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Date: March 12, 2009

To: WATER SYSTEMS

Subject: SPECIAL NOTICE REGARDING FEDERAL CROSS-CUTTING REQUIREMENTS FOR THE AMERICAN RECOVERY AND REINVESTMENT ACT PROVIDED UNDER THE SAFE DRINKING WATER STATE REVOLVING FUND PROGRAM

The California Safe Drinking Water State Revolving Fund Program (SDWSRF) will be receiving federal funding as part of the American Recovery and Reinvestment Act (ARRA). Funds will come to the State from the United States Environmental Protection Agency through a grant award under the SDWSRF. As the source of funds is from the federal government, many federal requirements (Federal Cross-cutting Authorities) must be satisfied prior to funding SDWSRF projects with ARRA Funds. A comprehensive list of federal cross-cutting authorities is provided in the attached document titled *Listing of Cross-Cutting Federal Authorities for Assistance Subgrants Authorized Under the ARRA*.

The majority of federal cross-cutting requirements reflects environmental impacts and necessitates the environmental review process. The major State environmental requirements are identified in the California Environmental Quality Act (CEQA). Federal requirements are identified in the National Environmental Policy Act and related laws, and in some instances are different from the CEQA requirements. Other federal cross-cutting requirements relate to economic or social policies including the Disadvantaged Business Enterprise (DBE) requirements, which ensure that these firms have the opportunity to participate in federally funded projects. There is no State equivalent to this federal requirement.

If you have any questions concerning the applicability of federal cross-cutting requirements to your project, please contact the Drinking Water Program District Engineer for your county.

Sincerely,

Stephen A. Woods, Assistant Chief  
Division of Drinking Water  
and Environmental Management