



Media Release

Year in Review:

State Water Board delivers \$3.3 billion to California communities to boost drought resilience and increase water supplies

Water recycling and drinking water infrastructure among top funding priorities

Community drought assistance funding has quadrupled in just two years

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SACRAMENTO – Seizing a generational opportunity to leverage unprecedented state funding to combat drought and climate change, the State Water Resources Control Board provided an historic **\$3.3 billion** in financial assistance during the past fiscal year (July 1, 2021 – June 30, 2022) to water systems and communities for projects that bolster water resilience, respond to drought emergencies and expand access to safe drinking water.

The State Water Board’s funding to communities this past fiscal year doubled compared to 2020-21, and it is four times the amount of assistance provided just two years ago. The marked increase also comes as a result of last year’s \$5.2 billion three-year investment in drought response and water resilience by Governor Newsom and the legislature under the [California Comeback Plan](#), voter-approved Proposition 1 and Proposition 68 funds, and significant federal dollars invested through the state revolving funds.

“The accelerating impacts of climate change have given us all a sense of urgency,” said Joaquin Esquivel, chair of the State Water Board. “Bold investments by the administration and legislature, plus \$2 billion in federal Bipartisan Infrastructure Law dollars expected over the next five years, are evidence that California has the kind of leadership and support it needs to respond to climate change and focus our collective attention on securing a common water future. For our part, the board is proud to have its Division of Financial Assistance serve as the engine for that response through efficient and responsible funding.”

About 90% of the assistance provided this fiscal year took the form of loans to major water-resilience and drinking water projects. The board provides loans with terms and interest rates that applicants could not receive from a traditional lender, making capital-



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intensive projects more affordable for communities. This past fiscal year, the board funded 30-year loans at rates between 0.8% and 1.2%.

Almost **\$270 million** in grants were also distributed for drinking water and wastewater projects in disadvantaged communities. Those grant funds will not have to be repaid.

The board has launched an [online dashboard](#) that breaks down this fiscal year funding across several categories, including county, disadvantaged status, type of project, and assembly or senate district.

Building sustainable supplies through water recycling

The board prioritized funding for recycled water, which can be generated from wastewater or stormwater and is a sustainable and energy-efficient water source. [Direct potable reuse regulations](#) set to come before the board next year expand the potential of recycled wastewater as a source of drinking water, and will help the state reach its goal of [increasing recycled water use to 2.5 million](#) acre-feet per year, enough to supply 833,000 three-person households, by 2030.

The board distributed **over \$1.2 billion** across 15 funding agreements for recycling projects, accounting for nearly 40% of the board's total financial assistance for the fiscal year. Funding recipients include:

- Pure Water San Diego, a phased, multi-year recycled wastewater program, which received \$664 million in low-interest loans from the board as well as about \$734 million from U.S. Environmental Protection Agency's [Water Infrastructure and Innovation Act](#) program. The city of San Diego estimates that the Pure Water program will provide more than 40% of San Diego's water supply by the end of 2035.
- The City of Morro Bay, which received over \$45 million to construct a new wastewater facility with advanced treatment, conveyance pipeline and injection wells. The facility will allow the city to replenish the groundwater basin and increase supply reliability.
- Inland Empire Utilities Agency, which received over \$16 million across three projects to increase stormwater and dry-weather runoff to help recharge the Chino, Jurupa, Wineville and Montclair Basins.
- Coachella Valley Water District, which received over \$27 million to increase the use of non-potable, recycled wastewater for irrigation to reduce groundwater overdraft.

Taken together, all 15 projects will produce an additional 75,000 acre-feet of water per year for the state by 2030, or enough to sustain 225,000 households annually.

Assistance for drought emergencies and drinking water infrastructure

Over the past 12 months, the rapid progression of the state's drought has exposed vulnerabilities in aging drinking water infrastructure and caused nearly 1,400 wells to go dry as water tables dropped. The board responded to numerous communities suffering water outages throughout the state with expert support from Division of Drinking Water staff and over **\$26 million** for emergency repairs, bottled and hauled water deliveries, and technical assistance.

Drinking water emergencies are often symptoms of systemic problems, especially for failing water systems that frequently serve disadvantaged communities. In the case of the city of Needles, a severely disadvantaged community of just over 5,000 residents in eastern San Bernardino County, a burst pipe and lightning strike caused the water system, already contending with contamination issues, to fail completely in 2020. Through its [Safe and Affordable Funding for Equity and Resilience \(SAFER\)](#) drinking water program, the board provided immediate funding for emergency repairs and technical assistance to help the city define its project needs and apply for funding. This past fiscal year, the board approved a grant for over \$13 million in additional funding to construct vital water system infrastructure to address source capacity issues, poor water quality and aging facilities.

"It would have been impossible for us to fix our 80-year-old water system by ourselves," said Needles city manager Rick Daniels. "Our median household income is only \$40,000 per year, and we cannot raise water rates to pay for improvements. We are 140 miles away from the next California town and temperatures here can hit 120 degrees, so the water outage in 2020 threatened our very existence. The technical and financial assistance the state provided gave our city a future."

Established in 2019, the SAFER program utilizes a set of tools, funding sources and regulatory authorities to establish sustainable drinking water solutions in collaboration with water systems and communities. In just the first three years of a 10-year program, SAFER has reduced the number of Californians impacted by failing water systems by 40%, or 650,000.

This past fiscal year, the board provided **\$984 million**, including \$118 million through the SAFER program, to advance access to safe and clean drinking water throughout the state. This support funded construction projects, benefitting nearly 8.6 million people, and technical and planning assistance, benefitting 465,000 people.

In addition to the water recycling and drinking water assistance described above, the board also provided over \$1.1 billion to wastewater and stormwater projects during the 2021-2022 fiscal year.

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 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.

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