State of California
California Environmental Protection Agency
State Water Resources Control Board
Clean Water State Revolving Fund

AMENDED INTENDED USE PLAN

July 1, 2010 – ~~June~~ September 30, 2011

Federal Fiscal Years 2010 and 2011
Clean Water Act Title VI Allotments

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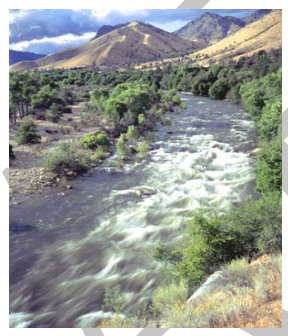
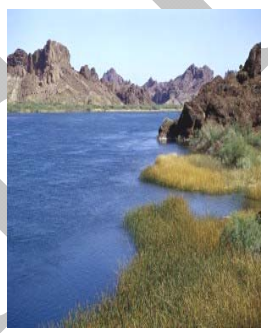
PREPARED BY: The Division of Financial Assistance
APPROVED BY: State Water Resources Control Board
May 17, 2011 / Resolution No. 2011 -00XX

OUR VISION

A sustainable California made possible by clean water and water availability for both human uses and environmental resource protection

OUR MISSION

To preserve, enhance, and restore the quality of California's water resources, and ensure their proper allocation and efficient use for the benefit for present and future generations

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I. INTRODUCTION

Water is one of the most essential natural resources in California. The State Water Resources Control Board (State Water Board) and its nine Regional Water Quality Control Boards (Regional Water Boards), collectively the Water Boards, protect and improve water quality in California through several regulatory and financial assistance programs. The federal Clean Water Act established the Clean Water State Revolving Fund (CWSRF) Program to finance protection and improvement of water quality. The CWSRF Program has protected and promoted the health, safety, and welfare of Californians since 1989. Many of the projects funded by the CWSRF Program address wastewater discharge violations or enforcement orders from the Regional Water Boards. Every project is directly related to improving public health and/or water quality.

Authority, History, and Past Achievements

In 1987 the U.S. Congress and the President amended the Clean Water Act. Title VI of the Clean Water Act replaced the long-standing, federal Construction Grants program (Title II) with the more flexible CWSRF Program. The CWSRF Program can fund a wide variety of projects including all types of non-point source, estuary management, and traditional Publicly Owned Treatment Works (POTW). All 50 states and the territories are currently operating successful CWSRF Programs. The total funds available to the Program nationwide since its inception exceed $68.8 billion.

States may offer a variety of financing options to assist recipients with their water quality efforts. These include loans, refinancing debt, purchasing or guaranteeing local debt, and purchasing bond insurance. States may set specific terms, including interest rates from zero percent to below market rate. Loan repayment periods are generally up to 20 years, but states can also extend repayment periods more than 20 years in some cases. States have the flexibility to target resources and customize terms to meet their particular water quality needs.

Federal and state law require complete repayment of all financial assistance and prohibit the CWSRF from offering grants, except for funding authorized through the American Recovery and Reinvestment Act of 2009 (ARRA) and the federal fiscal year (FFY) 2010 appropriation. Both federal laws authorize grants, negative interest rates, and principal forgiveness. State law has been modified to accommodate the additional types of subsidy authorized by these recent federal laws.

The State of California's CWSRF Program is authorized under Water Code Sections 13475-13485. California operates its Program through an "Operating Agreement" between the State Water Board and the United States Environmental Protection Agency (US EPA).

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The CWSRF Program operates much like an environmental infrastructure bank capitalized with federal, state, and local contributions. The CWSRF provides financial assistance to communities with the capital contributions, and then uses the revenue generated by those contributions, principal and interest payments and investment earnings, to fund additional water quality projects. The revolving nature of the CWSRF Program provides a sustainable source of funds for water quality protection and improvement.

California's CWSRF has grown since its beginnings in 1989. It has executed more than $5.2 billion in financial agreements. The Net Assets of the Program exceed $2.9 billion, and its annual revenue after debt service is ~~principal and interest payments and investment earnings are~~ approximately $~~228~~ 225 million.

California's CWSRF Program has funded a broad range of projects. About 70 percent of funds were used for wastewater treatment and water recycling facilities. About 24 percent of funds were used for wastewater collection systems. About six percent of funds were used for non-point source or estuary projects.

Connections to Other Plans, Goals, and Programs of the State Water Board and the California Environmental Protection Agency (Cal/EPA).

The CWSRF Program supports the following goals from the Water Boards' Strategic Plan Update for 2008-2012.

Goal 1 Implement strategies to fully support the beneficial uses for all 2006-listed water bodies by 2030.

Goal 2 Improve and protect groundwater quality in high-use basins by 2030.

Goal 3 Increase sustainable local water supplies available for meeting existing and future beneficial uses by 1,725,000 acre-feet per year, in excess of 2002 levels, by 2015, and ensure adequate flows for fish and wildlife habitat.

Goal 4 Comprehensively address water quality protection and restoration, and the relationship between water supply and water quality, and describe the connections between water quality, water quantity, and climate change, throughout California's water planning processes.

Goal 5 Improve transparency and accountability by ensuring that Water Board goals and actions are clear and accessible, by demonstrating and explaining results achieved with respect to the goals and resources available, by enhancing and improving accessibility of data and information, and by encouraging the creation of organizations or cooperative agreements that advance this goal, such as establishment of a statewide water data institute.

Goal 6 Enhance consistency across the Water Boards, on an ongoing basis, to ensure our processes are effective, efficient, and predictable, and to promote fair and equitable application of laws, regulations, policies, and procedures.

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Goal 7 Ensure that the Water Boards have access to information and expertise, including employees with appropriate knowledge and skills, needed to effectively and efficiently carry out the Water Boards' mission.

The CSWRF Program also supports the following Cal/EPA Strategic Vision goals:

Goal 1 Rivers, lakes, estuaries, and marine waters that are fishable, swimmable, support healthy ecosystems and other beneficial uses.
Goal 2 Groundwater that is safe for drinking and other beneficial uses.
Goal 3 Communities that are free from unacceptable human health and ecological risks due to exposure from hazardous substances and other potential harmful agents.
Goal 4 Reduce or eliminate the disproportionate impacts of pollution on low-income and minority populations.
Goal 5 Ensure the efficient use of natural resources.
Goal 6 Continuous improvement and application of science and technology.

The Division of Financial Assistance (DPA) administers additional state funded financial assistance programs that complement and leverage the financial resources of the CWSRF. These other sources of funding are listed below.

- ✓ The Small Community Wastewater Grant Program provides state bond funds as grants to small, disadvantaged communities for wastewater infrastructure projects.
- ✓ The State Water Pollution Control Revolving Fund Small Community Grant Fund provides funds for grants to small, disadvantaged communities for their wastewater projects through an administrative surcharge on CWSRF financing agreements.
- ✓ The Water Recycling Funding Program (WRFP) provides grants and loans for construction of water recycling facilities.
- ✓ The Clean Beaches Initiative Grant Program (CBI) provides grants to restore and protect coastal waters, estuaries, bays, and near shore waters.
- ✓ The Integrated Regional Water Management (IRWM) Grant Program provides grants to protect communities from drought, protect and improve water quality, and improve local water security by reducing dependence on imported water.
- ✓ The Storm Water Grant Program will provide matching grants for reduction and prevention of storm water contamination of rivers, lakes, and streams.

Due to California's current budget problems, however, continued funding for several of these programs is uncertain. DFA continues to manage the CWSRF and its other funding programs to maximize its ability to fund projects that support the Water Boards' water quality protection goals.

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Intended Use Plan (IUP) and FFY 2010 Guidance

This IUP is required by federal statutes and regulations, and as part of the Capitalization Grant application process. The State Water Board adopted IUP, or an amendment, will be included in the State Water Board's application for Capitalization Grant(s) for the CWSRF program.

The SFY 2010/11 IUP outlines the State Water Board's business plan for the year. It discusses management's general approach and the CWSRF's ability to successfully carry out the business plan with the financial and programmatic resources available to it.

In particular, this IUP estimates the Program's cash flow for the next several fiscal years (Table 1) and identifies the projects the State Water Board expects to fund in SFY 2010/11 with all available funds (Table 2). The IUP also includes performance measures to track the effectiveness of the CWSRF Program.

The State Water Board will continue to implement the CWSRF Program consistent with ongoing requirements. These include:

- ✓ Applicable state and federal statutes and regulations.
- ✓ The *Policy for Implementing the State Revolving Fund for Construction of Wastewater Treatment Facilities* (CWSRF Policy).
- ✓ The *Strategy for Implementing the SRF for Expanded Use Projects* (Expanded Use Strategy).
- ✓ The Operating Agreement between the State Water Board and US EPA Region 9.

In addition to the ongoing requirements of the Program, the State Water Board will implement the CWSRF consistent with US EPA's *Procedures for Implementing Certain Provisions of EPA's Fiscal Year 2010 Appropriation Affecting the Clean Water and Drinking Water State Revolving Fund Programs* (FFY 2010 guidance). The FFY 2010 appropriation repeated many of the provisions of ARRA. The key provisions of this guidance are:

- ~~✓ No financing agreement executed prior to October 1, 2009, is eligible for FFY 2010 Capitalization Grant funds.~~
- ✓ The FFY 2010 appropriation requires that each state provide additional subsidy in the form of principal forgiveness, grants, or negative interest rates. The State Water Board's FFY 2010 Capitalization Grant is $145,721,000 million. The State Water Board must provide at least $21,824,382 from the FFY 2010 Capitalization Grant as additional subsidy. The State Water Board may provide up to, but not more than, $72,747,939 from the FFY 2010 appropriation as additional subsidy. Congress and US EPA believe that subsidies should be given to projects in communities that could not otherwise afford the project.

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- ✓ The FFY 2010 appropriation requires that "to the extent there are sufficient eligible project applications, not less than 20 percent of the funds" shall be for projects that meet the Green Project Reserve (GPR). Twenty percent of the FFY 2010 appropriation for California is equal to $29,144,200.
- ✓ The FFY 2010 appropriation requires the application of Davis-Bacon requirements to all financing done by the CWSRF program during FFY 2010 (October 1, 2010 – September 30, 2011).
- ✓ States must track and report quarterly on how the additional subsidy is used, the types of communities that receive the additional subsidy, and the environmental benefits of funded projects.

II. WATER QUALITY FINANCING MARKET

Clean Watersheds Needs Survey

California needs significant funding to achieve its clean water goals. The most recent ~~Clean Watersheds Needs Survey in 2004~~ Clean Watersheds Needs Survey in 2008 shows that California needs an estimated $~~20.5~~ 29.9 billion for wastewater treatment and collection, wastewater recycling, non-point source pollution elimination, and storm water pollution prevention over the next 20 years. This includes an estimated $~~18.2~~ 24.4 billion to update aging infrastructure.

Project Priority List

Annually the State Water Board updates the Project Priority List in cooperation with the Regional Water Boards. The Priority List reflects projects for which applicants need financing over the next five years. Projects on the Priority List may compete for financing from the CWSRF.

State Water Quality Guidance

1. Small and/or Disadvantaged Communities

   On July 1, 2008, the State Water Board adopted Resolution No. 2008-0048 to assist small and/or disadvantaged communities with their wastewater needs. Resolution No. 2008-0048 references the *Small Community Wastewater Strategy (SC Strategy)*, which provides an overview of the challenges faced by small and/or disadvantaged communities, such as failing septic systems or old and undersized wastewater treatment plants. The SC Strategy discusses options and offers solutions to those problems.

   Small and/or disadvantaged communities generally have higher per capita costs. Disadvantaged (median household income (MHI) of less than 80 percent of the statewide MHI) and severely disadvantaged (MHI of less than 60 percent of the statewide MHI) small communities face the additional burden of lower household incomes. The result is higher, sometimes prohibitive, sewer rates.

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The strategies outlined in Resolution No. 2008-0048 include a number of modifications, such as extended term financing or reduced interest rates, to make the CWSRF Program more affordable for small and/or disadvantaged communities.

2. Protection of the San Francisco Bay/Sacramento-San Joaquin Delta Estuary (Bay-Delta)

   On July 16, 2008, the State Water Board adopted the *Strategic Workplan for Activities in the San Francisco Bay/Sacramento-San Joaquin Delta Estuary* (Workplan). The Workplan describes the actions the Water Boards will complete, in cooperation with other agencies, to protect beneficial use of water in the Bay-Delta and the associated timelines and resources needed.

   Workplan activities are divided into nine broad elements. The CWSRF Program can help implement the Workplan by funding point and nonpoint source projects such as:

   - ✓ Measures identified in Total Maximum Daily Loads (TMDLs).
   - ✓ Storm water and dry weather runoff reduction from Municipal Separate Storm Sewer Systems (MS4).
   - ✓ Conservation measures to reduce sediment and non-point discharges.
   - ✓ Ammonia discharge reduction from POTWs.
   - ✓ Urban and agricultural water use efficiency to reduce demand on the Delta and reduce runoff of pesticides to the Delta.

3. Sustainability and Global Climate Change

   The State Water Board adopted Resolution No. 2008-0030 on May 6, 2008, emphasizing sustainability as a core value for all the Water Boards' activities and programs. Resolution No. 2008-0030 directed the Water Boards' staff to take a number of actions that may affect the CWSRF Program such as:

   - ✓ Promote recycled water, conservation, and low impact development (LID).
   - ✓ Assign a higher priority to climate-related and LID projects.
   - ✓ Coordinate with government agencies, non-profit organizations, and private sector businesses to enhance and encourage sustainable activities.

Regional Water Quality Needs

In April and May 2010, CWSRF Program staff met with Regional Water Board staff to discuss water quality priorities and needs for each respective region. In general, these water quality needs focus on several major areas, such as, storm water management, wastewater treatment, water quality monitoring, wetlands protection, environmental education, environmental justice, sediment impacts, contaminated urban runoff, groundwater protection, LID, salt management, and flood control. A summary of items discussed during the meetings with the Regional Water Boards is presented in Attachment 1.

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III. PROGRAM CAPABILITIES

Financial Outlook

All CWSRF projects are funded based on their projected disbursements and the projected revenue of the CWSRF Program. The projected revenue includes US EPA Capitalization Grants, payments of principal and interest, investment earnings, and matching funds.

Approximately $145 million in new capital, the FFY 2010 Capitalization Grant, ~~will be~~ was added to the CWSRF Program during SFY 2010/11. The CWSRF program received the FFY 2010 grant award of $145,721,000 from US EPA on August 27, 2010. A portion of ~~this~~ the FFY 2010 grant must be used for additional subsidy, i.e., principal forgiveness. Although the budget for federal year 2011 remains uncertain, staff, in consultation with US EPA staff, used the 2010 Capitalization Grant amount as the estimated 2011 Capitalization Grant amount for budgeting purposes. Current information on the 2011 federal budget indicates, however, that the 2011 Capitalization Grant will probably be considerably less. A lower 2011 Capitalization Grant will result in less cash for future commitments and disbursements than what is estimated in Table 1. Table 3 is the State Water Board's requested schedule for being able to draw these funds from the US Treasury. In addition to the new capital expected ~~in SFY 2010/11~~ from US EPA, the CWSRF Program ~~will~~ currently receives ~~approximately $228 million in~~ from existing financing agreements ~~payments~~ and investments earnings revenue of approximately $257 million annually. The bulk of the cash ~~expected in SFY 2010/11, about $337 million,~~ will be used to assist recipients with their projects. The remainder of the funds will be used for administration or making payments on the CWSRF Program's Series 2002 leverage bonds.

~~As seen in Table 1,~~ Although the current cash flow projection, Table 1, indicates ~~a potential~~ that the CWSRF has sufficient cash ~~shortage during SFY 2010/11~~ to fulfill all current commitments, ~~. O~~on September 22, 2005 (Resolution No. 2005-0064) the State Water Board authorized the California Infrastructure and Economic Development Bank to sell up to $300 million in revenue bonds on behalf of the CWSRF to address any cash shortfalls. Additional revenue is expected in future years as seen in Table 1 that should provide ~~positive year-end~~ cash ~~balances in future years~~ for additional commitments in the future. The uncommitted cash available over the next four years for financing water quality projects is approximately $~~516~~ 833 million according to projections in Table 1. The authority granted by the State Water Board in Resolution No. 2005-0064 can provide the CWSRF with cash for additional commitments if needed.

Comparing the four-year cash flow projection in Table 1 with the financing needs projected in Table 2 indicates that an additional ~~$1.7 billion~~ 621 million will be needed to fund all of the projects in Table 2. This assumes that all the projects are eligible, all the applications are complete, all the applicants sign a financing agreement, and all the actual disbursements happen as planned.

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The State Water Board must provide one dollar of match for each five dollars received through US EPA Capitalization Grants. Cumulatively, the CWSRF Program has received $2,029,088,583 in grants as of January 29, 2010 that must be matched. The FFY 2010 Capitalization Grant ~~will be~~ was $145,721,000. The total matching requirement at the end of SFY 2010/11, therefore, ~~will be~~ was approximately $434,961,917. The CWSRF Program has provided a total of ~~$610,070,000~~ 619 million in matching funds as of the end of SFY ~~2008/09~~ 2009/2010. Therefore, the State Water Board has contributed at least an extra ~~$175,108,083~~ 216 million in match funds to the CWSRF over the amount required at the end of SFY 2010/11. This is sufficient to match approximately ~~$875 million~~ 1.1 billion in Capitalization Grants.

Resources

1. Organization, Program Resources, and Skills

   Approximately 57 Personnel Years (PY) are budgeted for the CWSRF Program in SFY 2010/11. No staffing changes are anticipated in SFY 2011/2012. These positions are distributed between DFA, Division of Administrative Services (DAS), the nine Regional Water Boards, the Office of Chief Counsel (OCC), and Division of Information Technology (DIT) as follows:

   - ✓ Three PYs for Environmental Scientists to ensure compliance with state and federal environmental and cultural resources requirements (DFA)
   - ✓ Twenty-nine PYs for Water Resources Control Engineers to manage project applications (DFA)
   - ✓ 0.9 PYs for Regional Water Board coordination (Regional Water Boards)
   - ✓ Eleven PYs to provide administrative support (DFA)
   - ✓ Six PYs to provide management to oversee staff and the program (DFA)
   - ✓ Five PYs to provide accounting, personnel, budget, and contract support (DAS)
   - ✓ One PY to provide legal support (OCC)
   - ✓ One PY to provide information technology support (DIT)

   The CWSRF Program relies on some contracted services that 1) cannot be provided economically by Water Board staff, 2) require skills not available in the Water Boards, or 3) require independence from the Program. Approximately $1.2 million are budgeted for contract services such as an independent accounting firm for annual audits, outside legal counsel for specialized tax advice, an outside contractor to conduct credit analyses, a vendor to provide maintenance for the Loans and Grants Tracking System (LGTS), and a financial advisor.

2. Administrative Funding

   Administrative funding comes from ~~two~~ three sources – the Capitalization Grants provided by US EPA, American Recovery and Reinvestment Act (ARRA), and the State Water Pollution Control Revolving Fund Administrative Fund. Up to 4.0 percent of the cumulative Capitalization Grants and ARRA

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may be spent on administration. Section 13477.5.(c)(1) of the California Water Code allows the Board to apply an annual service charge on a financing agreement up to 1.0 percent of the principal outstanding on the agreement. The service rate cannot exceed 1.0 percent of the outstanding balance. Once the service charge is applied to an agreement, it remains unchanged for the duration of the agreement. The interest on any agreement that is charged the service rate is reduced by a like amount so that the recipient's annual payment stays the same.

The federal administration allowance and the service charge together provide a reliable source of funds to administer the CWSRF Program. Since the service revenue is a percentage of the outstanding principal of each agreement, each agreement assessed a service charge produces a declining amount of revenue each successive year. Each fiscal year, the State Water Board shall set the service rate for the coming year based on the anticipated budget and the anticipated financing agreements for the coming year. The service rate will then be applied each year to additional financial agreements to maintain the revenue stream equal to the budget established by the Governor and the Legislature for the CWSRF Program.

Based on the budgeted positions for the program in SFY 2010/11, the State Water Board establishes the service rate at 1.0 percent for agreements executed in SFY 2010/11. This shall be the effective rate until the State Water Board finds it necessary to establish a different rate.

3. State Water Pollution Control Revolving Fund Small Community Grant (SCG) Fund

AB 2356 was signed into law September 2008. It established the SCG Fund using a surcharge on CWSRF financing agreements. The SCG Fund was established to provide grants for wastewater projects that serve small, disadvantaged communities. AB 2356 states that the State Water Board shall give priority to projects that serve severely disadvantaged communities (i.e., communities with a median household income [MHI] less than 60 percent of the Statewide MHI). The surcharge is applied in the same manner as the administrative service rate by reducing the interest paid by a like amount so that the recipient's annual payment stays the same. The law allows the State Water Board to assess an annual charge until 2014. The State Water Board may collect a cumulative amount of $50 million for the SCG Fund.

The annual charges will be deposited into the SCG Fund, separate from the CWSRF. Monies deposited into the SCG Fund will be used as grants for small, disadvantaged communities.

The State Water Board ~~is currently in the process of selecting~~ has identified all the financing agreements that will be assessed the surcharge, and is currently amending ~~eligible financing~~ the affected agreements ~~for the surcharge~~. The State Water Board ~~staff is also in the process of developing a spending plan for~~ has authority to spend $1 million in SFY 2010/11 from the SCG Fund.

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Overall Funding Approach

In order to meet identified water quality financing needs, the State Water Board will attempt to fund all eligible and complete applications during SFY 2010/11 and 2011/12 consistent with the CWSRF Policy, the Expanded Use Strategy, the OA, and applicable federal and state statutes, regulations, and guidance.

The CWSRF Policy establishes a Project Priority List (PPL) based on public health and water quality factors, but it also states that projects are funded "on an as-ready basis." The reason for these two approaches is that there is a greater water quality benefit from funding an eligible project ready to proceed than there is holding cash for a higher priority project not ready to proceed. In addition, financing projects usually generates a greater financial return than the State Treasury's Surplus Money Investment Fund.

All funds available to the CWSRF Program will be distributed as described below. The CWSRF Program has committed 100 percent of all federal Capitalization Grants through FFY 2009 and the ARRA Grant, and approximately 50 percent of the FFY 2010 Capitalization Grant. The State Water Board's priority, therefore, during the remainder of SFY 2010/11 and the beginning of SFY 2011/12 will be committing the remaining FFY 2010 Capitalization Grant funds, any FFY 2011 funds that are received, and the $1 million available from the SCG Fund. After committing all federal Capitalization Grant funds and available funds from the SCG Fund, DFA will commit payments of principal and interest or investment earnings to meet anticipated disbursement needs. If these sources are not sufficient to meet the cash needs of the CWSRF Program, DFA will evaluate a revenue bond sale or limit cash disbursements.

Provisions that depend on the FFY 2010 or 2011 appropriations take effect only if the State Water Board receives the FFY 2010 or 2011 Capitalization Grants, and apply only to FFY 2010 or 2011 Capitalization Grant funds received. Key elements related to the ~~FFY 2010~~ appropriations ~~during SFY 2010/11~~ include:

1. Principal Forgiveness (PF) and SCG Fund

   PF and the SCG Fund provide~~s~~ funds for the neediest communities in California and targets ~~PF to~~ those that cannot otherwise afford a loan. PF also provides funds for projects in California's three nationally designated estuaries. Typically the agencies sponsoring these projects do not have a revenue stream to support repayment of a loan, and are able to provide limited matching funds. The maximum amount of PF allowed by USEPA will be made available for projects ~~in 2010/11~~. The maximum PF allowed by the FFY 2010 Grant is s~~S~~eventy-two million seven hundred forty-seven thousand nine hundred thirty-nine dollars ($72,747,939) ~~is available to disadvantaged communities in California.~~; additional PF may or may not be available from the FFY 2011 Grant. One-million dollars ($1,000,000) from the SCG Fund is also available.

A question was raised regarding the eligibility of certain costs on a small number of ARRA projects. The Division identified state bond funds and FFY 2010 PF that can be used for costs that may not have met the eligibility requirements for ARRA. Resolution No. 2011-00XX, adopted on March 1, 2011, authorized staff to use FFY 2010 PF to backfill these cost. Seven-million five hundred ninety-eight thousand nine hundred forty-three dollars ($7,598,943) in FFY 2010 PF was used for this purpose. After deducting the FFY 2010 PF used for the ARRA projects, a total of $65,148,996 is available in FFY 2010 PF. The ARRA funds under question were reobligated to other ARRA eligible projects.

Disadvantaged communities and estuary project sponsors are separated into two categories – "small" and "other." The distribution and limitations associated with ~~of~~ PF and the SCG Fund ~~is~~ are shown in Table 4 – "Principal Forgiveness and SCG Funds (Grants) by Category of Applicant." The total PF and SCG funds available to Category 1, after deducting funds used for ARRA and adding the $1 million from the SCG Fund, is 60 percent of the maximum available FFY 2010 PF. The total PF available to Category 2 is 40 percent of the maximum FFY 2010 PF plus $1 million in PF transferred from Category 1 to compensate for the additional SCG funds added to Category 1 and to help offset the addition of estuary projects to Category 2.

If any PF is available from the FFY 2011 Capitalization Grant, those funds will be added to the existing two categories in the ratio of 60 percent for Category 1 and 40 percent for Category 2; SCG funds that are appropriated may be added in the future. All existing conditions on these funds will remain in effect until modified by the State Water Board at a regular meeting.

~~In order to receive PF, applicants must meet the deadlines outlined in Table 4 to assist the State Water Board with timely and expeditious expenditure of funds. If sufficient disadvantaged community (DAC) projects are not funded by the deadlines to meet the minimum amount of PF in this IUP ($22 million), then the Executive Director, in consultation with the State Water Board Chair and Vice Chair, may award PF to any eligible CWSRF project sufficient to meet the minimum PF.~~

To ensure a fair distribution of PF and the SCG Fund to a large cross-section of community needs throughout California, PF and SCG funds will be capped at $10 million ~~in PF~~ per agency over the course of the next three (3) SFY (July 1, 2010 – June 30, 2013). The upper limit of PF and SCG funds may be modified in the future based on the amount of PF and SCG funds available and the priorities of the State Water Board.

All applicants eligible for ~~FFY 2010~~ PF or the SCG Fund must evaluate how their projects address the Housing and Urban Development – Department of Transportation – US EPA "Livability Principles" as part of their applications. This evaluation is for informational purposes only, and is not intended to affect the priority or eligibility of a project requesting CWSRF funding. The Livability

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Principles can be found at www.epa.gov/smartgrowth/partnership/index.html#livabilityprinciples.

2. Local contributions for PF and SCG Fund projects

The State Water Board believes that local involvement and investment in projects is crucial for successful project development and completion. The 2010/2011 IUP establishes the minimum contribution that recipients must provide to projects to receive PF and SCG funds. Costs for planning and design specific to a project financed with PF or SCG funds may be counted as part of the local contribution regardless of the date incurred. Costs incurred after October 1, 2009, for construction or implementation specific to a project financed with PF or SCG funds may be counted as part of the local contribution.

Table 4 breaks down the amounts available by applicant and project type. In general, small, disadvantaged communities are provided with higher per project and cumulative funding levels. A higher per project limit is also established to encourage regionalization.

The State Water Board will make available loan funding for the portion of the project not receiving PF or SCG funds with the same terms available to other applicants, if requested by the applicant.

3. Green Project Reserve (GPR)

To ensure that California meets and exceeds the minimum 20 percent GPR called for in the 2010 appropriation, and anticipated in the FFY 2011 appropriation, the State Water Board will prioritize the review and approval of GPR projects until the minimum GPR threshold is met. GPR projects will be determined consistent with US EPA's FFY 2010 guidance and any subsequent guidance issued by US EPA.

4. Implementation of federal requirements

The 2010 federal appropriation included several specific requirements; staff believes that the same or similar federal requirements will be applied to the FFY 2011 Capitalization Grant. The State Water Board will require that applicants comply with these requirements. All financing agreements, regardless of the source of funds, must comply with federal Davis-Bacon prevailing wage requirements. Recipients of CWSRF financing must agree to provide information necessary to meet federal reporting requirements. ~~Financing agreements executed prior to October 1, 2009, are not eligible for FFY 2010 funds.~~ Projects that received an executed agreement between October 1, 2009 and the date this IUP is approved will be reevaluated to determine whether they are eligible for FFY 2010 PF or GPR funds. Those that are will receive priority for those funds. This priority shall be based on the agreement execution date.

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General Elements Applicable to CWSRF Funding

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 match up available funds with projects to achieve the maximum water quality benefit. This includes the use of extended term financing (up to 30 years) and the State Water Pollution Control Revolving Fund SCG Fund, to the extent these are available and applicable, with the CWSRF to maximize financing of projects for small, disadvantaged communities.

   The CWSRF Program has sufficient matching funds for several years of capitalization grants from US EPA at the currently expected levels. Since no additional match is necessary for the foreseeable future ~~during SFY 2010/11~~ and match financing reduces earnings for the CWSRF, the State Water Board will not offer the match financing option ~~during SFY 2010/11~~ until further notice.

   The State Water Board will continue to limit CWSRF disbursements to $50 million per year per agency until further notice ~~during SFY 2010/11~~. Recipients with agreements executed in previous years that did not draw the maximum allowed in prior years may carry forward any undrawn balance for disbursement in the present year. The Deputy Director of DFA is authorized by the State Water Board to reduce the maximum amount an agency may draw from the CWSRF if necessary to ensure a fair distribution of funds. The Deputy Director of DFA is also authorized to disburse funds over the $50 million limit if doing so will not hinder the ability of other applicants to receive financing and will help the Program expend funds in a timely manner.

2. Programmatic assurances

   The State Water Board will provide funding for all eligible categories of projects. The types of assistance include loans, installment sales agreements, and purchase of debt for the construction of treatment works or implementation of non-point source or estuary projects. The State Water Board will also provide planning financing during SFY 2010/11 and SFY 2011/12. Principal forgiveness will be provided to those applicants that meet the conditions specified earlier. The terms associated with financial assistance vary by applicant and the date the project is approved. Planning financing is amortized over five years unless rolled into a construction financing agreement. Construction or implementation financing are generally amortized for periods up to 20 years, but can be amortized over as much as 30 years for small, disadvantaged communities. The interest rate applied to financing agreements is established at the time the project is approved. The interest rate will be one-half the state's most recent general obligation bond rate rounded up to the nearest one-tenth of a percent.

   As noted earlier, the CWSRF is over matched at this point. Therefore, the State Water Board will not provide any matching funds during SFY 2010/11.

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The State Water Board must make binding commitments in an amount equal to 120 percent of each quarterly grant payment from US EPA within one year after the receipt of each quarterly grant payment (Code of Federal Regulations, Title 40, § 35.3135). As of ~~April 30~~ December 31, 2010, the State Water Board made binding commitments equal to 235 percent of all federal grant payments (including ARRA.) The State may bank the balance towards the binding commitment requirements of subsequent quarters if it commits more than the required 120 percent. Given the high level of binding commitments relative to the federal investment, the State Water Board will meet the 120 percent threshold during SFY 2010/11.

The State Water Board will ensure timely and expeditious expenditure of all funds during SFY 2010/11 and SFY 2011/12 and comply with the conditions included with the FFY 2010 and FFY 2011 grant agreements. This IUP establishes the goals during SFY 2010/11 and SFY 2011/12 to over commit available funds by 105 percent and disburse 100 percent of available funds less a minimum balance of $25 million plus any assets restricted for other uses, i.e., bond payments. The State Water Board will continue to use and refine its existing procedures. These procedures are designed to quickly identify and approve projects, execute financing agreements, and disburse funds to recipients. As of ~~April 30~~ December 31, 2010, the State Water Board has disbursed ~~98.5~~ 93.0 percent of all federal grants awarded not including the ARRA grant. With the ARRA grant included, the State Water Board has disbursed ~~89.3~~ 89.8 percent of all federal awards. These results are consistent with recent trends, and indicate that the State Water Board is able to quickly and productively use federal funds.

All projects funded by the CWSRF Program must comply with certain federal laws known as "super cross-cutters." A broader category of federal laws, the "federal cross-cutters," apply only in an amount equal to the Capitalization Grants received by the CWSRF Program. Through September 2008, DFA demonstrated compliance with federal cross-cutters on all projects (about $4.0 billion in financing) provided by the CWSRF Program. The CWSRF Program will receive about $~~2.2~~ 2.45 billion in grants from US EPA through the FFY 2010. Based on the total application of federal cross-cutters, the State Water Board will not need to apply federal cross-cutters to projects receiving agreements during SFY 2010/11 and SFY 2011/12, and will only demonstrate compliance with federal super cross-cutters during SFY 2010/11 and SFY 2011/12 unless project conditions warrant federal consultation.

The OA allows for two levels of environmental review for CWSRF projects. The State Water Board will generally use its alternative environmental review process, also know as the Tier II review, for projects during SFY 2010/11 and SFY 2011/12. The Tier II review generally follows the requirements of CEQA.

Even though a Tier I review, or National Environmental Policy Act (NEPA) like review, is no longer required by federal regulations, all applicants must complete and submit an "Evaluation Form for Environmental Review and

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Federal Coordination." State Water Board staff will conduct a Tier I review, including federal agency distribution and consultation, for projects with known or suspected effects under federal environmental cross-cutting regulations. If a project can adequately document that there will be "no effect" under federal environmental cross-cutting regulations, then a Tier II review will be conducted.

Without restricting the general approach described above, the Executive Director, or designee, should update the State Water Board Members and the public at State Water Board meetings, or by other appropriate communication, on the progress of implementing the CWSRF Program and recommend appropriate adjustments to this IUP or other changes in policy or procedure necessary to achieve the most favorable water quality results in California.

Funding Forecast

Table 2 lists the projects most likely to be approved for funding by the CWSRF Program during the remainder of SFY 2010/11 and the beginning of SFY 2011/12. Table 2 includes only projects that have submitted elements of an application to the CWSRF Program. DFA staff evaluated the completeness of the applications submitted to date and estimated when each project could be ready for a financing agreement. Table 2 includes the estimated financing agreement dates, the estimated project costs, the probable source(s) of funds for the projects, and the estimated GPR.

Note that Table 2 does not include all of the projects listed on the PPL or include projects that have only submitted a questionnaire to become listed on the PPL. DFA staff cannot predict when a project will be ready for financing based solely on the information collected for the PPL.
Being listed in Table 2 does not guarantee funding or the order of funding for projects. All projects in Table 2, as well as any project on the PPL, are potentially eligible for funding, bearing in mind the minimum PF and GPR requirements associated with ~~FFY 2010~~ federal funds. If a project identified in this IUP is not eligible for the CWSRF Program or is not ready for a financing agreement, it may be bypassed in favor of any other project in Table 2 or on the PPL that is ready for financing.

Each project in Table 2 will be reviewed by State Water Board staff to determine that it meets all applicable eligibility rules prior to execution of a financing agreement.

Risks

The following are financial or institutional risks to the CWSRF Program. DFA management will focus on identifying potential problems and taking action early to maintain the integrity and success of the CWSRF Program.

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1. Application Demand vs. Resources

   Demand for financing may exceed the resources needed to review and approve all applications. Staff resources are the most inflexible aspect of the CWSRF Program. Because additional staff must be approved through the state's budget process, additional staff cannot be added quickly to address high demand. In addition, hiring may be frozen or work hours reduced due to state budget concerns. DFA will prioritize applications consistent with this IUP and the CWSRF Policy, seek changes to the policies, further adjust its review procedures, work with US EPA or other agencies to resolve delays, or seek additional resources if an abundance of applications is received.

2. Applicants' Schedule Changes

   Beneficial projects may not proceed with financing because the applicants' schedules may change or be delayed. The CWSRF Program will coordinate regularly with applicants identified in this IUP, and others that submit an application during the year, to minimize and avoid delays. As project schedules shift, lower priority projects may be funded if they are ready to proceed, bearing in mind the minimum PF and GPR requirements associated with the ~~FFY 2010~~ federal funds. This funding flexibility maximizes the use of CWSRF Program funds and increases the number of funded projects.

   After a project is financed, the recipient's assistance agreement requires it to ensure that it starts construction promptly. Delays must be reported to DFA staff so that appropriate action can be taken to address those delays.

3. Cash Flow vs. Application Demand

   The amount of financing requested may exceed the CWSRF Program's cash flow. DFA staff will maintain accurate account balances and forecast future revenue and disbursements on a regular basis to identify potential cash shortages beforehand. If additional cash is needed, the CWSRF Program has several options. The Program has considerable revenue that it can leverage should a bond sale be needed. The State Water Board can prioritize funding requests or negotiate disbursement schedules with applicants. The CWSRF Program can also investigate alternative financing (providing bond insurance).

   Excess cash may accumulate if applications are too low. Excess cash does not provide any water quality benefit for California. DFA will also use its marketing, customer assistance, and project development resources to ensure a pipeline of projects are ready for financing.

4. Defaults

   DFA will implement the requirements of the CWSRF Policy to ensure prudent lending practices that safeguard the Program's equity. The State Water Board contracts with California Municipal Securities, Inc. (CalMuni), a financial

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analysis firm, to evaluate the credit of CWSRF applicants before approving funding. During SFY 2009/10, the State Water Board contracted with a professional financial advisor to provide additional financial expertise to address borrower credit risk.

The CWSRF Program has a number of tools to reduce the risk of default by disadvantaged communities. The Program will continue to provide extended term financing in SFY 2010/11 and SFY 2011/12 to reduce debt service for small, disadvantaged communities. Principal forgiveness for disadvantaged communities is incorporated into this IUP to reduce borrowing costs and the risk of default for disadvantaged communities.

The *Small Community Wastewater Strategy*, adopted by the State Water Board on July 1, 2008, also includes elements to reduce default risk and strengthen wastewater system management by communities with lower credit ratings and fewer financial resources. These include:

- ✓ Providing assistance to apply for grants, loans, and other financing.
- ✓ Making loans and other types of repayable obligations more affordable with grants from the "State Water Pollution Control Revolving Fund Small Community Grant Fund."
- ✓ Supplying technical expertise and training to evaluate project alternatives or to manage the long-term financial and operational needs of the system.
- ✓ Pursuing new or innovative funding.
- ✓ Executing a contract with the Rural Community Assistance Corporation to offer wastewater-related training to small, disadvantaged communities in such areas as financial management, rate setting, and operation and maintenance.

5. Accountability and Oversight

The CWSRF Program 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 US EPA through the National Information Management System (NIMS) and the CWSRF Benefits Reporting (CBR) system on use of the funds. Additional quarterly ARRA reporting per Office of Management and Budget guidance is done through the California ARRA Accountability Tool (CAAT).

The CWSRF Program produces an annual report with audited financial statements. In addition, US EPA conducts a yearly Program Evaluation Review (PER). With the additional funds from ARRA, US EPA will conduct the PER on a semi-annual basis during calendar years 2010 and 2011. Additional audits and evaluations related to ARRA are underway. State Water Board posts copies of all audits and reviews related to the CWSRF Program at the Governor's Reporting Transparency in Government Website.

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The CWSRF Program will gather existing written procedures and record other unwritten procedures into a Standard Operating Procedures Manual during SFY 2010/11. Well documented operating procedures with appropriate checks and balances will reduce the risk that funds are used ineffectively or inappropriately.

In addition, DFA staff will continue to implement its project inspection and certification program. Site visits are done periodically during construction. All POTW projects are subject to a "Final Project Inspection" and project certification to ensure that they are operating properly. Expanded use projects generally must evaluate the success of their projects at the end of implementation. Evaluation and review of ARRA funded projects includes additional checklist items to ensure that recipients maintain compliance with ARRA requirements. Copies of site visit documentation and Final Project Inspections reports done by DFA staff and project certification or evaluation reports done by the recipients are maintained by DFA in the project files.

IV. OUTCOMES, GOALS, ACTIVITIES, AND MEASURES

This section summarizes the activities planned for the CWSRF Program for SFY 2010/11 and 2011/12, and describes how those activities contribute to the expected outcomes for the CWSRF Program. Specific projects or activities include target completion dates. The performance measurements will be used to track progress toward meeting the goals and outcomes. A mid-year update will be posted on the State Water Board website for CWSRF Program stakeholders to view.

Sound Finances

The State Water Board and the CWSRF Program's stakeholders expect the Program to be financially sound so that it can effectively protect and improve water quality.

Long Term Goals:

1) Maximize cash flow management: Disbursements should match receipts for the CWSRF Program, less the minimum $25 million balance and restricted assets, to get the most benefit from the funds available to the CWSRF Program.
2) Effective use of revenue and new capital: California faces tremendous water quality needs. The net revenue of the CWSRF Program is sizeable, and the Program continues to receive new capital contributions. The CWSRF Program can take on additional debt to fund more projects at current costs. Additional debt should be balanced, though, against the long-term financial health of the CWSRF Program and the federal requirement to maintain the CWSRF in perpetuity.
3) Maintain financial integrity: Financial integrity is the core of the CWSRF 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 CWSRF Program.

Key Short Term Activities:

a) Prepare and review cash management reports regularly: Timing disbursements to revenue requires careful and regular oversight of the cash flow (Complete bi-monthly).
b) Continue regular finance/audit committee meetings (Complete bi-monthly):
   i) Review cash flow of projects under contract, three and six month cash flow projections, and cash flow needs for upcoming projects.
   ii) Compare actual performance with target performance measures.
   iii) Review audit issues, program control issues, and plan for upcoming audits.
c) Contract with a professional financial advisor: DFA staff require specialized financial advice, including planning for future revenue bond sales, implementing alternative forms of financing, refining cash flow forecasting, and developing a debt management policy. (Complete Summer 2010)
d) Accept FFY 2010 Capitalization Grant: The application was submitted in March 19, 2010, without the final IUP. The adopted IUP will be submitted August 2010 to complete the application. The Capitalization Grant will be $145,721,000. (Complete ~~October~~ August 2010).
e) Apply for FFY 2011 Capitalization Grant: The FFY 2011 Capitalization Grant is estimated to be approximately $~~138,782,000~~ 145,721,000. (Estimated Grant Application Date ~~June~~ May 2011).
f) Prepare Annual Report and Audited Financial Statements for SFY 2009/10 and 2010/11: (Complete September 30, 2010 and September 30, 2011)
g) Complete Standard Operating Procedures Manual: Gather existing written procedures and record other unwritten procedures into a Standard Operating Procedures Manual. (Complete ~~June~~ December 2011)

Performance Measurements for 2010/11 and 2011/12:

- Executed financing agreements total > 120 percent of federal grants.
- Executed financing agreements total > 105 percent of available funds.
- Percentage of FFY 2010 and FFY 2011 funds committed to GPR projects > 20 percent of funds.
- FFY 2010 funds committed as principal forgiveness between $21,824,382 and $72,747,939.
- Disbursement rate = 100 percent of available funds less $25 million minimum balance and restricted funds.
- Federal funds disbursement rate = 100 percent of federal draws, including ARRA draws.
- Undisbursed cash balance not increasing year-to-year.
- Unobligated cash balance not increasing year-to-year.
- Administration costs within budget.
- Default ratio = 0.

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Fund the Most Beneficial Projects

The CWSRF Program has finite funds. This limitation requires the State Water Board to prioritize the uses of the CWSRF Program so that the most pressing water quality problems are addressed first.

Long Term Goals:

1) Achieve compliance statewide with water quality objectives.
2) Maximize the environmental benefits from CWSRF Program funded projects.
3) ~~Bring POTWs into compliance with federal and state requirements.~~ Finance infrastructure that will achieve or maintain compliance with federal Clean Water Act and state Water Code requirements. Support US EPA's Strategic Plan Goal 2 (Clean and Safe Water), Objective 2.2 (Protect Water Quality), Sub-Objective 2.2.1 (Improve Water Quality on a Watershed Basis).
4) Assist with the State Water Board's *Plan For California's Nonpoint Source Pollution Control Program* and estuary Comprehensive Conservation and Management Plans.

Key Short Term Activities:

a. Provide funds for projects: Table 2 lists projects the CWSRF Program anticipates funding in SFY 2010/11 and 2011/12 that support the Water Boards' priorities. (See Table 2 for expected binding commitment (executed agreement) dates)
b. Develop SFY 2010/11 IUP and 2010/11 Project Priority List: Work closely with the Division of Water Quality (DWQ), Regional Water Boards, and stakeholders to ensure that the highest priorities are identified. The IUP will guide marketing and assistance efforts targeting the Water Boards' highest priorities in SFY 2010/11. (Complete August 2010)
c. Amend SFY 2010/11 IUP: The amended IUP will guide marketing and assistance efforts targeting the Water Boards' highest priorities in SFY 2010/11 and 2011/12. (Complete May 2011)
d. CWSRF Policy Amendment: Revamp the CWSRF priority system to better identify funding priorities. (Complete ~~June~~ December 2011; see also Key Short Term Activities – c. under "Well-Known and Respected Products")
e. Complete quadrennial Clean Watershed Needs Survey (CWNS): The CWNS provides basic information about the market for CWSRF Program financing. ~~The CWNS 2008 data collection period was February 5, 2008 – March 20, 2009.~~ The CWNS 2008 final report was submitted to Congress ~~is scheduled to be complete June~~ in May 2010.
f. Participate in EPA – Department of Transportation – Housing and Urban Development Pilot Technical Assistance Program for Sustainable Communities (Estimated completion ~~Winter~~ Summer 2011)
g. Report activities supporting US EPA Strategic Plan in CWSRF Annual Report, Clean Water Benefit Reporting System (CBR), Clean Water National Information Management System (CW NIMS), and Federal

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Funding Accountability and Transparency Act (FFATA) Reporting System (Complete annually)

Performance Measurements for 2010/11 and 2011/12:

- Fund utilization rate (US EPA Program Reporting Measure WQ-17 Fund Utilization) > 105 percent of available funds.
- At least 50 percent of funded projects should be identified in the IUP.
- At least two projects should support an adopted TMDL.
- At least 20 percent of projects should address discharges to impaired water bodies.
- At least five projects should address Regional Water Board enforcement actions.
- At least three projects should support sustainability or climate change efforts.
- At least 10 percent of binding commitments should be for expanded use projects.
- At least four Project Manager training seminars per year on technical topics.

Well-Known and Respected Products

Applicants have many choices for their financing needs. The CWSRF Program should be a desirable option so that it attracts high value projects that support the policies of the State Water Board.

Long Term Goals:

1) Provide good service with a special emphasis on disadvantaged communities.
2) Ensure that application procedures are clear, flexible, and innovative.
3) Ensure staff is well-trained and ready to help communities resolve technical and financial Issues.

Key Short Term Activities:

a. Extended Term Financing (ETF) helps make financing more affordable for small, disadvantaged communities by reducing debt service by 25 percent. The State Water Board's goal is to use 20 percent of its CWSRF Program for ETF. ETF should result in funding more small, DAC wastewater projects and have a direct water quality benefit. (Ongoing)
b. Application process improvements: Revise the application to match current requirements and processes and provide an instruction booklet to assist applicants with filling out the application. (Complete ~~June~~ December 2011)
c. CWSRF Policy Amendment: Make additional application process improvements. (Complete ~~June~~ December 2011)
d. Stakeholder Advisory Group (SAG): Continue periodic meetings with the SAG to advise the State Water Board on steps to help the Program achieve maximum efficiency.
e. Marketing and Outreach:

i. Continue coordination with the California Financing Coordinating Committee (CFCC) to provide assistance, participate in funding fairs, and develop outreach strategies. (Ongoing)
ii. Provide regular training to the Regional Water Boards on program financial status, project eligibility, and policy changes. (Ongoing)

Performance Measurements for 2010/11:

- All financing agreements executed within 60 days of Preliminary Funding Commitment.
- At least 25 percent of projects should assist disadvantaged communities.
- Participate in at least four CFCC Funding Fairs per year.
- Conduct at least two application training sessions per year.
- Conduct at least one workshop per year/per Regional Water Board.
- Provide 20 percent of financing as extended term.
- Amend financing agreements no later than 60 days after receipt of complete Approval of Award package.

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V. PUBLIC REVIEW AND COMMENT

Public Review, Comment, and Approval of the Amended SFY 2010/11 IUP

End public comment period	~~July 16, 2010~~ April 22, 2011
State Water Board adopt amended SFY 2010/11 IUP at regularly scheduled State Water Board meeting	~~August 3, 2010~~ May 17, 2011
Submit amended SFY 2010/11 IUP to US EPA to complete Capitalization Grant application	~~August 3, 2010~~ May 17, 2011
Receive FFY ~~2010~~ 2011 Capitalization Grant contract from US EPA.	~~October 2010~~ July 2011 (estimated)

The State Water Board or the Executive Director may revise this IUP, but only after the public and interested parties are given an opportunity to comment on the proposed changes.

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VI. LIST OF TABLES

Table 1 - SOURCES AND USES OF CWSRF FOR THE NEXT FOUR YEARS

(As of 03/21/2011)

	SFY 2010-11	SFY 2011-12	SFY 2012-13	SFY 2013-14	SFY 2014-15
Beginning Balance [1]	$405,559,109	$227,707,407	$233,259,250	$382,059,305	$592,808,767
Estimated Principal Interest Payments	$254,233,675	$264,233,675	$274,233,675	$284,233,675	$294,233,675
Debt Service on Revenue Bonds	($31,456,429)	($30,228,204)	($27,714,204)	($23,821,829)	($20,966,279)
Capitalization Grants	$145,721,000	$145,721,000 [2]	$30,000,000 [2]	$30,000,000 [2]	$30,000,000 [2]
4% Admin. Portion	($5,828,840)	($5,828,840) [2]	($1,200,000) [2]	($1,200,000) [2]	($1,200,000) [2]
Local Match Credits	$6,110,503	$2,634,671	$2,288,622	$915,119	$956,716
Estimated SMIF Interest [3]	$2,700,000	$3,000,000	$3,000,000	$3,000,000	$3,000,000
Estimated Disbursements [4]	($549,331,611)	($373,980,459)	($131,808,038)	($82,377,503)	($64,895,410)
Estimated Year End Balances	**$227,707,407**	**$233,259,250**	**$382,059,305**	**$592,808,767**	**$833,937,469**
Estimated $ Available for New Projects by Year	**$227,707,407**	**$5,551,843**	**$148,800,055**	**$210,749,462**	**$241,128,702**

Footnotes:

1 - The Beginning Balance does not include the $25 million set aside for the minimum balance of the CWSRF. It is excluded to reflect that it is not available for other uses.

2 - These numbers are estimated.

3 - SMIF = Surplus Money Investment Fund

4 - Estimated disbursements include the forecasts for projects that have executed financing agreements or preliminary commitments to execute financing agreements.

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Table 2

State of California Clean Water State Revolving Fund Intended Use Plan Project List for the Remainder of SFY 2010/2011 and the Beginning of SFY 2011/2012

								ESTIMATED PROJECT FUNDING			GREEN PROJECT RESERVE			
Project Number	Regional Board	Agency	Project Name	NPDES/WDR Permit Number	Project Type*	Estimated CWSRF Agreement Date (CWSRF Contract)	Estimated Total Financing	Remaining Capitalization Funds Federal Year 2010- Principal Forgiveness, and Small Community Grant (SCG) Funds **	Potential Capitalization Funds Federal Year 2011- Loan Financing ***	Other CWSRF Funds- Loan Financing	Capitalization Funds Value ****	Total Value (Capitalization Funds & Other CWSRF Funds)	Green Project Type*****	Determination, Categorical (C) or Business Case (BC)
5533-110	4	BURBANK, CITY OF	VALHALLA EXTENSION	R4-2010-0058	POTW	3/31/11	$ 4,233,564	$ -	$ -	$ 4,233,564	$ -	$ -		
5533-120	4	BURBANK, CITY OF	PS-1 IMPROVEMENTS	R4-2010-0058	POTW	3/31/11	$ 560,976	$ -	$ -	$ 560,976	$ -	$ -		
5222-110	2	UNION SANITARY DISTRICT	BOYCE ROAD LIFT STATION PROJECT	CA0037869	POTW	5/1/11	$ 6,194,171	$ -	$ -	$ 6,194,171	$ -	$ -		
5312-110	8	EASTERN MUNICIPAL WATER DISTRICT	TEMECULA VALLEY REGIONAL WATER RECLAMATION FACILITY	CA8000188	POTW	5/6/11	$ 25,615,680	$ -	$ -	$ 25,615,680	$ -	$ -		
7085-110	5	STOCKTON, CITY OF	TUXEDO AVENUE SEWER REHABILITATION	CA0079138	POTW	5/6/11	$ 3,250,000	$ 1,625,000	$ -	$ 1,625,000	$ -	$ -		
5333-110	8	INLAND EMPIRE UTILITIES AGENCY	NEW MAIN OPERATIONS LABORATORY - EN08009	CA8000409	POTW	5/15/11	$ 14,830,000	$ -	$ -	$ 14,830,000	$ -	$ -		
5319-110	8	INLAND EMPIRE UTILITIES AGENCY	SOUTHERN AREA RECYCLED WATER SYSTEM IMPROVEMENTS	CA8000409	POTW	6/1/11	$ 19,608,638	$ -	$ -	$ 19,608,638	$ -	$ 19,608,638	W	C
5563-110	5	TEHACHAPI, CITY OF	WASTE WATER TREATMENT PLANT EXPANSION AND IMPROVEMENT	92-047	POTW	6/1/11	$ 5,350,000	$ 2,675,000	$ -	$ 2,675,000	$ -	$ -		
5859-110	3	SANTA BARBARA, CITY OF	EL ESTERO HEADWORKS SCREENING PROJECT	CA0048143	POTW	6/1/11	$ 5,200,000	$ -	$ -	$ 5,200,000	$ -	$ -		
7002-110	2	SAN LEANDRO, CITY OF	WASTEWATER TREATMENT PLANT IMPROVEMENTS	2006-0053 CA0037869	POTW	6/1/11	$ 43,000,000	$ -	$ -	$ 43,000,000	$ -	$ -		
7732-110	5S	SUTTER COUNTY	ROBBINS WWTP REHABILITATION PROJECT	R5-96-137	POTW	6/5/11	$ 1,007,700	$ 1,007,700	$ -	$ -	$ -	$ -		
5302-110	7	HEBER PUBLIC UTILITY DISTRICT	WASTEWATER TREATMENT PLANT EXPANSION	CA0104370	POTW	6/7/11	$ 11,570,000	$ 6,000,000	$ -	$ 5,570,000	$ -	$ -		
4971-230	5	REDDING, CITY OF	CLEAR CREEK WWTP EXPANSION & UPGRADE BID PACKAGE 4	CA0079731 R5-2003-0130	POTW	6/15/11	$ 8,407,893	$ -	$ -	$ 8,407,893	$ -	$ -		
4971-240	5	REDDING, CITY OF	CLEAR CREEK WWTP EXPANSION & UPGRADE BID PACKAGE 5	CA0079731 R5-2003-0130	POTW	6/15/11	$ 23,965,000	$ 3,000,000	$ -	$ 20,965,000	$ -	$ -		
4971-260	5	REDDING, CITY OF	CLEAR CREEK WWTP EXPANSION & UPGRADE BID PACKAGE 7	CA0079731 R5-2003-0130	POTW	6/15/11	$ 4,750,000	$ -	$ -	$ 4,750,000	$ -	$ -		
5310-110	8	SEAL BEACH, CITY OF	NORTH SEAL BEACH SEWER PIPELINE REHABILITATION PLAN	CAG998001	POTW	6/15/11	$ 1,675,000	$ -	$ -	$ 1,675,000	$ -	$ -		
5310-120	8	SEAL BEACH, CITY OF	SOUTH SEAL BEACH SEWER PIPELINE REHABILITATION PLAN	CAG998001	POTW	6/15/11	$ 2,075,000	$ -	$ -	$ 2,075,000	$ -	$ -		
4188-110	8	YUCAIPA VALLEY WATER DISTRICT	NON-POTABLE WATER INFRASTRUCTURE PROJECT	CA0105619	POTW	6/30/11	$ 15,000,000	$ -	$ -	$ 15,000,000	$ -	$ 15,000,000	W	C
4250-310	7	MISSION SPRINGS WATER DISTRICT	AD-12 AREA M, F & D1 SEWER CONSTRUCTION	N/A	POTW	6/30/11	$ 12,505,703	$ 5,000,000	$ -	$ 7,505,703	$ -	$ -		
5230-110	3	SAN LUIS OBISPO, COUNTY OF	LOS OSOS WASTEWATER PROJECT	N/A	POTW	6/30/11	$ 82,420,000	$ 7,500,000	$ -	$ 74,920,000	$ -	$ -		
7132-110	5F	SANTA NELLA COUNTY WATER DISTRICT	WASTEWATER TREATMENT IMPROVEMENT PROJECT	R5-88-104	POTW	6/30/11	$ 2,400,000	$ 1,200,000	$ -	$ 1,200,000	$ -	$ -		
7401-110	1	RIO DELL, CITY OF	RIO DELL WASTEWATER TREATMENT UPGRADE AND DISPOSAL PROJECT	R1-2006-0021	POTW	6/30/11	$ 13,000,000	$ 6,000,000	$ -	$ 7,000,000	$ -	$ -		
7803-110	4	BURBANK, CITY OF	STUDIO DISTRICT RECYCLED WATER PIPELINE	R4-2010-0058	POTW	6/30/11	$ 3,240,000	$ -	$ -	$ 3,240,000	$ -	$ 3,240,000	W	C
7806-110	5S	COLFAX, CITY OF	COLLECTION SYSTEM I&I REPAIR/REPLACEMENT AND WWTP	CA0079529	POTW	6/30/11	$ 5,064,600	$ 3,319,000	$ -	$ 1,745,600	$ -	$ -		
5354-110	2	SAUSALITO, CITY OF	CITY OF SAUSALITO PRIORITY SEWER REPLACEMENT	CA0079111	POTW	7/1/11	$ 1,100,000	$ -	$ -	$ 1,100,000	$ -	$ -		
5599-110	5	LATHROP, CITY OF	MCKINLEY SEWER FORCE MAIN BYPASS	N/A	POTW	7/1/11	$ 1,000,000	$ -	$ -	$ 1,000,000	$ -	$ -		
7620-110	4	ANAHEIM, CITY OF	SEWER RECONSTRUCTION AT BALL RD/BEACH BLVD/ORANGE AVE/DALE AVE	R8-2002-0014	POTW	7/1/11	$ 1,560,479	$ 1,560,479	$ -	$ -	$ -	$ -		
7622-110	4	ANAHEIM, CITY OF	SEWER RECONSTRUCTION AT BROADWAY FROM BROOKHURST ST TO GILBERT ST	R8-2002-0014	POTW	7/1/11	$ 574,797	$ 574,797	$ -	$ -	$ -	$ -		
7630-110	4	ANAHEIM, CITY OF	SEWER RECONSTRUCTION AT WARD TERRACE AND UNDERHILL	R8-2002-0014	POTW	7/1/11	$ 513,178	$ 513,178	$ -	$ -	$ -	$ -		
7800-110	4	ANAHEIM, CITY OF	SEWER RECONSTRUCTION AT MOUNTAIN VIEW, ORANGEWOOD AVE, SIMMONS ST, AND SPINNAKER ST	R8-2002-0014	POTW	7/1/11	$ 1,100,185	$ 1,100,185	$ -	$ -	$ -	$ -		

Table 2

State of California Clean Water State Revolving Fund Intended Use Plan Project List for the Remainder of SFY 2010/2011 and the Beginning of SFY 2011/2012

								ESTIMATED PROJECT FUNDING			GREEN PROJECT RESERVE			
Project Number	Regional Board	Agency	Project Name	NPDES/WDR Permit Number	Project Type*	Estimated CWSRF Agreement Date (CWSRF Contract)	Estimated Total Financing	Remaining Capitalization Funds Federal Year 2010-Principal Forgiveness, and Small Community Grant (SCG) Funds **	Potential Capitalization Funds Federal Year 2011-Loan Financing ***	Other CWSRF Funds-Loan Financing	Capitalization Funds Value ****	Total Value (Capitalization Funds & Other CWSRF Funds)	Green Project Type*****	Determination, Categorical (C) or Business Case (BC)
5249-110	5S	CALAVERAS COUNTY WATER DISTRICT	VALLECITO/DOUGLAST FLAT WASTEWATER FACILITY UPGRADE	R5-1992-0018	POTW	7/5/11	$ 3,375,000	$ 1,687,500	$ -	$ 1,687,500	$ -	$ -		
7804-110	4	BURBANK, CITY OF	NORTH BURBANK RECYCLED WATER PIPELINE	R4-2010-0058	POTW	7/14/11	$ 2,260,000	$ -	$ -	$ 2,260,000	$ -	$ 2,260,000	W	C
4463-110	8	ORANGE COUNTY WATER DISTRICT	GROUNDWATER REPLENISHMENT SYSTEM PHASE II	R8-2004-0002	POTW	7/15/11	$ 149,709,354	$ -	$ 145,000,000	$ 4,709,354	$ 145,000,000	$ 149,709,354	W	C
4986-110	1	GRATON COUNTY SERVICE AREA #2	WWTP IMPROVEMENTS PROJECT	CA0023639	POTW	7/15/11	$ 5,012,923	$ 2,506,462	$ -	$ 2,506,461	$ -	$ -		
5175-210	5	MODESTO, CITY OF	TERTIARY TREATMENT PHASE 2 (1B)	CA0079103	POTW	7/15/11	$ 120,000,000	$ 3,000,000	$ -	$ 117,000,000	$ -	$ -		
5216-110	2	SOUTH BAYSIDE SYSTEM AUTHORITY	ADMINISTRATION OFFICE BUILDING	CA0038369	POTW	7/15/11	$ 16,000,000	$ -	$ -	$ 16,000,000	$ -	$ -		
6401-110	3	SANTA BARBARA, CITY OF	EL ESTERO FATS/FOOD, OILS, AND GREASE (FOG) BIOFUEL CONVERSION PROJECT	CA0048143	POTW	7/15/11	$ 1,600,000	$ -	$ -	$ 1,600,000	$ -	$ 1,600,000	E	BC
5211-110	2	NORTH MARIN WATER DISTRICT	NMWD RECYCLED WATER PROJECT - PHASE 2 - NORTH SERVICE AREA	CA0037958	POTW	7/30/11	$ 3,825,000	$ -	$ -	$ 3,825,000	$ -	$ 3,825,000	W	C
5610-110	8	SANTA ANA WATERSHED PROJECT AUTHORITY	SARI REPAIRS UPSTREAM OF PRADO DAM (REACHES IV-A AND IV-B)	2006-0003	POTW	8/1/11	$ 20,000,000	$ -	$ -	$ 20,000,000	$ -	$ -		
5641-110	5	LAKE OROVILLE AREA PUBLIC UTILITY DISTRICT	STATELINE REPLACEMENT 2009, PHASE 3	2008-0002 2006-0003	POTW	8/1/11	$ 3,646,000	$ 1,823,000	$ -	$ 1,823,000	$ -	$ -		
5956-110	2	EAST PALO ALTO SANITARY DISTRICT	SIPHON TO TREATMENT PLANT PROJECT	CA0037834	POTW	8/1/11	$ 1,700,000	$ 195,000	$ -	$ 1,505,000	$ -	$ -		
7032-110	2	SAUSALITO-MARIN CITY SANITARY DISTRICT	LOCUST STREET PUMP STATION IMPROVEMENTS	CA0038067	POTW	8/1/11	$ 2,600,000	$ -	$ -	$ 2,600,000	$ -	$ -		
7668-110	5	YUBA CITY, CITY OF	WASTEWATER INFRASTRUCTURE UPGRADES, 2010 PROJECT	CA0079260	POTW	8/1/11	$ 14,200,000	$ 221,305	$ -	$ 13,978,695	$ -	$ -		
5921-110	9	VISTA, CITY OF	VISTA/CARLSBAD INTERCEPTOR (MULTI-AGENCY PROJECT)	N/A	POTW	8/15/11	$ 3,689,482	$ -	$ -	$ 3,689,482	$ -	$ -		
7807-110	5F	MADERA, COUNTY OF	SOUTH FORK WASTEWATER TREATMENT SYSTEM PROJECT	R5-94-353	POTW	8/15/11	$ 2,200,000	$ -	$ -	$ 2,200,000	$ -	$ -		
5103-110	5	ARVIN, CITY OF	ARVIN WASTEWATER TREATMENT PLANT EXPANSION PROJECT	5-00-093	POTW	8/30/11	$ 7,000,000	$ -	$ -	$ 7,000,000	$ -	$ -		
5137-110	5	ATWATER, CITY OF	WASTEWATER TREATMENT PLANT IMPROVEMENT PROJECT	R5-2007-0063 CA0079197	POTW	8/30/11	$ 15,000,000	$ -	$ -	$ 15,000,000	$ -	$ -		
5602-110	5	TURLOCK, CITY OF	HARDING DRAIN BYPASS PROJECT	N/A	POTW	8/30/11	$ 20,000,000	$ -	$ -	$ 20,000,000	$ -	$ -		
5698-110	9	VISTA, CITY OF	GRAVITY MAIN DIP CIPP REHAB	N/A	POTW	8/30/11	$ 5,542,770	$ -	$ -	$ 5,542,770	$ -	$ -		
7802-110	2	NORTH MARIN WATER DISTRICT	NORTH MARIN WATER DISTRICT RECYCLED WATER PROJECT - PHASES 1 & 2 - SOUTH SERVICE AREA	N/A	POTW	8/30/11	$ 5,465,726	$ -	$ -	$ 5,465,726	$ -	$ 5,465,726	W	C
4905-110	9	SAN DIEGO, CITY OF	SEWER PIPE REHABILITATION PROJECT	CA0107409	POTW	8/31/11	$ 80,000,000	$ -	$ -	$ 80,000,000	$ -	$ -		
7095-110	9	SAN ELIJO JOINT POWERS AUTHORITY	RECYCLED WATER STORAGE AND DEMINERALIZATION PROJECT	R9-2010-0087	POTW	8/31/11	$ 4,542,996	$ -	$ -	$ 4,542,996	$ -	$ 4,542,996	W	C
5061-110	7	BANNING, CITY OF	WASTEWATER TREATMENT PLANT EXPANSION & WATER RECYCLING	2001-0022	POTW	9/1/11	$ 13,200,000	$ -	$ -	$ 13,200,000	$ -	$ 13,200,000	W	C
5233-110	3	SOUTH COUNTY REGIONAL WASTEWATER AUTHORITY	SCRWA WASTEWATER TREATMENT CAPACITY EXPANSION	CA0049964	POTW	9/1/11	$ 100,000,000	$ -	$ -	$ 100,000,000	$ -	$ -		
5233-140	3	SOUTH COUNTY REGIONAL WASTEWATER AUTHORITY	INFLUENT PUMP STATION	CA0049964	POTW	9/1/11	$ 11,000,000	$ -	$ -	$ 11,000,000	$ -	$ -		
5608-110	6	SOUTH TAHOE PUBLIC UTILITY DISTRICT	DIAMOND VALLEY RANCH WASTEWATER IRRIGATION IMPROVEMENTS	R6T-2004-0010	POTW	9/1/11	$ 5,599,694	$ -	$ -	$ 5,599,694	$ -	$ -		
7109-110	5	FRESNO COUNTY WATERWORKS DISTRICT NO. 38	WASTEWATER TREATMENT PLANT IMPROVEMENTS	R5-90-088	POTW	9/1/11	$ 500,000	$ -	$ -	$ 500,000	$ -	$ -		
4930-110	1	TULELAKE, CITY OF	WWTP UPGRADES, I/I CORRECTION AND LAND DISPOSAL FACILITY	CA0023272 R1-2004-0075	POTW	9/9/11	$ 3,900,000	$ -	$ -	$ 3,900,000	$ -	$ -		
4001-560	4	LOS ANGELES COUNTY SANITATION DISTRICT	JWPCP-SKIMMINGS ODOR CONTROL FACILITY	CA0053813 R4-2006-0042	POTW	9/15/11	$ 36,950,932	$ -	$ -	$ 36,950,932	$ -	$ -		
4001-630	4	LOS ANGELES COUNTY SANITATION DISTRICT	JWPCP-POWER GENERATOR FACILITY STEAM CYCLE MODS PHASE I	CA0053813 R4-2006-0042	POTW	9/15/11	$ 7,063,817	$ -	$ -	$ 7,063,817	$ -	$ -		

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State of California Clean Water State Revolving Fund Intended Use Plan Project List for the Remainder of SFY 2010/2011 and the Beginning of SFY 2011/2012

								ESTIMATED PROJECT FUNDING			GREEN PROJECT RESERVE			
Project Number	Regional Board	Agency	Project Name	NPDES/WDR Permit Number	Project Type*	Estimated CWSRF Agreement Date (CWSRF Contract)	Estimated Total Financing	Remaining Capitalization Funds Federal Year 2010- Principal Forgiveness, and Small Community Grant (SCG) Funds **	Potential Capitalization Funds Federal Year 2011- Loan Financing ***	Other CWSRF Funds- Loan Financing	Capitalization Funds Value ****	Total Value (Capitalization Funds & Other CWSRF Funds)	Green Project Type*****	Determination, Categorical (C) or Business Case (BC)
4001-640	4	LOS ANGELES COUNTY SANITATION DISTRICT	JWPCP-POWER GENERATOR FACILITY STEAM CYCLE MODS PHASE II	CA0053813 R4-2006-0042	POTW	9/15/11	$ 20,360,250	$ -	$ -	$ 20,360,250	$ -	$ -		
5318-110	8	INLAND EMPIRE UTILITIES AGENCY	CENTRAL AREA RECYCLED WATER PROJECT	CA8000409	POTW	9/15/11	$ 11,812,500	$ -	$ -	$ 11,812,500	$ -	$ 11,812,500	W	C
6629-110	6	PLACER, COUNTY OF	BROCKWAY EROSION CONTROL PROJECT	6A310906003	EXP USE	9/15/11	$ 1,200,000	$ -	$ -	$ 1,200,000	$ -	$ 1,200,000	G	BC
6630-110	6	PLACER, COUNTY OF	BEAR WATERSHED IMPROVEMENTS	6A310906003	EXP USE	9/15/11	$ 2,600,000	$ -	$ -	$ 2,600,000	$ -	$ 2,600,000	G	BC
6661-110	6	PLACER, COUNTY OF	LAKE FOREST EROSION CONTROL PROJECT - AREA B	6A310906003	EXP USE	9/15/11	$ 750,000	$ -	$ -	$ 750,000	$ -	$ 750,000	G	BC
7643-110	6	PLACER, COUNTY OF	COON CLEAN WATER PIPE	6A310906003	EXP USE	9/15/11	$ 3,000,000	$ -	$ -	$ 3,000,000	$ -	$ 3,000,000	G	BC
4001-480	4	LOS ANGELES COUNTY SANITATION DISTRICT	JWPCP - DEWATERING FACILITY MODS	CA0053813 R4-2006-0042	POTW	9/16/11	$ 14,905,554	$ -	$ -	$ 14,905,554	$ -	$ -		
5380-110	5	REDDING, CITY OF	STILLWATER WASTEWATER TREATMENT PLANT EXPANSION PROJECT, PHASES 1A & 1B	CA0079731 R5-2003-0130	POTW	9/22/11	$ 12,000,000	$ -	$ -	$ 12,000,000	$ -	$ -		
7756-110	3	MORRO BAY, CITY OF	MORRO BAY-CAYUCOS WASTEWATER TREATMENT PLANT UPGRADE	CA0047881	POTW	9/30/11	$ 27,500,000	$ -	$ -	$ 27,500,000	$ -	$ -		
4516-110	9	SAN CLEMENTE, CITY OF	RECLAIMED WATER SYSTEM EXPANSION (RECLAMATION)	CA0107417	POTW	10/1/11	$ 13,649,920	$ -	$ -	$ 13,649,920	$ -	$ 13,649,920	W	C
5717-110	5	RIO VISTA, CITY OF	SANITARY SEWER COLLECTION SYSTEM IMPROVEMENTS	N/A	POTW	10/1/11	$ 4,315,000	$ -	$ -	$ 4,315,000	$ -	$ -		
7203-110	8	EASTERN MUNICIPAL WATER DISTRICT	ENCHANTED HEIGHTS SEWER SYSTEM	N/A	POTW	10/1/11	$ 12,150,000	$ -	$ -	$ 12,150,000	$ -	$ -		
7446-110	4	CHANNEL ISLANDS BEACH COMMUNITIES SERVICE DISTRICT	FORCE MAIN IMPROVEMENT PROJECT (AT KIDDIE AND HOBBIE BEACHES)	CA0054097	POTW	10/1/11	$ 1,845,000	$ -	$ -	$ 1,845,000	$ -	$ -		
4841-110	5	VACAVILLE, CITY OF	EASTERLY WASTEWATER TREATMENT PLANT TERTIARY PROJECT	CA0077691	POTW	10/6/11	$ 116,000,000	$ -	$ -	$ 116,000,000	$ -	$ -		
5256-110	5	TURLOCK, CITY OF	TURLOCK REGIONAL WATER QUALITY CONTROL FACILITY UPGRADE	CA0078948	POTW	10/15/11	$ 24,000,000	$ -	$ -	$ 24,000,000	$ -	$ -		
5039-110	5	CITY OF ORANGE COVE	WASTEWATER TREATMENT PLANT SYSTEM IMPROVEMENTS	R5-2004-0008	POTW	11/1/11	$ 6,700,000	$ -	$ -	$ 6,700,000	$ -	$ -		
5407-110	2	SAN FRANCISCO PUBLIC UTILITIES COMMISSION	COLON, GREENWOOD, PLYMOUTH, WILDWOOD, SOUTHWOOD, MIRAMAR SEWER SYSTEM IMPROVEMENT	CA0037664	POTW	11/1/11	$ 3,800,000	$ -	$ -	$ 3,800,000	$ -	$ -		
5709-110	9	BUENA SANITATION DISTRICT	SEWER PIPELINE CIPP REHAB	N/A	POTW	11/15/11	$ 5,549,400	$ -	$ -	$ 5,549,400	$ -	$ -		
7385-110	1	FORT BRAGG, CITY OF	TREATMENT PLANT IMPROVEMENTS	R1-2009-0030	POTW	11/15/11	$ 1,100,000	$ -	$ -	$ 1,100,000	$ -	$ -		
7454-110	9	VALLEY CENTER MWD	WOODS VALLEY RANCH WRF EXPANSION-COLLECTION SYSTEM	R9-1998-0009	POTW	11/30/11	$ 1,812,334	$ -	$ -	$ 1,812,334	$ -	$ -		
7454-120	9	VALLEY CENTER MWD	WOODS VALLEY RANCH WRF EXPANSION-TREATMENT PLANT	R9-1998-0009	POTW	11/30/11	$ 8,974,333	$ -	$ -	$ 8,974,333	$ -	$ -		
7454-130	9	VALLEY CENTER MWD	WOODS VALLEY RANCH WRF EXPANSION-STORAGE	R9-1998-0009	POTW	11/30/11	$ 2,369,333	$ -	$ -	$ 2,369,333	$ -	$ -		
5216-120	2	SOUTH BAYSIDE SYSTEM AUTHORITY	WASTEWATER TREATMENT PLANT IMPROVEMENTS- PHASE 1	CA0038369	POTW	12/1/11	$ 76,000,000	$ -	$ -	$ 76,000,000	$ -	$ -		
5216-130	2	SOUTH BAYSIDE SYSTEM AUTHORITY	WASTEWATER TREATMENT PLANT IMPROVEMENTS - PHASE 2	CA0038369	POTW	12/1/11	$ 58,000,000	$ -	$ -	$ 58,000,000	$ -	$ -		
5535-110	5	WILLOWS, CITY OF	SEWER MAIN REPLACEMENT PROJECT	R5-2006-0009	POTW	12/1/11	$ 1,860,000	$ -	$ -	$ 1,860,000	$ -	$ -		
5541-110	5	FRESNO, COUNTY OF	MONTE VERDE CSA 44-D	R5-92-203	POTW	12/1/11	$ 1,200,000	$ -	$ -	$ 1,200,000	$ -	$ -		
6310-110	2	SAN FRANCISCO PUBLIC UTILITIES COMMISSION	SAN FRANCISCO CIVIC CENTER RAINWATER HARVESTING AND GREEN STORMWATER INFRASTRUCTURE	N/A	POTW	12/1/11	$ 1,000,000	$ -	$ -	$ 1,000,000	$ -	$ -		
7055-110	4	LOS ANGELES, CITY OF	4th AVENUE SLAUSON SEWER REHABILITATION	CA0109991	POTW	12/1/11	$ 3,000,000	$ -	$ -	$ 3,000,000	$ -	$ -		
4701-420	4	LOS ANGELES COUNTY SANITATION DISTRICT	WHITTIER NARROWS WRP SECONDARY TREATMENT FACILITY	CA0053716 R4-2002-0142	POTW	12/15/11	$ 10,349,687	$ -	$ -	$ 10,349,687	$ -	$ -		

Table 2

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								ESTIMATED PROJECT FUNDING			GREEN PROJECT RESERVE			
Project Number	Regional Board	Agency	Project Name	NPDES/WDR Permit Number	Project Type*	Estimated CWSRF Agreement Date (CWSRF Contract)	Estimated Total Financing	Remaining Capitalization Funds Federal Year 2010-Principal Forgiveness, and Small Community Grant (SCG) Funds **	Potential Capitalization Funds Federal Year 2011-Loan Financing ***	Other CWSRF Funds-Loan Financing	Capitalization Funds Value ****	Total Value (Capitalization Funds & Other CWSRF Funds)	Green Project Type*****	Determination, Categorical (C) or Business Case (BC)
7810-110	2	SAN MATEO COUNTY BURLINGAME HILLS SEWER MAINTENANCE DISTRICT	COLLECTION SYSTEM IMPROVEMENT PROJECT	N/A	POTW	12/15/11	$ 2,300,000	$ -	$ -	$ 2,300,000	$ -	$ -		
7811-110	2	SAN MATEO COUNTY CRYSTAL SPRINGS SEWER MAINTENANCE DISTRICT	COLLECTION SYSTEM IMPROVEMENT PROJECT	N/A	POTW	12/15/11	$ 2,400,000	$ -	$ -	$ 2,400,000	$ -	$ -		
7812-110	2	SAN MATEO COUNTY EMERALD LAKES HEIGHTS SEWER MAINTENANCE DISTRICT	COLLECTION SYSTEM IMPROVEMENT PROJECT	N/A	POTW	12/15/11	$ 440,000	$ -	$ -	$ 440,000	$ -	$ -		
7813-110	2	SAN MATEO COUNTY DEVONSHIRE SEWER MAINTENANCE DISTRICT	COLLECTION SYSTEM IMPROVEMENT PROJECT	N/A	POTW	12/15/11	$ 900,000	$ -	$ -	$ 900,000	$ -	$ -		
7814-110	2	SAN MATEO COUNTY FAIR OAKS SEWER MAINTENANCE DISTRICT	COLLECTION SYSTEM IMPROVEMENT PROJECT	N/A	POTW	12/15/11	$ 5,400,000	$ -	$ -	$ 5,400,000	$ -	$ -		
7815-110	2	SAN MATEO COUNTY HARBOR INDUSTRIAL SEWER MAINTENANCE DISTRICT	COLLECTION SYSTEM IMPROVEMENT PROJECT	N/A	POTW	12/15/11	$ 110,000	$ -	$ -	$ 110,000	$ -	$ -		
7816-110	2	SAN MATEO COUNTY KENSINGTON SQUARE SEWER MAINTENANCE DISTRICT	COLLECTION SYSTEM IMPROVEMENT PROJECT	N/A	POTW	12/15/11	$ 260,000	$ -	$ -	$ 260,000	$ -	$ -		
7817-100	2	SAN MATEO COUNTY OAK KNOLL SEWER MAINTENANCE DISTRICT	COLLECTION SYSTEM IMPROVEMENT PROJECT	N/A	POTW	12/15/11	$ 140,000	$ -	$ -	$ 140,000	$ -	$ -		
7818-110	2	SAN MATEO COUNTY SCENIC HEIGHTS SEWER MAINTENANCE DISTRICT	COLLECTION SYSTEM IMPROVEMENT PROJECT	N/A	POTW	12/15/11	$ 65,000	$ -	$ -	$ 65,000	$ -	$ -		
5700-110	9	VISTA, CITY OF	SEWER PIPELINE CIPP REHAB	N/A	POTW	12/30/11	$ 7,524,344	$ -	$ -	$ 7,524,344	$ -	$ -		
7819-110	3	SAN JUAN BAUTISTA, CITY OF	CENTRALIZED PELLET WATER SOFTENER PROJECT	CA0047902	POTW	12/31/11	$ 1,000,000	$ -	$ -	$ 1,000,000	$ -	$ -		
							$ 1,454,698,913	$ 50,508,606	$ 145,000,000	$ 1,259,190,307	$ 145,000,000	$ 251,464,134		

* EXP USE: expanded use projects per Clean Water Act (CWA) section 319 or 320. POTW: publicly-owned treatment works projects per section 212 of CWA.

** This is a preliminary analysis only, which does not track funds associated with Category 1 and Category 2 separately. As of March 28, 2011, seven financing agreements with Federal Fiscal Year (FFY) 2010 principal forgiveness have been executed. The remaining principal forgiveness balance, in Categories 1 and 2 combined, is $49,508,606. The SCG Fund also has $1 million in grant funds available.

*** No remaining loan financing from FFY 2010 Capitalization Funds.

**** One green project financing agreement has already been executed as of March 28, 2011 ($11,674,044).

***** G = green; W = water efficiency; E = energy efficiency; I = innovative.

Table 3 - Clean Water State Revolving Fund Draw Schedule – FFY 2010 and FFY 2011 Capitalization Grants

SFY		1st Quarter (Starts July1)	2nd Quarter (Starts October 1)	3rd Quarter (Starts January 1)	4th Quarter (Starts April 1)
2010-11	Draw		$72,860,500	$72,860,500	
	Cumulative		$72,860,500	$145,721,000	
2011-12	Draw		$72,860,500	$72,860,500	
	Cumulative		$72,860,500	$145,721,000	

DATE OF ANALYSIS: March 21, 2011

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Table 4 - Principal Forgiveness and SCG Fund (Grants) by Category of Applicant

Category 1: Small, Disadvantaged Communities with Substantial Water Quality Investment	Eligible project types include wastewater, stormwater, nonpoint source, or estuary [1] a. Population <20,000 and community median household Income (MHI) <80 percent of statewide MHI and wastewater and/or stormwater rates at least 1.5 percent of community MHI [2]; or b. Population <20,000 and combined wastewater and/or stormwater rates more than 4 percent of community MHI [2]
Total Category 1 Principal Forgiveness/ Grants	• At least $13.5 million shall be disbursed as FFY 2010 principal forgiveness/grants to projects in this category. • No more than $~~43,648,763~~ 38,089,397 shall be disbursed as FFY 2010 principal forgiveness/grants to projects in this category. • $1 million from the SCG Fund shall be disbursed to wastewater projects in this category, with priority given to projects that serve severely disadvantaged communities (community MHI <60 percent of statewide MHI. • At least 50% of ~~principal forgiveness/grants in~~ this category will be allocated to wastewater projects.
Principal Forgiveness/SCG Fund Grants per Project	
Projects may receive 50 percent of eligible project costs, not to exceed $6 million in principal forgiveness/grants. Exceptions: (i) For wastewater projects only, if a credit review demonstrates that the community does not have adequate revenues to finance the remaining 50 percent of eligible project costs, a DAC may receive principal forgiveness/grant financing up to 75 percent of eligible project costs or a severely DAC (community MHI <60 percent of statewide MHI) may receive principal forgiveness/grant financing up to 100 percent of eligible project costs, not to exceed $6 million. (ii) Projects that connect previously unsewered areas or join communities to create or broaden a regional wastewater or stormwater treatment works, consistent with the CWSRF Policy's sustainability provisions, may receive principal forgiveness/grants not to exceed $7.5 million. (iii) An entity eligible for planning financing may receive 50 percent of eligible planning project costs, not to exceed $1 million in principal forgiveness/grants for planning activities (including, but not limited to, feasibility and engineering studies, environmental studies, legal analyses, and financial/rate analyses) necessary to design and construct its project. If the Division's credit review demonstrates that the community does not have adequate revenues to finance the remaining 50 percent of eligible planning costs, a small DAC in this category may receive principal forgiveness/grant financing up to 75 percent of eligible planning costs or a small, severely DAC may receive principal forgiveness/grant financing up to 100 percent of eligible planning costs, not to exceed $1 million.	

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(Table 4 – Continued)

Category 2: Other ~~Disadvantaged~~ Communities	Eligible project types include wastewater, stormwater, nonpoint source, or estuary [1] a. Project serves a DAC (community MHI <80 percent of statewide MHI) not qualifying under Category 1 above; ~~or~~ b. Project serves a disadvantaged area (area MHI <80 percent of statewide MHI) of a larger community; or c. Project implements a nationally designated estuary plan [3].
Total Category 2 Principal Forgiveness/ Grants	• At least $8.5 million in principal forgiveness/grants for this category. • No more than $~~29,099,176~~ 27,059,599 in FFY 2010 principal forgiveness/grants for this category.
Principal Forgiveness/Grants per Project	
Portions of the project that serve a DAC or ~~DAC~~ disadvantaged area may receive principal forgiveness/grants of 50 percent of eligible project costs, not to exceed $3 million in principal forgiveness/grants. Exceptions: (i) Projects that connect previously unsewered areas or join communities to create or broaden a regional wastewater or stormwater treatment works, consistent with the CWSRF Policy's sustainability provisions, may receive principal forgiveness/grants not to exceed $5 million. (ii) Applicants that implement a project for a nationally designated estuary plan may receive principal forgiveness/grants up to 75 percent of eligible project costs. Cumulative principal forgiveness/grants shall not exceed $1 million per estuary plan area. (iii) For a small DAC only (community population less than 20,000 persons and community MHI <80 percent of statewide MHI), an entity eligible for planning financing may receive 50 percent of eligible planning costs, not to exceed $500,000 in principal forgiveness/grants for planning activities (including, but not limited to, feasibility and engineering studies, environmental studies, legal analyses, and financial and rate analyses) necessary to design and construct its project.	

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Requirements and Deadlines Applicable to All Projects
• Costs for planning and design specific to a project financed with ~~PF~~ principal forgiveness/grants or the SCG Fund may be counted as part of the local contribution regardless of the date incurred. Costs incurred after October 1, 2009 for construction or implementation specific to a project financed with PF may be counted as part of the local contribution. • Projects may not receive financing for more than 100 percent of total project costs and must meet all applicable eligibility requirements. ~~• All of the following must be met before May 1, 2011: A complete application received, a complete Approval of Award (AOA) request received, and the final financing agreement must be executed or executable.~~ ~~• Copies of all executed construction contracts must be received before August 1, 2011.~~

1. Projects must be eligible under Clean Water Act section 603. This section refers to project categories defined in sections 212, 319, and 320 of the Clean Water Act.
2. Rates as a percentage of MHI are used to demonstrate a community's investment in water quality. For wastewater projects, only wastewater rates will be used to calculate the community's rates as a percentage of MHI. For other water quality improvement projects, wastewater rates combined with stormwater rates, if applicable, may be used to calculate the community's rates as a percentage of MHI. Projects qualifying in Category 1.b must receive approval from the State Water Board, and are not eligible for the SCG Fund.
3. Communities that implement a project for a nationally designated estuary plan are not required to meet size or household income criteria to receive principal forgiveness/grants in Category 2.

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VII. INDEX OF ACRONYMS

Commonly Used Acronyms

ARRA – American Recovery and Reinvestment Act of 2009
AOA – Approval of Award

CAAT – California ARRA Accountability Tool
Cal/EPA – California Environmental Protection Agency
CalMuni – California Municipal Securities, Inc.
CBI – Clean Beach Initiative
CBR – CWSRF Benefits Reporting
CFCC – California Financing Coordinating Committee
CIWQS – California Integrated Water Quality System
COC - Chemicals of Concern
CWNS – Clean Watershed Needs Survey
CWSRF – Clean Water State Revolving Fund (State Water Board)

DAC – Disadvantaged Community
DAS – Divisions of Administrative Services
DFA – Division of Financial Assistance
DIT – Division of Information Technology
DWQ – Division of Water Quality

ETF – Extended Term Financing

FFY – Federal Fiscal Year
GRP – Green Project Reserve

IRWM – Integrated Regional Water Management
IUP – Intended Use Plan

LGTS – Loans and Grants Tracking System
LID – Low Impact Development

MHI – Median Household Income
MS4 – Municipal Separate Storm Sewer Systems

NIMS – National Information Management System
NPS – Nonpoint Source

OWR – Office of Water Recycling

PER – Program Evaluation Review
PF – Principal Forgiveness
POTW – Publicly Owned Treatment Works
PPL – Project Priority List
PY – Personnel Years

Regional Water Boards – Regional Water Quality Control Boards

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(Commonly Used Acronyms - Continued)

SCG – Small Community Grant
SMIF – Surplus Money Investment Fund
State Water Board – State Water Resources Control Board
TDS - Total Dissolved Solids
TMDL – Total Maximum Daily Loads

US EPA – United States Environmental Protection Agency

WRFP – Water Recycling Funding Program

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VIII. LIST OF ATTACHMENTS

Attachment 1 - 2010 CLEAN WATER STATE REVOLVING FUND (CWSRF) PUBLIC AND REGIONAL BOARD WORKSHOP SUMMARY

The Division of Financial Assistance (DFA) conducted workshops at each Regional Water Board office during April and May 2010. The workshops main objectives are to increase awareness of the CWSRF program and seek potential applicants. Each workshop included two sessions. The morning session of the workshops provided information about the CWSRF Program to the public through an informational presentation. The afternoon session was a question and answer period with the Regional Water Board staff to obtain feedback on how the CWSRF Program should address and assign Regional Water Board priorities. A total of 243 interested parties and Regional Water Board staff attended the workshops.

Most of the attendees' comments focused on the lengthy application process and unclear information on how to apply for CWSRF Program financing. CWSRF Program staff clarified program information and provided guidance to applicants on the initial application process. In addition, CWSRF Program administrative and technical staff were available at these workshops to assist attendees with specific project questions. The increased interest of the American Recovery and Reinvestment Act of 2009 attracted new potential applicants unfamiliar with the CWSRF Program.

The Regional Water Board sessions were equally important in providing the CWSRF Program staff with input on how to address regional water quality issues through CWSRF Program financing. Because the Regional Water Board staff have rapport with community groups, they are able to provide the CWSRF staff with specific information of potential needs for financial assistance. These sessions also allowed CWSRF staff to educate the State and Regional Water Board staff about the program so they can inform potential applicants. To increase communication among staff, it was important to conduct the Regional Water Board workshop at each Regional Water Board.

Regional Water Board Suggestions Made at the CWSRF Outreach Workshops:

- Assist small disadvantaged communities with the entire CWSRF Program application process.
- Conduct presentations at Regional Water Board meetings.
- Conduct an in-depth CWSRF program training to the potential applicants and Regional Water Board staff to include the application review process timelines and conditions, program work flow diagram, and a documentation checklist.
- Send program updates/announcements to Regional Water Board staff.
- Use California Integrated Water Quality System (CIWQS) to notify dischargers of the CWSRF Program.
- Coordinate with Regional Water Board roundtable groups to provide CWSRF program information at meetings.

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(Attachment 1 – Continued)

Water Quality Priorities Identified by Regional Water Board Staff:

San Francisco Bay Regional Water Board
- Urban stormwater
- Sanitary sewer discharge – aging and difficult to manage
- Mercury remediation
- Septic improvement
- Low impact development
- Personal care products – water pollution concern

Central Coast Regional Water Board
- Agricultural discharges
- Low impact development

Central Valley Regional Water Board
- Small wastewater treatment plants – remove from surface water discharges
- Pharmaceuticals and Personal Care Products are constituents of emerging concern
- Salinity and nitrates in surface water and groundwater

Colorado River Regional Water Board
- Recycled water
- Natural disaster effects on wastewater infrastructures

Santa Ana Regional Water Board
- Perchlorate groundwater cleanup
- Total Maximum Daily Load (TMDL) implementation

Los Angeles Regional Water Board
- High Total Dissolved Solids (TDS)
- Sulfates and chlorides a concern in the Santa Clara River Watershed
- Nitrates in Placerita Canyon, and unsewered coastal and agricultural communities
- Sole source aquifers in Acton and Aqua Dulce

San Diego Regional Water Board
- Trash and litter in urban creeks
- Elevated levels of bacteria/viruses in region waters
- Making sure augmentation of domestic reservoirs with recycled water is safe
- Border sewage and contamination
- Urban runoff
- Nitrogen pollution from agriculture and septic systems
- Emerging Chemicals of Concern (COC) in recycled water

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