



Media Release

Board advances water resilience and safe drinking water through \$1.2 billion in financial assistance

2022-2023 fiscal year projects to add 165,000 acre-feet per year to supplies

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SACRAMENTO – Building on historic state and federal investments in water infrastructure that strengthen California’s resilience to extreme weather and climate change, the State Water Resources Control Board’s [Division of Financial Assistance](#) distributed nearly \$1.2 billion during the past fiscal year (July 1, 2022 – June 30, 2023) to water systems and communities to bolster supplies, expand groundwater recharge and improve access to safe drinking water.

Over \$200 million went to clean water projects that further the state’s commitment to developing new supplies through water recycling, stormwater capture and groundwater recharge as described by Gov. Gavin Newsom’s August 2022 [Water Supply Strategy](#). When complete, the projects funded the past fiscal year alone will add approximately 165,000 acre-feet per year to the state’s supplies, enough to sustain 486,000 households annually. Nearly all of this new supply, or about 161,000 acre-feet, will be generated through projects that recharge groundwater.

In addition to providing financial assistance, the State Water Board advanced the Strategy’s goals through major regulatory actions that promote [water recycling](#), [desalination](#) and [conservation](#).

“We have been bringing all of our regulatory authorities and funding to bear to build California’s resilience to climate change impacts as quickly as possible,” said board Chair E. Joaquin Esquivel. “We are leveraging the momentum created by extraordinary state and federal commitments to infrastructure spending over the past two years to advance projects that increase our water supplies, expand access to safe drinking water and relieve debt burdens of disadvantaged communities.”

Grants and principal forgiveness — meaning funds or loans that do not have to be repaid — account for more than half, or \$600 million, of the total financial assistance the board distributed this fiscal year, mostly for drinking water and wastewater projects in small or disadvantaged communities. Another \$560 million in loans was provided to major resilience and drinking water projects from California’s [Clean Water](#) and [Drinking](#)



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[Water](#) State Revolving Funds, a federal-state partnership that assists communities with low-cost financing for water quality infrastructure projects.

As the administrator of the state's revolving funds programs, the board offers loans to project applicants at rates they would not receive from a traditional lender, making capital-intensive projects more affordable. This past fiscal year, the board funded 30-year loans at rates between 2% and 2.7%.

Under the [Bipartisan Infrastructure Law](#), the federal government will provide \$2.8 billion to California through the revolving funds programs until the end of 2026. Last November, [the U.S. Environmental Protection Agency \(EPA\) awarded the state](#) \$609 million in capitalization grants as the first installment of infrastructure funding to be added to the state's base annual allotments of \$144 million for the fiscal year. Based on EPA's formulas, about \$475 million of this additional funding was allocated for drinking water projects and \$133 million for clean water projects.

The infrastructure bill expands the revolving funds' capacity to assist small and disadvantaged communities by contributing a threefold increase in the amount available for loan forgiveness. In addition, the infrastructure funding increases obtainable financing for projects that replace lead service lines and address emerging contaminants such as per- and polyfluorinated alkyl substances (PFAS).

Bolstering supplies through water recycling and stormwater capture

To further the state's goal to capture or reuse 1 million acre-feet of water per year by 2030, the board continued to prioritize major projects for funding this past year that enable communities to increase supplies for both drinking water and irrigation through water recycling and stormwater collection. It provided over \$170 million to support five recycling projects that will generate over 161,000 acre-feet per year when complete, benefitting the cities of Paso Robles, Ukiah and Ontario, the Monterey Peninsula Water Management District and the [Metropolitan Water District of Southern California](#).

The City of Paso Robles received a \$9 million grant from the state's Water Recycling Resiliency Infrastructure funding in the 2021 state budget and a \$22 million low-interest loan from the Clean Water State Revolving Fund to construct a recycled water distribution system. The system will deliver 2,200 acre-feet per year by 2026 to east Paso Robles for landscape and agricultural irrigation. These new supplies will reduce groundwater pumping from the [critically overdrafted](#) Paso Robles basin and help meet groundwater sustainability plan targets under the [Sustainable Groundwater Management Act](#). Bidding and construction are set to begin in 2024.

"For small cities like Paso Robles, the funding program really helps improve the economics of recycled water, which is very expensive relative to other sources, like

groundwater,” said Matt Thompson, recycled water manager for the city. “With escalating construction costs in recent years, a huge factor motivating the city to move forward with this project was the grants in combination with the loans. The grants really breathed life into this project. Now recycled water can play a big part of the solution to declining groundwater levels in our basin.”

With respect to stormwater, the board provided \$59.1 million from the [Proposition 1 Stormwater Grant Program](#) to support 11 projects that will capture an estimated 4,200 acre-feet per year. While these projects add a modest amount to the state’s water supplies, they reduce pollution from stormwater runoff and contribute to groundwater recharge.

Stormwater projects funded this past year span the state and will benefit the cities of Twain Harte (Tuolumne), Sand City (Monterey), South Lake Tahoe (El Dorado), Chowchilla (Madera), San Pablo (Contra Costa), South El Monte (Los Angeles), Santa Monica (Los Angeles) and Salinas (Monterey), and the counties of San Diego and San Bernardino.

Advancing sustainable drinking water solutions

Extreme weather this past year stressed the drinking water infrastructure in many of California’s vulnerable communities, as the state’s hydrology abruptly shifted from severe drought to flood. The board responded to drinking water emergencies in several communities with support from its [Division of Drinking Water](#) staff and over \$51.8 million in funding for emergency repairs and deliveries of bottled and hauled water, \$45 million of which was provided through [regional programs](#) implemented by Self-Help Enterprises and Community Water Center.

Severe climate patterns exacerbate drinking water challenges that are already chronic for [failing water systems](#), most of which serve disadvantaged communities and suffer from deteriorating infrastructure and contamination issues. One of the board’s top priorities is to secure safe and affordable drinking [water as a human right](#) for every Californian in partnership with systems, communities, nonprofit organization, a [community advisory board](#), counties, and tribal governments.

Through its [Safe and Affordable Funding for Equity and Resilience \(SAFER\)](#) program, the board provided \$440 million for drinking water in disadvantaged communities. Altogether, 144 construction, planning, technical assistance, and operation and maintenance projects in 153 communities received SAFER funding during the past fiscal year, benefitting 416,000 people.

To accelerate sustainable drinking water solutions, the [board adopted new guidelines](#) in March to expedite funding for priority drinking water projects, especially those in small,

disadvantaged communities. Since that time, four projects benefitting over 2,600 people have received grants and another 20 awards are currently in process.

Westhaven Community Services District, which serves the rural, disadvantaged community of Westhaven in Humboldt County, received a grant of \$11 million from the board in August 2023, within four months of being selected for the expedited process. The district serves 490 individuals and has struggled to remove [disinfection byproducts](#) from its water, which often occur during the chlorination process for systems that draw from surface water. The grant will fund the construction of a new treatment plant and various other improvements that will allow for more advanced treatment and help the system consistently meet water demands and fire flow requirements.

“The speed and ease of obtaining this funding was both a pleasant surprise and a great relief,” said Paul Rosenblatt, general manager of the district. “We expected a much longer process, but we obtained a grant for the entire project in a short time and now expect to begin construction in early 2025. Having safe drinking water and sufficient water pressure for firefighting will bring a greater sense of security to our whole community. In addition, this project will add solar power, battery backup and on-site chlorine generation through electrolysis which will greatly enhance the resilience of our water system.”

Since the SAFER program was launched following Gov. Newsom’s signing of SB200 in 2019, it has provided more than \$620 million in drinking water grants to small and disadvantaged communities. Further, over 200 systems that were failing to meet drinking water standards have returned to compliance and now serve safe drinking water to over 1.3 million people.

More information about the Division of Financial Assistance can be found on the board’s [website](#).

The State Water Board’s mission is to 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 resource allocation and efficient use for present and future generations.



The SAFER Program includes projects funded by the Safe and Affordable Drinking Water Fund, which is part of California Climate Investments, a statewide initiative that puts billions of Cap-and-Trade dollars to work reducing greenhouse gas emissions, strengthening the economy, and improving public health and the environment—particularly in disadvantaged communities.