

SAFER DRINKING WATER PROGRAM ADVISORY GROUP MEETING

Safe and Affordable Funding for Equity and Resilience Advisory Group

May 2, 2024

Meeting Materials Packet

Please review this packet before the meeting.

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Theme #1 – Needs Assessment Background

In 2016, the California State Water Resources Control Board (State Water Board) adopted a Human Right to Water Resolution making the Human Right to Water (HR2W), as defined in Assembly Bill 685, a primary consideration and priority across all programs of the State Water Board and the nine Regional Water Quality Control Boards. The HR2W recognizes that “every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking and sanitary purposes.”

In 2019, to advance the goals of the HR2W, California passed Senate Bill 200 (SB 200), which enabled the State Water Board to create the Safe and Affordable Funding for Equity and Resilience (SAFER) Drinking Water Program. SB 200 established a set of tools, funding sources, and regulatory authorities that the State Water Board harnesses through the SAFER Program to help struggling water systems sustainably and affordably provide safe drinking water. The SAFER Program is driven by collective responsibility: water systems, non-profit organizations, governments, a community advisory board, and other interested parties work together to develop and implement solutions.

The annual Drinking Water Needs Assessment (Needs Assessment), required to be carried out by the SAFER Program, provides foundational information and recommendations to guide this work¹. The Needs Assessment is comprised of the following components:

- Failing Water System List (Failing list)
- Risk Assessment
- Cost Assessment
- Affordability Assessment

Figure 1. Needs Assessment Components



Public input that the State Water Board received via workshops held in 2023 helped improve the 2024 Needs Assessment. The public feedback, all of which is detailed in publicly

¹ California Health and Safety Code section 116769 (b) states “The fund expenditure plan shall be based on data and analysis drawn from the drinking water needs assessment...”

available documents online, was incorporated into the final methodology and results as appropriate.

Three different water system types — public water systems, state small water systems and domestic wells — are analyzed within the 2024 Needs Assessment. Different methodologies were developed for these system types based on their characteristics, data availability and reliability.

The results of the annual Needs Assessment are used by the State Water Board and the SAFER Advisory Group to inform the prioritization of available state funding and technical assistance within the Safe and Affordable Drinking Water Fund (SADWF) Fund Expenditure Plan (FEP). The State Water Board typically hosts a series of workshops throughout the year to inform the FEP.

Figure 2. Needs Assessment and the SAFER Program



The Needs Assessment is not a static analysis. The State Water Board annually updates the Needs Assessment, and it provides a valuable snapshot of the overall resources needed to bring Failing systems into compliance with drinking water standards and prevent At-Risk water systems from failing.

By incorporating this Needs Assessment into the SAFER program and implementation of SADWF, the State Water Board will continue to lead long-term drinking water solutions. At the same time, this Needs Assessment gives clarity to the work that must collectively be done by state, federal, local partners to achieve the Human Right to Water goal for all Californians.

INTERACTIVE TOOLS

The State Water Board developed publicly available Dashboards and datasets to improve access to the data and analysis contained in the Needs Assessment:

- SAFER Dashboard: bit.ly/SAFER-Dashboard
- Risk Assessment for State Small Water Systems & Domestic Wells Dashboard: bit.ly/RA-Dashboard-23
- Water System Financial Capacity & Affordability Dashboard: bit.ly/NA-Dashboard

Theme #2 – Draft Priorities for the Fund Expenditure Plan

CURRENT FISCAL YEAR 2023-24 PRIORITIES

Based on current adopted priorities, expenditures from the Safe and Affordable Drinking Water (SADW) Fund for Fiscal Year 2023-24 focus on solutions for small Disadvantaged Communities and low-income households as shown in Figure 3.

Figure 3. Fiscal Year 2023-24 SADW Fund Expenditure Priorities



Expedite emergency or urgent funding needs, when other emergency funds are not available, and a critical water shortage or outage could occur.



Community and school water systems consistently out of compliance with primary drinking water standards or at-risk of failing, including when these systems relied on bottled or hauled water in the last three years.



Accelerate consolidations for Failing or At-Risk systems, including state smalls and domestic wells near Community Water Systems boundaries, and promote regional-scale consolidations.



Expedite planning through technical assistance for consistently Failing or At-Risk systems, including state smalls and domestic wells.



Interim solutions, long-term solutions planning, capital projects for state smalls and domestic wells exceeding a primary Maximum Level Contaminant or at risk of running dry due to drought.



Direct operation and maintenance support to community water systems with the highest affordability burdens, sustainability and technical, managerial, and financial capacity building.



Ensure assistance is consistent with the goals and direction of the State Water Board's Racial Equity Resolution and associated Racial Equity Action Plan.

FISCAL YEAR 2023-24 SAFER HIGHLIGHTS

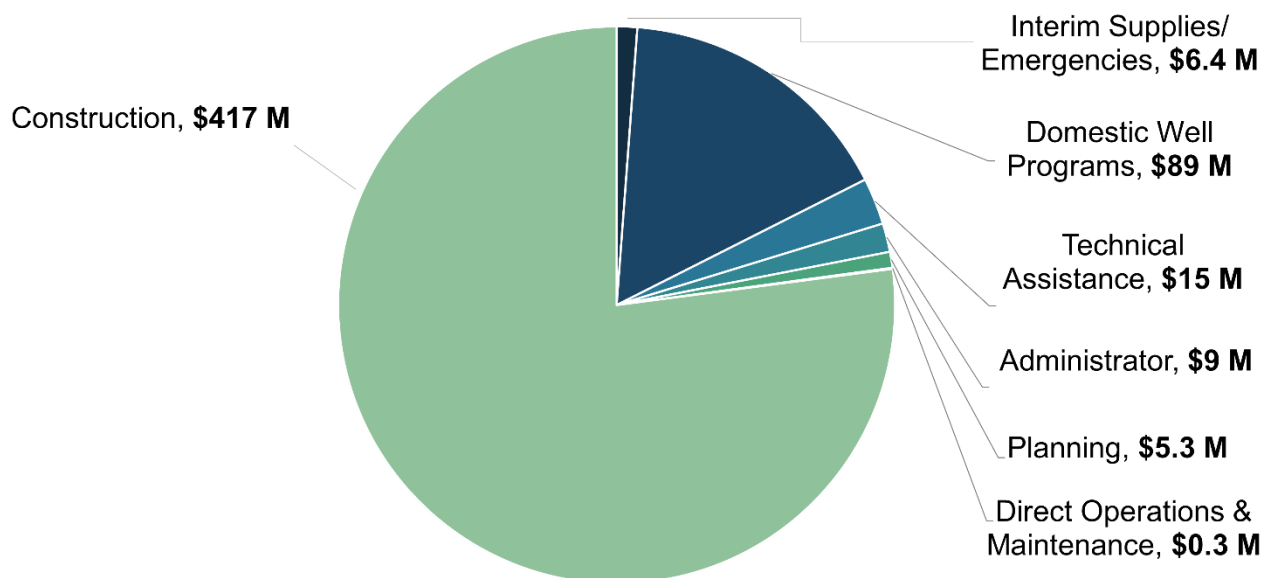
Key highlights for the SAFER Program in Fiscal Year 2023-24 include the following:

- **Expedited Drinking Water Grant Program:**
 - 9 funding agreements completed.
 - 3 funding agreements issued.
 - 15 projects are pending funding approval.
 - 29 systems were notified across the three phases of solicitation.
- **Drought Funds:** \$105 million fully committed to projects.
- **Administrator program:** Funding provided to 10 systems with designated administrators.
- **Technical Assistance:** Provided to 47% of the Failing water systems.
- **Direct Operations and Maintenance Funding Program update:** 30 notification letters sent to systems with high water rates and high affordability burdens, also known as Group 1. Submitted applications are under review, agreements should be finalized by fall 2024.
- **Urgent Drinking Water Needs:** About \$1.8 million for long-term solutions funding committed to 6 construction projects.
- **Advanced Payment Guidelines:** Will be added to the Fund Expenditure Plan as an Appendix.

FISCAL YEAR 2023-24 SAFER FUND COMMITMENTS

Figure 4 below breaks down the approximately \$540 million SAFER funding committed by solution type for Fiscal Year 2023-24 as of March 2024.

Figure 4. Fiscal Year 2023-24 SAFER Fund Commitments as of March 2024



DRAFT CONCEPTS FOR FISCAL YEAR 2024-25 FUND EXPENDITURE PLAN

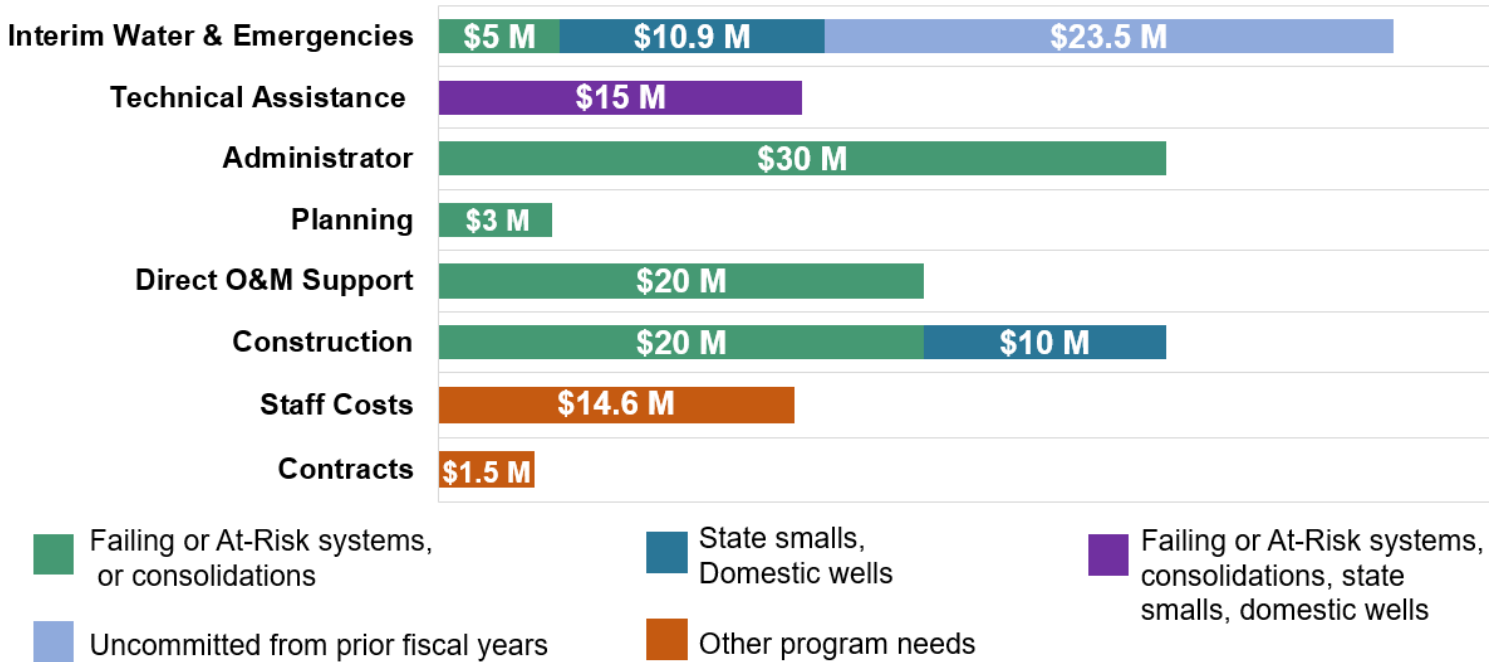
Key draft proposals for the Fiscal Year 2024-25 Fund Expenditure Plan include:

- **Refined priorities and goals of the SAFER program:** Funds from the following sources may continue to be available for drinking water projects beyond 2030:
 - Drinking Water State Revolving Fund Principal Forgiveness
 - General Fund
 - General Obligation Bond.
- **Iteration of Direct Operations and Maintenance funding** in relation to the 2024 Needs Assessment.
- **Refined enrollment conditions** for interim water supply programs.

FISCAL YEAR 2023-24 SADW FUND TARGETS

Figure 5 below shows the current SADW funding targets by system and solution type.

Figure 5. FY 2023-24 SADW Fund Target Allocations



SAFER Advisory Group Updates

This document serves as a written update for SAFER Advisory Group members on topics related to the SAFER program.

HEXAVALENT CHROMIUM BOARD ADOPTION

On April 17, 2024, the State Water Resources Control Board added a new standard of public health protection to California's drinking water by **adopting a maximum contaminant level (MCL) of 10 parts per billion (ppb) for hexavalent chromium** as a single constituent. The new MCL is based on updated data and rigorous economic feasibility analysis and considers the range of impacts on water systems.

Commonly called chromium-6, hexavalent chromium is an odorless and tasteless heavy metal that may be found in groundwater naturally or as a result of improper disposal methods for contaminated waste at industrial sites. Studies have linked chromium-6 long-term exposure to the risk of cancer.

Since 2017, the level for total chromium, a combined measure of hexavalent chromium and the significantly less toxic trivalent chromium, was set at 50 ppb in California. Under this combined standard, the level of hexavalent chromium in drinking water could still meet regulatory requirements despite reaching the full amount allowable (10 ppb).

The new MCL will **reduce potential exposure** to hexavalent chromium **to one-fifth of the current regulatory level.**

The new MCL will reduce affected Californians' potential exposure to hexavalent chromium to one-fifth of the current regulatory level.

"Setting a new MCL for chromium-6 has been a top public health priority for years, and the standard adopted today improves health protections for communities with impacted drinking water supplies," said E. Joaquin Esquivel, chair of the State Water Board. "Affordability continues to be front of mind for us as we adopt this MCL, and we will continue to work with water systems in these communities to achieve the Human Right to Water."

Board staff proposed the following **implementation schedule range** for the MCL treatment:

- 2 years for systems with over 10,000 service connections
- 4 years for systems with under 1,000 connections.

The board works closely with small water systems through its SAFER drinking water program, providing funding and technical assistance to help them serve safe and affordable drinking water. Projects that will help systems comply with primary MCLs, or standards based on health impacts such as the MCL for hexavalent chromium, are eligible for financial and technical support.

The new MCL must be finalized by the Office of Administrative Law before going into effect, which is expected by October 1, 2024.

SAFER CALENDAR

The following are tentative dates for SAFER related events:

2024	Topic
June	Draft Fiscal Year 2024-25 Fund Expenditure Plan release for public comment
July 1	SAFER Advisory Group Application Process
July 11	SAFER Advisory Group meeting #3
Mid-July	Draft Fiscal Year 2024-25 Fund Expenditure Plan Board Workshop
End of July	Draft Fiscal Year 2024-25 Fund Expenditure Plan public comment period ends
Fall	Board considers adoption of Fiscal Year 2024-25 Fund Expenditure Plan
December 5	SAFER Advisory Group meeting #4