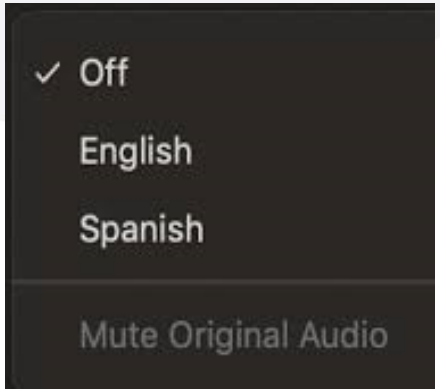
Language Interpretation through Zoom

Click the Interpretation icon in your meeting controls

- Navigate to Language Channels
- Select Spanish
- Mute Original Audio



For technical assistance, email: **SAFER@waterboards.ca.gov**

SAFER Drinking Water Advisory Group Meeting #4

November 17, 2022
9am-2pm

CALIFORNIA Water Boards

Ways to Participate

Watch ONLY: Visit **video.calepa.ca.gov**

Submit a comment:

Email **safer@waterboards.ca.gov** with subject “AGM Public Comment,” and follow Instructions in return email to join the meeting.

Language interpretation or Technical Assistance:
safer@waterboards.ca.gov

Water Boards' Mission

Preserve, enhance, and restore the quality of California's water resources and drinking water for the protection of the environment, public health, and all beneficial uses, and to ensure proper water resource allocation and efficient use, for the benefit of present and future generations.

Meeting Guidelines

- Mute yourself when not speaking
- Join by video (if possible)
- Take breaks as needed
- Speak slowly
- **safer@waterboards.ca.gov**

Agenda

- Process Improvements & Performance Indicators
- 2023 Drinking Water Needs Assessment
- SAFER Program Updates
- Advisory Group Member Announcements
- Public Comment
- Next Steps

Introductions and Warmer

- Your name
- Your affiliation
- Your location
- What accomplishment related to the SAFER program are you most proud of this year?

Discussion Session #1:

Accomplishments, Process Improvements, and Performance Indicators

SAFER Accomplishments

Since 2019, the SAFER program has:

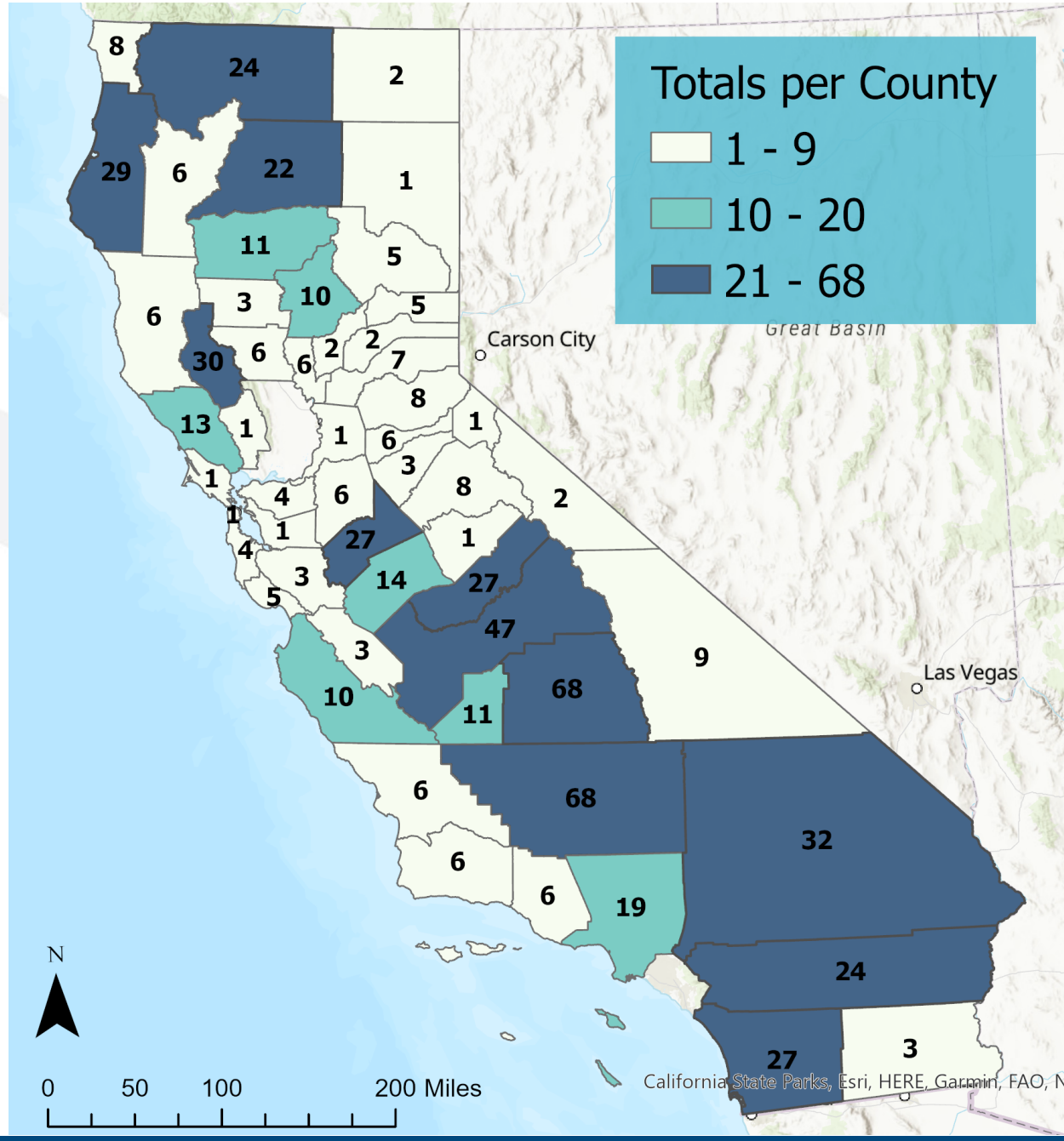
- Reduced the population impacted by failing water systems by **40%**
- Provided **$50 million** in urgent assistance to 9,456 households and 150 water systems
- Increased grant funding by **84%**
  - **$700 million** for interim, urgent drinking water needs, planning and system assessment, and long-term resilience/compliance
- Increased technical assistance by over **150%**
  - **300** small, primarily disadvantaged communities (DACs) benefited

Drinking Water Projects
July 2019 – June 2022

Funding:

- Loans: **$1.2B**
- Grants: **$380M**

Total projects: **553**



Ongoing Work on Process Improvements

Note: The following slides present a summary of pending and completed process improvements. Additional details can be found in Appendix K of the Fiscal Year 2022-23 Safe and Affordable Drinking Water Fund Expenditure Plan (SADW FEP).

Funding Process Overview

Process Improvement Goals

1. Improve outcomes
   a) reduce time from application to project completion
   b) address highest priority/needs

2. Minimize processing time, procedures, and documentation

3. Ensure compliance with guidelines, policies, regulations, and statute

4. Provide clear, timely communication of requirements, status, and expectations

5. Ensure procedures are updated and clear, staff are trained, and resources are provided to applicants/funding recipients

Other Process Improvement Considerations

1) Greatest benefit to the greatest number of applicants/recipients

2) Risk tradeoffs (e.g., legal, policy, and project risks, health/ environmental risks from delays, etc.)

3) Balance: flexibility/consistency

40 Process Improvements Completion

In the last two years, the following process improvements completed:

- Pre-application: simplified request form to help staff direct system to Technical Assistance (TA) or appropriate application
- Planning under TA rather than planning under application/agreement
- Median Household Income (MHI) Guidelines revised, requiring fewer income surveys to be eligible for grant funding

40 Process Improvements Completion (cont'd)

- California Environmental Quality Act Only Review: reduced length of process up to 9 months for small DAC drinking water projects
- Project approach: prioritization of critical elements completion over development design/environmental phases
- Revised State Revolving Fund (SRF) Intended Use Plans (IUPs) to fully grant eligible projects

Key Process Improvements in Development

- Application packages update
- Guidelines for consolidation projects update
- Streamline Financial Capacity Review
- Transition to electronic/digital processing
- Streamline agreement and process to reduce project complexity, duration and costs.

Fiscal Year 2022-23 Metrics

Key Metrics from the FY 2022-23 SADW FEP*

Category	FY 2021-22 Progress	Number of Connections Benefiting	Number of People Benefiting	Total Assistance Provided	FY 2022-23 Goal
Interim Solutions	55 communities/ schools (1,265 households)	6,451	35,244	$13 M	50 communities
Technical Assistance (TA) Projects	94 (27 planning via TA)	35,515	128,283	$14.6 M	100
Planning Projects	10	117,996	335,877	$4.5 M	10
Construction Projects	37 (26)**	1 M (32,051)**	7.3 M (56,293)**	$691 M ($97 M)**	30

*SADW FEP – Safe and Affordable Drinking Water Fund Expenditure Plan

**Numbers in parentheses for construction projects reflect projects in Office of Sustainable Water Solutions (OSWS) benefitting primarily small DACs or low-income households. The work in other categories is solely through OSWS and benefitting primarily small DACs or low-income households.

Key Metrics: FY 2022-23 DWSRF IUP*
(Planning and Construction)

- Fulfill 75% of complete disbursement requests in less than 60 days
- Issue funding agreements or approve planning workplans for 90% of projects with complete applications that are eligible for grant/principal forgiveness (PF) under Appendices D and E.
- Provide TA up to 90% of currently incomplete applications or Category A-C projects that are eligible for grant/PF requiring TA to complete their application.

*DWSRF IUP: Drinking Water State Revolving Fund Intended Use Plans

Summary of Audit Recommendations

State Auditor's Recommendations
(Drinking Water)

RECOMMENDATION	STATUS
1) Streamline application process by only requesting necessary documents and financial information.	*DFA Discretionary: December 2022* *Board Policy: June 2023*
2) Develop a process to fast-track urgent water projects.	*In place as of October 2022*
3) Establish expectations for: − staff review/communication − system response	*In process*
4) Develop metrics and performance benchmarks for key phases of the application and funding processes.	*In process*

State Auditor's Recommendations (cont'd)

RECOMMENDATION	STATUS
5) Determine whether to change the way staff are assigned to projects.	*Reorganization in Process*
6) Obtain input from advisory group on the development of expectations, metrics, benchmarks.	*November 2022*
7) Update Online Application Search Tool to include required additional information: deadlines, delays, expected award date.	*In process*
8) Evaluate progress in meeting goals and assess if staffing is adequate.	*Recommended to be done by July 2023*

Helpful Links

State Water Board's Division of Financial Assistance Webpages:

- Financial Assistance Submittal Tool (FAAST)
  - Applications accepted on a continuous basis
- Clean Water State Revolving Fund (CWSRF)
- Drinking Water State Revolving Fund (DWSRF)
- Small Communities/Office of Sustainable Water Solutions (OSWS)

Contact Us

For more information, email us at:

- DrinkingWaterSRF@waterboards.ca.gov (DWSRF)
- CleanWaterSRF@waterboards.ca.gov (CWSRF)
- DFA-OSWS@waterboards.ca.gov (OSWS)
- FAAST_ADMIN@waterboards.ca.gov (FAAST)

Questions?

Comment or technical assistance, email safer@waterboards.ca.gov

Breakout Session:

Process Improvements and Performance Indicators

Discussion Questions

1) If you participated in the technical assistance or funding process, have you observed changes from recently implemented improvements?

2) What feedback do you have on the process improvements currently in development? What key priorities should we focus on?

3) What new recommendations do you have regarding process improvements, staff expectations, metrics, or benchmarks?

Discussion Session #2:

2023 Drinking Water Needs Assessment Status Update

Needs Assessment Components

Community Water Systems; K-12 Schools; SSWS, & DWs

Failing & At-Risk Systems and Domestic Wells

DAC/SDAC Community Water Systems

bit.ly/DrinkingWaterNeedsAssessment

SAFER Program Priority Systems

PRIORITY

FAILING WATER SYSTEMS

Community water systems and K-12 public schools that meet the Failing: Human Right to Water (HR2W) list criteria.

AT-RISK WATER SYSTEMS & DOMESTIC WELLS

Public water systems with up to 30,000 service connections or 100,000 population served, K-12 public schools, state small water systems and domestic wells that are at-risk of failing.

POTENTIALLY AT-RISK WATER SYSTEMS & DOMESTIC WELLS

Public water systems with up to 30,000 service connections or 100,000 population served, K-12 public schools, state small water systems and domestic wells that are at-risk of failing.

NOT AT-RISK WATER SYSTEMS & DOMESTIC WELLS

Public water systems, K-12 public schools, state small water systems, and domestic wells that are not at-risk of failing.

Access the Full 2022 Needs Assessment Report

- Access report

  bit.ly/SAFER-NA-Report-22

- Learn more about the Needs Assessment

  bit.ly/SAFER-NA-2022

Past Workshops on Needs Assessment Methodology

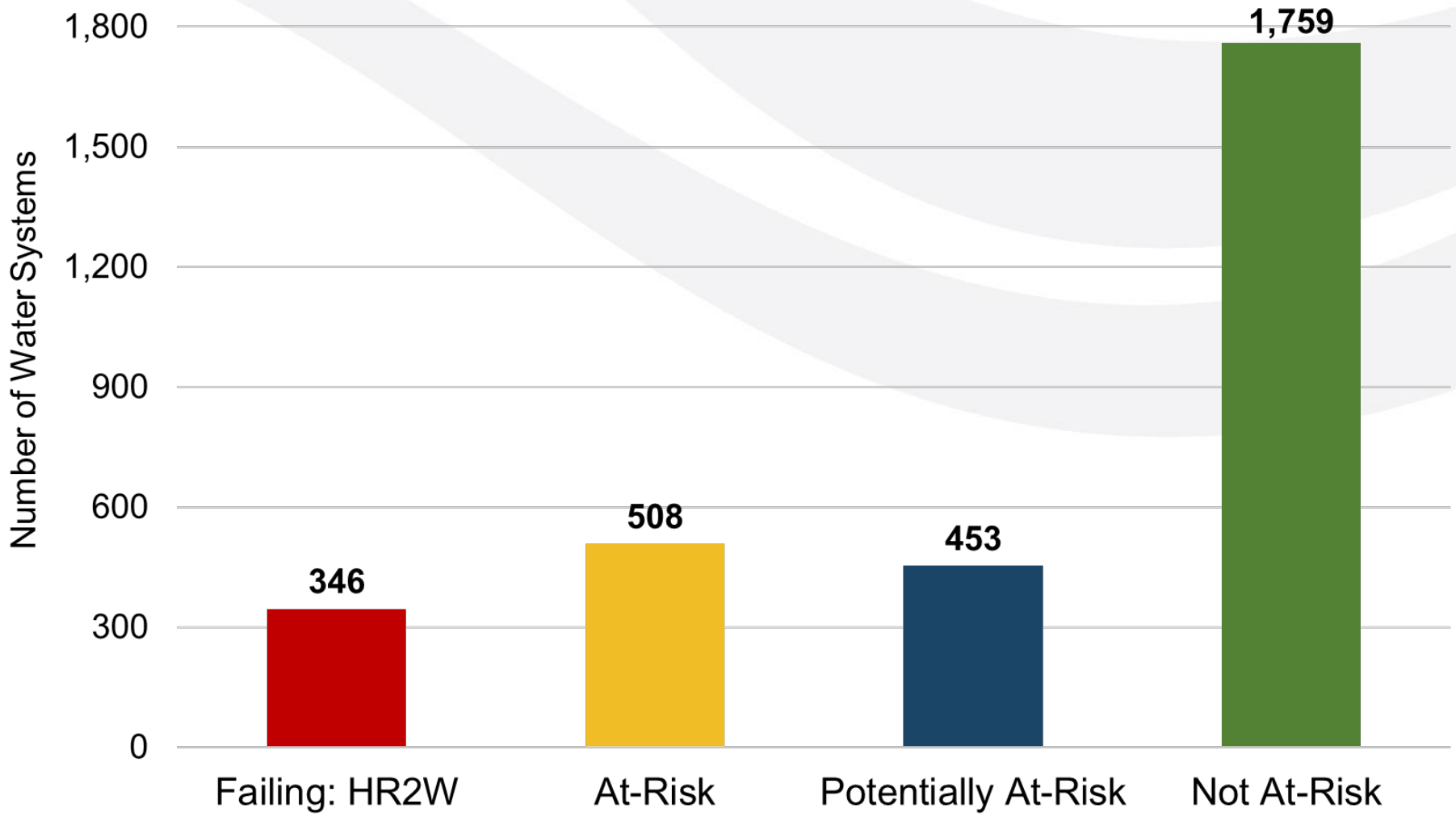
The State Water Board continues to host public workshops on proposed changes to the methods used in the annual Needs Assessment.

NEEDS ASSESSMENT COMPONENTS	2019	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q3 2021	2022
Risk Assessment: Public Water Systems	■	■	■	■ ■	■		■
Risk Assessment: State Small Water Systems & Domestic Wells	■	■	■	■ ■	■		■
Cost Assessment	■	■	■	■	■ ■		■
Affordability Assessment		■	■ ■	■	■	■	■

What to Expect in 2023

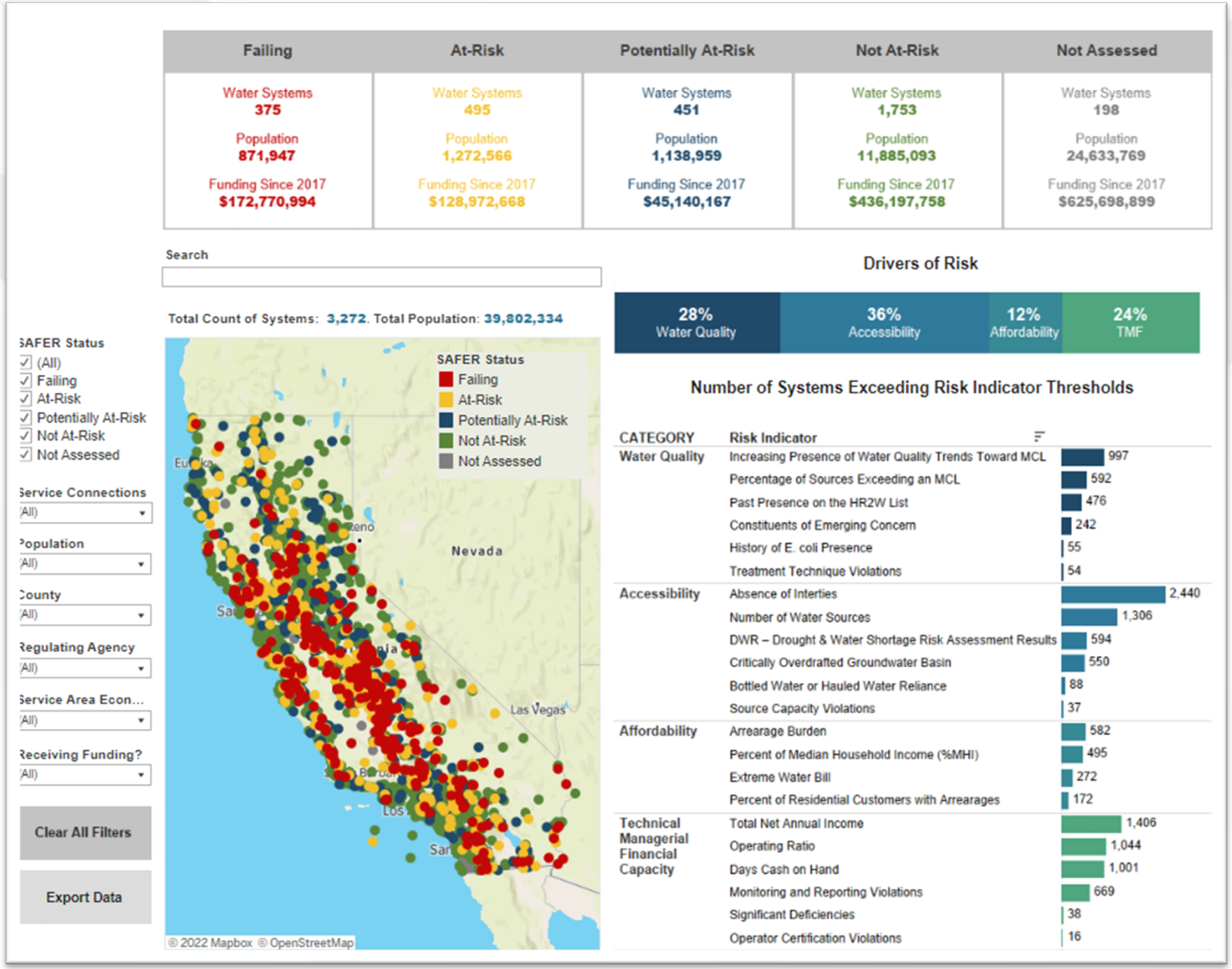
1. Minimal changes to risk assessment for **PWS Risk Assessment**
2. **NEW** Socio-economic risk layer for **SSWS & DW Risk Assessment**
3. **NO** Cost Assessment
4. **UPDATES** to Affordability Assessment
5. Next Steps

2022 Risk Assessment Results (n=3,066)



Explore the 2022 Results in the NEW Dashboard

Visit: bit.ly/SAFER-Dashboard



2022 Risk Indicator Changes

The State Water Board removed **5** risk indicators and added **8** new indicators.

WATER QUALITY	ACCESSIBILITY	AFFORDABILITY	TMF CAPACITY
E. Coli Presence	Number of Sources	% Median Household Income	~~# of Service Connections~~
Increasing Presence of Water Quality Trends Towards MCL	Absence of Interties	Extreme Water Bill	Operator Certification Violations
Treatment Technique Violations	~~Water Source Types~~	~~% Shut-Offs~~	Monitoring and Reporting Violations
Past Presence on the HR2W List	DWR – Drought & Water Shortage Risk Assessment Results	**% of Residential Arrearages**	Significant Deficiencies
~~Maximum Duration of High Potential Exposure (HPE)~~	Critically Overdrafted Groundwater Basin	**Residential Arrearage Burden**	~~Extensive Treatment Installed~~
Percentage of Sources Exceeding an MCL	**Bottled or Hauled Water Reliance**		**Income**
Constituents of Emerging Concern	**Source Capacity Violations**		**Operating Ratio**
			Days Cash on Hand

2023 Risk Indicator Changes

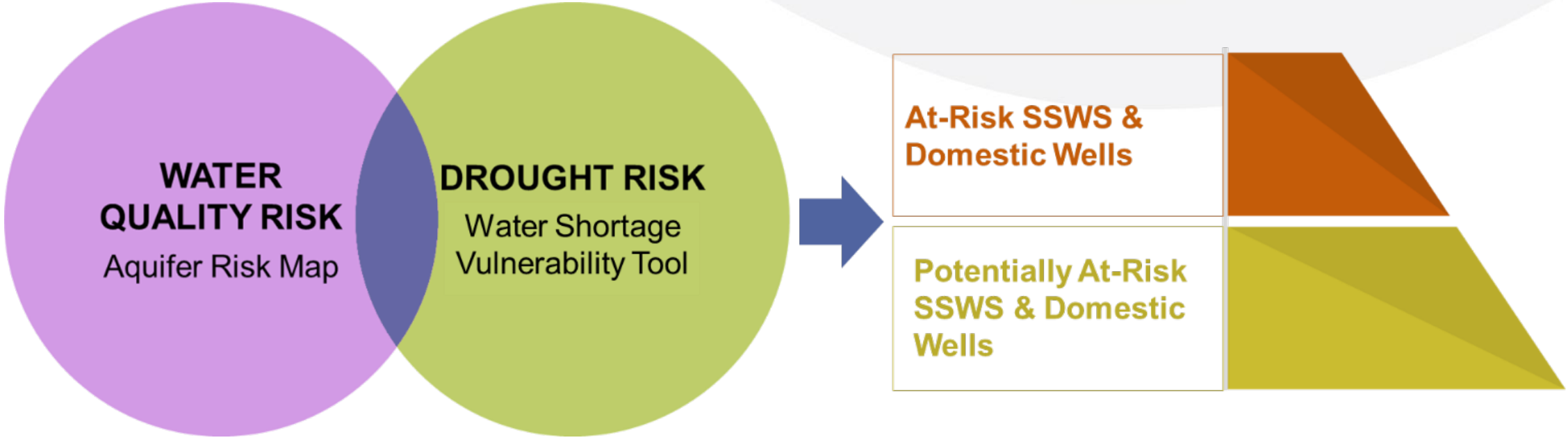
The State Water Board plans to remove **2** affordability risk indicators and add **1** new indicator.

WATER QUALITY	ACCESSIBILITY	AFFORDABILITY	TMF CAPACITY
E. Coli Presence	Number of Sources	% Median Household Income	Operator Certification Violations
Increasing Presence of Water Quality Trends Towards MCL	Absence of Interties	Extreme Water Bill	Monitoring and Reporting Violations
Treatment Technique Violations	DWR – Drought & Water Shortage Risk Assessment Results	~~% of Residential Arrearages~~	Significant Deficiencies
Past Presence on the HR2W List	Critically Overdrafted Groundwater Basin	~~Residential Arrearage Burden~~	Income
Percentage of Sources Exceeding an MCL	Bottled or Hauled Water Reliance	Housing Burden & Poverty	Operating Ratio
Constituents of Emerging Concern	Source Capacity Violations		Days Cash on Hand

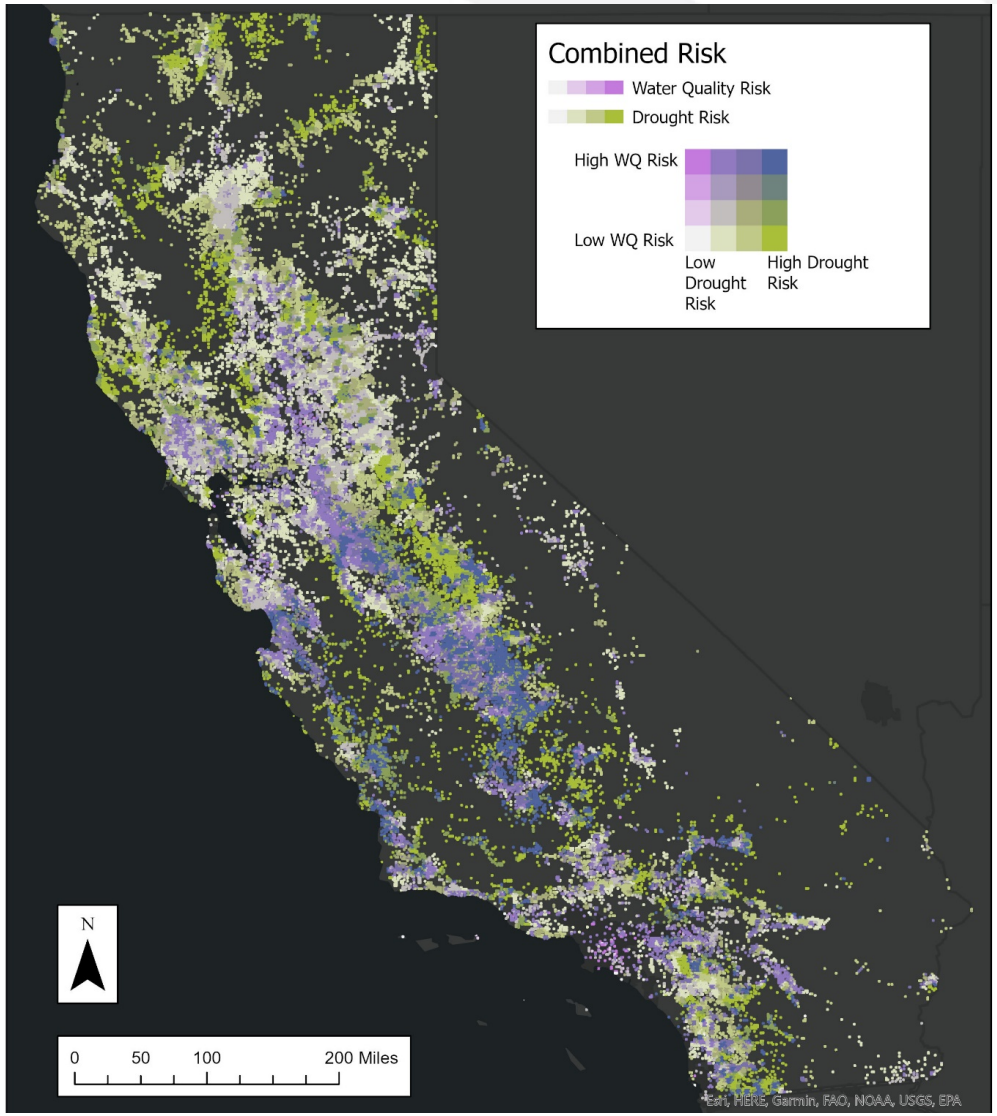
2022: Risk Assessment for State Small Water Systems & Domestic Wells

The 2022 Risk Assessment was based on a **combined assessment** utilizing:

- State Water Board's **Aquifer Risk Map**
- Department of Water Resources: **Water Shortage Risk Vulnerability Tool**



Explore the Data: Combined Risk Assessment Map

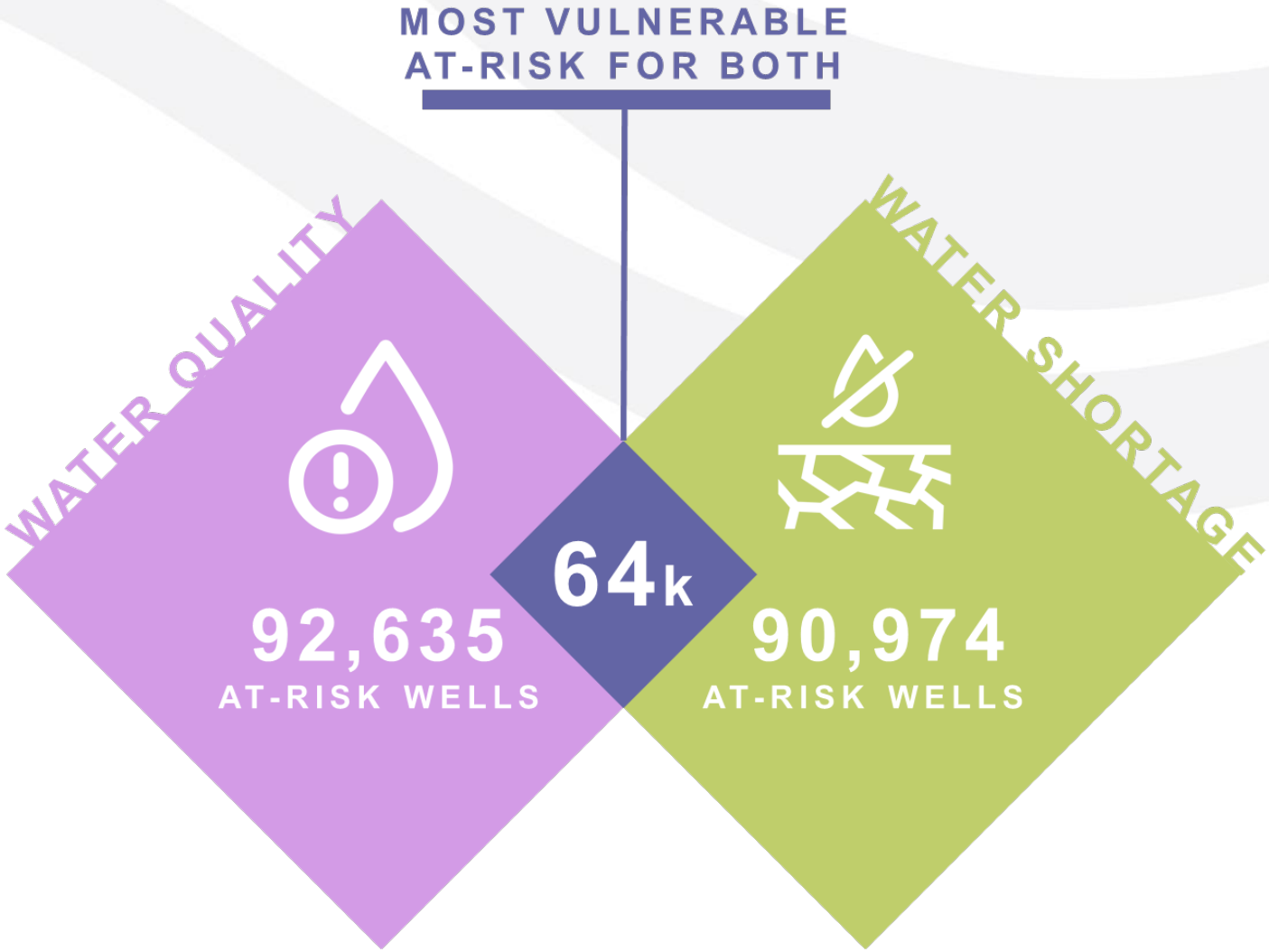


Map: bit.ly/CombinedRisk

Map Features:

- Mask/un-mask areas with known SSWSs & DWs.
- Add layer to see **CalEnviroScreen (CES)** data for each census tract:
  - CES 4.0 score
  - Pollution burden
  - Population characteristics
  - Race/ethnicity population
  - Population living two times below the federal poverty level

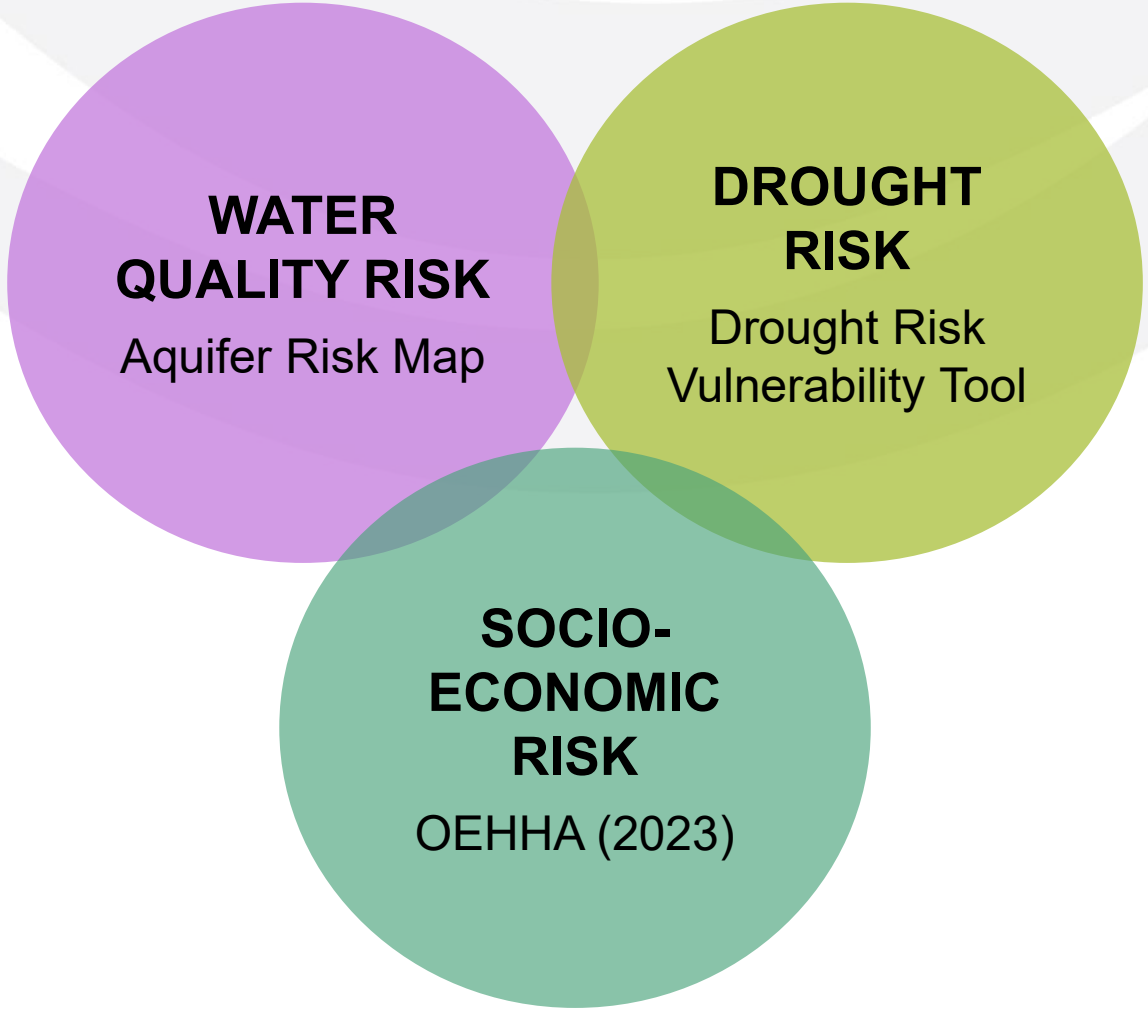
Most Vulnerable Domestic Wells



2023 Updates:
Risk Assessment for State Small Water Systems & Domestic Wells

The State Water Board is working with Office of Environmental Health Hazard Assessment (OEHHA) and the Department of Water Resources to develop a combined Risk Assessment for 2023 utilizing:

- State Water Board's **Aquifer Risk Map**
- Department of Water Resources' **Drought Risk Vulnerability Tool**
- OEHHA: **Newly developed socio-economic risk indicators**



2023 Updates: Risk Assessment for State Small Water Systems & Domestic Wells (cont'd)

Proposed Socio-Economic Risk Layer Indicators:

- Poverty & Housing Burden
- County Water Quality Testing Program Availability
- County Administrative Services
- County Funding
- New Well Permitting Costs
- Language Isolation
- Unemployment Rates
- Transportation Limitations

Cost Assessment

Failing & At-Risk Systems and Domestic Wells

2021: Conducted a full **Cost Assessment** for Failing and At-Risk water systems and domestic wells working with contractors.

2022: Conducted a **Drought Infrastructure Cost Assessment** in response to stakeholder feedback and the need to support SB 552 planning.

2023-24: State Water Board is **re-building** the Cost Assessment Model to update cost assumptions, decision criteria & incorporate drought infrastructure needs.

Re-build will take 2 years, updated Cost Assessment results expected for **2024 Needs Assessment Report**.

Summary of Proposed Changes to Cost Model

1. Physical consolidation is modeled first and selected by the model using funding eligibility criteria rather than comparing modeled costs to other modeled solutions.
2. If consolidation is not viable, the model will evaluate other long-term solutions, prioritizing more sustainable solutions like treatment first over POU/POE.
3. The results of the risk assessment will be incorporated to better match long-term solutions to water systems and domestic wells.
4. The model will incorporate system-level drought infrastructure cost estimates into the total estimated costs. Technical Assistance and Administrator costs will be separated.
5. The sustainability and resiliency assessment will be removed to allow for the new approach for identifying the best modeled solution per system – utilizing clear selection criteria.

Affordability Assessment

Changes to the Affordability Assessment indicators reflect changes in the Risk Assessment for public water systems

2021	2022
% Median Household Income	% Median Household Income
Extreme Water Bill	Extreme Water Bill
% Shut-Offs	~~% Shut-Offs~~
	% of Residential Arrearages
	Residential Arrearage Burden

% Shut-Offs:
Removed because there was a shut-off moratorium during the COVID-19 pandemic from March 2020 – January 2022. No data available.

Arrearage Data:
New indicators utilizing the 2021 Drinking Water Arrearage Payment Program data. One-time data use from funding program to supplement % Shut-Off data.

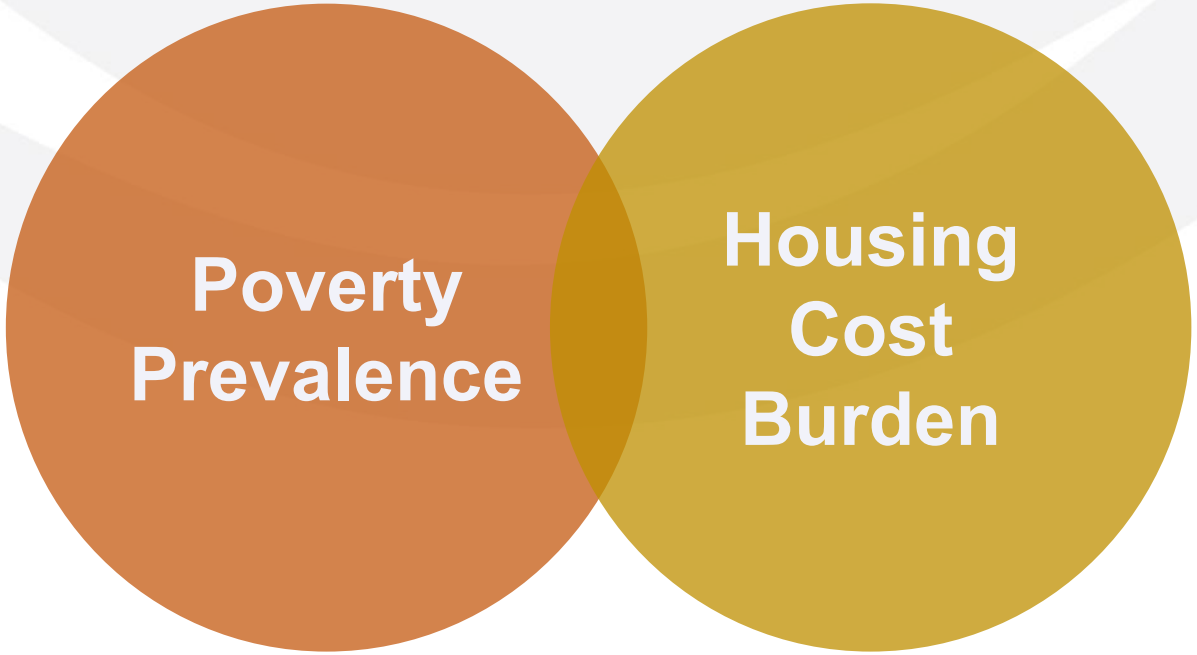
2022-23 Affordability Assessment Workshops

8/11/2022	Workshop 1: Overview of Drinking Water Affordability
9/20/2022	Workshop 2: Potential Affordability Indicators
11/01/2022	Workshop 3: Affordability Assessment Methodology & Threshold Setting
1/2023	Workshop 4: 2023 Needs Assessment Workshop

bit.ly/DrinkingWaterNeedsAssessment

Proposed 2023: Affordability Assessment

The State Water Board is working with OEHHA to develop a new affordability indicator and a combined Affordability threshold.



NEW Community Affordability: Housing Burden

This indicator (Housing Burdened Low-Income Households) is calculated as the percent of households in a census tract that are both low income (making less than 80% of the HUD Adjusted Median Family Income) and Severely burdened by housing costs (paying greater than 50% of their income to housing costs).

Source: 2014-2018 HUD Comprehensive Housing Affordability Strategy (CHAS)

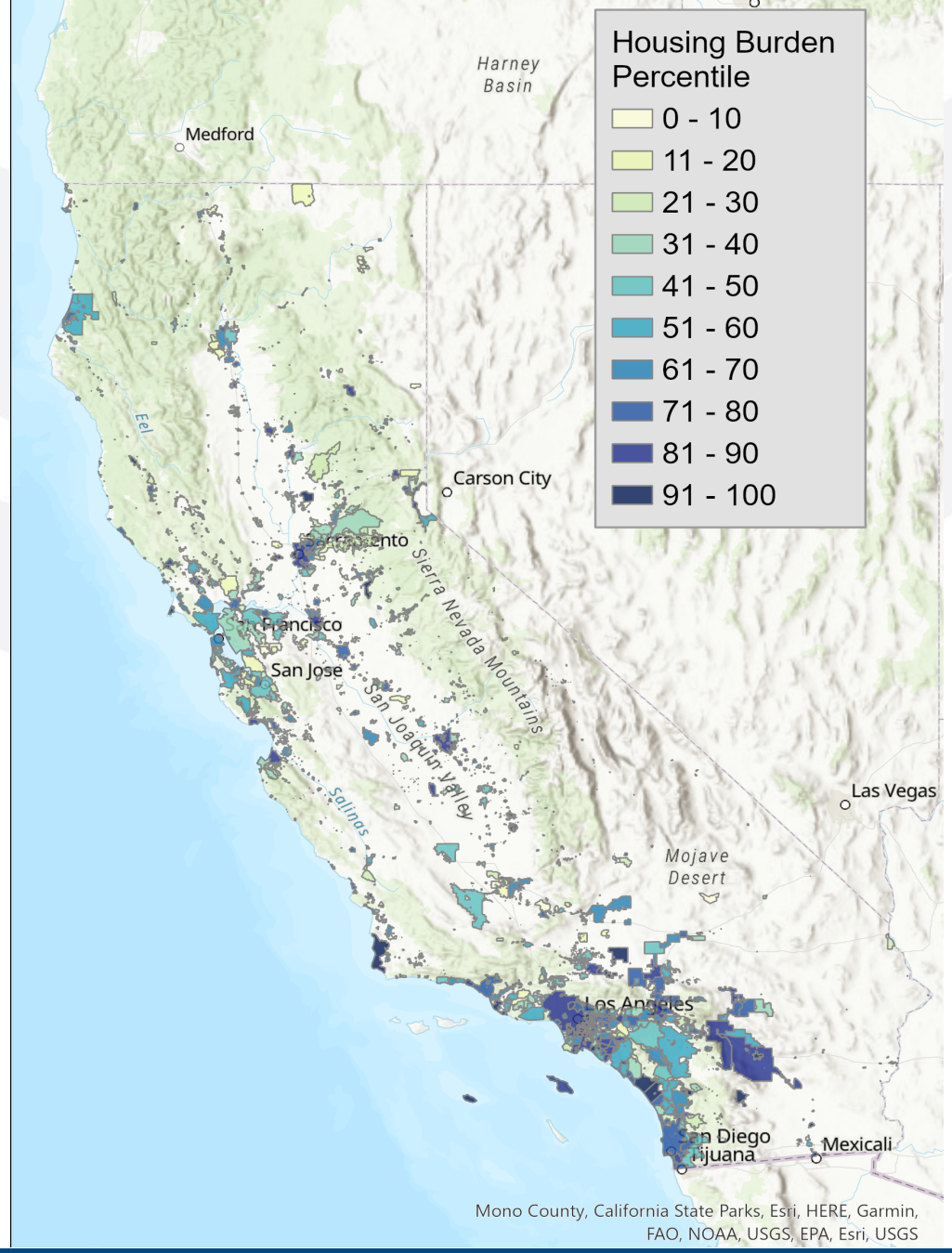
PROS:

- Incorporates housing/rent cost (especially advantageous when rent absorbs the cost of water and families do not receive water bills directly)
- Considers low-income households
- Reflects variation in the basic cost of living across regions of California

Map of Housing Burden for Public Water Systems

Method

The percentage of a low-income households severely burdened by housing costs was area weighted to public water system boundaries. System scores were ranked and assigned percentiles.



NEW Community Affordability: Poverty

The Poverty Prevalence Indicator measures the percentage of a population that lives at or below 200% the Federal Poverty Level (FPL). This measurement indicates the degree to which relative poverty is prevalent in the community.

Source: 2015-2019 US Census, American Community Survey (ACS)

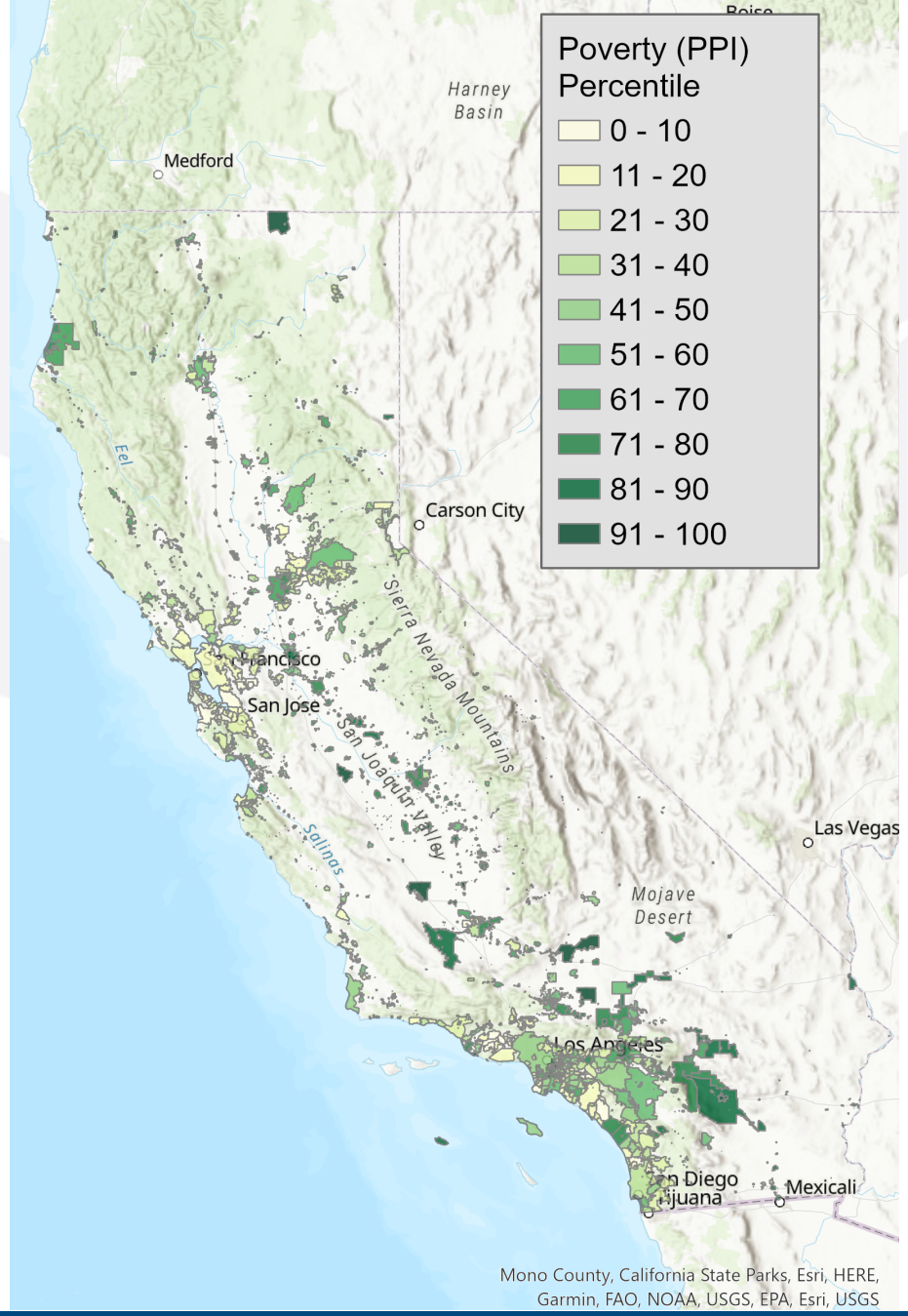
PROS:

- Multiple tools commonly used in California to evaluate poverty
- Accounts for the poorer, low-income communities

Map of Poverty for Public Water Systems

Method

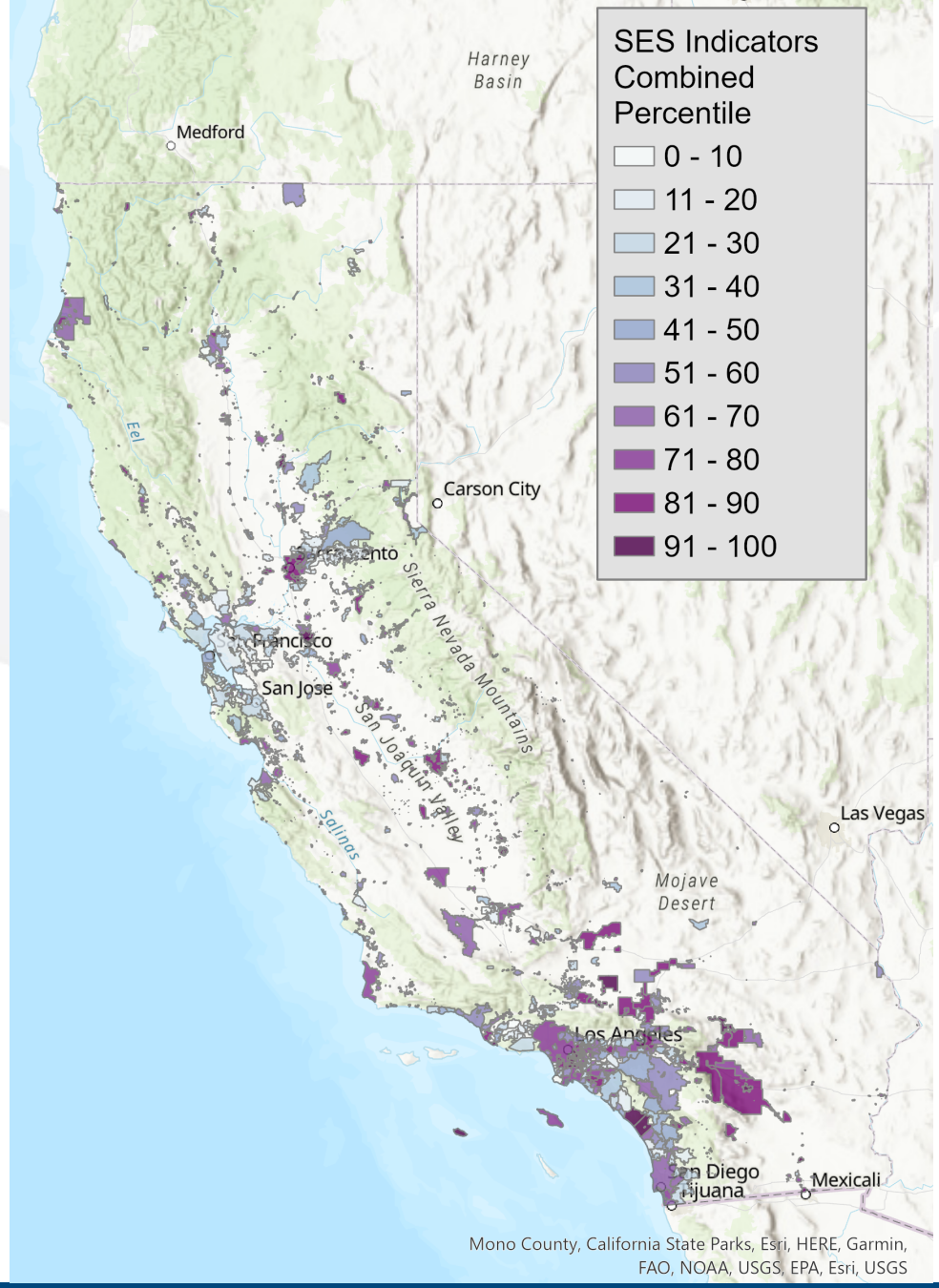
The percentage of a population that lives at or below 200% the FPL was area weighted to public water system boundaries. System scores were ranked and assigned percentiles.



Example Methodology

Map of Poverty & Housing Burden Combined

Percentile scores from Poverty and Housing Burden indicators were averaged and then re-ranked and assigned percentile scores.



Affordability Indicators Over Time

Affordability Indicators	2020	2021	2022	2023	2024	2025
% Median Household Income	X	X	X	X	X	X
Extreme Water Bill		X	X	X	X	X
% Shut-Offs		X				X
% of Residential Arrearages			X			X
Residential Arrearage Burden			X			X
NEW Poverty & Housing Burden				X	X	X
NEW - TBD						X

Discussion Questions: 2023 Needs Assessment

Q1: Do you support the proposed changes for the 2023 Needs Assessment?

Q2: What additional water system performance metrics should be included in future Needs Assessments?

Q3: What information should be included in the Needs Assessment to better assist YOU in advising the State Water Board on the SAFER Program?

SAFER Program Updates

SAFER Program Updates

- Advisory Group Application
- Needs Assessment Workshops
- Mandatory Consolidation Projects
- 10th Anniversary of Human Right To Water
- Notice of Failing and At-Risk Water Systems
- SAFER Related Job Opportunities
- Adoption of FEP
- SAFER Timeline

SAFER Timeline

2022	Topic
10/28	Release of POU/POE Report
11/1	Affordability Workshop #3
11/8	POU/POE Workshop #1
11/9	POU/POE Workshop #2
11/17	Advisory Group Meeting #4
12/TBD	Board Meeting on Administrator Handbook
12/TBD	Advisory Group Members Appointed

Questions?

Comment or technical assistance, email safer@waterboards.ca.gov

Advisory Group Member Announcements

Advisory Group Member Announcements

- Project/Event title
- Timeline/Event date
- Purpose/Objective
- Next steps
- 3 minutes per announcement

Public Comments

1. Email Comment to **safer@waterboards.ca.gov**.
2. Follow instructions in the return email to join Zoom.
3. Wait to be called on. You will have 3 minutes to speak.
4. Technical or language assistance, email **safer@waterboards.ca.gov**.

Closing Remarks and Next Steps

Adjourn

Thank you!

safer@waterboards.ca.gov
916-445-5615