



State of California

Draft FY 2025-26 Fund Expenditure Plan

Safe and Affordable Drinking Water Fund



Prepared by:

THE DIVISION OF FINANCIAL ASSISTANCE

STATE WATER RESOURCES CONTROL BOARD

STATE OF CALIFORNIA

June 2025

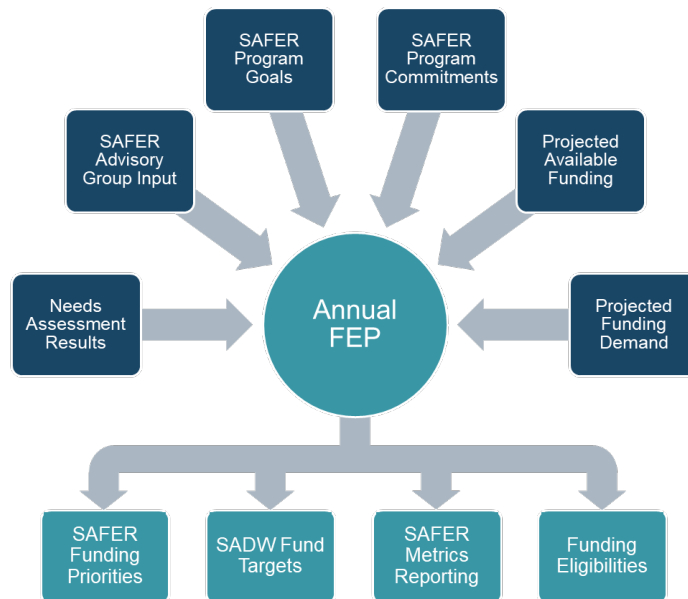
EXECUTIVE SUMMARY

Senate Bill (SB) 200 (Ch. 120, Stats. 2019) established the Safe and Affordable Drinking Water Fund (SADW Fund) and requires the annual adoption of a Fund Expenditure Plan (FEP)¹. Expenditures from the Fund will complement other funding sources as part of the broader Safe and Affordable Funding for Equity and Resilience Drinking Water Program (SAFER Program), administered by the State Water Resources Control Board (State Water Board), which includes General Fund (GF) appropriations, general obligation bond funds, and funding available through annual Drinking Water State Revolving Fund (DWSRF) capitalization grants. 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 SAFER Program's goal is to provide safe and affordable drinking water in every California community, for every Californian.

Each annual FEP is developed as shown in Figure ES-1. Funding eligibilities established in the annual FEP for the SADW Fund are intended to be complementary to the DWSRF Intended Use Plan (IUP) and are broken out by system category (i.e., public water systems (PWSs) and domestic wells and state small water systems (DW/SSWSs) for each solution type (i.e., interim supplies and emergency repairs, technical assistance (TA), administrator, planning, construction, and operation and maintenance (O&M)).

¹ Key terms used within this FEP are defined either in Section IV of the Policy for Developing the Fund Expenditure Plan for the Safe and Affordable Drinking Water Fund (SADW Fund Policy) or the Definitions section of this FEP.

Figure ES-1. Annual FEP Inputs and Outputs



NOTABLE CHANGES

Key updates to the Fiscal Year (FY) 2025-26 FEP compared to the prior FY's are presented in Figure ES-2.

Figure ES-2. FY 2025-26 FEP Notable Changes



General FEP Organization

Significant re-organization to establish SAFER Program goals and strategy, report back on SAFER Program performance, describe anticipated available funding, FY 2025-26 funding priorities and targets, as well as funding eligibilities by system category and solution type. Simplification by moving certain sections to appendices.



New Domestic Well/ State Small Water System Strategy

Addition of new DW/SSWS strategy to:

- 1) Share data to inform possible solutions
- 2) Fill funding gaps in local and regional programs
- 3) Promote and explore long-term solutions



SAFER Program Performance

Focus on progress related to SAFER Program goals established in prior FY 2024-25 FEP with previously reported on metrics available in Appendix C.



Comprehensive Funding Eligibilities

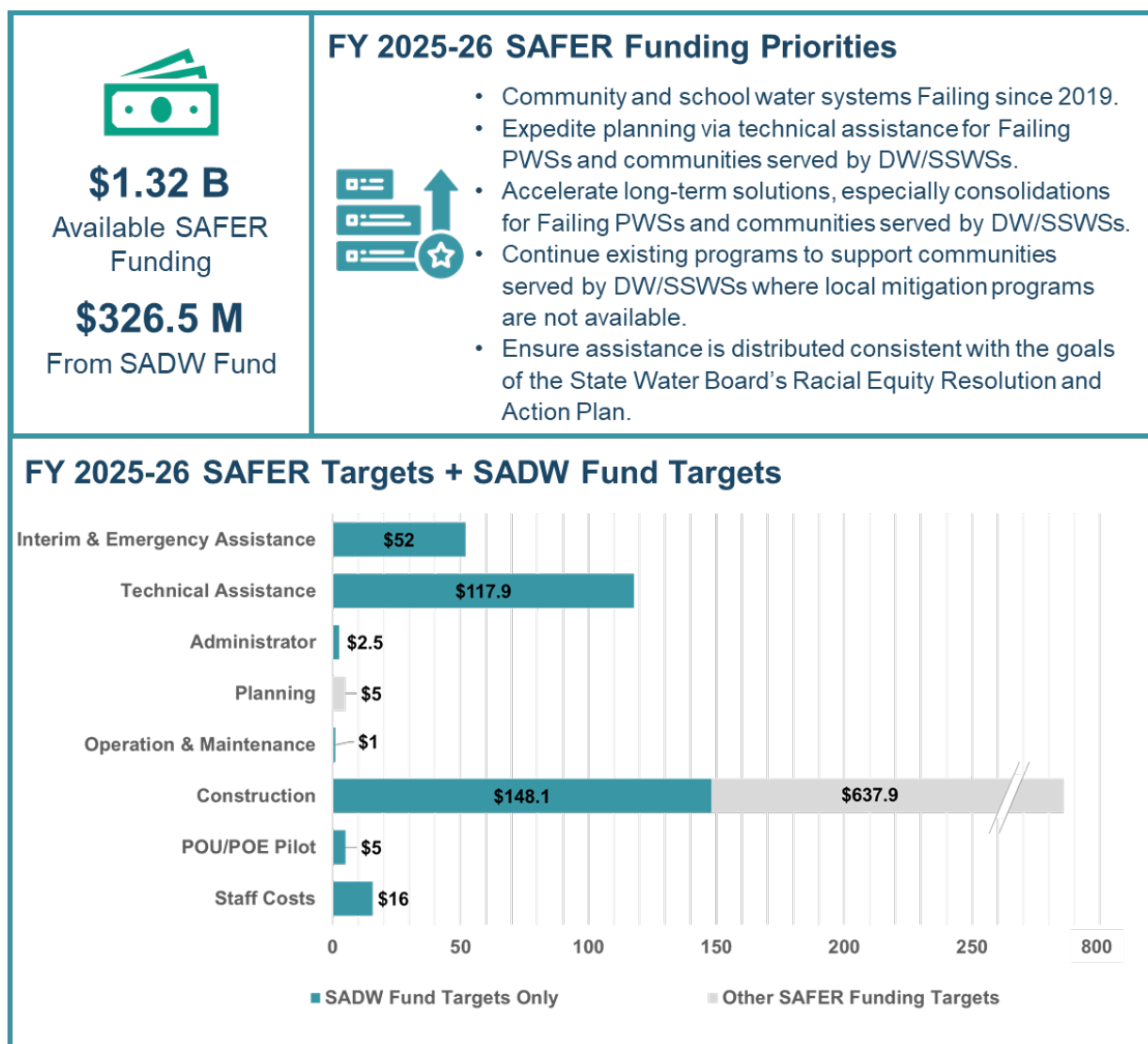
Information broken into two main sections by system category (i.e., PWS and DW/SSWS) and discusses eligibilities for each solution type. Key updates:

- **Interim Solutions**
Clarifies durations of SAFER-funded interim solutions, especially in areas where existing local mitigation programs are being implemented.
- **Technical Assistance**
Clarifies decision criteria for each step in moving projects through the planning process via TA.
- **Planning and Construction**
Clearer alignment with DWSRF IUP eligibilities for planning and construction, including consolidations.
- **Long-term Solutions for DW/SSWS**
Clarifies project eligibility for DW/SSWS communities such as consolidation or de-centralized solutions (e.g., point-of-use or point-of-entry treatment or tank installation in hard-rock areas).
- **Construction via Urgent Drinking Water Needs Process**
Increased limit from \$500,000 to \$1 million for relatively simple construction projects meeting certain criteria (e.g., completed planning and environmental documents) that can utilize the Urgent Drinking Water Needs application process.

SAFER PROGRAM AVAILABLE FUNDING, PRIORITIES AND TARGETS

A summary of FY 2025-26's anticipated available funding, SAFER funding priorities, and SAFER plus SADW Fund targets are presented in Figure ES- 3.

Figure ES- 3. FY 2025-26 Available Funding, Priorities, and Targets



SAFER PROGRAM PERFORMANCE

Since the SADW Fund was established, the SAFER Program has benefitted California communities (including areas served by PWSs, SSWSs, and DWs communities) by providing:

- (1) Interim supplies of safe drinking water;

- (2) TA to support the planning of long-term solutions and help build local technical capacity;
- (3) Direct planning grants to PWSs to support projects development; and
- (4) Construction funding to implement sustainable long-term solutions.

Figure ES-4 shows progress for the above solution types cumulatively, from a start date of January 1, 2019, to show SAFER Program performance over time.

**Figure ES-4. Cumulative SAFER Program Performance²
(SADW Fund plus complementary funding) (1/1/2019-3/31/2025)**



² Data presented in the figure above includes loans. For interim assistance, amounts represent funding that has been committed. For TA, amounts represent funding that has been committed to work plans and does not include remaining capacity in TA master agreements. For planning and construction, amounts represent funding for executed agreements. Additionally, in the construction category, when considering just the projects benefiting small DACs, the total amount of assistance is approximately \$998 million, for 204 water systems, benefiting 820,880 people.