

Requirements for Consolidation Incentive Construction Funding and Consolidation Incentive Planning Funding Applications

Construction Funding

In order to be considered for Safe Drinking Water State Revolving Fund (SDWSRF) construction funding, applicants must have a project that is ready to proceed to construction. This means all preliminary and final work to prepare the project for construction must have been completed prior to the submittal of a construction funding application. Additionally, consolidation must have been demonstrated to be the most cost-effective long-term solution for the consolidating system, and a consolidation agreement approved by California Department of Public Health (CDPH) must be executed prior to the issuance of an SDWSRF funding agreement for the incentive project. (Please see "Guidelines for Consolidation Incentive Projects" for more details.)

To help you determine if your project is ready to proceed with construction funding, we have provided the following list of documents which must be submitted with a completed SDWSRF Consolidation Incentive Application for Construction Funds. Be aware that this list is not comprehensive, but merely contains the critical documents required of all construction funding applicants. Additional documents may be required, depending upon answers an applicant provides in the actual Consolidation Incentive Application for Construction Funds. The additional required documents are stated in the Application. You should **not submit** an application for construction funding if you cannot provide the required documents listed below.

NOTE: All documents referenced below can be found on the CDPH website at the following address:

<http://www.cdph.ca.gov/services/funding/Pages/ConsolidationIncentive.aspx>

- Consolidation Incentive Application for Construction Funds
- Final draft of plans and specifications – Final draft of plans and specifications means a package of plans and specifications that are approximately **95% complete**. The final draft of plans shall include design and construction documents as well as associated construction details. The final draft of specifications shall include all technical specifications as well as any contract provisions, agreements and certifications required to advertise, award and administer a construction contract; with the exception of provisions related Federal Cross-cutting Authorities and other specific SDWSRF requirements (i.e. Davis-Bacon, Disadvantaged Business Enterprise, California State Labor Compliance, etc.) CDPH will provide further guidance prior to the execution of a funding agreement.
- Completed engineering report (Application Enclosure CI-3c)
- Documents showing the completion of all environmental requirements

- The most recent 3 years of audited financial statements or federal tax returns and balance sheets
- 5-year revenue/expenditure projection
- Resolution designating an authorized representative to apply for SDWSRF funding
- A completed Technical, Managerial, Financial (TMF) capacity assessment form and its supporting documents
- Map of service area
- Water rights documentation
- Documentation demonstrating the restructured system has completed or will complete prior to initiation of construction, all legal steps necessary for consolidation.
- Draft consolidation agreement between the restructured system and consolidating system.
- Water rate structure for the last three years and calculations for the average household water rate.
- Environmental – Each public agency is a lead agency for the California Environmental Quality Act (CEQA). CDPH will act as the lead agency for any private, mutual and investor owned utility, if necessary. Construction funding applicants must be ready to proceed to construction and have completed the CEQA environmental review process. All final CEQA documents, notices, agency approvals and proof of filing fees should be sent to CDPH with the SDWSRF application. Lead agencies who have determined the project to be exempt from the CEQA process must include the Notice of Exemption with a copy of the Worksheet for CEQA/NEPA Exemptions. Private entities, including mutual water companies and investor owned utilities must fill out the Environmental Information Form to be used by CDPH. Applicants that serve 1,000 service connections or greater or projects with total project SDWSRF costs greater than \$1,250,000 may be subject to the Federal Crosscutting Requirements and must submit the Federal Crosscutting Worksheet with the application. (You can contact Bridget Binning at (916) 449-5641 if you have questions regarding the required environmental documentation.)

Be advised that additional information may be requested during the application review period.

Planning Funding

Applicants may request funding for planning study elements. A planning study is defined as project assessments which may include feasibility studies; the evaluation of problem(s) and potential solution(s); conducting environmental evaluations and preparing CEQA/NEPA documents; the preparation of technical, managerial, and financial (TMF) documents and assessments; conducting preliminary engineering, and the preparation of final plans and specifications for the CDPH approved construction project(s).

For an application to be considered for planning funding, the following documents **must** be submitted with a completed SDWRF Consolidation Incentive Application for Planning

Funds. Be aware that this list is not comprehensive but merely contains the critical documents required of all planning applicants. Additional documents are required depending upon answers an applicant provides in the actual Consolidation Incentive Application for Planning Funds. The additional required documents are stated in the Application.

- Consolidation Incentive Application for Planning Funds
- Scope of Work and Project Budget Sheet
- Resolution designating an authorized representative to apply for SDWSRF funding
- 3 years of audited financial information or Federal tax returns
- 5-year revenue and expenditure projection
- Water rights documentation
- Water rate structure for the last three years
- Map of service area
- Environmental documentation if applicable
- Steps to consolidate and the timeline

Be advised that additional information may be requested during the application review period.

Note: If consolidation is not demonstrated to be the most cost-effective long-term solution for the consolidating system, then the planning project for the system will proceed with another project alternative and the proposed restructured system project will be re-ranked back to its original ranking on the project priority list, and the application for the restructured system will not be processed.