

2025 SAFER Drinking Water Needs Assessment

The State Water Resources Control Board's fifth annual <u>Drinking Water Needs</u> <u>Assessment</u> describes the overall health of the state's water systems and domestic wells and California's challenges and progress to achieving the <u>Human Right to Water</u>. The annual report also helps direct funding and regulatory work of the <u>Safe and</u> <u>Affordable Funding for Equity and Resilience (SAFER)</u> drinking water program. The 2025 report:

- Identifies communities with water systems that are Failing or At-Risk of Failing to provide safe drinking water.
- Identifies affordability challenges that could pose barriers to the implementation of these solutions.

SAFER PROGRAM ACCOMPLISHMENTS (2019 - 2024)

As of December 31, 2024 – nearly six years into the SAFER program – the State Water Board has awarded over \$900 million in drinking water grants to disadvantaged communities across California, averaging \$150 million per year. This represents a significant increase from the \$310 million distributed in the five years prior to SAFER, which averaged \$62 million annually. In this same period (2019-2024), 321 water systems serving 3.3 million people have come off of the Failing list and 170 consolidations, benefiting approximately 324,101 people, have been completed.

Figure 1: SAFER Program Accomplishments (2019 - 2024)



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Failing Water Systems

98% of California's population receives water from systems that meet or exceed drinking water standards. 77% of water systems have continually been in compliance with drinking water standards since 2017. As of December 31, 2024, there were 390 Failing public water systems, serving 811,964 Californians. Approximately 79% of Failing systems serve disadvantaged communities and 52% serve majority communities of color. 62% of these systems have received \$443 million in funding and technical assistance from the State Water Board.

Risk Assessment Results

The 2025 Risk Assessment correctly predicted approximately 92% of the water systems that were on the Failing list in 2024. No changes were made to the Risk Assessment's methodology between 2024 and 2025. As of December 31, 2024, there were 589 At-Risk public water systems, serving a population of approximately 1.49 million people. The results of the 2025 Risk Assessment are summarized below. 19% of At-Risk public water systems have received \$174 million in funding and technical assistance from the State Water Board.

Svstem Tvpe	Total Systems Analyzed	2025 At-Risk	Change from 2024
Public Water Systems	3,037	589 (19%)	↓ 24 (3.92%)
State Small Water Systems	1,235	205 (16.6%)	[↑] 10 (5.13%)
Domestic Wells	298,715	93,028 (31.1%)	[↑] 19,597 (26.7%)

Cost Assessment & Funding Gap Analysis Results

Senate Bill 200 (Monning, 2019) directs the State Water Board to "estimate the funding needed for the next fiscal year based on the amount available in the fund, anticipated funding needs, other existing funding sources."¹ Thus, the Cost Assessment estimates the costs related to the implementation of interim and longer-term solutions for Failing and At-Risk public water systems, state small water systems, and domestic wells.

In 2024, The State Water Board hosted five public workshops to solicit stakeholder feedback on the 2024 Cost Assessment. More information about the Cost Assessment's enhancements can be found online.¹

The 2024 Needs Assessment included updated Cost Assessment results for Failing and At-Risk public water systems. The following points summarize the results:

 Estimated long-term and interim cost needs for only Failing and At-Risk public water systems serving disadvantaged communities (DAC) was approximately \$3.7 billion (69%) of the total estimated need for Failing and At-Risk systems. The Cost Assessment estimated \$1.75 billion for Failing DAC public water systems and \$1.97 billion for At-Risk DAC public water systems.

¹ <u>State Water Board I Drinking Water Needs Assessment</u> https://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/needs.html



- 2. The total estimated cost for long-term solutions for all Failing and At-Risk public water systems was \$4.9 billion, which was approximately \$1.5 billion (44%) higher than the 2021 Cost Assessment results.
- 3. The total estimated cost for interim solutions for all Failing and At-Risk public water systems was \$466 million. This was approximately \$379 million (45%) lower than the 2021 Cost Assessment results.

The 2024 Cost Assessment also estimated the total long-term and interim cost needs for high-risk state small water systems and domestic wells to be approximately \$4.9 billion.

Due to minor changes to the number of Failing and At-Risk systems, the State Water Board did not update the Cost Assessment estimates in the 2025 Needs Assessment.

Affordability Assessment Results

The Affordability Assessment identifies community water systems and non-transient non-community (NTNC) water systems serving K-12 schools that serve disadvantaged and severely disadvantaged communities (DAC/SDAC) that may face financial management issues due to customer fiscal stress. 3,178 water systems were analyzed by the 2025 Affordability Assessment. The 2025 Affordability Assessment methodology utilized a new method to determine median household income (MHI) which incorporated additional census data. This change impacted which water systems are identified as DAC/SDAC and the median household income used in calculating the %MHI affordability indicator. The 2025 results identified 75 (4%) DAC/SDAC community water systems and NTNC systems that serve K-12 schools with high drinking water affordability burden and 286 (14%) that are experiencing medium affordability burden. It is worth noting that the average statewide monthly residential customer charge for 6 hundred cubic feet of water usage is \$71. Small drinking water systems charge on average \$76.32 a month, which is \$33 higher compared to large water systems (\$43.51).

ABOUT THE SAFER PROGRAM & THE NEEDS ASSESSMENT

The SAFER program is a set of tools, funding resources, and regulatory authorities coordinated to assist California communities as they work to develop local capacity to ensure reliable access to safe drinking water. The results of the annual Needs Assessment are used by the State Water Board's SAFER program and the <u>SAFER</u> Advisory Group to inform the prioritization of available state funding within the <u>Safe and</u> Affordable Drinking Water Fund Expenditure Plan.



Figure 2: How the Needs Assessment is Utilized by the SAFER Program



All the methodology and documentation related to the development of the 2025 report can be found on the State Water Board's <u>Drinking Water Needs Assessment website</u>. The report includes the following core updates:

- Bottled or Hauled Water Reliance Indicator Update: In 2025, the primary data source shifted to machine-readable Drought and Conservation Reports, with the Division of Financial Assistance (DFA) spreadsheet removed and State Water Board water source data retained as supplementary; current data cover only 2 years, with 3-year data expected next year.
- Median Household Income (MHI) Methodology Update: The 2025 methodology improves accuracy and coverage by using the lowest MHI estimate from multiple Census geographies (block group, census tract, and place-level) from the American Community Survey (ACS), with older data as backup. This enhancement reduces missing data and overestimation of median household income in areas with uneven income distribution.
 - Percent Median Household Income (%MHI) Indicator Update: Measures water affordability as a percentage of MHI; the 2025 update uses MHI estimates calculated using the updated methodology and refreshed underlying water rates data for greater accuracy.
 - Disadvantaged Community (DAC) Status: Based on MHI thresholds (below 80% of the statewide MHI for DAC, below 60% for SDAC), this classification supports identifying priority water systems and guiding equitable funding

(This Fact Sheet was last updated June 2025)