5 million. Regardless of the minimum federal funding requirements for SWSs, the State Water Board will prioritize DWSRF funding for eligible SWSs that are ready to proceed to a funding agreement, to the maximum extent practicable, bearing in mind all other federal and State requirements regarding the prioritization of DWSRF funding.



## 6. Green Project Reserve (GPR)

Like prior years' capitalization grants, the FFY 2023 Capitalization Grant may provide for an optional reserve of DWSRF funds for projects to address green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities (Green Project Reserve). While DWSRF funding is to be prioritized first for "ready-to proceed" projects that address risks to human health and ensure compliance with safe drinking water standards, the State Water Board also acknowledges the importance of the Green Project Reserve, especially in cases of promoting water conservation through the installation of water meters. Other Green Project Reserve (GPR) projects may include, but are not limited to, ones that reduce water losses and energy consumption, reduce the environmental footprint of water treatment and distribution, help utilities adapt to climate change, adopt more sustainable solutions, and promote innovative approaches to water conservation and source protection, as long as they meet all DWSRF criteria and requirements.

## 7. Match Financing Option

California is required to contribute to the DWSRF at least one dollar of matching funds for every five federal dollars contributed to the program. Section V.C. provides a more detailed discussion of California's matching contribution to the DWSRF. Offering match financing in accordance with Section VII of the [DWSRF Policy](#), where the applicant provides the funds to match the federal grants, is one way California meets the match requirement.

The State Water Board may offer local match financing to eligible DWSRF program applicants in accordance with Section VII of the DWSRF Policy. The State Water Board will generally use the state's contribution ratio, i.e., one matching dollar for every five federal dollars, for each participating project. If the current interest rate makes a local match loan at the state's contribution ratio uncompetitive, the Deputy Director of DFA may lower the contribution ratio on any given project so that the imputed interest rate is competitive with the standard DWSRF interest rate for construction financing.

## 8. Advance Payment

Proposition 1 and Proposition 68 authorize up to 25 percent (25%) of a grant to be awarded in advance of actual expenditures. (Wat. Code, § 79724, subd. (a)(1) and Pub. Resources Code, §§ 80030, 80140, subd. (a).) An advance payment program may be established and approved by the Deputy Director of the DFA and be posted to the DFA webpage at a later date.

### B. Recent Financing Activity<sup>11</sup>

From July 1, 2022 to March 30, 2023, the State Water Board has provided the following financing from the DWSRF and complementary financing programs.

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<sup>11</sup> Prop 1 funding activity can be found at:

[http://www.waterboards.ca.gov/water\\_issues/programs/grants\\_loans/proposition1.shtml](http://www.waterboards.ca.gov/water_issues/programs/grants_loans/proposition1.shtml).

**Table 3: SFY 2022-23 DWSRF Financing through March 30, 2023**

	DWSRF Repayable Loan	DWSRF PF	SCG DW	SADWF	Totals
<b>Number of Agreements<sup>12</sup></b>	2	7	19	2	27
<b>\$ in millions</b>	\$15	\$27	\$74	\$0.95	\$117

The State Water Board is currently drafting agreements for another 62 projects for an additional \$403 million in funding. Some of these agreements are anticipated to be executed by June 30, 2023. Executed DWSRF loan agreements appear to be significantly lower than last year. This is primarily due to last year being exceptionally high, but other contributing factors include: a smaller starting Fundable List and withdrawn and delayed projects. Six DWSRF loan project agreements are currently being drafted and may be executed by June 30, 2023. DFA estimates that cumulative SFY 2022-23 financing through the DWSRF and complementary financing programs will be approximately \$520.6 million, which is similar to annual funding in past years, as shown in Table 4.

**Table 4: Recent DWSRF and Complementary Financing**

SFY	Number of Agreements	\$ of Agreements (in millions)
2018-19	22	\$245
2019-20	50	\$195
2020-21	42	\$326
2021-22	57	\$986

## C. Financial Outlook

### 1. DWSRF Cash Flows<sup>13</sup> and Long-Term Repayable Loan Capacity

#### a. DWSRF Base Program and General Supplemental

Appendix C shows the forecasted cash flow (sources and uses) of the DWSRF Base Program as of July 2022. The DWSRF Base Program is the existing DWSRF program in operation since 1996. The DWSRF Base Program’s funding capacity is based, in part, on estimated capitalization grants from future annual federal budget appropriations and the General Supplemental (“any eligible project”) BIL appropriations. The recent DWINSAs resulted in an increase to California’s individual

<sup>12</sup> Three projects received funding from more than one source. Therefore, the number of unique financing agreements was 27.

<sup>13</sup> The overall cash flow includes the available PF funds.

state allotment formula, impacting both the Base Program and General Supplemental capitalization grant amounts (approximately 10.79% of DWSRF allotment, increased from 8.82% previously).

Except for capitalization grants, the future cash flow of the DWSRF program can be predicted with reasonable certainty. The estimated cash flow includes:

- The cash balance at the beginning of SFY 2022-23 (July 1, 2022);
- U.S. EPA capitalization grants (realized and estimated);
- Principal and interest payments on outstanding receivables;
- Investment earnings;
- Matching funds;
- Disbursements to projects with executed financing agreements; and
- Debt service payments.

Based on the adoption of the federal budget for FFY 2023, the 2023 Base Program Capitalization Grant is estimated to be \$53,272,000, of which \$39.4 million will be available for project funding and the remainder \$13.85 million reserved for set-asides.

The BIL appropriated \$11.7 billion over five years to DWSRF General Supplemental funding. California is eligible to apply for and receive \$227,150,000 in FFY 2023 as part of the DWSRF General Supplemental funding. The funds are available to any DWSRF eligible project and forty-nine percent (49%) will be committed as principal forgiveness to disadvantaged communities, in accordance with any requirements set forth in the DWSRF General Supplemental capitalization grant. The 2023 General Supplemental Capitalization Grant is estimated at \$227,150,000, of which \$168.1 million will be available for project funding and the remainder \$59.1 million reserved for set-asides.

The Deputy Director of DFA was authorized at the March 15, 2022, Board meeting to use up to \$85 million of 2021 Budget Act Infrastructure Appropriation grant funds for use as state match for the DWSRF and CWSRF programs and determine the appropriate allocation of those funds. \$35 million of those funds from the 2021 Budget Act Infrastructure Appropriation is currently allocated to meet the DWSRF State Match needs through the FFY 2023 capitalization grants.

AB 180 (Chapter 44, Statutes of 2022) amended the Budget Act of 2021 and authorized an additional \$400 million for the state share of the CWSRF and DWSRF, consistent with existing law. The funds may be expended for project costs incurred by funding recipients in fiscal years prior to enactment of the Budget Act. The funding provided is available for expenditure until June 30, 2027. The Deputy Director of DFA is also authorized to determine the appropriate allocation of the additional funds appropriated by AB 180 between the CWSRF and DWSRF. The Deputy Director allocated \$100 million each to be used as State Match for the CWSRF and DWSRF programs. The remaining \$200 million will also be used for State Match, but the allocation towards CWSRF or DWSRF program will be decided in Fall 2023.

Consistent with the DWSRF Policy, DFA has re-evaluated the lending capacity of the DWSRF. The DWSRF's Municipal Advisor, in cooperation with DFA, ran several different scenarios to gauge the possible effects on the DWSRF's lending capacity from

the BIL supplemental appropriations, potential higher future annual appropriations as authorized by the BIL, potential lower future annual appropriations due to congressionally directed spending of future annual appropriations, different match sources and the maximization of principal forgiveness authority. The potential capacity changes ranged from a low of about \$220) to as high as about \$375 in lending capacity over the next few years. The more liberal assumptions are contingent on Congress annually appropriating the maximum authorized for the DWSRF and approximately \$265 million in General Fund match and capitalization provided through 2021 and 2022 State Budget Acts and the maximization of principal forgiveness. The more conservative assumptions are based on receiving the BIL supplemental appropriations plus limited annual base program capitalization grants similar to the DWSRF's 2022 and 2023 base program capitalization grants. The more conservative assumptions still include approximately \$265 million in General Fund match and capitalization provided through the 2021 and 2022 State Budget Acts and the maximization of principal forgiveness.

There is no guarantee that Congress will appropriate the maximum authorized for the DWSRF as seen in the FFY 2022 and 2023 base program capitalization grant level. The FFY 2022 and 2023 grants are lower than previous grants due to congressionally directed spending for specific projects. Appendix K lists the projects identified through congressionally directed spending to be administered by U.S. EPA. If these congressional choices continue in the future, it could result in grants that are significantly smaller than what is authorized by the BIL and smaller even than historic base program grant levels. If congressionally directed spending continues beyond 2026, when BIL appropriations cease, it would result in significantly reduced capitalization, impacting the DWSRF's long-term lending capacity.

Given current capitalization and debt levels, and assuming conservative future capitalization, loan terms and earnings levels, and bond and coverage terms, the DWSRF can operate at an estimated sustainable repayable loan level of approximately \$300 million per year. The capacity is the amount of new lending that could be done per year with the existing loan pool and new loans pledged to potential bonds. The annual repayable loan capacity is a level amount that could be originated each year for the next 20 years. The DWSRF, therefore, for SFY 2023-24 will target approximately \$300 million in new repayable loan financing.

#### b. DWSRF Emerging Contaminants

California is eligible to apply for and receive \$82,428,000 as part of the DWSRF Emerging Contaminants Funding, appropriated by the BIL; allotments are based on the results of the 2021 DWINSA. The funds are available to DWSRF eligible projects which address emerging contaminants, with a focus on PFAS. One hundred percent (100%) of the funds other than set-asides will be committed as principal forgiveness, with at least twenty-five percent (25%) directed towards disadvantaged communities or PWS serving fewer than 25,000 persons.

Additional information regarding the availability of and requirements associated with DWSRF Emerging Contaminants funding can be found in the DWSRF Emerging Contaminants Supplemental Intended Use Plan in Appendix J, along with the Emerging Contaminant Fundable List. Appendices D, E, and F do not apply to the Emerging Contaminants funding.

c. DWSRF Lead Service Line Replacement

California is eligible to apply for and receive \$28,650,000 as part of the DWSRF LSLR Funding, appropriated by the BIL. The FFY 2023 allotments were based on the results of the 2021 DWINSA. Future years' allotments may be different as U.S. EPA allows for a one-time update of the 2021 DWINSA LSLR data by the end of 2023. The funds are available to DWSRF eligible projects which identify and replace lead pipes and fixtures. 49% will be committed as principal forgiveness for disadvantaged communities.

Additional information regarding the availability of and requirements associated with DWSRF LSLR funding can be found in the DWSRF Lead Service Line Replacement Supplemental Intended Use Plan in Appendix I, along with the Lead Service Line Replacement Fundable List. Appendices D, E, and F do not apply to the LSLR funding.

**2. DWSRF Additional Subsidy (PF)**

The SDWA allows states to award up to 35 percent (35%) of the federal capitalization grants (and not less than twelve percent (12%), assuming there are sufficient applications) as “additional subsidy” to PWSs serving disadvantaged communities in the form of PF, negative interest rates, or grants. As with the FFY 2022 DWSRF Capitalization Grant, the FFY 2023 Capitalization Grant is expected to require states to provide an additional 14 percent (14%) of the capitalization grant as Additional Subsidy to eligible projects/recipients.

Given the foregoing, and subject to the final FFY 2023 Capitalization Grant terms and conditions, the State Water Board will provide the maximum Additional Subsidy allowed by the FFY 2023 Base Program Capitalization Grant and the mandated 49% Additional Subsidy from the FFY 2023 General Supplemental Capitalization Grant. The Additional Subsidy will be provided as PF to eligible systems specified in Exhibits D and E to the extent authorized by applicable law. Based on the FFY 2023 capitalization grant, the Additional Subsidy for the Base Program will be approximately \$26.1 million. The BIL mandates that forty-nine percent (49%) of General Supplemental Funding be provided as PF to disadvantaged communities, which equates to approximately \$111.3 million. Any prior year Additional Subsidy will also be committed to fund eligible projects.

The total PF available for projects in SFY 2023-24 is estimated at \$212.9 million. It is the intent of the State Water Board to provide for the effective and equitable use

of the limited amount of grant/PF funds. Therefore, the Additional Subsidy shall be prioritized in accordance with the DWSRF Policy and this IUP and be awarded in accordance with the affordability criteria detailed in Section III.A.3. The eligible grant/PF funding amount for any project may also be reduced by the Deputy Director of DFA for good cause.

The State Water Board will administer available Base Program and General Supplemental PF consistent with the conditions and limitations in Appendices D and E. EC and LSLR PF is discussed in their respective Supplemental IUPs.

### **3. Small Community Grant Drinking Water (SCG DW)**

The Office of Sustainable Water Solutions provides low interest loans and PF through the DWSRF program and grants through the Small Community Grant Drinking Water (SCG DW) program including the 2021 Budget Act Infrastructure Appropriation, and the Safe and Affordable Drinking Water Fund, utilizing state and federal funds. The Office administers the funds consistent with this IUP and the DWSRF Policy, including any amendments thereto, to the extent allowed by federal regulations and state law and consistent with the conditions and limitations in Appendices D and E. Additionally, some SCG DW funds will be administered to projects consistent with the new [Expedited Drinking Water Grant \(EDWG\) funding program](#). Guidelines for this new program were adopted by the State Water Board in March of 2023. The EDWG targets specific high priority, grant-eligible projects for a new streamlined application process to enable the State Water Board to commit funds to projects more quickly.

#### **a. Prop 1 grant**

[Proposition 1, the Water Quality, Supply, and Infrastructure Improvement Act of 2014 \(Assembly Bill 1471, Rendon\)](#) authorized \$7.545 billion in general obligation bonds for water projects including surface and groundwater storage, ecosystem and watershed protection and restoration, and drinking water protection. Section 79724 of Prop 1 allocated \$260 million for drinking water grants and loans for PWS infrastructure improvements and related actions to meet safe drinking water standards, to ensure affordable drinking water, or both.

#### **b. Prop 68 grant**

[Proposition 68, the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018 \(Senate Bill 5, De León\)](#) authorizes \$4 billion in general obligation bonds for water projects including surface and groundwater storage, ecosystem and watershed protection and restoration, and drinking water protection. Section 80140 of Prop 68 allocates \$220 million for drinking water and clean water grants and loans for PWS infrastructure improvements and related actions to improve water quality or help provide clean, safe, and reliable drinking water.

The SCG DW funds from Prop 1 and Prop 68, as well as any funds remaining from Props 13, 50, 84 and future state funds, will be administered consistent with

this IUP and the DWSRF Policy to the extent allowed by federal regulations and state law. The joint administration of the DWSRF and SCG DW funds allows the State Water Board to leverage the low-interest and PF financing available through the DWSRF program with additional subsidies provided through state bond funds.

To the maximum extent practicable, the State Water Board will direct available SCG DW funds for grants to SWSs serving DACs and SDACs. To further assist DACs and SDACs in addressing drinking water emergencies, the State Water Board may also provide SCG DW grants to state agencies that act on behalf of disadvantaged communities where a PWS has been identified as an otherwise eligible applicant.

As of SFY 2017-18 all Prop 1 drinking water funds were substantially committed to eligible projects. If existing encumbrances of Prop 1 funds are de-obligated because projects are completed under budget, then these funds will be made available to eligible projects consistent with State budget authority. See Table 5 below for Prop 1 and Prop 68 fund appropriations and uncommitted balances.

**Table 5: Status of SCG DW Bond Funds  
As of March 17, 2023**

Source	Enactment Year	Appropriation* (in Millions)	Uncommitted (in Millions)	Encumbrance End Date	Liquidation End Date
Prop 1 DW	2014-15	\$67.5	\$1.8	6/30/2024	6/30/2026
Prop 1 DW	2015-16	\$174.3	\$13.3	6/30/2024	6/30/2026
Prop 68 DW	2018-19	\$62.2	\$0	6/30/2024	6/30/2026
Prop 68 DW	2019-20	\$169	\$89.7	6/30/2025	6/30/2027

\*Includes projects serving as state match for the DWSRF and administration of Prop 1 funds.

**c. 2021 Budget Act Infrastructure Appropriation**

The Budget Act of 2021 (Senate Bill 129 and Senate Bill 170) appropriated \$1.55 billion to the State Water Board in item 3940-106-0001. The budget bill specified that \$650 million was for drinking water projects, with priority given to disadvantaged communities. Up to five percent of the funds may be used for State Water Board administrative costs. Due to a reversion of appropriated drinking water and wastewater funds back to the General Fund, as outlined in item 3940-495-110 of the state Budget Act of 2023 (Assembly Bill 102), the 2021 Budget Act Infrastructure Appropriation funding for drinking water projects has been reduced by \$50 million. Up to ten percent may be utilized for TA and capacity building in DACs. Certain SRF requirements may not apply to projects receiving 2021 Budget Act Infrastructure Appropriation funding, as described in

section VI. Applicable requirements depend in part on whether the projects are designated as state match for DWSRF funding.

The Deputy Director of DFA has authority to direct 2021 Budget Act Infrastructure Appropriation grant funds, not to exceed the ten percent (10%) maximum specified for the appropriation, to qualified TA providers to support DACs, and in doing so has the authority to apply relevant programmatic requirements from the SADW FEP as appropriate, such as those regarding eligibility of indirect costs.

The 2021 Budget Act Infrastructure Appropriation grant funds may also be directed to eligible uses outlined in the SADW FEP to the extent authorized in the SADW FEP.

**d. Drinking Water Small Community Emergency Grant (DWSCEG)**

The State Water Board may apply a DWSCEG charge as a charge-in-lieu of interest<sup>14</sup> to any eligible DWSRF repayable financing in an amount not to exceed the standard interest rate of the financing. Once the charge is applied to an agreement, the rate shall remain unchanged for the duration of the agreement, unless the Deputy Director of DFA determines any of the following:

- The DWSCEG charge is no longer consistent with federal requirements regarding the DWSRF; or
- The DWSCEG charge is no longer necessary; or
- The DWSCEG charge is negatively affecting DFA's ability to fund projects that support the State Water Board's goals.

The revenue generated by this charge shall be deposited into the DWSCEG Fund and used for Small SDAC and Small DAC drinking water projects after SCG DW and DWSRF PF funds are fully encumbered.

The State Water Board did not have any DWSCEG available during SFY 2022-23 and is not currently collecting a DWSCEG charge on any active projects.

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<sup>14</sup> Like the administrative service charge (see Section IV.G.3.), the DWSCEG charge is also a fee "other than program income not included as principal in DWSRF financing" for federal purposes. The DWSCEG charge is collected, as is the administrative service charge, in-lieu of an equal amount of interest that would otherwise be due on the outstanding balance of the financing agreement so that the annual payment stays the same.



The State Water Board may apply the DWSCEG charge to eligible loans in SFY 2023-24 subject to the availability of eligible loans and any projected demand for grant funding that exceeds all other available funding sources. If applied to an eligible loan, then the DWSCEG charge will be set so that it does not jeopardize the long-term growth of the DWSRF, the State Water Board's ability to leverage the DWSRF, or the State Water Board's ability to collect sufficient revenue to administer the DWSRF.

- 4. PFAS** – The Budget Acts of 2021, 2022, and 2023 included \$125 million in General Fund local assistance for technical and financial assistance to drinking water systems to address PFAS<sup>15</sup>. The Deputy Director of DFA is authorized to administer these funds consistent with the process outlined herein and in the DWSRF EC Supplemental IUP.

It is envisioned that projects funded by the state funding for PFAS will complement federal funding appropriated by the BIL for emerging contaminants (including PFAS) (see Section IV.C.3 above and Appendix J). State budget act PFAS project and technical assistance funding for water systems that are serving Small DACs may be administered consistent with the SADW Fund's FEP, depending on authorization therein. Eligible PFAS drinking water implementation projects for water systems that are serving Expanded Small, Medium or Large DACs, or non-DACs, as well as for Small DACs that are not funded through the FEP, and all DWSRF EC funding, will be administered according to Appendix J. More information will be available on the [PFAS Funding Program webpage](#).

#### **5. Groundwater Grant Program (GWGP)**

Chapter 10 of Prop 1 provided \$670 million to the State Water Board for grants for projects to prevent or clean up the contamination of groundwater that serves or has served as a source of drinking water. In accordance with the GWGP Guidelines, some of the GWGP funds may be available for drinking water treatment projects that treat groundwater for direct potable use benefiting PWS serving DACs and SDACs. Projects generally address regional contamination, ongoing discharge, or naturally elevated levels of the contaminant. GWGP funds will be administered consistent with Appendices D and E, except that: (1) GWGP funds may be available for projects benefiting SDACs regardless of water rates, and for DACs with water rates greater than or equal to one and five tenths percent (1.5%) of MHI, regardless of the community size, and (2) GWGP grant limits will be as provided in Appendices D and E, but are in addition to the maximum grant or principal forgiveness awarded from other funding sources through the DWSRF/SCG DW. No local match is required. \$21.8 million in GWGP funds remain available specifically for eligible SDAC projects, although some of these funds may be allocated to wastewater projects administered through the CWSRF program. DFA does not anticipate any GWGP funding to be

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<sup>15</sup> Budget language includes another \$100-120 million allocated for SFY 2023-24.

available for DAC projects. DFA staff will coordinate with applicants to determine if projects meet the applicable requirements for GWGP funds. Applicants are advised to review the [Groundwater Grant Program Guidelines](#), which were updated in February 2021, for more information.

## **6. Additional Supplemental Appropriations for Disaster Relief Act of 2019 (ASADRA)**

California has received \$51,974,515 in supplemental DWSRF funds from ASADRA. The funds are available to help any DWSRF-eligible entity that was damaged, demonstrates an impact, or had a loss or disruption of a mission-essential function, including loss of function where there was potential impact to public health, from specifically identified calendar year 2018 disasters.

The ASADRA Fundable List has an estimated total of \$58,913,134 in requested financing for ASADRA loan and principal forgiveness. The Deputy Director of DFA is authorized to offer DWSRF Base Program loan at 0% interest if needed to fully fund projects on the ASADRA Fundable List.

ASADRA application demand, availability, and Fundable List are described in Appendix H.

## **7. Other Programs**

Other sources of funds may become available to the State Water Board that are similar in nature to the DWSRF and its complementary and supplementary funding sources. If additional state or federal funding becomes available, the State Water Board will commit the funds consistent with any guidelines or requirements associated with their authorization and such funds may be committed consistent with this IUP if appropriate. Alternatively, additional funding sources may require an amendment to this IUP or additional guidance from the State Water Board.

### **D. Development and Implementation of the Fundable List**

This IUP establishes a Fundable List (Appendix A) of projects. The Fundable and Comprehensive Lists in Appendix A and B primarily serve the DWSRF Base Program and DWSRF General Supplemental funding.

The Fundable List was developed from applications in process<sup>16</sup> as of March 2023 and includes those projects that the State Water Board believes will achieve the most favorable drinking water results in California with the financial and programmatic resources available to the DWSRF and its complementary financing programs. To the maximum extent practicable, priority for funding and placement on the Fundable List is

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<sup>16</sup> “In process” means that some portion of the [DWSRF application](#) was submitted to the State Water Board.

given to projects which: 1) address the most serious risk to human health, 2) are necessary to ensure compliance with the requirements of the SDWA, and 3) assist systems most in need on a per household basis.

All projects that may be eligible for grant/PF under Appendices D and E or for consolidation incentive are added to the Fundable List after the Deputy Director deems the application initially complete. The State Water Board acknowledges that the grant/PF applications currently exceed the estimated balance of grant/PF funds; therefore, staff resources and grant/PF funding will be prioritized for eligible Category A-D projects or consolidation projects, especially for Small DACs or SDACs, and based on the completeness of their application and their readiness to proceed to a funding agreement.

If a potentially grant/PF eligible project is not on the Comprehensive List at the time this IUP is approved by the State Water Board, it will be added automatically to the Comprehensive List when the applicant starts an application. The State Water Board will periodically post an updated Comprehensive List for public review on the DWSRF website. This posting will also identify all projects on the Fundable List, including all projects that may be eligible for grant/PF under Appendices D and E or for consolidation incentive for which complete applications were received by DFA.

All other projects were ranked and placed on the Fundable List in accordance with Section VI.C. of the DWSRF Policy. Projects identified on the Fundable List may receive financing provided all eligibility requirements are met, and other projects not included on the Fundable List may be added to the List consistent with the Bypass Procedure in Section VI of the DWSRF Policy.

The DWSRF Loan Fundable List includes both planning and construction projects. There are 13 projects from non-disadvantaged PWSs or medium and large PWSs on the Fundable List for a total request of approximately of \$589.7 million in repayable financing. Of these, \$267 million of projects are projected to be funded in SFY 2022-23 and these repayable loan commitments are already incorporated into the DWSRF Program capacity model used to annually confirm a sustainable loan capacity. Therefore, the amount of new repayable financing commitments for SFY 2023-24 is \$322.7 million, consistent with the sustainable loan capacity of \$300 million per year. The Fundable List projects are described in Appendix A.

No guarantee can be given that all projects on the Fundable List will receive an executed agreement or that the agreement will be executed by June 30, 2024. Repayable loan projects on the Fundable List may be bypassed if they are not ready to proceed to an agreement or ready for construction. Table 6 shows a summary of repayable funding requested by system size and type of project.

The Deputy Director is directed to evaluate the potential impacts of rising construction costs and the DWSRF's ability to finance requests for higher loan amounts for existing

loan projects before approving loan increases, approving new loans on the Fundable List, or bypassing projects to add new loan projects to the Fundable List. The Deputy Director should prioritize use of the repayable loan capacity for potential cost increases on previously funded loans rather than adding new loan projects.

The State Water Board’s goal is to execute by June 30, 2024, repayable loan financing agreements for all eligible projects on the Fundable List for which sufficient funds are available.

**Table 6: DWSRF Repayable Loan Fundable List Summary by System Size and Project Financing Type**

Summary	Projected Number of Projects	Estimated DWSRF Loan Amount	Projected to be funded in FY 2022-23
Small Water System Planning	0	\$0	\$0
Medium Water System Planning	0	\$0	\$0
Large Water System Planning	0	\$0	\$0
Small Water System Construction	1	\$425,230	\$0
Medium Water System Construction	5	\$169,414,000	\$50,660,000
Large Water System Construction	7	\$419,830,245	\$216,345,269
<b>TOTAL</b>	<b>13</b>	<b>\$589,669,475</b>	<b>\$267,005,269</b>

Of the 13 projects on the Fundable List, 8 are rollovers from last year and 5 have been added this year. Of the 8 rollovers, 6 projects have a funding decision in progress, meaning reviews are complete.

Appended to this IUP is a supplementary Emerging Contaminants IUP (Appendix J) that establishes a Fundable List of projects. The Emerging Contaminants Fundable List was developed from applications submitted by eligible water systems for projects whose primary purpose is to address emerging contaminants. The Emerging Contaminants Supplemental IUP describes the State Water Board’s approach for soliciting projects and committing the BIL Emerging Contaminants funds and state PFAS funds.

Appended to this IUP is a supplementary Lead Service Line Replacement IUP (Appendix I) that establishes a Fundable List of projects. The LSLR Fundable List was developed from known water systems with potential lead service lines. The LSRL Supplemental IUP describes the State Water Board's approach for soliciting projects and committing the BIL Lead Service Line Replacement funds.

Appended to this IUP is a supplementary ASADRA IUP (Appendix H) that establishes a Fundable List of projects. The ASADRA Fundable List was developed from applications submitted by eligible water systems that were adversely affected by wildfires and earthquakes in calendar year 2018. The Supplemental IUP describes the opportunities to use ASADRA funds and the additional requirements associated with the funds.

## **E. Financing Forecast**

Past experience indicates that many of the SWS applicants will require technical assistance and that not all of the SWS planning and construction projects will be ready for a funding agreement in SFY 2023-24. The State Water Board will execute financing agreements with as many SWS as possible and continue to assist the remaining communities toward a financing agreement, so they are ready to sign an agreement quickly when funds do become available.

DWSRF loan financing in SFY 2021-22 was \$890 million, well above the \$337 million 5-year average financing over the five years 2017-18 to 2021-22. If the additional \$267 million in loans identified on the Fundable List are executed by June 30, 2023, the 5-year average will increase slightly to \$346 million. Due to the high level of funding commitments made over the last few years, this year's Fundable List was developed to be consistent with the repayable long-term loan capacity. DFA's experience is that not all projects on the Fundable List may receive an executed agreement, and it is possible that loan funding during 2023-24 will be less than \$306 million.

## **F. Future Financing Trends**

Given the significant influx of state and federal infrastructure funding, the State Water Board can fund additional projects with the DWSRF program and its complementary and supplementary funding sources. The ability of the DWSRF program to leverage current assets remains underutilized and the State Water Board continues to emphasize projects that are "ready-to-proceed to a financing agreement."

If the State Water Board is successful at making a substantial portion of the commitments on the recommended SFY 2023-24 Fundable List, additional capital through the sale of DWSRF debt may be required. DFA will continue to evaluate the need for additional debt relative to average long-term funding levels and the State Water Board's direction in the *SRF Debt Management Policy*.

Although significantly higher levels of grants/PF will be available in SFY 2023-24, it will still be necessary this year to prioritize the requests for this funding. PF is expected to continue to be available from the capitalization grants. Therefore, DFA and DDW will continue to prioritize projects receiving those funds based on projects addressing the

most pressing public health risks and readiness to proceed to a financing agreement.

## **G. DWSRF Resources and Workload**

### **1. Organization, Program Resources, and Skills**

Approximately 58.5 Personnel Years (PY) are budgeted for the DWSRF Program<sup>17</sup> in SFY 2023-24 and the number of positions is not expected to change substantially. These positions are distributed between DFA, the Office of Chief Counsel (OCC) and the Office of Communications as follows:

- 3.2 PYs for Environmental Scientists to ensure compliance with state and federal environmental and cultural resources requirements (DFA);
- 26.1 PYs for Water Resources Control Engineers and Sanitary Engineers to manage project applications (DFA), and provide technical assistance, with approximately 18.1 PYs dedicated primarily to processing applications from SDACs and DACs and providing associated technical assistance<sup>18</sup>;
- 14.0 PYs for administrative support (DFA);
- 9.9 PYs for Program management and staff oversight (DFA);
- 0.7 PYs for development and implementation of public-facing communication strategies;
- 3.7 PYs for legal support (OCC); and
- 0.9 PYs for other environmental and engineering support of project eligibility reviews

Additional indirect cost support is provided by accounting, information technology, personnel, budget, and contract support staff in the Division of Administrative Services.

The DWSRF program relies on some contracted services that (i) cannot be provided economically by Water Boards staff, (ii) require skills not available in the State Water Boards, or (iii) require independence from the DWSRF program. Approximately \$400,000 is budgeted for the following contract services:

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<sup>17</sup> In addition to positions funded directly by the DWSRF, the State Water Board has other state-funded positions associated with its complementary funding programs as noted earlier. Many projects may be financed by a combination of DWSRF and state funds. Staff is trained to help applicants receive financing for their projects regardless of the funding sources; therefore, state-funded positions indirectly provide benefit to the DWSRF program and vice versa.

<sup>18</sup> These DWSRF staff members are part of the Office of Sustainable Water Solutions within DFA, which includes three supervising engineers, ten senior engineers, and 50 technical staff dedicated to addressing both drinking water and wastewater funding and technical assistance needs of Small SDACs and small DACs.

- Independent accounting firm for annual audits;
- Vendor to provide maintenance for the Loans and Grants Tracking System (LGTS); and
- Sonoma State University (California Historical Resources Information System (CHRIS) Contract)

## 2. Servicing and Program Administration

Servicing existing agreements and fulfilling ongoing program requirements represents a significant workload for the DWSRF staff. There are approximately 191 DWSRF program agreements in repayment. Payments on these agreements are generally collected two times per year, and DFA conducts regular surveillance on many of these recipients. At present, the DWSRF is servicing approximately 145 agreements in disbursement. On average, staff typically process 250 DWSRF disbursement requests per year. Staff also oversee and perform periodic construction inspections of financed projects to ensure that work is performed consistent with previous approvals, and to ensure that work is being performed in conformance with program requirements, including but not limited to, Davis-Bacon wage rates, American Iron and Steel procurement requirements, Disadvantaged Business Enterprise solicitation rules, and environmental special conditions.

The DWSRF program sold revenue bonds in SFY 2018-19 and may sell additional bonds in the future. The outstanding revenue bonds require separate accounting of payments from pledged obligations, semi-annual bond payments, and specific monitoring, reporting, and continuing disclosure actions. The DWSRF program prepares annual financial statements that are audited independently. The DWSRF program is subject to yearly review by U.S. EPA and is periodically subject to audit or oversight by other federal or state agencies.

## 3. Administrative Funding

Administrative funding for the DWSRF program currently comes from the capitalization grants awarded yearly by U.S. EPA via the DWSRF Administration Set-Aside. See Section IV.A. below for budgeted use of the 2023 DWSRF Administration Set-Aside. The DWSRF Administration Set-Aside is limited to the greatest of: \$400,000, one-fifth percent of the current valuation of the fund, or an amount equal to four percent (4.0 %) of all grant awards to the fund for the fiscal year. Since the inception of the DWSRF program, the DWSRF Administration Set-Aside from U.S. EPA capitalization grants have provided a reliable source of funding for the administration of the DWSRF program.

Similarly, Section 116761.70 of the Health and Safety Code allows the State Water Board to apply an annual service charge<sup>19</sup> on a financing agreement. Revenue

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<sup>19</sup> For federal purposes, the DWSRF Administrative Fund service charge is a fee “other than program income not included as principal in DWSRF financing.” The service charge is collected in lieu of an equal amount of interest that would otherwise be due on

generated by this service charge is deposited into the DWSRF Administrative Fund and may be used for administration. Under state law, the service charge rate cannot exceed one percent (1.0 %) of the outstanding balance of a financing agreement. Once the service charge is applied to an agreement, the rate remains unchanged for the duration of the agreement.

Since the service charge is a percentage of the outstanding principal on each agreement, it produces a declining amount of revenue each year. Each year, the State Water Board must evaluate the need for the service charge revenue and establish an appropriate rate. The service charge will then be applied to additional agreements to maintain the Administrative Fund revenue consistent with the budget established by the Governor and the Legislature for the DWSRF program. The State Water Board will continue an Administrative Service charge rate of one percent (1.0 %); this shall be the effective rate until the State Water Board establishes a different rate. The State Water Board also anticipates applying this charge to agreements in SFY 2023-24 to eventually provide further administrative funding for the DWSRF program and thereby make DWSRF Set-Aside funds available for other eligible purposes. The Administrative Service charge may also eventually offset declining administration funds from Prop 1 and Prop 68 and the need to continue supporting the administration of projects jointly funded by those propositions and the DWSRF. However, the actual expenditure of funds from the DWSRF Administrative Fund is still dependent upon appropriation from future State budgets.

## **H. Risks**

The following are financial or programmatic risks to the DWSRF Program. DFA management will focus on identifying potential problems and acting early to maintain the integrity and success of the DWSRF Program.

### **1. Application Demand vs. Resources**

Demand for financing may exceed the administrative resources needed to review, approve, and finance all complete applications. In addition, the supplemental grants approved in the BIL create specific objectives for those funds that will likely require additional time to ensure compliance with these new requirements. Staff resources are the most inflexible aspect of the DWSRF program. Additional staff cannot be quickly added to address high demand because they must be approved through the State's budget process. In addition, hiring may be frozen or work hours reduced due to State budget concerns. If new positions are approved, staff hiring and training is necessary before the new staff can be effective.

The State Water Board will prioritize applications consistent with this IUP and the

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the outstanding balance of the financing agreement. The service charge is offset by the reduction in the interest rate so that financing recipients' payments remain the same whether or not they pay the service charge.



DWSRF Policy. The State Water Board may also adjust its review procedures and work with U.S. EPA or other agencies to resolve delays, schedule financing with applicants, or seek additional resources. The State Water Board is working with stakeholders to evaluate changes to the DWSRF Policy including further adjustments to the application and application review process.

## 2. Applicants' Schedule Changes or Delays in Executing Agreements

Beneficial and eligible projects may not be financed if the applicants' schedules change or are delayed. To minimize and avoid delays, DWSRF program staff will coordinate regularly with applicants identified in this IUP, and with others that submit applications during the year, to maintain a consistent demand on the program. As project schedules shift, lower priority projects may be funded if they are ready for financing, bearing in mind the PF and GPR requirements established in this IUP. This funding flexibility maximizes the use of the DWSRF and increases the number of projects funded.

Beneficial and eligible projects may not be financed if DFA encounters delays completing its reviews of the applications. To minimize and avoid delays, DWSRF program staff will internally coordinate regularly during the year to expeditiously complete its reviews and maintain consistent progress toward the goal of executing agreements for all projects on the Fundable List by June 30, 2024. As delays are encountered, other projects on the Fundable List should continue to move forward, bearing in mind the PF and GPR requirements established in this IUP and the amount of leveraging authority approved by the State Water Board. This funding flexibility maximizes the use of the DWSRF and increases the number of projects funded.

After financing is approved, the recipient must start and complete planning or construction promptly. Applicants are required by their financing agreements to report delays to DFA staff so that appropriate action can be taken to address those delays.

## 3. Cash Balance

The amount of disbursements requested may exceed the DWSRF program's cash balance. DFA staff will maintain accurate account balances and prepare forecasts regularly to identify potential cash shortages in advance. If additional cash is needed, the DWSRF has several options. The DWSRF program has considerable assets it can leverage through revenue bond sales in the municipal bond market or through the Water Infrastructure Finance and Innovation Act (WIFIA) program to obtain additional cash. The State Water Board can prioritize or limit new commitments or potentially negotiate disbursement schedules with applicants. The DWSRF program can also investigate alternative financing (e.g., providing bond insurance) to reduce cash outlays.

Excess cash may accumulate if applications, and the associated disbursements, are too low. Holding excess cash provides no drinking water or public health benefits for

California and tends to reduce the DWSRF's earnings. DFA will use its marketing, customer assistance, and project development resources to maintain a pipeline of projects ready for financing. It will closely monitor undrawn balances on outstanding financing agreements to ensure that financing recipients request funds expeditiously.

#### 4. Defaults and Late Payments

Pursuant to the DWSRF Policy, the State Water Board will implement prudent lending standards and borrower surveillance practices that safeguard the DWSRF program's equity. The State Water Board also contracts with a professional financial advisor to provide additional financial expertise.

The DWSRF program has many tools to reduce the risk of default, including loan monitoring and surveillance, as well as enforcement remedies. For example, DFA collects and reviews audited financial statements of all borrowers for the first five years of repayment and may request audited financials for some borrowers for longer periods of time. The State Water Board has an agreement with independent accounting firm CliftonLarsonAllen to audit select borrowers identified as having a higher risk of experiencing financial difficulties. These audits can be conducted to evaluate the financial and management capacities of an entity and provide recommended solutions. The State Water Board will also continue to provide grant/PF funds in SFY 2023-24 to reduce debt service and default risk for small systems, and particularly disadvantaged systems. Additional subsidies for these systems will reduce borrowing costs and the risk of default. Additionally, the State Water Board can offer water-related technical assistance to small systems in areas such as evaluating project alternatives, financial management, rate setting, and operation and maintenance.

In addition to ordinary credit risk considerations, external factors may have potential to impact the revenues and/or operations of DWSRF borrowers and cause loan defaults. The State Water Board tracks potential external risk factors in its revenue bond disclosure documents. The State Water Board works with borrowers to address these issues as they arise.

#### 5. Accountability and Oversight

The DWSRF is capitalized with public funds, and the State Water Board is responsible for using them lawfully and effectively.

The State Water Board regularly reports to U.S. EPA through the National Information Management System (NIMS) and the Project Benefits Reporting (PBR) system on use of the funds. Among other parameters, the reporting systems will evaluate the number of California DWSRF program projects that provide the following public health benefits:

- Achieve compliance with SDWA;
- Maintain compliance with SDWA; and
- Meet future requirements of SDWA.

The State Water Board will enter project benefits information into PBR by the end of the quarter in which a funding agreement is signed and will enter NIMS data by U.S. EPA's annual deadline (generally end of August).

The State Water Board will also use the Federal Funding Accountability and Transparency Act (FFATA) reporting system to report on all DWSRF program equivalency projects.

In addition, U.S. EPA reviews the management and performance of the DWSRF annually. The results are summarized in its annual [Program Evaluation Reports](#). The DWSRF Program produces an [annual report and audited financial statements](#).

Additional actions are required of the State Water Board to comply with provisions of the Internal Revenue Code applicable to the DWSRF outstanding bond debt. The DWSRF program's [Post-Issuance Tax Compliance Policy for Tax-Exempt Bond Issues](#) provides further detail about actions required of the program's staff to help ensure that its bonds remain exempt from federal income taxes. Additional reporting is required by the program's Continuing Disclosure Agreement; information on the program's bonds can be found on the [Electronic Municipal Market Access](#) system maintained by the Municipal Securities Rulemaking Board.

DFA staff will continue to oversee projects to ensure that they meet the terms of the financing agreements by conducting periodic site visits during construction or implementation. All projects are subject to a "Final Project Inspection," and a final summary report is submitted on each project to confirm that it was completed. The State Water Board maintains copies of inspection and final summary reports in the project files.

## V. SET-ASIDE ACTIVITIES

In addition to the project funding discussed in Section III, the SDWA allows each state to set aside up to 31 percent (31%) of its federal capitalization grant to support various DWSRF and DDW program activities, including (1) the administration of the DWSRF, (2) SWS technical assistance, (3) PWS supervision by DDW and (4) other technical assistance to PWSs in support of technical, managerial, and financial capacity development. The Set-Asides are especially beneficial to SWSs serving SDACs and DACs. The Office of Sustainable Water Solutions uses the technical assistance, in conjunction with subsidized project financing from the DWSRF and state sources, to help SWSs achieve compliance with safe drinking water standards, establish and maintain TMF compliance, and foster consolidation.

For SFY 2023-24, the State Water Board will set-aside 26 percent (26%) of the 2023 Base Program Capitalization Grant and 26 percent (26%) of the 2023 General Supplemental Capitalization Grant for set-aside activities as further described below. Set-aside funding for the EC and LSLR capitalization grants is described in Appendices I and J. The State Water Board does not plan to take any set-asides from the ASADRA capitalization grant. The State Water Board will submit detailed work plans to U.S. EPA for approval in accordance with federal requirements; the Deputy Director of DFA may adjust the 2023 Base Program and General Supplemental Capitalization Grant budgets between these activities for good cause. The Deputy Director of DFA is authorized to make grants, enter into contracts, and establish in-kind funding from USEPA to accomplish work covered by the set-aside budgets for each grant. The Deputy Director of DFA is also authorized to request from U.S. EPA the transfer of any unspent set-aside funds to the DWSRF loan fund for expenditure on eligible projects. The State Water Board will report on the progress of set-aside activities to U.S. EPA in its DWSRF Annual Report. The State Water Board is also committed to maintaining a set-aside spending rate in accordance with U.S. EPA Memorandum from Peter Grevatt, Director, Office of Ground Water and Drinking Water, dated April 14, 2014, [Drinking Water State Revolving Fund \(DWSRF\) Unliquidated Obligations \(ULO\) Reduction Strategy](#).

### A. Administration Set-Aside

The DWSRF Administration Set-Aside will fund administration of the DWSRF program in SFY 2023-24. This will include the review and processing of drinking water funding applications, project management and general oversight of DWSRF construction and planning projects. The DWSRF Administration Set-Aside will also cover the costs for accounting, legal, budgetary, and general management and oversight of the DWSRF, and may be used for contracts, including but not limited to the contracts listed below. The DWSRF Administrative Set-Aside Work Plan for SFY 2023-24 will contain detailed information about the specific tasks and full-time equivalent personnel that will be supported in DFA by the DWSRF Administration Set-Aside.

Max Allowed (from each Capitalization Grant):	4%	
Budgeted from FFY 2023 Base Program Grant + Wyoming Re-Allotment:	4%	\$2,167,320 (estimate)
Budgeted from FFY 2023 General Supplemental Grant:	4%	\$9,086,000 (estimate)

Contracts:	DWSRF Annual Audit of Financial Statements including Single Audit		\$200,000 (estimate)
	U.S. EPA/Northbridge Environmental Management Consultants Maintenance Contract for the State Water Board’s Loans and Grants Tracking System (LGTS)		\$200,000 (estimate)
	Sonoma State CHRIS Contract		\$10,000 (estimate)

### **B. Small Water System Technical Assistance Set-Aside**

The SWSTA Set-Aside will fund DFA technical assistance to small PWSs serving less than 10,000 people, particularly those systems with fewer than 200 service connections. SWSTA will help SWS applicants establish eligibility for DWSRF or complementary funding and provide other technical assistance necessary for project development. The SWSTA Set-Aside may also fund technical assistance contracts to SWSs in support of project environmental documentation. The DWSRF Small Water Systems Technical Assistance Work Plan for SFY 2023-2024 will contain detailed information about the specific tasks and full-time equivalent personnel that will be supported in DFA by the DWSRF SWSTA Set-Aside.

Max Allowed (from each Capitalization Grant):	2%	
Budgeted from FFY 2023 Base Program + Wyoming Re-Allotment	2%	\$1,083,660 (estimate)
Budgeted from FFY 2023 General Supplemental Grant:	2%	\$4,543,000 (estimate)

### **C. State Program Management Set-Aside**

The State Program Management Set-Aside will be used to partially fund DDW’s administration of the State Water Board’s PWSS program. The set-aside will supplement the annual PWSS grant from U.S. EPA and the charges paid by California’s regulated PWSs. The Set-Aside will provide funds for DDW’s permitting, inspection, compliance, and monitoring activities in accordance with the SDWA and delegated PWSS responsibilities by U.S. EPA. The DWSRF State Program Management Set-Aside Work Plan for SFY 2023-24 will contain detailed information about the specific tasks and full-time equivalent personnel that will be supported in DDW by the

DWSRF State Program Management Set-Aside.

Max Allowed (from each Capitalization Grant):	10%	
Budgeted from FFY 2023 Base Program Grant + Wyoming Re-Allotment:	10%	\$5,418,300 (estimate)
Budgeted from FFY 2023 General Supplemental Grant:	10%	\$22,715,000 (estimate)

**D. Local Assistance Set-Aside**

The Local Assistance Set-Aside will be used in SFY 2023-24 to fund personnel costs of the Office of Sustainable Water Solutions within DFA and may fund personnel costs of DDW. These staff costs are associated with State Water Board’s implementation of its Capacity Development Strategy and providing direct technical assistance to PWSs in support of this strategy. Historically, the State Water Board has used the Local Assistance Set-Asides to provide third-party technical assistance to Small SDACs and DACs to support technical, managerial, and financial (TMF) capacity development. Beginning in SFY 2022-23, the State Water Board intends to utilize the new Safe and Affordable Drinking Water (SADW) Fund to provide third-party technical assistance to help SDACs and DACs achieve compliance with the State Water Board’s Capacity Development Strategy.

Max Allowed (from each Capitalization Grant):	15%	
Budgeted from FFY 2023 Base Program Grant + Wyoming Re-Allotment:	10%	\$5,418,300 (estimate)
Budgeted from FFY 2023 General Supplemental Grant:	10%	\$22,715,000 (estimate)

## VI. FINANCING AND PROGRAMMATIC REQUIREMENTS

### A. Technical, Managerial and Financial (TMF) Capacity

A PWS generally must demonstrate TMF capacity to be eligible for construction funding, regardless of the amount or type of funding provided, and to receive a permit from DDW to operate a drinking water facility. The State Water Board conducts TMF capacity assessments of all drinking water construction applicants to ensure sustainability, resilience, and responsible use of public funds. Where a state agency applicant acts on behalf of a disadvantaged community in applying for State Grant funding, the State Water Board will analyze the TMF capacity of the appropriate PWS.

For projects benefitting Small DACs, Expanded Small DACs, or Small Non-DACs, construction funding may be provided even if the system does not have adequate TMF capacity, subject to funding requirements. In these cases, a TMF capacity evaluation and implementation of an improvement plan to remedy TMF deficiencies will be required as a condition for funding. Applicants must submit TMF assessment forms as provided in Appendix C of the DWSRF Policy.

#### 1. Technical Capacity

To demonstrate technical capacity, PWSs must show that their systems' drinking water sources are adequate<sup>20</sup>; that the treatment, distribution, and storage infrastructure are adequate; and that system personnel have the technical knowledge to properly and efficiently operate and maintain the system. As part of reviewing a funding application, the State Water Board staff will review the engineering reports, plans and specifications, and the PWS's records to verify that the system is being properly operated and maintained.

#### 2. Managerial Capacity

To demonstrate managerial capacity, the PWS must have personnel with expertise to manage the operation of the entire water system. The State Water Board staff will review the PWS's managerial capacity to assure, among other items, that management is (1) involved in the day-to-day supervision of the water system, (2) compliant with all required regulations, (3) available to respond to emergencies, and (4) capable of identifying and addressing all necessary capital improvements and assuring financial viability. The State Water Board staff will also review records to ensure that the PWS is staffed with a qualified water operator in accordance with the State's Operator Certification Program.

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<sup>20</sup> On a case-by-case basis, for larger entities that serve more than 10,000 people (which qualify for the Alternative Assessment Certification for TMF) that rely on purchased water, the Deputy Director may waive the requirement for a long-term water service contract in section IX of the DWSRF Policy (Dec. 3, 2019) for good cause.

### 3. Financial Capacity

A PWS generally must demonstrate it has the financial capacity to own, operate, and maintain its water system, including the proposed construction project, as a condition for the award of construction financing. The PWS must show that the system has sufficient revenues to cover necessary operation and maintenance costs and demonstrate credit worthiness with adequate fiscal controls<sup>21</sup>. The PWS must also demonstrate financial planning for future capital improvements, including providing any water rate studies to demonstrate overall financial capacity. The State Water Board staff will review the PWS's project budget, audited annual financial reports, and other financial information to determine whether the PWS has adequate financial capacity to operate and maintain its system, including the proposed infrastructure project.

For 100% nonrepayable planning projects, DFA generally will not require the applicant to submit a complete financial security package or undergo financial security review prior to receiving funding. DFA will require certain items that have been included in the financial security package, such as an authorizing resolution, to be submitted. A PWS is generally not required to demonstrate financial capacity to operate and maintain its system, or a proposed construction project, prior to receiving 100% nonrepayable planning funding. Planning funding would be provided to an eligible PWS that lacks adequate financial capacity to assist it with establishing its financial capacity to operate and maintain its system, and undertake a construction project, in preparation for an eventual construction funding agreement. Examples of tasks financed with planning funds may include, but are not limited to, water rate studies, budget development, and capital improvement planning.

A PWS is also generally not required to demonstrate financial capacity to operate and maintain its system if it will be consolidated into another PWS<sup>22</sup>, but the Receiving Water System must satisfy financial capacity requirements.

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<sup>21</sup> Any water rate increase determined to be necessary by the Deputy Director of the Division should occur prior to the execution of the construction Financing Agreement, but the Deputy Director may waive this requirement for good cause, to the extent allowed by the funding source, despite section IX of the Dec. 3, 2019 DWSRF Policy.

<sup>22</sup> Requirements depend on the funding source, but a financial review of the subsumed system may not be required if the funded project does not include facilities that need to be operated and maintained by the subsumed system. If such facilities exist but are deemed to be minor with minimal O&M requirements, then the Assistant Deputy Director may waive the financial review of the subsumed system. For other cases where a review of the subsumed system will be required, a reduced financial review may be acceptable, with the following documents required as a minimum: prior year's tax returns and/or financial statements.



Notwithstanding the requirements in the DWSRF Policy, financial review requirements for the Receiving Water System for non-repayable funding, for a construction project that consists solely of a consolidation, are as follows. Receiving Water Systems must submit the appropriate TMF assessment form (see Appendix C to the DWSRF Policy), including a five-year budget projection for the system, including the project, in lieu of a complete financial security package.

However, DFA will generally require a complete financial security package and financial security review of the Receiving Water System if any of the following criteria are met : i) the number of connections will increase by more than 5% with the project or the allowable permitted number of connections will be exceeded with the project; ii) any financial risks were identified in the most recent DDW Drinking Water Needs Assessment; iii) other information readily available, including information submitted by the Receiving Water System to DFA for other projects, or information from DDW's most recent sanitary survey of the Receiving Water System, indicates further review is warranted (or generally if a sanitary survey of the Receiving Water System has not been done within the past three years); and iv) the size of the Receiving Water System indicates further review is warranted (generally, for small systems a full financial review will be conducted). DFA will require certain items that have been included in the financial security package, such as the authorizing resolution, to be submitted.

Despite the foregoing, DFA has the discretion to require a complete financial security package or other information, and financial review, for any nonrepayable planning project or for a Receiving Water System.

Notwithstanding information in Appendix A of the DWSRF Policy, projects are not required to submit the Supplemental Information Form for Consolidation Projects. Other requirements in Appendix A may be waived by the Deputy Director or Assistant Deputy Director on a case-by-case basis for good cause, for example if an administrator has been appointed.

## **B. Cap Grant Payments and Draws**

### **1. Federal DWSRF Capitalization Payments**

Based upon the State Water Board's cash flow for SFY 2023-24, the State Water Board has requested the following federal payment schedules from U.S. EPA for the 2023 Base and General Supplemental Capitalization Grants as detailed in Table 7 and Table 8. Site Codes reference the federal accounts in which the various loan and set-aside funds of a capitalization grant are deposited and made available for liquidation by the State Water Board.

**Table 7: 2023 DWSRF Base Capitalization Grant + Wyoming Re-Allotment Payment Schedule**

FFY	Payment Date	Percentage of Cap Grant	Estimated Amount	Description	Site Code
2023	Award Date	4%	\$2,167,320	DWSRF Administration Set-Aside	DD
2023	Award Date	2%	\$1,083,660	SWS Technical Assistance Set-Aside	DE
2023	Award Date	10%	\$5,418,300	State Program Management Set-Aside	DF
2023	Award Date	10%	\$5,418,300	Local Assistance & Other Programs Set-Aside	DG
2023	Award Date	74%	\$40,095,420	Loan Fund	DA

**Table 8: 2023 DWSRF General Supplemental Capitalization Grant Payment Schedule**

FFY	Payment Date	Percentage of Cap Grant	Estimated Amount	Description	Site Code
2023	Award Date	4%	\$9,086,000	DWSRF Administration Set-Aside	DD
2023	Award Date	2%	\$4,543,000	SWS Technical Assistance Set-Aside	DE
2023	Award Date	10%	\$22,715,000	State Program Management Set-Aside	DF
2023	Award Date	10%	\$22,715,000	Local Assistance & Other Programs Set-Aside	DG
2023	Award Date	74%	\$168,091,000	Loan Fund	DA

## **2. DWSRF Federal Draw Schedule and Estimated DWSRF Project Disbursements**

Appendix G represents the State Water Board's anticipated federal draw schedule for SFY 2023-24 as well as the anticipated liquidation of the 2022 Capitalization Grant in SFY 2023-24. The federal draw schedule assumes U.S. EPA's "first-in-first-out" policy for liquidating DWSRF capitalization grants. Therefore, the draw schedule includes the anticipated liquidation of the balances of the 2019, 2020, 2021, and 2022 DWSRF capitalization grants. Included within the draw schedule is the plan to transfer the balance of the Small Water System Technical Assistance Set-Aside to the DWSRF Loan fund for the FFY 2019 and 2020 capitalization grants. Upon the transfer and liquidation to project financings in SFY 2023-24, the FFY 2019 and 2020 capitalization grants will be fully drawn.

Current cash flow projections suggest that the 2023 DWSRF Capitalization Grant may not be liquidated until late fiscal year 2024-2025, due to the expenditure rate of the set-asides. The State Water Board will also disburse the 2023 State Match in accordance with procedures detailed in Section V.C of this IUP.

### **C. 2023 State Match Source and Proportionality Draw**

In general, the State Water Board must provide one dollar of match for each five dollars received through U.S. EPA capitalization grants, constituting twenty percent (20%) of a DWSRF capitalization grant. California's DWSRF has been capitalized with a variety of state match sources including general fund appropriations, general obligation bonds not repaid by the DWSRF, short-term financings with the California Economic and Infrastructure Bank, and local match funds.

For the FFY 2023 DWSRF capitalization grants, AB 180 (Chapter 44, Statutes of 2022) amended the Budget Act of 2021, and authorized an additional \$400 million for the state share of the CWSRF and DWSRF, consistent with existing law. The funds may be expended for project costs incurred by funding recipients in fiscal years prior to enactment of the Budget Act. The funding provided is available for expenditure until June 30, 2027. The Deputy Director is also authorized by this IUP to determine the appropriate allocation of the additional funds appropriated by AB 180 between the CWSRF and DWSRF. In SFY 2022-23, the Deputy Director allocated \$100 million each to be used as State Match for the CWSRF and DWSRF programs beginning with the FFY 2023 capitalization grants. The remaining \$200 million will also be used for State Match, but the allocation towards CWSRF or DWSRF program will be decided in Fall 2023. Table 9 below demonstrates the DWSRF grants and State Match amount that will be funded with State General Funds.

**Table 9: FFY 2023 Capitalization Grants and State Match Sources**

DWSRF Grant	FY 21/22 General Fund State Match	Federal/State Match Draw Ratio
FFY 2023 Base Grant + Wyoming Re-Allotment	\$10,836,600	78.72% / 21.28%
FFY 2023 General Supplemental Grant	\$22,715,000	88.10% / 11.90%
Total	\$33,551,600	

The State Water Board will not draw capitalization grant and State Match funds per the draw ratio in Table 9 above. Rather, the State Water Board will disburse the entire state match for the FFY 2023 base and supplemental capitalization grants prior to drawing project funds from the grants. Therefore, the draw ratio of federal capitalization funds for the FFY 2023 base and supplemental capitalization grants will be one hundred percent (100%).

#### **D. Application of Program Requirements and Federal Cross-Cutters**

Applicants are expected to comply with all applicable federal and state requirements. The DWSRF financing agreements will generally include a list of applicable federal statutes and requirements taken from the most recent capitalization grant. The DWSRF financing recipients agree to comply with these federal requirements by signing the financing agreement.

In addition to the requirements of the SDWA, projects partially or fully funded by the DWSRF generally must also comply with other federal laws<sup>23</sup> commonly known as “cross-cutters.” Certain federal requirements and cross-cutters apply to all DWSRF projects including the projects funded by state DWSRF match funds. Other cross-cutters must be applied to equivalency projects and activities funded by set-asides. Equivalency requirements must be applied to projects in an amount equal to the annual capitalization grants from U.S. EPA, although environmental cross-cutters do not apply to certain set-asides. All projects receiving DWSRF BIL equivalency funding (including EC and LSLR) must meet all federal equivalency requirements to maintain eligibility. All projects requesting DWSRF repayable loan are expected to comply with federal cross-cutting requirements, including equivalency requirements. The State Water Board will ensure that DWSRF financing recipients comply with applicable federal laws through a variety of program procedures. Described below are those federal

<sup>23</sup> See also Appendix O of the DWSRF Policy.

cross-cutters that often require greater efforts of compliance by DWSRF/ SCG DW funding recipients.

All projects and set-aside activities funded by the DWSRF will be performed in accordance with the Civil Rights Act of 1964, section 504 of the Rehabilitation Act of 1973, and the Age Discrimination Act of 1975. All other cross-cutters applicable to the set-aside activities will be adhered to.

Compliance with the requirements in Table 10, as well as any other applicable requirements, is required to maintain eligibility for the associated funding sources. Projects that are not complying with the applicable federal requirements will be ineligible to receive funding from DWSRF or DWSRF match sources. Some projects even if not funded with DWSRF or DWSRF match sources may be required to comply with federal requirements to allow the addition of DWSRF funds if needed.

**Table 10: List of Federal Requirements Based on Funding Source**

Financing and Programmatic Requirements	DWSRF		SCG DW	PFAS	GWGP
	Repayable DWSRF Loan, Repayable General Fund loan used as state match	PF	Prop 1, 68, General Fund (not used as state match for DWSRF)	General Fund	Prop 1
Davis-Bacon Prevailing Wage	X	X			
Disadvantaged Business Enterprise (equivalency requirement)	X	X			
Generally Accepted Accounting Principles	X	X	X	X	X
Single Audit (equivalency requirement)	X	X			
Telecomm Equipment & Services, (equivalency requirement)	X	X			
American Iron and Steel	X	X			
Build America Buy America (equivalency requirement)	X	only if specifically identified as an equivalency project			
Federal Environmental Cross-Cutters (equivalency, see discussion below)	X	X**, may be Tier II			
TMF	X	X	<b>X*</b>	<b>X*</b>	<b>X*</b>

\* Targeted case-by-case exceptions may occur with approval from the Deputy Director or Assistant Deputy Director.

\*\* Projects may not be required to comply with federal environmental cross-cutters if they qualify for Tier II environmental review. See Appendix F.

## **1. Environmental Cross-Cutters**

Under the DWSRF Operating Agreement, all projects must undergo an environmental review prior to funding. The State Water Board will use its U.S. EPA-approved State Environmental Review Process (SERP) to review DWSRF project applications submitted for funding during SFY 2023-24. State Grant-funded projects may be reviewed under CEQA rather than the SERP.

The SERP sets forth a process including compliance with federal environmental cross-cutters and DWSRF requirements, in addition to the requirements of the CEQA (this process will be referred to as “Tier I environmental review” in the SERP). The State Water Board Environmental Scientist Staff will review the DWSRF projects consistent with the SERP.

All applicants must provide a completed Environmental Package as part of their DWSRF Planning and Construction Applications, although certain requirements, including compliance with federal environmental cross-cutters, may not be required for State Grant-funded projects. The State Water Board Environmental Scientist Staff will conduct an initial review to verify a complete package has been received and identify any missing information. Once all required environmental documents have been received, the State Water Board Environmental Scientist Staff will conduct a thorough review of all items to determine whether 1) sufficient information has been provided to enable the State Water Board to make environmental determinations, 2) consultation(s) are required with relevant state and federal agencies, and/or 3) if any additional information is needed.

## **2. Tier II Environmental Review**

The State Water Board must apply Tier I environmental review, which includes compliance with federal environmental cross-cutters, to DWSRF equivalency projects, as well as projects funded by the source water protection set-aside (40 C.F.R. § 35.3580(b)).

The State Water Board has elected to apply an alternative environmental review process (referred to as Tier II environmental review) to certain DWSRF projects and activities for which the State provides assistance in amounts that are greater than the amount of the capitalization grant deposited into the DWSRF or set aside accounts (40 C.F.R. § 35.3580(d)). The Tier II environmental review process is set forth in an attachment to the SERP. The State Water Board has elected to apply Tier II environmental review to DWSRF-funded planning projects; construction projects for Small or Expanded Small DACs and SDACs; certain non-transient non-community water system projects serving Small DACs/SDACs; construction projects in Categories A through C for Medium DACs/SDACs and Categories A through D for

Small Non-DACs with a MHI of less than 150% of the statewide MHI; consolidation projects involving Small, Expanded Small, and Medium DACs and SDACs or Small Non-DACs, and non-repayable consolidation incentive projects. These categories of projects, set forth in Appendix F, will be designated for Tier II environmental review, unless DFA determines that additional projects are required to satisfy the equivalency requirement or determines that the project should maintain eligibility for DWSRF funding. Projects funded only by State Grant funds may be subject to CEQA environmental review rather than the DWSRF SERP at the discretion of DFA. However, all projects funded by the DWSRF EC and DWSRF LSLR funds are equivalency projects and will be subject to Tier I environmental review under the SERP, so Appendix F does not apply to those projects. Appendix F also does not apply to ASADRA projects; the Deputy Director of DFA will designate ASADRA equivalency projects.

The State Water Board will continue applying federal environmental cross-cutters requirements to projects totaling the amount made available by federal capitalization grants and reportable as such to the U.S. EPA. The State Water Board treats all applications not identified as non-DWSRF or Tier II projects, as Tier I projects. There are currently 13 DWSRF applications on the Fundable List requesting \$589 million in funding. The State Water Board has historically selected projects for equivalency as funding agreements are executed. Based on the current list of potential equivalency projects on the Fundable List, the State Water Board expects to fulfill all equivalency requirements in SFY 2023-24 without needing to subject Tier II designated projects to meet federal environmental cross-cutters requirements.

### **3. Davis-Bacon**

Federal [Davis-Bacon Act](#) rules apply to the construction activities carried out in whole or in part with assistance made available by the DWSRF. The State Water Board, therefore, will continue to require that DWSRF recipients comply with Davis-Bacon rules. Recipients of DWSRF financing must also agree to provide information necessary to show compliance with Davis-Bacon requirements as a condition of DWSRF funding.

### **4. Generally Accepted Accounting Principles (GAAP)**

Federal rules require that recipients of DWSRF financing maintain project accounts in accordance with generally accepted government accounting standards, including standards relating to the reporting of infrastructure assets. Recipients must agree to comply with GAAP. For governmental entities, the Government Accounting Standards Board establishes these standards. The State Water Board, therefore, will require as a condition of financing that governmental applicants maintain project accounts in accordance with generally accepted government accounting standards.

## 5. American Iron and Steel (AIS)

Federal rules require DWSRF recipients, absent an exclusion or waiver, to use iron and steel products that are produced in the United States for treatment works projects.

U.S. EPA implementation of these provisions is described on its [State Revolving Fund American Iron and Steel \(AIS\) Requirement](#) website.

## 6. Build America Buy America (BABA)

Congress passed the Build America, Buy America Act (Pub. L. No. 117-58 § 70901 et seq.) in 2021 as part of the BIL. Section 70914 of this act requires federal agencies to ensure that by May 14, 2022, none of the funds made available for covered infrastructure programs, including the DWSRF program, may be obligated for a project unless the requirements are met, including by the incorporation of a “Buy America preference” in the terms and conditions of each award with an infrastructure project. According to federal guidance, the Act requires the following Buy America preference:

- (1) All iron and steel used in the project are produced in the United States. This means all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States.
- (2) All manufactured products used in the project are produced in the United States. This means the manufactured product was manufactured in the United States, and the cost of the components of the manufactured product that are mined, produced, or manufactured in the United States is greater than 55 percent of the total cost of all components of the manufactured product, unless another standard for determining the minimum amount of domestic content of the manufactured product has been established under applicable law or regulation.
- (3) All construction materials are manufactured in the United States. This means that all manufacturing processes for the construction material occurred in the United States.

Implementation guidance to federal agencies on the Buy America preference was provided in memorandum M-22-11 titled “Initial Implementation Guidance on Application of Buy America Preference in Federal Financial Assistance Programs for Infrastructure” issued by the Office of Management and Budget (OMB). Subsequently, U.S. EPA issued a memorandum titled "[Build America, Buy America Act Implementation Procedures for EPA Office of Water Federal Financial Assistance Programs](#)" on November 3, 2022.

U.S. EPA has also issued several general applicability waivers from the BABA requirements, including an adjustment period waiver for SRF projects that have initiated



project design planning prior to May 14, 2022. A list of currently approved waivers can be found on U.S. EPA's website: <https://www.epa.gov/cwsrf/build-america-buy-america-baba-approved-waivers>. U.S. EPA is expected to develop and issue additional guidance regarding project-specific waivers for infrastructure projects funded through the State Revolving Funds, including DWSRF. Projects will be required to comply with any additional guidance issued by U.S. EPA and OMB with respect to criteria, processes, and procedures for applying the Buy America preference, to the extent applicable.

## **7. Disadvantaged Business Enterprise**

DWSRF funding recipients will generally be required to seek and encourage the "fair share" employment of businesses categorized as [Disadvantaged Business Enterprises \(DBE\)](#) for the DWSRF funded project. This requirement will apply to all sub-agreements of the DWSRF funded project for equipment, supplies, construction, and services. Additional reporting to the State Water Board on the outcomes of DBE activities will also generally be required of DWSRF funding recipients. However, recipients with planning projects funded by the DWSRF will not be required to comply with federal DBE requirements.

## **8. Single Audit Act**

Federal rules require DWSRF recipients to comply with applicable provisions of the federal Single Audit Act of 1984, OMB Circular No. A-133 and 2 CFR part 200, subpart F, and updates or revisions, thereto. The State Water Board will include applicable Single Audit Act provisions in all DWSRF funding agreements and require Single Audit Act reporting by recipients if they receive more than \$750,000 in combined federal funds for a given fiscal year.

## **9. Telecommunications Equipment & Services**

Effective, August 13, 2020, EPA General Terms and Conditions have placed SRF funding prohibitions on certain telecommunications and video surveillance services or equipment. As required by 2 C.F.R. § 200.216, borrowers under EPA funded revolving loan fund programs are prohibited from obligating or expending loan or grant funds to procure or obtain equipment, services, or systems from Huawei Technologies Company, ZTE Corporation, or certain other companies, subsidiaries, and affiliates.

## **10. Emergency Drinking Water Projects**

Per 40 C.F.R., § 35.3555(c)(2)(iii), "the IUP may allow for the funding of projects which require immediate attention to protect public health on an emergency basis, provided that a State defines what conditions constitute an emergency and identifies the projects in the Biennial Report and during the annual review." These projects may be funded without being placed on the Fundable List or being subject to the state's priority system.

The Deputy Director of DFA may designate projects as emergency projects if the projects maintain, repair, restore, demolish, or replace property or facilities damaged or destroyed as a result of a disaster in a disaster-stricken area in which a state of emergency has been proclaimed by the Governor pursuant to the California Emergency Services Act, commencing with Section 8550 of the Government Code. This includes emergency repairs to publicly or privately owned service facilities necessary to maintain service essential to the public health, safety, or welfare. Emergency repairs include those that require a reasonable amount of planning to address an anticipated emergency.

Emergency projects will be designated as nonequivalency projects, and thus will not be subject to requirements that apply only to equivalency projects.

## **E. Capitalization Grant Conditions and Other Federal Requirements**

The State Water Board will comply with all conditions included in the 2023 Capitalization Grant agreements and will require that DWSRF financing recipients also comply with applicable federal pass-through requirements. Provisions specific to the FFY 2023 appropriation will take effect only if the State Water Board receives the FFY 2023 Capitalization Grant and will apply only as directed by Congress or U.S. EPA. The State Water Board will require that recipients of DWSRF financing must agree to provide information necessary to show compliance with all applicable federal requirements.

## **F. Other State and State Water Board Requirements**

Other State laws not specific to the DWSRF/SCG DW may also apply to projects<sup>24</sup> funded in SFY 2023-24. These may include but are not limited to laws affecting urban water suppliers, charter cities, agricultural water users, projects located in the Delta and debt reporting. All projects must demonstrate compliance with California Executive Order N-6-22 regarding economic sanctions imposed in response to Russia's actions in Ukraine while that Executive Order remains in effect.

Commencing with construction of a project and continuing throughout the reasonably expected useful life of the project, recipients must implement water conservation practices consistent with compliance obligations under governing statutes, regulations, and Executive Orders. More information about water conservation can be found at the State Water Board's website at

[https://www.waterboards.ca.gov/water\\_issues/programs/conservation\\_portal/california\\_statutes.html](https://www.waterboards.ca.gov/water_issues/programs/conservation_portal/california_statutes.html).

To be eligible for DWSRF and SCG DW funding per this IUP, a project proposed by a PWS owned by a private entity, including utilities regulated by the Public Utilities

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<sup>24</sup> See also Appendix O of the [DWSRF Policy](#).

Commission, shall have a clear and definite public purpose, and shall solely benefit the customers of the PWSs.

The costs of purchasing water systems may be eligible under the DWSRF/SCG DW, including associated water rights. However, acquisition of real property, right-of-way, and easements are eligible only if integral to the project. The eligible cost is limited to the fair market value as determined by a California licensed appraiser, or through another methodology approved by DFA for costs related to purchasing a water system. DFA will determine real property eligibility. Project costs associated with water rights may be eligible notwithstanding the DWSRF Policy, although consultation with U.S. EPA may be required.

As a condition of eligibility for planning funding, DWSRF/SCG DW applicants shall submit evidence to DFA of a contract for professional engineering services between the funding recipient and its engineering consultant(s) unless waived for good cause as determined by the Deputy Director of DFA. This agreement shall include the scope of work, cost, and deliverable due dates. DFA will review the budget and identify costs that are ineligible or raise questions related to waste, fraud, or abuse. DFA will also review the professional services agreement(s) for compliance with applicable DWSRF federal and state requirements.

DFA will continue to evaluate all planning/design expenditures and deliverables of funding recipients to ensure the most cost-effective project is developed and to protect against potential waste, fraud or abuse of DWSRF/SCG DW funds. Suspected cases of waste, fraud or abuse of DWSRF/SCG DW funds may be forwarded to the U.S. EPA Office of Inspector General, the California Department of Finance, the State Water Board's Office of Enforcement, and/or the California Bureau of State Audits for further audit and investigation.

DWSRF/SCG DW construction funding recipients will be required to submit construction contracts to DFA for review of their compliance with applicable state and federal funding requirements. DFA will incorporate the approved construction budget into the funding agreement. Notwithstanding Section XII.B.2.a. of the DWSRF Policy, which limits contingency for projects with exclusively non-repayable financing to ten percent (10%) of the total project cost, projects funded with non-repayable financing may include contingency of up to twenty percent (20%) of the total project cost. In some cases, unforeseen issues encountered in the field can lead to higher than typical change order costs. On a case-by-case basis for good cause, the Deputy Director of DFA may approve a higher percentage, up to thirty-five percent (35%) of the total project cost.

Although the DWSRF Policy authorizes reimbursement of eligible construction costs for projects on the Fundable List going back to the Eligible Construction Start Date to be determined by DFA for the project, applicants should note that **CONSTRUCTION COSTS INCURRED BEFORE DFA'S FINAL BUDGET APPROVAL, FOLLOWING EXECUTION OF A FINANCIAL ASSISTANCE AGREEMENT, ARE AT THE APPLICANT'S RISK.** Various factors may restrict reimbursement of costs incurred prior to execution of a funding agreement, including, but not limited to failure of the applicant to adopt a satisfactory reimbursement resolution, appropriations limits of funding sources, and other factors. **Further, starting construction before the State Water**

**Board has completed its environmental review may render the project ineligible for funding.** Additionally, changes to laws or requirements that occur prior to execution of a financial assistance agreement may affect some or all funding eligibility.

## **G. Other Assurances and Certifications**

### **1. The State has the authority to establish a fund and to operate the DWSRF program in accordance with the SDWA**

In California, the responsibility for regulating PWSs and overseeing the safety of drinking water has been assigned to the State Water Board. U.S. EPA recognized California's primacy status beginning in 1978, and has acknowledged the State Water Board's primacy authority, effective July 1, 2014.

### **2. The State will comply with state statutes and the DWSRF Policy handbook**

State statutes governing California's DWSRF program are set forth in California's Health & Safety Code, Division 104, Part 12, Chapter 4.5, commencing with section 116760. The state statutes and DWSRF Policy conform to federal requirements. California will implement its DWSRF program in compliance with all applicable state and federal laws, regulations, and guidelines.

### **3. The State will deposit all capitalization grant funds in the DWSRF or Set-Aside Accounts**

The State Water Board will maintain identifiable and separate accounts for all portions of the capitalization grant to be used. The capitalization grant will be deposited into either the DWSRF or the set-aside accounts.

### **4. The State will deposit revenues generated from the DWSRF Administration Charge and the DWSCEG Charge into their respective funds**

In accordance with Health and Safety Code § 116761.70, the State Water Board will deposit revenues generated from the DWSRF Administration Charge into the Safe Drinking Water State Revolving Fund Administration Fund. The State Water Board will also deposit revenues generated from the DWSCEG Charge into Safe Drinking Water Small Community Emergency Grant Fund, in accordance with Health and Safety Code § 116760.46.

### **5. The State will deposit net bond proceeds, interest earnings, and repayments into the DWSRF**

All interest, earnings, principal repayments, and other proceeds will be deposited into the DWSRF.

### **6. The State will adopt policies and procedures to ensure that borrowers have a dedicated source of revenue for repayments (or in the case of a privately-owned system, demonstrated that there is adequate security)**

The State Water Board has developed policies and procedures for ensuring that borrowers have a dedicated source of repayment and that privately owned systems

have adequate security. These policies and procedures are contained in the State Water Board's DWSRF Policy.

**7. The State will commit and expend funds as efficiently as possible, and in an expeditious and timely manner**

The IUP explains how the State Water Board will use DWSRF funds. The State Water Board will commit and expend 2023 capitalization grants and associated state match funds as efficiently as possible, and in an expeditious and timely manner. The State Water Board will enter into binding commitments with recipients equal to the total amount of each 2023 Capitalization Grant payment and proportional 2023 State Match within one year of each 2023 Capitalization Grant payment. Additionally, the State Water Board will use cash-flow modeling to over-commit cash and undrawn federal funds to continually and timely disburse 100 percent (100%) of those funds.

**8. DWSRF funds will be used in accordance with this SFY 2023-24 IUP**

The State Water Board will use DWSRF funds in SFY 2023-24 in accordance with this IUP.

**9. The State will provide the U.S. EPA with an Annual Report on the performance of the DWSRF**

The State Water Board will publish a SFY 2023-24 DWSRF Annual Report on the uses of the DWSRF funds during SFY 2023-24 and provide a final draft of the SFY 2023-24 DWSRF Annual Report to U.S. EPA Region 9. The report will document the projects funded through the DWSRF; financial and programmatic outcomes of the DWSRF; and summarize the accomplishments of the DWSRF program as it relates to the long-term and short-term goals contained within this IUP and the tasks included in the associated DWSRF work plans.

## **H. Cross-Collateralization**

The State Water Board will implement cross-collateralization between the DWSRF and the CWSRF loan programs as necessary to support the goals and objectives of the State Water Board as documented in the [Operating Agreement for Implementing and Managing the Drinking Water State Revolving Fund Program between the State of California and the United States Environmental Protection Agency Region IX](#), as amended March 2020.

## VII. OUTCOMES, GOALS, ACTIVITIES, AND MEASURES

The following are the short-term and long-term goals of the State Water Board for its administration of the DWSRF. These goals will help the State Water Board maximize and prioritize its staff and funding resources.

### A. Prioritizing DWSRF Funds for Public Health Benefits

#### Long-Term Goals

- 1. Address Significant Risks to Public Health:** DFA will coordinate with DDW to ensure that DWSRF and all available drinking water funding is targeted to address the most significant public health and compliance issues.
- 2. Promote SDWA Compliance:** DFA will continue to provide and prioritize subsidized financing for planning and construction that addresses SDWA compliance. DFA will also coordinate with DDW on the use of set-asides to promote the development of TMF capacity for all PWSs (especially small CWSs) to achieve or maintain compliance with State drinking water standards and federal SDWA requirements.
- 3. Improve Affordability and Sustainability:** DFA will continue to strategically use the DWSRF additional subsidy, set-aside funds and all available Drinking Water funds to achieve affordable compliance, especially for small severely disadvantaged and small disadvantaged communities. Also, DFA will continue to use DWSRF funds to maximize opportunities for consolidation, in coordination with DDW, to increase economies of scale to improve project affordability and PWS sustainability.

#### Short-Term Goals

1. Identify public health issues and evaluate solutions for SWSs, including technical assistance and consolidation where feasible.
2. Reduce instances of noncompliance with drinking water standards by providing technical and consolidation assistance to SWSs with significant SDWA violations, including those PWSs that are violating the arsenic maximum contaminant level (MCL).

### B. Managing the DWSRF Responsibly to Ensure Its Perpetuity

#### Long-Term Goals

- 1. Use revenue and capital effectively:** Maximize the funding capacity of the DWSRF while minimizing long-term costs to the DWSRF to maximize safe drinking water results. In accordance with the CWSRF/DWSRF *Debt Management Policy*, the State Water Board may also consider leveraging the DWSRF for greater funding capacity. However, additional debt should be balanced against the long-term financial health of the program and the federal requirement to maintain the DWSRF in perpetuity.

2. **Maintain financial integrity:** Financial integrity is a core value of the DWSRF program. Effective internal controls ensure that the program's finances are dependable and trustworthy. Prudent lending practices and reasonable interest rates ensure the stability and continued growth of the DWSRF program.
3. **Provide good customer service with a special emphasis on assisting DACs.** Ensure that the application forms and review procedures are clear, flexible, up-to-date, and efficient. Ensure staff is well trained and ready to help applicants resolve technical, legal, environmental, and financial issues needed to receive financing. Effectively communicate the status of funding applications as well as the general availability of DWSRF funding through a variety of channels.

### **Short-Term Goals**

1. Continue marketing and outreach efforts to PWSs, including application status reports, Spanish translation services, newsletters, and social media to advertise the availability of technical assistance to assist small, and disadvantaged communities as well as large PWSs.
2. Continue regular staff level finance/audit coordination meetings to ensure the immediate and long-term health of the DWSRF.
  - a. Review cash flow forecasts of existing and potential commitments to assess the State Water Board's ability to meet its DWSRF commitments and to evaluate the need for leveraging or actions to regulate cash flows.
  - b. Compare actual performance with targeted performance measures.
  - c. Verify compliance with post-issuance tax compliance and continuing disclosure requirements associated with outstanding DWSRF bonds.
  - d. Review audit issues, program control issues, and prepare for any anticipated audits.
3. Continue to maximize all available DWSRF state match sources for future capitalization grants, including DWSRF Local Match financing options.
4. Coordinate with Environmental Finance Center and the SRF Stakeholders Advisory Group on following up on the program management review of the CWSRF Program to identify potential efficiencies, improvements, or enhancements that would facilitate review processing, and execution of loan agreements and disbursements for both SRF programs.

## **C. Ensuring Timely and Expedient Use of DWSRF Funds**

### **Long-Term Goals**

1. **Ensure the timely commitment and disbursement of DWSRF funds:** Prioritize staff and financial resources to the maximum extent possible to ensure that the State Water Board can timely disburse DWSRF funds on existing obligations before considering new obligations.

- 2. Maximize cash flow and the disbursement of funds:** Engage in the over-commitment of DWSRF funds based upon cash-flow modeling of projected disbursements relative to anticipated receipt of repayments and other funding sources, including leveraged funds.

### **Short-Term Goals**

1. Apply for and accept the anticipated 2023 Capitalization Grants from U.S. EPA. Upon award, commit funds from the 2023 Capitalization Grants, including the associated state match, by June 30, 2024, so that the federal funds can be utilized in an efficient and timely manner in accordance with 40 C.F.R. § 35.3550(c). The allotment amount of the 2023 Capitalization Grants provided to the State Water Board from U.S. EPA is \$392.4 million (\$53.3 million Base Program, \$227.1 million General Supplemental, \$82.4 million EC, and \$28.6 million LSLR). (Initial Submittal June 2023, *Complete Submittal September 2023*)
2. Continue to liquidate DWSRF capitalization grants within two to three years of their award by prioritizing disbursements for federal funds to the maximum extent possible.
3. Review cash flow forecasts of existing and potential commitments to assess the State Water Board's ability to satisfy its obligations timely and to also evaluate the need for leveraging or other actions to regulate cash outflows.
4. Amend the DWSRF Policy: DFA is currently preparing recommendations for changes to the DWSRF Policy. The objective of a DWSRF Policy amendment is to implement process improvements and clarifications to improve funding agreement processing times and to revise prioritization criteria to better align project applications with stated Board priorities. (Complete September 2023)

### **D. DWSRF Performance Metrics**

The following constitute performance metrics and targets for DFA to enable the timely and efficient processing of applications and disbursements:

1. Provide TA assistance (TA provider or DDW) by end of Fiscal Year to ninety percent (90%) of currently incomplete applications for Category A-C projects that are eligible for grant/PF under Appendices D and E (Table 2), who require TA to complete their application.
2. Conduct initial application completeness reviews and notify applicant within 35 days.
3. Complete Tier I environmental reviews within 6 months and Tier II environmental reviews within 4 months of receiving a complete environmental package.
4. Complete financial reviews within 30 days of receiving complete financial information and legal concurrence with agreement conditions.
5. Execute agreements within 5 months of completing package reviews (environmental, financial, technical) and receiving legal concurrence from applicant.



6. For projects funded via the EDWG process: DFA award letters within 6 weeks after proposal deadline, and agreement execution within 4 months from date of award letter.
7. Ninety percent (90%) of DWSRF Ranked, Fundable List Applications Executed by End of Fiscal Year.
8. Issue funding agreements (or approve planning workplans) for ninety percent (90%) of projects with complete applications that are eligible for grant/PF under Appendices D and E.
9. Fulfill seventy-five percent (75%) of complete disbursement requests in 60 days or less.<sup>25</sup>
10. DWSRF Fund utilization rate<sup>26</sup> > one hundred and five percent (105%) of available funds.

The SADW Policy establishes additional metrics that DFA will be tracking and for which goals will be set (see Section XI.I of the SADW Policy). The annual FEPs will identify the specific numeric goals and include a summary of progress made. These performance metrics will be used across programs.

## **E. Response to Climate Change**

The State Water Board will provide technical assistance to support water systems' efforts to prepare for and mitigate the impacts of climate change. This may include, but not be limited to, preparing and implementing climate adaptation plans, implementing drought resiliency and preparedness efforts, improving public health outcomes and providing access to safe and affordable drinking water, and efficiently and sustainably managing their drinking water systems and resources.

The State Water Board will ensure that applications and environmental reviews for potential projects evaluate the impacts related to climate change and account for potential mitigation measures. This may include, but not be limited to, evaluating the potential effects of climate change on the viability of funded projects and helping applicants ensure that mitigation and adaptation measures are implemented as fully as practicable.

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<sup>25</sup> Disbursement fulfillment time is the receipt of a complete disbursement request to warrant date. The metric only includes disbursement requests that are complete and acceptable for processing and filled within the same fiscal year. Disbursement requests that are incomplete or not acceptable for processing and/or not filled by fiscal yearend are not included in the performance metric.

<sup>26</sup> A utilization rate above 100% indicates that the total of the loan commitments exceeds the DWSRF cash available to fulfill those commitments. Overcommitting the available funds is necessary to ensure that an excessive amount of cash does not accumulate in the DWSRF.

## VIII. SCHEDULE

The estimated schedule for public comment and State Water Board adoption of the SFY 2023-24 DWSRF IUP, and the application, award, and acceptance of the 2023 DWSRF Base and Supplemental Capitalization Grants is as follows:

Draft IUP and Draft Supplemental IUPs posted for public comment	May 19, 2023
Submit FFY 2023 Capitalization Grant applications to U.S. EPA	June 1, 2023
Board Workshop	June 20, 2023
Deadline for Public Comments on Draft IUP and Draft Supplemental IUPs	June 23, 2023
State Water Board considers IUP and Supplemental IUPs at regularly scheduled meeting	July 18, 2023
Receive FFY 2023 Capitalization Grant agreements from U.S. EPA	September 2023

## IX. ACRONYMS

AIS	American Iron and Steel
BABA	Build America, Buy America
BIL	Bipartisan Infrastructure Law (Infrastructure Investment and Jobs Act)
CEQA	California Environmental Quality Act
CWS	Community Water System
DAC	Disadvantaged Community
DBE	Disadvantaged Business Enterprise
DDW	Division of Drinking Water
DFA	Division of Financial Assistance
DWSRF	Drinking Water State Revolving Fund
EC	Emerging Contaminants
EDWG	Expedited Drinking Water Grant
ESCWS	Expanded Small Community Water System
FFATA	Federal Funding Accountability and Transparency Act
FFY	Federal Fiscal Year
GPR	Green Project Reserve
GWUDI	Groundwater Under the Direct Influence
IUP	Intended Use Plan
LPA	Local Primacy Agency
LSLR	Lead Service Line Replacement
MCL	Maximum Contaminant Level
MHI	Median Household Income
NIMS	National Information Management System
NTNC	Non-Transient Non-Community Water System
PBR	Project Benefits and Reporting
PFAS	Per- and Polyfluoroalkyl Substances
PWS	Public Water System
PWSS	Public Water System Supervision
SCG DW	Small Community Grant Drinking Water
SCWS	Small Community Water System
SDAC	Severely Disadvantaged Community
SDWA	Safe Drinking Water Act
SERP	State Environmental Review Process
DWSCEG	Drinking Water Small Community Emergency Grant
SFY	State Fiscal Year
SWIFIA	State infrastructure financing authority Water Infrastructure Financing and Innovation Act
SWS	Small Water System
SWSTA	Small Water Systems Technical Assistance
TMF	Technical, Managerial and Financial
ULO	Unliquidated Obligation
U.S. EPA	United States Environmental Protection Agency

## X. APPENDICES

**APPENDIX A: SFY 2023-2024 DWSRF Fundable List<sup>1</sup>**

(Sort Order: Priority Category, Applicant, Project Number)

Project Number <sup>2</sup>	District Number	Project Type	Applicant	Project Title / Description	Priority Category	Population	Service Connections	Water System Size <sup>3</sup>	Estimated Project Costs	Estimated PF/Grant Amount <sup>5</sup>	Estimated DWSRF Loan	Monthly Savings per Customer Connection <sup>4</sup>	Rates as % of MHI	Proposed Equivalency & FFATA Projects <sup>5,6</sup> Base Program	Proposed Equivalency & FFATA Projects <sup>5,6</sup> General Supplemental
<b>Funding Decision in Progress</b>															
1910067-057C	15	Construction	Los Angeles, City of Acting by and through the Department of Water & Power	Manhattan Wellfield On-site Hypochlorite Generation Station	D	4,071,873	680,607	Large	\$9,574,000	\$0	\$9,574,000	\$0.02	2.40%	\$9,574,000	
3610039-053C	14	Construction	San Bernardino, City of - Municipal Water Department	Water Distribution Mainline Replacement	F	173,359	42,301	Large	\$3,406,000	\$0	\$3,406,000	\$0.09	1.73%	\$3,406,000	
3710020-077C	14	Construction	San Diego, City of	Morena Pipeline	F	1,266,731	271,962	Large	\$57,673,459	\$0	\$57,673,459	\$0.25	0.49%		\$57,673,459
3710020-079C	14	Construction	San Diego, City of	Alvarado 2nd Pipeline Extension	F	1,266,731	271,962	Large	\$145,691,810	\$0	\$145,691,810	\$0.62	0.49%		\$145,691,810
3410021-004C	08	Construction	San Juan Water District	Eureka Road Transmission Line Replacement	F	33,792	10,240	Medium	\$3,995,000	\$0	\$3,995,000	\$0.45	0.81%	\$3,995,000	
3610004-002C	04	Construction	West Valley Water District	Oliver P. Roemer Water Filtration Facility Expansion Project	F	63,693	18,198	Medium	\$46,665,000	\$0	\$46,665,000	\$2.99	1.25%	\$46,665,000	
				<b>Subtotal Projects =</b>	<b>6</b>		<b>Subtotal =</b>		<b>\$267,005,269</b>	<b>\$0</b>	<b>\$267,005,269</b>			<b>\$63,640,000</b>	<b>\$203,365,269</b>
<b>Rollover &amp; New Projects for Funding</b>															
5510016-001C	09	Construction	Sierra Park Water Company, Inc.	Sierra Park Water Company Water System Improvements	E	300	363	Small	\$2,025,230	\$1,600,000	\$425,230	\$1.36	3.30%		\$425,230
3010001-003C	08	Construction	Anaheim, City of	Groundwater Treatment Plants (PFAS) -Phase A	F	346,823	62,476	Large	\$20,682,483	\$2,500,000	\$18,182,483	\$0.34	1.10%		\$18,182,483
3010001-004C	08	Construction	Anaheim, City of	Groundwater Treatment Plants (PFAS) -Phase B	F	346,823	62,476	Large	\$21,802,493	\$2,500,000	\$19,302,493	\$0.36	1.10%		\$19,302,493
3310021-020C	20	Construction	Jurupa Community Services District	Etiwanda Intervalley Water Quality & Water Resiliency Project-Pipeline Phase 1A (EC)	F	68,297	24,684	Medium	\$66,180,000	\$5,000,000	\$61,180,000	\$2.89	1.10%		\$61,180,000
1910067-059C	15	Construction	Los Angeles, City of Acting by and through the Department of Water & Power	City Trunk Line North Unit 1	F	4,071,873	680,607	Large	\$166,000,000	\$0	\$166,000,000	\$0.28	2.40%		\$166,000,000

Project Number <sup>2</sup>	District Number	Project Type	Applicant	Project Title / Description	Priority Category	Population	Service Connections	Water System Size <sup>3</sup>	Estimated Project Costs	Estimated PF/Grant Amount <sup>5</sup>	Estimated DWSRF Loan	Monthly Savings per Customer Connection <sup>4</sup>	Rates as % of MHI	Proposed Equivalency & FFATA Projects <sup>5,6</sup> Base Program	Proposed Equivalency & FFATA Projects <sup>5,6</sup> General Supplemental
4410010-004C	08	Construction	Santa Cruz, City of	Newell Creek Pipeline (Felton/Graham Hill) Replacement Project	F	90,000	24,228	Medium	\$41,352,000	\$0	\$41,352,000	\$1.99	1.17%	\$41,352,000	
0910002-030C	09	Construction	South Tahoe Public Utility District	Waterline Upgrades and Improvement Project	F	60,000	13,635	Medium	\$16,222,000	\$0	\$16,222,000	\$1.39	0.80%		\$16,222,000
<b>Rollover + New Projects =</b>					<b>7</b>		<b>Subtotal =</b>		<b>\$334,264,206</b>	<b>\$11,600,000</b>	<b>\$322,664,206</b>			<b>\$41,352,000</b>	<b>\$ 281,312,206</b>
<b>Total Loan Projects =</b>					<b>13</b>		<b>Total Loan =</b>		<b>\$601,269,475</b>	<b>\$11,600,000</b>	<b>\$589,669,475</b>				<b>\$589,669,475</b>
<b>Automatically Fundable Projects with Complete Applications<sup>7</sup> =</b>					<b>90</b>		<b>Subtotal =</b>		<b>\$300,947,674</b>	<b>\$300,947,674</b>	<b>\$0</b>				
<b>Total Fundable List Projects =</b>					<b>103</b>		<b>Total =</b>		<b>\$902,217,149</b>	<b>\$312,547,674</b>	<b>\$589,669,475</b>				

**Projects Removed from Fundable List**

Project Number	District Number	Project Type	Applicant	Project Title / Description	Class	Population	Service Connections	Water System Size	Estimated Project Costs	Reason for Removal
3610064-008C	13	Construction	East Valley Water District	Plant 134 Disinfection Byproduct Mitigation	C	68,000	21,827	Medium	\$4,000,000	Application withdrawn
1910204-003C	16	Construction	Los Angeles County Waterworks District 29	Owen Tank Replacement	F	27,807	7,733	Medium	\$3,500,000	Applicant requested project be placed on hold
1910067-061C	15	Construction	Los Angeles, City of Acting by and through the Department of Water & Power	Mission Wells Ammoniation Station	D	4,071,873	680,607	Large	\$25,000,000	Applicant focusing on other priority projects on Fundable List
2000865-001P	11	Planning	Madera, County of (MD#58 Sierra Highlands)	MD-58 Sierra Highlands Water System Improvements	E	75	25	Small	\$350,000	Application withdrawn
3010017-002C	8	Construction	Laguna Beach County Water District	Rimrock Reservoir and Pump Station Replacement Project	F	25,000	8,554	Medium	\$9,600,000	Removed for lack of progress
<b>Projects Removed =</b>					<b>5</b>		<b>Subtotal =</b>		<b>\$42,450,000</b>	

Notes:

1. Projects that may be eligible for PF/grant or for consolidation incentive may be added to the Fundable List after their applications are deemed to be initially complete. Those projects are included on the Comprehensive List.
2. Project numbers and project names are for administrative purposes only. DFA may assign or reassign project numbers and project names as necessary to administer projects.
3. Small = water system serving no more than 10,000 people or no more than 3,300 connections; Expanded Small = water system serving more than 10,000 people but no more than 20,000 people, or more than 3,300 service connections but no more than 6,600 service connections; Medium = water system serving more than 20,000 people but no more than 100,000, or more than 6,600 service connections but no more than 30,000 connections; Large = water system serving more than 100,000 people or more than 30,000 connections. See section I.D.
4. Monthly Saving per customer connection includes estimated savings from subsidized loan and grant/PF. The savings are estimated by assuming that without SWRCB funding, the applicant would incur debt service at market rates. The monthly savings per customer connection is calculated as the annual debt service savings on a 30-year loan at market rate of 4.2% compared to a similar term at the current DWSRF rate of 2.1%, spread among the applicant's residential connections.
5. Estimated 2023 DWSRF Base Program (\$54,183,000) & 2023 General Supplemental Capitalization Grants (\$227,150,000) total \$281,333,000. The total available as PF is \$137,853,170, and total reserved as set-asides is \$73,146,580. Therefore, the estimate available for loans is \$70,333,250. Projects on the Comprehensive List eligible for grant/PF under Appendices D and E, and Consolidation Projects may receive Principal Forgiveness from DWSRF or grant from State sources.
6. Proposed FFATA and Equivalency Projects will be selected up to an equivalent amount equal to the 2023 Capitalization Grant Awards.
7. Summary of Projects eligible for grant/PF under Appendices D and E, and Consolidation Projects which have a complete application and are therefore added to the Fundable List. Information about the individual projects are included in the Comprehensive List.

**APPENDIX B: SFY 2023-24 DWSRF Comprehensive List<sup>1</sup>**

**Loan Projects** - Sort Order: Applicant, Project Number

Project Number <sup>2</sup>	District Number	Project Type	Applicant	Project Title / Description	Class	Consolidation Project	Population	Service Connections	Degree of Disadvantaged	Estimated/ Requested Project Costs
0110001-002C	04	Construction	Alameda County Water District	PFAS Treatment Project	F	FALSE	324,796	79,362	non-DAC	\$20,000,000
3010001-003C	08	Construction	Anaheim, City of	Groundwater Treatment Plants (PFAS) -Phase A	F	FALSE	346,823	62,476	non-DAC	\$20,682,483
3010001-004C	08	Construction	Anaheim, City of	Groundwater Treatment Plant (PFAS) - Phase B	F	FALSE	346,823	62,476	non-DAC	\$21,802,493
2010009-003C	11	Construction	Bakman Water Company	Rolling Hills Water Meter Project	D	FALSE	727	333	non-DAC	\$5,000,000
4210018-001C	06	Construction	Buellton, City of	Reservoir 2 Roof	F	FALSE	4,000	1,500	non-DAC	\$1,500,000
7844-110	05	Construction	California American Water Company	Calam Monterey Peninsula Water Supply Project	F	FALSE	91,884	38,246	non-DAC	\$279,200,000
3610012-008C	13	Construction	Chino, City of	State Street Water Treatment Project (WA212)	F	FALSE	62,000	16,677	non-DAC	\$39,000,000
3310037-011C	20	Construction	Corona, City of	PFAS Removal Project	F	FALSE	150,253	41,861	non-DAC	\$11,442,500
3310012-019C	20	Construction	Elsinore Valley Municipal Water District	Canyon Lake Water Treatment Plan Phase 1 Improvements (PFAS)	E	FALSE	121,420	36,817	non-DAC	\$46,500,000
1210004-001C	01	Construction	Eureka, City of	City of Eureka Energy and Water Conservation Project	F	FALSE	32,800	9,949	Medium SDAC	\$5,000,000
3310021-020C	20	Construction	Jurupa Community Services District	Etiwanda Intervalley Water Quality & Water Resiliency Project-Pipeline Phase 1A (EC)	F	FALSE	68,297	24,684	non-DAC	\$66,180,000
3310021-021C	20	Construction	Jurupa Community Services District	Roger Teagarden Ion Exchange Plant Improvements Project	E	FALSE	68,297	24,684	non-DAC	\$20,000,000
3010017-002C	08	Construction	Laguna Beach County Water District	Rimrock Reservoir and Pump Station Replacement Project	F	FALSE	25,000	8,554	non-DAC	\$9,600,000
1910067-055C	15	Construction	Los Angeles, City of Acting by and through the Department of Water & Power	Fairmont Sedimentation Plant	F	FALSE	4,071,873	680,607	non-DAC	\$524,700,000
1910067-057C	15	Construction	Los Angeles, City of Acting by and through the Department of Water & Power	Manhattan Wellfield On-site Hypochlorite Generation Station	D	FALSE	4,071,873	680,607	non-DAC	\$9,574,000
1910067-059C	15	Construction	Los Angeles, City of Acting by and through the Department of Water & Power	City Trunk Line North Unit 1	F	FALSE	4,071,873	680,607	non-DAC	\$166,000,000
1910067-061C	15	Construction	Los Angeles, City of Acting by and through the Department of Water & Power	Mission Wells Ammoniation Station	D	FALSE	4,071,873	680,607	non-DAC	\$25,000,000



Project Number <sup>2</sup>	District Number	Project Type	Applicant	Project Title / Description	Class	Consolidation Project	Population	Service Connections	Degree of Disadvantaged	Estimated/ Requested Project Costs
1910067-062C	15	Construction	Los Angeles, City of Acting by and through the Department of Water & Power	Western Trunk Line Project	F	FALSE	4,071,873	680,607	non-DAC	\$142,320,000
1910067-056C	15	Construction	Los Angeles, City of Acting by and through the Department of Water & Power	Century Trunk Line, Unit 2	F	FALSE	4,071,873	680,607	non-DAC	\$43,900,000
2000690-001P	11	Planning	Madera, County of	MD-73 Quartz Mountain Water System Improvements	E	FALSE	375	126	non-DAC	\$550,000
2000865-001P	11	Planning	Madera, County of (MD#58 Sierra Highlands)	MD-58 Sierra Highlands Water System Improvements	E	FALSE	75	25	non-DAC	\$350,000
0103040-001P	04	Planning	Norris Canyon Property Owners Association	NCPOA Water System Upgrades	D	FALSE	100	19	non-DAC	\$245,000
3010010-001C	08	Construction	Fullerton, City of	City of Fullerton Main Plant PFAS Water Treatment Plant Project	F	FALSE	137,367	31,359	non-DAC	\$13,190,000
3010027-001C	08	Construction	Orange, City of	City of Orange Wells 20, 21 and 22 PFAS Treatment Systems	F	FALSE	138,640	35,645	non-DAC	\$8,000,000
3010035-001C	08	Construction	Golden State Water Company	Golden State Water Company (GSWC) PFAS Treatment Systems	F	FALSE	49,686	12,894	non-DAC	\$4,431,000
3010038-004C	08	Construction	Santa Ana, City of	City of Santa Ana Wells 27 and 28 PFAS Treatment System	F	FALSE	353,428	44,610	non-DAC	\$8,000,000
3010046-001C	08	Construction	Tustin, City of	City of Tustin PFAS Water Treatment Plant	F	FALSE	62,100	14,071	non-DAC	\$16,000,000
3010068-001C	08	Construction	East Orange County Water District	East Orange CWD PFAS WATER TREATMENT PLANT	F	FALSE	3,000	1,207	non-DAC	\$5,146,370
3010092-001C	08	Construction	Irvine Ranch Water District	Irvine Ranch Water District Well OPA-1 PFAS Treatment System	F	FALSE	316,000	88,423	non-DAC	\$6,300,000
0110008-001C	04	Construction	Pleasanton, City of	Per- and Polyfluoroalkyl (PFAS) Treatment and Wells Rehabilitation Project	F	FALSE	67,876	21,516	non-DAC	\$31,400,000
4400598-004C	05	Construction	Puresource Water, Inc	New Well, Customer Meters, Intertie Electricity, Storage Tank Improvements	F	FALSE	450	79	non-DAC	\$406,670
5200555-001C	21	Construction	Rio Ranch Community Services District	Water Source Capacity Improvement	F	FALSE	25	21	non-DAC	\$112,314
4810004-001C	04	Construction	Rio Vista, City of	New Well, Storage Tank and Booster Station in Core	F	FALSE	7,376	3,274	non-DAC	\$9,300,000
4810004-002C	04	Construction	Rio Vista, City of	New Well near the High School	F	FALSE	7,376	3,274	non-DAC	\$2,700,000
3610039-053C	13	Construction	San Bernardino, City of - Municipal Water Department	Water Distribution Mainline Replacement	F	FALSE	173,359	42,301	Large DAC	\$3,406,000

Project Number <sup>2</sup>	District Number	Project Type	Applicant	Project Title / Description	Class	Consolidation Project	Population	Service Connections	Degree of Disadvantaged	Estimated/ Requested Project Costs
3710020-077C	14	Construction	San Diego, City of	Morena Pipeline	F	FALSE	1,266,731	271,962	non-DAC	\$57,673,459
3710020-079C	14	Construction	San Diego, City of	Alvarado 2nd Pipeline Extension	F	FALSE	1,266,731	271,962	non-DAC	\$145,691,810
3710020-080C	14	Construction	San Diego, City of	Otay 2nd Pipeline Steel Replacement Phase 3	F	FALSE	1,266,731	271,962	non-DAC	\$19,420,000
3710020-081C	14	Construction	San Diego, City of	Lakeside Valve Station Replacement	F	FALSE	1,266,731	271,962	non-DAC	\$47,309,366
3710020-082C	14	Construction	San Diego, City of	El Monte Pipeline Number 2	F	FALSE	1,266,731	271,962	non-DAC	\$28,000,000
3710020-083C	14	Construction	San Diego, City of	La Jolla View Reservoir	F	FALSE	1,266,731	271,962	non-DAC	\$37,000,000
3810001-003C	04	Construction	San Francisco, Public Utilities Commission of the City and County of	Sunol Valley Water Treatment Plant Ozonation Facility and Other Site Improvements Project	F	FALSE	2,700,000	175,000	non-DAC	\$214,000,000
3510002-002C	05	Construction	San Juan Bautista, City of	Water Main from West Hills Water Treatment Plant	F	FALSE	1,720	694	non-DAC	\$13,150,000
3410021-002C	09	Construction	San Juan Water District	Kokila Reservoir Replacement	F	FALSE	33,792	10,240	non-DAC	\$7,850,000
3410021-004C	09	Construction	San Juan Water District	Eureka Road Transmission Line Replacement	F	FALSE	33,792	10,240	non-DAC	\$3,995,000
4210010-006C	06	Construction	Santa Barbara, City of	Cater Reservoir Resiliency Project	F	FALSE	94,370	25,580	non-DAC	\$27,000,000
4410010-003C	05	Construction	Santa Cruz, City of	Graham Hill Water Treatment Plant Facility Improvements Project (PFAS)	F	FALSE	90,000	24,228	non-DAC	\$177,600,000
4410010-004C	05	Construction	Santa Cruz, City of	Newell Creek Pipeline (Felton/Graham Hill) Replacement Project	F	FALSE	90,000	24,228	non-DAC	\$41,352,000
3010041-001C	08	Construction	Seal Beach, City of	LCWA Watermain Lining Project	F	FALSE	24,157	5,358	non-DAC	\$2,741,000
3010041-002C	08	Construction	Seal Beach, City of	Beverly Manor Booster Pump Station Building Replacement and Electrical Upgrades	F	FALSE	24,157	5,358	non-DAC	\$7,388,300
5510016-001C	11	Construction	Sierra Park Water Company, Inc.	Sierra Park Water Company Water System Improvements	E	FALSE	300	363	non-DAC	\$2,025,230
0910002-030C	09	Construction	South Tahoe Public Utility District	Waterline Upgrades and Improvement Project	F	FALSE	60,000	13,635	non-DAC	\$16,222,000
0910002-031C	09	Construction	South Tahoe Public Utility District	Tahoe/Glenwood Waterline Upgrades	F	FALSE	60,000	13,635	non-DAC	\$7,567,939
3610004-002C	13	Construction	West Valley Water District	Oliver P. Roemer Water Filtration Facility Expansion Project (RWFF Project)	F	FALSE	63,693	18,198	non-DAC	\$46,665,000

Project Number <sup>2</sup>	District Number	Project Type	Applicant	Project Title / Description	Class	Consolidation Project	Population	Service Connections	Degree of Disadvantaged	Estimated/ Requested Project Costs
0110010-003C	04	Construction	Zone 7 Water Agency	Chain of Lakes PFAS Treatment Facility	E	FALSE	195,000	39	non-DAC	\$25,000,000
Projects =						55			Subtotal =	\$2,494,589,934

**Construction Projects eligible for grant/PF under Appendices D and E, and Consolidation Projects<sup>3</sup> - Sort Order: Complete Application, Applicant, Project Number**

Project Number <sup>2</sup>	District Number	Project Type	Applicant	Project Title / Description	Class	Consolidation Project	Population	Service Connections	Degree of Disadvantaged	Complete Application	TA Provided	Estimated/ Requested Project Costs
4600012-008C	02	Construction	Alleghany County Water District	Ram Spring Improvement Project	B	FALSE	80	55	SDAC	Y	Y	\$50,000
4510001-002C	02	Construction	Anderson, City of	Anderson Park Village Consolidation	F	TRUE	10,050	3,077	SDAC	Y	N	\$1,238,400
0510003-003C	10	Construction	Angels, City of	City of Angels Water Treatment Plant Upgrade	F	FALSE	3,441	1,773	SDAC	Y	N	\$7,000,000
3600009-001C	13	Construction	Apple Valley Heights County Water District	Storage Tanks and Transmission Pipeline Improvements Project	F	FALSE	977	286	SDAC	Y	N	\$4,400,000
3610009-002C	13	Construction	Bighorn-Desert View Water Agency	Potable Water System Improvements Consolidation of Water Systems	E	TRUE	5,000	1,903	SDAC	Y	N	\$11,000,000
4510003-003C	02	Construction	Burney Water District	Burney Water District Water System Improvement Project	E	FALSE	3,000	1,377	SDAC	Y	N	\$13,963,000
0410006-001C	21	Construction	Butte, County of	Palermo Drinking Water Consolidation Project	A	TRUE	22,348	6,772	SDAC	Y	N	\$11,715,000
4700503-004C	01	Construction	Callahan Water District	Water System Improvement Project	B	FALSE	70	29	SDAC	Y	Y	\$2,100,000
1010039-004C	23	Construction	Caruthers Community Services District	Water Line Loop - Tahoe, Mt. View & West Ave	D	FALSE	2,103	672	DAC	Y	N	\$716,600
4510016-003C	02	Construction	Clear Creek Community Services District	Clear Creek Community Services District Backwash Ponds Repair Project	F	FALSE	8,000	2,645	DAC	Y	N	\$3,060,633
3310001-014C	20	Construction	Coachella Valley Water District	Saint Anthony Mobile Home Park Water Consolidation Project	C	TRUE	244,472	97,789	SDAC	Y	N	\$215,595
3310001-015C	20	Construction	Coachella Valley Water District	Valley View Mobile Home Park Consolidation Project	C	TRUE	244,472	97,789	SDAC	Y	N	\$47,108
3310007-003C	20	Construction	Coachella, City of	Shady Lane Mobile Home Park Water Consolidation Project	C	TRUE	38,406	7,460	SDAC	Y	N	\$1,799,050
1710012-004C	03	Construction	Cobb Area County Water District	Alpine Meadows and Starview Improvement Project	F	FALSE	2,500	708	Non-DAC	Y	Y	\$3,878,000

Project Number <sup>2</sup>	District Number	Project Type	Applicant	Project Title / Description	Class	Consolidation Project	Population	Service Connections	Degree of Disadvantaged	Complete Application	TA Provided	Estimated/ Requested Project Costs
0610002-002C	21	Construction	Colusa, City of	Water Consolidation - Walnut Ranch Community Facilities Improvement	D	FALSE	6,111	1,925	SDAC	Y	N	\$3,346,048
4400571-005C	05	Construction	Davenport County Sanitation District	Davenport Drinking Water Improvement Project - Phase III	D	FALSE	350	130	SDAC	Y	Y	\$434,711
1010035-006C	23	Construction	Del Rey Community Services District	TCP Wellhead Treatment Project at Wells 4, 5, and 7	C	FALSE	1,100	362	SDAC	Y	N	\$400,000
2900502-002C	21	Construction	Floriston Property Owners Association, Inc.	Floriston Spring Filtration Project	A	FALSE	100	40	Non-DAC	Y	N	\$5,326,993
2310001-003C	03	Construction	Fort Bragg, City of	Water Treatment Plant Overhaul and Water Tank Rehabilitation	F	FALSE	7,291	2,846	SDAC	Y	N	\$11,099,340
1000299-001C	23	Construction	Fresno, City of	Three Palms MHP Water Connection Project	C	TRUE	202	101	SDAC	Y	Y	\$392,461
1000546-006C	23	Construction	Fresno, County of (Service Area 49)	CSA 49 Water System Improvements	C	FALSE	450	31	SDAC	Y	N	\$4,067,714
5410019-002C	24	Construction	Ivanhoe Public Utility District	Well No.9 and Conveyance Pipeline Project	A	FALSE	4,474	1,113	Pending	Y	N	\$2,839,952
3600155-001C	13	Construction	JHC River Ranch Inc	River Ranch Mobile Home Park Water System Consolidation Project	C	TRUE	300	136	SDAC	Y	N	\$81,000
1710022-009C	03	Construction	Lake, County of (CSA 20)	Soda Bay Water Treatment Plant Improvements	F	FALSE	1,438	662	DAC	Y	N	\$5,000,000
1510051-001C	19	Construction	Lebec County Water District	Frazier Mountain High School/Lebec County Water District Water System Improvement Project	C	TRUE	830	290	SDAC	Y	Y	\$8,978,720
3610003-001C	13	Construction	Liberty Utilities (Apple Valley Ranchos Water) Co.	Rehabilitation of the Yermo Water System	C	TRUE	52,879	18,744	SDAC	Y	N	\$5,910,431
5810002-001C	21	Construction	Linda County Water District	Well 17 Project	F	FALSE	10,000	3,975	SDAC	Y	N	\$18,076,483
2410004-004C	11	Construction	Livingston, City of	Livingston 1,2,3-TCP Removal Treatment System Project	C	FALSE	13,795	2,948	DAC	Y	N	\$12,000,000
1210023-003C	01	Construction	Loleta Community Services District	Loleta Water Storage Tank Replacement	C	FALSE	750	236	SDAC	Y	Y	\$6,758,500
4300721-001C	17	Construction	Loma Prieta Joint Union School District	Loma Prieta Joint Union School District Drinking Water Supply	D	FALSE	462	6	SDAC	Y	N	\$296,466

Project Number <sup>2</sup>	District Number	Project Type	Applicant	Project Title / Description	Class	Consolidation Project	Population	Service Connections	Degree of Disadvantaged	Complete Application	TA Provided	Estimated/ Requested Project Costs
1910070-002C	16	Construction	Los Angeles County Waterworks District No. 40, Antelope Valley	Desert Palms Mobile Home Park Intertie Project	C	TRUE	144,215	46,878	SDAC	Y	N	\$657,452
3700958-001C	14	Construction	Los Tules Mutual Water Company	Los Tules Mutual Water Company Infrastructure and Fire Safety Project	E	FALSE	140	100	SDAC	Y	N	\$821,966
0202504-002C	09	Construction	Markleeville Water Company	Markleeville Water Company Water System Improvements	F	FALSE	25	167	DAC	Y	N	\$5,884,095
1900785-001C	16	Construction	Mitchell'S Avenue E Mobile Home Park	Arsenic Treatment Facility Improvements	C	FALSE	35	24	SDAC	N	N	\$1,110,000
4710008-003C	01	Construction	Mt. Shasta, City of	Water Distribution System Improvements	F	FALSE	3,642	1,675	SDAC	Y	N	\$8,237,500
2310007-018C	03	Construction	North Gualala Water Company, Incorporated	Parr Tank and Pipeline Improvement Project	F	FALSE	2,630	1,068	DAC	Y	N	\$1,798,457
1200701-001C	01	Construction	Orick Community Services District	Water System Improvement Project	F	FALSE	400	139	SDAC	Y	Y	\$1,246,220
5400519-001C	24	Construction	Palo Verde Union Elementary School District	Palo Verde Union Elementary School Well	D	FALSE	500	26	SDAC	Y	N	\$645,000
5410039-003C	12	Construction	Plainview Mutual Water Company	Plainview Nitrate Relief Project	C	TRUE	800	187	SDAC	Y	Y	\$5,070,567
1210012-008C	01	Construction	Rio Dell, City of	Water Distribution System Improvement Project	F	FALSE	3,174	1,134	SDAC	Y	N	\$12,862,989
0310006-002C	10	Construction	River Pines Public Utility District	Water Storage and Distribution Rehabilitation Project	F	FALSE	510	210	SDAC	Y	N	\$7,574,250
3600220-001C	13	Construction	San Bernardino, County of	CSA 42 Reservoir Replacement	F	FALSE	700	140	SDAC	Y	N	\$200,000
1010034-004C	23	Construction	San Joaquin, City of	Well #3 and Well #5 Manganese Removal System	E	FALSE	3,870	944	SDAC	Y	N	\$8,906,000
1010034-005C	23	Construction	San Joaquin, City of	(Combined with 1010034-004C) San Joaquin Phase 2 Water System Improvement Project	C	FALSE	3,870	944	SDAC	Y	N	\$10,413,810
1010029-002C	23	Construction	Sanger, City of	City of Sanger New Water Well Project	E	FALSE	25,404	5,971	DAC	N	N	\$5,250,000
1910240-001C	22	Construction	Santa Clarita Valley Water Agency	T7, U4 and U6 Wells PFAS Treatment (Incentive)	C	FALSE	101,000	29,924	Non-DAC	N	N	\$16,649,966
2410018-003C	11	Construction	Santa Nella County Water District	Residential Water Meter Improvement Project	D	FALSE	1,500	454	Non-DAC	Y	N	\$319,153

Project Number <sup>2</sup>	District Number	Project Type	Applicant	Project Title / Description	Class	Consolidation Project	Population	Service Connections	Degree of Disadvantaged	Complete Application	TA Provided	Estimated/ Requested Project Costs
EDWG-1000187-001C	23	Construction	Selma Unified School District	Indianola Elementary School Water System Consolidation	C	TRUE	500	1	SDAC	Y	Y	\$3,118,625
1800575-001C	02	Construction	Shaffer Union Elementary School District	Shaffer Elementary School Source Capacity Project	D	FALSE	250	76	DAC	Y	N	\$554,966
4600019-001C	02	Construction	Sierra County (Calpine) Waterworks District No. 1	New Well and Treatment Facilities	C	FALSE	225	142	Non-DAC	Y	N	\$3,245,520
2000506-001C	11	Construction	Sierra Linda Mutual Water Company, Inc.	Consolidation, Metering, and Water Treatment	C	TRUE	180	89	SDAC	Y	N	\$7,724,400
3310017-001C	20	Construction	South Mesa Water Company	County Line Pipeline Replacement Project	F	TRUE	9,018	2,934	SDAC	Y	Y	\$100,000
4200842-001C	06	Construction	St. Marie Mobile Home Park, LLC	City of Santa Maria Water Service Connection	A	TRUE	250	78	SDAC	Y	N	\$934,450
3910012-001C	10	Construction	Stockton, City of	Century Mobile Home Park and Sunny Road Water System Consolidation Project	C	TRUE	158,113	46,119	DAC	Y	Y	\$1,421,588
1700536-004C	03	Construction	Sunrise Shore Mutual Water Company	Compliance and Sustainability Project	C	FALSE	45	37	DAC	Y	N	\$2,109,000
5410014-002C	12	Construction	Tipton Community Services District	North Burnett Road Water System Project	C	FALSE	1,992	592	SDAC	Y	Y	\$4,150,000
1910160-010C	07	Construction	Tract 349 Mutual Water Company	Tract 349 Water Quality Improvement Project	E	FALSE	8,500	905	SDAC	Y	N	\$7,387,000
EDWG-5400903-001C	24	Construction	Tract 92 Community Services District	Tract 92 CSD – CWS Visalia Water System Consolidation Project	C	TRUE	500	93	SDAC	Y	Y	\$7,440,000
5510012-001C	11	Construction	Tuolumne Utilities District	Sierra Pines Regional Water Treatment Facility Project	F	TRUE	3,446	1,460	Pending	Y	N	\$42,000
5510013-010C	11	Construction	Tuolumne Utilities District	Cuesta Heights Water Storage	D	TRUE	3,646	1,545	DAC	Y	N	\$852,482
1510021-004C	12	Construction	Wasco, City of	Water System Improvement & Treatment Project	C	FALSE	19,448	3,936	SDAC	Y	N	\$15,975,965
5010026-001C	10	Construction	Waterford, City of	Hickman Water System Improvements Construction Project	D	TRUE	565	181	DAC	Y	Y	\$5,033,821
4710009-002C	01	Construction	Weed, City of	City of Weed Bypass Water Supply Pipeline Project	D	FALSE	2,963	1,042	SDAC	Y	N	\$10,985,000
5410025-001C	12	Construction	Woodville Public Utility District	Replacement Well Project	A	FALSE	1,678	478	SDAC	Y	Y	\$3,488,578
5700788-003C	09	Construction	Yolo, County of	North Davis Meadows Water Consolidation Project	A	TRUE	110	95	Non-DAC	Y	N	\$7,600,000

Project Number <sup>2</sup>	District Number	Project Type	Applicant	Project Title / Description	Class	Consolidation Project	Population	Service Connections	Degree of Disadvantaged	Complete Application	TA Provided	Estimated/ Requested Project Costs
5403144-001C	24	Construction	Ali Mutual Water Company	Ali Mutual Water Distribution Replacement Project	F	FALSE	25	14	SDAC	N	Y	\$1,643,000
3610002-001C	13	Construction	Alpine Water Users Association	System Meter Replacements	D	FALSE	3,000	931	DAC	N	Y	\$498,288
4510001-001C	02	Construction	Anderson, City of	Anderson Heights Reservoir Replacement and Pressure Regulating Valve (PRV) Station Project	F	FALSE	10,050	3,077	SDAC	N	N	\$2,250,000
3301180-001C	20	Construction	Anza Mutual Water Co., Inc.	Anza Mutual Water System Improvements Project	F	FALSE	200	82	SDAC	N	Y	\$5,000,000
3600012-002C	13	Construction	Apple Valley View Mutual Water Company	Apple Valley View MWC	A	FALSE	200	81	SDAC	N	Y	\$600,000
1210001-001C	01	Construction	Arcata, City of	Steel Water Line Replacement	F	FALSE	16,651	5,278	SDAC	N	N	\$4,945,963
1510001-005C	12	Construction	Arvin Community Services District	123 TCP Treatment for Well No.8 and Well No. 13	C	FALSE	11,847	3,446	SDAC	N	N	\$3,115,350
1610002-003C	12	Construction	Avenal, City of	Water Meter Replacement Project	D	FALSE	16,737	1,936	SDAC	N	N	\$1,652,850
1910108-001C	15	Construction	Bell Gardens, City of	Bell Gardens Water Reservoir Construction Project	F	FALSE	5,247	1,590	SDAC	N	N	\$4,205,000
1000004-001C	23	Construction	Belmont Water Corporation	Belmont Water Corporation 1,2,3-TCP Mitigation - Construction	C	FALSE	86	46	Non-DAC	N	N	\$1,442,700
0410001-002C	21	Construction	Biggs, City of	Storage Tank and Pump Station	F	FALSE	1,805	650	DAC	N	N	\$5,000,000
3500507-001C	05	Construction	Bitterwater-Tully Union School District	Water System Upgrade	F	FALSE	55	2	Non-DAC	N	Y	\$498,000
4400751-002C	05	Construction	Bonny Doon Union Elementary School District	Bonny Doon School Water System Storage Tank Replacement	F	FALSE	165	9	Pending	N	Y	\$1,500,000
5100138-001C	21	Construction	Browns Elementary School District	Browns School Well Rehabilitation Project	A	FALSE	160	1	SDAC	N	Y	\$1,345,000
0510002-005C	10	Construction	Calaveras Public Utilities District	Rich Gulch Transmission Main Replacement	F	FALSE	4,758	1,903	SDAC	N	N	\$1,116,000
4100529-002C	17	Construction	Camp Loma Mar	Camp Loma Mar Drinking Water State Revolving Fund Construction Financing Application	C	FALSE	350	31	Pending	N	Y	\$888,000
5610024-002C	06	Construction	Casitas Municipal Water District	Casitas and Ojai Water System Consolidation	C	TRUE	65,000	3,184	Pending	N	N	\$10,000,000

Project Number <sup>2</sup>	District Number	Project Type	Applicant	Project Title / Description	Class	Consolidation Project	Population	Service Connections	Degree of Disadvantaged	Complete Application	TA Provided	Estimated/ Requested Project Costs
1800512-001C	02	Construction	Clear Creek Community Services District	Drinking Water System Improvements	C	FALSE	400	156	SDAC	N	Y	\$4,996,800
1710001-004C	03	Construction	Clearlake Oaks County Water District	Water Distribution System, Storage, and Booster Pump Station Infrastructure Project	C	FALSE	2,551	2,112	SDAC	N	Y	\$4,582,206
2000611-001C	11	Construction	Coarsegold Elementary School	COARSEGOLD ELEMENTARY GROUNDWATER TREATMENT AND WATER SYSTEMS IMPROVEMENTS PROJECT	C	FALSE	600	6	SDAC	N	Y	\$1,600,000
1710012-005C	03	Construction	Cobb Area County Water District	Adam Springs Improvement Project	F	FALSE	2,500	708	Pending	N	N	\$1,870,000
1710012-006C	03	Construction	Cobb Area County Water District	Pine Grove Improvement Project	F	FALSE	2,500	708	Pending	N	N	\$4,209,999
1710012-001C	03	Construction	Cobb Area County Water District	Pine View Heights Distribution System Improvements	F	TRUE	2,500	708	Non-DAC	N	N	\$2,130,000
1710012-003C	03	Construction	Cobb Area County Water District	Mount Hanna Distribution System Improvements	F	TRUE	2,500	708	Non-DAC	N	N	\$2,425,000
0600008-003C	21	Construction	Colusa County Waterworks District No. 1	Arsenic Compliance Project	A	FALSE	500	104	SDAC	N	Y	\$15,434,713
0610002-001C	21	Construction	Colusa, City of	City of Colusa Well Consolidation Project	D	FALSE	5,625	2,126	SDAC	N	N	\$3,495,624
0810001-004C	01	Construction	Crescent City, City of	West Park Properties Mobile Home Park Consolidation	C	TRUE	14,000	3,416	SDAC	N	Y	\$523,746
0810001-005C	01	Construction	Crescent City, City of	Butte Court Mobile Home Park Consolidation	C	TRUE	14,000	3,416	SDAC	N	Y	\$349,662
0810001-007C	01	Construction	Crescent City, City of	Northcrest MHP Consolidation Project	F	FALSE	14,000	3,416	SDAC	N	Y	\$0
0810001-008C	01	Construction	Crescent City, City of	Pine Grove MHP Consolidation Project	C	FALSE	14,000	3,416	SDAC	N	Y	\$0
5401003-001C	24	Construction	East Orosi Community Services District	New Well and Consolidation	A	TRUE	700	106	SDAC	N	Y	\$0
4710004-001C	01	Construction	Etna, City of	City of Etna - Water System Improvements Project	B	FALSE	769	383	Pending	N	Y	\$5,630,000
1010005-003C	23	Construction	Firebaugh, City of	HUD Water Storage Tank	E	FALSE	6,500	1,347	SDAC	N	Y	\$4,851,300
4710003-001C	01	Construction	Fort Jones, Town of	Water Meter Replacement	F	FALSE	675	342	SDAC	N	Y	\$1,086,460



Project Number <sup>2</sup>	District Number	Project Type	Applicant	Project Title / Description	Class	Consolidation Project	Population	Service Connections	Degree of Disadvantaged	Complete Application	TA Provided	Estimated/ Requested Project Costs
1510007-003C	19	Construction	Frazier Park Public Utility District	Frazier Park Public Utility District Pipeline Replacement Project	E	TRUE	2,348	1,362	SDAC	N	Y	\$9,851,450
1000057-001C	11	Construction	Fresno, City of	City of Fresno Regional Consolidation Project Group 1	A	FALSE	457,511	130,176	SDAC	N	Y	\$5,000,000
1000277-001C	11	Construction	Fresno, City of	City of Fresno Regional Consolidation Project Group 2	C	FALSE	457,511	130,176	DAC	N	Y	\$4,500,000
5602108-001C	06	Construction	Garden Acres Mutual Water Co	SWAN Tank B Inlet/Outlet Modernization Upgrade	F	FALSE	795	110	SDAC	N	N	\$209,036
5602108-002C		Construction	Garden Acres Mutual Water Co	Sustainable Water Assurance for the Next Generation (SWAN)	C	FALSE	795	110	SDAC	N	N	\$5,235,119
5100107-009C	21	Construction	Golden State Water Company - Robbins System	Robbins System - New Well and Arsenic Removal Treatment (Sutter Co. WWD#1)	C	FALSE	336	94	DAC	N	Y	\$3,826,475
2910001-004C	21	Construction	Grass Valley, City of	Water Distribution System Pipeline Repair and Replacement	F	FALSE	5,600	2,328	SDAC	N	N	\$5,000,000
2910001-005C	21	Construction	Grass Valley, City of	Water Treatment Plant Improvement Project	F	FALSE	5,600	2,328	SDAC	N	N	\$5,000,000
2910001-006C	21	Construction	Grass Valley, City of	Water Service, Earthquake Preparation, and Control Project	F	FALSE	5,600	2,328	SDAC	N	N	\$5,000,000
5510009-002C	11	Construction	Groveland Community Services District	GCSD Water System Improvements	F	FALSE	3,400	3,293	Non-DAC	N	Y	\$5,352,675
4700513-005C	01	Construction	Hornbrook Community Services District	Hornbrook CSD Improvement Project	F	FALSE	280	141	SDAC	N	Y	\$8,880,000
5010008-012C	10	Construction	Hughson, City of	Cobles Corner/County Villa Consolidation with City of Hughson	C	TRUE	6,082	1,779	Non-DAC	N	Y	\$4,116,274
3010053-001C	08	Construction	Huntington Beach, City of	Old Pirate Lane Consolidation Project	A	TRUE	201,000	52,358	Non-DAC	N	N	\$260,000
1010044-002C	23	Construction	Huron, City of	City of Huron Water Storage Tank Rehabilitation	F	FALSE	7,306	862	SDAC	N	N	\$5,954,000
1510017-002C	19	Construction	Indian Wells Valley Water District	Dune 3 Water Company Consolidation Project	F	TRUE	30,000	11,643	DAC	N	Y	\$2,500,000
1510017-003C	19	Construction	Indian Wells Valley Water District	Hometown Water Association Consolidation	C	FALSE	30,000	11,643	DAC	N	Y	\$270,066
D2217022		Construction	Indio Water Authority	Elms Mobile Park Consolidation Project	C	TRUE			SDAC	N	N	\$461,328

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3600222-001C	13	Construction	Juniper Riviera County Water District	Improvement Project	C	FALSE	332	168	DAC	N	Y	\$3,000,000
1400037-001C	13	Construction	Kevin McCormick and Holly Flow LLC	Foothill Mobile Home Park Water System Improvements	C	FALSE	100	48	SDAC	N	Y	\$6,000,000
1000316-001C	23	Construction	Kings Canyon Unified School District	Alta Elementary School, Riverview School, and Kings Canyon High School Water Supply Upgrade Project	C	FALSE	79	1	SDAC	N	Y	\$9,463,000
3700923-003C	14	Construction	Lake Morena's Oak Shores Mutual Water Company, Inc.	Lake Morena Views Consolidation	C	TRUE	710	191	DAC	N	Y	\$13,810,100
1510023-003C	19	Construction	Lake of The Woods Mutual Water Company	LAKE OF THE WOODS WATER SYSTEM IMPROVEMENT PROJECT (PROJECT 3)	C	TRUE	990	396	SDAC	N	Y	\$5,500,000
3700919-001C	14	Construction	Lake Wohlford Resort	Lake Wohlford Resort	C	FALSE	235	137	Pending	N	Y	\$2,000,000
4500008-002C	02	Construction	Lakeshore Villa Mutual Water Company	Lakeshore Villa MWC System Improvemtns	F	FALSE	134	48	Pending	N	Y	\$957,600
1900038-001C	16	Construction	Lancaster Park Mobile Home Park	Lancaster Park Mobile Home Project	C	FALSE	53	21	SDAC	N	Y	\$0
5400616-001C	24	Construction	Lemon Cove Sanitary District	New Well and Storage Tank Installation Project	A	FALSE	200	50	Pending	N	Y	\$6,142,021
1502164-001C	19	Construction	Llanas Camp Four Water System	Llanas Camp Four Water System Consolidation	C	TRUE	65	53	Pending	N	Y	\$4,000,000
0910007-001C	09	Construction	Lukins Brothers Water Company	Phase 2 Waterline Project - James Avenue	C	FALSE	3,168	968	DAC	N	N	\$3,309,419
0910007-004C	09	Construction	Lukins Brothers Water Company	Lukins Brothers Water Company Inc. Meter Project	D	FALSE	3,168	968	DAC	N	N	\$3,974,600
2000729-001C	11	Construction	Madera County of (CSA #16 - Sumner Hill)	Sumner Hill Water System Improvement Project	C	FALSE	135	41	Non-DAC	N	N	\$5,195,000
2000544-003C	11	Construction	Madera, County of	MD-1 Hidden Lakes Surface Water Treatment Plant	C	FALSE	150	53	Non-DAC	N	N	\$5,000,000
2010008-007C	11	Construction	Madera, County of (MD10A - Madera Ranchos)	Meter and Pipeline Replacement Project	C	TRUE	2,255	922	Non-DAC	N	N	\$36,482,438
EDWG-2010004-002C	11	Construction	Madera, County of (MD19 - Parkwood)	New Well and Pipeline Project	C	TRUE	1,240	634	SDAC	N	Y	\$5,912,523
2000561-002C	11	Construction	Madera, County of (MD8 - North Fork)	MD-8A North Fork Water System Improvements Project	C	TRUE	264	80	SDAC	N	N	\$15,248,000

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2210907-001C	11	Construction	Mariposa County Unified School District	Sierra Foothill Charter School Safe Drinking Water Project	C	FALSE	120	12	SDAC	N	Y	\$716,000
1910086-001C	16	Construction	Maywood Mutual Water Company #3	Water Quality Improvement Project	F	FALSE	9,500	2,036	SDAC	Y	N	\$2,650,000
1510013-003C	12	Construction	McFarland, City of	Water System Improvement & Treatment Project	C	FALSE	12,138	2,220	SDAC	N	N	\$26,750,204
4900551-001C	18	Construction	Melita Heights Mutual Water Company	Water Tank Replacement	F	FALSE	60	19	Pending	N	N	\$180,000
EDWG-2702317-001C	05	Construction	Mission Union Elementary School District	Long Term Solution for Nitrate Contamination	A	FALSE	100	1	SDAC	N	Y	\$1,950,000
5010010-005C	10	Construction	Modesto, City of	Riverdale Park Tract CSD Consolidation	C	FALSE	212,000	68,497	Non-DAC	N	Y	\$2,774,400
1910091-001C	16	Construction	Montebello Land and Water Company	Centralized Treatment System Project for PFAS Remediation	E	FALSE	26,554	3,937	Pending	N	N	\$9,013,254
4510002-007C	02	Construction	Mountain Gate Community Services District	Water System Improvements Project	C	FALSE	2,500	664	SDAC	N	N	\$9,999,920
3610032-005C	13	Construction	Needles, City of	New 1.5 MG Storage Tank	F	FALSE	3,631	1,832	SDAC	N	N	\$2,780,608
2100582-001C	18	Construction	Nicasio School District	Nicasio School District Water System Upgrade Project	B	FALSE	70	5	SDAC	N	N	\$225,000
3110001-001C	02	Construction	North Tahoe PUD - Main	Kings Beach Grid and Brockway Water System Improvements	F	FALSE	5,000	3,294	Pending	N	Y	\$14,000,000
5810006-002C	21	Construction	North Yuba Water District	North Yuba Meter Replacement Project	D	FALSE	5,303	695	DAC	N	N	\$3,361,000
1010023-004C	23	Construction	Orange Cove, City of	Water Treatment Plant Improvements	F	FALSE	8,500	1,450	SDAC	N	N	\$19,438,750
5610007-001C	06	Construction	Oxnard, City of	Laguna Vista Elementary School Consolidation Project	C	TRUE	192,000	37,964	Pending	N	Y	\$0
4400758-001C	05	Construction	Pajaro Valley Unified School District	Renaissance High School and Soquel Creek Consolidation	C	FALSE	250	1	SDAC	N	Y	\$0
2700771-001C	05	Construction	Pajaro/Sunny Mesa Community Services District	Springfield MWC - Nitrate	A	TRUE	200	42	SDAC	N	Y	\$8,589,000
0400060-001C	21	Construction	Palermo Union School District	Honcut School Well Project	A	FALSE	40	2	Pending	N	Y	\$776,200
1206002-001C	01	Construction	Palomino Estates M.W.C.	Palomino Estates Water System Upgrade Project	B	FALSE	64	19	SDAC	N	Y	\$2,320,000
1000345-003C	23	Construction	Panoche Water District	Drinking Water Treatment Plant	F	FALSE	27	15	Pending	N	N	\$9,340,000

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1200541-003C	01	Construction	Phillipsville Community Services District	Water Quality, Supply, and Distribution Improvements Project	C	FALSE	140	66	SDAC	N	Y	\$3,850,964
1010026-001C	11	Construction	Pinedale County Water District	Pinedale County Water District - Water Meter Project	D	FALSE	8,495	3,370	Pending	N	N	\$8,170,000
5410009-001C	12	Construction	Pixley Public Utilities District	Pixley TCP Treatment Design	C	FALSE	4,322	841	SDAC	N	Y	\$8,342,200
3110005-010C	02	Construction	Placer County Water Agency	Shady Glen Consolidation Construction Project	C	TRUE	336	120	Pending	N	N	\$3,496,061
3110005-011C	02	Construction	Placer County Water Agency	Sierra Meadows Apartment Consolidation Project	C	FALSE	87	31	Pending	N	Y	\$238,162
EDWG-5410010-019C	24	Construction	Porterville, City of	Grandview Gardens and East Plano Consolidation with Porterville	A	TRUE	55,107	15,395	SDAC	N	N	\$8,123,000
2300755-001C	03	Construction	Potter Valley Community Unified School District	PVCUSD System DWSRF Improvement	D	FALSE	295	15	Pending	N	Y	\$0
3301380-001C	20	Construction	Pueblo Unido Community Development Corporation	St. Anthony On-Site Water Distribution System	C	FALSE	250	60	SDAC	N	N	\$1,101,203
1500458-002C	19	Construction	R.S. Mutual Water Company	R.S. Mutual Water Company consolidation project	C	TRUE	67	23	SDAC	N	Y	\$538,000
4200867-001C	06	Construction	Ray Water	Ray Water Company Consolidation	C	FALSE	25	7	Pending	N	Y	\$0
4510005-001C	02	Construction	Redding, City of	City of Redding and Cascade Racquet Club Mutual Water Company	F	TRUE	85,703	26,080	Non-DAC	N	Y	\$889,705
3310028-001C	20	Construction	Riverside, County of (CSA 122- Mesa Verde)	Consolidation – Expanded Feasibility Study, Rate Study and Construction Application	C	TRUE	1,240	389	SDAC	N	Y	\$7,865,213
3600114-003C	13	Construction	San Bernardino, County of	CSA 70 W3 Hacienda Uranium Treatment Facilities	C	FALSE	695	139	DAC	N	N	\$56,000
3600226-001C	13	Construction	San Bernardino, County of	CSA 70 F Morongo Uranium Treatment Facilities	C	FALSE	450	90	DAC	N	N	\$455,000
3810011-002C	04	Construction	San Francisco, Public Utilities Commission of the City and County of	Water Service Line Replacement Project (LSL)	F	FALSE	802,650	175,154	Pending	N	N	\$38,500,000
4100513-001C	17	Construction	San Mateo, County of	Pescadero High School	A	FALSE	192	1	SDAC	N	Y	\$2,784,000
1910240-002C	22	Construction	Santa Clarita Valley Water Agency	S6, S7, and S8 Wells PFAS Treatment Facility	C	FALSE	101,000	29,924	Non-DAC	N	N	\$15,136,104

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				Improvements Project (Incentive)								
2410018-004C	11	Construction	Santa Nella County Water District	Santa Nella County Water District Surface Water Treatment Plant Improvements	C	FALSE	1,500	454	Non-DAC	N	N	\$7,694,323
4910009-001C	18	Construction	Santa Rosa, City of	City of Santa Rosa Mobile Home Park Consolidation Project	C	TRUE	157,985	54,603	Non-DAC	N	Y	\$5,588,000
5200562-001C	21	Construction	Sky View County Water District	Water System Improvement Project	C	FALSE	120	98	Pending	N	N	\$13,622,400
4900510-001C	18	Construction	South Cloverdale Water Corporation	Water Service Connection and Metering	C	FALSE	90	37	SDAC	N	Y	\$117,808
4910028-001C	18	Construction	Sweetwater Springs Water District	Monte Rio Bridge Water Main Attachment	F	FALSE	3,000	1,061	DAC	N	N	\$800,000
3110013-001C	02	Construction	Tahoe City Public Utility District	Tahoe Cedars Interconnection and Distribution Improvements	F	FALSE	2,775	1,114	Pending	N	Y	\$22,000,000
3110043-001C		Construction	Tahoe City Public Utility District	Madden Creek Interconnection and Distribution Improvements	F	FALSE			Pending	N	Y	\$13,000,000
3400172-001C	09	Construction	Tokay Park Water Company	New Production Well and Interconnection Project	A	FALSE	525	190	DAC	N	N	\$462,000
1010030-007C	23	Construction	Tranquillity Irrigation District	TID Rural Water System Improvement Project	C	FALSE	820	326	SDAC	N	N	\$4,700,000
0510001-002C	10	Construction	Union Public Utility District	Treatment Plant Backwash/Recycling and Storage Tank Aeration Project	F	FALSE	4,300	1,521	DAC	N	N	\$1,377,000
1710009-002C	03	Construction	Upper Lake County Water District	Meadow Pointe Residential Park Water System Consolidation	D	FALSE	989	370	Pending	N	Y	\$6,739,000
4900568-001C	18	Construction	Valley Ford Water Association	VFWA New Well	A	FALSE	40	16	SDAC	N	Y	\$1,500,000
5610003-001C	06	Construction	Ventura County Waterworks District No. 17	Bell Canyon Reservoir #3	C	FALSE	2,154	711	Non-DAC	N	N	\$10,400,000
1500578-003C	19	Construction	Weldon Regional Water District	Weldon Regional Water Project	E	TRUE	197	67	SDAC	N	Y	\$20,000,000
1200553-001C	01	Construction	Weott Community Services District	Water Tank Replacement and Water Treatment Improvement Project	B	FALSE	364	150	SDAC	N	Y	\$3,974,226
1503475-001C	19	Construction	Western Acres Mutual Water Company	TCP Treatment Design Project	C	FALSE	310	90	Pending	N	Y	\$0

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3610053-001C	13	Construction	Western Heights Water Company	Lead and Copper Service Lateral Replacement	E	FALSE	7,120	2,225	Pending	N	N	\$5,300,000
3301529-001C	20	Construction	Western Water Conservation	ANZA-RAMONA WATER SYSTEM IMPROVEMENT PROJECT	C	FALSE	250	106	SDAC	N	N	\$5,780,000
EDWG-1210024-004C	01	Construction	Westhaven Community Services District	Disinfection Byproduct Reduction Project	A	FALSE	490	232	DAC	N	Y	\$11,070,800
1310008-003C	14	Construction	Westmorland, City of	Westmorland Water Treatment Plant Improvements	C	FALSE	2,444	601	SDAC	N	Y	\$5,000,000
1210015-002C	06	Construction	Willow Creek Community Services District	Willow Creek CSD Brannan Mountain Water Storage Tank	F	FALSE	1,030	344	DAC	Y	N	\$2,112,750
1900961-001C	16	Construction	Winterhaven Mobile Estates	Winterhaven Mobile Estates	C	FALSE	27	20	Pending	N	Y	\$6,000,000
4900694-001C	18	Construction	Wright Elementary School District	Wright Elementary and City of Santa Rosa Water System Consolidation	E	FALSE	441	11	SDAC	N	Y	\$0
					<b>Projects =</b>	<b>192</b>			<b>Subtotal =</b>	<b>62</b>		<b>\$833,505,260</b>

**Planning Projects eligible for grant/PF under Appendices D and E, and Consolidation Projects<sup>3</sup> - Sort Order: Complete Application, Applicant, Project Number**

Project Number <sup>2</sup>	District Number	Project Type	Applicant	Project Title / Description	Class	Consolidation Project	Population	Service Connections	Degree of Disadvantaged	Complete Application	TA Provided	Estimated/ Requested Project Costs
0600121-001P	N/A	Planning	Big Sandy Rancheria of Western Mono Indians of California	Big Sandy Rancheria Water System Capital Improvement	C	FALSE	235	55	DAC	Y	Y	\$255,370
5500040-001P	11	Planning	Blue Bell Valley Mutual Water Company	The Blue Bell Valley Nitrate Removal & Water System Improvements	A	FALSE	230	90	Pending	Y	Y	\$49,000
1000206-002P	23	Planning	Central Unified School District	Houghton-Kearney K-8 School Well Project	C	FALSE	310	4	SDAC	Y	Y	\$722,000
3210009-001P	02	Planning	Chester Public Utility District	Water System Improvement Project	D	FALSE	2,088	1,209	DAC	Y	N	\$1,812,000
4510016-004P	02	Planning	Clear Creek Community Services District	Distribution Pipe Replacement	F	FALSE	8,000	2,645	SDAC	Y	N	\$231,608
4210009-001P	06	Planning	Cuyama Community Services District	Cuyama CSD Water System Capital Improvements	D	FALSE	550	254	SDAC	Y	N	\$570,000
0710007-002P	04	Planning	Diablo Water District	Willow Mobile Home Park Consolidation	F	TRUE	33,250	9,907	Pending	Y	N	\$450,000

Project Number <sup>2</sup>	District Number	Project Type	Applicant	Project Title / Description	Class	Consolidation Project	Population	Service Connections	Degree of Disadvantaged	Complete Application	TA Provided	Estimated/ Requested Project Costs
4710002-004P	01	Planning	Dunsmuir, City of	Water System Improvement Project	F	FALSE	1,923	1,285	SDAC	Y	N	\$1,419,000
4510008-002P	02	Planning	Fall River Valley Community Services District	Fall River Valley CSD Water System Improvements	D	FALSE	1,584	474	SDAC	Y	Y	\$1,845,000
3610017-001P	13	Planning	Havasu Water Company	Havasu Water Company Improvements Plan	C	FALSE	350	211	SDAC	N	N	\$442,200
0310001-001P	10	Planning	Jackson, City of	Martell Reservoir Replacement	F	FALSE	5,223	2,089	DAC	Y	N	\$495,574
3710011-001P	14	Planning	Jacumba Community Services District	Jacumba CSD Distribution System Replacement Project	F	FALSE	500	221	SDAC	Y	Y	\$228,820
5304209-001P	01	Planning	Junction City Elementary School District	Water Filtration and Treatment System Upgrade Project	F	FALSE	100	1	SDAC	Y	Y	\$232,000
5510008-014P	11	Planning	Lake Don Pedro Community Services District	Surface Water Reliability and Water Treatment Plant Modernization	F	FALSE	3,240	1,516	DAC	Y	Y	\$500,000
1810004-001P	02	Planning	Leavitt Lake Community Services District	Leavitt Lake CSD DWSRF New Well	D	FALSE	950	258	DAC	Y	Y	\$748,000
2000589-001P	11	Planning	Legacy Development, LLC	MPMH Well Replacement	A	FALSE	60	32	SDAC	Y	Y	\$500,000
2010008-005P	11	Planning	Madera, County of (MD10A - Madera Ranchos)	MD10A New Wells Improvement Planning Project	C	TRUE	2,255	922	Non-DAC	Y	N	\$3,080,433
0610003-001P	21	Planning	Maxwell Public Utility District	Water System Treatment Improvement Project	E	FALSE	1,317	393	DAC	Y	Y	\$363,300
1900147-001P	16	Planning	Mescal Creek Water, Inc.	Water System Improvements	B	FALSE	37	23	DAC			\$1,200,000
1200707-001P	01	Planning	Miranda Community services District	MCSD Tank Replacement	F	FALSE	600	143	SDAC	Y	N	\$225,000
4010005-001P	06	Planning	Oceano Community Services District	CIP Upgrade Projects	F	FALSE	7,601	2,217	DAC	Y	Y	\$488,893
5500243-001P	11	Planning	OLA Rambling Hills, LLC	Water Source Planning	F	FALSE	45	17	SDAC	Y	Y	\$500,000
5510026-001P	11	Planning	Phoenix Lake Estates Country Club Mutual Water Company	Phoenix Lake Estates Country Club Mutual Water Company Water Supply	C	FALSE	870	351	SDAC	Y	N	\$500,000
0900308-001P	09	Planning	Quintette Service Corporation	Quintette Service Corporation Infrastructure Enhancement Project	F	FALSE	68	59	SDAC	Y	Y	\$811,096

Project Number <sup>2</sup>	District Number	Project Type	Applicant	Project Title / Description	Class	Consolidation Project	Population	Service Connections	Degree of Disadvantaged	Complete Application	TA Provided	Estimated/ Requested Project Costs
5304502-001P	01	Planning	Salyer Heights Water Supply, Inc.	Salyer Heights New Water Treatment Plant & Water Tanks Project	A	FALSE	82	42	SDAC	Y	Y	\$424,750
4010028-001P	06	Planning	San Luis Obispo, County of	Shandon (CSA 16) - Water System Improvement Project	F	FALSE	1,141	351	SDAC	Y	N	\$708,871
1210010-001P	01	Planning	Scotia Community Services District	Scotia Water Treatment Facility Replacement	F	FALSE	681	304	SDAC	Y	N	\$1,133,000
3702354-001P	14	Planning	Warner Springs Estates Homeowners Association	Warner Springs Tank, Wells, and Meters Improvement Project	D	FALSE	340	287	SDAC	Y	N	\$567,500
5200014-001P	21	Planning	Wilson Acres Mutual Water Co.	Wilson Acres MWC Infrastructure Rehabilitation Project	E	FALSE	75	28	DAC	Y	N	\$275,000
2510001-001P	02	Planning	Alturas, City of	City of Alturas Drinking Water Improvement Project	F	FALSE	2,600	1,501	SDAC	N	Y	\$500,000
1200592-001P	01	Planning	Big Lagoon Community Services District	Big Lagoon Pipeline Replacement Serving the School District	F	FALSE	140	35	SDAC	N	Y	\$160,000
0600122-001P		Planning	Bishop Paiute-Shoshone Tribe	Bishop Paiute Tribe Water System Improvements	C	FALSE	2,150	748	SDAC	N	Y	\$233,932
1700561-001P	03	Planning	Blue Lakes Improvement Club Water, Inc.	Blue Lakes Water System Improvements	F	FALSE	150	43	SDAC	N	N	\$90,000
3301045-001P	20	Planning	Blythe Mobile Home Estates	Water Filtration System for Iron and Manganese Project	C	FALSE	30	23	SDAC	N	Y	\$459,000
5304109-001P	01	Planning	Burnt Ranch Estates Mutual Water Company	Water Treatment Plant & Supporting Infrastructure Upgrades	C	FALSE	53	35	SDAC	N	N	\$397,750
2500503-001P	01	Planning	California Pines Community Services District	Water System Improvements	F	FALSE	300	130		N	N	\$551,700
1710005-003P	03	Planning	California Water Service Company	California Water Service - Intake Water Quality	F	FALSE	2,870	1,280	SDAC	N	N	\$385,936
5800924-001P		Planning	Camptonville Comm. Serv. Dist	Water System Resiliency Project	C	FALSE			SDAC	N	Y	\$621,202
2510002-001P	01	Planning	Cedarville County Water District	Cedarville Capital Improvements	F	FALSE	500	265	SDAC	N	N	\$490,000
3310001-010P	20	Planning	Coachella Valley Water District	East Coachella Valley Water Supply Plan Update and Consolidation Planning Project	C	FALSE	244,472	97,789	Pending	N	N	\$2,835,234



Project Number <sup>2</sup>	District Number	Project Type	Applicant	Project Title / Description	Class	Consolidation Project	Population	Service Connections	Degree of Disadvantaged	Complete Application	TA Provided	Estimated/ Requested Project Costs
4700551-001P	01	Planning	Copco Lake Mutual Water Company	Copco Lake MWC Infrastructure Improvement	B	FALSE	181	65	DAC	N	N	\$686,000
5000005-003P	10	Planning	Crows Landing Community Services District	Crows Landing Community Services District - Water System Improvement	F	FALSE	500	138	Pending	N	Y	\$550,000
5410001-004P	24	Planning	Cutler Public Utility District	Water Supply Improvements Project	C	FALSE	6,200	1,218	SDAC	N	N	\$406,900
5410001-005P	24	Planning	Cutler Public Utility District	Surface Water Treatment Plant Project	C	FALSE	6,200	1,218	Pending	N	N	\$500,000
4400571-006P	05	Planning	Davenport County Sanitation District	Davenport Diversion Facility Upgrade Feasibility Study	F	FALSE	350	130	SDAC	N	N	\$475,000
5700623-001P	09	Planning	Davis Joint Unified School District	Fairfield Elementary School Improvements to Water Quality	A	FALSE	65	1	SDAC	N	N	\$500,000
2410006-001P	11	Planning	Delhi County Water District	Drinking Water Planning Project	E	FALSE	5,548	2,253	DAC	N	Y	\$895,650
0710007-003P	04	Planning	Diablo Water District	Bethel Island Consolidation	F	TRUE	33,250	9,907	Pending	N	N	\$4,100,000
4710002-003P	01	Planning	Dunsmuir, City of	City of Dunsmuir Crag View Water System Consolidation	C	TRUE	1,923	1,285	SDAC	N	N	\$1,396,000
1000221-002P	23	Planning	Easton Community Water System Authority	Easton Authority Water Connection Project	F	FALSE	1,150	23	SDAC	N	Y	\$102,055
5410003-001P	24	Planning	Exeter, City of	Drinking Water System Improvement Project	C	FALSE	10,334	3,317	Pending	N	Y	\$617,683
5410004-001P	24	Planning	Farmersville, City of	City of Farmersville Well Replacement and Related Improvements	F	FALSE	10,971	2,414	SDAC	N	N	\$822,000
4710003-002P	01	Planning	Fort Jones, Town of	Drinking Water Improvements Project	D	FALSE	675	342	SDAC	N	Y	\$1,743,000
1010006-001P	11	Planning	Fowler, City of	City of Fowler Water System Improvement Project	C	FALSE	6,700	1,920	DAC	N	N	\$341,200
1210008-007P	01	Planning	Garberville Sanitary District	Meadows Aerial Waterline Reconstruction Project	F	FALSE	1,500	420	SDAC	N	N	\$300,000
0410004-002P	21	Planning	Gridley, City of	Waterline Replacement Project	F	FALSE	6,403	2,077	SDAC	N	N	\$560,914
0410004-003P	21	Planning	Gridley, City of	Wilson Well Assessment	C	FALSE	6,403	2,077	DAC	N	N	\$278,605
0910006-001P	09	Planning	Grizzly Flats Community Services District	Water System Improvement Planning Project	F	FALSE	1,300	609	DAC	N	Y	\$385,000
3210010-001P	02	Planning	Hamilton Branch Community Services District	Capacity Development & Associated Infrastructure Improvements	F	FALSE	1,624	495	Non-DAC	N	Y	\$775,000

Project Number <sup>2</sup>	District Number	Project Type	Applicant	Project Title / Description	Class	Consolidation Project	Population	Service Connections	Degree of Disadvantaged	Complete Application	TA Provided	Estimated/ Requested Project Costs
4500023-001P	02	Planning	Hat Creek Highlands Mutual Water Company	DWSRF Planning Financing Application Assistance	D	FALSE	75	43	DAC	N	Y	\$500,000
1710015-007P	03	Planning	Hidden Valley Lake Community Services District	HVLCSD WaterMains Rehabilitation - Planning	F	FALSE	6,971	2,438	DAC	N	N	\$806,112
1710003-001P	03	Planning	Highlands Water Company	Highlands Water Treatment Plant and Distribution Improvements	F	FALSE	5,300	2,303	SDAC	N	N	\$500,000
1610007-003P	12	Planning	Home Garden Community Services District	Home Garden System Deficiencies Planning Project	F	FALSE	1,750	453	SDAC	N	Y	\$350,000
5000008-002P	10	Planning	Knights Ferry Community Services District	KFCSD Functioning Upgrades	F	FALSE	85	62	SDAC	N	N	\$574,600
3610045-001P	13	Planning	Lake Arrowhead Community Services District	Rimforest Planning	F	FALSE	256	298	DAC	N	Y	\$372,000
5800805-001P	21	Planning	Lake Francis Mutual Water Company	Lake Francis MWC DWSRF Planning Application	C	FALSE	60	21	DAC	N	Y	\$780,949
4700549-001P		Planning	Lake Siskiyou Mutual Water Company	Lake Siskiyou Water System Upgrades	B	FALSE	240	84	Non-DAC	N	Y	\$421,750
4500016-001P	02	Planning	Lakehead Subdivision Mutual Water Company	Lakehead Subdivision MWC Planning Application	F	FALSE	40	19	Pending	N	Y	\$0
0000000-001P		Planning	Larkin Woods Mutual Water Company	Larkin Woods MWC Capital Improvements	A	FALSE	45	18	Non-DAC	N	Y	\$322,000
2410011-001P	11	Planning	Le Grand Community Services District	Le Grand Community Services District Well Site Seven	F	FALSE	1,700	433	SDAC	N	Y	\$297,600
5301002-005P	01	Planning	Lewiston Community Services District	Bud Fine MWC and Lewiston CSD Consolidation Project	F	TRUE	150	37	SDAC	N	N	\$233,000
1800516-001P	02	Planning	Little Valley Community Services District	Little Valley CSD - Drinking Water Improvement Project	F	FALSE	26	46	DAC	N	N	\$432,500
5410017-004P	12	Planning	London Community Services District	1,2,3-TCP Compliance Improvements	C	FALSE	1,638	432	SDAC	N	N	\$500,000
2000851-001P	11	Planning	Madera, County of	MD-40 Sunset Ridge Estates Water System Improvements	E	FALSE	150	27		N	N	\$500,000
1910084-001P	16	Planning	Maywood Mutual Water Company #1	Water Quality Improvement Project	F	FALSE	5,500	1,161	SDAC	N	N	\$485,000

Project Number <sup>2</sup>	District Number	Project Type	Applicant	Project Title / Description	Class	Consolidation Project	Population	Service Connections	Degree of Disadvantaged	Complete Application	TA Provided	Estimated/ Requested Project Costs
4710006-001P	01	Planning	McCloud Community Services District	McCloud CSD Distribution System Improvements Project	F	FALSE	1,020	728	SDAC	N	N	\$500,011
1010021-002P	23	Planning	Mendota, City of	Water Supply Planning Project	E	FALSE	8,656	1,680	SDAC	N	N	\$500,000
3010097-001P	08	Planning	Midway City Mutual Water Company	Midway City Distribution System Improvements	F	FALSE	1,000	198	SDAC	N	N	\$707,000
3900805-001P	10	Planning	Morepark Properties, LP	Morehead Park CWS Meter Project	D	FALSE	300	108	SDAC	N	Y	\$50,000
1010023-006P	23	Planning	Orange Cove, City of	City of Orange Cove Water Supply Reliability Project	F	FALSE	8,500	1,450	SDAC	N	N	\$500,000
1995015-001P	07	Planning	Palmdale Water District	Alpine Mobile Home Park Consolidation and Palmdale Water District Sierra Highway Reservoir Project	C	TRUE	175	52	SDAC	N	N	\$475,000
1995015-002P	07	Planning	Palmdale Water District	Palmdale Water District Sierra Highway Reservoir Project	F	FALSE	115,525	26,797	Non-DAC	N	N	\$475,000
4110020-001P	17	Planning	Palo Alto Park MWC	PAPMWC Iron and Manganese Removal System	F	FALSE	2,500	652	SDAC	N	N	\$500,000
0310005-004P	10	Planning	Pine Grove Community Services District	Lead Abatement and Water Conservation	D	FALSE	900	361	Pending	N	Y	\$850,000
3110005-009P	02	Planning	Placer County Water Agency	Heather Glen Consolidation Planning Project	C	TRUE	250	86	SDAC	N	N	\$500,000
3110005-010P	02	Planning	Placer County Water Agency	Weimar Water Company Pipeline Project	C	FALSE	900	442	Pending	N	N	\$2,000,000
4700630-001P	01	Planning	Shasta View Heights Owners' Association, Inc.	Shasta View Heights Water System Planning Activities	D	FALSE	50	17	Pending	N	N	\$649,412
0810002-001P	01	Planning	Smith River Community Services District	Smith River Infrastructure Rehabilitation Project	F	FALSE	2,568	508	Non-DAC	N	Y	\$455,000
5110007-001P	21	Planning	Sutter Community Services District	Sutter CSD Water Storage Reservoir	C	FALSE	2,904	1,064	Non-DAC	N	N	\$276,000
3710025-001P	14	Planning	Sweetwater Authority	Sweet Water Authority Lead and Copper Rule Revisions Inventory and Identification Requirements	F	FALSE	177,630	33,396	DAC	N	N	\$2,643,155
4700531-005P	01	Planning	Tennant Community Services District	Water Distribution Replacement Project	D	FALSE	94	94	DAC	N	N	\$253,000
5400704-001P	24	Planning	Three Rivers Union School District	Three Rivers USD Drinking Water Planning Application	C	FALSE	300	1	SDAC	N	Y	\$403,000
5410014-004P	12	Planning	Tipton Community Services District	Water Supply Improvements Project	C	FALSE	1,992	592	SDAC	N	Y	\$476,500

Project Number <sup>2</sup>	District Number	Project Type	Applicant	Project Title / Description	Class	Consolidation Project	Population	Service Connections	Degree of Disadvantaged	Complete Application	TA Provided	Estimated/ Requested Project Costs
3610051-001P	13	Planning	Valley of Enchantment Mutual Water Company	Infrastructure Replacements, tanks, services lines, auto metering systems	F	FALSE	1,815	823	DAC	N	N	\$500,000
0510010-001P	10	Planning	Valley Springs Public Utility District	Distribution System Improvement Project	F	FALSE	900	276	Non-DAC	N	N	\$620,000
2900523-003P	09	Planning	Washington Water District	Water System Improvements	F	FALSE	185	112	SDAC	N	Y	\$499,120
1200553-001P	01	Planning	Weott Community Services District	Replacement of Raw and Treated Water Transmission Pipelines	B	FALSE	364	150	SDAC	N	Y	\$455,783
5410020-001P	24	Planning	Woodlake, City of	Woodlake Water Systems Improvement Project	F	FALSE	7,708	1,976	SDAC	N	N	\$832,000
5400647-001P	24	Planning	Yokohl Mutual Water Company	Yokohl Mutual Water Company Water System Improvements Project	D	FALSE	75	32	Pending	N	Y	\$335,000
					<b>Projects =</b>	<b>99</b>			<b>Subtotal =</b>	<b>28</b>		<b>\$45,065,206</b>
<b>Total Comprehensive List Projects =</b>						<b>346</b>	<b>Total =</b>				<b>\$3,373,160,400</b>	

Notes:

1. Projects eligible for grant/PF under Appendices D and E, and all consolidation incentive projects, are added to the Fundable List after the Deputy Director, or designee, deems the application complete.
2. Project numbers and project names are for administrative purposes only. DFA may assign or reassign project numbers and names as necessary to administer projects.
3. Construction Projects eligible for grant/PF under Appendices D and E are potentially eligible for DWSRF Principal Forgiveness, and DFA intends to award PF in the amounts previously discussed to projects from this group. The demand for grant/PF well exceeds the \$137.4 million in principal forgiveness available from the FFY 2023 DWSRF Base Program and General Supplemental capitalization grants.

**APPENDIX C: SFY 2023-24 DWSRF IUP Fiscal Impact Summary<sup>27,28</sup>**

	Projected SFY 2022-23	Projected SFY 2023-24	Projected SFY 2023-24	Projected SFY 2024-25	Projected SFY 2025-26	Projected SFY 2026-27
Beginning Balance (Cash + Undrawn Federal Capitalization Grants)	\$187,296,997	\$404,942,473	\$682,381,891	\$749,839,448	\$888,421,444	\$1,214,220,012
Estimated Principal Payments + Interest Earnings	\$85,970,226	\$125,952,917	\$127,679,932	\$128,089,496	\$145,160,238	\$165,482,672
Estimated SMIF <sup>29</sup> Interest Earnings	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
Estimated Federal Capitalization Grants Received <sup>30</sup> (Loan Fund)	\$220,552,000	\$280,422,000	\$298,378,000	\$318,778,000	\$318,778,000	\$55,000,000
General Fund State Match <sup>31</sup>	\$135,000,000	\$130,000,000	\$0	\$0	\$0	\$0
Estimated Bond Proceeds Received	\$0	\$0	\$0	\$0	\$0	\$0
DWSRF Revenue Bond Debt Service	(\$9,376,750)	(\$9,435,500)	(\$9,100,375)	(\$8,785,500)	(\$8,158,375)	(\$8,205,125)
New Debt Service	\$0	\$0	\$0	\$0	\$0	\$0
Estimated Disbursements <sup>32</sup>	(\$215,000,000)	(\$250,000,000)	(\$350,000,000)	(\$300,000,000)	(\$130,481,295)	\$0
Estimated Year-End Balances <sup>33</sup>	\$404,942,473	\$682,381,891	\$749,839,448	\$888,421,444	\$1,214,220,012	\$1,426,997,558

	SFY 2022-23	SFY 2023-24	SFY 2023-24	SFY 2024-25	SFY 2025-26	SFY 2026-27
Estimated Yearly Cash Flows <sup>34</sup>	\$217,645,476	\$277,439,417	\$67,457,557	\$138,581,996	\$325,798,568	\$212,777,547

<sup>27</sup> Forecast as of April 2023.

<sup>28</sup> This table reflects projected sources of DWSRF funding, including estimated future federal funds, as well as the disbursement of current executed agreements and scheduled bond debt service. Disbursements will increase and year-end cash balances will decrease over time as future fundable lists are adopted and associated agreements are executed."

<sup>29</sup> SMIF means Surplus Money Investment Fund.

<sup>30</sup> These numbers include estimates for the FFY 2023 through FFY 2026 Base and Supplemental Capitalization Grants. The forecasted capitalization grants are listed in the aggregate amounts. Principal forgiveness, if available, is included in the aggregate grant amount in the forecast.

<sup>31</sup> The Deputy Director of DFA was authorized at the March 15, 2022 Board meeting to use up to \$85 million of 2021 Budget Act Infrastructure Appropriation grant funds as state match for the CWSRF and DWSRF programs and determine the appropriate allocation. AB 180 authorized an additional \$400 million for the state share of the CWSRF and DWSRF, consistent with existing law, and the Deputy Director of DFA is authorized to determine the appropriate allocation of the additional funds appropriated by AB 180 between the CWSRF and DWSRF. The estimated \$265 million General Fund State Match includes \$35 million of the 2021 Budget Act appropriation and an additional \$230 million of AB 180 funding.

<sup>32</sup> Estimated disbursements are a forecast of the cash disbursements for projects with current executed financing agreements.

<sup>33</sup> Estimated Year End Balances represent a running total based on the previous year's ending balance.

<sup>34</sup> Estimated Yearly Cash Flows represent the projected difference between revenues and capitalization grants (inflows) and disbursements and expenses (outflows) for each year, and do not include the previous year's ending balance. Positive numbers indicate that inflows are projected to be greater than outflows for that year. Negative numbers indicate that outflows are projected to be greater than inflows for that year.

## APPENDIX D: Planning Project Grant and PF for an Eligible PWS<sup>35</sup>

Affordability Criteria <sup>36</sup>		Grant Amount	
Size	Community MHI <sup>37</sup>	Percent of Total Project Cost	Maximum Grant/PF Per Project <sup>38</sup>
≤3,300 connections or ≤10,000 persons	<80% of Statewide MHI	Up to 100%	N/A
<p>To the extent consistent with state law, this grant/PF may be awarded to the extent that DFA reasonably believes that there may be subsequent PF/grant-eligible construction project resulting from this planning/design.</p> <p>DFA may deny planning grant funding if the planning project has already been funded in part by other drinking water funding sources, including DWSRF and/or SCG DW funding.</p> <p>When DFA amends an existing agreement or approves the final budget form submitted by a recipient, the amendment or final budget approval letter may be based on current IUP criteria rather than those in place at the time of original agreement execution, at DFA’s discretion. In an amendment, DFA will not necessarily revise the determination for characteristics such as system connections and income to inform the “Type of Community” for the project, but can adjust PF/grant amounts based on the previous determinations. Prop 1 GWGP planning grant funding may be awarded to eligible DACs/SDACs of any size, but DACs must have water rates ≥1.5% MHI.</p>			

<sup>35</sup> Not applicable to ASADRA funding (see Appendix H), EC/PFAS funding (see Appendix J), or LSLR funding (see Appendix I).

<sup>36</sup> A Receiving Water System may receive a planning grant/PF to develop an Incentive Project. Any grant/PF received under a planning agreement will be subtracted from the maximum grant/PF available for the Incentive Project.

<sup>37</sup> The Deputy Director of DFA may approve planning grants/PF for Small, non-DAC Category A-D and/or consolidation projects for good cause to the extent authorized under state law.

<sup>38</sup> The maximum grant/PF for a community is based on grant/PF funding the community receives in a five-year period. This includes planning, TA, and construction funding for the community, but not GWGP funding. Funds disbursed to the community under planning will be subtracted from the maximum eligible construction grant.

## APPENDIX E: Construction Project Grant and PF Limitations for an Eligible PWS

Maximum PF, Grant or Combination Thereof Per Construction Project 39, 40				
Type of Community <sup>41</sup>	Residential Water Rates as a Percentage of MHI <sup>42</sup>	Percentage of Total Eligible Project Cost	Maximum Amount Per Connection <sup>43,44, 45</sup>	
<b>Category A – D and/or Consolidation Projects<sup>46</sup></b>				
Small DAC/SDAC; Eligible NTNC <sup>47</sup> That Serves a Small DAC/SDAC; Expanded Small DAC/SDAC; or Small Non-DAC <sup>48</sup> with MHI < 150% of Statewide MHI	N/A	up to 100%	\$60,000 <sup>48</sup>	
<b>Category A – C and/or Consolidation Projects<sup>46</sup></b>				
Medium DAC/SDAC; <sup>49</sup>	N/A	up to 100%	\$60,000 <sup>48</sup>	
<b>Category E – F Projects</b>				
Small DAC/SDAC or Eligible NTNC That Serves a Small DAC/SDAC	N/A	up to 100%	\$45,000 <sup>50</sup>	
Expanded Small DAC/SDAC	>=1.5%			
	<1.5%	Not Eligible for PF, Grant or Combination Thereof		
<b>Repayable Construction Financing Terms</b>				
Type of Community	Residential Water Rates as a Percentage of MHI	Interest Rate	Maximum Financing Term <sup>51</sup>	Local Cost Share <sup>52</sup>
Small SDAC or Eligible NTNC That Serves a Small DAC	N/A	0%	40 Years	Waived
Small DAC or Expanded Small DAC/SDAC	>=1.5%			
	<1.5%			
SDACs and DACs may be eligible for Prop. 1 GWGP drinking water treatment grants. For GWGP grants, the funding maximums provided above apply in addition to the limit for grant/PF from other funding sources. SDACs of any size may be eligible for GWGP grant funds regardless of water rates, and DACs of any size may be eligible for GWGP grant funds if residential water rates as a percentage of MHI ≥ 1.5%. For GWGP grants, DACs and SDACs of any size, including large DACs, are subject to the grant limits specified for Small DACs in the table above. No local match is required.				

<sup>39</sup> The Deputy Director of DFA has the discretion to apply grant and PF limitations from the 2022-23 DWSRF IUP, adopted June 15, 2021, to projects with complete applications submitted to DFA before March 15, 2023.

<sup>40</sup> Not applicable to ASADRA funding (see Appendix H), EC/PFAS funding (see Appendix J), or LSLR funding (see Appendix I).

<sup>41</sup> See Section I.D. of this IUP for the specific definitions of each type of community. Where a community is not currently being served by the funding recipient, eligibility for PF or grant may be based on the community that will be served by the project rather than the funding recipient, if consistent with the requirements of the funding source. If eligibility depends on rates, then adopted rates that will apply upon completion of construction may be considered. Eligibility is subject to limitations depending on the funding source. PF may only be provided to a CPUC-regulated water corporation that serves DACs with fewer than 3,300 service connections, with consideration of such system's rate of return for three fiscal years (Health & Saf. Code, section 116761.20(b)).

<sup>42</sup> For the purposes of a consolidation project, the residential water rate of the Receiving Water System may be considered. For systems that do not charge monthly water rates, including, but not limited to, migratory labor camps, mobile home parks, or tribes, residential water rates as a percentage of MHI is considered not applicable and DFA may approve State Grant/PF funding per other limitations specified above.

<sup>43</sup> The Deputy Director of DFA may approve financing for construction projects with a total eligible project cost up to \$6,000,000 regardless of the amount per connection.

<sup>44</sup> The maximum grant/PF is based on all funding the community receives in a five-year period. This includes planning, TA, interim solutions, and construction funding for the community, but not GWGP funds.

<sup>45</sup> Construction projects that receive only Prop 1 and Prop 68 grant funds shall be limited to \$5,000,000 per project (\$20,000,000 limit for projects that provide regional benefits or are shared among multiple entities).

<sup>46</sup> Funding priority will be given to Category A-D Projects and consolidation projects. For consolidation projects, grant/PF eligibility may be determined based on the Subsumed Water System, although the recipient must be eligible under the applicable funding source. Throughout this document, Category A-D Projects may include projects that will address DAC/SDAC state small water systems or domestic wells with water quality or quantity issues deemed equivalent to Category A-D to the extent eligible under the applicable funding source. To be eligible for funding for a consolidation of a state small water system or individual residences, the Receiving Water System need not be one of the specified types of communities, but must be eligible under the funding source. See section IV.A.4 for a discussion of consolidation incentives, which may be provided to Receiving Water Systems for consolidation projects apart from grant/PF for the consolidation project.

<sup>47</sup> For NTNC requirements, see section III.A.3.c

<sup>48</sup> The Deputy Director of DFA may approve up to \$80,000 per connection for good cause. For good cause, the Deputy Director of DFA may approve up to \$100,000 per connection for projects addressing compliance with a mandatory consolidation order, or addressing a system with an appointed administrator.

<sup>49</sup> Funding priority will be given to projects that serve Small DACs/SDACs and Expanded Small DACs /SDACs. Projects for Medium DACs/SDACs and eligible Small Non-DACs may receive a maximum grant of \$20 million per project, unless the Deputy Director of DFA approves a case-by-case exception for good cause.

<sup>50</sup> The Deputy Director of DFA may approve up to \$60,000 per connection for good cause.

<sup>51</sup> Financing Term shall not exceed the useful life of the facilities being financed.

<sup>52</sup> The applicant may choose to fund the remainder of the total project cost (Local Cost Share) from other sources (e.g., repayable DWSRF/Prop 1/Prop 68 financing; grant funding from sources other than the State Water Board; or other sources).

NOTES: When DFA amends an existing agreement or approves the final budget form submitted by a recipient, the amendment or final budget approval letter may be based on current IUP criteria rather than those in place at the time of original agreement execution, at DFA's discretion. In an amendment, DFA will not necessarily revise the determination for characteristics such as system connections and income to inform the "Type of Community" for the project, but can adjust PF/grant amounts based on the previous determinations. Agreements entered into during prior fiscal years based on eligibility determinations reliant on the treatment of multiple related systems as one project remain eligible for amendments, to extent the original agreement and subsequent amendments are consistent with state and federal law.

DFA may deny DWSRF/SCG DW grant, PF or a combination thereof if the construction project has already been funded in part by other drinking water funding sources, including DWSRF and SCG DW funding. Where a PWS is privately owned, DFA may also consider the private owner's assets and ability to afford a loan before otherwise awarding PF, grant or combination thereof.



## APPENDIX F: Tier II Environmental Review or CEQA Review

DWSRF projects that will generally be subject to Tier II environmental review, and thus would be excluded from federal environmental cross-cutters (see section VI.D. above), include the following<sup>53, 54</sup>. Projects funded only by State Grant funds may be subject to CEQA environmental review rather than the DWSRF SERP at the discretion of the Deputy Director of DFA.

- 1) PF/grant-eligible planning projects;
- 2) PF/grant-eligible construction projects that serve one of the following community types, as defined in this IUP:
  - a. Small DAC/SDAC;
  - b. Non-transient non-community water system that serves a Small DAC/SDAC, if the system serves solely the following:
    - i. A public K-12 school;
    - ii. A not-for-profit K-12 private school;
    - iii. A not-for-profit daycare facility;
    - iv. A not-for-profit labor camp;
    - v. A not-for-profit elder care facility; and/or
    - vi. A not-for-profit health care facility.
  - c. Expanded Small DAC/SDAC; or
  - d. Medium DAC with a Category A-C Project; or
  - e. Small Non-DAC with a Category A-D project.
- 3) Consolidation projects and non-repayable consolidation incentive projects.

Applying Tier II review to these categories of projects will promote operational efficiency. Consultation under federal environmental cross-cutters can add time to the State Water Board's review of projects that might never receive DWSRF funding, are not viable equivalency projects, or are not needed to fulfill the equivalency requirement. Projects consistent with categories identified above would undergo Tier II environmental review, and the State Water Board would not undertake federal environmental cross-cutter review on

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<sup>53</sup> The Deputy Director of DFA may designate projects in these categories as projects for which the state provides assistance in amounts up to the amount of the capitalization grant subject to Tier I environmental review and federal cross-cutters to the extent necessary to satisfy the equivalency requirement, or may require that Tier I review apply to a project to preserve eligibility for DWSRF funding.

<sup>54</sup> The Deputy Director of DFA may designate additional individual projects for Tier II environmental review for good cause.

these projects, resulting in a more expedited environmental review process for Tier II projects. Alternatively, review under CEQA rather than the SERP may be applied to State Grant funded projects at the Deputy Director's discretion .

Tier II drinking water projects include projects that are in one of the categories listed above and are in the following groups:

- Projects in the planning phase during the term of this IUP (either in an existing planning agreement or completing planning work through an approved technical assistance [TA] workplan) regardless of whether federal environmental cross-cutters are listed in the existing scope of work.
  - If federal environmental cross-cutters are part of the scope of work, the applicant/TA provider will be notified by DFA Project Manager (PM) not to prepare the relevant federal environmental cross-cutters documents.
  - PM will also notify DFA Contracts Staff of the changes to the scope of work, to amend the project financing agreement to relieve the applicant/TA provider of the obligation to prepare the relevant federal environmental cross-cutter documents.
- Projects with a complete planning application submitted to DFA or with an environmental review requested by the PM by June 30, 2023.
- Projects with complete construction applications submitted by June 30, 2023 (including environmental documents). This may include projects in which the applicant has self-funded the environmental documents.
- Projects with construction applications submitted by June 30, 2023, that had a Tier II environmental review completed under a planning agreement or TA workplan.

**APPENDIX G: FFY 2022 Estimated Federal Capitalization Grant Cash Draw Schedule**

DWSRF Base Capitalization Grant	Estimated Balance	SFY 2023-24 Projected Federal Draws				SFY 2024-25 Projected Federal Draws				SFY 2025-26 Projected Federal Draws
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
<b>Project Loans/PF</b>										
2021 grant	\$12,812,206	\$12,812,206								
2022 grant	\$45,746,060			\$45,746,060						
2023 grant	\$39,421,280					\$39,421,280				
<b>Set-Asides</b>										
FFY 2019-2022 Set-Asides*	\$26,465,112	\$4,108,567	\$4,108,567	\$4,108,567	\$4,108,567	\$2,507,711	\$2,507,711	\$2,507,711	\$2,507,711	
FFY 2023 Set-Asides*	\$13,850,720					\$712,764	\$712,764	\$712,764	\$712,764	\$10,999,663

DWSRF BIL-General Capitalization Grant	Estimated Balance	SFY 2023-24 Projected Federal Draws				SFY 2024-25 Projected Federal Draws				SFY 2025-26 Projected Federal Draws
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
<b>Project Loans/PF</b>										
2022 grant	\$158,733,000			\$52,911,000	\$52,911,000	\$52,911,000				
2023 grant	\$227,150,000							\$75,716,667	\$75,716,667	\$75,716,667
<b>Set-Asides</b>										
FFY 2022 Set-Asides*	\$34,345,580	\$2,731,250	\$2,731,250	\$2,731,250	\$2,731,250	\$5,855,145	\$5,855,145	\$5,855,145	\$5,855,145	
FFY 2023 Set-Asides*	\$59,059,000									\$59,059,000

\*Draws may also represent draws for set-asides transferred back to loan fund and expended on loans/PF

**APPENDIX H: Additional Supplemental Appropriations for  
Disaster Relief Act, 2019 (ASADRA) Supplemental Intended Use  
Plan**

**APPENDIX I: Lead Service Line Replacement Supplemental  
Intended Use Plan**

**APPENDIX J: Emerging Contaminants Supplemental Intended  
Use Plan**

## APPENDIX K: Congressionally Directed Spending for DWSRF<sup>1</sup>

Recipient and Project	Community Grant Amount	Funding Year	Water System Size	Disadvantaged Status	SWRCB Received Funding Application?	Project Number	Applicant	Project Title	Status of SWRCB Application
Adventist Health St. Helena Hospital for Napa County Deer Park/St. Helena Water System improvements	\$1,840,000.00	FFY 2022	Small	Non-DAC					
Cambria Community Services District for Water Tanks project	\$375,000.00	FFY 2022	Expanded Small	Non-DAC					
Citrus Heights Water District for Ground- water Production Well	\$585,000.00	FFY 2022	Medium	Non-DAC					
City of Dos Palos for Water Plant Clarifier Replacement and Repair	\$279,664.00	FFY 2022	Small	SDAC	Yes	2410002-003C	Dos Palos, City of	Water Treatment Plant Replacement Project	Construction agreement executed 3/15/2021.
City of Downey for Well Remediation Project	\$1,000,000.00	FFY 2022	Medium	Non-DAC					
City of Gustine for Water Loop Line Completion Project	\$950,000.00	FFY 2022	Small	DAC					
City of Lomita for Lomita Water System Improvements Project	\$940,000.00	FFY 2022	Expanded Small	Non-DAC					
City of Oxnard for a Water Transmission Line	\$500,000.00	FFY 2022	Large	Non-DAC					
City of Poway for Clearwell Bypass System Project	\$1,000,000.00	FFY 2022	Medium	Non-DAC					
City of San Buenaventura (Ventura Water) for a State Water Interconnection Project	\$2,840,000.00	FFY 2022	Medium	Non-DAC					
City of Santa Cruz for Water Meter Up- grade Program	\$1,000,000.00	FFY 2022	Medium	Non-DAC					
City of Thousand Oaks for a Water Reuse Project	\$1,500,000.00	FFY 2022	Medium	Non-DAC					
Coachella Valley Water District for Water Transmission Project	\$2,700,000.00	FFY 2022	Small	SDAC					
Earlimart Public Utility District for a well treatment improvement project.	\$1,756,416.00	FFY 2022	Small	SDAC					
East Bay Municipal Utility District for Upper San Leandro Drinking Water Treatment Plant upgrades	\$3,500,000.00	FFY 2022	Large	Non-DAC					

Recipient and Project	Community Grant Amount	Funding Year	Water System Size	Disadvantaged Status	SWRCB Received Funding Application?	Project Number	Applicant	Project Title	Status of SWRCB Application
Eastern Municipal Water District for Mead Valley Water Booster Station Replacement Project	\$1,000,000.00	FFY 2022	Large	Non-DAC					
Elsinore Valley Municipal Water District for the Canyon Lake Water Treatment Plant improvement project.	\$780,000.00	FFY 2022	Large	Non-DAC	Yes	3310012-019C	Elsinore Valley Municipal Water District	Canyon Lake Water Treatment Plan Phase 1 Improvements (PFAS)	Construction application submitted and included on 2023/24 Comprehensive List.
Ironhouse Sanitary District for Recycled Water Project	\$3,000,000.00	FFY 2022	Small	SDAC					
Pico Rivera Water Authority for PFAS Groundwater Treatment Project	\$2,500,000.00	FFY 2022	Medium	Non-DAC					
West Valley Water District for Bloomington Alleyway Pipeline Project	\$2,000,000.00	FFY 2022	Medium	Non-DAC					
City of Gustine for Tank and Booster Pump Station Improvements	\$3,000,000.00	FFY 2022	Small	DAC					
City of Sacramento for Fairbairn Ground- water Well	\$1,700,000.00	FFY 2022	Large	Non-DAC					
South Coast Water District for Doheny De- salination Plant Well Project	\$2,400,000.00	FFY 2022	Large	Non-DAC					
East Palo Alto for East Palo Alto Water Infrastructure Improvements	\$800,000.00	FFY23	Expanded Small	Non-DAC					
County of Tulare for Drinking Water Kiosks	\$200,000.00	FFY23	Large	DAC					
Woodville Public Utility District for Woodville PUD Well No. 4 Replacement	\$1,150,000.00	FFY23	Small	SDAC	Yes	5410025-001C	Woodville Public Utility District	Replacement Well Project	Construction application submitted and included on 2023/24 Comprehensive List.
City of Modesto for Grayson Well and Tank Replacement	\$1,750,000.00	FFY23	Expanded Small	DAC	Yes	5010033-001P	City of Modesto	Grayson Water Infrastructure	Planning agreement executed 6/30/2022. No construction application submitted.

Recipient and Project	Community Grant Amount	Funding Year	Water System Size	Disadvantaged Status	SWRCB Received Funding Application?	Project Number	Applicant	Project Title	Status of SWRCB Application
Allensworth Community Services District for Allensworth Well Solar Array	\$150,000.00	FFY23	Small	SDAC	Yes	5400544-001C	Allensworth Community Services District	Water System Improvement Project	Existing agreement may be amended to include solar components once the District submits additional documents.
City of Tulare for Water Delivery System	\$500,000.00	FFY23	Medium	DAC					
City of Dinuba for Well 21 Construction	\$1,500,000.00	FFY23	Expanded Small	SDAC	Yes	5410002-002C	City of Dinuba	Well #21 Project	Agreement Executed on 8/3/2022.
Carmichael Water District for Aquifer Storage and Recharge Well #2	\$2,500,000.00	FFY23	Medium	Non-DAC					
Citrus Heights Water District for the Highland Avenue Well Project	\$1,500,000.00	FFY23	Medium	DAC					
Sacramento County for a Regional Conjunctive Use Project	\$2,800,000.00	FFY23	Large	Non-DAC					
City of Oxnard for a Water Pipeline Replacement	\$2,846,400.00	FFY23	Large	Non-DAC					
Cachuma Operation and Maintenance Board for the Lake Cachuma Pumping Facility Project	\$500,000.00	FFY23	Large	Non-DAC					
City of Atwater for the Buhach Road and Gurr Road Utility Extension	\$3,000,000.00	FFY23	Medium	DAC					
Solano Irrigation District for Quail Creek Well Relocation and Associated Conveyance Facilities	\$2,824,000.00	FFY23	Large	DAC					
City of Ripon for the SSJID Surface Water Connection Project	\$3,452,972.00	FFY23	Expanded Small	Non-DAC					
Stanislaus County for a Crows Landing Water Wells Project	\$3,452,972.00	FFY23	Large	Non-DAC					
Valley Center Municipal Water District Lilac Road Pipeline Replacement Project	\$3,060,000.00	FFY23	Medium	Non-DAC	Yes	3710026-003C	Valley Center Municipal Water District	2020 Pipeline Replacement Project	Agreement executed 3/28/2022.

Recipient and Project	Community Grant Amount	Funding Year	Water System Size	Disadvantaged Status	SWRCB Received Funding Application?	Project Number	Applicant	Project Title	Status of SWRCB Application
Borrego Water District—Borrego Spring Road Transmission Main and Sun Gold Pipeline Replacement Projects	\$3,392,667.00	FFY23	Small	SDAC					
Orange County Water District PFAS Groundwater Treatment Project	\$5,000,000.00	FFY23	Medium	Non-DAC	Yes	3010046-001C	Orange County Water District/ City of Tustin	PFAS Water Treatment Plant	Construction application submitted but incomplete and included on 2023/24 Comprehensive List.
Placer County Water Agency Alta Loop Pipeline Project	\$1,000,000.00	FFY23	Small	Non-DAC					
City of Sacramento for the Shasta Ground- water Well Project	\$3,452,972.00	FFY23	Large	Non-DAC					
City of Azusa for Aspan Well Treatment and Rehabilitation	\$2,500,000.00	FFY23	Medium	Non-DAC					
City of Salinas for the Castroville Seawater Intrusion Project	\$900,000.00	FFY23	Medium	Non-DAC					
Soquel Creek Water District for a Water Reliability Improvement Project	\$1,416,000.00	FFY23	Medium	Non-DAC					
City of Hemet for the Oakland and Santa Fe Water Main Replacement Project	\$1,200,000.00	FFY23	Medium	SDAC					
Coachella Valley Water District for a Water Consolidation Project	\$3,452,972.00	FFY23	Large	SDAC	Yes	3310001-015C	Coachella Valley Water District	Valley View Mobile Home Park Consolidation Project	Construction application submitted but incomplete; included on 2023/24 Comprehensive List.
City of Santa Fe Springs for Water Well No. 12 Assessment and Treatment	\$2,200,000.00	FFY23	Expanded Small	Non-DAC					
Water Replenishment District of Southern California for Five Groundwater Well Projects	\$2,500,000.00	FFY23	Large	Non-DAC					



Recipient and Project	Community Grant Amount	Funding Year	Water System Size	Disadvantaged Status	SWRCB Received Funding Application?	Project Number	Applicant	Project Title	Status of SWRCB Application
City of Pleasanton for a PFAS Treatment and Well Rehabilitation Project	\$2,000,000.00	FFY23	Medium	Non-DAC	Yes	0110008-001C	City of Pleasanton	Per- and Polyfluoroalkyl (PFAS) Treatment and Wells Rehabilitation Project	Application incomplete and on hold as City evaluates funding alternatives; included on 2023/24 Comprehensive List.
Eastern Municipal Water District for the Well 56 & 57 PFAS Removal Project	\$3,452,972.00	FFY23	Large	Non-DAC					
City of Pomona for Groundwater Treatment R34	\$1,600,000.00	FFY23	Large	Non-DAC					
City of Chino for a Treatment Plant Groundwater Wells 4 & 6 Project	\$2,000,000.00	FFY23	Medium	Non-DAC					
City of Fowler New Well and System Inter-connection for Drought Resiliency Project	\$3,005,200.00	FFY23	Small	DAC					
City of Inglewood for a Water Main Replacement Project	\$3,452,972.00	FFY23	Medium	DAC					

Notes:

- Funding for projects identified through Congressionally directed spending will be administered by EPA. Ten of these projects have submitted an application to the State Water Board for DWSRF or complementary funding and are identified in this table. Having been selected for Congressionally directed spending does not guarantee eligibility for California's DWSRF Program or complementary funding sources.

## **ITEM #8.C**

*Update on Request for Proposal (RFP) for Well #9 Backup Generator*

# DEL PASO MANOR WATER DISTRICT

## BOARD MEETING

**DATE:** November 07, 2023

**AGENDA ITEM NO. 8.C**

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**SUBJECT:** Update on Request for Proposal (RFP) for Well #9 Backup Generator

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**STAFF CONTACT:**

Adam Coyan, General Manager

**BACKGROUND:**

The Grand Jury report released October 28th, 2021 highlighted the need to invest money in the infrastructure, capital improvement, operations, and maintenance to continue to provide a reliable and safe supply of drinking water to the rate payers.

Del Paso Manor Water District's mission is to provide safe drinking water in accordance with California and federal regulations and to maintain a reliable water supply for water consumption and fire protection.

Currently the District only has one backup generator at Well #6. Even though the District has interties with Sacramento Suburban Water District (SSWD) it is imperative that the district has a redundant system in place to accomplish its mission of supplying a reliable supply of water and fire protection.

The deadline for submitted proposals to Forsgren Associates, Inc (Engineer) was up to the hour of 4:00p.m. local time on October 16, 2023. All proposals were to be submitted via email to [bgach@forsgren.com](mailto:bgach@forsgren.com), with the subject line of "Proposal for Emergency Backup Generator for Del Paso Manor Water District Well 9". Specifications could be obtained from the Engineer beginning September 15, 2023. All questions relative to this project were to be directed to the Engineer.

The District received a total of 2 proposals. Forsgren Associates has reviewed the submitted proposals for accuracy and staff is presenting the proposals to the Board of Directors for review.

**RECOMMENDATION:**

Review, discuss and potentially approve one of the submitted proposals.

**ATTACHMENTS:**

Well 9 Backup Generator Bid Recommendation  
Request for Proposal Submitted by Holt of California  
Request for Proposal Submitted by Bay City Electric Works

**ENVIRONMENTAL IMPACT:**

This item is an update to an existing structure and does not need a CEQA review.

**FINANCIAL IMPACT:**

This item is in the current budget and the project has been approved.



October 31, 2023

Adam Coyan  
General Manager, Del Paso Manor Water District  
1814 Maryal Drive, Suite 300  
Sacramento, CA 95864

RE: Well 09 Back-up Generator – Bid Recommendation

Mr. Coyan:

We have reviewed the bids to supply the back-up generator and automatic transfer switch (ATS) for the Well 09 generator project. We recommend that the project be awarded to Bay City Electric Works (Bay City).

The RFP was posted on the Del Paso Manor Water District website on September 15, 2023, and was emailed directly to three generator suppliers. Two suppliers responded to the RFP, Bay City Electric Works and Holt of California, Inc. We received, opened, read, and evaluated the bids. The bid amounts are tabulated below.

**Bid Tabulation**

Bidder	Generator Lead Time	Generator Cost	ATS Cost	Total Cost
Bay City Electric Works	28 to 30 weeks	\$143,139.00	\$10,446.00	\$ 153,585.00
Holt of California, Inc	36 to 40 weeks	\$139,290.00	\$12,840.00	\$ 152,130.00

Both bids are consistent with our estimated costs and lead time. Our team performed a technical review of both bids (attached) to confirm they met the technical requirements of the RFP. Our recommendation to award the project to Bay City is based on the following:

- Bay City’s submittal met all minimum bid and technical requirements.
- Holt’s submittal did not meet all of the technical requirements of the RFP specifications.

Bay City’s bid included the following forms and attachments:

1. Bid Form  
The bid form includes bidder information with proper signature, seal, and contact information.
2. Bid Schedule  
The bid schedule includes the following values:

- Base Bid: \$153,585.00
- 3. Bidders Qualification Statement  
The bidder's qualification statement was completed satisfactorily and included the contractor's and business license numbers and certificates.
- 4. List of Major Equipment Manufacturers  
The List of Major Equipment Manufacturers includes suppliers of all equipment. Kohler is the generator and ATS supplier.

In addition, Bay City has more demonstrated experience than the other bidder performing this type of work in the State of California.

Please contact us if you have any questions or comments.

Sincerely,



Brynn Jensen, PE  
Project Manager

Attachments:

1. Submittal Review Response for Bay City generator package
2. Submittal Review Response for Holt generator package
3. Bay City Electric Works Proposal
4. Holt of California, Inc Proposal

# Submittal Review Response

By:	Charles Pasillas	Job Name:	Del Paso Manor, Well 9 Generator
Attention:	Brian Gach	Job No:	2121_02
Company:	Forsgren Associates	Subject:	Bay City Generator package review
Phone No:	(775) 813-6651	Date:	10/26/2023
Copy:	file	Project No:	23-05

<b>Submittal Description:</b>	Bay City generator packages
-------------------------------	-----------------------------

Submittal Review Response Required	
1. No Exceptions Noted	<input checked="" type="checkbox"/>
2. Make Corrections Noted	<input type="checkbox"/>
3. Rejected – See Comments	<input type="checkbox"/>
Review is for general compliance with the design and intent of the contract documents. Review by the Engineer does not relieve the contractor from any responsibility of the contract.	

Dear Brian,

Verus has reviewed the Submittal package from Bay City Electric Works, Rev 0 for Project No. 23-05. Comments on specific items can be found below.

### Verus Comments to Bay City Submittal Package, Rev 0

1. The Generator, it's fuel source and enclosure meet the requirements outlined in the specification. No exceptions taken.
2. The automatic transfer switch (ATS) meets the requirements outlined in the specification. No exceptions taken.

If you have any questions, please feel free to contact our office.

Sincerely,

Charles Pasillas  
 Project Manager  
[Cpasillas@VerusAEC.com](mailto:Cpasillas@VerusAEC.com)

# Submittal Review Response

By:	Charles Pasillas	Job Name:	Del Paso Manor, Well 9 Generator
Attention:	Brian Gach	Job No:	2121_02
Company:	Forsgren Associates	Subject:	Holt Generator package review
Phone No:	(775) 813-6651	Date:	10/26/2023
Copy:	file	Project No:	23-05

<b>Submittal Description:</b>	Holt generator packages
-------------------------------	-------------------------

<b>Submittal Review Response Required</b>	
1. No Exceptions Noted	<input type="checkbox"/>
2. Make Corrections Noted	<input type="checkbox"/>
3. Rejected – See Comments	<input checked="" type="checkbox"/>
Review is for general compliance with the design and intent of the contract documents. Review by the Engineer does not relieve the contractor from any responsibility of the contract.	

Dear Brian,

Verus has reviewed the Submittal package from Holt of California, Rev 0 for Project No. 23-05. Comments on specific items can be found below.

Verus Comments to Holt Submittal Package, Rev 0

1. The Generator engine model submitted does not meet the requirements outlined in specification 2.1 B. No justification provided.
2. Specification stipulations stated on 2.1 G.4 regarding USB Connections. The specification requirement is very specific in what shall be provided. The Holt declaration say they will supply standard factory USB connections but does not offer a definition of what that is.
3. Specification stipulations stated on 2.1 G.7 regarding Load Management. The Holt submittal package omits this capability based on their product not being able to meet the requirements of the specification.
4. Specification stipulations stated on 2.1 G.13 regarding Input Output capability. Holt takes exception and offers a standard Caterpillar controller but does not offer a description of its capabilities.
5. Specification stipulations stated on 2.1 G.14 regarding communications. Holt takes exception and offers a limited means for communication as opposed to that which is defined in the specification.

6. Specification stipulations stated on 2.1 G.15 regarding generator paralleling. Holt takes exception to paralleling generators. We take no exceptions to that.
7. Specification stipulations stated on 2.2 F regarding Block heater. Holt takes exception and offers a 1500 watt block heater. Based on the location of the generator, we take no exception.

If you have any questions, please feel free to contact our office.

Sincerely,

Charles Pasillas  
Project Manager  
[Cpasillas@VerusAEC.com](mailto:Cpasillas@VerusAEC.com)



## PROPOSAL

**PROPOSAL TO:**     Del Paso Manor Water District

The undersigned Proposer hereby proposes to furnish all machinery, labor, services, materials, equipment, tools, supplies, transportation, utilities, and all other items and facilities necessary to perform all work required for the project entitled "Well 9 Emergency Backup Generator Project", located in Sacramento, California in accordance with the intent of the Proposal Documents, including the specifications, drawings and all addenda issued by said Owner prior to opening of the proposals.

The undersigned proposer acknowledges receipt of the following addenda:

No.	Date Received	No.	Date Received

**Proposal Price:**

Proposer shall provide all equipment and services described in these documents as indicated below:

Total Equipment Supply Contract Price:

Item	Description	Amount (\$)
1	Natural Gas Generator	\$143,139
2	Automatic Transfer Switch	\$10,446
3	TOTAL EQUIPMENT PRICE	\$153,585

Bid prices shall be good for 90 days from bid opening date.

**PROPOSAL**

**OWNER'S RIGHTS RESERVED:** The undersigned Proposer understands that the Owner reserves the right to reject any or all proposals or waive any informality or technicality in any proposal in the interest of the Owner.

**THE ABOVE PROPOSAL IS SUBMITTED BY:**

**PROPOSER:** Bay City Electric Works  
\_\_\_\_\_  
**BY:** Rob Matthew  
\_\_\_\_\_  
**SIGNATURE:** *Rob Matthew*  
\_\_\_\_\_  
**TITLE:** Industrial Sales Executive  
\_\_\_\_\_

October 16, 2023



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REFERENCE: Well 9 Emergency Backup Generator  
EMERGENCY GENERATOR SYSTEM  
BCEW # 164655

Bay City Electric Works is pleased to offer the following Kohler generator system for your use on the referenced project. This proposal includes the equipment and testing shown on your specification section 263213-2/263623-1. The following clarifications, technical exceptions and/or exclusions are noted:

- Generator installation and material is done and supplied by others
- Any missing documentation not provided with quote will be submitted after PO is received
- Lead time on the 250REZXB is currently 28 – 30 weeks after approved release, any storage and or associated fees needed are the responsibility of others.
- 1.6 – Generator will be shipped upon completion from the factory, any storage or protection for the generator will be quoted separately if needed

**Major system components include:**

One (1) UL2200 Listed Kohler model 250REZXB natural gas powered generator set, rated for standby duty at 260 KW, .8 PF, 325 KVA, 480 volt, 3 phase, 4 wire, 60 Hertz, 1800 RPM, outdoor in weatherproof sound attenuated enclosure.

**Generator price is .....\$ 143,139.00 (Tax Not Included)**

One (1) Kohler Model KCS-AMTA-0400 Automatic Transfer Switch, rated at 400 amps, 480 volt, 3 phase, 4 wire, 3 pole, solid neutral in Nema I cabinet for indoor mounting.

**ATS price is .....\$ 10,446.00 (Tax Not Included)**

13625 Danielson Street, Poway, CA 92064 (HQ)  
8647 Helms Ave, Unit #100, Rancho Cucamonga, CA 91730  
322 Lindbergh Avenue, Livermore, CA 94551  
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REFERENCE:  
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GM250REZXB	250REZXB Generator System
GM99504-GA1	250REZXB,24V,EPA,Single Fuel,NG/LPG
222661	Nameplate Rating, Standby 130 Degree
GM20747-KA4	DECAL, UL2200/cUL GENSET LISTING
GM63599-KA116	Seismic Certification
GM65599-KA5	Seismic Anchor Plate
333708	Voltage,60Hz,277/480V,3Ph,4W,0.8PF
GM58642-MA41	Alternator, 4UA10
GM78692-MA1	Assy Unit Mtd Radiator Cooling
GM118070-MA1	Skid&Mounting
GM109256-MA1-BLK	Controller & Harness, APM603, 1200A
GM105965-AA35	Software, Base, 250REZXB
358323	Fuel Code, Natural Gas
GM87415-KA1	ENCLOSURE, SOUND
GM75287-KA6	Block Heater 208V, 1Ph, 6000W
324588	Battery,2/12V,950CCA,Wet
GM94920-KA1	Battery Charger 12/24V-10A
GM105966-AA3	Software, Param, 10A Battery Charger
253213	Generator Heater,110/120-220/240V,200W
GM71200-KA2	Prealarms, NFPA-110, APM402/603
GM105002-KA1	Failure Relay / Sgl Dry Contact
GM105002-KA3	Dry Contacts, 14 SPDT 10A&1 DPDT 2A
GM105002-KA8	Run Relay,24 VDC, 10A, 3PDT, THT
GM105966-AA9	Software, Param, 15 Relay Board
GM88179-CA1	Breaker 1 Components
GM50883-KA2	Mtg, LCB, LG-Frame, 400A, 4UA
GM51860-KA4-KCB	Covers, 4UA J-Box, LG-FRAME LCB
GM52345-KA1	Aux Contact, HD/JD/DG/MG/PG/RG/RJ Frame
GM52358-KA1	Shunt Trip, 24Vdc, H/J/LG Frame
GM52657-KA1	Alarm Switch, HD/JD/DG/PG/RJ Frames
GM55311-KA1	Overcurrent Switch, H/J/LG/P/R Frame
GM50890-KA3	Neutral, 1313A. 4UA
GM86123-KA1	Decals, Bonding & Phasing
GM86326-KA1	LCB, 400A, LGP, EL/Micro LSI, 100%
GM52984-KA21-KCB	Annunciation, GF, 24V, 4UA (APM603)
GM75390-KA1	Additional Gas Solenoid Valve
GM75495-KA1	Air Cleaner Restriction Indicator
GM28625-KA11	Coolant in Genset 47 gals.
GM77896-KA3	Rodent Guards, 4UA
GM50088	Warranty, 1 Year Standby
258811	Power Factor Test,0.8,3Ph Only

REFERENCE:  
BCEW # 164655  
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### Detailed Information

Part Number	Description
GMKCS	KCS-AMTA-0400S
GM46888-KA1	Programmable Input/Output Module
GM46258-KA1	Accessory Mounting Assembly
GM22703-KA1	User Interface Cover
GM89028-KA5	Current Sensing, 400A, 3Ph
GM59341-KA6	Seismic Cert. - Std, 260-600A
221946	Warranty - ATS, 5 Year Comprehensive
GM51453	Warranty, 1 Year Standard
362187	Export Packing-ATS 600-1200A
601-30-314	Packing material - ATS
GM28764-KA2	Door, ATS - Nema 3R
GM49947-KA1	Enclosure, ATS 150-600A Nema 1&3R
GM55307	Harness, Wiring
GM89839-MA2	DWG, ASSY ATS LOGIC
GM49544	Contact, OT, 400A, 3P, 440-480V, Solid
GM114691-KA1	ATS Field Connection - Std & Prog Trans

### Miscellaneous

Part Number	Description
PA-293906	Remote Emergency Stop Switch
GM69901-KP1	Flexible Fuel Lines
PA-343303	Gaseous Fuel Filter
GM91356-KP2	RSA III, ATS Annunciator
GM41143-KP2	Converter, Modbus to Ethernet

Jobsite inspection, initial startup, and initiation of warranty, by a Bay City Electric Works field technician during normal working hours Monday through Friday 7:00 a.m. to 4:00 p.m. Testing will utilize building load unless the specification states otherwise. Fuel for testing is excluded. Any jobsite orientation and training of operating personnel to be done at the time of startup.

Kohler limited generator warranty, effective from date of startup, for:  
1 year or 2000 hours (whichever occurs first) as published in Kohler Brochure.

Kohler limited ATS warranty, effective from date of startup, for:  
5 years as published in Kohler Brochure.

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REFERENCE:  
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System Price: FOB Factory with freight allowed to your jobsite (or office) if accessible by a semi. All deliveries are drop-shipped. Offloading and placement of equipment is excluded. All deliveries are Monday through Friday 7:00 a.m. to 4:00 p.m. Deliveries outside the normal business hours will be invoiced as necessary.

**AQMD/APCD Permit is not included. To be provided by others. Contact ProActive Consulting Group at 714-893-7900 for Permit application processing information and pricing.**

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**Quotation Notes:**

1. Applicable taxes have not been included.
2. 3% fee will be added to any payments made by credit card.
3. Air quality permit fees and compliance are excluded. Local air quality authorities may require a health risk study or environmental quality assessment. The cost for a health risk study is excluded.
4. Any additional equipment required as a result of the local Air Quality permit application will be quoted separately. Air quality requirements are ever changing and vary based on a number of factors like jobsite location and proximity to adjacent structures. BCEW is quoting the latest Tier compliant generators to meet State and Federal regulations unless otherwise noted. It is the customer or end users responsibility to obtain all permits related to the installation and operation of the equipment quoted herein. All permits must be obtained prior to installation of the equipment.

**Many air jurisdictions are discussing changing the rules regarding emissions, tier levels, aftertreatment, etc. We are quoting based on the specifications and our current understanding of the application of the air jurisdiction's rules at the time of quote.**

5. Some local AHJ's will require field inspections, additional testing, interconnection with a Fire Alarm system or BMS, or verifying functionality on certain components/alarms/monitoring. We are bidding to the plans and specifications provided and cannot cover any and all potential testing that may be requested by AHJ's. We do our best to be an expert on all local requirements but we have a huge territory and requirements are ever changing. We are bidding to a design spec for a project awarded based on pricing. It is the responsibility of the Consulting/Specifying Engineer to provide the required information to bid the project properly. Typically the testing/inspection does not require attendance by a BCEW technician but in certain instances it does. Please contact us with the specific requirements in writing that apply to your project (from your approved fire permit, County HazMat permit or your inspection corrections) once you have them and our Service Department can quote it accordingly. Tank pressure tests are required in very few areas. These are not included and will be quoted on an as

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required basis unless they are listed in the specification and specifically listed on our quote.

6. All power system studies, including short circuit analysis, protective device coordination and arc flash analysis and mitigation, are the responsibility of others-not included with this proposal.
7. Protective device calibration, testing (NETA) and setting of protective relays and CB trip units is the responsibility of others and not included with this proposal.
8. Fuel, initial fuel fill and fuel for testing is excluded.
9. No special lugs included in our quotes unless specifically identified on our proposal. You will receive the standard lugs for the provided breakers.
10. Vapor Gas Fuel System includes fuel mixer, electronic secondary gas regulator, gas solenoid valve, and flexible fuel line between the engine and the skid-mounted fuel system components. External fuel supply components are not included.
11. Prices quoted are not applicable for work subject to any state or federal prevailing wage requirements. We are an equipment supplier, not a subcontractor. Please contact your sales executive if prevailing wage still applies.
12. Quotation will be held firm for 30 days. This quote may be modified and/or rescinded by BCEW at its sole discretion unless the quote is accepted before the expiration date
13. If new tariffs or fees are imposed on certain materials after the submittal of this proposal, we reserve the right to adjust pricing if this quote is affected.

**Terms and Conditions:**

1. Terms of payment are net 30 days from factory shipment, upon approval of credit department.
2. Materials will be invoiced date of shipment from factory.
3. Acceptance of purchase order is based on materials quoted.
4. 1.5% per month on unpaid balance will be assessed if not paid within terms.
5. Terms for retention and liquidated damages will not be accepted.
6. The following charges may be assessed for cancellation of any order:
  - a. 10% of total order price if cancelled after we have provided submittals but prior to release for manufacture.
  - b. 25% of total order price if cancelled after release for manufacture, or if the equipment is already on order with the factory (Kohler paralleling switchgear is on order as soon as Submittals are requested).
  - c. 50% of total order price if cancelled less than 60 days prior to the scheduled shipment date.
  - d. 100% of total order price if cancelled after the equipment has shipped from the manufacturing plant.

REFERENCE:  
BCEW # 164655  
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**Lead Times:**

1. Most submittals can typically be provided within 2 to 3 weeks from receipt of your written hold for submittal approval (HFSA) Purchase Order. Custom enclosure drawings take 6 to 8 weeks minimum. Paralleling Switchgear Submittals are a minimum of 8 to 10 weeks.
2. Current factory lead-time for the generator is 28 - 30 weeks from written release for production. Leadtimes are estimated at time of quote and may vary at time of order.
3. Current factory lead-time for the Automatic Transfer Switch is 17 - 19 weeks from written release for production. Leadtimes are estimated at time of quote and may vary at time of order.

We appreciate this opportunity to offer our equipment for your consideration. Please call if you have any questions or if I can help in any way. Bay City Electric Works wants to be your Generator System Supplier.

Best Regards,

Rob Matthew  
Industrial Sales Executive  
**925 290 9422 cell**  
[rmatthew@bcew.com](mailto:rmatthew@bcew.com)

The authorized purchaser identified below accepts this proposal and agrees, upon acceptance of this contract by Bay City Electric Works, to purchase and pay for the equipment, accessories, and service in accordance with the terms and conditions set forth above.

Company name: \_\_\_\_\_

Purchaser name and title (please print): \_\_\_\_\_

Purchaser signature: \_\_\_\_\_

Date: \_\_\_\_\_ Purchase Order # \_\_\_\_\_

Delivery Date Requested by Purchaser: \_\_\_\_\_

If a delivery date is not provided, BCEW will postpone the release of product orders with its respective vendors until the date is provided in writing. It is the sole responsibility of the Purchaser to provide a delivery date within the current factory lead times.

**PLEASE INCLUDE PRELIM INFORMATION WHEN ISSUING A PURCHASE ORDER.**

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**Date: October 14, 2023**

**Project: Del Paso Manor Water District - Well # 9**

**Quote # ddh091823 – Sourcewell Pricing Account # 21323**

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**Holt of California, Inc is pleased to present the following quotation:**

**DG175GC - 175kW Natural Gas Generator Set \$139,290.00**

EMERGENCY/STANDBY POWER APPLICATION  
SCAQMD & EPA COMPLIANCE  
60HZ 480 VOLT (WYE)  
175kW, 60Hz, 1800rpm  
DG175-2 GC EMISSIONS CERT.  
ETL EVALUATED TO UL STD - SEISMIC CERTIFICATION  
STANDARD ELECTRONIC GOVERNOR  
FIVE-YEAR ESC (Extended Service Coverage) WARRANTY  
LOCAL & REMOTE ANNUNCIATORS NFPA99 – 110  
REMOTE EMERGENCY STOP BREAK GLASS  
105C TEMP RISE OVER 40C AMB - ALTERNATOR SPACE HEATER  
Natural Gas - GAS REGULATOR  
**SOUND ATTENUATED L2 W/SEISMIC - WHITE  
ENCLOSURE RATED @ 70.8 dBA at 23 FEET**  
EMCP4.2B CONTROL PANEL - DISCRETE I/O MODULE  
VOLT FREE CONTACT - 125A LOAD CENTER - GFCI OUTLET  
STANDARD WET BATTERY - 20A BAT. CHARGER - INSTALLED  
BATTERY DISCONNECT SWITCH  
JACKET WATER HEATER 1500W PUMP STYLE  
OIL TEMP GAUGE AND SENDER  
BREATHER HOSE HEATER - AIR FILTER RESTRICT INDICATOR  
CIRCUIT BREAKER 100% LSI 400A - STD MLCB w/Trps & Aux -  
GROUND FAULT RELAY INDICATION  
ACCEPT - REVIEW LINK IN DESC -FACTORY TEST 0.8PF  
**Start-up with a 2-hour Resistive Load Bank Test – Training Included**

**Power Systems Division**

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(209) 466-6000  
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**ASCO - 400A – 7000 Series ATS ----- \$12,840.00****Catalog Number:** J07ATSA30400N5XC

Optional Accessories 1G, 6DL, 30A, 31BG, 72EE2, 125A

7000 Series, Automatic OPEN Transition Switch

Frame = J, Switch Rating = 0400, Series = 7000

3-POLES – 480VAC, 60HZ, Three Phase, 4-wire

Neutral Configuration: Solid

1(C)-UL Type 1 Enclosure

5-Year Warranty

No. of Cables &amp; Lug Size: 1, #4 AWG to 600 MCM or (2) 1/0 AWG to 250 MCM

Estimated Shipment Period: 7 - 9 Week(s) (after final approval and release to Manufacturer)

**6DL -**

Retransfer to normal mode selector. Maintained two position selector switch permits selection of manual or automatic retransfer. Manual retransfer requires a second selector switch 6B or 6C be momentarily closed to initiate a retransfer to the normal source. While in manual retransfer mode if an emergency source failure should occur and the normal source is still available manual retransfer will be automatically bypassed. A pilot light indicates manual retransfer mode.

**72EE2 -**

5170 Quad-Ethernet Module provides transfer switch dashboard screen with password protected control capabilities, email alerts and open protocol support in a single module with an integrated 4 port Ethernet switch.

**30A -**

Load Shedding circuit to match generator capacity to the load. Customer supplied contact opens to control load shed. When the load is connected to the emergency source and the customer supplied contact opens, the transfer switch will transfer the load back to the normal source. Transfer will occur regardless of the condition of the normal source.

**31BG -** Status Relay Bundle - Provides 1 relay (3 total) for each of the following statuses, Normal Source Acceptability, Emergency Source Acceptability, Pre & Post Transfer Signal. Each relay has 2 NO/NC (Form C) sets of contacts rated for 6A at 120Vac, 250Vac Max.

**31BG –** Status Relay Bundle - Provides 1 relay (3 total) for each of the following statuses, Normal Source Acceptability, Emergency Source Acceptability, Pre & Post Transfer Signal. Each relay has 2 NO/NC (Form C) sets of contacts rated for 6A at 120Vac, 250Vac Max.

Non-Standard Cable Lugs.

**125A -**

This Product Meets Or Exceeds The Requirement Of The International Building Code For Importance Factor 1.5 Electrical Equipment. For Use In Zone 4 Or Less Severe Seismic Regions. Consult ASCO for details

**1G –** Auxiliary power connections provides for connection of external 24VDC source to power control panel when normal and emergency sources are not present. Allows for use of full range of extended engine starting time delay feature 1C (0-60min 59 sec)

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**Auto Transfer Switch Exceptions & Clarifications:**

Open Transition ATS provided. Exception to Closed Transition.

Load shed contact provided. Signal for load shed to come from external source.

Additional Metering and I/O not provided within ATS.

**(Sales tax not included in this quote)****Delivery**

Pricing includes delivery on flatbed truck, off-loading and setting Genset by customer.

Depending on time of delivery lead-time can change. Currently approximate lead-time is 36 to 40 weeks plus freight transit time from the time of the release to order genset.

**Exception and Clarification:**

**This quote is based on specifications titled Well 9 Emergency Backup Generator Project 263213 & 263623 with the following exceptions/clarifications. No other sections or single line diagrams were provided, and we take exception to any other specifications.**

**Note: The material listed in this quotation is our interpretation of the system requirements. We do not guarantee quantities, descriptions, etc. other than those shown. This quotation and Accompanying Bill of Material is to be considered as one entity. Any item not included in the Bill of Material is hereby excluded from our offer. Any deviations or additions will be subject to a revised quotation and may result in additional charges.**

**Project Specifications:**

**Liquidated damages are not included with our quote, we do not accept any liquidated damages.**

**Section 263213:**

**2.1 G. 4. – Standard factory USB connections will be supplied.**

**2.1 G. 7 – We take exception to these paragraphs. Load management is not an option for this genset and will not be supplied.**

**2.1 G. 13 – We take exception to these paragraphs. Caterpillar standard EMCP 4.2B controller will be supplied.**

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**2.1 G. 14.** – We take exception to these paragraphs. Caterpillar standard communications will be supplied that includes CAN & Modbus. BACnet and SNMP will be supplied by others not Holt of California.

**2.1 G. 15.** – We take exception to these paragraphs. This is a stand alone genset and not set up for paralleling with other gensets.

**2.2 F.** – We take exception to this paragraph. Block heater will be rated at 1500 watts.

**Natural gas supply to generator set will be supplied by others - not Holt of California. This includes proper fuel pipe sizing and pressure. Check with Holt of California for proper fuel system before installation. Holt of California takes no responsibility for proper fuel pipe sizing and installation or proper fuel pressure for starting and running generator set at full load.**

**No special lugs included in our quotes unless specifically identified on our proposal. You will receive the standard lugs for the provided breakers.**

**Load-bank testing is quoted at ground level within 100 feet of generator set connection point. Any additional distance or equipment to accommodate accessibility for load-bank testing will be at an additional price.**

**Note: Allow 3 to 4 weeks lead-time when scheduling start-up and testing.**

One (1) copy of factory standard, operations and maintenance manuals.

SUBMITTALS: Submittal drawings will be available approximately 2 to 4 weeks after receipt of purchase order.

**Local AQMD Risk Management Policy may require a risk screening analysis, which is site specific. We can supply emission data and material for your use in this process. Based on the results of the risk screening analysis the equipment proposed may or may not be acceptable at your specific site. Any additional cost for emissions devices, parts, emission tests, or modifications to generator set will be the responsibility of contractor or/and owner.**

CREDIT: Subject to approval.

CANCELLATION POLICY: Rates for change orders and / or cancellations will be consistent with those of Caterpillar, Inc. at time of order.

This quote is valid for 90 days, and the following are not included, tax, installation (including genset concrete pad design/engineering), Seismic calculations for mounting anchors or

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concrete pad, wiring, fuel, permitting, or permitting fees. FOB Job Site, unloading and placement by others. Holt of California, Inc is a material supplier, and is exempt from any contractor requirements. The engine quoted is emissions rated, but the owner/contractor is advised to inquire with the local air quality authority regarding any specific requirements for aftermarket products not included with bill of materials.

WITH APPROVED CREDIT, TERMS OF PAYMENT ARE NET (30) DAYS FROM INVOICE DATE. CUSTOMER SHALL PAY A LATE CHARGE OF 1.5% PER MONTH OF ALL AMOUNTS PAST DUE. THE PLACE OF PAYMENT IS P.O. BOX 100001, SACRAMENTO, CALIFORNIA 95813.

Thank you for this opportunity to quote **CATERPILLAR** products. Please call if we may answer any questions, or be of further service.

Sincerely,

Dave Harris  
Sales Engineer  
Power Systems Division  
916-373-4183 o  
916-826-3148 c  
916-373-4146 f  
[dharris@holtca.com](mailto:dharris@holtca.com)

- PARTIES.** This Sale Order/Quotation ("Agreement") is made by and between Holt of California or Holt Rental Services dba The CAT Rental Store as seller ("Holt") and Customer described on the front of this Agreement as buyer and is effective when signed by Holt and Customer. This Agreement may be executed and delivered by facsimile.
- SALE OF GOODS.** Seller shall transfer and deliver to Customer, and Customer shall pay for and accept, the material and equipment described on the front of this Agreement ("Goods"). The time of delivery of the Goods shall be on or about the Estimated Delivery Date, provided that Holt may change the Estimated Delivery Date without Customer's consent, and Holt shall not be liable for delays in delivery of the Goods. The place of delivery shall be Holt's place of business. Risk of loss shall pass to Customer upon delivery of the Goods to Customer or to Customer's shipper.
- INSPECTION.** Customer shall have the right to inspect the Goods at the time and place of delivery before paying for or accepting them. Upon Customer's acceptance of the Goods, Customer shall be conclusively presumed to be satisfied with the condition and conformance of the Goods.
- WAIVER/AMENDMENTS.** The failure by Holt to enforce any provision hereof shall not constitute a waiver by Holt of such provisions, nor of any subsequent breach of the same, nor of any other provision hereof. This Agreement constitutes the entire agreement between the parties, and supersedes all prior and contemporaneous agreements or understandings of the parties. No amendment shall be binding unless in writing and signed by the parties. No party has been induced to enter into this Agreement by, nor is any party relying on, any representation or warranty outside those expressly set forth in this Agreement. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in interpreting this Agreement. No agent, employee or representative of Holt has the authority to bind Holt to any representation or warranty regarding the Goods that is not contained in this Agreement.

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5. **LIMITATION OF ACTIONS.** Any action for breach of this Agreement must be commenced within one year after the facts giving rise to the cause of action. Customer waives the right to a trial by jury.
6. **ASSIGNMENT.** This Agreement may be assigned by Holt to a third party without the prior consent of Customer.
7. **ATTORNEY'S FEES.** In any litigation, arbitration or other proceeding by which one party seeks to enforce its rights under this Agreement (whether in contract, tort, or both), the prevailing party shall be awarded reasonable attorney's fees, costs, and expert witness fees.
8. **VENUE.** Any dispute that arises between the parties shall be resolved in the Superior Court of California, County of Sacramento or County of San Joaquin, California.
9. **CALIFORNIA LAW.** This Agreement, and any dispute between the parties, shall be governed by California law. If any provision of this Agreement is held to be invalid in whole or in part, the validity of the remaining provisions shall not be affected.
10. **INDEMNITY.** Customer shall take all necessary precautions regarding the Goods and protect all persons and property from injury or damage. CUSTOMER SHALL INDEMNIFY AND HOLD HOLT FREE AND HARMLESS AGAINST ANY AND ALL CLAIMS, LOSS, DAMAGE, LIABILITY, EXPENSE (INCLUDING ATTORNEY'S FEES) AND PENALTY OF ANY KIND OR NATURE WHATSOEVER, INCLUDING WITHOUT LIMITATION INJURIES OR DEATH TO PERSONS AND DAMAGE TO PROPERTY ARISING OUT OF THE USE, MAINTENANCE, OPERATION, STORAGE, INSTRUCTION, DELAY (INCLUDING ANY DELAY IN OR FAILURE OF DELIVERY), SELECTION, PURCHASE, ACCEPTANCE OR REJECTION, OWNERSHIP, CONDITION, REPAIR OR POSSESSION OF THE GOODS OR ITS HANDLING OR TRANSPORTATION EXCEPT CLAIMS ARISING THROUGH THE SOLE NEGLIGENCE OR WILLFUL MISCONDUCT OF HOLT, WHETHER ATTRIBUTABLE TO A DEFECT IN THE GOODS, THE MATERIAL USED THEREIN OR THE DESIGN, MANUFACTURE OR TESTING OF THE GOODS, REGARDLESS OF WHETHER ANY SUCH DEFECT IS DISCOVERED, OR WHETHER THE GOODS ARE IN POSSESSION OF CUSTOMER OR THE LOCATION OF THE GOODS. CUSTOMER IS FULLY AWARE AND ACKNOWLEDGES THERE IS A RISK OF INJURY OR DAMAGE ARISING OUT OF THE USE OR OPERATION OF THE GOODS AND HEREBY ELECTS TO VOLUNTARILY ASSUME ALL OF THE ABOVE RISKS OF INJURY OR DAMAGE. CUSTOMER AGREES TO RELEASE AND DISCHARGE HOLT FROM ANY AND ALL RESPONSIBILITY OR LIABILITY FROM SUCH INJURY OR DAMAGE ARISING OUT OF THE USE OR OPERATION OF THE GOODS; AND CUSTOMER FURTHER AGREES TO WAIVE, RELEASE AND DISCHARGE ANY AND ALL CLAIMS FOR INJURY OR DAMAGE AGAINST HOLT WHICH CUSTOMER OTHERWISE MAY BE ENTITLED TO ASSERT.
11. **DISCLAIMER OF WARRANTIES/WAIVER OF DAMAGES.** EXCEPT AS OTHERWISE PROVIDED IN WRITING, NO WARRANTIES OF ANY KIND, WHETHER EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, ARE OR HAVE BEEN MADE OR AUTHORIZED BY HOLT WITH RESPECT TO THE GOODS AND ALL SUCH WARRANTIES ARE EXPRESSLY DISCLAIMED BY HOLT. CUSTOMER ACKNOWLEDGES THAT IF THERE IS A WARRANTY FOR THE GOODS, IT IS PROVIDED BY THE MANUFACTURER AND NOT BY HOLT. Customer acknowledges that it has selected the Goods on the basis of its own judgment and expressly disclaims any reliance upon any statements or representation made by Holt. Holt shall not be responsible to Customer for loss of use of Goods, loss of profits, or any other consequential damages. Holt shall not be liable for failure to deliver the Goods, or for any damages resulting from the selection, installation, operation or use of the Goods. Holt's liability regarding the Goods and/or this Agreement for any damages, whether arising in contract, tort, or otherwise, shall be limited to the aggregate price of the Goods paid as of the date of the claim giving rise to the alleged damages.
12. **SECURITY INTEREST.** Customer hereby grants Holt a security interest in the Goods, including any attachments, accessions, and proceeds, to secure payment of the sales price and performance of Customer's obligations under this Agreement. Customer authorizes Holt to file such forms and documents as reasonably required by Holt to perfect its security interest, including but not limited to a UCC-1 financing statement with the California Secretary of State's Office. Holt shall have all of the rights of a secured party pursuant to the California Commercial Code until the Goods are paid in full.
13. **SUCCESSORS AND ASSIGNS.** This Agreement shall be binding on Customer and its successors and assigns without regard to changes in the form of Customer's business entity or name or membership.

**Power Systems Division**

3850 Channel Drive  
West Sacramento, CA 95691-3443  
(916) 373-4197  
(888) 373-1359 Toll Free  
(916) 373-4146 Fax

1521 West Charter Way  
Stockton, CA 95206-1112  
(209) 466-6000  
(800) 347-4658 Toll Free  
(209) 467-4658 Fax

[www.holtca.com](http://www.holtca.com)



14. **PURCHASE ORDER.** Holt shall not be bound by the terms of any purchase order issued by Customer unless signed by Holt. In the event of a conflict between any such purchase order and this Agreement, this Agreement shall control.

THE ATTACHED TERMS AND CONDITIONS ARE PART OF AND INCORPORATED IN THIS AGREEMENT. THIS AGREEMENT SHALL NOT BE CONSIDERED ENFORCEABLE UNTIL ACCEPTED BY HOLT AND EXECUTED BY ITS OFFICER. ANY INDIVIDUAL SIGNING THIS AGREEMENT REPRESENTS AND WARRANTS THAT HE/SHE IS AT LEAST 18 YEARS OLD AND HAS THE AUTHORITY TO BIND CUSTOMER TO THE TERMS OF THIS AGREEMENT.

**DATED: 10/14/2023**

**DATED:**

**HOLT OF CALIFORNIA**

**CUSTOMER**

X 

X \_\_\_\_\_

By: David D. Harris

By: \_\_\_\_\_

Title: Power Systems Sales Engineer

Title: \_\_\_\_\_

**Power Systems Division**

3850 Channel Drive  
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# Cat® DG175 GC

## SPARK-IGNITED GENERATOR SETS



Image shown may not reflect actual configuration.

## Standby/Demand Response

### 175 ekW

219 kVA – 60 Hz

- UL2200:** Evaluated by ETL to UL Standard for Safety UL2200
- CSA:** Designed in accordance to CSA22.2 standards
- NFPA:** Facilitates compliance with NFPA110
- Type 10:** Product was tested to NFPA110 Type 10

## BENEFITS & FEATURES

### CAT® GENERATOR SET PACKAGE

Cat natural gas fuel generator sets deliver dependable, clean, economical power even in the most demanding conditions. Cat generator sets are available in a wide range of configurations with optional equipment. Cat generator sets are designed, engineered, and manufactured for optimal performance. All major components are tested individually. Once assembled, the entire unit is tested at and above 100% of rated load for safety and operation. The generator set facilitates compliance with NFPA 110 and meets ISO 8528-5 requirements for transient response.

These complete, ready-to-run packages have another distinct advantage. They all come with the comprehensive service and support of Cat dealers – beginning with prompt delivery and ongoing support throughout the life of the generator set.

### ENGINES

The spark-ignited engines features include Cat air filter (dry, disposable), radiator outlet duct adapter, oil filters, flexible exhaust connection (open generator sets), and are factory filled with Caterpillar approved oil and extended life coolant.

### COOLING SYSTEM

The cooling system is designed to operate in 50°C/122°F ambient temperatures. It has been designed and tested to ensure proper generator set cooling, and includes the radiator, fan, belts, and all guarding installed as standard. Contact your Cat dealer for specific ambient and altitude capabilities.

### ALTERNATOR

Full load capacity, three-phase, 12 lead, and reconnectable alternator built for extended, dependable life. Features include permanent magnet excitation, amortisseur winding, skewed stator, voltage adjustment through the EMCP controller, Class H winding insulation, and 2/3 pitch incorporated.

### EMCP CONTROL PANELS

The Cat EMCP 4.2B control panel is fully equipped with all necessary engine gauges, AC meters, and warnings, providing expanded generator set protection and monitoring. Additional monitoring and expansion modules provide control and protection for critical installations and applications.

## SPECIFICATIONS

### ENGINE SPECIFICATIONS

Engine Model	14.2 L, In-line 6, 4-cycle
Bore x Stroke	135 mm x 165 mm (5.31 in x 6.50 in)
Displacement	14.17 L (864.71 in <sup>3</sup> )
Compression Ratio	9.5:1
Aspiration	Turbocharged-Aftercooled
Fuel System	Carburetor, Down Draft
Governor	Electronic
Fuel Type	Natural Gas
Emission Certifications	U.S. EPA Certified for Non-Emergency
Rated Engine Speed	1800 rpm

### GENERATOR SET SPECIFICATIONS

Alternator Design	Sealed Bearings, Brushless, IP21
Stator	2/3 Pitch
Poles	4
Available Voltages	120/240 VAC (1-phase) 120/208, 120/240, 277/480, 346/600 VAC (3-phase)
Frequency	60 Hz
Alternator Insulation	Class H
Voltage Regulator Type	Full Digital
Available Excitation Types	Permanent Magnet Excitation
Steady State Regulation Accuracy	± 0.25%
Harmonic Distortion	<5%



## STANDARD EQUIPMENT

<b>Engine System</b>	General: <ul style="list-style-type: none"> <li>Oil drain extension</li> <li>Air cleaner</li> <li>Fan guard</li> <li>Stainless steel flexible exhaust connection</li> <li>Critical exhaust silencer</li> <li>Factory-filled oil</li> <li>Radiator duct adapter (open set only)</li> </ul>
	Fuel System: <ul style="list-style-type: none"> <li>Primary and secondary fuel shutoff</li> <li>Flexible fuel line – NPT connection</li> </ul>
	Cooling System: <ul style="list-style-type: none"> <li>Closed coolant recovery system</li> <li>UV/ozone resistant hoses</li> <li>Factory-installed radiator</li> <li>Radiator drain extension</li> <li>50/50 ethylene glycol antifreeze</li> </ul>
	Engine Electrical System: <ul style="list-style-type: none"> <li>Battery charging alternator</li> <li>Battery cables</li> <li>Battery tray</li> <li>Solenoid activated starter motor</li> <li>Rubber-booted engine electrical connections</li> </ul>
<b>Alternator System</b>	Class H insulation material
	2/3 pitch
	Skewed stator
	Permanent magnet excitation
	Sealed bearings
	Amortisseur winding
<b>Generator Set</b>	Full-load capacity alternator
	Internal generator set vibration isolation
	Separation of circuits – high/low voltage
	Separation of circuits – multiple breakers
	Wrapped exhaust piping
	Standard factory testing
	2-year limited warranty (Standby/Demand Response rated units)
Silencer mounted in the discharge hood (enclosed only)	
<b>Enclosure (if selected)</b>	Rust-proof fasteners with nylon washers to protect finish
	High performance sound-absorbing material
	Gasketed doors
	Stamped air-intake louvers
	Air discharge hoods for radiator-upward pointing
	Stainless steel lift-off door hinges
Stainless steel lockable handles	

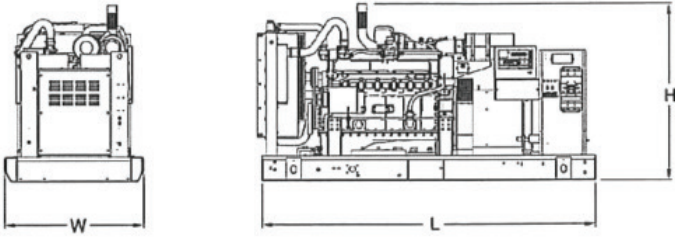
## CONFIGURABLE OPTIONS

<b>Engine System</b>	General: <ul style="list-style-type: none"> <li>Engine block heater</li> <li>Oil heater</li> <li>Air filter restriction indicator</li> <li>Stone guard (open set only)</li> </ul>
	Engine Electrical System: <ul style="list-style-type: none"> <li>20A UL battery charger</li> <li>Battery warmer</li> </ul>
<b>Alternator System</b>	Alternator upsizing
	Anti-condensation heater
	Tropical coating
<b>Generator Set</b>	Extended factory testing (3-phase only)
	8-position load center
	2-year comprehensive extended warranty
	5-year limited extended warranty
<b>Circuit Breaker Options</b>	5-year comprehensive extended warranty
	Main line circuit breaker
	2nd main line circuit breaker
	Shunt trip and auxiliary contact
<b>Enclosure</b>	Electronic trip breakers
	Standard enclosure
	Level 1 sound attenuation
	Level 2 sound attenuation
	Level 3 sound attenuation
	Steel enclosure
	Aluminum enclosure
	150 mph wind kit
	12 VDC enclosure lighting kit
	120 VAC enclosure lighting kit
AC/DC enclosure lighting kit	
<b>Control System</b>	Door alarm switch
	16-light remote annunciator
	Oil temperature sender with indication alarm
	Remote E-stop (break glass-type, surface mount)
	Remote E-stop (red mushroom-type, surface mount)
	Remote E-stop (red mushroom-type, flush mount)
	Remote communication – modem
	Remote communication – ethernet
10A run relay	
Ground fault indication and protection functions	

# DG175 GC SPARK-IGNITED GENERATOR SETS

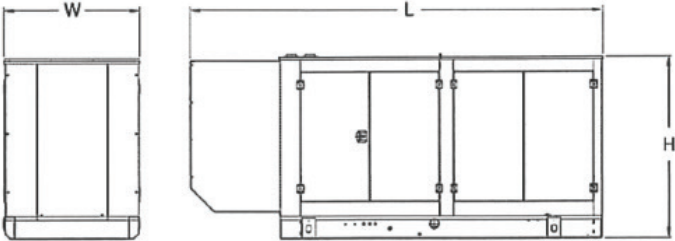


## WEIGHTS & DIMENSIONS\*



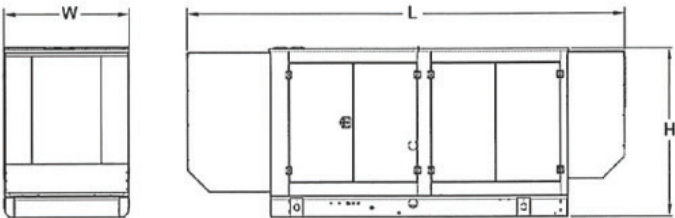
### OPEN SET (Includes Exhaust Flex)

L x W x H in (mm)	127.95 (3250) x 52.93 (1344.5) x 67.37 (1711.2)
Weight lbs (kg)	5756 (2610.9)
Sound Level (dBA*)	82.5



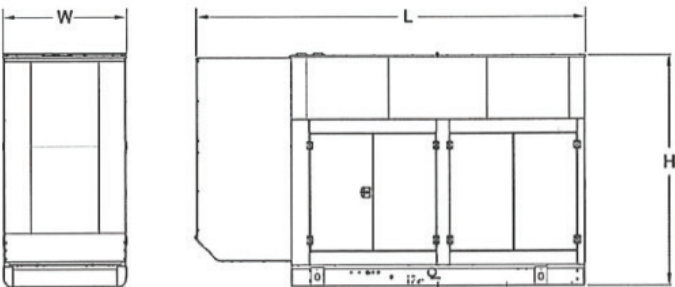
### STANDARD ENCLOSURE

L x W x H in (mm)	153.89 (3909) x 52.73 (1339.3) x 69.67 (1769.6)
Weight lbs (kg)	Steel: 6577 (2983) Aluminum: 6035 (2738)
Sound Level (dBA*)	79.9



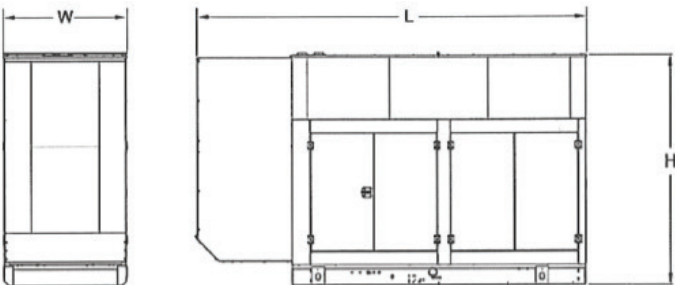
### LEVEL 1 ACOUSTIC ENCLOSURE

L x W x H in (mm)	154.45 (3922.9) x 53.96 (1370.6) x 93.40 (2372.3)
Weight lbs (kg)	Steel: 6990 (3171) Aluminum: 6176 (2801)
Sound Level (dBA*)	75.7



### LEVEL 2 ACOUSTIC ENCLOSURE

L x W x H in (mm)	154.45 (3922.9) x 53.96 (1370.6) x 93.40 (2372.3)
Weight lbs (kg)	Steel: 7236 (3282) Aluminum: 6259 (2839)
Sound Level (dBA*)	70.8



### LEVEL 3 ACOUSTIC ENCLOSURE

L x W x H in (mm)	207.2 (5264) x 63.7 (1618) x 128.90 (3275)
Weight lbs (kg)	Steel: 10602 (4809) Aluminum: 9638 (4372)
Sound Level (dBA*)	70.1

# DG175 GC SPARK-IGNITED GENERATOR SETS



## EMCP 4.2B CONTROL PANEL FEATURES:



- Control-panel-provided power metering and protective relaying along with engine and generator control and monitoring.
- Embedded with programmable logic controller (PLC) functionality, which enables the generator set to monitor and control other equipment within the operation.
- Includes inputs to collect supplementary data for the PLC to process when operating the generator set and activating external equipment. On a remote location without the ability to supply power to the battery charger, the PLC would likewise monitor the battery voltage to start and stop the machine to preserve battery, ensuring the unit is ready to run when needed.

## FINANCING

Caterpillar offers an array of financial products to help you succeed through financial service excellence. Options include loans, finance lease, operating lease, working capital, and revolving line of credit. Contact your local Cat dealer for availability in your region.

## WORLDWIDE PRODUCT SUPPORT

Cat dealers provide extensive post-sale support including maintenance and repair agreements. Cat dealers have over 1,800 dealer branch stores operating in 200 countries. The Cat S•O•S<sup>SM</sup> program effectively detects internal engine component condition, even the presence of unwanted fluids and combustion by-products.

## DEFINITIONS AND CONDITIONS

**Applicable Codes and Standards:** CSA C22.2 No 100-04, UL 489, UL 869, UL 2200, NFPA 37, NFPA 70, NFPA 99, NFPA 110, IBC, IEC60034-1, ISO3046, ISO8528, NEMA MG 1-22, NEMA MG 1-33.

**Standby/Demand Response:** Output available with varying load for the duration of the interruption of the normal source power. Average power output is 70% of the standby/demand response power rating. Typical operation is 200 hours per year, with maximum expected usage of 500 hours per year.

**Deration:** For power deration rates reference, please consult Cat LEHE1699-00.

**Ratings** are based on SAE J1349 standard conditions. These ratings also apply at ISO3046 standard conditions.

**Fuel Rates** are based on heat value for natural gas of 1015 BTU/SCF @77°F (25°C) and 328 ft (100 m) above sea level. Additional ratings may be available for specific customer requirements, contact your Cat representative for details.

**LET'S DO THE WORK.™**

[www.cat.com/electricpower](http://www.cat.com/electricpower)

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Materials and specifications are subject to change without notice.

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## **ITEM #8.D**

*Water Forum 2.0 Presentation on Interagency Agreement for Cost-Sharing for Fiscal Year (FY) 2023-2024 and FY 2024-2025*

**DEL PASO MANOR WATER DISTRICT**

**BOARD MEETING**

**DATE: November 07, 2023**

**AGENDA ITEM NO. 8.D**

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**SUBJECT: Water Forum 2.0 Presentation on Interagency Agreement for Cost-Sharing for Fiscal Year (FY) 2023-2024 and FY 2024-2025**

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**STAFF CONTACT:**

Adam Coyan, General Manager

**BACKGROUND:**

The Water Forum is a diverse group of business and agricultural leaders, citizen groups, environmentalists, water managers, and local governments working together to balance coequal objectives: Provide a reliable and safe water supply for the region's economic health and planned development through to the year 2030; and preserve the fishery, wildlife, recreational, and aesthetic values of the lower American River.

**RECOMMENDATION:**

Receive the information from the presentation on the Water Forum 2.0 agreement and provide direction to staff.

**ATTACHMENTS:**

Water Forum 2.0 Cost-Sharing Agreement

**ENVIRONMENTAL IMPACT:**

This item is not a project under Section 21065 of the California Public Resources Code, as it could not have any direct or indirect impact on the environment.

**FINANCIAL IMPACT:**

The financial impact on the District for the 2 year cost sharing agreement would be \$4,881

**Interagency Agreement  
For Cost-Sharing the Fiscal Year (FY) 2023-24 and FY 2024-25  
Water Forum 2.0 Agreement for the City of Sacramento, on behalf of the  
Sacramento City-County Office of Metropolitan Water Planning**

**THIS AGREEMENT** is made and entered into on July 1, 2023, by the City of Sacramento (on behalf of the Sacramento City-County Office of Metropolitan Water Planning<sup>1</sup>(CCOWMP), as known as the “Water Forum”); and among the agencies listed below in **Table 2** and **Table 3**.

**Table 1** provides the total potential contribution to the Water Forum 2.0 Project from funding sources outside of the Water Forum’s annual operating budget. The costs have been distributed by the partners based on a negotiated amount. Several parties, as noted, are providing funding as shown in **Table 2** for FY 23-24 and FY 24-25; and for FY 23-24 only as shown in **Table 3**. In addition, several agencies are listed in **Table 1** that are not party to this agreement, but that are contributing to the Water Forum 2.0 Project and are covered under separate agreements (**Section III**). Please see **Attachment 1** for information on the Water Forum 2.0 Project scope and budget.

<b>Table 1. Water Forum 2.0 Project Contributions By Agency Per Fiscal Year</b>			
<b>Agency</b>	<b>Amount</b>		
	<b>FY 23-24</b>	<b>FY 24-25</b>	<b>Total</b>
California-American Water Company	\$58,100	\$58,100	\$116,200
Carmichael Water District	\$16,530	\$16,530	\$33,060
Citrus Heights Water District <sup>2</sup>	\$28,629	\$28,629	\$57,258
City of Folsom	\$32,124	\$32,124	\$64,248
City of Folsom (Ashland) <sup>2</sup>	\$1,455	\$1,455	\$2,910
City of Roseville	\$52,208	\$52,208	\$104,415
City of Sacramento, Department of Utilities	\$86,571	\$86,571	\$173,141
Del Paso Manor Water District	\$2,441	\$2,441	\$4,881
East Bay Municipal District (EBMUD) <sup>1</sup>	\$12,000	\$12,000	\$24,000
El Dorado County Water Agency (EDCWA)	\$5,705	\$5,705	\$11,410
El Dorado Irrigation District	\$50,506	\$50,506	\$101,013
Fair Oaks Water District <sup>2</sup>	\$20,289	\$20,289	\$40,578
Golden State Water Company	\$24,217	\$24,217	\$48,434
Orange Vale Water Company <sup>2</sup>	\$6,124	\$6,124	\$12,248
Placer County Water Agency	\$16,324	\$16,324	\$32,649
Sacramento Area Flood Control District (SAFCA) <sup>1</sup>	\$20,000	\$20,000	\$40,000
Sacramento County Water Agency	\$58,333	\$58,333	\$116,666
Sacramento Municipal Utilities District (SMUD)	\$12,000	\$12,000	\$24,000
Sacramento Suburban Water District	\$51,699	\$51,699	\$103,398
San Juan Water District (in Sacramento County) <sup>2</sup>	\$15,246	\$15,246	\$30,491
<b>Total</b>	<b>\$570,500</b>	<b>\$570,500</b>	<b>\$1,141,000</b>

<sup>1</sup>EBMUD and SAFCA are not parties to this agreement. Funding will be provided under a separate agreement. Please see **Section III** for additional information.

<sup>2</sup>The parties have committed to fund the Water Forum 2.0 Project for FY 23-24 only and will consider FY 24-25 funding in June 2024 consistent with **Table 1**.

**Section I.**

**Funding Commitment:** The following parties have committed to fund the Water Forum 2.0 Project for FY 23-24 and FY 24-25 (**Table 2**).

<b>Table 2. Water Forum 2.0 Project Contributions for FY 23-25</b>			
<b>Agency</b>	<b>Amount</b>		
	<b>FY 23-24</b>	<b>FY 24-25</b>	<b>Total</b>
California-American Water Company	\$58,100	\$58,100	\$116,200
Carmichael Water District	\$16,530	\$16,530	\$33,060
City of Folsom	\$32,124	\$32,124	\$64,248
City of Roseville	\$52,208	\$52,208	\$104,415
City of Sacramento, Department of Utilities	\$86,571	\$86,571	\$173,141
Del Paso Manor Water District	\$2,441	\$2,441	\$4,881
El Dorado County Water Agency (EDCWA)	\$5,705	\$5,705	\$11,410
El Dorado Irrigation District	\$50,506	\$50,506	\$101,013
Golden State Water Company	\$24,217	\$24,217	\$48,434
Placer County Water Agency	\$16,324	\$16,324	\$32,649
Sacramento County Water Agency	\$58,333	\$58,333	\$116,666
Sacramento Municipal Utilities District (SMUD)	\$12,000	\$12,000	\$24,000
Sacramento Suburban Water District	\$51,699	\$51,699	\$103,398
<b>Total</b>	<b>\$466,758</b>	<b>\$466,758</b>	<b>\$933,516</b>

The following parties have committed to fund the Water Forum 2.0 Project for FY 23-24 only (**Table 3**) and will consider FY 24-25 funding in June 2024, consistent with **Table 1**.

<b>Table 3. Water Forum 2.0 Project Contributions for FY 23-24 only</b>	
<b>Agency</b>	<b>Amount</b>
	<b>FY 23-24</b>
<b>San Juan Water District Consortium<sup>1</sup></b>	
City of Folsom (Ashland)	\$1,455
Citrus Heights Water District	\$28,629
Fair Oaks Water District	\$20,289
Orange Vale Water Company	\$6,124
San Juan Water District (in Sacramento County)	\$15,246
<b>Total</b>	<b>\$71,743</b>

<sup>1</sup>San Juan Water District Consortium includes San Juan Water District, Citrus Heights Water District, Fair Oaks Water District, and Orange Vale Water Company, and the City of Folsom (Ashland).

## Section II.

**Reimbursement:** The City of Sacramento, on behalf of the CCOWMP, shall administer all consultant agreements and other expenses incurred during FY23-24 and FY 24-25 for the Water Forum 2.0 Project. The parties agree to reimburse the CCOMWP for their share of such costs, up to the amount set forth for each party in Section I, above, within 30 days after receipt of invoices.

The City of Sacramento Finance Department, on behalf of the CCOMWP, will invoice each cost-sharing partner at the beginning of each fiscal year, except in those instances where the cost-sharing partners have mutually agreed to be invoiced in another time period (i.e., quarterly invoices). It is understood and agreed that although this agreement only pertains to reimbursement for costs incurred during the period from July 1, 2023 to June 30, 2025, the Water Forum 2.0 Project could extend past June 30, 2025. Any reimbursement of costs incurred by CCOMWP after June 30, 2025 would be governed by a new or amended cost-sharing agreement.

## Section III.

**Separate Agreements:** Sacramento Area Flood Control Agency (SAFCA) and East Bay Municipal District (EBMUD) are not parties to this agreement and have entered into separate agreements with the City of Sacramento, on behalf of the CCOMWP, to pay their share of the costs identified in **Table 1**.

## Section IV.

**Changes in Terms:** Any changes in the terms of this agreement shall be approved by all parties and shall be effective when reduced to writing and signed by all parties.

## Section V.

**Indemnity:** Each party shall, to the fullest extent allowed by law, indemnify, hold harmless and defend the other party or parties, its officers and employees from any actions, liability or other expenses (including reasonable attorney fees) for any damages or injury to persons or property, occurring by reason of any negligent or wrongful act or omission by the indemnifying party, its officers or employees under this agreement.

## Section VI.

**Independent Contractors:** All contractors employed during any phase of the Water Forum 2.0 Project are independent contractors. Contractor employees assigned to perform contract work related to the Water Forum 2.0 Project are and will remain employees of the contractor and will not be considered employees of any of the signatory agencies for any reason.

## Section VII.

**Additional Terms and Conditions:** The following additional terms and conditions were agreed to by the parties to be incorporated into this funding agreement specifically for the Water Forum 2.0 Project:

1. Water Forum annual priorities, as described in the Water Forum Business Strategy (approved July 2022) will continue to include the Water Forum 2.0 Project as a top priority for the FY 23-24 and FY 24-25. Annual progress on the Business Strategy is reviewed by the Coordinating Committee and approved by the Water Forum Plenary each year by September 1<sup>st</sup>.
2. The Coordinating Committee includes two members of each caucus and meets with the Executive Director on a monthly basis to provide direction on Water Forum Successor Effort operations, including communications and implementation of the business strategy; and to approve the annual budget and work plan. In addition, the Coordinating Committee, and the City of Sacramento City



Manager or designee, will provide project oversight and approve an annual scope of work for the Water Forum 2.0 Project, which includes schedule and budget, that supports the established priorities will be submitted to the Coordinating Committee. The budget will also include look-ahead estimates for the second year.

3. The Water Forum 2.0 Project annual scope of work must be approved by the Coordinating Committee and the City of Sacramento City Manager, or designee, ahead of preparing the next fiscal year budget by March 1<sup>st</sup> each year.
4. The Coordinating Committee shall review the progress on the approved work at its regular meetings.
5. Any out-of-scope requests or technical studies are to be approved by the Coordinating Committee prior to commencement of any work and subject to adequate funding within the current budget.
6. A mid-year progress report on or before January 1<sup>st</sup> each year covering work completed and work not completed, and budget status are to be presented to the Coordinating Committee and the City Manager, or designee. Both will be presented alongside the approved annual schedule and budget.
7. If progress is not on track with annual expectations at the mid-year report, a plan for correction is to be submitted to the Coordinating Committee and the City Manager, or designee, for approval. Work may be suspended if progress is severely off-track.
8. Subsequent year funding is subject to effective progress of the previous year and agreed upon annual priorities and scope of work for the coming year.

**Section VIII.**

**Single Agreement:** This agreement may be signed in multiple counterparts, which together will constitute a single agreement.

This agreement is executed as follows:

**CALIFORNIA AMERICAN WATER COMPANY**

By: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name:

**APPROVED AS TO FORM:**

By: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name:

**ATTEST:**

By: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name:

**Section VIII.**

**Single Agreement:** This agreement may be signed in multiple counterparts, which together will constitute a single agreement.

This agreement is executed as follows:

**CARMICHAEL WATER DISTRICT**

By: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name:

**APPROVED AS TO FORM:**

By: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name:

**ATTEST:**

By: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name:

**Section VIII.**

**Single Agreement:** This agreement may be signed in multiple counterparts, which together will constitute a single agreement.

This agreement is executed as follows:

**CITY OF FOLSOM**

By: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name:

**APPROVED AS TO FORM:**

By: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name:

**ATTEST:**

By: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name:

**Section VIII.**

**Single Agreement:** This agreement may be signed in multiple counterparts, which together will constitute a single agreement.

This agreement is executed as follows:

**CITY OF ROSEVILLE**

By: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name:

**APPROVED AS TO FORM:**

By: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name:

**ATTEST:**

By: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name:

**Section VIII.**

**Single Agreement:** This agreement may be signed in multiple counterparts, which together will constitute a single agreement.

This agreement is executed as follows:

**CITY OF SACRAMENTO**

By: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name:

**APPROVED AS TO FORM:**

By: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name:

**ATTEST:**

By: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name:

**Section VIII.**

**Single Agreement:** This agreement may be signed in multiple counterparts, which together will constitute a single agreement.

This agreement is executed as follows:

**DEL PASO MANOR WATER DISTRICT**

By: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name:

**APPROVED AS TO FORM:**

By: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name:

**ATTEST:**

By: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name:

**Section VIII.**

**Single Agreement:** This agreement may be signed in multiple counterparts, which together will constitute a single agreement.

This agreement is executed as follows:

**EL DORADO COUNTY WATER AGENCY**

By: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name:

**APPROVED AS TO FORM:**

By: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name:

**ATTEST:**

By: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name:



**Section VIII.**

**Single Agreement:** This agreement may be signed in multiple counterparts, which together will constitute a single agreement.

This agreement is executed as follows:

**EL DORADO IRRIGATION DISTRICT**

By: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name:

**APPROVED AS TO FORM:**

By: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name:

**ATTEST:**

By: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name:

**Section VIII.**

**Single Agreement:** This agreement may be signed in multiple counterparts, which together will constitute a single agreement.

This agreement is executed as follows:

**GOLDEN STATE WATER COMPANY**

By: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name:

**APPROVED AS TO FORM:**

By: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name:

**ATTEST:**

By: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name:

**Section VIII.**

**Single Agreement:** This agreement may be signed in multiple counterparts, which together will constitute a single agreement.

This agreement is executed as follows:

**PLACER COUNTY WATER AGENCY**

By: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name:

**APPROVED AS TO FORM:**

By: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name:

**ATTEST:**

By: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name:

**Section VIII.**

**Single Agreement:** This agreement may be signed in multiple counterparts, which together will constitute a single agreement.

This agreement is executed as follows:

**SACRAMENTO COUNTY**

By: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name:

**APPROVED AS TO FORM:**

By: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name:

**ATTEST:**

By: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name:

**Section VIII.**

**Single Agreement:** This agreement may be signed in multiple counterparts, which together will constitute a single agreement.

This agreement is executed as follows:

**SACRAMENTO COUNTY WATER AGENCY**

By: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name:

**APPROVED AS TO FORM:**

By: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name:

**ATTEST:**

By: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name:

**Section VIII.**

**Single Agreement:** This agreement may be signed in multiple counterparts, which together will constitute a single agreement.

This agreement is executed as follows:

**SACRAMENTO MUNICIPAL UTILITIES DISTRICT**

By: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name:

**APPROVED AS TO FORM:**

By: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name:

**ATTEST:**

By: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name:

**Section VIII.**

**Single Agreement:** This agreement may be signed in multiple counterparts, which together will constitute a single agreement.

This agreement is executed as follows:

**SACRAMENTO SUBURBAN WATER DISTRICT**

By: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name:

**APPROVED AS TO FORM:**

By: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name:

**ATTEST:**

By: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name:

**Section VIII.**

**Single Agreement:** This agreement may be signed in multiple counterparts, which together will constitute a single agreement.

This agreement is executed as follows:

**SAN JUAN WATER DISTRICT CONSORTIUM**

By: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name:

**APPROVED AS TO FORM:**

By: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name:

**ATTEST:**

By: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name:



**ITEM #8.E**

*Election of Special District Representative to Sacramento LAFCo  
Nominations for Special District Commission*

**DEL PASO MANOR WATER DISTRICT**

**BOARD MEETING**

**DATE: November 07, 2023**

**AGENDA ITEM NO. 8.E**

---

**SUBJECT: Election of Special District Representative to Sacramento LAFCo  
Nominations for Special District Commission**

---

**STAFF CONTACT:**

Adam Coyan, General Manager

**BACKGROUND:**

The Special District Selection Committee is electing a regular representative and alternate to serve a new 4-year term beginning January 1, 2024.

Due to the size of the Special District Selection Committee, it has been difficult to establish a quorum when meeting in person. Therefore, the Executive Officer has determined that the business of the Special District Selection Committee will be conducted in writing to elect a regular Special District Representative to Sacramento LAFCo.

The election started on July 18, 2023 and was supposed to end on September 30<sup>th</sup>; however, a quorum of ballots has not been achieved. LAFCo is 8 ballots short of a majority of Special Districts in Sacramento voting in this election. LAFCo is exercising its ability to extend the election by no more than 60 days.

At the June 05, 2023 board meeting the election details were presented to the full board and ultimately, the Board decided not to nominate anyone.

The extended voting period will be 49 days from October 12. All votes are due in writing on or before 5:00 pm on November 30, 2023. Voting will cease on the date or whenever a quorum of Special Districts is reached.

With the election being extended, this is being brought back to the Board to possibly change their vote and choose to elect one of the candidates.

**BUDGET:**

LAFCo nomination(s) would have no effect on the district budget.

**RECOMMENDATION:**

Staff recommends the Board nominate and appoint a representative to serve as a Special District Representative to the Sacramento Local Area Formation Commission (LAFCo).

**ATTACHMENTS:**


Election of Special District Representative to Sacramento LAFCo Nominations for Special District Commission memo and nomination form



## MEMO

DATE: October 12, 2023

TO: DEL PASO MANOR COUNTY WATER DIST. Presiding Officer

FROM: José C. Henríquez, Executive Officer   
Sacramento Local Agency Formation Commission

SUBJECT: Election of Special District Representative to Sacramento LAFCo – Extension of time

The Special District Selection Committee is electing a regular representative to serve a new 4-year term beginning in January 1, 2024.

Due to the size of the Special District Selection Committee, it has been difficult to establish a quorum when meeting in person. Therefore, pursuant to the provisions of Government Code §56332(f), the Executive Officer has determined that the business of the Special District Selection Committee will be conducted in writing to elect a regular Special District Representative to Sacramento LAFCo.

The election started on July 18, 2023 and was supposed to end on September 30<sup>th</sup>; however a quorum of ballots has not been achieved. We are 8 ballots short of a majority of special districts in Sacramento voting in this election. LAFCo will exercise its ability to extend the election by no more than 60 days.

### Election of Special District Representative to LAFCO

At the time the election ends, in order to be selected as a LAFCo Representative, a nominee must receive more than fifty-percent (50%) of the submitted votes. Enclosed with this memo you will find a ballot and a copy of each candidate's Statement of Qualifications received as of the date of this memo. Please note that there is one regular (voting) seat up for election.

---

#### Commissioners

*Sue Frost, Rich Desmond, County Members* ■ *Patrick Hume, Alternate*  
*Sean Loloe, Iva Walton, City Members* ■ *Katie Valenzuela, Jay Vandenburg, Alternates*  
*Chris Little, Public Member* ■ *Timothy Murphy, Alternate*  
*Lindsey Liebig, Gay Jones, Special District Members* ■ *Charlea Moore, Alternate*

#### Staff

*José C. Henríquez, Executive Officer* ■ *Desirae Fox, Policy Analyst* ■ *Kristi Grabow, Policy Analyst*  
*Nancy Miller, DeeAnne Gillick, Commission Counsel*

The nominees, in alphabetical order, are:

- 1) Lindsey Carter, Herald Fire Protection District
- 2) Brian Danzl, Cordova Recreation & Park District
- 3) Paul Lindsey, Florin Resource Conservation District
- 4) Joanna McVay, North Highlands Recreation & Park District
- 5) Edwin Perez, Reclamation District 1000
- 6) Michael Seaman, Fulton El Camino Recreation & Park District
- 7) Robert "Bob" Wichert, Sacramento Suburban Water District

### Option of Electronic Elections

Government Code §56332(c)(4) gives LAFCo and Special Districts the option of completing the election of special district representatives via e-mail. This would be more convenient for some districts and a time/cost saver to LAFCo. In order to implement this, however, LAFCO needs to have the consent of the districts and an indication of those districts that wish to participate in this manner. There are two questions for your district to consider.

1. On the first question, a "Yes" vote means you authorize LAFCo to send out ballots via e-mail to those special districts who choose to vote electronically in future elections. A "No" vote means LAFCO should continue to distribute paper ballots to all districts and distribute them via certified mail.
2. On the second question, if a plurality of districts approves electronic voting in the first question, a "Yes" vote means you wish to receive electronic ballots in future elections and have the option to return your ballot in an electronic format (e-mail, fax or scanned ballot). A "No" vote means your district prefers to continue to receive and submit paper ballots.

*You can choose to vote "Yes" to the first question to authorize electronic distribution of ballots but vote "No" to the second if your District wants to continue to receive paper ballots.*

### Extension of Election Deadline

The extended voting period will be 49 days from October 12. All votes are due in writing on or before **5:00 pm on November 30, 2023**. Voting will cease on this date or whenever a quorum of special districts is reached, whichever occurs later. Please do not forget to have the Board President, or Chair, or the presiding officer of the board meeting in which you made your selection sign the returned ballot.

**District managers or other staff members may not substitute their signature for Board President, or Chair, or the presiding officer's signature.**

Thank you for your time and please feel free to contact me or any member of my staff at 916-874-2937 if you have any questions.



**Mail to: LAFCO**  
**1112 I Street, Suite 100**  
**Sacramento, CA 95814**

# ELECTION BALLOT

## Special District Representative to LAFCo Regular Seat #7

**The election ends on November 30, 2023 at 5:00 p.m. or until a quorum of  
 Special District ballots is received, whichever occurs later.**

Candidate & District	Select one (1)
Lindsey Carter, Herald Fire Protection District	
Brian Danzl, Cordova Recreation & Park District	
Paul Lindsay, Florin Resource Conservation District	
Joanna McVay, North Highlands Recreation & Park District	
Edwin Perez, Reclamation District #1000	
Michael Seaman, Fulton-El Camino Recreation & Park District	
Robert "Bob" Wichert, Sacramento Suburban Water District	

*LAFCo and Special Districts have the option of completing the election of special district representatives via e-mail. Does your district approve of LAFCo distributing electronic ballots to districts that wish to receive them in the future?*

Yes       No

*If so, in the future does your district prefer to receive its ballot via e-mail and submit its vote electronically (via fax, e-mail or scanned ballot)?*

Yes       No

if Yes, ballots should be sent to e-mail address: \_\_\_\_\_

**BALLOT CONTINUES ON THE NEXT PAGE**

**Commissioners**

*Sue Frost, Rich Desmond, County Members ■ Patrick Hume, Alternate*  
*Iva Walton, Sean Loloee, City Members ■ Jay Vandenburg, Katie Valenzuela, Alternates*  
*Chris Little, Public Member ■ Timothy Murphy, Alternate*  
*Lindsey Liebig, Gay Jones, Special District Members ■ Charlea Moore, Alternate*

**Staff**

*José C. Henríquez, Executive Officer ■ Desirae Fox, Policy Analyst ■ Kristi Grabow, Policy Analyst*  
*Nancy Miller, DeeAnne Gillick, Commission Counsel*

**SIGNATURE OF PRESIDING OFFICER (Original Signature Required):**

\_\_\_\_\_  
«Agency»

**Note: Presiding Officer is the Chair/President. Any other signature invalidates this ballot, unless accompanied by Meeting Minutes designating an alternate.**

**PRINTED NAME OF PRESIDING OFFICER (Required):**

\_\_\_\_\_  
«Agency»

**AGENDA ATTACHED (Optional):** Yes \_\_\_\_ No \_\_\_\_

**Attest:**

\_\_\_\_\_  
**District Secretary, Clerk or General Manager**

## **ITEM #8.F**

*Finance AdHoc Committee Presentation and Recommendation*

## DEL PASO MANOR WATER DISTRICT

### BOARD MEETING

DATE: November 07, 2023

AGENDA ITEM NO. 8.F

---

SUBJECT: Finance AdHoc Committee Presentation and Recommendation

---

**STAFF CONTACT:**

Director Ross and Director Dolk, Finance AdHoc Committee

**BACKGROUND:**

The board recognizes the importance of reviewing our banking relationships, costs, and online access. At the April 17, 2023 regular board meeting, staff requested an AdHoc committee be appointed to research account options and details for transfer from Bank of the West and allowing for online viewing access. President Saunders appointed Director Ross and Director Dolk to the AdHoc committee.

The Del Paso Manor Water District Bank of the West/BMO revenue account has been incurring \$2,000.00 (\$1,932.00 22/23 actual) in annual banking fees. The account limits online access to specified board members and not to our office staff and CPA limiting account information to monthly statements. Different options for better access to account information have been explored with Bank of the West/BMO, but to date have been unsuccessful in implementation.

The Finance AdHoc Committee researched local area financial institutions for the following:

- Banking fees
- Customer access to bank management
- Online access options for staff and accountant
- Geographic proximity to the DPMWD office
- Check scanner systems
- Access to Sweep accounts
- Deposit charges

Financial institutions researched were:

- Chase Bank
- First US Credit Union
- Five Star Bank
- River City Bank
- US Bank
- Wells Fargo Bank



**BUDGET:**

The transfer to a new financial institution will reduce our monthly banking fees and therefore have minor positive effect on the district budget. This reduction of fees may be slightly offset should a check scanning system be implemented.

**RECOMMENDATION:**

The finance AdHoc committee recommends moving the revenue checking account from Bank of the West/BOM to Chase Bank and after a reasonable transition period the account at Bank of the West/BMO be closed.

**ATTACHMENTS:**

Finance AdHoc Committees Banking Information

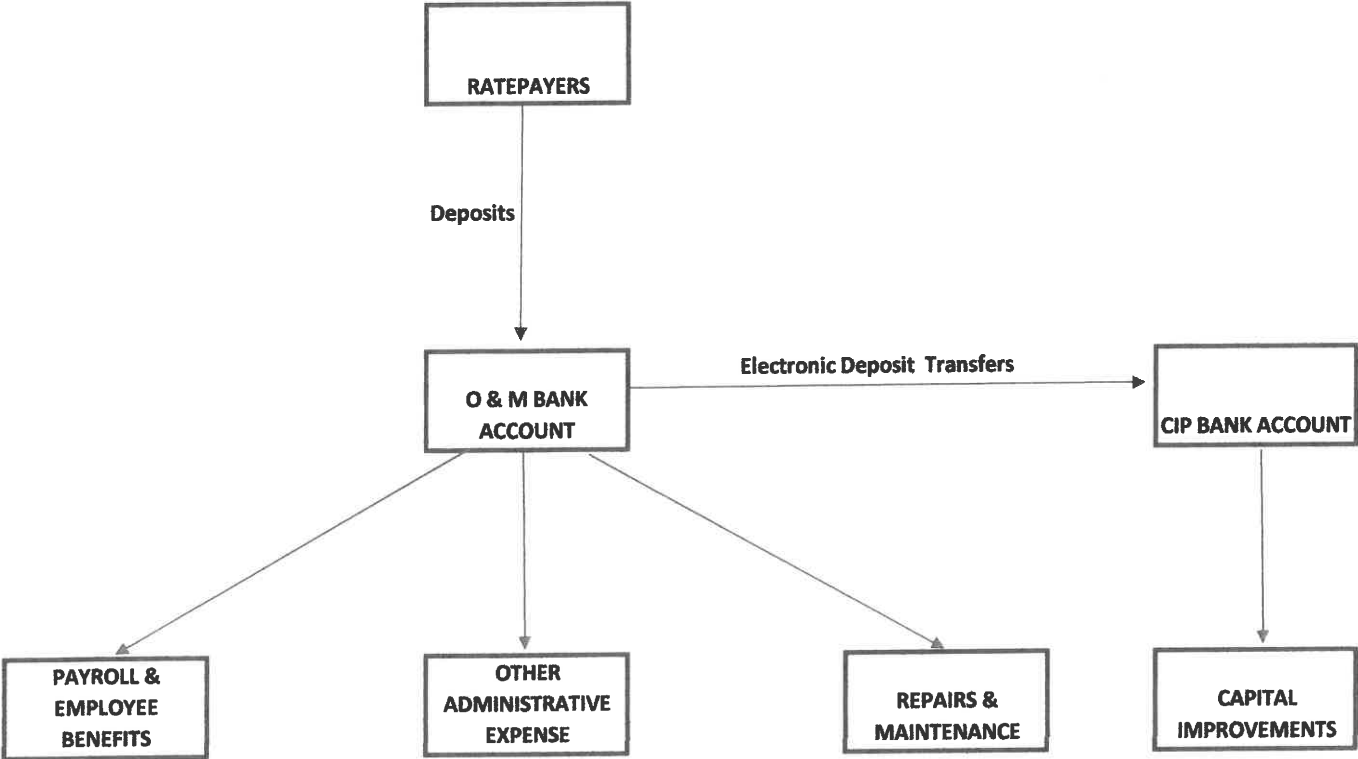
**DEL PASO MANOR WATER DISTRICT  
AD HOC COMMITTEE ON BANKING  
TUESDAY, NOVEMBER 7, 2023**

**PRESENTERS:**

**CARL DOLK**

**DAVE ROSS**

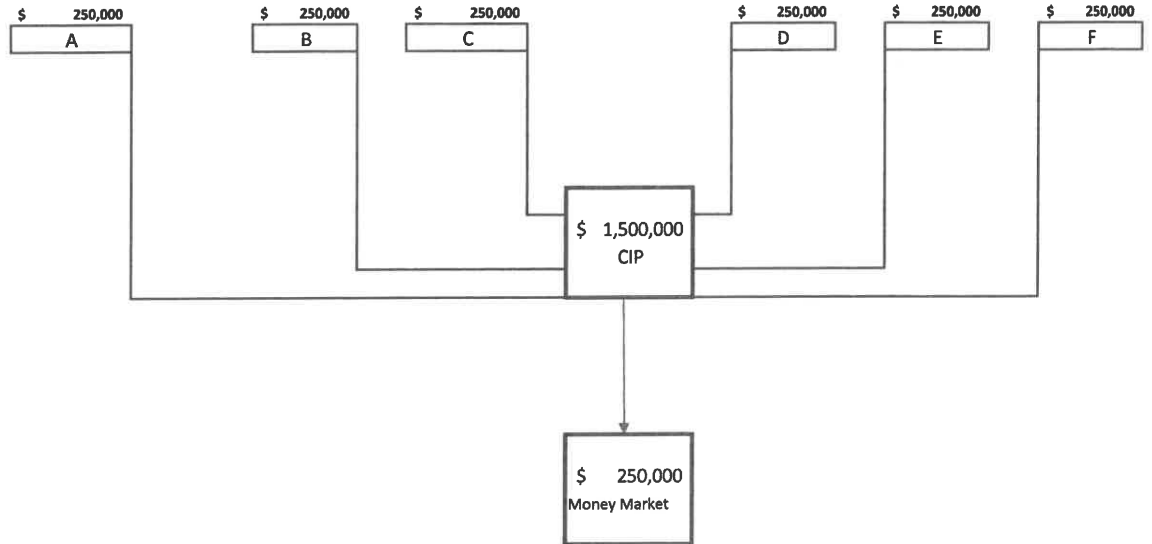
**DEL PASO MANOR WATER DISTRICT  
AD HOC COMMITTEE  
PROPOSED FLOW OF FUNDS**



**DEL PASO MANOR WATER DISTRICT  
AD HOC COMMITTEE  
CHECKING ACCOUNT FOR OPERATIONS & MAINTENANCE**

	<u>CHASE</u>	<u>FIVE STAR</u>	<u>RIVER CITY</u>
<b>SERVICES:</b>			
ONLINE BANKING	YES	YES	YES
CHECKING	YES	YES	YES
POSITIVE PAY	YES	YES	YES
ACH	YES	YES	YES
WIRES	YES	YES	YES
CHECK SCANNER	YES	YES	YES
<b>TOTAL MONTHLY FEES</b>	<b>\$ 55</b>	<b>\$ 309</b>	<b>\$ 270</b>
<b>DEPOSIT EARNINGS CREDIT</b>	<b>N/A</b>	<b>&lt;2%</b>	<b>&lt;1%</b>
<b>MINIMUM BALANCE TO ZERO OUT FEES</b>	<b>\$ 100,000</b>	<b>\$ 187,187</b>	<b>\$ 352,000</b>

**DEL PASO MANOR WATER DISTRICT  
AD HOC COMMITTEE  
INSURED CASH SWEEP FOR CIP**



	<b>FIVE STAR</b>	<b>RIVER CITY</b>
BALANCE IN INSURED CASH SWEEP	\$ 1,500,000	\$ 1,500,000
SEPTEMBER 2023 YIELD	3.89%	4.50%
INTEREST INCOME FOR SEPTEMBER	<u>\$ 4,796</u>	<u>\$ 5,548</u>

# CHASE PLATINUM BUSINESS SOLUTIONS

Ideal for larger businesses that maintain \$100,000 or more in balances and have greater monthly transaction and cash management needs



## CHASE PLATINUM BUSINESS CHECKING<sup>SM</sup>

- No fee for Electronic Deposits
- 500 transactions per month without a fee
- All incoming wires at no charge
- 4 most expensive outgoing wires per month at no charge
- \$25,000 cash deposits per statement cycle without a fee
- Round-the-clock service whenever you need it
- Complimentary debit and employee deposit cards upon request

### RELATIONSHIP BENEFITS

- Chase Business Premier Savings — no monthly service fee when linked to your Platinum Business Checking account
- Business Certificates of Deposit — earn relationship rates when linked to a Chase business checking account<sup>1</sup>
- Personal Premier Plus Checking — no monthly service fee on linked account
- Chase Private Client — reduced balance requirement

### Monthly Service Fee

**\$95** OR **\$0** When you maintain a combined average daily balance of \$100,000 in qualifying business deposit and business investment balances<sup>2</sup>



ADDITIONAL INFORMATION ON NEXT PAGE



## CHASE INK BUSINESS PREFERRED<sup>SM</sup> CREDIT CARD<sup>5</sup>

- \$95 annual fee<sup>6</sup>
- No foreign transaction fees<sup>6</sup>
- Earn rewards on all purchases



## MERCHANT SERVICES<sup>7</sup>

- Accept credit and debit cards
- Next business day funding<sup>8</sup>
- Simple and transparent pricing
- Mobile access to your account

## BUSINESS SERVICES & SUPPORT

- Chase QuickDeposit<sup>SM</sup> mobile app, single feed scanner \$0 per month, multiple feed \$50 per month. Contract required. Fees may apply.<sup>3</sup>
- Platinum Business Service team staffed with highly trained Senior Service Specialists
- Fraud protection services Positive Pay and Reverse Positive Pay help identify fraud before it happens<sup>4</sup>

- 1 CD relationship rates available when linked to a Chase Total Business Checking, Chase Performance Business Checking, Chase Platinum Business Checking or Chase Analysis Business Checking account. Otherwise, standard rates apply.
- 2 Average daily balance is the average of the beginning day ledger balances during the monthly statement cycle.
- 3 Chase QuickDeposit<sup>SM</sup> (with scanner) enrollment is subject to approval and availability in your area. If approved, a two year contract is required which includes a check scanner. A monthly maintenance fee of \$50 applies for the multiple feed check scanner option. Additional scanners are available for purchase at a one-time charge of \$300 per scanner for the single feed check scanner and \$600 per scanner for the multiple feed check scanner (plus applicable sales tax). During the first 60 days, you may, for any reason, cancel the service and return the scanner at no cost. After that, a cancellation fee of \$250 applies if the service is discontinued prior to the end of the two year contract term. All check and deposit item fees will be billed and processed according to your account maintenance fee schedule.  
  
Chase QuickDeposit<sup>SM</sup> is available for select mobile devices. Enroll in Chase Online<sup>SM</sup> and download the Chase Mobile<sup>®</sup> app. Message and data rates may apply. Subject to eligibility and further review. Deposits are subject to verification and not available for immediate withdrawal. Deposit limits and other restrictions apply. See [chase.com/QuickDeposit](http://chase.com/QuickDeposit) for details and eligible mobile devices.
- 4 Fraud protection applies to checks that are reviewed and approved. Advance sign up may be required. Fees may apply. Some restrictions may apply.
- 5 Accounts subject to credit approval. Restrictions and limitations apply. Chase credit cards are issued by JPMorgan Chase Bank, N.A. Member FDIC. Offer subject to change.
- 6 Purchase and balance transfer APR is 18.24% variable. Cash advances APR is 27.24% variable. Default APR of up to 29.99% variable. Variable APRs change with the market based on the Prime Rate, which was 5.50% on 6/24/19. Annual fee: \$95. Minimum Interest Charge: None. Balance Transfer Fee: 5% of the amount of each transaction, but not less than \$5. Note: This account may not be eligible for balance transfers. Cash Advance Fee: 5% of the amount of each advance, but not less than \$15. Foreign Transaction Fee: None. Credit cards are issued by JPMorgan Chase Bank, N.A. Member FDIC. Subject to credit approval. You should contact Chase to obtain information on any changes to these terms after the date above by writing to Cardmember Service, P.O. Box 15043, Wilmington, DE 19850-5043. You must have a valid permanent home address, and the Company must be headquartered, within the 50 United States or the District of Columbia. **Ink Business Preferred Corp:** The Company must be headquartered within the 50 United States or the District of Columbia.
- 7 Businesses are required to complete an application and agree to terms and conditions at the time of enrollment. All businesses are subject to credit approval. Merchant services are provided by Paymentech, LLC ("Chase"), a subsidiary of JPMorgan Chase Bank, N.A.
- 8 Next business day funding is available to eligible Chase merchant services clients who deposit into a single Chase business checking account. Visa<sup>®</sup>, Mastercard<sup>®</sup>, Discover<sup>®</sup>, and American Express<sup>®</sup> OptBlue<sup>®</sup> credit and debit transactions are eligible. All businesses are subject to business credit approval and all funds are subject to fraud monitoring. In addition, funding is subject to the terms and conditions of the merchant processing agreement. Chase must receive settled transactions by 10:00 pm EST (some businesses may qualify for a 11:59 pm ET settlement; talk to a Chase representative for more details). Funds are deposited on the next business day, excluding weekends and bank holidays. Some exclusions may apply. The listed payment brand(s) are not sponsors of this program. All marks are marks of their respective companies.

Chase Platinum Business Checking comes with a \$95 Monthly Service Fee that can be waived by maintaining a combined average beginning day balance of \$100,000 or more in linked business savings, CDs, investments and other Chase Platinum Business Checking accounts (excluding client fund savings accounts). Transaction Fees will not be charged for all electronic deposits and the first 500 debits and non-electronic deposits each statement cycle. There will be a Transaction Fee of \$0.40 for each debit and non-electronic deposit above 500. Electronic deposits are deposits made via ATM, ACH, Wire and Chase QuickDeposit. Other fees may apply. Fees and product features are subject to change at any time. Account opening subject to approval. Securities and investment advisory services are offered through J.P.Morgan Securities LLC (JPMS). JPMS, a member of FINRA and SIPC, is an affiliate of JPMorgan Chase Bank, N.A. Deposit Products: Combined average daily ledger balance is the average of the end-of-day ledger balances during the monthly statement cycle. Investments: Chase Investment Services Corp. investment accounts (last investment statement balance, excluding certain retirement plan balances), JPMorgan Funds accounts (prior end-of-month balances), annuity products (annuities made available through Chase Insurance Agency, Inc. [CIA] and Chase Insurance Agency Services, Inc.)

\*Investment services available only in English.

Qualifying investment accounts must be held in the name of the business and include: Securities (including mutual funds and variable annuities) and investment advisory services.

JPMorgan Chase Bank, N.A. and its affiliates (collectively "JPMCB") offer investment products, which may include bank managed accounts and custody, as part of its trust and fiduciary services. Other investment products and services, such as brokerage and advisory accounts, are offered through J.P. Morgan Securities LLC (JPMS), a member of FINRA and SIPC. Annuities are made available through Chase Insurance Agency, Inc. (CIA), a licensed insurance agency, doing business as Chase Insurance Agency Services, Inc. in Florida. JPMCB, JPMS and CIA are affiliated companies under the common control of JPMorgan Chase & Co. Products not available in all states.

**INVESTMENT AND INSURANCE PRODUCTS ARE:**  
**• NOT A DEPOSIT • NOT FDIC INSURED • NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY**  
**• NO BANK GUARANTEE • MAY LOSE VALUE**

JPMorgan Funds are distributed by JPMorgan Distribution Services, Inc. - Member NASD, which is an affiliate of JPMorgan Chase & Co. Affiliates of JPMorgan Chase & Co. receive fees for providing various services to the funds.

Deposit products and services provided by JPMorgan Chase Bank, N.A. Member FDIC. Equal Opportunity Lender.



## Pro Forma Analysis Statement Summary

Del Paso Manor Water District  
1817 Maryal Drive Ste. 300  
Sacramento, CA 95864

Statement Period: April-23  
Relationship Officer: Reagan Ballo

	Bank of the West	Five Star Bank
Earnings Credit Rate	0.16%	2.00%
Average Daily Collected Balance	\$ 433,560.72	\$ 433,560.72
Less Required Reserves (10%)	\$ 43,356.07	\$ 43,356.07
Net Investible Balance	\$ 390,204.65	\$ 390,204.65
Current Period Earnings Credit	\$ 51.31	\$ 641.43
Less Total Analysis Activity Charges	\$ 318.04	\$ 308.54
Net Analysis Position	\$ (266.73)	\$ 332.89
Net Difference		\$ 599.62

This Pro Forma Analysis Statement is intended for the recipient only, is considered confidential, and may not be shared with third parties without our express permission. Fees outlined in this Statement are estimates based on the information provided and are subject to change.





**Pro Forma Analysis Statement  
Detail**

Del Paso Manor Water District

**Analysis Statement Month:** April-23

Average Daily Ledger Balance	\$448,594.82
Less Average Daily Float	\$15,034.10
Average Daily Collected Balance	\$433,560.72
Less Required Reserves (10%)	\$43,356.07
<b>Net Investible Balance</b>	<b>\$390,204.65</b>

Current Bank			
<b>EARNINGS CREDIT:</b>			
	Days	ECR	Amount
Current Period Earnings Credit	30	0.16%	\$ 51.31
<b>SERVICE CHARGE DETAIL:</b>			
	Activity	Unit Price	Activity Charge
Account Maintenance Fee	1	\$ 22.00	\$ 22.00
Deposit Administration Fee (per \$1,000)	449	\$ 0.1500	\$ 67.35
Deposits Processed	31	\$ 1.20	\$ 37.20
RDC Deposit Items		\$ 0.12	\$ -
Mobile Deposit		\$ 1.25	\$ -
On-Us Checks Deposited	61	\$ 0.14	\$ 8.54
Transit Checks Deposited	887	\$ 0.16	\$ 141.92
Returned Deposited Item	2	\$ 10.00	\$ 20.00
Cash Deposited (per \$1,000)	1,027	\$ 0.0025	\$ 2.57
Cash Paid-Out		\$ 1.20	\$ -
Checks Paid	24	\$ 0.21	\$ 5.04
ACH Debits	13	\$ 0.22	\$ 2.86
ACH Credits	48	\$ 0.22	\$ 10.56
Void/Cancel		\$ 0.15	\$ -
Wire Transfer Monthly Fee		\$ 0.15	\$ -
Incoming Wire Fee		\$ 10.00	\$ -
Outgoing Branch Wire fee		\$ 30.00	\$ -
Outgoing Branch Int'l Wire Fee		\$ 40.00	\$ -
Outgoing Online Wire Fee		\$ 7.50	\$ -
Outgoing Online Int'l Wire Fee		\$ 25.00	\$ -
Bill pay		\$ 4.95	\$ -
Online banking		\$ 100.00	\$ -
RDC Monthly Fee		\$ 50.00	\$ -
ACH Origination Monthly Fee		\$ 50.00	\$ -
ACH Batch Originated		\$ 5.00	\$ -
ACH Originated Item Fee		\$ 0.07	\$ -
ACH Returned Item Fee		\$ 6.00	\$ -
Check Printing Maint. Fee		\$ 25.00	\$ -
Positive Pay		\$ 42.00	\$ -
Positive Pay Input Issue		\$ 0.09	\$ -
TreasuryNow (Maintenance)		\$ 45.00	\$ -
TreasuryNow (Payables)		\$ 150.00	\$ -
ACH Special Reports		\$ 1.25	\$ -
Acct Transfer Items ACH		\$ 1.00	\$ -
ACH Transactions Check Printing		\$ 0.20	\$ -
			\$ -
<b>Total Activity Charge:</b>			<b>\$ 318.04</b>
<i>(Fees debited) or net positive position</i>			<b>\$ (266.73)</b>

Five Star Bank			
<b>EARNINGS CREDIT:</b>			
	Days	ECR	Amount
Current Period Earnings Credit	30	2.00%	\$ 641.43
<b>SERVICE CHARGE DETAIL:</b>			
	Activity	Unit Price	Activity Charge
Account Maintenance Fee	1	\$ 15.00	\$ 15.00
Bank Administration Fee	449	\$ 0.0010	\$ 35.64
Branch Deposit	31	\$ 1.00	\$ 31.00
RDC Deposit		\$ 1.00	\$ -
Mobile Deposit		\$ -	\$ -
On-Us Checks Deposited	61	\$ 0.15	\$ 9.15
Transit Checks Deposited	887	\$ 0.15	\$ 133.05
Returned Deposited Item	2	\$ 10.00	\$ 20.00
Cash Deposited	1,027	\$ 0.0012	\$ 1.23
Cash Paid-Out		\$ -	\$ -
Checks Paid	24	\$ 0.18	\$ 4.32
ACH Debits	13	\$ 0.15	\$ 1.95
ACH Credits	48	\$ 0.15	\$ 7.20
Stop Payment		\$ 20.00	\$ -
Wire Transfer Monthly Fee		\$ -	\$ -
Incoming Wire Fee		\$ 10.00	\$ -
Outgoing Branch Wire fee		\$ 15.00	\$ -
Outgoing Branch Int'l Wire Fee		\$ 20.00	\$ -
Outgoing Online Wire Fee		\$ 15.00	\$ -
Outgoing Online Int'l Wire Fee		\$ 20.00	\$ -
Bill Pay		\$ 5.00	\$ -
Cash Management	1	\$ 25.00	\$ 25.00
RDC Monthly Fee	1	\$ 25.00	\$ 25.00
ACH Origination Monthly Fee		\$ -	\$ -
ACH Batch Originated		\$ 2.50	\$ -
ACH Originated Item Fee		\$ -	\$ -
ACH Returned Item Fee		\$ -	\$ -
Check Printing Maint. Fee		\$ -	\$ -
Positive Pay		\$ 15.00	\$ -
Positive Pay Input Issue		\$ -	\$ -
TreasuryNow (Maintenance)		\$ -	\$ -
TreasuryNow (Payables)		\$ -	\$ -
ACH Special Reports		\$ -	\$ -
Acct Transfer Items ACH		\$ -	\$ -
ACH Transactions Check Printing		\$ -	\$ -
			\$ -
<b>Total Activity Charges</b>			<b>\$ 308.54</b>
<i>(Fees debited) or net positive position</i>			<b>\$332.89</b>

Net Difference \$599.62

**BANKING SERVICES PROPOSAL**

**PRESENTATION FOR**



**June 30, 2023**

**River City Bank**

## Introduction and Executive Summary

On behalf of the entire River City Bank team, thank you for the opportunity to present a proposal that will assist Del Paso Manor Water District in meeting—and exceeding—its commercial banking needs. As Sacramento's premier business bank, River City offers an unmatched elevated level of service and competitive pricing.

Del Paso Manor Water District will save approximately **\$24,332 per year** by moving to River City Bank. This following proposal offers a comprehensive solution to meet all of your banking needs and streamline your business processing.

### Del Paso Manor Water District's Current Needs

- Efficient and high quality banking services at a reasonable cost
- Maximize return on interest earning balance
- Safety of deposit balance/prevent lost principal
- Monitor daily banking activity via the Internet
- Efficient and cost-effective check deposits
- Minimize fraud risk
- Direct debit and credit via electronic transfers

### River City Bank's Customized Solutions

- Custom Business Checking Accounts with **no monthly service fees**
- Full suite of cash management services with **no monthly service fees**
- High Rate Insured Cash Sweep (ICS) Reserve account that is fully (100%) FDIC Insured
- Commercial Cash Management Online Platform set up with multi-user access and single sign on
- Remote Deposit
- Check and ACH Positive Pay - highly recommended
- ACH Origination - optional

We are pleased to present the following comprehensive proposal and appreciate the opportunity to bring an entirely new level of service to Del Paso Manor Water District. If you have any questions about the material in this proposal, please contact us directly.

Sincerely,

Janette Moynier



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River City Bank, Premier Banking Group  
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Rebecca Fabisch Miller



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Stephen A. Fleming



President and CEO  
River City Bank  
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Cell: (919) 549-4595  
E-mail: sfleming@rcbank.com

## Message from Stephen Fleming, President and CEO

Your money is safe at River City Bank due to our proven conservative financial management over the past 50 years. Since its founding in 1973, River City Bank has maintained a rigorous policy of conservative risk management. This is reflected in the numbers, as well as in the accolades we have earned from numerous respected independent ratings agencies—and it all contributes to the confidence that Del Paso Manor Water District will experience when banking with us.

The strength of a bank's balance sheet is typically based on three factors: its loan quality, capital levels, and liquidity position:

- **Loan Quality.** The Bank's philosophy is to seek out clients which are well-managed and have proven success over a sustained period of time. These clients tend to pay their bills in a timely fashion. As such, the Bank's Classified Items (i.e. problematic assets as a percentage of capital and reserves) Ratio of 5.8%, as of March 31, 2023 is amongst the best in the banking industry.
- **Capital Strength.** As of March 31, 2023, River City Bank boasts a Tier 1 Leverage ratio of 9.3%. That's higher than the 8.5% minimum level allowed for community banks as part of the CARES Act which was signed into law on March 27, 2020.
- **Healthy Liquidity.** With a loan-to-deposit ratio of 90% as of March 31, 2023, River City Bank has a liquid balance sheet; this means that Del Paso Manor Water District can rest assured that River City Bank is able to meet all of its deposit withdrawal needs in a timely fashion. In addition to our balance sheet liquidity, River City Bank has immediate access to significant funding sources from other financial institutions and governmental agencies.
- **Third Party Validation.** Top independent bank rating services have awarded River City Bank consistently high ratings. Standard & Poor's has assigned an investment grade rating to River City Bank's long term obligations – something that very few community banks can say. Bauer Financial has rated River City Bank as "Superior." Veribanc awarded us their "Green Three Out Of Three" highest rating, and Findley Reports has given River City Bank their highest rating: "Super Premier."

Simply put, River City Bank is one of the healthiest banks in the United States, providing the strength and security that Del Paso Manor Water District requires and expects. Family owned and local in the Sacramento region for over five decades, we are in the business of meeting and exceeding our clients' expectations. We hope to have the opportunity to prove that to Del Paso Manor Water District. Thank you for considering us as your business-banking partner.

Sincerely,



Stephen Fleming  
President and CEO  
(916) 567-2632

## About River City Bank

River City Bank is the largest, independent, locally-owned bank in the Sacramento region in terms of assets and capital with two offices in the San Francisco Bay Area and a growing presence in Southern California. Our mission is to be the premier business bank in California. Maintaining assets of over \$4.3 billion and a net worth of over \$360 million, River City Bank offers a comprehensive suite of banking services, including various types of commercial loans, deposits, home mortgages, commercial real estate loans, plus online banking and cash management services to the consumer, business and commercial real estate sectors.

Fifty years ago, Jon S. Kelly, a pioneering voice in Sacramento's radio and television broadcasting industry, recognized the need for a bank with roots in the community and a reputation for highly professional client service. In 1973 River City Bank opened its doors in a small storefront at 1010 J Street in downtown Sacramento, and it has grown to become in the top 10% of banks in the U.S. based on asset size, but, more importantly, one of the most respected financial institutions in the State of California due to the quality of service that we provide to our clients. River City Bank employs approximately 150 people and maintains 10 locations in El Dorado, Placer, Sacramento, San Francisco, and Yolo counties.

Our business banking and commercial real estate groups continue to build relationships in a dramatic fashion, and our consumer banking division's reputation is unrivaled. River City Bank has been recognized by the *Sacramento Business Journal* every year from 2017-2022 as one of the 50 fastest-growing companies in the Sacramento region, and over the past seven years, River City Bank has been one of the fastest (top 5%) growing banks in the United States with a compounded annual growth rate of 18%.

Our commitment to providing exceptional, high-touch personal service is the centerpiece of our identity. Whether on the phone, online or in our branches, we will exceed your expectations.

### River City Bank's Corporate Credo

- We believe in preserving the core value of exceptional service.
- We believe community involvement is part of our mission, not our obligation.
- We believe in nurturing a culture that reflects our collective values and individual aspirations.
- We believe in enriching lives.

### Serving the Community

Like Del Paso Manor Water District, River City Bank is devoted to the communities where our clients and employees live and work. Beyond our daily dedication to providing concierge services to clients, we also have a vested interest in the economic health of our local communities. We continually offer financial knowledge and training to community leaders, and our support of local non-profit organizations is an essential value within our corporate culture. The bank is also committed to responsibly support housing for low-to-moderate income families.

Bank officers serve on a number of boards and in leadership and advisory capacities for community development organizations which serve the greater Sacramento area, including the Kelly Foundation, Easter Seals of Superior California, Greater Sacramento Economic Council, Lambda Alpha real estate group, Capital Region Family Business Center, WarmLine Family Resource Center, and the Sacramento Regional Community Foundation.

River City Bank employees have donated over 4,200 volunteer hours from 2015-2022 to over 30 organizations, including:

American Heart Association	KidsFirst
Assistance League of Sacramento	Mutual Housing California
Sacramento SPCA	NorCal Services for the Deaf
DFA of California	Project Dream
Easter Seals	Sacramento Habitat for Humanity
Junior Achievement of Sacramento	Sacramento Valley Conservancy
Stanford Settlement	St. Hope Academy
KVIE	Yolo Crisis Nursery

In addition, River City Bank provides funding to a myriad of non-profit organizations through the Kelly Foundation, a non-profit organization that was started by River City Bank’s founder, Jon S. Kelly. Today the Kelly Foundation is the 3<sup>rd</sup> largest foundation in the Sacramento region. The Foundation provides grants to various charitable organizations in the community, including those devoted to preserving a sustainable environment, educational institutions, hospitals, cultural activities, health and human services, with an emphasis on organizations that benefit children. We are proud of the fact that since its inception, the Kelly Foundation has issued over \$9.5 million in grants.

The Kelly Foundation merged with the River City Bank Foundation in 2009. Today, several executives of River City Bank serve on the Kelly Foundation Board, including the Chief Executive Officer, Chief Financial Officer, and the Business Development Officer. The Chairman of the Bank, Shawn Kelly Devlin, is also the President of the Kelly Foundation. The Kelly Foundation is an expression of the importance the Kelly family places on being a good neighbor and citizen in the Sacramento region.

## River City Bank Business Continuity Plan

River City Bank is committed to ensuring ongoing success within the markets we serve. To this end, we have developed a Business Continuity Plan to proactively address potential disaster scenarios. Below are several policy statements that underpin this plan.

The Business Continuity planning process is designed to meet three goals:

- Minimize disruptions of service to the institution and clients.
- Minimize financial loss.
- Ensure a timely resumption of operations in the event of a disaster.

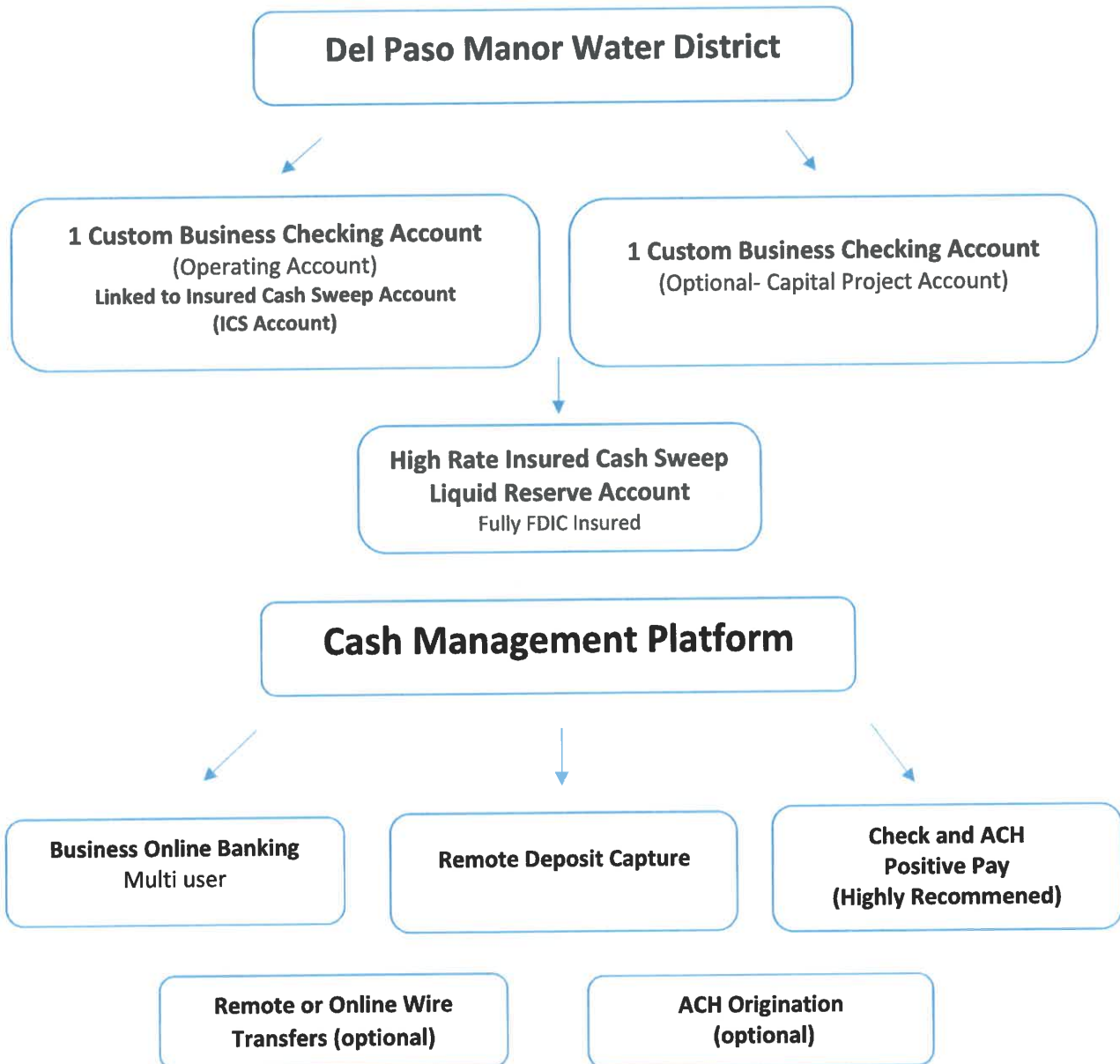
To meet these goals, River City Bank has redundant infrastructures at an established co-location that duplicates network operations, server infrastructures and internet connectivity. In the event of a disaster at the primary network center, operations can be re-established within a reasonable time to the co-location site.

A Disaster Recovery team meets periodically to perform and document test scenarios, as well as reviewing all unplanned outage events to ensure that the plan is adequate. Finally, the bank contracts with an experienced individual to conduct an annual, independent assessment of the adequacy of the plan.



## Account Structure Overview

The following chart provides an overview of the basic structure of the accounts that River City Bank is proposing for Del Paso Manor Water District. We are happy to discuss variations on this structure to meet your needs. The fees, earnings credit, and interest rates are accurate as of the date of this proposal, but may change after the accounts are opened. Additional information on each product is included in the following pages:



## Banking Deposit Relationship Recommendation

In order to meet Del Paso Manor Water District’s stated goals, the following business relationship is recommended:

- Two (2) Custom Business Checking accounts with no monthly service fees based on target balance.
- Automatic Sweep of Excess funds from the operating account to the Insured Cash Sweep (ICS) for full FDIC insurance, liquidity, and high rate of interest income.
- Implement a full suite of Cash Management & Online Banking Services with no monthly service fees.

Based on our analysis of balances and activity, Del Paso Manor Water District could receive an annual net gain of over \$24,332 by moving its banking relationship to River City Bank

### Overall Financial Impact:

Del Paso Manor Water District	Bank of the West	River City Bank	Benefit of River City Bank
Estimated Average Monthly Analysis Charges	Based on Average Balance of \$350,000 \$189 Fees	Based on Average Balance of \$350,000 \$0 Fees Earning Credit 1.00%	+ \$189 Estimated Monthly Analysis Charge Savings
Estimated Average Annual Analysis Charges	\$189 x 12 = \$2,268	\$0	+ \$2,268 Estimated Average Annual Analysis Charge Savings
Interest Bearing Balances	LAIF \$2,000,000 at 2.99%	Insured Sweep Account \$2,000,000 at 4.15%	Higher Interest Rate to Maximize Cash Reserves quantified below
Estimated Monthly Interest Earned Based on Average Balance	\$4,983	\$6,917	+ \$2,318 Additional Monthly Interest Income
Estimated Annual Interest Earned Based on Average Balance	\$4,983.33 x 12 = \$59,800	\$6,916.67 x 12 = \$83,000	+ \$27,816 Additional Annual Interest Income
Net Annual Result to Cash Flow	\$57,532 Interest Income = \$59,800 less fees (\$2,268)	\$81,864 Interest income = \$83,000 less fees - \$0 Fees	<b>+ \$24,332</b> \$83,000 - \$57,532

\*\* Amounts are based on the average service charges and balance totals derived from January and February 2023 Bank of the West Bank Statements provided to River City Bank.

Note: \*Based on initial balances and information provided regarding services currently used. Please note that balances and activity may fluctuate from month-to-month. See Appendix A for a sample analysis.

## Custom Business Checking

Managing a successful business takes experience and commitment. With River City Bank, you get an experienced and committed financial partner – one who will work as hard as you do to keep you and your business in good financial health. We provide custom banking solutions and tailored services designed to address your unique business needs. And we deliver strategic consultation that focuses on improving your organization’s financial strength.

The Custom Business Checking account is a commercial checking account for businesses looking for a cost-effective solution to handle their day-to-day financial needs. Our Custom Business Checking accounts generate an earnings credit on daily balances in the accounts. The earnings credit can be used to offset fees that are incurred throughout the period.

Earnings Credit Rate of 1.00%

[See Appendix for Details](#)

## ICS® – Insured Cash Sweep

Through the Insured Cash Sweep, or ICS, service, we can provide Del Paso Manor Water District with easy access to multi-million-dollar FDIC protection on its saving deposits. With ICS, your business will enjoy the benefit of money market deposit account (MMDA)-level interest rates, the convenience of working directly with only one bank and the security and peace of mind of knowing that your funds are eligible for protection that is backed by the full faith and credit of the federal government.

With ICS, you set up or use an existing checking or other transaction account with us, and we place your ICS funds into MMDA or Demand Accounts at other banks in the ICS Network—in amounts less than the standard FDIC insurance maximum—so that both principal and interest are eligible for FDIC insurance protection. As a result, your company can receive coverage from many banks while working with just one. Program withdrawals are limited to 6 per month.

*With ICS, you get one bank, one rate and one statement.* These statements include the list of accounts, interest and other details. In addition, you can see where your funds are at all times by using online tools specially developed for ICS.

River City Bank team members will be the only people you need to deal with at any time or for any service—including deposits, investments, withdrawals and statements.

\*Placement of funds through the ICS or CDARS service is subject to the terms, conditions, and disclosures in the agreements for the service, including the Deposit Placement Agreement (“DPA”). Limits apply and customer eligibility criteria may apply. In the ICS savings option, program withdrawals are limited to six per month. Although funds are placed at destination banks in amounts that do not exceed the FDIC standard maximum deposit insurance amount (“SMDIA”), a depositor’s balances at the relationship institution that places the funds may exceed the SMDIA (e.g., before ICS or CDARS settlement for a deposit or after ICS or CDARS settlement for a withdrawal) or be ineligible for FDIC insurance (if the relationship institution is not a bank). As stated in the DPA, the depositor is responsible for making any arrangements it finds necessary to have such balances adequately protected in a manner consistent with applicable law.

Current Interest Rate of 4.15%

[See Appendix for Details](#)

## **CDARS® Certificate of Deposit Account Registry Service - Optional**

Through the CDARS® service, we can provide Del Paso Manor Water District with easy access to multi-million-dollar FDIC protection on its CD investments. With CDARS, you will enjoy the benefit of CD-level interest rates, the convenience of working directly with only one bank, the security and peace of mind of having your large deposits eligible for FDIC insurance and the satisfaction of putting your money to work in the local community.

When you place a large deposit through the CDARS® service, River City Bank places those funds into CDs issued by other banks in the CDARS® Network—in increments less than the standard FDIC insurance maximum—so that both principal and interest are eligible for FDIC insurance protection. As a result, your company can receive coverage from many banks while working directly with just one. Early withdrawal penalties may apply for any funds withdrawn before the maturity date of the CD.

With CDARS®, you get one bank, one rate and one statement. Your statement includes the list of CDs, the maturity dates and issuers, interest earned and other details.

River City Bank team members will be the only people you need to deal with at any time or for any service—including deposits, re-investments, withdrawals and statements.

\*Placement of funds through the ICS or CDARS service is subject to the terms, conditions, and disclosures in the agreements for the service, including the Deposit Placement Agreement (“DPA”). Limits apply and customer eligibility criteria may apply. In the ICS savings option, program withdrawals are limited to six per month. Although funds are placed at destination banks in amounts that do not exceed the FDIC standard maximum deposit insurance amount (“SMDIA”), a depositor’s balances at the relationship institution that places the funds may exceed the SMDIA (e.g., before ICS or CDARS settlement for a deposit or after ICS or CDARS settlement for a withdrawal) or be ineligible for FDIC insurance (if the relationship institution is not a bank). As stated in the DPA, the depositor is responsible for making any arrangements it finds necessary to have such balances adequately protected in a manner consistent with applicable law.

# Commercial Cash Management

River City Bank’s Commercial Cash Management platform offers access to transactions and reports 24 hours a day, seven days a week. Transactions are posted in real time and are maintained on the site for a period of eighteen months. In addition, check images are available and both back and front are viewable. All reporting is available online and data is able to be exported into Excel.

Commercial Cash Management enables Del Paso Manor Water District to setup multiple users with different access rights to the system.

Sample Commercial Cash Management Account Summary screen:

The screenshot shows the River City Bank Commercial Cash Management interface. At the top, there is a navigation bar with links for Welcome, Reports, Money Movement, Account Services, and Administration. The user is logged in as 'Hi, [Name]' and the last login time is 'Sep 23 2021 11:35:45 AM ET'. There are buttons for Approvals and Exceptions. The main content area is titled 'Accounts Summary' and has tabs for Checking, Investment, and Loan. The 'Checking' tab is active, showing a table of account balances as of 09/23/2021. The table lists four accounts: BUSINESS CHECKING, Checking, CMTTest BDA, and Test Checking, with their respective available balances. On the right side, there is a 'Display Options' button and an 'Alerts and Messages' section. The alerts section shows a 'Password Changed' message from 09/23/2021 11:35:41 AM ET with a 'View All' link. Below the alerts is a 'Saved Reports' section with a message: 'You have no Saved Reports'.

Account Name	Available Balance
BUSINESS CHECKING ABA: TRC - 121133416 4830	\$5.96
Checking ABA: TRC - 121133416 9000	(\$4,973)
CMTTest BDA ABA: TRC - 121133416 7796	\$9.99
Test Checking ABA: TRC - 121133416 8001	\$0.00

## Remote Deposit

Remote Deposit enables Del Paso Manor Water District to make deposits directly from your office without a trip to the bank. Checks to be deposited are scanned and images are transmitted to the bank through the Internet. Remote Deposit Capture allows Del Paso Manor Water District to:

- Scan and transmit check deposits throughout the day.
- Extend the deposit deadline to 5:00 p.m. on a banking day, with next banking day funds availability.
- Automate deposit balancing with scanning software that reads the amount of each check and reconciles the deposit amount before transmission, thus helping to ensure accuracy.
- Increase productivity because preparing and transmitting a deposit is fast and easy, thus freeing your staff to focus on more important tasks.
- View copies of deposited checks for up to 8 months via the Commercial Cash Management platform.
- Review and download pertinent deposit information to potentially upload into Del Paso Manor Water District's accounting package.
- Most commercial check scanners are compatible.

### Fees waived through account analysis

- \$25 service fee per month
- \$1.25 per batch and \$0.10 per item
- Option to purchase Multi-Feed Scanner for \$750 or fee can be processed through analysis in three monthly payments

## ACH and Check Positive Pay – Recommended

River City Bank offers two automated fraud detection tools, Check Positive Pay and ACH Positive Pay.

Check Positive Pay matches the account number, check number and dollar amount of each check presented for payment against a list of checks previously authorized and issued by your company. All three components of the check must match exactly in order to be paid. If there isn't a match, the check is flagged as an exception for your review. There is also the option to add payee name.

ACH Positive Pay prevents unauthorized electronic debits from posting to your accounts. Debits from new or unrecognized sources are presented as exceptions for review. You have the ability to add companies to an authorized list or return transactions within the Commercial Cash Management platform.

### Check and ACH Positive Pay allows Del Paso Manor Water District to:

- Identify unauthorized transactions (counterfeit or altered checks) before final payment
- View images of exceptions before deciding to pay
- Eliminate the dispute process regarding fraudulently processed checks
- Gain more control of your check disbursement and electronic payment process
- Monitor and approve electronic debits
- Reduce the risk of loss that will be absorbed by Del Paso Manor Water District

### Fees waived through account analysis

#### Positive Pay

- \$25 service fee per month
- \$10 monthly fee per account
- \$0.03 per issued item; \$0.02 per payee match

#### ACH Positive Pay

- \$5 monthly fee per account

#### Account Reconciliation

- \$25.00 monthly fee per account

## Automated Clearing House (ACH) Origination - Optional

River City Bank has the capability for Del Paso Manor Water District to use ACH services to perform payroll in house, remit funds to vendors or clients, collect funds from clients, or transfer funds between financial institutions. Del Paso Manor Water District will access River City Bank's ACH service via the Commercial Cash Management platform. Information can either be entered into the system or, if Del Paso Manor Water District has the ability to create an ACH file, this file can be directly loaded into River City Bank's ACH system.

### Processing Times

ACH Origination Files must be submitted by 3:00 p.m. each business day to submit information for processing. The effective date of these transactions must be for the next business day or later

### Security and System Requirements

In addition, Del Paso Manor Water District has the ability to grant security privileges to its users. For example, one user may have the ability to create transactions only while another user has the ability to approve the transactions for processing. Therefore, you may grant one user full access rights or limited access rights.

### Reporting

Del Paso Manor Water District will have the ability to view reports for any ACH batch that has been submitted within the last 18 months. Detailed information includes name, identification number, dollar amount, routing number and account number for all transactions within the batch.

### Customer Service

River City Bank will send an ACH expert out to help you implement this product as well as train your staff. On an ongoing basis, River City Bank staff is available Monday – Friday, from 8:00 a.m. – 5:00 p.m., to handle any ACH questions and help you through the process if necessary.

### Reserve Requirement

Because of ACH regulations and risks associated with these transactions, your company will need to be approved for this service. Also, in order to manage the risks associated with ACH, a reserve method will need to be established as defined in the ACH Agreement.

### Fees waived through account analysis

- \$25.00 per month maintenance fee
- \$0.25 per item



## Online or Remote Wire Transfers - Optional

River City Bank enables you to process your domestic and international wires right from your own desk via the Commercial Cash Management platform. Same-day and future dated wires can be initiated without traveling to the bank or dealing with faxes.

### Cost effective and efficient

- Online Wire Transfer Services are discounted. If you send two or more wires per month, you generate a savings. This is in addition to the time savings you gain by automating your wire process.
- Processing an Online Wire Transfer reduces the hassle of managing paper.
- Saves trips to the bank.
- Deposits and payments are processed by the receiver's bank the same day as long as wires are transmitted by the cutoff time.

### Flexible and secure

- Transaction information can be submitted directly to River City Bank via our Commercial Cash Management platform.
- Our high-level security standards help protect the accuracy of your wire information.
- One staff member can create the transaction while another staff member can approve it.

### Dedicated customer service

We are committed to supplying superior technology, customer service and support for wire transfer processing. We have dedicated resources to train you and your staff and to provide the highest levels of customer support.

### Fees waived through account analysis

- \$25.00 monthly maintenance fee
- \$20.00 per wire (Domestic); \$22.50 per wire (International)

## **Additional Services Available**

### **Lockbox Service**

Our efficient, accurate, and sophisticated lockbox services will streamline your accounts receivable process, saving you time and money.

With our breadth of payment processing experience and robust online platform, we are able to customize lockbox services to your business. Whether you are receiving a few high-dollar payments or receiving thousands of consumer payments each month, our services will mitigate potential fraud and error, and reduce your overhead costs while increasing your productivity.

#### **Lockbox Services Include:**

- Daily transaction counts and funds deposited reports
- Robust online platform to assist with image retrieval.
- Customized correspondence and document delivery options.
- Preparation and delivery of all deposits, including paper and electronic bill pay items and ACH
- Sorting and classifying specific to each client
- Ability to scan walk-in lockbox items from your office to be merged with daily bank reporting

#### **Image and Data Capture Services include:**

- Daily updating of the Stop list to ensure only authorized payments are processed
- High speed electronic file transfers to client database
- Scan, image, or manual entry of customer records and related bank information
- Table edits and check digit routines to save time and eliminate data errors
- Web access for image storage and retrieval

## Merchant Services

River City Bank partners with Merchant e-Solutions to provide a wide range of merchant applications to our clients. Listed below are details of the services and products that Merchant e-Solutions offers.

### Cards Accepted / Methods of Processing

Merchant e-Solutions service provides the acceptance of VISA®, MasterCard®, American Express®, Diners Club®, Discover Card®, Carte Blanche® and JCB. They also offer ATM card processing for the EXPLORE®, INTERLINK® and MAESTRO® point-of-sale networks. The methods of payment processing include:

- Software integration
- Terminal-based card swipe and/or key entry
- Telephone
- Web (for both customer-facing and internal-only websites)

### Security

Daily account monitoring is performed by a staff of risk analysts who are trained to spot any suspicious card activity. Del Paso Manor Water District will receive personal calls to warn and assist you and your staff when there are large chargebacks, suspicious credits to cards and any unusual activity. Also, the Merchant e-Solutions systems and products are completely compliant with the newest and strictest PCI compliance rules.

### Funding

Merchant e-Solutions guarantees funding of settled batches within 24 to 48 hours of settlement.

### Web Reporting

Del Paso Manor Water District can access the merchant account any time through the internet using the Web Reporting System. The site allows you to see batch settlements, deposit reports, individual transactions, past statements and other reports that help monitor risk and stay on top of your merchant process. In addition, data is downloadable for your use.

### Customer Service

Merchant e-Solutions offers superior customer service with two avenues to obtain answers to your questions and to provide technical support:

- A local account representative to ensure personal service
- Merchant e-Solutions' 24 hour, 7 days a week help line

### No Contracts or Cancellation Fees

Del Paso Manor Water District is not bound to any contracts or cancellation fees should you choose to cancel the service.

## Business Credit Cards

River City Bank partners with Card Assets to provide a range of credit card solutions to our clients. The chart below summarizes our cards offerings:

REVISED October 2022

BUSINESS Credit Card Products*		Platinum	Payback	Preferred	World Elite	World Elite Plus
REWARDS	Rewards/Cash Back	N/A	1% cash back	\$1.00 = 1 point	\$1.00 = 1 point / 1% cash back	\$1.00 = 1 point / 1% cash back
	25K Bonus Points (If spend \$3k+ in first 90 days)	N/A	N/A	☑	☑	☑
SAFETY & SECURITY	Mastercard ID Theft Protection™	☑	☑	☑	☑	☑
	Mastercard Zero Liability Protection	☑	☑	☑	☑	☑
	24/7 Mastercard Global Services	☑	☑	☑	☑	☑
	McAfee Total Protection Discount	☑	☑	☑	☑	☑
OPERATIONAL EFFICIENCY	Mastercard Receipt Management	☑	☑	☑	☑	☑
	Intuit® QuickBooks® Online & Payroll Discount	☑	☑	☑	☑	☑
	Intuit® TurboTax® Discount	☑	☑	☑	☑	☑
	Salesforce Essentials Discount	☑	☑	☑	☑	☑
	Uber For Business & Uber Freight Savings	☑	☑	☑	☑	☑
	Mastercard Easy Savings®	☑	☑	☑	N/A	N/A
	Premium Easy Savings	N/A	N/A	N/A	☑	☑
	24/7 Business Assistant	N/A	N/A	N/A	☑	☑
ShopRunner Membership	N/A	N/A	N/A	☑	☑	
DIGITAL ENABLEMENT	Adobe Creative Cloud Discount	☑	☑	☑	☑	☑
	Microsoft Advertising Credit	☑	☑	☑	☑	☑
	Zoho Social Discount	☑	☑	☑	N/A	N/A
	Zoho Marketing Plus Discount	N/A	N/A	N/A	☑	☑
TRAVEL	Car Rental Insurance	☑	☑	☑	☑	☑
	Mastercard Travel and Lifestyle Services	N/A	N/A	N/A	☑	☑
	Priority Pass	N/A	N/A	N/A	☑	☑
	Annual Airline Credit (Up to \$200)	N/A	N/A	N/A	N/A	☑

\*Applicants should read the application disclosure for complete terms and conditions. Cardholders should go to <https://www.24-7cardaccess.com> to register their rewards account, and manage and redeem their rewards. APR will vary with the market based on the Prime Rate. Cardholders should read the Guide to Benefits that they receive with their credit card for a full and detailed description of all benefits, terms and conditions. Benefits are effective as of October 1, 2022 and are subject to change. For the most up to date list of benefits, please refer to the Guide to Benefits that came with your card.

## Next Steps

A joint implementation plan will be created by both Del Paso Manor Water District and River City Bank. This enables us to create a timeline that is appropriate for both parties.

The following items will need to be completed to begin implementation:

- The bank's Know Your Customer Processes, including the New Account Workbook; copies of formation documents, including corporate resolutions; and satisfactory background checks on each of the principals in the business.
- System security and controls interview and certification
- Cash Management services approval
- Cash Management agreements
- Business Checking accounts opened with River City Bank
- Onsite training of ACH Origination, Online Wire Transfers, Remote Deposit, Positive Pay and Commercial Cash Management Platform

River City Bank employs substantial measures to protect you and your accounts from theft and fraud. Accordingly, all cash management products (including, but not limited to, Automated Clearing House, Remote Deposit Capture and Wire Origination) are subject to Bank approval. During this approval process, we will review certain items such as your system security, internal process controls and other factors important for reducing the opportunity for fraud involving your accounts.

Fraud prevention and information security are important to us and paramount to protecting your assets. We appreciate your participation and encourage you to ask about identity theft and fraud protection.

The Bank reserves the right to terminate this proposal at any time prior to the Bank’s receipt of acceptance by the Del Paso Manor Water District. This proposal may not be transferred, assigned, or shared with other Banks without prior written consent of the Bank.

Please be advised that this proposal is subject to a final needs assessment and approval by the Bank. Notwithstanding any other language of agreement that may appear elsewhere in this non-binding proposal, it is expressly understood and agreed that this proposal does not and shall not constitute a binding agreement between the parties in any manner. Final terms will be provided following due diligence by the Bank.


The Bank reserves the right to amend the final terms (earnings credit rate and / or fees) at our discretion. Reasons for changing the final terms include, but are not limited to, the following:

- Actual deposit balances placed with the Bank are less than as represented by Del Paso Manor Water District,
- Material changes in actual processing requirements versus those represented to the Bank,
- Activity in the Bank’s branch network is greater than expected,
- Changes in actual charges from vendors used to deliver the products and services used by Del Paso Manor Water District, or
- The Bank amends its fee structure, earnings credit rate, interest rate, or other provisions that govern deposit relationships.

In accordance with the Bank’s Deposit Account Agreement, Del Paso Manor Water District will be notified at least 30 days prior to any material changes to the final terms.

Thank you for considering River City Bank for your banking relationship. If you would like us to move forward on the proposal, please indicate your acknowledgment by signing below.

Sincerely,

  
\_\_\_\_\_

**Janette Moynier**

SVP, Relationship Manager  
(916) 567-2745  
Janette.moynier@rivercitybank.com

  
\_\_\_\_\_

**Rebecca Fabisch Miller**

EVP, Director of Commercial Banking  
(916) 567-2642  
Rebecca.miller@rivercitybank.com

Acknowledged and Accepted by:

\_\_\_\_\_  
Carl Dolk

\_\_\_\_\_  
Date

Del Paso Manor Water District

## THANK YOU

We appreciate the opportunity and look forward to working with Del Paso Manor Water District.

## Customer Service

24 hour access to account information via online banking systems.

Person-to-person customer service available during regular business hours (M-F 8am – 5pm):

**Phone:** (916) 567-2660

**Fax:** (916) 567-2779

**Email:** [Cashmgmt@rivercitybank.com](mailto:Cashmgmt@rivercitybank.com)

## Appendix - Estimated Monthly Fees and Product Information

Account Analysis Fee Structure Sample

Custom Business Checking

Demand Insured Cash Sweep (ISC) Fully (100%) FDIC Insured

CDARS CD Fully (100%) FDIC Insured

Cash Management Fee Schedule

Miscellaneous Fee Schedule

Privacy Notice

Deposit Account Agreement – Separate attachment





## Account Analysis

Assumption for: Del Paso Manor Water District

Analysis of Account Activity	Unit Charge	Volume	Amount of Charge	Analysis of Balance	
<b>General Account Services</b>				<b>Average Ledger Balance</b>	\$350,000.00
Monthly Maintenance Fee	15.00	2	\$30.00	Average Float	\$15,000.00
<b>Account Activity</b>				Average Collected Balance	\$335,000.00
Deposits - Per Ticket	1.25	0	\$0.00	Reserve Required	\$300,000.00
Deposits - Per Item	0.10	0	\$0.00	Number of Days in the Month Analyzed	31
Debits Paid	0.14	24	\$3.36	<b>Summary</b>	
ACH Credits	0.10	43	\$4.30	Earnings Credit	1.00% \$254.79
ACH Debits	0.14	13	\$1.82	Less Cost of Service	\$154.43
Currency/Coin Deposited - Per \$1000	1.20	0	\$0.00	Net Profit	\$100.36
<b>Miscellaneous Account Fees</b>					
Stop Payments	30.00	0	\$0.00		
Deposited Item Returned Unpaid	10.00	0	\$0.00		
Re-Deposited Item	4.00	0	\$0.00		
NSF/Overdraft Fee	30.00	0	\$0.00		
<b>Wire Transfers</b>					
Incoming Wires	15.00	0	\$0.00		
Outgoing Wires - Domestic	35.00	0	\$0.00		
Outgoing Wires - International	45.00	0	\$0.00		
Outgoing Wires - FX Surcharge	30.00	0	\$0.00		
<b>Commercial Cash Management Services</b>					
Online Banking - Multi-User Access	5.00	1	\$5.00		
Online Bill Pay - Includes 20 Payments	10.00	0	\$0.00		
Online Bill Pay - 21+ Payments	0.55	0	\$0.00		
<b>ACH Services</b>					
ACH - Monthly Maintenance	25.00	0	\$0.00		
ACH - Origination Per Item	0.25	0	\$0.00		
ACH - Tax Payment Per Item	0.25	0	\$0.00		
ACH - Same Day Per Item	0.35	0	\$0.00		
<b>Online Wire Transfer Services</b>					
Online Wire Transfer - Monthly Maintenance	25.00	0	\$0.00		
Online Wire Transfer - Outgoing - Domestic	20.00	0	\$0.00		
Online Wire Transfer - Outgoing - International	22.50	0	\$0.00		
<b>Remote Deposit Services</b>					
Remote Deposit - Monthly Maintenance	25.00	1	\$25.00		
Remote Deposit - Scanner Rental / Purchase	50.00	0	\$0.00		
Remote Deposit - Per Batch	1.25	25	\$31.25		
Remote Deposit - Per Item	0.10	125	\$12.50		
<b>Positive Pay Services</b>					
Positive Pay - Monthly Maintenance	25.00	1	\$25.00		
Positive Pay - Per Account	10.00	1	\$10.00		
Positive Pay - Per Item Issued / Uploaded	0.03	24	\$0.72		
Positive Pay - Per Payee Name Matched	0.02	24	\$0.48		
Positive Pay - ACH - Per Account	5.00	1	\$5.00		
Positive Pay - Account Reconciliation Per Account	25.00	0	\$0.00		
<b>Miscellaneous</b>					
Security Token - Monthly Maintenance	5.00	0	\$0.00		
Courier - Internal - As Quoted		0	\$0.00		
CD-Rom Statement	25.00	0	\$0.00		
<b>Total Cost of Services Rendered</b>			<b>\$154.43</b>	<b>Additional Average Collected Balance Required to Offset Services Rendered / (Excess Earnings Credit)</b>	<b>-\$129,988.24</b>

The following information is provided for the benefit of those customers whose account shows a loss, and who wish to eliminate a charge to their account. The balance shown below is based on the assumption that your account activity will remain substantially the same as reflected herein.

\* The above calculations are assumptions based upon activity provided by your company. These are estimates and may not reflect exact fees charged by Bank. If your earnings credit is less than the accumulated total of fees for services used within a given month, a designated account will be charged on the 25th day of the next month. You will receive an itemized statement monthly. If your earnings credit is more than the accumulated total of fees for services used within a given month, you will not receive monetary credit nor will a credit be carried to the following month. See our Deposit Agreement and Disclosure for other terms and conditions applicable to these accounts. Also refer to our Schedule of Miscellaneous Fees and Service Charges Disclosure Statement for additional information about other activity fees and service charges that may apply to your account.



# Custom Business Checking

## Product Information and Disclosure

Accurate as of: 1/3/2022

Tier	Interest Rate
N/A	N/A

Basic Terms and Conditions	
Minimum Deposit to Open Account	\$100
Maintenance Fee	\$15 per statement cycle
How to Avoid the Maintenance Fee	N/A

### Account Analysis

Our account analysis service ("Service") allows you to offset most account and cash management service charges with an "Earnings Credit" that is based on the balances you maintain with River City Bank ("Bank", "we", or "us").

**Earnings Credit.** We determine your Earnings Credit each month by (i) multiplying the Investable Balance of your analyzed accounts (as shown on your analysis statement) by an Earnings Credit Rate, (ii) dividing that amount by 365 (or 366 in leap years), and then (iii) multiplying the result by the number of days in the month. We arrive at the Investable Balance each month by multiplying the sum of the positive daily ending collected balances during the cycle, divided by the number of days in the cycle by 90%, excluding the balances of any interest-bearing accounts and accounts that serve as collateral or as a compensating balance on a Bank loan.

**Use of Earnings Credit.** Unlike interest, Earnings Credit is not paid to you and does not accumulate. Earnings Credit may only be used to offset charges that are subject to analysis and that are incurred during the month covered by analysis. Unless we agree otherwise in writing, excess Earnings Credit is not carried forward or backward to other billing periods.

If Earnings Credit is insufficient to cover service charges during any period, we may charge the difference to your account. If you have several analyzed accounts, you can designate which account should be charged. We may stop calculating Earnings Credit and applying it against service charges for any analyzed account that becomes inactive (i.e., has no deposits or withdrawals for 12 months). Your account officer can give you an estimate of the balances that may be needed to compensate for the type and volume of services that you use. The actual amount may vary, however, due to changes in the Earnings Credit Rate, service charges, the services used, or other aspects of analysis. We do not calculate an Earnings Credit for accounts that are not linked to the Service or allow Earnings Credit to offset charges against unanalyzed accounts.

**Analysis Rates and Charges.** The Earnings Credit Rate and account analysis charges are subject to change from time to time without prior notice. Basic analysis charges are listed below. Additional service charges apply. Contact your account officer for information.

\$1.25 for each deposit ticket	\$0.14 for each check or ACH debit
\$0.10 for each check or ACH deposited item	\$10.00 for each deposited check or ACH item which is returned unpaid
\$1.20 for each \$1,000.00 cash deposit	\$4.00 for each deposited check or ACH item which is returned unpaid and automatically re-deposited by RCB

**Exceptions.** The analysis system may not always change simultaneously with changes in compensating balances, reserves or other factors. We reserve the right to input changes in our system as of the beginning or end of any statement or analysis cycle. As a result, some changes input at the end of a cycle may relate back to the entire cycle.

**Third Party Funds.** If you deposit funds that belong to others ("beneficial owners") in an analyzed account, you represent to us that: (a) you are authorized by the beneficial owners to benefit from the use of any associated Earnings Credit, and (b) your use of the Earnings Credit will not violate any agreement, law or regulation. You also agree to indemnify, defend and hold us harmless from and against all claims, actions, proceedings, losses, costs (including attorney fees and other charges), liabilities and/or damages that arise from your use of the Service or the manner in which you compensate or charge beneficial owners for your use of our services. This provision shall survive the termination of this agreement.

**Limitation of Liability.** We will not be liable under any circumstances for special, indirect or consequential damages related to our Service actions or omissions. In no event will our liability exceed the amount of any Earnings Credit which we fail to apply against a service charge. You agree to review account notices and statements immediately upon receipt and to send us a written notice of any problem within a reasonable time (not to exceed 14 days from the date you receive the first notice or statement reflecting the problem).

Refer to the Deposit Account Agreement, and Schedule of Miscellaneous Fees and Service Charges for additional information.

Member FDIC



## Demand and Savings - ICS

### Product Information

Accurate as of: 5/9/2023

Your interest rate and annual percentage yield (APY) may change. At our discretion, we may change the interest rate on your account at any time. Fees could reduce earnings on the account.

Tier	Interest Rate	Annual Percentage Yield
\$0 to \$99,999.99	0.05%	0.05%
\$100,000 and Over	4.15%	4.24%

Basic Terms and Conditions	
Minimum Deposit to Open Account	<b>\$10,000.00</b> (Product ideal for relationship balances over \$250,000)
Maintenance Fee	<b>\$0</b> per statement cycle
Minimum Balance to Obtain the Disclosed Annual Percentage Yield	<b>\$0.01</b> minimum daily balance
<p>Placement of funds through the ICS or CDARS service is subject to the terms, conditions, and disclosures in the agreements for the service, including the Deposit Placement Agreement (DPA). Limits apply and customer eligibility criteria may apply. In the ICS savings option, program withdrawals are limited to six per month. Although funds are placed at destination banks in amounts that do not exceed the FDIC standard maximum deposit insurance amount (SMDIA), a depositor's balances at the relationship institution that places the funds may exceed the SMDIA (e.g., before ICS or CDARS settlement for a deposit or after ICS or CDARS settlement for a withdrawal) or be ineligible for FDIC insurance (if the relationship institution is not a bank). As stated in the DPA, the depositor is responsible for making any arrangements it finds necessary to have such balances adequately protected in a manner consistent with applicable law.</p>	

Member FDIC

(916) 567-2899 or 1(800) 564-7144 [www.RiverCityBank.com](http://www.RiverCityBank.com)



## Certificate of Deposit (CD) – CDARS

### Product Information

Accurate as of: 6/21/2023

Your interest rate and annual percentage yield (APY) may change at any time before account opening. Upon account opening, the interest rate for your account will be fixed until the maturity date of your certificate. Fees could reduce earnings on the account.

#### Term: 4 Weeks

Tier	Interest Rate	Annual Percentage Yield
\$10,000 to \$99,999.99	0.85%	0.85%
\$100,000 to \$999,999.99	2.70%	2.74%
\$1,000,000 and Over	3.65%	3.72%

#### Term: 13 Weeks

Tier	Interest Rate	Annual Percentage Yield
\$10,000 to \$99,999.99	1.20%	1.21%
\$100,000 to \$999,999.99	3.85%	3.92%
\$1,000,000 and Over	5.15%	5.28%

#### Term: 26 Weeks

Tier	Interest Rate	Annual Percentage Yield
\$10,000 to \$99,999.99	1.20%	1.21%
\$100,000 to \$999,999.99	3.85%	3.92%
\$1,000,000 and Over	5.15%	5.28%

#### Term: 52 Weeks

Tier	Interest Rate	Annual Percentage Yield
\$10,000 to \$99,999.99	2.40%	2.43%
\$100,000 to \$999,999.99	4.65%	4.76%
\$1,000,000 and Over	5.15%	5.28%

#### Term: 2 Years

Tier	Interest Rate	Annual Percentage Yield
\$10,000 to \$99,999.99	1.90%	1.92%
\$100,000 to \$999,999.99	3.65%	3.72%
\$1,000,000 and Over	4.15%	4.24%

#### Term: 3 Years

Tier	Interest Rate	Annual Percentage Yield
\$10,000 to \$99,999.99	1.90%	1.92%
\$100,000 to \$999,999.99	3.65%	3.72%
\$1,000,000 and Over	4.15%	4.24%

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# River City Bank

**Term: 5 Years**

Tier	Interest Rate	Annual Percentage Yield
\$10,000 to \$99,999.99	1.90%	1.92%
\$100,000 to \$999,999.99	3.65%	3.72%
\$1,000,000 and Over	4.15%	4.24%

Basic Terms and Conditions	
Minimum Deposit to Open Account	<b>\$10,000.00</b> (Product ideal for relationship balances over \$250,000)
Maintenance Fee	<b>\$0</b> per statement cycle
Minimum Balance to Obtain the Disclosed Annual Percentage Yield	<b>\$10,000.00</b> minimum daily balance
Early Withdrawal Penalty	If we consent to a request for a withdrawal that is otherwise not permitted you may have to pay a penalty. <b>See the CDARS® Deposit Placement Agreement for early withdrawal penalty information.</b>
<p>Placement of funds through the ICS or CDARS service is subject to the terms, conditions, and disclosures in the agreements for the service, including the Deposit Placement Agreement (DPA). Limits apply and customer eligibility criteria may apply. In the ICS savings option, program withdrawals are limited to six per month. Although funds are placed at destination banks in amounts that do not exceed the FDIC standard maximum deposit insurance amount (SMDIA), a depositor's balances at the relationship institution that places the funds may exceed the SMDIA (e.g., before ICS or CDARS settlement for a deposit or after ICS or CDARS settlement for a withdrawal) or be ineligible for FDIC insurance (if the relationship institution is not a bank). As stated in the DPA, the depositor is responsible for making any arrangements it finds necessary to have such balances adequately protected in a manner consistent with applicable law.</p>	

**Member FDIC**

(916) 567-2899 or 1(800) 564-7144 [www.RiverCityBank.com](http://www.RiverCityBank.com)



**Cash Management Schedule of Fees**

<b>ONLINE CASH MANAGEMENT</b>		In U.S. \$
Basic Service		0.00
Multi-user Access		5.00
Bill Payment –Includes 20 Payments		10.00
Bill Payment – Payments 21+		0.55
Expedited Bill Payment – Electronic		6.95
Expedited Bill Payment – Overnight Check		30.00
<b>ACH ORIGATION</b>		
Monthly Maintenance		25.00
State and Federal Tax Payments Only		5.00
Per Transaction in Batch		0.25
<b>ONLINE WIRE TRANSFERS</b>		
Monthly Maintenance		25.00
Per Wire (International)		22.50
Per Wire (Domestic)		20.00
<b>POSITIVE PAY</b>		
Monthly Maintenance		25.00
Positive Pay – per Account		10.00
Positive Pay – per Issue Item		0.03
Positive Pay – per Payee Match Item		0.02
ACH Positive Pay – per Account		5.00
Account Reconciliation - per Account		25.00
<b>REMOTE DEPOSIT</b>		
Monthly Service Fee		25.00
Monthly Scanner Rental <b>OR</b>		50.00
Scanner Purchase Price		(Varies)
Per Batch		1.25
Per Item		0.10
<b>SECURITY DEVICES</b>		
Per Token		60.00
Token Monthly Maintenance		5.00
<b>LOCKBOX PROCESSING</b>		
One Time Set-Up Fee		250.00
Monthly P.O. Box Rental		15.00
Monthly Courier Fee		60.00
Monthly Maintenance		200.00
Per Item (Coupon, check, or electronic)		0.25
<b>CUSTODIAL LOCKBOX SERVICES</b>		
Custodial Lockbox Only - Monthly Maintenance		500.00
Custodial Lockbox with Full Deposit Relationship - Monthly Maintenance		200.00
EDI Monthly Maintenance		75.00

**Integrated Payables Schedule of Fees**

<b>One-Time Setup Fees</b>	<b>In U.S. \$</b>
Setup Fee for One Payment Type (Check or ACH)	1,250.00
Setup fee for Check and ACH	2,000.00
Setup fee for Wire	1,750.00
Setup fee for Check, ACH, and Wire	3,500.00

<b>Monthly Fee</b>	<b>In U.S. \$</b>
Ongoing System Maintenance and Support	500.00

<b>Transaction Fees</b>	<b>In U.S. \$</b>
Check Payment (Postage Charged Separately at Pre-sort Rates)	0.75
Check to ACH Vendor Enrollment	0.50
Check Continuation Page Overflow	0.15
Check Same-day Print Surcharge	0.35
Check Handling Fee (Express Mail)	3.00
Check Handling Fee (9x12 Envelope)	1.50
ACH Payment	0.60
ACH Continuation Page Overflow	0.10
Wire Transfer Payment	20.00

<b>Other Services as Requested</b>	<b>In U.S. \$</b>
Manual Check Pulls (both fees below apply)	
Per Item	5.00 / check
Per File	50.00 / file
Professional Services (i.e., Custom Billing File, IT/Security Audits, etc.)	150.00 / hour

## River City Bank (RCB) Schedule of Miscellaneous Fees and Service Charges

Applies to **Business Fees and Service Charges** Only

Effective February 01, 2023

<b>COMMERCIAL CASH MANAGEMENT ONLINE BANKING FEES</b>	<b>Single User Commercial Cash Management:</b> (defined as one person with online banking access.) <i>Service includes balance inquiries, access to historical account information and check images, reporting capabilities, intraday balance information, internal transfers between like-owned RCB accounts, stop payment placement ability and access to Bill Payment services. Compatible with Quicken and QuickBooks.</i>	<b>No charge</b>
	<b>Multi User (two or more) Commercial Cash Management:</b> (defined as two or more persons with online banking access.) <i>Service includes balance inquiries, access to historical account information and check images, reporting capabilities, intraday balance information, internal transfers between like-owned RCB accounts, stop payment placement ability and access to Bill Payment services. Compatible with Quicken and QuickBooks.</i>	<b>\$5 per month</b>
	<b>Bill Payment</b>	<b>\$10</b> per month, includes first 20 Bill Payments <b>\$0.55</b> per payment over 20
	<b>Expedited Bill Payment</b> – Electronic Delivery (Fee shown as <u>Exp Bill Pymt Fee</u> )	<b>\$6.95</b> per payment
	<b>Expedited Bill Payment</b> – Overnight Check Delivery (Fee shown as <u>Exp Bill Pymt Fee</u> )	<b>\$30</b> per payment
	<b>ELECTRONIC BANK STATEMENTS &amp; NOTICES</b>	
	<b>Electronic Communications</b>	<b>No charge</b> per notice
	<b>Electronic Statement</b> (Fee shown as <u>Statement Fee</u> when charged)	<b>No charge</b> per statement cycle if receiving electronic statement OR paper statement only <b>\$1</b> per statement cycle if receiving <u>both</u> electronic AND paper statements
	Additional Commercial Cash Management online services are available, including ACH Origination, Online Wire Transfers, Positive Pay and Remote Deposit. See your Account Officer for more information. Fees for such services are contained in the separate service agreements.	

<b>OVERDRAFT FEES</b>	<b>Overdraft:</b> If RCB pays an item when your account does not have enough money in your <b>Available Balance</b> <sup>1</sup> to cover a transaction. (Fee shown as <u>Overdraft Fee</u> )	<b>\$30</b> for each check, automatic bill payment, ACH debit or recurring debit or similar transaction presented for payment against your account.
	<b>NSF (Non-Sufficient Funds) Returned Item:</b> If RCB returns an item when your account does not have enough money in your <b>Available Balance</b> to cover a transaction. (Fee shown as <u>NSF Returned Item Fee</u> )	<p>In the event an item is presented multiple times for payment, a fee may be applied after each presentment.</p> <ul style="list-style-type: none"> <li>▪ The frequency in which an item is presented is determined by the merchant and may occur as often as each business day.</li> <li>▪ There is not a maximum number of fees that can be assessed in connection with a single item being presented multiple times for payment.</li> </ul> <p>Maximum of 5 Overdraft and/or NSF Returned Item Fees may be charged per banking day.</p> <ul style="list-style-type: none"> <li>▪ We will not charge an Overdraft or NSF Returned Item Fee unless your <b>Current Balance</b><sup>2</sup> will become negative if the item(s) are or would have been paid.</li> <li>▪ We will not charge an Overdraft or NSF Returned Item Fee if the transaction triggering the Fee was made at an ATM or using your ATM/Debit card in a one-time transaction.</li> </ul>

<sup>1</sup> Your **Available Balance** is defined as your Current Balance plus or minus today's activity, minus holds for total of transactions that have not yet cleared, and minus total of deposited checks that have not yet cleared.

<sup>2</sup> Your **Current Balance** is defined as the amount of money you have on deposit in that particular deposit account.



	<p><b>Overdraft Transfer:</b> When your RCB business checking and savings account are linked, and the linked checking account <b>Current Balance</b> is overdrawn, and your savings account has a sufficient <b>Available Balance</b> to cover the overdraft, a transfer is automatically made by RCB from your savings account to your checking account. Refer to RCB's <b>Savings Overdraft Transfer Authorization and Agreement</b>, and your <b>RCB Deposit Account Agreement</b> for further information. (Fee shown as <u>Transfer Fee</u>)</p>	<p><b>\$5 per automated transfer from Savings to Checking Account</b></p> <p>The <u>Transfer Fee</u> will not be charged if there are not enough funds in the savings account to cover the entire overdraft amount.</p>
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<b>SPECIALTY ACCOUNT FEES</b>	<b>ATM on Premise Fee - Owned, Rented, or Leased.</b> (Fee shown as <u>ATM on Premise Fee</u> )	<b>\$100 per month</b>
	<b>Money Service Business<sup>3</sup> Fee</b>	<b>\$500 per month</b>
	<b>Courier Service</b>	As quoted

<b>ACCOUNT ACTIVITY FEES</b>	<b>Deposits to Account</b> made in branch, through night drop or Armored Transport (Armored Courier)	<b>\$1.25 per deposit over 20</b>
	<b>Deposits to Account</b> made by ATM, mobile banking, or ACH	<b>\$0.10 per deposit over 20</b>
	<b>Debits Paid Against Account:</b> paper (check), in person at branch, electronic (ACH), or for coin/currency change order	<b>\$0.14 per debit paid against account over 50</b>
	<b>Currency Deposited</b>	<p><b>\$1.20 per \$1,000</b></p> <p>Fee assessed monthly to the account in which the cash was deposited, as one cumulative fee.</p> <p>Examples: \$800 cash deposit = NO FEE. \$1,000 cash deposit = \$1.20. \$1,500 cash deposit = \$1.80 fee</p>
	<b>Coin Bag Processing</b>	<b>\$6 per bag</b>
	<b>Armored Courier Deposit</b>	<b>\$2.50 per deposit</b> plus negotiated cost of armored service plus <b>Deposits to Account Fee</b> shown above when applicable.

<b>WIRE TRANSFER FEES</b>	<b>Incoming Domestic Wire Transfer</b> (Fee shown when charged as <u>Incoming Wire Fee</u> )	<b>\$15 per wire</b>
	<b>Incoming International Wire Transfers</b> (Fee shown when charged as <u>Int'l Wire In Fee</u> )	<b>\$15 per wire</b>
	<b>Outgoing Domestic Wire Transfer</b> (Fee shown when charged as <u>Wire Fee Out</u> )	<b>\$35 per wire</b>
	<b>Outgoing International Wire Transfer</b> sent in U.S. Dollars: (Fee shown when charged as <u>Int'l Wire Fee Out</u> )	<b>\$45 per wire</b>
	<b>Outgoing International Wire Transfer Foreign Exchange Fee</b> sent in Foreign Currency: (Fee shown when charged as <u>Wire FX Fee</u> .) This fee is assessed <i>in addition to</i> the <u>Int'l Wire Fee Out</u> shown immediately above.	<p><b>\$30 per wire</b></p> <p><b>The total fee for an Outgoing International Wire Transfer sent in foreign currency is \$75.</b> (\$45 <u>Int'l Wire Fee Out</u> + \$30 <u>Wire FX Fee</u>)</p>

<sup>3</sup> The term "Money Services Business" includes any person/company doing business, whether or not on a regular basis or as an organized business concern, in one or more of the following capacities: (1) Currency dealer or exchanger; (2) Check casher; (3) Issuer of traveler's checks, money orders or stored value; (4) Seller or redeemer of traveler's checks, money orders or stored value; (5) Money transmitter; or (6) U.S. Postal Service.

**OTHER  
MISCELLANEOUS  
DEPOSIT  
ACCOUNT FEES**

<p><b>Check Stop Payment:</b> You request a Stop Payment Order be placed on a check. For checks drawn off of your River City Bank account, you may make this request through online banking, in-person at a branch, or over the phone. Your Stop Payment Order is effective for 6 months. For Bill Pay checks, you may make this request in-person at a branch, or over the phone. (Fee shown as <u>Direct S/C - Stop Payment Fee</u> or <u>Stop Payment Fee</u>)</p>	<p><b>\$30</b> per request.</p>
<p><b>ACH Stop Payment:</b> You request a Stop Payment Order to be placed on an Automated Clearing House (ACH or electronic debit) item. This request may be made in-person at a branch or by phone. Requests made by phone require written confirmation within 14 days. Your ACH Stop Order is effective indefinitely, unless RCB is otherwise instructed by you. (Fee shown as <u>Direct S/C - Stop Payment Fee</u> )</p>	<p><b>\$30</b> per request</p>
<p><b>Excessive Withdrawal Fee:</b> The Bank limits the number of withdrawals and transfers that may be made each calendar month from Savings and Money Market Accounts to a total of 6. See <b>RCB Deposit Account Agreement</b> for specific limitations. (Fee shown as <u>Service Charge - Excess Withdrawal</u>)</p>	<p><b>\$15</b> for each excessive item</p> <p>Fees will show as a total for each calendar month. For example, 3 excessive item fees during the calendar month will show on your monthly statement as one charge for \$45</p>
<p><b>Deposited Item Returned or Cashed Check Returned:</b> You deposit or cash an item that is returned unpaid. (Fee shown as <u>Dep. Return Item Fee</u> or <u>Redeposited Item Fee</u>)</p> <p>In the Bank's sole discretion, certain returned items may be reprocessed (resubmitted for payment) in a second attempt to collect payment on your behalf and save you the inconvenience of deducting the amount of the item from your account balance. If the item is returned unpaid a second time, it will be charged back to your Account and a <u>Dep. Item Return Fee</u> will be assessed. You may be charged up to a combined total of \$14 in such fees for the charge back of one deposited or cashed returned item.</p>	<p><b>\$10</b> per item charged back to your Account <b>\$4</b> per item reprocessed, or redeposited, not charged back</p>
<p><b>Check Copy:</b> Providing additional copies of your checks that you pick up in-person at a Branch or ask us to mail or e-mail to you. There is no charge for the first two items per statement that we copy for you.</p>	<p><b>\$1</b> per check</p>
<p><b>Cashier's Check:</b> Check paid for by you and issued by the Bank. Cashier's checks are treated as guaranteed funds because the bank, rather than the purchaser, is responsible for paying the amount. Can be an alternative to a personal check.</p>	<p><b>\$8</b> per check for RCB Customer <b>\$20</b> per check for non-RCB customer converting an RCB check into a cashier's check to the same payee</p>
<p><b>Order for Checks or Supplies:</b> An order of business checks, deposit slips or other banking supplies.</p>	<p><b>Varies</b>, based on items ordered</p>
<p><b>Counter Check:</b> An emergency check when you don't have any checks left in your checkbook.</p>	<p><b>\$1</b> per check</p>
<p><b>Statement Copy:</b> Providing additional copies of your statement that you pick up at a branch or ask us to mail or email to you.</p>	<p><b>\$5</b> per statement</p>
<p><b>Medallion Signature Guarantee</b></p>	<p><b>\$10</b> per signature</p>
<p><b>Notary Service</b></p>	<p><b>No charge</b> for notarization of Bank documents. <b>\$10</b> per signature for notarization of non-Bank documents</p>
<p><b>Account Research:</b> You request the bank to complete research for various data within your account records.</p>	<p><b>\$45</b> per hour</p>
<p><b>Legal Process:</b> RCB receives a garnishment, attachment, levy, subpoena or other legal order for processing against your deposit account.</p>	<p><b>\$150</b> per legal order or the remaining funds available in the account after satisfying the Legal Process, if full \$150 fee is not available. Account will not be overdrawn by this fee.</p>

<b>AUTOMATED TELLER MACHINE (ATM) AND DEBIT CARDS FEES</b>	<b>River City Bank (RCB) ATM Activity</b>	<b>No charge</b> for any withdrawal, deposit, inquiry or transfer
	<b>Non-River City Bank ATM Activity</b> (Fee shown as <u>Direct S/C - ATM Foreign WD Fee</u> ) <b>Avoid these fees by using an RCB ATM</b>	<b>\$2.50</b> for any inquiries, transfers, withdrawals while using a non-RCB ATM in the U.S., including U.S. Dollar transactions performed in Puerto Rico and the U.S. Virgin Islands. Fees from the company that owns and/or operates the ATM owner still apply. (See <i>Other ATM/Debit Card Transactions</i> , below in this section).
	<b>Foreign Country ATM Cash Withdrawal Activity</b> (Fee shown as <u>Direct S/C - ATM Foreign WD Fee</u> )	<b>\$2.50</b> per withdrawal, inquiry or transfers at ATMs outside of the U.S., including foreign currency transactions performed in Puerto Rico, and the U.S. Virgin Islands. Fees from the ATM owners still apply. See <i>Other ATM/Debit Card Transactions</i> , below in this section. Currency conversion costs also apply.
	<b>Foreign Country Purchases, cash transactions</b> in a currency other than U.S. dollars. (Fee shown <u>EFT Service Charge - SVC CHG Intrntl Tr An</u> )	<b>1% of transaction amount</b> after conversion to U. S. Dollars Currency conversion costs also apply.
	<b>Other ATM/Debit Card Transactions:</b> Merchants may charge a fee for ATM and Debit Card transactions. <b>This is not an RCB fee.</b> (Fee shown as <u>ATM Surcharge</u> or may be included in your transaction by the Merchant)	<b>Fees vary</b> by Merchant
	<b>Card Replacement:</b> Requests made after 1 pm PST, Monday-Friday excluding Federal Holidays will be considered received on the following business day.	<b>\$10</b> per card for each card ordered within one year of receipt of previous card, due to loss or damage.  Fee will not be assessed when replacement cards are ordered due to fraud and/or theft of card regardless of time since receipt of card.
	<b>Expedited Card Delivery:</b> Requests made after 1 pm PST, Monday-Friday excluding Federal Holidays will be considered received on the following business day.	<b>\$50</b> per card for 3-Business Day Delivery

<b>SAFE DEPOSIT BOX RENTAL FEES (discontinued)</b>	<b>Safe Deposit Box:</b> Box size and availability vary by branch.	<b>Fees applicable to current safe deposit box holders.</b>  <b>\$40 to \$150</b> annual fee, dependent on size of box rented  <table style="width: 100%; border: none;"> <tr> <td style="width: 50%;">2" X 5" \$40.00</td> <td style="width: 50%;">5" X 10" \$90.00</td> </tr> <tr> <td>3" X 5" \$50.00</td> <td>6" X 10" \$100.00</td> </tr> <tr> <td>4" X 5" \$60.00</td> <td>9" X 10" \$140.00</td> </tr> <tr> <td>5" X 5" \$70.00</td> <td>10" X 10" \$150.00</td> </tr> <tr> <td>3" X 10" \$80.00</td> <td></td> </tr> </table>	2" X 5" \$40.00	5" X 10" \$90.00	3" X 5" \$50.00	6" X 10" \$100.00	4" X 5" \$60.00	9" X 10" \$140.00	5" X 5" \$70.00	10" X 10" \$150.00	3" X 10" \$80.00	
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5" X 5" \$70.00	10" X 10" \$150.00											
3" X 10" \$80.00												
<b>Replacement Key:</b> You will be issued two Safe Deposit Box entrance keys. If you lose one key, or close your box and only return one key, you will be charged a Replacement Key Fee.	<b>\$20</b> per replacement key											
<b>Drilling Fee:</b> If the safe deposit box must be opened and the customer's key is not available for use. This could occur, for example, if both customer keys have been lost, or if a box is drilled for non-payment of rent.	<b>\$125</b> per drilled Safe Deposit Box											

If your account(s) are on Account Analysis or you are interest in applying for Commercial Cash Management Services, other fees may apply and will be disclosed to you upon request. Refer to **River City Bank Deposit Account Agreement** and **Product Information and Disclosures** for further account information.

What We Do	
<b>How does River City Bank protect my personal information?</b>	<p>To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.</p> <p>We also maintain other physical, electronic and procedural safeguards to protect this information and we limit access to information to those employees for whom access is appropriate.</p>
<b>How does River City Bank collect my personal information?</b>	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> <li>● Open an account</li> <li>● Deposit money</li> <li>● Use your credit or debit card</li> <li>● Make deposits or withdrawals from your account</li> <li>● Apply for financing</li> </ul> <p>We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.</p>
<b>Why can't I limit all sharing?</b>	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> <li>● sharing for affiliates' everyday business purposes - information about your creditworthiness</li> <li>● affiliates from using your information to market to you</li> <li>● sharing for nonaffiliates to market to you</li> </ul> <p>State laws and individual companies may give you additional rights to limit sharing. See below for more on your rights under state law.</p>
Definitions	
<b>Affiliates</b>	<p>Companies related by common ownership or control. They can be financial and non-financial companies.</p> <ul style="list-style-type: none"> <li>● <i>River City Bank does not share with our affiliates.</i></li> </ul>
<b>Nonaffiliates</b>	<p>Companies not related by common ownership or control. They can be financial and non-financial companies.</p> <ul style="list-style-type: none"> <li>● <i>River City Bank does not share with nonaffiliates so they can market to you.</i></li> </ul>
<b>Joint Marketing</b>	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> <li>● <i>River City Bank does not jointly market.</i></li> </ul>
Other Important Information	
<p>Per California state law, we will not share personal information with nonaffiliates either for them to market their products and services to you or for joint marketing - without your authorization. In the future, if we have affiliates, we will also limit our sharing of personal information about you with our affiliates to comply with all state privacy laws that apply to us. Nothing in this form prohibits the sharing of information necessary for us to follow the law, as permitted by law, or to give you the best service on your accounts with us. This includes sending you information about some other products or services.</p>	



**FACTS** **WHAT DOES RIVER CITY BANK DO WITH YOUR PERSONAL INFORMATION?**

**Why?** Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

**What?** The types of personal information we collect and share depend on the product or service you have with us. This information can include:

- Social Security number
- Account balances
- Transaction history
- Overdraft history
- Account transactions
- Checking account information

When you are *no longer* our customer, we continue to share your information as described in this notice.

**How?** All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons River City Bank chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does River City Bank share?	Can you limit this sharing?
<b>For our everyday business purposes -</b> such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
<b>For our marketing purposes -</b> to offer our products and services to you	Yes	No
<b>For joint marketing with other financial companies</b>	No	We don't share
<b>For our affiliates' everyday business purposes -</b> information about your transactions and experiences	No	We don't share
<b>For our affiliates' everyday business purposes -</b> information about your creditworthiness	No	We don't share
<b>For nonaffiliates to market to you</b>	No	We don't share

**Questions?** Call (916) 567-2899 or go to [www.RiverCityBank.com](http://www.RiverCityBank.com)

## **ITEM #9.A**

*Field Report on Current and Upcoming Projects*



## DEL PASO MANOR WATER DISTRICT REGULAR BOARD MEETING FIELD REPORT

**MEETING DATE: November 07, 2023**

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### **AGENDA ITEM 9.A:**

Leaks: We had 0 mainline leak, 0 service line leak on our side, and 0 service line leak on the customer's side

Complaints: We had 0 water quality concern

Water Waste: We had 4 water waste reports

Field Work:

1. 24 USA's marked in October
2. TCR samples for October were absent
3. 4 additional curb stops have been located bringing the total to 484
4. 20 dry barrel hydrants have been serviced

Current and Upcoming Projects:

1. We have one more non-working meter to replace.
2. Landscaping maintenance around our hydrants.
3. Mainline valve measurements ongoing project.

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**FIELD STAFF RESPONSIBLE FOR REPORT: Mike Jenner, Field Manager  
11/07/2023**