

# State Water Board distributes \$880 million to bolster drinking water systems, combat climate change

2023-2024 fiscal year projects to benefit about 12 million Californians in nearly 400 communities.

Since 2019, nearly 900,000 more Californians now have access to clean drinking water through state efforts.

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**SACRAMENTO** – Leveraging historic state and federal infrastructure investments to build resilience and protect California from climate change, during the past fiscal year (July 1, 2023 – June 30, 2024) the State Water Resources Control Board distributed approximately \$880 million to water systems and communities to capture and recycle more water, recharge and protect groundwater, improve stormwater management, expand access to safe drinking water and improve sanitation.

These investments and work, in combination with the state's <u>Safe and Affordable</u> <u>Funding for Equity and Resiliency (SAFER)</u> Program and other efforts, have reduced the number of Californians who don't have access to clean drinking water by more than half— from 1.6 million in 2019 to approximately 700,000 today.

Collectively, about **12 million Californians** across the state will benefit from the board's funding of **395 projects** that **improve drinking water**, **increase water supplies**, **and protect the environment**. These efforts support Gov. Gavin Newsom's <u>build more</u>, faster agenda to deliver infrastructure upgrades across the state.

Over the last three years, the State Water Board has distributed more than **\$5.2 billion** to infrastructure projects and drinking water systems. The board draws its financial assistance from multiple sources, including the <u>Clean Water</u> and <u>Drinking Water</u> State Revolving Funds and other major funding commitments to water resilience and drinking water projects, at both the state and federal levels.

Gov. Gavin Newsom and the Legislature have maintained over \$1 billion from significant investments in 2021 and 2022 to combat climate change and build the state's water supplies. Of that amount, the board provided \$179 million this year to support 43 water projects, primarily in economically disadvantaged communities. Collectively, these projects will benefit approximately 500,000 people once complete.

Unprecedented federal support from the Bipartisan Infrastructure Law, which will reach \$2.8 billion cumulatively for California by the end of 2026, contributed to \$313 million in funding last year to 45 projects.

"As projects funded through these bold state and federal commitments break ground, we are beginning to see the extraordinary benefit they will bring to so many communities who will experience secure water supplies, safe drinking water, improved sanitation, and cleaner groundwater, rivers and streams as a result," said E. Joaquin Esquivel, chair of the board. "We are proud to support the vision and leadership of the Newsom Administration and the Biden-Harris Administration by distributing this historic investment as efficiently and strategically as possible to California's communities."

This past year, nearly two-thirds of the board's total financial assistance, or about \$570 million, was given as grants for drinking water and wastewater projects in disadvantaged communities, as well as groundwater recharge and remediation and stormwater projects. These grant funds will not have to be repaid. The balance of the past year's assistance was provided as low interest loans to major water-resilience and drinking water projects.

The State Water Board maintains an <u>online dashboard</u> that breaks down fiscal year funding, starting from 2021, across several categories, including county, disadvantaged status, type of project and Assembly or Senate district. The dashboard does not contain information about <u>groundwater cleanup</u> projects or projects that were funded in prior years but received additional assistance this past fiscal year.

The first five years: Expanding and accelerating access to safe drinking water

In July, the board <u>celebrated</u> the first five years of the <u>SAFER</u> program, launched in 2019 after Gov. Newsom signed <u>SB 200</u> establishing the Safe and Affordable Drinking Water (SADW) Fund. Since that time, the board has distributed over \$1 billion in grants for drinking water projects in disadvantaged communities and nearly 900,000 more Californians have gained reliable access to safe and affordable drinking water.

SAFER is a set of tools, funding sources and regulatory authorities the board uses to help struggling water systems meet the <u>Human Right to Water</u>. In addition to the SADW Fund, which provides \$130 million each year for drinking water assistance through 2030, SAFER draws funding from the Drinking Water State Revolving Fund, general fund and bond funding programs. During the past fiscal year, the board provided \$501 million through SAFER — \$198 million for loans and \$303 million in grants — for new projects that will benefit 3 million people in 262 communities.

The division launched the Expedited Drinking Water Grant Program last year after the board adopted guidelines to accelerate funding decisions for shovel-ready projects. Over the past 12 months, the division has expedited 18 applications through this

program, distributing \$101 million for projects that will benefit nearly 10,000 Californians when complete.

One such project will improve drinking water quality at <u>Pescadero Middle/High School</u>, a rural school in San Mateo County less than 50 miles south of San Francisco, which is currently dependent on bottled water due to elevated nitrates in its water system. Just four months after being selected for the expedited process, the county received a \$4.1 million grant to fund a consolidation project that will connect the school to a water system that meets all federal and state water quality standards, which will benefit the school's approximately 200 students and staff.

"It was a welcome surprise that we could navigate the board's expedited program so easily and receive funding for this vital water infrastructure project so fast," said Amy Wooliever, superintendent of La Honda-Pescadero Unified. "The funding will help fix a drinking water issue that has long vexed the school and we're thankful that students and staff can count on having access to safe and sustainable drinking water."

Increasing supplies and upgrading wastewater infrastructure

The board continues to prioritize projects that help the state reach goals set by Gov. Newsom's <u>Water Supply Strategy</u> to make up for the anticipated loss of 10% of California's water supplies by 2040, due to hotter, drier conditions. This past fiscal year, the board distributed a total of \$62.8 million for new projects that will recycle, capture and store more water, adding over 8,300 acre-feet per year to the state's supplies.

Water recycling projects received \$32 million of this funding, bringing the board's total assistance for recycling to \$1.4 billion over the past three fiscal years. When complete, these projects will generate about 245,000 acre-feet per year of additional water, or about half the capacity of Millerton Lake, located near the city of Fresno.

In addition to promoting water resilience as a central priority, the board also dramatically expanded its support for wastewater projects with General Fund appropriations, distributing a total of \$440 million improve wastewater infrastructure in disadvantaged communities since 2021. In the past fiscal year, the board provided \$113 million in new grants and \$28 million in new loans for wastewater treatment plant and collection system repairs, upgrades and improvements, stormwater management and septic to sewer projects, benefitting about 8 million people.

Of these, three are septic-to-sewer projects for severely disadvantaged communities in the Coachella Valley that currently experience health and water quality impacts due to old, leaking septic systems. The board is fully funding three projects totaling \$27 million that will consolidate 15 mobile home parks into the Coachella Valley Water District's sewer system. When the grant-funded projects are complete, nearly 1,700 residents will benefit from reliable sewage disposal and a cleaner environment.



"These projects will provide reliable sanitation services and significantly improve the quality of life for underserved communities for generations to come, and I am grateful that the state has made this issue a priority," said Castulo Estrada, Vice President of the water district's board. "The State Water Board's support and partnership has been critical as we build a resilient and equitable water future here in the Coachella Valley."

More information about the <u>Division of Financial Assistance</u> is available 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 the benefit of present and future generations.