

State Water Resources Control Board  
**Safe and Affordable Funding for Equity and Resilience (SAFER)  
Advisory Group  
June 9, Meeting Materials Packet**

*PLEASE REVIEW THIS PACKET BEFORE THE MEETING.*

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**2022 DRINKING WATER NEEDS ASSESSMENT**

**ABOUT**

The purpose of the Needs Assessment is to (1) **identify communities** in California that are failing or at risk of failing to have access to safe drinking water; (2) **estimate the cost** implementing solutions for these communities; and (3) **identify affordability challenges** that may pose as barriers to implementing these solutions. White papers, presentations, public feedback received, and webinar recordings can be found on the State Water Board’s [Needs Assessment](#) webpage.

**Drought-Related Enhancements**

In response to stakeholder feedback after the release of the 2021 Needs Assessment, the State Water Board focused its refinement efforts on better identifying challenges and needs associated with drought, the risk assessment:

- Added new source capacity risk indicators to the Risk Assessment for public water systems: ‘Source Capacity Violations’ and ‘Bottled or Hauled Water Reliance.’
- Worked in partnership with the Department of Water Resources (DWR) to develop a new combined Risk Assessment for state small water systems and domestic wells that utilizes both the Aquifer Risk Map (water quality risk) and DWR’s Drought Risk Vulnerability Tool.

- Conducted a targeted drought infrastructure cost assessment for implementation of SB 552 requirements for small water systems.

### Additional Enhancements

The State Water Board has made several other enhancements to all three components of the 2022 Needs Assessment.

- The Risk Assessment for public water systems was expanded to include medium-size water systems with service connections between 3,300 and 30,000 or a population served up to 100,000. This expanded inventory aligns with the expanded State Water Board funding eligibilities for medium-size systems.
- The Risk Assessment for public water systems removed 5 risk indicators and added new indicators, including: ‘Constituents of Emerging Concern,’ ‘Income,’ ‘Operating Ratio,’ and ‘Days Cash on Hand’.
- New Affordability indicators were added for the Risk Assessment and Affordability Assessment utilizing data from the 2021 Drinking Water Arrearage Payment Program: ‘Percent Residential Arrearages’ and ‘Residential Arrearage Burden.’
- Socio-economic analyses related to the Risk and Affordability Assessments were performed. The State Water Board identified where Failing: HR2W list and At-Risk communities are experiencing high pollution burden or poverty and quantified the percent of non-white customers served.

## 2022 RISK ASSESSMENT RESULTS

As of January 2022 there were 346 water systems on the Failing: HR2W list. The 2021 Risk Assessment correctly predicted approximately 77% of the water systems that were on the list in 2021. The 2022 Risk Assessment has the same predictive power as in 2021, but approximately 100 fewer water systems are on the list allowing for more targeted engagement.

System Type	Total Systems Analyzed	At-Risk
<b>Public Water Systems</b>	3,066	<b>508 (17%)</b>
<b>State Smalls Water Systems</b>		
Water Quality Risk Only	1,132	<b>631 (50%)</b>
Drought Risk Only	1,267	<b>321 (25%)</b>
Combined Risk	1,271	<b>378 (30%)</b>
<b>Domestic Wells</b>		
Water Quality Risk Only	160,995	<b>92,635 (30%)</b>
Drought Risk Only	312,023	<b>90,974 (29%)</b>
Combined Risk	312,162	<b>64,176 (21%)</b>

## 2022 DROUGHT INFRASTRUCTURE COST ASSESSMENT

In September 2021 the Governor approved Senate Bill (SB) 552<sup>1</sup> which requires small water systems (15 – 2,999 connections) and K-12 schools to meet new drought

<sup>1</sup> Senate Bill No. 552, Section 10609.62, Chapter 245: [leginfo.legislature.ca.gov](http://leginfo.legislature.ca.gov)

infrastructure resiliency measures. The State Water Board has conducted a targeted Drought Infrastructure Cost Assessment for the 2022 Needs Assessment. The results are summarized below.

Drought Requirement <sup>2</sup>	# Small Systems	Range Total in \$ Millions
Monitor Static Well Levels	1,213 (46%)	\$1- \$5
Back-up electrical supply	1,872 (71%)	\$122 - \$490
Back-up source: new well or intertie	895 (34%)	\$956-\$3,823
Meter all service connections	1,275 (48%)	\$123 - \$491
<b>TOTAL:</b>	<b>2,634</b>	<b>\$1,202 - \$4,809</b>

## 2022 AFFORDABILITY ASSESSMENT RESULTS

The Affordability Assessment identifies community water systems that serve disadvantaged communities (DAC/SDAC) that must charge their customers’ fees which exceed the affordability threshold established by the State Water Board in order to provide adequate safe drinking water. The State Water Board identified 69 (5%) DAC/SDAC water systems that had a high affordability burden, 175 (12%) with a medium affordability burden, and 311 (22%) with a low affordability burden.

### DEFINITION OF TERMS

The report includes the following defined terms.

“**Affordability Threshold**” means the level, point, or value that delineates if a water system’s residential customer charges, designed to ensure the water systems can provide drinking water that meets state and federal standards, are unaffordable. For the purposes of the 2022 Affordability Assessment, the State Water Board employed affordability thresholds for the following indicators: Percent Median Household Income; Extreme Water Bill; Percent Residential Arrearages; and Residential Arrearage Burden. Learn more about current and future indicators and affordability thresholds in Appendix E.

“**Adequate supply**” means sufficient water to meet residents’ health and safety needs at all times. (Health & Safety Code, § 116681, subd. (a).)

“**Administrator**” means an individual, corporation, company, association, partnership, limited liability company, municipality, public utility, or other public body or institution which the State Water Board has determined is competent to perform the administrative, technical, operational, legal, or managerial services required for purposes of Health and Safety Code section 116686, pursuant to the Administrator

<sup>2</sup> CalWARN membership is free and is not included in this table. The SB 552 requirement for fire flow was excluded from this analysis due to a lack of asset and local fire flow requirement data.

Policy Handbook adopted by the State Water Board. (Health & Saf. Code, §§ 116275, subd. (g), 116686, subd. (m)(1).)

**“Affordability Assessment”** means the identification of any community water system that serves a disadvantaged community that must charge fees that exceed the affordability threshold established by the State Water Board in order to supply, treat, and distribute potable water that complies with federal and state drinking water standards. The Affordability Assessment evaluates several different affordability indicators to identify communities that may be experiencing affordability challenges. (Health & Saf. Code, § 116769, subd. (2)(B).

**“Arrearage”** means debt accrued by a water system’s customers for failure to pay their water service bill(s) that are at least 60 days or more past due.

**“At-Risk public water systems”** or **“At-Risk PWS”** means community water systems with up to 30,000 service connections or 100,000 population served and K-12 schools that are at risk of failing to meet one or more key Human Right to Water goals: (1) providing safe drinking water; (2) accessible drinking water; (3) affordable drinking water; and/or (4) maintaining a sustainable water system.

**“At-Risk state small water systems and domestic wells”** or **“At-Risk SSWS and domestic wells”** means state small water systems and domestic wells that are located in areas where groundwater is at high-risk of containing contaminants that exceed safe drinking water standards. This definition may be expanded in future iterations of the Needs Assessment as more data on domestic wells and state small water systems becomes available.

**“California Native American Tribe”** means federally recognized California Native American Tribes, and non-federally recognized Native American Tribes on the contact list maintained by the Native American Heritage Commission for the purposes of Chapter 905 of the Statutes of 2004. (Health & Saf. Code, § 116766, subd. (c)(1).) Typically, drinking water systems for federally recognized tribes fall under the regulatory jurisdiction of the United States Environmental Protection Agency (U.S. EPA), while public water systems operated by non-federally recognized tribes currently fall under the jurisdiction of the State Water Board.

**“Capital costs”** means the costs associated with the acquisition, construction, and development of water system infrastructure. These costs may include the cost of infrastructure (treatment solutions, consolidation, etc.), design and engineering costs, environmental compliance costs, construction management fees, general contractor fees, etc. Full details of the capital costs considered and utilized in the Needs Assessment are in Appendix C.

**“Community water system”** or **CWS** means a public water system that serves at least 15 service connections used by yearlong residents or regularly serves at least 25

yearlong residents of the area served by the system. (Health & Saf. Code, § 116275, subd. (i).)

**“Consistently fail”** means a failure to provide an adequate supply of safe drinking water. (Health & Saf. Code, § 116681, subd. (c).)

**“Consolidation”** means joining two or more public water systems, state small water systems, or affected residences into a single public water system, either physically or managerially. For the purposes of this document, consolidations may include voluntary or mandatory consolidations. (Health & Saf. Code, § 116681, subd. (e).)

**“Constituents of emerging concern”** means synthetic or naturally occurring chemicals or material that have been detected in water bodies, that cause public health impacts, and are not regulated under current primary or secondary maximum contaminant level (MCL). For purposes of the 2022 Risk Assessment, three chemicals: hexavalent chromium, 1,4-dioxane, and per- and polyfluoroalkyl substances (PFAS), were incorporated.

**“Contaminant”** means any physical, chemical, biological, or radiological substance or matter in water. (Health & Saf. Code, § 116275, subd. (a).)

**“Cost Assessment”** means the estimation of funding needed for the Safe and Affordable Drinking Water Fund for the next fiscal year based on the amount available in the fund, anticipated funding needs, and other existing State Water Board funding sources. Thus, the Cost Assessment estimates the costs related to the implementation of interim and/or emergency measures and longer-term solutions for HR2W list systems and At-Risk public water systems, state small water systems, and domestic wells. The Cost Assessment also includes the identification of available funding sources and the funding and financing gaps that may exist to support interim and long-term solutions. (Health & Saf. Code, § 116769.)

**“Disadvantaged community”** or **“DAC”** means the entire service area of a community water system, or a community therein, in which the median household income is less than 80% of the statewide annual median household income level. (Health & Saf. Code, § 116275, subd. (aa).)

**“Domestic well”** means a groundwater well used to supply water for the domestic needs of an individual residence or a water system that is not a public water system and that has no more than four service connections. (Health & Saf. Code, § 116681, subd. (g).)

**“Drinking Water Needs Assessment”** or **“Needs Assessment”** means the comprehensive identification of California drinking water needs. The Needs Assessment consist of three core components: the Affordability Assessment, Risk Assessment, and Cost Assessment. The results of the Needs Assessment inform the State Water Board’s

annual Fund Expenditure Plan for the Safe and Affordable Drinking Water Fund and the broader activities of the SAFER Program. (Health & Saf. Code, § 116769.)

**“Electronic Annual Report”** or **“EAR”** means is a survey of public water systems, currently required annually, to collect critical water system information intended to assess the status of compliance with specific regulatory requirements, provides updated contact and inventory information (such as population and number of service connections), and provides information that is used to assess the financial capacity of water systems, among other information reported.

**“Fire flow”** it is the amount of water designated to be used for firefighting purposes.

**“Fund Expenditure Plan”** or **“FEP”** means the plan that the State Water Board develops pursuant to Article 4 of Chapter 4.6 of the Health and Safety Code for the Safe and Affordable Drinking Water Fund, established pursuant to Health and Safety Code section 116766.

**“Human consumption”** means the use of water for drinking, bathing or showering, hand washing, oral hygiene, or cooking, including, but not limited to, preparing food and washing dishes. (Health & Saf. Code, § 116275, subd. (e).)

**“Human Right to Water”** or **“HR2W”** means the recognition that “every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking and sanitary purposes,” as defined in Assembly Bill 685 (AB 685). (California Water Code § 106.3, subd. (a).)

**“Human Right to Water list”** or **“Failing: HR2W list”** means the list of public water systems that are out of compliance or consistently fail to meet primary drinking water standards. Systems that are assessed for meeting the HR2W list criteria include Community Water Systems and Non-Community Water Systems that serve K-12 schools and daycares. The HR2W list criteria were expanded in April 2021 to better align with statutory definitions of what it means for a water system to “consistently fail” to meet primary drinking water standards. (Health & Saf. Code, § 116275(c).)

**“Intertie”** means an interconnection allowing the passage of water between two or more water systems.

**“Local Primacy Agency”** or **“LPA”** means a local health officer within a county to whom the State Water Board has delegated primary responsibility for the administration and enforcement of California Safe Drinking Water Act. LPA is authorized by means of a local primacy delegation agreement if the local health officer demonstrates that it has the capability to meet the local primacy program requirements established by the State Water Board pursuant to subdivision (h) of Health and Safety Code section 116375. (Health & Saf. Code, § 116330, subd. (a).)

**“Maximum Contaminant Level” or “MCL”** means the maximum permissible level of a contaminant in water. (Health & Saf. Code, § 116275, subd. (f).)

**“Median household income” or “MHI”** means the household income that represents the median or middle value for the community. The methods utilized for calculating median household income are included in Appendix A and Appendix E. Median household incomes in this document are estimated values for the purposes of this statewide assessment. Median household income for determination of funding eligibility is completed on a system-by-system basis by the State Water Board’s Division of Financial Assistance.

**“Medium Community Water Systems”** means water systems that served up to 30,000 service connections or 100,000 population served.

**“Non-Community Water System”** means a public water system that is not a community water system. (Health & Saf. Code, § 116275, subd. (j).)

**“Non-transient Non-Community Water System”** means a public water system that is not a community water system and that regularly serves at least 25 of the same persons for six months or more during a given year, such as a school. (Health & Saf. Code, § 116275, subd. (k).)

**“Operations and maintenance” or “O&M”** means the functions, duties and labor associated with the daily operations and normal repairs, replacement of parts and structural components, and other activities needed by a water system to preserve its capital assets so that they can continue to provide safe drinking water.

**“Point-of-use” or “POU”** means a water treatment device that treats water at the location of the back-end customer.

**“Point-of-entry” or “POE”** means a water treatment device that is located at the inlet to an entire building or facility.

**“Potentially At-Risk”** means community water systems with 30,000 service connections or less, or population served up to 100,000 and K-12 schools that are potentially at-risk of failing to meet one or more key Human Right to Water goals: (1) providing safe drinking water; (2) accessible drinking water; (3) affordable drinking water; and/or (4) maintaining a sustainable water system.

**“Primary drinking water standard”** means: (1) Maximum levels of contaminants that, in the judgment of the state board, may have an adverse effect on the health of persons. (2) Specific treatment techniques adopted by the state board in lieu of maximum contaminant levels pursuant to Health & Saf. Code, section 116365, subd. (j). and (3) The monitoring and reporting requirements as specified in regulations adopted by the state board that pertain to maximum contaminant levels. (Health & Saf. Code, § 116275, subd. (c).)

**“Public water system”** or **“PWS”** means a system for the provision to the public of water for human consumption through pipes or other constructed conveyances that has 15 or more service connections or regularly serves at least 25 individuals daily at least 60 days out of the year. A PWS includes any collection, pre-treatment, treatment, storage, and distribution facilities under control of the operator of the system that are used primarily in connection with the system; any collection or pretreatment storage facilities not under the control of the operator that are used primarily in connection with the system; and any water system that treats water on behalf of one or more public water systems for the purpose of rendering it safe for human consumption. (Health & Saf. Code, § 116275, subd. (h).)

**“Resident”** means a person who physically occupies, whether by ownership, rental, lease, or other means, the same dwelling for at least 60 days of the year. (Health & Saf. Code, § 116275, subd. (t).)

**“Risk Assessment”** means the identification of public water systems, with a focus on community water systems and K-12 schools, that may be at risk of failing to provide an adequate supply of safe drinking water. It also includes an estimate of the number of households that are served by domestic wells or state small water systems in areas that are at high risk for groundwater contamination. Different Risk Assessment methodologies have been developed for different system types: (1) public water systems; (2) state small water systems and domestic wells; and (3) tribal water systems. (Health & Saf. Code, § 116769)

**“Risk indicator”** means the quantifiable measurements of key data points that allow the State Water Board to assess the potential for a community water system or a transient non-community water system that serves a K-12 school to fail to sustainably provide an adequate supply of safe drinking water due to water quality, water accessibility, affordability, institutional, and/or TMF capacity issues.

**“Risk threshold”** means the levels, points, or values associated with an individual risk indicator that delineates when a water system is more at-risk of failing, typically based on regulatory requirements or industry standards.

**“Sanitary survey”** means a comprehensive inspection to evaluate water system potency to provide safe drinking water to their customers and to ensure compliance with the federal Safe Drinking Water Act (SDWA).

**“Sounder”** means a tool used to measure groundwater depth in a well.

**“Significant Deficiencies”** means identified deficiencies by State Water Board staff or LPA staff during a Sanitary Survey and other water system inspections. Significant Deficiencies include, but are not limited to, defects in the design, operation, or maintenance, or a failure or malfunction of the sources, treatment, storage, or distribution system that U.S. EPA determines to be causing or have the potential for causing the introduction of contamination into the water delivered to consumers.



**“Safe and Affordable Drinking Water Fund”** or **“SADWF”** means the fund created through the passage of [Senate Bill 200 \(SB 200\)](#) to help provide an adequate and affordable supply of drinking water for both the near and long terms. SB 200 requires the annual transfer of 5 percent of the annual proceeds of the Greenhouse Gas Reduction Fund (GGRF) (up to \$130 million) into the Fund until June 30, 2030. (Health & Saf. Code, § 116766)

**“Safe and Affordable Funding for Equity and Resilience Program”** or **“SAFER Program”** means a set of State Water Board tools, funding sources, and regulatory authorities designed to meet the goals of ensuring safe, accessible, and affordable drinking water for all Californians.

**“SAFER Clearinghouse”** means a database system, developed and maintained by the State Water Board to assist with the implementation, management, and tracking of the SAFER Program.

**“Safe drinking water”** means water that meets all primary and secondary drinking water standards, as defined in Health and Safety Code section 116275.

**“Score”** means a standardized numerical value that is scaled between 0 and 1 for risk points across risk indicators. Standardized scores enable the evaluation and comparison of risk indicators.

**“Secondary drinking water standards”** means standards that specify maximum contaminant levels that, in the judgment of the State Water Board, are necessary to protect the public welfare. Secondary drinking water standards may apply to any contaminant in drinking water that may adversely affect the public welfare. Regulations establishing secondary drinking water standards may vary according to geographic and other circumstances and may apply to any contaminant in drinking water that adversely affects the taste, odor, or appearance of the water when the standards are necessary to ensure a supply of pure, wholesome, and potable water. (Health & Saf. Code, § 116275, subd. (d).)

**“Service connection”** means the point of connection between the customer’s piping or constructed conveyance, and the water system’s meter, service pipe, or constructed conveyance, with certain exceptions set out in the definition in the Health and Safety Code. (See Health & Saf. Code, § 116275, subd. (s).)

**“Senate Bill No. 200”** means a legislative law that enabled the State Water Board to establish the Safe and Affordable Funding for Equity and Resilience (SAFER) Program to advance the goals of the Human Right to Water. (Senate Bill No. 200, CHAPTER 120)

**“Senate Bill No. 552”** means a legislative law that requires small water suppliers and non-transient non-community water systems, to apply draught resiliency measures subject to funding availability. (Senate Bill No. 552, CHAPTER 245)

**“Severely disadvantaged community”** or **“SDAC”** means the entire service area of a community water system in which the MHI is less than 60% of the statewide median household income. (See Water Code § 13476, subd. (j))

**“Source capacity”** means the total amount of water supply available, expressed as a flow, from all active sources permitted for use by the water system, including approved surface water, groundwater, and purchased water. (Title 22 of the California Code of Regulations, § 64551.40.)

**“Small community water system”** means a CWS that serves no more than 3,300 service connections or a yearlong population of no more than 10,000 persons. (Health & Saf. Code, § 116275, subd. (z).)

**“Small, disadvantaged community”** or **“small DAC”** or **“SDAC”** means the entire service area, or a community therein, of a community water system that serves no more than 3,300 service connections or a year-round population of no more than 10,000 in which the median household income is less than 80% of the statewide annual median household income.

**“State small water system”** or **“SSWS”** means a system for the provision of piped water to the public for human consumption that serves at least five, but not more than 14, service connections and does not regularly serve drinking water to more than an average of 25 individuals daily for more than 60 days out of the year. (Health & Saf. Code, § 116275, subd. (n).)

**“State Water Board”** means the State Water Resources Control Board.

**“Static well level”** means the resting state of the water level in a well under normal, no pumping conditions.

**“Technical, Managerial and Financial capacity”** or **“TMF capacity”** means the ability of a water system to plan for, achieve, and maintain long term compliance with drinking water standards, thereby ensuring the quality and adequacy of the water supply. This includes adequate resources for fiscal planning and management of the water system.

**“Waterworks Standards”** means regulations adopted by the State Water Board entitled “California Waterworks Standards” (Chapter 16 (commencing with § 64551) of Division 4 of Title 22 of the California Code of Regulations). (Health & Saf. Code, § 116275, subd. (q).)

**“Weight”** means the application of a multiplying value or weight to each risk indicator and risk category within the Risk Assessment, as certain risk indicators and categories may be deemed more critical than others.

## **EXECUTIVE SUMMARY**

In 2016, the California State Water Resources Control Board (State Water Board) adopted a Human Right to Water Resolution<sup>1</sup> making the Human Right to Water (HR2W), as defined in Assembly Bill 685, a primary consideration and priority across all the state and regional boards<sup>3</sup> programs. 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 establish the Safe and Affordable Funding for Equity and Resilience (SAFER) 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 annual Drinking Water Needs Assessment (Needs Assessment) required to be carried out by the SAFER Program provides foundational information and recommendations to guide this work.<sup>4</sup> The Needs Assessment is comprised of Risk, Affordability, and Cost Assessment components. Enhancement of the 2022 Needs Assessment consisted of internal workgroup recommendations and a public workshop in February 2022, all of which were detailed in a publicly available white paper.<sup>5</sup> The public feedback was incorporated into the final methodology and results. Three different water system types: public water systems, state small water systems and domestic wells, are analyzed within the 2022 Needs Assessment. Different methodologies were developed for these system types based on data availability and reliability.

The results of the annual Needs Assessment are utilized by the State Water Board and the SAFER Advisory Group<sup>6</sup> to inform the prioritization of available state funding and technical assistance within the Safe and Affordable Drinking Water Fund (SADWF) Fund Expenditure Plan (FEP).<sup>7</sup> The State Water Board typically hosts a series of workshops throughout the year to inform the FEP.

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 on long-term drinking water solutions. At the same time, this

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<sup>3</sup> State Water Resources Control Board [Resolution No. 2016-0010](#)

<sup>4</sup> 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...”

<sup>5</sup> January 28, 2022 White Paper: Proposed Changes for the 2022 Drinking Water Needs Assessment [ProposedChanges2022NeedsAssessment](#)

<sup>6</sup> [SAFER Advisory Group](#)

<sup>7</sup> [Safe and Affordable Drinking Water Fund](#)

Needs Assessment gives clarity to the work that must collectively be done by state, federal, local and stakeholder partners. Only together will we be successful in achieving the Human Right to Water goal for all Californians.

## 2021 Retrospective

### Failing: HR2W List Systems

The State Water Board tracks community water systems and K-12 schools that meet the Failing: HR2W list criteria and when they are removed from the list. In 2021 there were 416 unique water systems on the Failing: HR2W list at one point throughout the year (Table 1). In 2021 there were 115 unique water systems that came onto the Failing: HR2W list, 38 of these systems were added in April 2021 due to the adoption of expanded Failing: HR2W list criteria. In 2021, 48 unique water systems were removed from the Failing: HR2W list.

**Table 1: 2021 Failing: HR2W List Systems**

Water Systems	Number of Unique Systems	Total Population Served	Average Number of Service Connections	# of Systems on List Greater than 3-Yrs.
<b>Small Water Systems<sup>8</sup></b>	396 (95%)	305,303 (28%)	210	170
<b>Medium Water Systems<sup>9</sup></b>	22 (5%)	779,639 (72%)	9,400	7
<b>TOTAL:</b>	<b>416</b>	<b>1,084,942</b>	<b>689</b>	<b>177</b>

### Providing Assistance

The goal of the SAFER Program is to help address Failing and At-Risk systems – building local capacity through consolidations, administrators, technical assistance, and long-term solutions to ensure systems are able to operate sustainably and achieve the HR2W. The State Water Board utilizes a diverse set of programs and tools to help support water system capacity. The following summarizes how they were utilized in 2021 to support California water systems:

- 27 water systems, serving 13,651 population were consolidated.
- The State Water Board’s sent out approximately 1,100 letters to water systems recommending consolidation and hosted 12 Water Partnership Training events across the state.
- There are approximately 170 active consolidations either in early stages of development or in the funding processes. Approximately 30% of water systems on the 2021 Failing: HR2W list are considering consolidation or in full development of the consolidation alternative and progressing forward.
- Since 2020, the State Water Board has designated 13 public water systems in need of an administrator and held public meetings for all the impacted communities. This

<sup>8</sup> 3,000 service connections or less.

<sup>9</sup> Greater than 3,000 service connections. No system with greater than 30,000 service connections has been on the Failing: HR2W list since September 2019.

represents approximately 3,300 people and 900 service connections in seven counties.

- In 2021, the SAFER Program provided short-term solutions, such as emergency well repairs, and bottled and hauled water provision to nearly 28,000 individuals. Long-term solutions, such as construction and consolidation, were completed for 81 communities, including nearly 200,000 individuals. Planning assistance (towards construction of long-term solutions) was provided to 171 communities, including over 135,000 individuals.
- The State Water Board provided approximately \$301 million to 871 water systems for residential and commercial COVID-19 arrearage relief to approximately 536,000 accounts customers.
- In 2021, the State Water funded approximately \$13 million for technical assistance to support 554 water systems.
- In 2021, the State Water Board and Local Primacy Agencies completed sanitary surveys for 886 community water systems and 909 non-community water systems. Identifying more than 20 significant deficiencies.

## Enhancements to the 2022 Needs Assessment

### Drought-Related Enhancements

In response to stakeholder feedback after the release of the 2021 Needs Assessment, the State Water Board focused its refinement efforts on better identifying challenges and needs associated with drought, the risk assessment:

- Added new source capacity risk indicators to the Risk Assessment for public water systems: 'Source Capacity Violations' and 'Bottled or Hauled Water Reliance.'
- Worked in partnership with the Department of Water Resources (DWR) to develop a new combined Risk Assessment for state small water systems and domestic wells that utilizes both the Aquifer Risk Map (water quality risk) and DWR's Drought Risk Vulnerability Tool.
- Conducted a targeted drought infrastructure cost assessment for implementation of SB 552 requirements for small water systems.

### Additional Enhancements

The State Water Board has made several other enhancements to all three components of the 2022 Needs Assessment:

- The Risk Assessment for public water systems was expanded to include medium-size community water systems with service connections between 3,300 and 30,000 or a population served up to 100,000. This expanded inventory aligns with the expanded State Water Board funding eligibilities for medium-size systems.
- The Risk Assessment for public water systems removed five risk indicators and added new indicators, including: 'Constituents of Emerging Concern,' 'Income,' 'Operating Ratio,' and 'Days Cash on Hand'.
- New Affordability indicators were added for the Risk Assessment and Affordability Assessment utilizing data from the 2021 Drinking Water Arrearage Payment Program: 'Percent Residential Arrearages' and 'Residential Arrearage Burden.'
- Socio-economic analyses related to the Risk and Affordability Assessments were performed. The State Water Board identified where Failing: HR2W list and At-Risk

communities are experiencing high pollution burden or poverty and quantified the percent of non-white customers served.

## 2022 Needs Assessment Results

### Risk Assessment

The purpose of the Risk Assessment is to identify public water systems, and state small water systems and regions where domestic wells are at-risk of failing to sustainably provide a sufficient amount of safe and affordable drinking water. Approximately 70 new water systems are added to the Failing: HR2W system list each year.<sup>10</sup> The identification of At-Risk water systems and domestic wells allows the State Water Board to proactively target technical assistance and funding towards communities to prevent systems from failing to achieve the goals of the HR2W.

The State Water Board has developed two different Risk Assessment methodologies to identify At-Risk water systems and domestic wells. The first methodology is for community water systems with up to 30,000 service connections or 100,000 population served and K-12 schools. The second methodology identifies state small water systems and domestic wells that are at a high risk of drought and/or accessing source water that may contain contaminants that exceed safe drinking water standards.

### At-Risk Public Water Systems

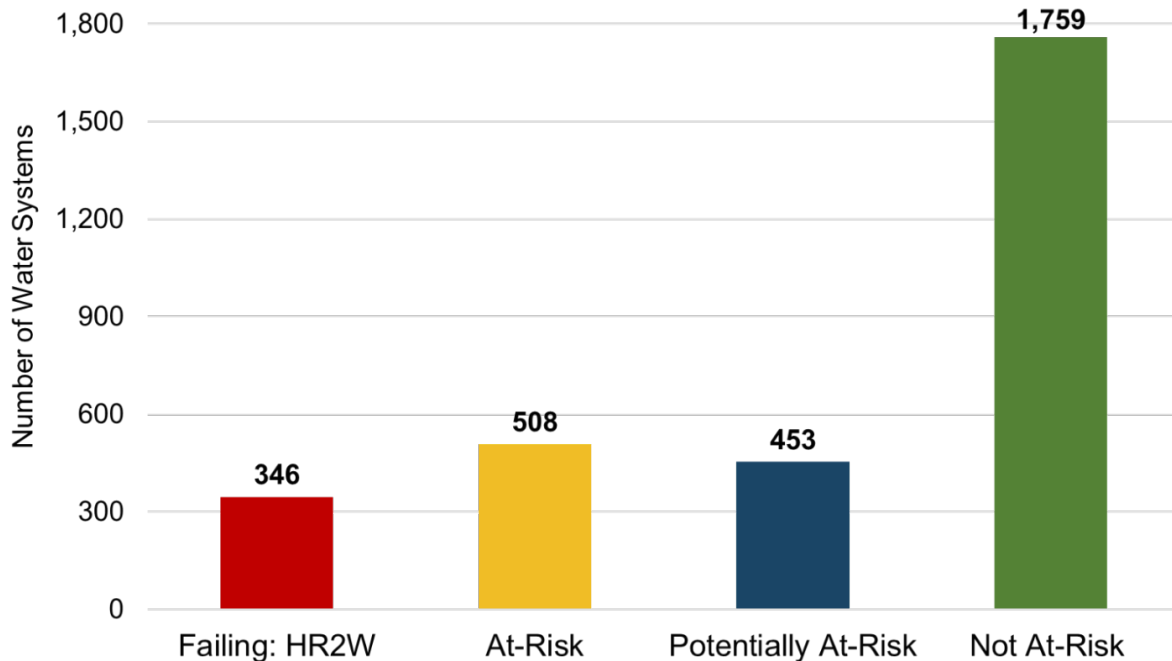
Utilizing the new thresholds and after removing the 346 Failing: HR2W list systems, the 2022 Risk Assessment results identified 508 (19%) At-Risk water systems, 453 (17%) Potentially At-Risk water systems, and 1,759 (65%) Not At-Risk water systems (Figure 1).<sup>11</sup> Compared to the 2021 Risk Assessment results, the 2022 Assessment identifies fewer At-Risk water systems, but maintains the same predictive power of identifying Failing: HR2W list systems as the 2021 Assessment.

### **Figure 1: Number of Community Water Systems and K-12 Schools At-Risk and Potentially At-Risk (excluding Failing: HR2W list systems) (n=3,066)**

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<sup>10</sup> Average based on systems added to the Failing: HR2W list between 01.01.2017 through 12.31.2021.

<sup>11</sup> 2022 Risk Assessment results for public water systems: [Attachment A1](#).



### At-Risk State Small Water Systems & Domestic Wells

The Risk Assessment methodology developed for state small water systems and domestic wells is designed to identify areas where groundwater is likely to be at high risk of drought and/or containing contaminants that exceed safe drinking water standards. Statewide, the top contaminants that contributed to higher risk designations in domestic wells and state small water systems are nitrate, arsenic, gross alpha, 1,2,3-trichloropropane, uranium, and hexavalent chromium.

Table 2 shows the approximate counts of state small water systems statewide located in different risk areas based on data from the 2022 Needs Assessment. Based on the 2022 analysis there are 631 state small water systems At-Risk for water quality and 321 At-Risk for drought, respectively. There are 378 state small water systems that are at-risk for both water quality and water shortage. These are the most vulnerable At-Risk state small water systems. An interactive map is available online.<sup>12</sup>

**Table 2: State Small Water System Results (Statewide)**

Assessment	At-Risk	Potentially At-Risk	Not At-Risk	Not Assessed
Water Quality Risk Only	631 (50%)	75 (6%)	426 (33%)	141 (11%)
Drought Risk Only	321 (25%)	411 (32%)	535 (42%)	6 (0%)
<b>Combined Risk Assessment</b>	<b>378 (30%)</b>	<b>438 (34%)</b>	<b>455 (36%)</b>	<b>2 (0%)</b>

<sup>12</sup> Combined Risk for State Small Water Systems and Domestic Wells (Needs Assessment) [2022CombinedRisk](#)

**Figure 2: At-Risk State Small Water Systems**

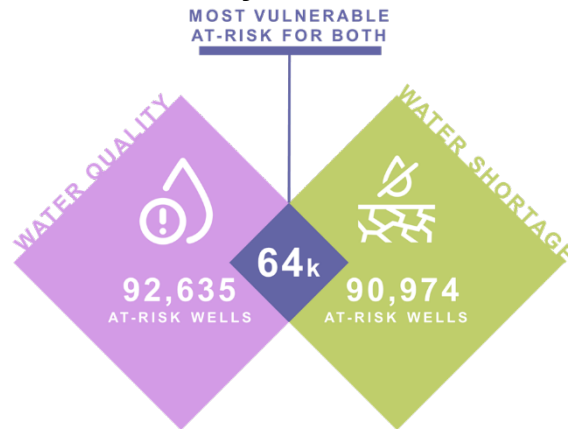


Table 3 shows the approximate counts of At-Risk domestic wells<sup>13</sup> statewide located in different risk areas based on data from the 2022 Needs Assessment. Based on the 2022 analysis there are approximately 92,635 domestic wells At-Risk for water quality and 90,974 At-Risk for drought respectively. When analyzed, using the Combined Risk Assessment method, there are approximately 64,176 domestic wells that are At-Risk for both water quality and drought risk. These domestic wells can be viewed as the most vulnerable of the At-Risk wells identified.

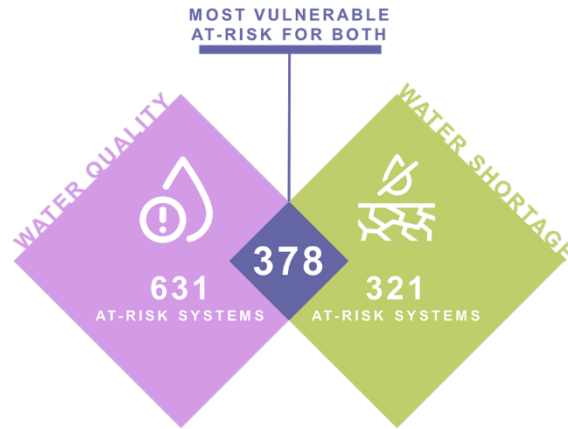
**Table 3: Domestic Well Results (Statewide)**

Assessment	At-Risk	Potentially At-Risk	Not At-Risk	Not Assessed
Water Quality Risk Only	92,635 (30%)	17,078 (5%)	134,282 (43%)	68,192 (22%)
Drought Risk Only	90,974 (29%)	88,340 (28%)	132,709 (43%)	164 (0%)
<b>Combined Risk Assessment</b>	<b>64,176 (21%)</b>	<b>90,840 (29%)</b>	<b>157,146 (50%)</b>	<b>25 (0%)</b>

**Figure 3: At-Risk Domestic Wells**

<sup>13</sup> Domestic well locations are approximated using the OSWCR domestic well completion records. Learn more in Appendix B.





### Drought Infrastructure Cost Assessment

The State Water Board has conducted a targeted Drought Cost Assessment. The Drought Infrastructure Cost Assessment estimates the costs associated with drought infrastructure requirements for small community water systems (15 – 2,999 service connections) in accordance with Senate Bill 552’s addition of section 10609.62 to the California Water Code. The Drought Cost Assessment utilizes some cost assumptions from the 2021 Cost Assessment Model as well as new cost data derived from internal and external discussions, public feedback and vendor pricing. Table 4 summarizes the Drought Infrastructure Cost Assessment results for small community water systems (CWS) and K-12 schools.<sup>14</sup>

**Table 4: Drought Infrastructure Cost Assessment Results**

Drought Requirement	# Small CWS	Point Est. Total <sup>15</sup>	Range Total in \$ Millions
Monitor Static Well Levels	1,213 (46%)	\$2,450,000	\$1- \$5
Membership CalWARN / Mutual Aid	2,634 (100%)	\$0	\$0
Back-up electrical supply	1,872 (71%)	\$244,940,000	\$122 - \$490
Back-up source: new well or intertie	895 (34%)	\$1,911,590,000	\$956-\$3,823
Meter all service connections	1,275 (48%)	\$245,330,000	\$123 - \$491
<b>TOTAL:</b>	<b>2,634</b>	<b>\$2,404,320,000</b>	<b>\$1,202-\$4,809</b>

### Affordability Assessment

The Affordability Assessment identifies community water systems that serve disadvantaged communities (DAC/SDAC) that must charge their customers’ fees which

<sup>14</sup> Drought Infrastructure Cost Assessment Data and Results. [Attachment C1](#).

<sup>15</sup> All point estimate totals have been rounded to the nearest ten thousand digits.

exceed the affordability threshold established by the State Water Board to provide adequate safe drinking water. The 2022 Affordability indicators include:

- **%MHI:** average residential customer charges for 6 hundred cubic feet (HCF) per month meet or exceed 1.5% of the annual Median Household Income (MHI) within a water system’s service area.
- **Extreme Water Bill:** customer charges that meet or exceed 150% and 200% of statewide average drinking water customer charges at the 6 HCF level.
- **Percent of Residential Arrearages:** high percentage of their residential customers that have not paid their water bill and are at least 60 days or more past due.
- **Residential Arrearage Burden:** measures how high the residential arrearage is if it were distributed across the total residential rate base.

To assess which systems may be facing the greatest affordability burden, State Water Board further analyzed how many water systems exceeded thresholds for multiple affordability indicators. Affordability burden is ranked from low (only one affordability indicator threshold exceeded), medium, (two affordability indicator thresholds exceeded), or high (three or four affordability indicator thresholds exceeded). Of the 2,868 community water systems analyzed, most resulted in a low affordability burden (21%) followed by a medium affordability burden (11%) and a high affordability burden (3%). It is worth noting, there are no clear trends across community economic status and affordability burdens.<sup>16</sup>

The State Water Board identified 69 (5%) DAC/SDAC water systems that have a high affordability burden, 175 (12%) with a medium affordability burden, and 311 (22%) with a low affordability burden (Table 5). When analyzing the results of the Affordability Assessment with the results of the 2022 Risk Assessment, there are 53 Failing: HR2W list and At-Risk DAC/SDAC systems that have a high affordability burden (Table 6).

**Table 5: Affordability Assessment Results**

	Total Systems Assessed	High Affordability Burden <sup>17</sup>	Medium Affordability Burden <sup>18</sup>	Low Affordability Burden <sup>19</sup>
<b>DAC/SDAC</b>	1,408	69 (5%)	175 (12%)	311 (22%)
<b>Non-DAC</b>	1,287	20 (2%)	142 (11%)	315 (23%)
<b>Missing DAC Status</b>	173	0 (0%)	6 (3%)	7 (10%)
<b>TOTAL:</b>	<b>2,868</b>	<b>89 (3%)</b>	<b>323 (11%)</b>	<b>633 (21%)</b>

<sup>16</sup> 2022 Affordability Assessment Data and Results. [Attachment D1](#).

<sup>17</sup> Community water system met the minimum threshold for 3 or 4 of the affordability indicators.

<sup>18</sup> Community water system met the minimum threshold for 2 of the affordability indicators.

<sup>19</sup> Community water system met the minimum threshold for 1 of the affordability indicators.

**Table 6: Affordability Assessment Results**

<b>SAFER Program Status</b>	<b>Total Systems Assessed</b>	<b>High Affordability Burden</b>	<b>Medium Affordability Burden</b>	<b>Low Affordability Burden</b>
<b>HR2W DAC/SDAC</b>	184	20 (11%)	34 (18%)	48 (26%)
<b>At-Risk DAC/SDAC</b>	276	33 (12%)	46 (17%)	55 (20%)
<b>TOTAL:</b>	<b>460</b>	<b>53 (12%)</b>	<b>80 (17%)</b>	<b>103 (22%)</b>

**by 2022 SAFER Program Status**

The State Water Board recognizes the need to refine affordability indicators utilized in the Affordability Assessment and enhance the methodology to better identify communities that may be facing affordability challenges. The State Water Board will begin conducting additional research and stakeholder engagement needed to develop new affordability indicators and the appropriate affordability thresholds necessary for inclusion in the Risk and Affordability Assessments.

**Socio-Economic Analysis of Needs Assessment Results**

For the first time, the State Water Board has compared the results of the Risk and Affordability Assessments to socio-economic data to better understand the communities most in need. The results of this analysis are summarized below:

- Failing: HR2W list systems and At-Risk public water systems, state small water systems, and domestic wells areas have higher pollution burdens, are typically located in areas with higher poverty, greater linguistic isolation, and serve a greater proportion of non-white households than systems and domestic well locations that are Not At-Risk.
- When compared with Non-DAC/SDAC water systems, DAC/SDAC water system service areas tend to have higher pollution burdens, a higher percentage of households in poverty, a higher percentage of limited English-speaking households, and are likely to serve a greater proportion of non-white communities.
- Systems with a high affordability burden have higher pollution burdens, percentages of households that are less than two times the federal poverty level, and greater linguistic isolation than medium and low affordability burden systems.

## SAFER ADVISORY GROUP UPDATES: JUNE 2022

### OVERVIEW

This document provides a written update for Advisory Group members on topics related to the SAFER program. There will **not** be a facilitated discussion on the topics below. *You are encouraged to read these updates, but it is not required for Advisory Group Meeting #2.*

### Per-and Polyfluoroalkyl Substances (PFAS)

Senate Bill 170 appropriated \$30M from General Fund to State Water Board for technical and financial assistance to drinking water systems to address PFAS.

- Must be committed to projects by June 30, 2024
- Must be disbursed by June 30, 2026

Additional \$50M proposed for fiscal year (FY) 2022/2023

Additional \$20M proposed for FY 2023/2024

Existing Division of Financial Assistance funding processes will be used to administer this PFAS funding.

Relevant existing programs/processes:

- Drinking Water State Revolving Fund (DWSRF) Intended Use Plan (IUP)
- Safe and Affordable Drinking Water (SADW) Fund Expenditure Plan (FEP)

### Drinking Water and Clean Water State Revolving Funds Intended Use Plans

The Fiscal Year (FY) 2021-22 Drinking Water State Revolving Fund (DWSRF) and Clean Water State Revolving Fund (CWSRF) Intended Use Plans (IUPs) were amended on March 15, 2022. The IUPs serve as implementation plans for administering the Drinking Water (\$650 million) and Wastewater (\$650 million) allocations from the Budget Act of 2021 (Senate Bill 129 and Senate Bill 170).

The following changes were made to the 2021-22 DWSRF IUP:

- All eligible projects for small (up to 10,000 population), disadvantaged communities (DACs) may now receive up to 100% grant. The maximum grant per residential connection remains the same (\$60k for Category A-C and/or Consolidation projects or \$45k for Category D-F projects).
- Expanded Small DACs (up to 20,000 population) may receive up to 100% grant. The water rates must be at least 1.5% of their MHI to qualify for grants for Category D-F projects, but this is not necessary for Category A-C and/or Consolidation projects.
- Medium DACs (up to 100,000 population) or Small Non-DACs (with a median household income [MHI] less than 150% of statewide MHI) may also be eligible for up to 100% grant for Category A-C and/or Consolidation projects. To help ensure adequate grant funding remains for small DACs, grant funding for these communities is capped at \$20 million per project.

- The Deputy Director of DFA may approve grants for construction projects with a total eligible project cost up to \$6 million regardless of the amount per connection.
- Consolidation incentive funding is available to a Receiving Water System for each system/community it consolidates so long as the Receiving Water System is a voluntary participant (not mandatory consolidation).

The FY 2022-23 DWSRF and CWSRF IUPs are expected to be released in draft form by late summer 2023. The new plans will incorporate requirements and recommendations regarding a significant influx of new federal funding which may increase federal funding by three to five times over the next five years.

### Drought

In February 2022, the State Water Board launched a solicitation for the County-wide and Regional Funding Program for counties or eligible partner entities to receive funding to implement regional programs that address drought-related and/or contamination issues for state small water systems (state smalls) and domestic wells serving disadvantaged communities (DACs) and low-income households. Types of solutions that can be funded include domestic well testing, bottled water, hauled water, Point-of-Use (POU)/Point-of-Entry (POE) treatment, well repairs/replacement, and connections to existing systems.

The State Water Board, Department of Water Resources (DWR), California Environmental Protection Agency, and California Office of Emergency Services, are coordinating closely on tracking the highest priority counties most vulnerable to drought based upon dry well reports submitted to DWR's Household Water Supply Shortage Reporting System in 2021 and dry well projections for 2022. Of the top 15 high priority counties, 7 already have funding programs in place, and the State Water Board has been in discussions with the remaining 8 to apply for funding.

The priority counties include:

Butte	Mendocino	Siskiyou
Fresno	Merced	Sonoma
Glenn	San Luis Obispo	Tehama
Lake	San Joaquin	Tulare
Madera	Shasta	Tuolumne

### Senate Bill 552

In September 2021, Senate Bill (SB) 552 was chaptered which included new requirements around drought planning. These new requirements are expected to improve the ability of Californians to manage future droughts and help prevent catastrophic impacts on drinking water for communities vulnerable to impacts of climate change. The bill outlines the new requirements for small water suppliers and counties.

For small water suppliers, new requirements include developing an abridged water shortage contingency plan by July 1, 2023 and reporting annually on water supply

condition information to the State Water Board. Additionally, small water suppliers are required to implement the following:

- Monitoring systems to detect production well groundwater levels (by Jan 1, 2023)
- Become members of a mutual aid organization (by Jan 1, 2023)
- Provide adequate backup electrical supply (by Jan 1, 2024)
- Have at least one backup source of water supply or a water system intertie (by Jan 1, 2027)
- Meter each service connection (by Jan 1, 2032)
- Have capacity to meet fire flow requirements (by Jan 1, 2032)

The 2022 Needs Assessment includes a targeted drought infrastructure cost assessment and estimates the total cost for all applicable small water suppliers to implement the first five requirements above to be \$2.4 billion. For more information refer to the 2022 Needs Assessment.

For counties, new requirements include establishing a standing drought task force and developing a drought and water shortage plan for those served by state small water systems and domestic wells.

#### Technical Assistance and Funding Partners

In December 2021, the State Water Board released the Drinking Water Technical Assistance (TA) Provider Request for Qualifications (RFQ) Guidelines. On March 23, 2022, the State Water Board hosted a webinar to inform interested parties on the steps and requirements to respond to the RFQ to be considered for placement on the list of qualified drinking water TA providers. Interested parties may submit qualifications to act as a drinking water TA provider and assist drinking water systems by providing any combination of administrative, technical, operations, legal, or managerial, or community engagement services. Drinking water TA providers, once qualified, may submit proposals to the State Water Board to be considered for funding to provide their services to small, disadvantaged communities across the state. As of mid-May 2022, a total of eleven new entities, that have not previously provided TA funded through the State Water Board, have submitted statements of qualifications.

#### Central Valley Water Board Nitrate Control Program (CV-SALTS) Coordination

The SAFER program offers co-funding agreements to CV-SALTS management zones to expand their domestic well testing programs. The CV-SALTS regulation is specific to nitrate contamination in drinking water supplies within certain regions of the Central Valley. The SAFER program recognizes that areas with potential nitrate contamination may have other contaminants in the drinking water.

SAFER co-funding agreements can provide funding for management zones to test domestic drinking water wells for drinking water contaminants other than nitrate. The co-funding agreements can also support interim drinking water solutions if contaminants other than nitrate are found in the well water. These solutions can include bottled water and Point-Of-Use (POU) or Point-of-Entry (POE) treatment systems.

Management zones in Priority 1 groundwater subbasins are eligible to apply for a SAFER co-funding agreement. DFA staff are actively working with four out of the six Priority 1 subbasins to pursue co-funding agreements.

### Point-of-Use/Point-of-Entry Pilot Project

Point-of-Use (POU) and Point-of-Entry (POE) systems are water treatment methods used to treat water for a single home or building. SAFER is implementing a POU/POE pilot project with the following three main goals:

1. Understand the benefits and limitations of POU/POE devices
2. Identify needs and knowledge gaps related to implementing community-scale POU/POE projects
3. Propose innovative POU/POE pilot studies that address common or new challenges.

### Update

The Division of Drinking Water has completed four stakeholder listening sessions to get input on the challenges and opportunities around POU/POE. The four stakeholder listening sessions were held from December 2021 through March 2022 and included technical assistance providers, local government agencies, environmental justice advocates, and water industry/trade groups. The Division of Drinking Water is developing the white paper and will do a webinar on the results in Summer 2022. A summary of white paper results is anticipated to be included in the August 2022 Advisory Group meeting.

### 2022 Legislation Related to the SAFER Program

*The following is a summary of California bills with potential impacts to the SAFER Program that are currently moving through the Legislature.*

#### ADMINISTRATIVE

#### **AB 1733 (Quirk) State bodies: open meetings.**

This bill would amend the Bagley-Keene Open Meeting Act to make several changes regarding teleconferencing. This bill would require state bodies to hold open meetings by teleconference and would allow teleconferencing in closed sessions. State bodies would be required to provide a means by which the public may remotely attend the meeting and address the state body, including a physical location. This bill also updates the notice requirements for teleconferenced meetings. This bill is an urgency measure.

*\*SAFER Advisory Group meetings are subject to the Bagley-Keene Open Meetings Act.*

#### **AB 2108 (Rivas, Robert) Water policy: environmental justice: disadvantaged and tribal community representation.**

This bill would impose several environmental justice-oriented requirements on the State Water Board and Regional Water Boards, including requirements to 1) each have one board member who represents disadvantaged or tribal communities; 2) include an analysis of environmental justice impacts when issuing statewide, regional, or otherwise significant waste discharge requirements or waivers; 3) take specified steps to address

issues of environmental justice and social equity as early as possible in project planning processes; 4) create environmental justice and tribal coordinator positions and training program if funds are available; and create an Environmental Justice and Tribal Community Hardship Stipend program.

**SB 1219 (Hurtado) 21st century water laws and agencies: committee.**

This bill would require the secretaries of Natural Resources and Environmental Protection Agencies to convene a committee to develop a strategic vision, proposed statutes, and recommendations for a modern 21st century set of water laws and regulations and state and local water agencies by December 31, 2024. This bill would also require the Governor or the committee to appoint a blue-ribbon citizen commission to assist the committee in making recommendations for improved water resource management.

CEQA

**AB 1642 (Salas) California Environmental Quality Act: water system well and domestic well projects: exemption.**

This bill would create a CEQA exemption for well projects that are part of a water system that has been designated by the State Water Board as high risk or medium risk in the Board's drinking water needs assessment. It would require that any applicant wishing to use the exemption first contact the State Water Board to determine whether taking the exemption would impact the project's ability to receive financial assistance.

*\*The SAFER Program Needs Assessment designates water systems as failing or at-risk of failing to provide an adequate supply of safe drinking water.*

DRINKING WATER

**AB 1931 (Rivas, Luz) Community water systems: lead pipes.**

This bill would require community Water Systems (CWSs) to replace or remove all lead service lines in their entirety, if they own them. The bill prohibits partial replacement of lead service lines. Before replacing a service line, a CWS would have to notify the owners and residents of affected properties and follow a set of mitigation best-practices which include tap water testing. CWSs would be required to submit a lead service line inventory, replacement timeline, and lead exposure prevention plan to the State Water Board. A CWS would have to regularly update its inventory, timeline, and lead exposure prevention plan, as specified.

**AB 2041 (Garcia, Eduardo) California Safe Drinking Water Act: primary drinking water standards: compliance.**

This bill requires the State Water Board to take certain steps in adopting a primary drinking water standard to provide a compliance period that gives water systems extra time to adjust to the new standard. First, the State Water Board must use information collected during the regulation-setting process to determine which water systems need financial assistance to comply with the MCL. Second, the State Water Board must work with those water systems to develop both a compliance plan and a financial plan. Finally, the State Water Board must consider whether or not the compliance plan was implemented when analyzing a water system's MCL violation.



**SB 222 (Dodd) Water Rate Assistance Program.**

This bill would establish the Water Rate Assistance Fund in the State Treasury to help provide water affordability assistance, for both drinking water and wastewater services, to low-income ratepayers and ratepayers experiencing economic hardship in California. The bill would require the Department of Community Services and Development to develop and administer the Water Rate Assistance Program established by the bill. The bill would make moneys in the fund available upon appropriation by the Legislature to the department to provide, in consultation with the State Water Board, direct water bill assistance, water bill credits, and water crisis assistance, and would require 80% of total funds to be directly applied to customer assistance.

*\*SAFER conducts an Affordability Assessment as part of its annual Needs Assessment.*

**SB 1124 (Archuleta) Public health goal: primary drinking water standard: manganese.**

This bill would require the Office of Environmental Health Hazard Assessment (OEHHA) to prepare, on or before July 1, 2023, a Public Health Goal (PHG) for manganese. This bill would further require the State Water Board, after the establishment of the PHG, to adopt a primary drinking water standard and monitoring requirements for manganese. This bill would also require the State Water Board to establish a Notification Level (NL) or Response Level (RL) for manganese, on or before January 31, 2024. Prior to adopting the primary drinking water standard, the bill would authorize the State Water Board to require community water systems to monitor manganese in their drinking water and to continue providing funding for manganese-related remediation measures.

*\*SAFER considers water system compliance with MCLs as part of its Needs Assessment.*

**SB 1254 (Hertzberg) Drinking water: administrator: managerial and other services.**

This bill would provide liability protection to water system administrators appointed by the State Water Board for good faith efforts taken to improve a failing drinking water system. This bill would also clarify the State Water Board's liability in the context of appointing administrators and would authorize the State Water Board to appoint administrators to drinking water systems which are at-risk of failure.

NOTE: This bill is sponsored by the Governor's Administration

*\*The Administrator Program is a vital component of SAFER.*

**FUNDING/BONDS/FEEES**

**AB 2387 (Garcia, Eduardo) Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, and Workforce Development Bond Act of 2022.**

This bill would place the Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, and Workforce Development Bond Act of 2022 before voters for approval at the November 8, 2022, statewide general election. This act would authorize the issuance of \$7.430 billion in general obligation bonds to

finance projects for safe drinking water, wildfire prevention, drought preparation, flood protection, extreme heat mitigation, and workforce development. Of the funds that would be made available to the State Water Board, \$400 million would be for wastewater and drinking water projects, \$100 million for clean water projects, \$100 million for groundwater contamination projects, and \$300 million for water recycling projects. This bill declares that it is an urgency statute.

**[AB 2419 \(Bryan\)](#) Environmental justice: federal Infrastructure Investment and Jobs Act: Justice40 Oversight Committee.**

This bill, among other provisions, would require that a minimum of 40 percent of the federal Infrastructure Investment and Jobs Act (IIJA) funds be allocated to projects that benefits disadvantaged communities and an additional 10 percent be allocated to projects that benefit low-income communities. This bill would also establish the Justice40 Oversight Committee within the Strategic Growth Council to identify infrastructure deficiencies, recommend projects, track IIJA funds, and develop standards for agencies administering IIJA funds. The oversight committee would be required to submit reports to the Legislature on or before December 31, 2024, and December 31, 2027.

**[AB 2536 \(Grayson\)](#) Development fees: connection fees and capacity charges: studies.**

This bill would require a local agency to evaluate the amount of a proposed new fee or capacity charge or an increase in an existing fee or capacity charge. The evaluation must include evidence to support that the fee or capacity charge does not exceed the reasonable cost of providing the service. The bill would also require the information that constitutes the evaluation to be made available to the public before a required public meeting to discuss the new or increased fees/capacity charges.

*\*Facilitating water system consolidation is a key tool of the SAFER program.*

**[AB 2877 \(Garcia, Eduardo\)](#) Safe and Affordable Drinking Water Fund: tribes.**

This bill would require the State Water Board to work with federally recognized California Native American tribes and certain non-federally recognized Native American tribes to remove any barriers for those tribes to access funding. The bill would require the State Water Board to ensure an equitable distribution of funds from the Safe and Affordable Drinking Water Fund (SADWF) and would require the State Water Board to expend those-funds, upon appropriation by the Legislature, for grants, loans, contracts, or services to assist those eligible recipients. The bill would require the State Water Board to post on its internet website, and update annually, the number of applications for funding received from tribes and the total amount of funding granted to tribes each year.

**[SB 1188 \(Laird\)](#) Safe Drinking Water State Revolving Fund: financial assistance.**

This bill would repeal provisions of existing law that limit 1) Drinking Water State Revolving Fund (DWSRF) grants, principal forgiveness funding, and zero percent financing to only disadvantaged communities and 2) DWSRF principal forgiveness for

Public Utilities Commission-regulated water systems to water systems with fewer than 3,300 connections.

**SB 1069 (Umberg) State grant programs: negotiated cost rate agreements.**

This bill would require the Department of General Services to establish, by July 1, 2023, a state standard negotiated cost agreement for awarding state grants that are created on or after July 1, 2023. This bill would require, to the extent possible and permitted by federal law, any state grant program that is created on or after January 1, 2023, to require the state agency or other state entity administering the grant to use the same terms as contained in the grantee's existing negotiated indirect cost rate agreements and cost allocation policies approved by the federal government or the grantee's state standard negotiated cost agreement if it does not have an existing negotiated indirect cost rate agreement and cost allocation policy approved by the federal government. Nonprofit organizations could use alternatives if they have neither federal nor state negotiated cost agreements.

**WATER QUALITY**

**SB 1197 (Caballero) Water Innovation and Drought Resiliency Act of 2022.**

This bill would create the Initiative to Advance Water Innovation and Drought Resiliency at the Office of Planning and Research for the furtherance of new technologies and other innovative approaches in the water sector. The bill would require the office, as part of the initiative, to take specified measures on or before December 31, 2024, to advance innovation in the water sector and ensure a drought-resilient economy.

**GROUNDWATER MANAGEMENT**

**AB 2201 (Bennett) Groundwater sustainability agency: groundwater extraction permit.**

This bill would require groundwater sustainability agencies (GSA) in basins considered to be in critical overdraft to develop a process for issuing groundwater extraction permits by June 30, 2023. It would require all groundwater extraction facilities to obtain a permit from the GSA unless specified exemptions apply.

**Fiscal Year 2022-23 May Revision Budget Related to the SAFER Program**

*The following is a summary of the Governor's Proposed May Revise Budget for fiscal year 2022-23 related to the SAFER program. These funds may directly impact the State Water Board's future work.*

**Water Resilience and Drought Response**

- A record-breaking lack of precipitation from January through April pushed California into a third consecutive year of drought.
- The May Revision includes funding to help communities and fish and wildlife avoid drought calamity and to prepare the state to endure future droughts.
- The May Revision allocates an additional \$1.6 billion General Fund, including the \$250 million set aside as a contingency in the Governor's budget for a total of \$2 billion General Fund, for drought resilience and response.

## Significant Investments Included in the May Revision

- Support water recycling and groundwater cleanup; and advance drinking water and clean water projects that leverage significant federal infrastructure funds.
  - \$100 million – Water recycling
  - \$400 million – State revolving fund for drinking water and wastewater
- Provide grants to urban water districts and smaller community water suppliers for drought-relief projects; support local technical assistance emergency drinking water response, including the purchase and pre-positioning of water storage tanks; and enhance water rights enforcement and modernization tools.
  - \$100 million – Water conservation and the Save Our Water campaign
  - \$140 million - Urban community drought relief grants
  - \$40 million – Small community drought relief grants
  - \$25 million - Emergency drinking water
  - \$8 million – Curtailment and water rights enforcement
  - \$44 million - Water rights data modernization
  - \$21 million – Water storage tanks
  - \$20 million – Water transfer pilot program
  - \$71 million - Drought contingency fund

## Additional Funding

- \$500 million for strategic water storage investments in 2025-26.
- \$1.2 million to the Judicial Council to address climate, environmental, and water-related legal disputes.
- In addition to funding in this package, some of the funding proposed for nature-based solutions will provide habitat restoration to improve the health of Northern California rivers which will support voluntary agreements with water users.

## SAFER Timeline

**Table 7: Tentative Schedule of Events Related to SAFER**

April - June	July - September	October - December
<b>6/9</b> Advisory Group Meeting #2	<b>7/5 - 8/31</b> Advisory Group Application Period	<b>10/TBD</b> Tribal Workshop
<b>6/TBD</b> Tribal Workshop	<b>8/5</b> Release of Draft FEP	<b>11/1</b> Board Considers Adoption of FEP
<b>6/TBD</b> Select Funding Partners	<b>8/TBD</b> Advisory Group Application Workshop	<b>11/TBD</b> Advisory Group Meeting #4
<b>TBD</b>	<b>8/TBD</b> Release of POU Pilot white paper	<b>12/TBD</b> Advisory Group Members Selected
<b>TBD</b>	<b>8/TBD</b> Advisory Group Meeting #3	<b>TBD</b>