

State Water Resources Control Board

**Safe and Affordable Funding for Equity and Resilience (SAFER)
Advisory Group**

September 9, 2022, Meeting Materials Packet

Please review this packet before the meeting.

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Discussion #1: Draft Fund Expenditure Plan

OVERVIEW

The Draft Fiscal Year (FY) 2022-23 Fund Expenditure Plan (FEP) for the Safe and Affordable Drinking Water Fund (SADW Fund) is informed by an annual statewide drinking water needs assessment (published in May 2022) and discusses:

- Funding capacity and distribution of funds
- Prioritization of solutions for water systems, administrators, technical assistance, interim solutions, emergencies, operation and maintenance, state smalls, and households supplied by domestic wells
- Community engagement and workforce development; financing
- Programmatic requirements; goals, and metrics

FY 2022-23 Priorities

Expenditures from the SADW Fund for FY 2022-23 will focus on solutions for small, disadvantaged communities¹ (DACs) and low-income² households, and seek to:

- (1) Address any emergency or urgent funding needs expeditiously, only when other emergency funds are not available; and a critical water shortage or outage could occur without support from the SADW Fund.
- (2) Address community water systems (CWSs) and school water systems consistently out of compliance with primary drinking water standards or those at-risk of failing.
- (3) Accelerate consolidations for consistently out of compliance or at-risk systems, state small water systems (state smalls) and domestic wells and promote opportunities for regional scale consolidations.
- (4) Expedite planning through technical assistance (TA) for systems consistently out of compliance, at-risk systems, as well as state smalls and domestic wells.
- (5) Provide interim solutions, initiate planning efforts for long-term solutions, and fund capital projects for state smalls and domestic wells with source water above a primary maximum contaminant level (MCL) or at risk of running dry due to drought.
- (6) Provide direct operation and maintenance (O&M) support to assist CWSs facing the highest affordability burdens while promoting sustainability and technical, managerial, and financial (TMF) capacity building.
- (7) Ensure assistance is distributed in a manner consistent with the goals and direction provided in the State Water Resources Control Board's (State Water Board's) Racial Equity Resolution and associated Racial Equity Action Plan.

These priorities are very similar to those listed for FY 2021-22. Item 6 above is a new addition.

¹ "Disadvantaged community" means a community in which the MHI is less than 80% of the statewide annual MHI.

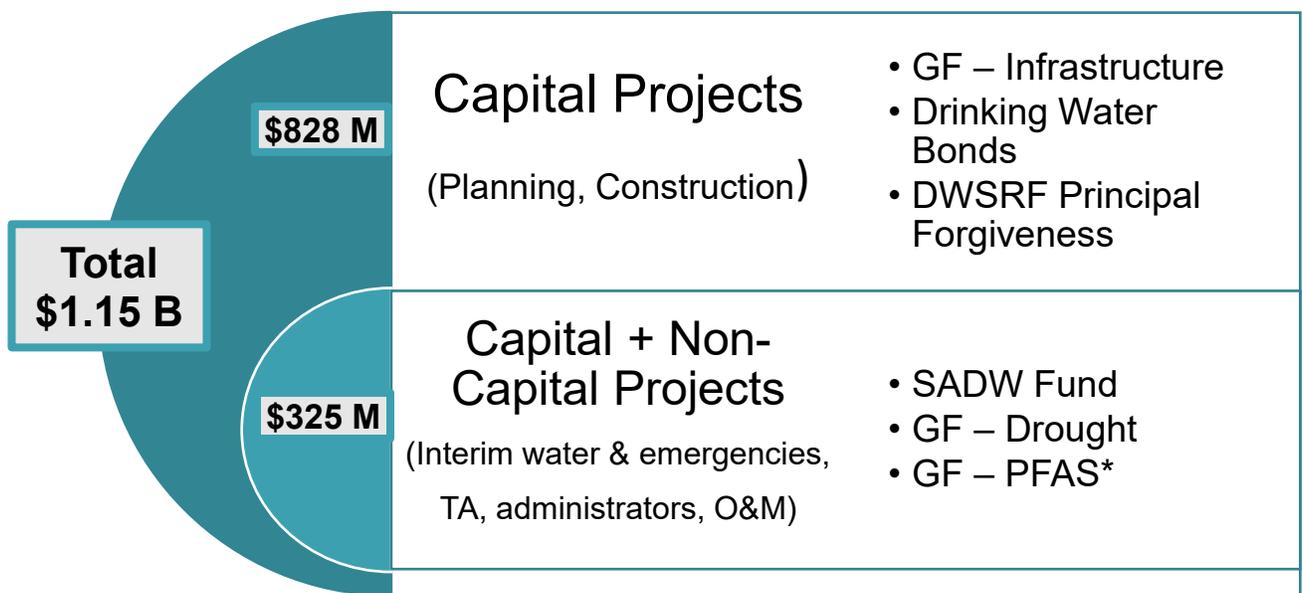
² "Low-income household" means a household within the service area of a community water system, in which the MHI is less than 80% of the statewide annual MHI level or a household with an income that is less than 200% of the federal poverty level.

FY 2022-23 SAFER Program Estimated Available Funds

Figure 1 provides a visual of anticipated funding available for FY 2022-23 across the broader SAFER Program. The funding includes the SADW Fund along with complementary funding which includes General Fund (GF) appropriations, general obligation bond funds, and funding available through annual Drinking Water State Revolving Fund (DWSRF) capitalization grants.

Overall, it is anticipated that in FY 2022-23, of the available \$1.15 billion in funding, at least \$828 million is available for capital projects, and is anticipated to be available for use in FY 2022-23 from complementary funding sources that make up the broader SAFER Program. Additionally, the Budget Act of 2021 recently appropriated an additional \$50 million to respond to drinking water emergencies exacerbated by drought, from the new California Emergency Relief Fund.

Figure 1. FY 2022-23 SAFER Program Anticipated Funding Availability for Projects (SADW Fund plus complementary funding)



*PFAS- Per-and Polyfluoroalkyl Substances

FY 2022-23 Target Allocations for the SADW Fund

Up to \$130 million will be available from the SADW Fund for local assistance and state operations, plus an uncommitted balance of \$47.4 million from prior FYs. The target allocations of the Fund for FY 2022-23 (see Table 1 below) are consistent with the priorities and will be used along with other available complementary funding from the broader SAFER Program to address funding gaps and expedite priority projects. The FY 2022-23 target allocations are in addition to projects already funded in FY 2021-22 and prior.

Table 1. FY 2022-23 SADW Fund Target Allocations (in millions)

Water System Category	Interim Water Supplies and Emergencies	Technical Assistance (includes Planning) ¹	Administrator ¹	Planning ¹	Direct O&M Support ¹	Construction
Systems Out of Compliance or At-Risk, or Consolidations	\$5	\$72	\$5	\$3	\$3	\$5
State Smalls/ Domestic Wells	\$13.3		\$0	\$0	\$0	\$5
Reserved from FY 2021-22	\$47.4	\$0	\$0	\$0	\$0	\$0
<i>SUBTOTAL BY SOLUTION TYPE²</i>	\$18.3 (\$65.7)	\$72	\$5	\$3	\$3	\$10
TOTAL					PROJECT TOTAL²	\$111.3 (\$158.7)
Other Program Needs	Pilot Projects³	Contracts³	Staff Costs			
	\$3.2	\$1.5	\$14			
					GRAND TOTAL²	\$130 (\$177.4)

¹ Provides Direct and/or Indirect O&M Support.

² Totals in parentheses include target allocations from FY 2022-23 and reserved amounts from prior FY FEPs.

³ Amounts reserved from the FY 2020-21 and FY 2021-22 FEPs for Pilot Projects and Contracts, respectively.

Summary of Key Updates

The following items are key changes compared to the FY 2021-22 FEP:

- **Direct O&M Support**

- Added more details on next steps to develop the O&M funding program, including affordability threshold(s), program guidelines, key conditions of funding such as accepting TA, administrator, or funding support.
- Staff will evaluate the potential to streamline the O&M funding award and disbursement process by calculating a monthly subsidy based on specific key affordability criteria, but with less frequent disbursements.

- **Construction**

- Added a list of project conditions where certain eligible construction projects, including consolidations, may be funded with SADW Funds and utilize a shorter application process.

- **Per- and polyfluoroalkyl substances (PFAS)**
 - Added information on how a part of state funding for PFAS will be utilized to meet the needs of small DACs to support statewide testing, implementation of treatment pilots, and planning for regional-scale consolidation.
 - Construction projects that address PFAS will be funded per the DWSRF Intended Use Plan (IUP), including the Supplemental IUP for Emerging Contaminants.
- **Drought Infrastructure**
 - Added a discussion on SB 552 requirements for small water suppliers and counties.
 - Noted potential funding opportunities via the State Water Board and the Department of Water Resources (DWR).
- **Metrics and Performance**
 - Expanded this section to track SAFER Program performance across all eight metric categories introduced in the SADW Fund Policy plus one on Racial Equity and Environmental Justice (added in the FY 2021-22 FEP).

Timeline

Table 2: Key dates for the adoption of the FY 2022-23 FEP

Date	Milestone
April to August 2022	Draft FY 2022-23 FEP Preparation and Internal Review
May 5, 2022	2022 Needs Assessment Results Webinar
June 9, 2022	Advisory Group Meeting: 2022 Needs Assessment Results and FEP Discussion
August 15, 2022	Release Draft FY 2022-23 FEP for Public Comment
August 16, 2022	Board Workshop on FY 2022-23 FEP
September 9, 2022	Advisory Group Meeting: Review Draft FY 2022-23 FEP
September 14, 2022	End of 30-Day Public Comment Period for Draft FY 2022-23 FEP
November 1, 2022	Board Meeting to Consider Adoption of FY 2022-23 FEP

Discussion Questions

- 1) What feedback do you have on the funding priorities?
- 2) What feedback do you have on the funding allocations?
- 3) Would you recommend more or less allocated towards certain project types?

Discussion #2: Strategy for Domestic Wells & State Small Water Systems

OVERVIEW

The State Water Board's SAFER Drinking Water Program is working to address water quality and supply challenges (e.g., dry wells due to drought) for communities and households served by state small water systems (state smalls)³ and domestic wells⁴ through a range of actions. These actions include funding for county-wide and regional response programs, promoting opportunities for consolidation (especially at a regional-scale), and a point-of-use (POU)/point-of-entry (POE) pilot.

County-wide and Regional Funding Programs

The State Water Board has opened a County-wide and Regional Funding Solicitation for counties or eligible partner entities to receive funding.

- Funding can be used to implement regional programs that address drought-related and/or contamination issues for state smalls and domestic wells serving disadvantaged communities (DACs) and low-income households⁵.
- Technical assistance is also available to support and train counties as they develop tailored programs based on the needs of local communities. These programs can offer solutions such as water sampling, consolidation, POU/POE water treatment, well drilling, long-term hauled water, vended water, and bottled water.

Existing State Water Board-funded programs for state smalls and domestic wells are in the San Joaquin Valley (via Self-Help Enterprises and Tulare County) and the Central Coast. Recently approved county-wide programs are being developed in Shasta and Santa Cruz Counties. There is also a statewide well replacement program via the Rural Community Assistance Corporation.

For the top 15 counties considered to be at highest risk for drought, nine have funding programs in place, and the State Water Board has been in discussions with the remaining six to apply for funding. For more information, visit [County-wide and Regional Funding Programs](#).

Discussion Questions:

- 1) What feedback do you have about the different approaches for state smalls and domestic wells?
- 2) Are there other approaches we should consider for state smalls/domestic wells?

³ State small water systems pipe water for at least five and up to 14 service connections and provide drinking water to fewer than 25 people on a regular basis.

⁴ Domestic wells supply water for domestic use by an individual household or up to four individual connections.

⁵ For higher income households (up to 120% of the statewide MHI), short-term hauled water may be provided.

Discussion #3: Point-of-Use and Point-of-Entry Report

SUMMARY

In some rural areas of California, consolidation is not possible as no public water systems are close enough to provide drinking water. To address drinking water contamination when consolidation is not an option, small public water systems may try to secure an uncontaminated source or install centralized treatment. For some systems, locating a new, uncontaminated source may not be possible and the small system is forced to a treatment solution. Small systems and domestic well residences, often lack the financial resources and economies of scale needed for successful centralized treatment. For small systems and domestic well residences, point-of-use (POU) and point-of-entry (POE) treatment may present a drinking water solution where few or no other solutions exist.

POU treats only a single drinking water tap in the house while POE treats all the water entering the home. Neither option treats water used outside the home (e.g., irrigation, etc.). The cost of POU/POE is often much less than centralized treatment since less water is treated.

There are many complicated issues surrounding implementation of POU/POE as a drinking water solution for small systems and domestic wells, including but not limited to: equity, education/trust, treatment technology, financial barriers, and regulatory requirements. This report analyzes the current state of POU/POE filtration in California, and then proposes recommendations and pilot studies to develop a more sustainable programmatic approach to these devices.

Discussion questions

- 1) What strategies should local agencies use for outreach and education efforts?
- 2) For the workforce development pilot study, what is the best strategy to recruit people who are not involved in the water sector?
- 3) Based on the pilot studies proposed on slide 49, do you have suggestions for additional efforts?
- 4) For POU/POE solutions, what equity tracking metrics should be prioritized?

SAFER Advisory Group Updates

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 #3.*

SAFER Program Progress

The table below shows the progress of the number of communities and people that the SAFER program has assisted in Fiscal Year 2021-22 (7/1/2021 – 6/30/2022).

Table 3: FY 2021-22 SAFER Program Progress

FY 2021-22 Performance	# of Communities	# of Households	# of People
Interim safe drinking water E.g., bottled water, point of use, repairs	55	1,265	35,244
Technical assistance E.g., services to assist systems with funding applications or planning	94		128,283
Planning projects E.g., new planning agreements	10		335,877
Long-term solutions E.g., completed construction or consolidation	37		7.3 M
Return to compliance E.g., water system is serving safe water	55		214,500

State Auditor's Office Report

On July 26, 2022, the State Auditor's office released a report on an audit it conducted of the State Water Board's drinking water assistance efforts. This document intends to provide more information on our drinking water assistance efforts, our response to the audit, and on the outcomes that have been accomplished over the last 3 years.

In 2021, the Joint Legislative Audit Committee requested an audit of the State Water Resource Control Board's efforts to help provide Californians with clean drinking water. The report from the State Auditor suggested that the State Water Board lacks urgency in delivering needed assistance, citing long process times, and the State Auditor included a number of recommendations to improve processes/procedures. The State Water Board disagrees with the report's framing that the board lacks urgency in providing assistance to communities and agrees to continue to build upon opportunities to improve how it delivers assistance to communities most in need.

One core component of our drinking water assistance work is our Safe and Affordable Funding for Equity and Resilience (SAFER) Drinking Water program. The SAFER Drinking Water program has moved as quickly as possible to assist water systems and communities with managing complex drinking water challenges brought on by drought, contamination, aging infrastructure, and legacies of redlining and racial inequity. Our accomplishments in just the first three years of a 10-year program speak to the urgency with which we have advanced the Human Right to Water as one of the Board's top priorities. Since the SAFER Drinking Water program began in 2019:

- The Board has provided access to safe, clean, and affordable drinking water for more than 40% of the population previously served by failing water systems, **benefitting more than 650,000 Californians in 120 communities.**

- Small, disadvantaged communities have received **84% more grant funding** and **over 150% more in technical assistance** since 2019 than in the three years before the program began.
- Nearly **9,500 households** and **150 water systems** experiencing outages were provided over **\$50 million in emergency assistance**. This funding has accelerated projects in over 300 small, disadvantaged communities.
- Delivered approximately **\$700 million in grants** for 200 active drinking water funding agreements and 540 drinking water technical assistance assignments.
- Completed **40 internal process improvements** to improve our efficiency.

The report's central criticism – that funding application processing has slowed, and our staff are operating with a lack of urgency for providing needed assistance to communities – fails to take into account that the volume of applications for funding has increased substantially. Between the 2017-2018 and 2020-2021 fiscal years:

- The number of funding projects more than doubled, from 123 to 250.
- We received more than five times the number of applications compared to seven years prior.
- Policy changes that created access for a wider variety of projects.
- Increased outreach and engagement have increased the number of systems applying for funding.

Our highest priority is advancing the human right to water. While the need has far outpaced our capacity to hire new staff and resulted in longer processing times in some cases, ultimately, the board has delivered more assistance to communities than ever before.

We have, and will continue to work with, communities impacted by lack of safe water, as well as local agencies, stakeholders, and technical assistance providers to help accelerate our processes, and develop innovative approaches to ensuring communities can get the financial assistance needed to have safe drinking water. We embrace all improvements that can help build on the achievements of the SAFER Drinking Water program to bring safe, clean, and affordable water to all Californians as quickly as possible.

Advisory Group Member Applications

The SAFER Advisory Group provides the State Water Board with advice on the Safe and Affordable Drinking Water Fund Expenditure Plan and other SAFER-related policies. Applications will be accepted through **September 23, 2022**.

There are 11 seats open for the 2023-2024 SAFER Advisory Group. Applicants will be selected and notified by winter 2022.

For resources and information regarding the 2022 SAFER Advisory Group application period visit: https://bit.ly/2022SAFERAG_App_Resources.

- The electronic application form and information on how to apply is available on the SAFER Advisory Group website at https://bit.ly/SAFER_AdvisoryGroup.
- If you would like a printed copy of the application, email SAFER@waterboards.ca.gov or call 916-445-5615.

The State Water Board will host two virtual informational sessions to answer questions and provide information:

- Aug 4, 11:30am-1:30pm
Join [Zoom #1](#) | Call-in: 1.669.444.9171 | Meeting ID: 99816412774
- Sep 15, 5:30pm-6:30pm
Join [Zoom #2](#) | Call-in: 1.669.444.9171 | Meeting ID: 99764061594

Drinking Water and Clean Water State Revolving Fund Intended Use Plans

The Drinking Water and Clean Water State Revolving Fund (DWSRF and CWSRF) Intended Use Plans (IUPs) outline the State Water Board's business plan for administering the CWSRF, DWSRF, and complementary funding for each fiscal year, including grants and principal forgiveness available for small disadvantaged communities. The IUPs specifically identify the available funding, the types of projects eligible for financing, the associated financing terms.

The State Fiscal Year 2022-23 IUPs will also include "Supplemental IUPs" for new types of SRF funds appropriated through the recent federal Bipartisan Infrastructure Law (BIL), including Emerging Contaminants funding, and Lead Service Line Replacement funding. General Fund state infrastructure grants for Per- and Polyfluoroalkyl Substances (PFAS) will complement DWSRF Emerging Contaminants funding, and plans for implementing those funds are included in the DWSRF Emerging Contaminants Supplemental IUP.

Draft documents are expected to be released for public comment late August 2022, with a 30-day comment period thereafter. A Board Workshop is scheduled for the first week of September. Board consideration of adoption, after addressing comments, is planned for October 2022.

To stay informed regarding future notices, changes to the workshop, comment deadline, or adoption schedule, please subscribe for emails by selecting the DWSRF or CWSRF program email lists under the "Financial Assistance" category on the [State Water Board Email Lists webpage](#).

Affordability Assessment Workshops

The affordability assessment workshops will provide an opportunity for stakeholders to learn about and contribute to the State Water Board's proposed enhancements to how it incorporates affordability into the Drinking Water Needs Assessment for public water systems, state small water systems, and domestic wells.

The four affordability assessment workshops will cover the following topics:

- Workshop 1: Overview of Measuring Affordability
Date/Time: Aug 11, 10am-12pm | Register [here](#).
 - Overview of affordability in the Needs Assessment.
 - Review of previous approaches to measuring affordability.
 - Discussion of how the Affordability Assessment can be refined for 2023 and beyond.

- Workshop 2: Potential Affordability Indicators
Date/Time: Sep 20, 10am-12pm | Register [here](#).
 - Explore options for new and existing public water systems affordability indicators, drawing from recommendations received after Workshop 1.
 - Explore options for new affordability indicators for state small water systems and communities served by domestic wells.
- Workshop 3: Affordability Assessment Methodology & Threshold Setting
Date/Time: Nov 1, 10am-12pm | Register [here](#).
 - Explore options for affordability indicator thresholds and the affordability assessment.
 - Explore options for incorporating affordability indicators into the risk assessment for state small water systems and domestic wells.
- Workshop 4: 2023 Needs Assessment Workshop
Date/Time: TBD
 - Identify how recommendations from Workshops 1-3 will be incorporated into the 2023 and future Needs Assessments.

Discussion Questions:

- 1) Should the State Water Board continue to utilize **multiple** affordability indicators in the Affordability Assessment, or should it use **one**?
- 2) Should the State Water Board utilize **BOTH** household and community level affordability indicators or only one category?
- 3) Should the State Water Board develop new non-rate-based affordability indicators so that water systems that don't charge for water can be included in the assessment?

SAFER Drinking Water Webinar Series

The State Water Board will host a SAFER Drinking Water Webinar Series fall/winter 2022. The intent of the webinar series is to help participants learn about drinking water including where it comes from, how it's managed, if it's safe to drink, and how to get involved in advancing safe drinking water solutions in their community.

The SAFER Drinking Water Webinar Series will cover the following topics:

- Common drinking water challenges
- Identify how the SAFER Drinking Water program works
- Identify how communities have benefited from SAFER
- Share opportunities to get involved

More information about the SAFER Drinking Water Webinar Series will be available in the coming months.

Hexavalent Chromium

Hexavalent chromium (Chrom6 or HexChrom) is a geographically specific contaminant affecting mostly rural communities in California's Central Valley. It is manmade and is naturally occurring. While total chromium is already regulated in California, a new maximum

contaminant level (MCL) for hexavalent chromium specifically was originally proposed in 2014 and is now under consideration through the formal rulemaking process. The pre-rulemaking process (including data gathering, CEQA scoping, and pre-rulemaking workshops) has been underway for the past. After the official rulemaking package is sent to the Office of Administrative Law (OAL), the rulemaking process must be completed within one year, and participation of all parties that may be affected by the MCL change is required.

Update

- The State Water Board is finalizing the rulemaking materials and expected to complete in mid-October. The required rulemaking materials include an Initial Statement of Reasons (ISOR) and a Notice of Proposed Action (NOPA), an Economic and Fiscal Impact Statement, and express terms (the specific regulatory text).
- As of July 2022, the State Water Board is incorporating cost revisions and completing a supplementary Standardized Regulatory Impact Assessment (SRIA) and submit the rulemaking package to OAL in mid-October.
- The public workshops and comment period is anticipated for late 2022/early 2023.

2022 Legislation Related to the SAFER Program

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

NOTE: Bills that have been held in committee are not expected to advance further in the legislative process this year.

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.
- 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.

NOTE: Bill was held in the Assembly Governmental Organization Committee

**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 make several environmental justice-oriented changes to address disparate water quality impacts in disadvantaged communities.

Among the changes, this bill would require the State Water Resources Control Board and Regional Water Quality Control Boards, collectively referred to as the Water Boards, to:

- Each have one board member who represents environmental justice or tribal communities,
- Make a finding of environmental justice impacts when issuing waste discharge requirements or waivers and plans or policies,
- Take specified steps to address issues of environmental justice and social equity as early as possible in project planning processes,
- Take actions if funding is appropriated.

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 for 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.

NOTE: Bill was held in the Assembly Committee on Water, Parks, and Wildlife

CEQA

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

This bill would create a California Environmental Quality Act (CEQA) exemption for well projects that are part of a water system designated by the State Water Board as high risk or medium risk in the Board's drinking water needs assessment. The bill would require that any applicant wishing to use the exemption to 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 the State Water Board to provide federal Infrastructure Investment and Jobs Act funding to community water systems to fund the replacement or removal of lead service lines, among other related uses. Community water systems that serve disadvantaged communities would be prioritized for funding.

The bill would mandate that community water systems take measures:

- Before they replace a lead service line or a service line of unknown materials, such as determining the materials on the private side of the line,
- After they replace a lead service line, such as providing customers with educational materials, instructions on flushing, and pitcher filters.

Finally, this bill would expire on the earlier of two dates: (1) January 1, 2025, or (2) when the State Water Board issues regulations conforming with the federal Lead and Copper Rule Revisions.

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

This bill requires the State Water Board to provide a compliance period that gives water systems extra time to adjust to a new drinking water standard. The State Water Board must take the following steps:

- 1) Use information collected during the regulation-setting process to determine which water systems need financial assistance to comply with the Maximum Contaminant Level.
- 2) Work with water systems to develop both a compliance plan and a financial plan.
- 3) Consider whether the compliance plan was implemented when analyzing a water system's Maximum Contaminant Level violation.

NOTE: Bill was held in the Assembly Appropriations Committee

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 to low-income residential ratepayers for both drinking water and wastewater services.

The bill would make monies in the fund available upon appropriation by the Legislature to the State Water Board in consultation with relevant state agencies to provide:

- Direct water bill assistance
- Water bill credits
- Water crisis assistance

The bill would also 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 to prepare a Public Health Goal for manganese on or before July 1, 2025.
- The State Water Board to adopt drinking water regulations for manganese, including a primary drinking water standard monitoring requirement.
- The State Water Board to consider establishing a new manganese Notification Level and Response Level by January 31, 2024.

This bill would authorize the State Water Board to continue ordering community water systems to monitor manganese in their distribution systems and to continue providing funding for manganese-related remediation measures.

**SAFER considers water system compliance with Maximum Contaminant Levels 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.

- 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/FEES

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
- \$300 million for water recycling projects.

This bill declares that it is an urgency statute.

NOTE: Bill was held in the Assembly Appropriations Committee

AB 2419 (Bryan) Environmental justice: federal Infrastructure Investment and Jobs Act: Justice40 Oversight Committee.

This bill, among other provisions, would require:

- A minimum of 40 percent of the federal Infrastructure Investment and Jobs Act (IIJA) funds be allocated to projects that benefits disadvantaged communities and disadvantaged unincorporated communities,
- 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
- 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 a public meeting to discuss the evaluation for a new or increased fees/capacity charges.

NOTE: Bill was signed into law by the Governor and will become effective on January 1, 2023.

**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 California Native American tribes to:

- Remove barriers to access funding under the Safe and Affordable Drinking Water Fund (SADW Fund),
- Provide that any waiver of tribal sovereignty required for a tribe to access funding be narrowly drafted to serve both the individual needs of the tribe and make the funding agreement enforceable,
- Publicly post data about tribal funding.

This bill would also require the State Water Board's tribal advisor to participate in all discussions with Tribes about SADW Fund monies.

SB 1188 (Laird) Safe Drinking Water State Revolving Fund: financial assistance.

This bill would allow the State Water Board to provide grants, principal forgiveness funding, and zero percent financing from the state's Drinking Water State Revolving Fund to the full extent that such funding is authorized by federal law.

These changes would allow the State Water Board to provide funding to small, non-disadvantaged communities for consolidation projects, public health drinking water projects, and for larger non-disadvantaged communities to encourage consolidation with smaller water systems.

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

This bill would require, any state grant program created on or after January 1, 2023 use the same terms contained in a grantee's federally approved negotiated indirect cost rate agreements and cost allocation policies, to the extent possible and permitted by federal law.

This bill would also require the Department of General Services to establish, by July 1, 2023, a state standard negotiated cost agreement for grantees who do not have a federally approved negotiated indirect cost rate agreement or cost allocation policy.

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.

The bill would require the office, to take specified measures on or before December 31, 2024, to advance innovation in the water sector and ensure a drought-resilient economy.

NOTE: Bill was held in Senate Appropriations Committee

GROUNDWATER MANAGEMENT

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

This bill would prohibit a well permitting agency from issuing a permit for a groundwater extraction well in a high or medium priority basin. The permit can be issued if a groundwater sustainability agency determined the following conditions:

- The proposed well would be consistent with a sustainable groundwater management plan.
- The well would not decrease the likelihood of achieving sustainability goals.

This bill would require the agency to post the application notice and give the public an opportunity to comment.

Draft Racial Equity Action Plan

The Draft Racial Equity Action Plan is a compilation of draft actions intended to advance the State Water Board's efforts to create a future where we equitably preserve, enhance, and restore California's water resources and drinking water for all Californians, regardless of race, and where race is not a predictor of professional outcomes for Water Boards employees. The Racial Equity Action Plan sets goals for the State Water Board to address racial inequities and identifies metrics to measure progress.

In fall 2020, Water Boards Executive Director, Eileen Sobeck, convened a Water Boards Racial Equity Team with the purpose of advancing racial equity both for the communities that the Water Boards serve, and internally, within the organization. The Water Boards Racial Equity Team is comprised of Water Boards staff representing all levels of the organization and includes support staff, engineers, scientists, technologists, communicators, and executives. The Racial Equity Team has been tasked with three major priorities 1) establish a foundation of internal and external engagement that values listening and collaboration to drive action; 2) draft a resolution on racial equity to be considered for adoption by the State Water Board and leveraged by the nine Regional Water Boards to adopt their own resolutions; and 3) develop racial equity strategies and action plans to drive efforts for the coming years.

The Water Boards reached a major milestone on November 16, 2021, when the State Water Board adopted the Racial Equity Resolution, "Condemning Racism, Xenophobia, Bigotry, and Racial Injustice, and Strengthening Commitment to Racial Equity, Diversity, and Inclusion" (rs2021-0050). The Resolution directs staff to develop a plan of action to advance racial equity within the Water Boards.

In March 2022, the Water Boards Racial Equity Team began working with a diversity, equity, and inclusion consultant to articulate a vision and strategic directions that serve as the framework for our action planning.

Throughout spring 2022, Water Boards staff, community partners, tribes, and communities impacted by racial inequities began to identify draft actions to incorporate into a Racial Equity Action Plan. Also, in April 2022, the Water Boards began soliciting requests for government-to-government tribal consultations. The Water Boards Racial Equity Team compiled draft actions that reflect feedback from these discussions and hosted four public workshops in July 2022 to present the draft action ideas.

The Racial Equity Action Plan will be a living document intended to be adjusted and modified as necessary. Although the plan will be for the State Water Board, the nine Regional Boards have strongly supported the State Water Board’s racial equity efforts and will leverage it to inform their own racial equity work, as they have the State Water Board’s racial equity resolution.

SAFER TIMELINE

Table 4: Tentative 2022 Schedule of Events Related to SAFER

July - September	October - December
7/25-9/23 Advisory Group Application Period	10/11 & 10/13 POU/POE Workshop
8/8 Proposed Updates to the Cost Assessment Model Webinar	10/TBD Release of POU/POE Report
8/8 Drinking Water Webinar Series Survey	10/TBD Administrator Handbook Workshop
8/11 Affordability Workshop #1	11/1 Board Considers Adoption of FEP
8/15 Release of Draft FEP	11/1 Affordability Workshop #3
8/16 Board Workshop on FEP	11/TBD Cost Assessment Workshop
9/7 Drinking Water and Clean Water State Revolving Fund Intended Use Plans Workshop	12/1 Advisory Group Meeting #4
9/9 Advisory Group Meeting #3	12/TBD Board Meeting on Administrator Handbook
9/20 Affordability Workshop #2	12/TBD Advisory Group Members Appointed
	12/TBD 2023 Needs Assessment Workshop