



Fact Sheet

Frequently Asked Questions **Safe and Affordable Funding for Equity and Resilience Program**

What is the Safe and Affordable Funding for Equity and Resilience Program?

The Safe and Affordable Funding for Equity and Resilience Program (SAFER) is a set of tools, funding sources, and regulatory authorities designed to ensure that one million Californians who currently lack safe drinking water receive safe & affordable drinking water as quickly as possible. The SAFER program also aims to reach sustainable operations for all of the state's drinking water systems and is a critical element for achieving the goals of safe, accessible, and affordable water for all Californians.

Why is the Safe and Affordable Funding for Equity and Resilience Program necessary?

Although state funding is generally available for safe drinking water infrastructure, communities must first demonstrate that they have adequate technical, managerial, and financial capacity to operate and maintain the treatment systems in order to be eligible for funding. In addition, state and federal funds are not routinely available for operations and maintenance costs.

Typical operations and maintenance costs include: Personnel matters (management, administrative, operations, etc.); financial services (bookkeeping, billing, accounting, audit and financial reporting); professional services (certified operator, engineer, attorney); insurance and energy costs. Additionally, fees are incurred for water quality monitoring, permits, annual equipment and infrastructure repair and replacement, wholesale water purchases, chemical or other water quality treatment materials and any residual disposal.

Small water systems lack the financial resources of larger water systems. Thus, many systems in disadvantaged communities are unable to deliver clean water at affordable rates due to the cost of operations and maintenance. In the past, the lack of operations and maintenance funding prevented the state from providing funds for installation of much needed treatment facilities. The SADW program resolves a critical piece of this puzzle.



What kind of communities need help?

Small marginalized communities have been burdened by unsafe drinking water for years. The SAFER program addresses three hard truths about the hardest hit systems that struggle to consistently deliver safe drinking water:

1. More than a half-million residents within the state are without clean drinking because of water systems that contain contaminants such as arsenic, nitrates and/or 123-TCP. Over time, exposure to any of these can increase health risks to children and adults.
2. More than 500 rural and small water systems with less than 100 connections face the greatest risk. They are least likely to afford the necessary upgrades and/or cost of regional consolidations. By contrast, more than 400 of the largest systems (those with 3,000 or more customers) serve more than 90 percent of the state's 39.5 million residents and have delivered safe drinking water to customers for decades.
3. California's water utility network is fragmented and inefficient compared to other utilities. Today, there are more than 7,400 individual water systems, as compared to 75 energy utilities and 900 centralized wastewater treatment systems. Consolidation increases efficiency and reduces the cost of delivering safe drinking water to rural or isolated communities. The SADW fund consistently provides financial resources for studying and planning when consolidations make the most sense.

What types of solutions are available?

Short-term solutions include temporarily connecting to safe drinking water sources, installing point-of-use treatment systems, drilling wells into uncontaminated aquifers, and trucking water directly to communities.

The long-term goal is to ensure that all drinking water systems are sustainable and affordable. Solutions that will lead to self-sufficient systems include the funding of upgrades, consolidation and regionalization (e.g. linking smaller systems into larger ones) and the training and development of technical and managerial staff.

How did Governor Gavin Newsom assist this program?

Within the first week of taking office, the [Governor](#) introduced the Safe and Affordable Drinking Water fund to ensure all Californians have access to a fundamental necessity. On July 24, he signed the legislation (SB 200) that helps local water systems deliver safe drinking water.

Have any timelines or goals been identified?

Yes. The SADW plan has the following goals:

- Identify high-risk systems and areas on private wells, or served by small water systems, to proactively support prevention and resilience;
- Strongly promote consolidation and regional solutions that increase resiliency and fiscal viability;
- Accelerate project development and implementation timelines;
- Develop and support local technical and managerial staff to ensure long-term solutions and maximize community benefits;
- Ensure access to immediate interim solutions.

Building upon the progress the State Water Board has already made, efforts also will be undertaken to meet these additional goals in the first year: Providing temporary supplies of safe drinking water for up to 75 communities and schools; offering assistance for long-term planning and solutions for 100 communities; accelerating permanent, sustainable solutions for 75 communities. An estimated 250,000 Californians are expected to benefit within these first 12 months.

Why is the State Water Board the appropriate agency to lead this program?

Through its Division of Drinking Water (DDW), the Board has the primary authority to enforce federal and state drinking water statutes and is responsible for the regulatory oversight of about 7,400 public water systems. The State Water Board also has a Division of Financial Assistance (DFA) that awards state and federal grants and loans for drinking water infrastructure. The SADW program includes an additional \$130 million per year through 2030 to support safe drinking water needs.

What is the Division of Drinking Water?

The DDW regulates the state's 7,400 public water systems, oversees water recycling projects, permits water treatment devices, supports and promotes water system security and works closely with the DFA on funding for water systems. DDW staff work from 24 field offices across the state. [Locations and contact information for DDW field offices is located here.](#)

Staff also reviews drinking water quality data and performs triennial reviews of public water systems as part of its regulatory oversight responsibilities. For the many small systems struggling to deliver potable water, staff also directs them to technical and financial assistance programs.

What is the role of the Division of Financial Assistance?

With a variety of funding resources available, the DFA implements the State Water Board's financial assistance programs, among them loan and grant funding for construction of municipal sewage and water recycling facilities, drinking water projects and upgrades, remediation for underground storage tank releases, watershed protection projects and nonpoint source pollution control projects, etc.

Funding

Where does the money come from?

There are a number of sources the State Water Boards can draw from, some of which are designated for specific purposes. The State Water Board plans to focus on the resources the Board [approved on Aug. 20](#) that gave the Division of Financial Assistance access to both bonds funds and revenue from the state's Greenhouse Gas Reduction Fund. These funds can pay for immediate safe drinking water delivery, planning for communities eligible for new or upgraded drinking water treatment and recommended consolidations.

One-time General Fund Appropriation (AB72)

Assembly Bill 72 (AB 72) amended the Budget act of 2018 to appropriate \$20 million from the General Fund for safe drinking water programs. \$10 million is allocated to "provide grants or contracts to address urgent drinking water needs in disadvantaged communities, local educational agencies in or serving disadvantaged communities, or nonprofits." Another \$10 million is designated "for grants or contracts for administrators to provide administrative, technical, operational, or managerial services to a designated water system to support compliance with current drinking water standards."

Eligible projects under the portion of the funds or urgent needs include interim alternate drinking water supplies, emergency improvements, service extension, consolidations, treatment and critical operation and maintenance activities that are cost prohibitive considering the population and median household income of the community served by the water system.

Drinking Water State Revolving Fund

The Drinking Water State Revolving Fund (DWSRF) provides financial assistance for the planning/design and construction of drinking water infrastructure projects that are needed to achieve or maintain compliance with federal and state drinking water statutes and regulations. Funding for the DWSRF comes from federal grants, state sources, and loan repayment.

The DWSRF program provides low-interest loans and other financing mechanisms, such as grants, for the planning/design and construction of related projects, among them water sources, water storage facilities, treatment systems, distribution systems, interconnections, consolidations and waterline extensions. A financially troubled public water system that serves a disadvantaged community may be eligible for principal forgiveness or zero percent interest financing, along with an extended 30-year repayment term. Funds are meant for projects that provide long-term solutions. More details are available online for the [DWSRF](#) and its associated [project list](#).

Bond Funding (Prop 68)

[Proposition 68](#) was passed by voters in June 2018. The State Water Board will administer \$220 million for safe drinking water and \$74 million from Chapter 11.1 for grants for treatment and remediation activities that prevent or reduce the contamination of groundwater that serves as a source of drinking water. \$16 of the \$74 million is set aside for projects serving severely disadvantaged communities. Funding preference will be given to projects that advance the state's policy on the Human Right to Water. Funds may be used for non-capital expenditures such as ongoing operations and maintenance. Workshops on proposed program guidelines were held in June 2019. Funding awards are expected by Spring 2020. More information is available at the [Prop 68 program website](#).

Safe and Affordable Drinking Water Fund

The Safe and Affordable Drinking Water (SADW) Fund (*renamed in 2020 as The Safe and Affordable Funding for Equity and Resilience Program (SAFER)*) was established through Senate Bill 200 (SB200) in 2019. The Fund provides \$130 million per year to develop and implement sustainable solutions for small systems with violations of drinking water standards. The money may be spent on operations and maintenance costs, cost of consolidating with larger system, provision of replacement water and funding for administrators to run the small systems.

How can communities apply for the new funding?

The Division of Financial Assistance (DFA) is creating a simple pre-application for disadvantaged community water and wastewater projects. Depending on the type of projects, the applicant will be directed to the appropriate funding program. Technical assistance will be available to help communities with their applications.

When will money be available?

The State Water Board [adopted a resolution on August 20, 2019](#) authorizing staff to issue grants and contracts using the SADW funding appropriated in the Fiscal Year '19-20 Budget. The DFA will begin issuing funds for near-term solutions as soon as

possible. Funding for system administrators will begin after the Board adopts the [Administrator Policy Handbook](#).

Prioritizing Need

How will the Division of Drinking Water priorities communities or projects?

Public Water Systems

Priority will be given to consolidation or regionalization projects that show long-term resiliency and sustainability for communities or schools unable to meet Safe Drinking Water Act standards. The [guidance and prioritization policy](#) adopted as a part of the Drinking Water State Revolving Fund will be utilized as a basis for these projects. Construction projects will be required to develop plans to achieve long-term resiliency and sustainability within five years.

Communities on domestic wells or state smalls

In areas with high population density but without centralized infrastructure, priority will be given to consolidation or regionalization projects that move disadvantaged neighborhoods without public water systems into larger public water systems, especially in areas with high risk of contamination or water shortage.

Remote or isolated homes or state smalls

Well rehabilitation or Point-of-Use and Point-of-Entry treatment options will likely be the best long-term solutions for households in remote or isolated areas (where consolidation is not feasible) with known or high risk of contamination or water shortage.

What happens if a community needs replacement water immediately?

The State Water Board has existing agreements with interim assistance providers and funding available for temporary supplies of safe drinking water.

How will the Division of Drinking Water determine which smaller systems should be consolidated with nearby larger systems?

This first criterion for consolidation will be the needs of the smaller system, based on violation of drinking water standards and its managerial and fiscal condition. The next criterion is the distance to a larger system. The size, technical, managerial and fiscal capabilities of the larger system will also play into this analysis.

What tools does the Division of Drinking Water have to assist with consolidation efforts?

In conjunction with the Division of Financial Assistance (DFA), the DDW has a number of mechanisms at its disposal. Administrators can be appointed and funded to run small failing systems and shepherd them on the path to sustainability. Direct technical assistance and funding for technical assistance providers also is available. In the case of small systems with drinking water violations, the Water Board can order consolidations, although voluntary cooperative approaches are preferred.

Does the Division of Drinking Water plan to “stress test” existing communities to determine if they can afford their own drinking water treatment systems instead of needing consolidation?

The focus of the SADW program is on ensuring the long-term viability and sustainability of drinking water systems. One of the most critical aspects toward this end is assessing the long-term financial, managerial and technical capabilities of each system. The DDW will consider all options.

For More Information

Is there an Internet site that lists the communities currently lacking safe drinking water?

The State Water Board maintains a list and map of these communities on its [Human Right to Water portal](#).

I understand the Division of Drinking Water has been working on this for some time. What are some of the accomplishments?

Since the Legislature transferred the Safe Drinking Water Program to the State Water Board in 2014, the Board – aided by the Legislature and stakeholders - has done the following in its efforts to fulfill the goals of the [Human Right to Water Act \(AB 685, 2012\)](#):

- Brought 250 systems that were failing to deliver safe drinking water into compliance;
- Taken actions that led to the consolidation of 100 failing - or likely to fail - systems since 2017;
- Helped more than 200 small disadvantaged communities secure funding for project planning and construction through our Office of Sustainable Water Solutions;
- Provided more than \$1.4 billion in low-interest loans and grants, benefitting approximately 7.2 million people in communities large and small, rich and poor, urban and rural.

How much has been spent assisting disadvantaged communities without access to safe drinking water?

Since 2010, the state has distributed over \$3 billion in bonds and federal funds for the repair, replacement and improvement of aging infrastructure, along with the installation of new treatment systems for over 600 projects to comply with the federal Safe Drinking Water Act. For more information, please visit the State Water Board's [Division of Drinking Water Programs home page](#).

How can I find out more about the Advisory Committee called for in SB 200?

Pursuant to SB 200, an [advisory group was formed](#) to help identify needs and designate spending priorities for the recently created Safe and Affordable Drinking Water Fund. A [resource page](#) was created to assist the public in finding out more about this Advisory Group, and when they meet around the state.

Where can I find more information and stay updated?

Please visit the [State Water Boards' Human Right to Water website](#).

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