

## **XIII. APPENDICES F - K**

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## Appendix F. List of Programs to Assist Households and Schools whose Tap Water Contains Contaminants

Assistance Program	Description	Funding Program	Approved Funding Amount	Approximate # of Schools/ Households	Location of Schools/ Households
<b>Rural Community Assistance Corporation (RCAC) Statewide Bottled Water for Schools Program</b>	The Statewide Bottled Water for Schools Program is for the purchase and delivery of bottled drinking water for schools serving kindergarten or any of grades 1-12, and preschools and child day care facilities, located on public school property statewide, through the Work Completion Date or until a long-term solution, or other interim solution, is in place for each site, whichever occurs first. The funding provides a maximum of 1/4 gallon per person per school day for up to two years at any one school.	SB 200 Safe and Affordable Drinking Water	\$4,547,038	100 Schools	Statewide
<b>Community Water Center Central Coast Multi-County Bottled Water Project (Region 3)</b>	The Program will provide bottled drinking water to approximately 250 eligible disadvantaged Households served by a private well or small water system with a Contaminated Water Supply within the jurisdiction of the Central Coast Regional Water Quality Control Board. These households must also be located outside of any area already provided with bottled drinking water. Additionally, the grant will fund implementation of a 1,2,3 - Trichloropropane (123-TCP) point-of-entry (POE) Treatment Pilot in	SB 200 Safe and Affordable Drinking Water	\$ 3,976,612	250 households	Santa Cruz, San Benito, San Luis Obispo, Santa Barbara, and portions of Santa Clara, Monterey, and Ventura Counties

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Assistance Program	Description	Funding Program	Approved Funding Amount	Approximate # of Schools/ Households	Location of Schools/ Households
	<p>Monterey, Santa Cruz and San Benito Counties. The funding will provide operation and maintenance of 123-TCP POE treatment systems previously installed in the project area through Community Water Center's 123-TCP Treatment Pilot Project for DAC Households in Northern Monterey County and installing, operating and maintaining additional treatment systems.</p>				
<p><b>Self-Help Enterprises Regional Bottled Water Program</b></p>	<p>The Self-Help Enterprises Regional Bottled Water Program will provide bottled water to households served by public water systems and private household wells, located in the Self-Help Enterprises Service Area (Kern, Kings, Tulare, Fresno, Madera, Merced, Mariposa, San Joaquin and Stanislaus), that have urgent drinking water needs.</p>	<p>SB 200 Safe and Affordable Drinking Water</p>	<p>\$ 6,892,264</p>	<p>3,600 households</p>	<p>Fresno, Kern, Kings, Madera, Mariposa, Merced, Stanislaus, San Joaquin, and Tulare Counties</p>

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Assistance Program	Description	Funding Program	Approved Funding Amount	Approximate # of Schools/ Households	Location of Schools/ Households
<b>Self-Help Enterprises Household Solutions Program</b>	<p>The Household Private Wells Assistance Program will conduct outreach to potential households, located in the Self-Help Enterprises Service Area (Kern, Kings, Tulare, Fresno, Madera, Merced, Mariposa, San Joaquin and Stanislaus), served by private wells and will conduct well testing and provide interim solutions including point of entry and/or point of use (POE/POU) filtration device to those participating households that have water quality issues. This program has been recently expanded to be able to assist public water systems and state smalls in addition to households served by domestic wells.</p>	SB 200 Safe and Affordable Drinking Water	\$ 14,698,375	1,600 households	Fresno, Kern, Kings, Madera, Mariposa, Merced, Stanislaus, San Joaquin, and Tulare Counties
<b>Drinking Water for Schools Round 2-RCAC</b>	<p>The Drinking Water for School Grant Program will provide assistance to eligible school districts through two nonprofit organizations that will act as Program Administrators. These Program Administrators will develop and implement projects for schools serving disadvantaged communities. The first priority will be to provide interim solutions such as Point of Use treatment to schools with impaired water quality. Projects may</p>	SB 862 (Stats. 2018, ch. 449), then amended by AB 72 (Stats. 2019, ch. 1)	\$ 2,579,000	60 schools	Statewide

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Assistance Program	Description	Funding Program	Approved Funding Amount	Approximate # of Schools/ Households	Location of Schools/ Households
	also be funded to improve access to drinking water if sufficient budget remains after meeting the water quality impairment needs.				
<b>Drinking Water for Schools Round 2-Self Help Enterprises</b>	The Drinking Water for School Grant Program will provide assistance to eligible school districts through two nonprofit organizations that will act as Program Administrators. These Program Administrators will develop and implement projects for schools serving disadvantaged communities. The first priority will be to provide interim solutions such as Point of Use treatment to schools with impaired water quality. Projects may also be funded to improve access to drinking water if sufficient budget remains after meeting the water quality impairment needs.	SB 862 (Stats. 2018, ch. 449), then amended by Assembly Bill (AB) 72 (Stats. 2019, ch. 1)	\$ 3,856,000	60 schools	Statewide

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Assistance Program	Description	Funding Program	Approved Funding Amount	Approximate # of Schools/ Households	Location of Schools/ Households
<b>Valley Water Collaborative Expanding Co-Contaminant Well Sampling And Replacement Water Program</b>	The funding is for establishing and implementing the Expanded Constituent Well Sampling and Replacement Water Program (Program) in conjunction and coordination with the Central Valley Regional Water Quality Control Board’s Nitrate Control Program, within the Management Zones encompassed by Valley Water Collaborative that are served by private wells or state small water systems. The Program provides domestic well testing and interim drinking water solutions including bottled water delivery, point of entry and/or point of use (POE/POU) filtration devices	Safe and Affordable Drinking Water Fund (SADW Fund)	\$5,540,725	1,232	Modesto, and Turlock Groundwater Basins
<b>Tule Basin Water Foundation Expanding Co-Contaminant Well Sampling And Replacement Water Program</b>	The funding is for establishing and implementing the Expanded Constituent Well Sampling and Replacement Water Program (Program) in conjunction and coordination with the Central Valley Regional Water Quality Control Board’s Nitrate Control Program, within the Management Zones encompassed by Valley Water Collaborative that are served by private wells or state small water	Safe and Affordable Drinking Water Fund (SADW Fund)	\$4,528,882	900	Tule Groundwater Basin

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Assistance Program	Description	Funding Program	Approved Funding Amount	Approximate # of Schools/ Households	Location of Schools/ Households
	systems. The Program provides domestic well testing and interim drinking water solutions including bottled water delivery, point of entry and/or point of use (POE/POU) filtration devices				
<b>SHE Domestic Well and Small Water System Flood Mitigation Program</b>	The program will provide interim and long-term solutions served by domestic wells who have a failed or damaged water well due to flooding. Interim solutions consist of bottled drinking water, delivery of temporary water storage tanks, and hauled potable water. Long-term solutions consist of well repair, replacement, and installation of Point-of-Use and Point-of-Entry treatment systems, if needed. The Program will also provide connection to a public water system when possible.	General Fund – Control Section 11.86	\$14,000,000	Approximately 1114	Fresno, Kern, Kings, Madera, Mariposa, Merced, Stanislaus, San Joaquin, and Tulare Counties

Appendix G. SAFER Program Commitments for FY 2023-24 (as of March 31, 2024)

Primary Funding Source	Party/ Grantee	Project Name	Total Amount	Project Type	County	State Assembly	State Senate	DAC Status	GGRF Priority Population Benefit	SAFER Status	Cal EnviroScreen Score Percentile <sup>1</sup>	Average Household Size (Persons) <sub>1</sub>	Percent Below Poverty Level <sup>1</sup>	Majority Race <sup>1</sup>
Prop 1	Apple Valley Heights County Water District	Storage Tanks & Transmission Pipeline Improvements	\$75,872	Planning	San Bernardino	33	16	DAC		Potentially At-Risk	43.8	3.1	0.3	White
GF Infrastructure	Ballico-Cressey School District	Cressey Elementary School Water System Project	\$867,214	Construction	Merced	21	12	DAC		Failing	72.2	3.4	0.5	Hispanic
Prop 1	Bell Gardens, City of	Bell Gardens Well No. 1 Improvements project	\$1,200,000	Planning	Los Angeles	58	33	SDAC		Potentially At-Risk	90.5	4.0	0.5	Hispanic
General Supp PF (BIL)	Bishop Paiute-Shoshone Tribe	Bishop Paiute Tribe Water System Improvements	\$407,421	Planning	Inyo	26	8	--		--	--	--	--	--
General Supp PF (BIL)	Browns Elementary School District	Browns School Well Rehabilitation Project	\$1,750,000	Construction	Sutter	3	4	Non-DAC		At-Risk	52.5	2.7	0.1	White
General Supp PF (BIL)	Burney Water District	Burney Water District Water System Improvement Project	\$13,981,000	Construction	Shasta	1	1	DAC		Not At-Risk	40.4	2.5	0.3	White
General Supp PF (BIL)	Burnt Ranch Estates Mutual Water Company	Water Treatment Plant & Supporting Infrastructure Upgrades	\$397,750	Planning	Trinity	2	2	SDAC		Not At-Risk	16.9	3.4	0.4	White
GF Infrastructure	California Urban Water Agencies	Technical Assistance to Support Drinking Water Systems in Need of TMF Assistance	\$2,500,000	Tech Assistance	Various	--	--	--		--	--	--	--	--
Prop 68	Chatom Union School District	Mountain View Middle School Drinking Water Project	\$556,291	Planning	Stanislaus	21	8	SDAC		Failing	92.4	3.2	0.4	Hispanic
Emerging Contaminants PF	City of Anaheim	Groundwater Treatment Plant (PFAS) - Phase B	\$5,000,000	Construction	Orange	69	34	Non-DAC		--	54.2	3.1	0.2	Hispanic
GF Infrastructure	City of Dos Palos	Water Treatment Plant Replacement Project	\$40,153,192	Construction	Merced	21	12	SDAC		Failing	80.5	3.1	0.3	Hispanic
GF Infrastructure	City of Etna	City of Etna - Water System Improvements Project	\$2,936,080	Construction	Siskiyou	1	1	SDAC		Not At-Risk	16.3	2.4	0.3	White
GF Infrastructure	City of Fresno	New Horizon and Del Oro.: City of Fresno Regional Consolidation Project Group 1	\$5,873,821	Construction	Fresno	31	14	DAC		--	72.7	3.1	0.4	Hispanic
GF Infrastructure	City of Lomita	City of Lomita Water Infrastructure Improvement	\$300,000	Construction	Los Angeles	--	--	Non-DAC		Not At-Risk	50.1	2.6	0.2	White



Appendix G. SAFER Program Committed Expenditures for FY 2023-24 (as of March 31, 2024)

Primary Funding Source	Party/ Grantee	Project Name	Total Amount	Project Type	County	State Assembly	State Senate	DAC Status	GGRF Priority Population Benefit	SAFER Status	Cal EnviroScreen Score Percentile <sup>1</sup>	Average Household Size (Persons) <sub>1</sub>	Percent Below Poverty Level <sup>1</sup>	Majority Race <sup>1</sup>
GF Infrastructure	City of Manhattan Beach	El Porto Water Infrastructure Improvement	\$3,500,000	Construction	Los Angeles	--	--	--		--	--	--	--	--
SADWF	City of McFarland	Water System Improvement & Treatment Project	\$2,000,000	Construction	Kern	30	16	SDAC	Disadvantaged Community	Failing	85.9	4.0	0.6	Hispanic
GF Infrastructure	City of McFarland	Water System Improvement & Treatment Project	\$4,609,480	Construction	Kern	30	16	SDAC		Failing	85.9	4.0	0.6	Hispanic
SADWF	City of McFarland, City Manager	City of McFarland Interim Nitrate Treatment	\$463,140	Interim Water Solutions	Kern	--	--	SDAC	Disadvantaged Community	Failing	85.9	4.0	0.6	Hispanic
GF Infrastructure	City of Modesto	--	\$2,115,592	Construction	Stanislaus	21	12	DAC		--	71.3	3.1	0.4	Hispanic
GF Infrastructure	City of Pleasanton	Water Supply Alternative (Wells 9 and 10) Project	\$1,000,000	Planning	Alameda	--	--	Non-DAC		Not At-Risk	15.2	2.9	0.1	White
GF Infrastructure	City of Porterville	Akin/Central Water Consolidation Project	\$3,652,242	Construction	Tulare	26	14	DAC		Not At-Risk	85.0	3.3	0.5	Hispanic
GF Infrastructure	City of Sanger	Tombstone Territory Water Connection Project	\$50,000	Construction	Fresno	31	14	DAC		Potentially At-Risk	78.7	3.7	0.4	Hispanic
DWSRF PF	City of Yreka	South Yreka Water Supply & Distribution Improvements	\$1,517,000	Planning	Siskiyou	1	1	SDAC		Not At-Risk	48.5	2.4	0.4	White
SADWF	Clear Creek Community Services District	Clear Creek CSD SCADA/Electrical Emergency Repairs	\$408,340	Interim Water Solutions	Shasta	1	1	SDAC	Low income Community	Not At-Risk	14.7	2.6	0.3	White
Prop 68	Clear Creek Community Services District	Drinking Water System Improvements	\$5,000,000	Construction	Shasta	54	26	SDAC		Potentially At-Risk	31.9	2.4	0.5	White
GF Infrastructure	Clear Creek Community Services District	Drinking Water System Improvements	\$7,455,301	Construction	Shasta	54	26	SDAC		Potentially At-Risk	31.9	2.4	0.5	White
General Supp PF (BIL)	Coachella Valley Water District	East Coachella Valley Water Supply Plan Update and Consolidation Planning Project	\$3,030,823	Planning	Riverside	56	28	SDAC		--	37.6	2.4	0.4	Hispanic
General Supp PF (BIL)	Cobb Area County Water District	Alpine Meadows and Starview Improvement Project	\$3,893,000	Construction	Lake	4	2	DAC		At-Risk	14.9	2.0	0.3	White
GF Infrastructure	Coleman Engineering, Inc.	Safe and Affordable Funding for Equity and Resilience Drinking Water	\$3,000,000	Tech Assistance	Various	--	--	--		--	--	--	--	--

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		Technical Assistance Program												
SADWF	Colusa County Waterworks District No. 1	Grimes Community Interim Bottled Water	\$179,624	Construction	Colusa	4	4	SDAC	Low income Community	Failing	64.8	3.2	0.5	White
General Supp PF (BIL)	Colusa, City of	Water Well Construction Project	\$3,495,624	Construction	Colusa	2	4	DAC		Failing	56.0	2.6	0.3	Hispanic
SADWF	Community Water Center	Community-Driven Water Solutions in the San Joaquin Valley and Central Coast	\$8,786,748	Tech Assistance	Tulare	--	--	--	Low income Community	--	--	--	--	--
SADWF	County of Riverside	Oasis Mobile Home Park Bottled Water Project	\$1,003,309	Interim Water Solutions	Riverside	36	18	SDAC	Low income Community	--	--	--	--	--
GF Infrastructure	County of San Mateo	Pescadero High School Consolidation	\$4,191,330	Construction	San Mateo	19, 24, 22	13	Non-DAC		Failing	14.2	2.5	0.2	White
General Supp PF (BIL)	Crows Landing Community Services District	Crows Landing Community Services District - Water System Improvements	\$1,162,000	Planning	Stanislaus	21	12	SDAC		Not At-Risk	72.7	2.6	0.2	Hispanic
SADWF	Daggett CSD Water Co	Daggett CSD Emergency Drinking Water	\$264,384	Interim Water Solutions	San Bernardino	34	12	SDAC	Low income Community	--	--	--	--	--
Prop 68	East Orosi Community Services District	East Orosi Community Services District Water Supply and Infrastructure	\$5,000,000	Construction	Tulare	33	16	--		Failing	--	--	--	--
GF Infrastructure	East Orosi Community Services District Water Supply and Infrastructure	East Orosi Community Services District Water Supply and Infrastructure	\$8,521,607	Construction	Tulare	33	16	SDAC		Failing	--	--	--	--
Prop 68	Elk Creek Community Services District	Water Treatment Plant Improvement Project	\$4,285,715	Construction	Glenn	3	1	DAC		At-Risk	59.5	2.6	0.1	White
Prop 68	Etna, City of	City of Etna - Water System Improvements Project	\$5,000,000	Construction	Siskiyou	1	1	SDAC		Not At-Risk	16.3	2.4	0.3	White
GF Infrastructure	Feather River Canyon Community Services District	Old Mill Ranch Water Supply Project	\$2,160,000	Construction	Plumas	1	1	SDAC		At-Risk	44.1	2.5	0.4	White
General Supp PF (BIL)	Fort Bragg, City of	Water Treatment Plant Overhaul and Water Tank Rehabilitation	\$1,117,410	Construction	Mendocino	2	2	SDAC		Potentially At-Risk	47.5	2.2	0.4	White

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Primary Funding Source	Party/ Grantee	Project Name	Total Amount	Project Type	County	State Assembly	State Senate	DAC Status	GGRF Priority Population Benefit	SAFER Status	Cal EnviroScreen Score Percentile <sup>1</sup>	Average Household Size (Persons) <sub>1</sub>	Percent Below Poverty Level <sup>1</sup>	Majority Race <sup>1</sup>
DWSRF PF	Fresno, County of	Westside Groundwater Project	\$7,658,253	Construction	Fresno	31	16	SDAC		Failing	83.0	3.8	0.7	Hispanic
SADWF	Fresno, County of	El Porvenir Operations and Maintenance (O&M) Assistance Project	\$950,019	Interim Water Solutions	Fresno	31	14	Non-DAC	Non-DAC	Failing	84.7	3.6	0.5	Hispanic
GF Infrastructure	GHD, Inc.	Safe and Affordable Funding for Equity and Resilience Drinking Water Technical Assistance Program	\$12,000,000	Tech Assistance	Various	--	--	--		--	--	--	--	--
GF Infrastructure	Golden State Water Company	Robbins System - New Well and Arsenic Removal Treatment	\$1,480,000	Construction	Sutter	3	6	SDAC		Failing	61.6	2.7	0.3	Hispanic
SADWF	Golden State Water Company - Barstow	Desert View Mobile Park Consolidation Project	\$470,859	Construction	Sacramento	34	19	SDAC	Low income Community	Failing	78.2	2.6	0.7	White
Prop 68	Golden State Water Company - Robbins System	Robbins System - New Well and Arsenic Removal Treatment	\$5,000,000	Construction	Sutter	3	6	SDAC		Failing	61.6	2.7	0.3	Hispanic
General Supp PF (BIL)	Hamilton Branch Community Services District	Source Capacity Development and Associated Infrastructure Improvements	\$775,000	Planning	Lassen	1	1	SDAC		Not At-Risk	31.5	2.0	0.2	White
DWSRF PF	Happy Camp Community Services District	Happy Camp Water Treatment System Upgrade	\$12,890	Construction	Siskiyou	1	1	SDAC		Not At-Risk	28.8	2.2	0.5	White
GF Infrastructure	Huntington Beach, City of	Old Pirate Lane Consolidation Project	\$327,947	Construction	Orange	74	37	Non-DAC		--	31.3	2.6	0.1	White
GF Infrastructure	Indian Wells Valley Water District	Dune 3 Water Company Consolidation Project	\$4,598,924	Construction	Kern	16	34	Non-DAC		Potentially At-Risk	52.7	2.6	0.3	White
GF Infrastructure	Indian Wells Valley Water District	Hometown Water Association Consolidation	\$297,072	Construction	Kern	--	--	Non-DAC		Potentially At-Risk	52.7	2.6	0.3	White
GF Infrastructure	Ivanhoe PUD	Well No.9 and Conveyance Pipeline Project	\$2,839,952	Construction	Tulare	33	16	DAC		At-Risk	73.9	3.5	0.4	Hispanic
Prop 1	Jubilee Mutual Water Company	Gordon Acres Consolidation Project	\$1,782,939	Construction	San Bernardino	33	16	SDAC		Not At-Risk	56.9	2.5	0.5	White

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DWSRF PF	Knights Ferry Community Services District	KFCSD Functioning Upgrades	\$735,500	Planning	Stanislaus	12	8	SDAC		At-Risk	60.7	2.9	0.3	White
General Supp PF (BIL)	Knights Ferry Community Services District	KFCSD Functioning Upgrades	\$735,500	Planning	Stanislaus	12	8	SDAC		At-Risk	60.7	2.9	0.3	White
GF Infrastructure	Lake of the Woods Mutual Water Company	Lake of the Woods Waterline Replacement Project	\$1,000	Construction	Kern	34	16	SDAC		At-Risk	16.5	2.3	0.5	White
GF Infrastructure	Leadership Counsel for Justice and Accountability	Outreach, Engagement and Legal Assistance in the San Joaquin and Coachella Valleys (Drinking Water)	\$324,775	Tech Assistance	Fresno	--	--	DAC		--	--	--	--	--
General Supp PF (BIL)	Leisure Acres Mutual Water Company	Potable Water System Improvements	\$6,313,000	Construction	Madera	5	8	Non-DAC		Failing	27.2	2.4	0.1	White
DWSRF PF	Lewiston Community Services District	Water Distribution System Replacement & Well 8 Project	\$1,866,152	Construction	Trinity	2	2	SDAC		At-Risk	10.1	3.6	0.4	White
Emerging Contaminants PF	Lewiston Community Services District	Water Distribution System Replacement & Well 8 Project	\$5,000,000	Construction	Trinity	2	2	SDAC		At-Risk	10.1	3.6	0.4	White
SADWF	Locke Water Works Company	Locke Water Works Bottled Water Assistance	\$233,848	Interim Water Solutions	Sacramento	11	3	DAC	Low income Community	Failing	63.7	2.6	0.2	White
Prop 68	Loleta Community Services District	Water Storage Tank Replacement	\$500,000	Construction	Humboldt	2	2	DAC		At-Risk	47.8	2.6	0.3	White
GF Infrastructure	Loleta Community Services District	Water Storage Tank Replacement	\$6,167,960	Construction	Humboldt	2	2	DAC		At-Risk	47.8	2.6	0.3	White
DWSRF PF	London Community Services District	Water System Reliability Project	\$1,562,314	Construction	Tulare	26	14	SDAC		Failing	96.9	3.9	0.7	Hispanic
General Supp PF (BIL)	Los Tules Mutual Water Company	Los Tules Mutual Water Company Infrastructure and Fire Safety Project	\$821,966	Construction	--	71	38	SDAC		Not At-Risk	27.1	2.5	0.3	White

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DWSRF PF	Lukins Brothers Water Company	Phase 2 Waterline Project - James Avenue	\$3,284,011	Construction	El Dorado	5	1	SDAC		Not At-Risk	41.1	2.4	0.3	White
Prop 1	Madera, County of (MD37 - La Vina)	MD37 La Vina - Water Meter Installation Project	\$20,000	Construction	Madera	5	12	SDAC		Not At-Risk	93.3	3.4	0.7	Hispanic
DWSRF PF	Manhattan Beach, City of	El Porto Water Infrastructure Improvement	\$2,100,000	Construction	Los Angeles	--	--	Non-DAC		Not At-Risk	8.9	2.7	0.1	White
GF Infrastructure	Manila Community Services District	Manila CSD Water Infrastructure Improvement Project	\$1,537,131	Construction	Humboldt	2	2	DAC		Not At-Risk	61.1	2.6	0.4	White
Prop 68	Manteca, City of	Nile Garden School - Well 30 Water Supply Project	\$3,411,043	Construction	San Joaquin	12	5	Non-DAC		Failing	73.1	3.3	0.2	Hispanic
Prop 68	Mariposa County Unified School District	Sierra Foothill Charter School Safe Drinking Water Project	\$1,078,519	Construction	Mariposa	5	8	SDAC		At-Risk	44.1	2.2	0.3	White
SADWF	Markleeville Water Company	Markleeville Water Co water system improvements	\$1,000,000	Construction	Alpine	5	1	Non-DAC	Non-DAC	Not At-Risk	22.0	3.3	0.3	White
GF Infrastructure	Markleeville Water Company	Markleeville Water Company Water System Improvements	\$6,429,659	Construction	Alpine	5	1	Non-DAC		Not At-Risk	22.0	3.3	0.3	White
Prop 1	Mendocino Unified School District	MUSD Water Supply and Storage Project	\$1,000,000	Construction	Mendocino	2	2	Non-DAC		Not At-Risk	26.4	2.2	0.0	White
SADWF	Mendocino Unified School District	MUSD Water Supply and Storage Project	\$5,005,162	Construction	Mendocino	2	2	Non-DAC	Non-DAC	Not At-Risk	26.4	2.2	0.0	White
GF Infrastructure	Mettler County Water District	1,2,3-TCP and Nitrate Mitigation Project	\$5,214,000	Construction	Kern	32	12	Non-DAC		Failing	80.8	3.0	0.3	Hispanic
GF Infrastructure	Mission Union Elementary School District	Long Term Solution for Nitrate Contamination	\$1,281,273	Construction	Monterey	30	17	SDAC		At-Risk	50.4	2.7	0.3	Hispanic
GF Infrastructure	Mitchell'S Avenue E Mobile Home Park	Arsenic Treatment Facility Improvements	\$1,588,390	Construction	Los Angeles	36	21	SDAC		Failing	46.2	2.4	0.4	White
SADWF	Mitchell's Avenue E Park Inc	Mitchell's Avenue E. Park Inc. Water Treatment Project	\$327,701	Interim Water Solutions	Los Angeles	39	21	SDAC	Low income Community	Failing	46.2	2.4	0.4	White
Prop 68	Modesto, City of	Riverdale Park Tract Community Services District Consolidation	\$5,000,000	Construction	Stanislaus	21	12	DAC		--	71.3	3.1	0.4	Hispanic



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General Supp PF (BIL)	Nicasio School District	Nicasio School District Water System Upgrade Project	\$225,000	Construction	Marin	10	2	Non-DAC		Failing	15.6	2.3	0.1	White
GF Infrastructure	NV5, Inc.	Safe and Affordable Funding for Equity and Resilience Drinking Water Technical Assistance Program	\$2,000,000	Tech Assistance	Various	--	--	--		--	--	--	--	--
SADWF	P&P LTE	William Fisher Memorial Water Company Operation and Maintenance.	\$160,019	Interim Water Solutions	Kern	--	--	--	TBD	Failing	--	--	--	--
Prop 68	Palermo Union School District	Honcut School Water System Improvement Project	\$2,876,900	Construction	Butte	3	4	--		Failing	--	--	--	--
SADWF	Palmdale Water District	Alpine Springs Mobile Home Park Water Hauling	\$121,872	Construction	Los Angeles	39	21	Non-DAC	Non-DAC	At-Risk	59.0	3.2	0.3	Hispanic
AB 74	Palmdale Water District (PWD)	Alpine Springs Mobile Home Park (MHP) Water Hauling	\$121,872	Construction	Los Angeles	39	21	Non-DAC		At-Risk	59.0	3.2	0.3	Hispanic
General Supp PF (BIL)	Palo Verde Union Elementary School District	Palo Verde Union Elementary School Well	\$750,000	Construction	Tulare	26	16	SDAC		At-Risk	96.1	3.8	0.5	Hispanic
Prop 1	Paskenta Community Services District	Water Main Rehabilitation and Meter Project	\$31,368	Planning	Tehama	3	4	SDAC		At-Risk	51.7	2.4	0.3	White
Prop 68	Phillipsville Community Services District	Water Quality, Supply, and Distribution Improvements Project	\$1,500,000	Construction	Humboldt	2	2	SDAC		Not At-Risk	29.0	2.3	0.5	White
GF Infrastructure	Phillipsville Community Services District	Water Quality, Supply, and Distribution Improvements Project	\$4,000,000	Construction	Humboldt	2	2	SDAC		Not At-Risk	29.0	2.3	0.5	White
DWSRF PF	Placer County Water Agency	Dutch Flat Mutual Consolidation	\$2,765,854	Construction	Placer	5	1	Non-DAC		Not At-Risk	24.2	2.4	0.2	White
SADWF	Placer County Water Agency	Mariah Apartments Consolidation Project	\$338,792	Construction	Placer	6	1	Non-DAC	Non-DAC	Potentially At-Risk	10.2	2.5	0.2	White
GF Infrastructure	Placer County Water Agency	Shady Glen Consolidation Construction Project	\$4,544,879	Construction	Placer	1	1	SDAC		At-Risk	11.3	2.5	0.3	White
GF Infrastructure	Provost & Prichard Engineering Group, Inc.	Safe and Affordable Funding for Equity and Resilience Drinking Water	\$5,000,000	Tech Assistance	Various	--	--	--		--	--	--	--	--

Appendix G. SAFER Program Committed Expenditures for FY 2023-24 (as of March 31, 2024)

Primary Funding Source	Party/ Grantee	Project Name	Total Amount	Project Type	County	State Assembly	State Senate	DAC Status	GGRF Priority Population Benefit	SAFER Status	Cal EnviroScreen Score Percentile <sup>1</sup>	Average Household Size (Persons) <sub>1</sub>	Percent Below Poverty Level <sup>1</sup>	Majority Race <sup>1</sup>
		Technical Assistance Program												
Prop 68	Redding, City of	City of Redding and Cascade Racquet Club Mutual Water Company Consolidation	\$1,067,509	Construction	Shasta	1	1	Non-DAC		--	31.2	2.6	0.3	White
SADWF	Rio Bravo-Greeley Union School District	Rio Bravo-Greeley Union School District O&M Assistance Project	\$178,284	Interim Water Solutions	Kern	32	12	SDAC	Low income Community	--	--	--	--	--
Prop 68	Rosamond Community Services District	RCSD Arsenic Regional Consolidation Project	\$7,762,970	Construction	Kern	36	16	DAC		Not At-Risk	55.5	3.2	0.3	Hispanic
GF Infrastructure	Rosamond CSD	RCSD Arsenic Regional Consolidation Project	\$7,762,970	Construction	Kern	36	16	DAC		Not At-Risk	55.5	3.2	0.3	Hispanic
GF Infrastructure	Salyer Heights Water Supply, Inc.	Salyer Heights New Water Treatment Plant & Water Tanks Project	\$430,000	Planning	Trinity	2	2	SDAC		Not At-Risk	16.9	3.4	0.3	White
GF Infrastructure	Santa Clarita Valley Water Agency	New Mint Association Water System Consolidation	\$3,608,994	Construction	Los Angeles	40	21	Non-DAC		--	32.5	3.1	0.2	White
GF Infrastructure	Santa Clarita Valley Water Agency	LARC Ranch Water Pipeline	\$3,531,991	Construction	Los Angeles	36	21	Non-DAC		--	32.5	3.1	0.2	White
DWSRF PF	Santa Nella County Water District	Santa Nella/Volta Water Quality Improvement Project	\$7,198,492	Construction	Merced	21	12	DAC		Not At-Risk	85.2	3.3	0.4	Hispanic
GF Infrastructure	Santa Nella County Water District	Santa Nella/Volta Water Quality Improvement Project	\$7,696,991	Construction	Merced	21	12	DAC		Not At-Risk	85.2	3.3	0.4	Hispanic
SADWF	Self-Help Enterprises	Regional Bottled Water Program	\$720,000	Interim Water Solutions	Various	26	16	--	TBD	--	--	--	--	--
SADWF	Self-Help Enterprises (SHE)	Technical Assistance to implement the Backup Generator Program for Drinking Water Systems	\$3,774,031	Tech Assistance	Various	--	--	--	TBD	--	--	--	--	--
GF Infrastructure	Sierra County (Calpine) Waterworks District No. 1	New Well and Treatment Facilities	\$3,722,400	Construction	Sierra	1	1	DAC		At-Risk	33.5	2.5	0.2	White
DWSRF PF	Sierra Linda Mutual Water Company, Inc.	Consolidation, Metering, and Water Treatment	\$2,724,400	Construction	Madera	5	14	SDAC		Failing	27.2	2.4	0.4	White
SADWF	Stantec Consulting Services Inc.	Administrator Master Agreement Project	\$9,000,000	Administrator	Various	--	--	--	TBD	--	--	--	--	--

Appendix G. SAFER Program Committed Expenditures for FY 2023-24 (as of March 31, 2024)

Primary Funding Source	Party/ Grantee	Project Name	Total Amount	Project Type	County	State Assembly	State Senate	DAC Status	GGRF Priority Population Benefit	SAFER Status	Cal EnviroScreen Score Percentile <sup>1</sup>	Average Household Size (Persons) <sub>1</sub>	Percent Below Poverty Level <sup>1</sup>	Majority Race <sup>1</sup>
Prop 68	Tuolumne Utilities District	Cuesta Heights Water Storage	\$852,482	Construction	Tuolumne	5	8	SDAC		Not At-Risk	36.1	2.4	0.4	White
General Supp PF (BIL)	Tuolumne Utilities District	Sierra Pines Regional Water Treatment Facility Project	\$27,100,000	Construction	Tuolumne	8	4	Non-DAC		Not At-Risk	21.3	2.3	0.2	White
GF Infrastructure	Tuolumne Utilities District	Cuesta Heights Water Storage	\$1,781,397	Construction	Tuolumne	5	8	SDAC		Not At-Risk	36.1	2.4	0.4	White
GF Infrastructure	Tuolumne Utilities District	Sierra Pines Regional Water Treatment Facility Project	\$27,479,008	Construction	Tuolumne	8	4	Non-DAC		Not At-Risk	21.3	2.3	0.2	White
DWSRF PF	Tustin, City of	City of Tustin PFAS Water Treatment Plant	\$3,166,784	Construction	Orange	55, 65, 68, 69, 72, 73, 74	29, 32, 34, 36, 37	Non-DAC		Not At-Risk	33.0	3.0	0.2	White
GF Infrastructure	University Enterprises, Inc.	Safe and Affordable Funding for Equity and Resilience Drinking Water Program Technical Assistance	\$12,000,000	Tech Assistance	Sacramento	--	--	--		--	--	--	--	--
SADWF	Valley Ford Water Association	VFWA New Well	\$2,010,000	Construction	Sonoma	10	2	Non-DAC	Non-DAC	Failing	7.1	2.6	0.3	White
Prop 1	Valley Ford Water Association	VFWA New Well	\$140,000	Construction	Sonoma	10	2	Non-DAC		Failing	7.1	2.6	0.3	White
GF Infrastructure	Ventura River Water District	Tico Mutual Water Company Consolidation (2023 Water Projects)	\$3,256,648	Construction	Ventura	38	19	Non-DAC		Not At-Risk	20.6	2.6	0.3	White
GF Infrastructure	Village Mobile Home Park	Village MHP New Well for Arsenic Remediation	\$1,215,700	Construction	Los Angeles	36	21	SDAC		Failing	89.3	3.9	0.6	Hispanic
SADWF	Walnut Park MWC	Water Meter Replacement Project	\$42,118	Construction	Los Angeles	50	22	DAC	Low income Community	Not At-Risk	83.1	4.2	0.5	Hispanic
GF Infrastructure	Washington Unified School District	American Union Elementary School Well Replacement Project	\$2,636,701	Construction	Fresno	31	14	DAC		Failing	96.3	3.7	0.3	Hispanic
General Supp PF (BIL)	Willow Creek Community Services District	Brannan Mountain Water Storage Tank	\$2,112,750	Construction	Humboldt	2	2	DAC		Not At-Risk	24.0	2.6	0.3	White
SADWF	Woodville Public Utility District	Woodville Public Utility District Nitrate Project	\$318,750	Construction	Tulare	33	16	SDAC	Low income Community	Failing	92.2	4.0	0.7	Hispanic
GF Infrastructure	Wright Elementary School	Wright Elementary and City of Santa Rosa Water System Consolidation	\$550,000	Construction	Sonoma	10	2	SDAC		Not At-Risk	--	--	--	--
DWSRF PF	Yosemite Forks Estates Mutual	Arsenic MCL mitigation project	\$560,000	Planning	Madera	5	14	SDAC		Failing	27.5	2.1	0.3	White



**Appendix G. SAFER Program Committed Expenditures for FY 2023-24 (as of March 31, 2024)**

Primary Funding Source	Party/ Grantee	Project Name	Total Amount	Project Type	County	State Assembly	State Senate	DAC Status	GGRF Priority Population Benefit	SAFER Status	Cal EnviroScreen Score Percentile <sup>1</sup>	Average Household Size (Persons) <sub>1</sub>	Percent Below Poverty Level <sup>1</sup>	Majority Race <sup>1</sup>
	Water Company													
General Supp PF (BIL)	Yosemite Unified School District	Coarsegold Elementary Groundwater Treatment and Water Systems Improvements	\$2,320,000	Construction	Madera	5	8	SDAC		At-Risk	12.8	2.8	0.3	White
GF Infrastructure	Yosemite Unified School District	Coarsegold Elementary Groundwater Treatment and Water Systems Improvements	\$2,320,000	Construction	Madera	5	8	SDAC		At-Risk	12.8	2.8	0.3	White
General Supp PF (BIL)	Yreka, City of	South Yreka Water Supply & Distribution Improvements	\$1,517,000	Planning	Siskiyou	1	1	SDAC		Not At-Risk	48.5	2.4	0.4	White

<sup>1</sup> Information provided based on the census tract that the benefitting community resides in and consistent with data used in the DDW Needs Assessment.

CalEnviroScreen data source: [OEHHA.ca.gov](https://oehha.ca.gov); Census data source: [data.census.gov](https://data.census.gov)

## Appendix I. Funding Process and Process Improvements

### Appendix H. Metrics Methodology

The following defines the methodology for the interim solution, technical assistance, planning assistance, and construction assistance metrics presented in Section X.D of the Plan. All communities/households are counted toward the interim solution metrics, regardless of the community/household also receiving planning and/or construction assistance.

#### I.A Interim Solutions

- Identifies the number of number of communities/households, service connections, and population that are receiving interim assistance funding for one of the following categories:
  - Bottled Water – community water systems provided with bottled water
  - Point of Use/Point of Entry Devices –community water systems provided with POU/POE devices
  - Hauled Water – community water systems provided with hauled water
  - Repair – community water systems provided with emergency repair projects
  - Treatment – community water systems provide with treatment repair projects
  - Household Bottled Water – households served by domestic wells or state smalls provided with bottled water
  - Households POU/POE – households served by domestic wells or state small provided with POU/POE devices

#### I.B Technical Assistance Projects

- Identifies the number of communities, service connections, and population that are benefitting from technical assistance funding for one of the following categories:
  - New Executed Technical Assistance (TA) – new TA work plans to provide a variety of services
  - Full Planning TA – full planning TA projects to support the submittal of a complete application for construction project
  - New TA-Construction Management/Support – TA projects associated with the actual management of and/or support through an actual construction project
  - Completed TA – completion of TA projects
  - Approved/Executed Administrator Agreements – funding to support the activities of appointed administrators

## Appendix H. Metrics Methodology

### I.C Planning Projects

- Identifies the number of communities, service connections, and population that are benefitting from planning assistance for one of the following categories:
  - Executed Planning Agreements – project agreements for the evaluation and development of long term, sustainable solutions
  - Completed Planning Projects – completion of planning project activities

### I.D Construction Projects

- Identifies the number of communities, service connections, and population that are benefitting from construction assistance for one of the following categories:
  - Executed Construction Agreements – project agreements for the implementation of long term, sustainable solutions
  - Completed Construction Activities – completion of construction project activities
  - Consolidation Complete – completed consolidations, per Division of Drinking Water (includes non-State Water Board funded consolidations)

## Appendix I. Funding Process and Process Improvements

### Appendix I. Funding Process and Process Improvements

DFA implements the State Water Board’s financial assistance programs, which include loan and grant funding for drinking water projects through the SAFER Program, as well as other types of projects such as construction of municipal sewage and water recycling facilities, remediation for underground storage tank releases, watershed protection projects, and nonpoint source pollution control projects.

The funding process, from the submittal of a complete application to the end of a project, has five phases, shown in figure below. Descriptions below focus on how the funding process would go for a capital planning or construction project.

#### Funding Process Overview



#### Prepare Application

- In this phase, the potential recipient prepares and submits a complete application through FAAST. More information on applying for SAFER Program funding is included in Section IX.C. of this FEP.
- This phase can take a few months to many months depending on several factors such as the availability and completeness of key documents. In cases of consolidation, preparation of these documents can take longer as more than one entity is involved.

#### Review Application

- In this phase, DFA staff review the application’s various packages (i.e., General, Environmental, Technical, Financial, and Legal) and prepares the Master File. (A master file is a compilation of application documents, reviews, and clearances for a project).
- This phase can also take a few months to many months, again based on many factors. Each project is unique, but some reasons review might take longer is if the project is controversial, on federal land, or if the applicant is undergoing litigation.
- The applicant is notified at the end of this phase.

#### Prepare Financing Agreement

- This phase includes scope negotiation between DFA and the potential recipient, financing agreement preparation, and agreement routing for approvals and execution.

## Appendix I. Funding Process and Process Improvements Overview

- This phase typically takes several months up to a year, depending on the nature and complexity of a project.

### Post-Execution Project Management

- Once the financing agreement is executed, project work begins. This phase includes ongoing project management by DFA staff, final budget approval (FBA), amendments, and disbursements.
- Depending on the project, this phase can last from months to years.

### Project Closeout

- This phase includes the final invoice, final project inspection, and project closeout and can take weeks to months.

## Appendix I. Funding Process and Process Improvements

### Priority Funding Process Improvements for FY 2023-24

**Table I.1. FY 2023-24 Process Improvements in Process**

<b>Improvement</b>	<b>Fiscal Year Identified</b>	<b>Description</b>	<b>Status</b>
Advance Payment Guidelines	2021-22	Develop comprehensive advance payment guidelines and procedures that can be generally applied to eligible programs.	In Development
Bridge Loan Funding to Initial Agreement	2021-22	Investigate when and how to include bridge loan financing in the initial construction financing agreements to reduce project delays while the FBA is processed.	In Development
Comprehensive State Revolving Fund (SRF) Policy Review for Streamlining Opportunities	2021-22	Holistic review of the Drinking Water SRF (DWSRF) and Clean Water SRF (CWSRF) Policies to identify opportunities to streamline both funding programs.	In Development
Guidelines for Consolidation Projects Update	2021-22	Update the Guidelines for Consolidation Projects (Appendix A of the DWSRF Policy).	In Development
Increased Encumbrance Amount	2021-22	Procedures to reduce cost increase amendments due to inaccurate engineer's cost estimate. Request costs projections based on realistic project schedules and if necessary, provide guidance to PMs to increase the construction line item about the engineer's cost estimate.	Piloting
Project Manager Training and Performance Measures	2021-22	Develop comprehensive training to review responsibilities, best practices, and recent process improvements. Set clear performance measures and track effectiveness.	In Development

## Appendix I. Funding Process and Process Improvements Overview

SAFER Integration	2021-22	Develop criteria for transferring small Drinking Water State Revolving Fund projects or Urgent Drinking Water Needs projects to the SAFER Program. Approve project scope and funding via a SAFER Technical Memo.	In Development
Streamline Planning Application Review	2021-22	Investigate use of the Urgent Drinking Water application and review for DWSRF planning projects. Incorporate the Alt-F procedures once approved.	In Development
Streamline the Final Budget Approval (FBA) Process	2021-22	Develop FBA procedures to streamline approval of cost increase requests because bids exceed initial cost estimate. Identify specific workflow improvements to reduce time and resources associated with duplicative tasks. Develop new FBA documents, procedures, update the Wiki/SharePoint, add due diligence procedures, and develop training.	In Development
Admin Training and Expectations	2022-23	Develop comprehensive training to review responsibilities, best practices, and recent process improvements. Set clear performance measures and track effectiveness.	In Development
Application Status Tool Update (Phase II)	2022–23	Update online application search tool to include the following information, because of AB 682:  1) Description of the additional information the board requires from a water system to continue processing the water system's application.  2) Date the board requested the water system to provide additional information.  3) Cause of any prolonged delays in the process. 4) Description of the typical steps that must be completed before a funding agreement can be executed after receipt of a complete application.	In Development

## Appendix I. Funding Process and Process Improvements Overview

Collaboration with Division of Drinking Water (DDW) on Enforcement	2022-23	Collaborate with DDW on potential enforcement actions and/or directives associated with funding and/or TA requests to ensure that projects are not stalled and that the water system is responsible for meeting the requirements of the compliance actions.	In Development
Comprehensive CWSRF/DWSRF Procedure Manual	2022-23	Establish and implement a SharePoint uniform procedural manual. Ensure that the manual is in a centralized/accessible place and kept up to date with current policies and procedures.	In Development
Clean Water and Drinking Water Policies	2022-23	Expand recent steps made to reduce the number of application documents required for 100% PF/grant planning projects by implementing similar improvements for 100% PF/grant construction projects, with a focus on building TMF prior to and during their project by providing TA and other assistance.	In Development
CWSRF Planning Project Streamlining	2022-23	Streamline the process, standardize language, and ease transition from planning to construction.	In Development
Develop Pledge Pool Addition Criteria and Document Review/Procurement	2022-23	Develop a process and guidelines for selection of Pledge Pool projects for consideration. Document the selection process and securing the proper documentation for due diligence reviews prior to bond sales.	In Development
Due Diligence Financial Review	2022-23	<p>1) Expand recent steps made to reduce the number of application documents required for 100% PF/grant planning projects by implementing similar improvements for 100% PF/grant construction projects, with a focus on building TMF.</p> <p>2) Discontinue the need to continually ask for updated financial documents.</p> <p>3) For 100% PF/grant projects, do not require that the financial review be revised simply because it references the previous year's IUP; add a checkbox on the route</p>	In Development



## Appendix I. Funding Process and Process Improvements Overview

		slip that accomplishes the task of recording that the project supports eligibility under whichever IUP is being applied.	
Establish a DFA Training Academy	2022–23	Identify individual training classes. Coordinate with Water Board’s Training Academy to develop training curriculum for project managers and analysts.	In Development
Establish SharePoint as Digital Workspace	2022-23	Develop vision and framework for SharePoint digital workspace amongst sections. Establish master file in LGTS and master file Adobe rules.	In Development
Grant Eligibility Determination and Criteria Established by IUP	2022-23	Simplify the grant eligibility criteria in the IUP and ensure that review checklists are not tied to a specific year’s IUP. Consider replacing fiscal year-specific information by requiring that the PM instead insert or attach relevant information from the IUP being applied (i.e., attach a highlighted copy of the table).	In Development
Historic Context for Wastewater and Drinking Water Facilities	2022-23	Develop a statewide historic context for drinking water and wastewater treatment facilities that will aid internal staff and funding applicants in the evaluation of these facilities for the National Register of Historic Places and California Register of Historical Resources.	In Development
LGTS Training for Project Managers and Analysts	2022-23	Develop training or review and update project records page in the procedure documents in the shared location.	In Development

## Appendix I. Funding Process and Process Improvements Overview

Modify Travel Expense Submittal Requirements & Limit Review Process	2022-23	Propose SRF Policy amendment language to require recipients, when submitting reimbursement for travel related expenses, to submit costs within the parameters of the Agreement and Policy, no longer submitting backup documentation.	Under review for approval
Policy and Procedure Streamline – Indirect Cost (IDC)	2022-23	Develop an IDC eligibility framework for the loans/grants funding programs, including SRFs, GO Bonds, and SADW. Expected to reduce conflicts when co-funding.	In Development
Produce GLRF/215 from LGTS	2022-23	Identify all data elements in LGTS related to the GLRF and Form 215. Coordinate with the LGTS contractor to make the necessary changes and incorporate them into the database to be able to develop the forms. The LGTS contractor will add the functionality of developing the forms in LGTS.	On hold
Provide Guidance for Alternatives Analysis	2022-23	Develop guidance for applicants and TA providers addressing the alternatives analysis that is required. Include relevant requirements from the Policy, IUP, SERP, and/or other applicable documentation.	In Development
Reduce Redundant Data Input Requirements by Linking Fields in Various Forms and Software Programs	2022-23	Evaluate how project-level data is collected, analyzed, and utilized. Determine how LGTS can be used as a data source to generate forms and other documents.	Overarching Goal
1) Streamline Claims Process  2) Escalated Claim Approval and Processing  3) Develop Invoice/Reimbursement	2022-23	1) Improve the workflow between the 17th floor disbursement units and PM, both regarding receiving and recording of RRs, timeliness of PM reviews, changing the dispute/cut process, and minimizing the need for unnecessary RRs (\$0.00).  2) Develop/memorialize escalation claim criteria, approval, and submittal processes to Accounting by SPOC.	In Development

## Appendix I. Funding Process and Process Improvements Overview

Request (RR) Status Communication Procedure for Recipients		3) Standardize communication with recipients to inform them of when a claim/RR/invoice has been approved, providing detail of any adjustments, and to included project specific references in the email.	
Update Project Manager (PM) Expectations	2022-23	Update Project Manager (PM) Expectations with existing and new KPIs for communication with internal and external stakeholders.	Under Review for Approval
Update TA Procedure Manual	2022-23	Update the TA Funding Program Procedure Manual that is available on the Technical Assistance Funding Program webpage to reflect program changes.	In Development
Establish Cross-Organizational Teams	DFA Action Plan	Promote understanding of respective roles/responsibilities. Jointly explore how to better assist communities we serve by visiting those communities. Identify common challenges, potential solutions, and evaluate effectiveness of process improvements/KPIs.	In Development
Establish Mentors Or “Buddies” For New Staff	DFA Action Plan	Ensure each new staff person is assigned an experienced peer to serve as a mentor or “buddy” during their first year with DFA.	Piloting

## Appendix I. Funding Process and Process Improvements Overview

### Completed Process Improvements since FY 2019-20

The following table describes improvements made since FY 2019-20 relative to the funding process phases described above to streamline internal processes and coordination. Improvements completed in FY 2023-24 are bolded below.

**Table I.2. Completed Process Improvements since FY 2019-20**

<b>Improvement</b>	<b>Description</b>
Administrator	Use of an administrator master agreement for qualified entities that can serve multiple counties or statewide
Adobe Sign to Execute Agreements	Implement Adobe Sign for the digital signing of agreements/amendments by recipients and DFA.
Application Status Tool Update	Review existing application status report in LGTS and make modifications to include the additional information outlined in the State Auditors report. Coordinate with the LGTS contractor to make the necessary changes in LGTS and with DIT to make modification to the public facing tool.
Combine Multiple Projects for Same Entity into a Single Agreement	Where possible, multiple grant projects for the same entity are being combined into a single agreement to minimize processing and paperwork related to having multiple agreements.
Continued DDW/DFA/OPP Coordination	DFA and DDW regularly coordinate on projects during the development of the funding agreement, in review of project deliverables, and in ensuring projects are properly constructed to meet permit requirements. DDW, DFA, and OPP are increasing this coordination through regular DDW District-specific quarterly meetings to evaluate progress on addressing needs of small DAC water systems. These discussions include evaluation of needed enforcement and compliance efforts; progress on completing State Water Board funded projects; identification of unmet needs, such as TA or interim replacement water; status of community outreach and engagement; and evaluation of opportunities for and progress in consolidation and administrator appointment efforts. DDW and DFA have also started meeting monthly on various consolidation projects. OPP will also help facilitate discussions with tribes, as appropriate.
Credit Review Memo for Cost Increases for 100% Grant Projects	A credit review is part of a financial capacity review that is performed to establish a borrower's credit to help ensure that repayable financing will be repaid. As a best practice, credit reviews have been conducted for all projects during the eligibility review and again should the project require a cost increase. Where repayable financing is not contemplated, a streamlined financial capacity review will be undertaken that assesses the sustainability of the system.

## Appendix I. Funding Process and Process Improvements Overview

Develop Income Survey and Second Home Survey Procedures	Approved as Appendix B to the Policy for Developing the Fund Expenditure Plan for the Safe and Affordable Drinking Water Fund, these procedures for staff and applicants to demonstrate eligibility and reduce the number of applications stalled while an eligibility determination is determined.
<b>Develop Standard Operating Environmental Procedures</b>	<b>Develop Standard Operating Procedures standardizing the DFA environmental review processes. The purpose is to develop standard processes to assist staff with consistent review of projects for compliance with CEQA and federal environmental cross-cutters.</b>
Develop Streamlined Financial Review Procedures for Small Community/100% Non-repayable Financing Projects	Financial Review Framework for 100% non-repayable projects. Recommendations will be incorporated in the revisions of the SRF policies per the schedules for those respective policies. Advise the team working on the Expedited Drinking Water Funding Program on appropriate streamlined financial review procedures. Consider alternatives for privates, consolidation.
Develop TA Drinking Water Master Agreement Template	Develop a master agreement template to be used for new drinking water TA agreements.
Develop TA Internal Procedures	Develop a master agreement template to be used for new drinking water TA agreements.
Document Communication with Applicants/Recipients	Establish application communication policy.
<b>Drinking Water Application Package Update</b>	<b>Align application with current procedures and Intended Use Plan. Revise application templates and guidance accordingly. Survey stakeholders for comments.</b>
Drinking Water TA Provider RFQ Process	The Division solicited statements of qualifications from entities that are interested in being added to the qualified drinking water TA provider pool.
DWSRF IUP	The FY 2020-21 DWSRF IUP was revised to ease funding restrictions on planning projects and larger dollar amount projects. These modifications are retained in the proposed FY 2021-22 DWSRF IUP.
Earlier Engagement with ERU Staff Procedures	Coordinate to incorporate participation of Environmental Section staff into appropriate project planning meetings to assure adequate development of the environmental package. Expectations for Environmental Review staff participation in project meetings will be incorporated into appropriate procedures described on the Wiki.
Earlier Management Review of Project Scope and Budget	DFA management has been added earlier on in the funding agreement review process during scope and budget development to catch potential issues and redirect early, which should minimize re-work.
Electronic Disbursement Procedures and Training for PMs	In June of 2021, Disbursement Staff conducted a training for PM's to formalize the electronic disbursement process.

## Appendix I. Funding Process and Process Improvements Overview

Electronic Invoice Submittal	Using electronic invoice submittals for recipients through FFAST in addition to mailing hard copies has allowed DFA staff easier access to invoices for review purposes during telework.
Electronic Processing of Encumbrance Documents	In April 2021, DFA implemented use of Adobe Sign for encumbrance documents (i.e., Grant and Loan Request Form and Standard Form 215) which replaces the need for wet signatures by the DFA Deputy Director or Assistant Deputy Director.
Electronic Signature Process for TA Work Plans	Amend TA funding agreements to include language that allows for electronic signatures to execute amendments to the agreement such as work plans.
Emergency Grant Agreement Template/Process	Streamlined grant agreement template and process to expeditiously award emergency drinking water funding and other relatively straightforward, short duration projects.
Environmental California Environmental Quality Act (CEQA)-only Review	Projects meeting certain requirements can proceed with a CEQA-only review which reduces the need to conduct certain studies and get concurrence from federal agencies on certain environmental aspects of a project.
Escalated PO and Invoice Review and Approval w/ DAS (Develop and Post Procedures)	Develop/memorialize escalation PO and invoice criteria, approval, and submittal processes to Accounting by SPOC.
<b>Establish a Compliance &amp; Surveillance Unit dedicated email inbox and monitoring procedures</b>	<b>The objective is to establish a dedicated email inbox and monitoring procedures to receive and distribute specific email communication in/from a central location, monitored by the staff of the Compliance and Surveillance Unit. This will help ensure critical compliance reporting information and requests are received and distributed timely.</b>
Establish Expedited Funding Program	Draft program guidelines to establish expedited drinking water funding for small communities.
Evaluate Projects in Queue	By evaluating which projects have complete applications and are in the queue for review and funding agreement preparation, DFA can better match appropriate funding sources before timing becomes critical with fiscal year-end deadlines.
Expedited Disbursement Review and Approval Process PO (Develop and Post Procedures)	Develop a process with KPIs to support Item 2 of the Disbursement Section of the DFA Action Plan. [1]
FI\$CaL	Evaluate best timing for entering a new applicant into FI\$CaL to minimize time to route a new financing agreement.
Gen/Tech Checklist Redesign - Drinking Water	Revise the general/technical drinking water checklists to reduce duplicative efforts and merge checklists as appropriate. Revisions will be done in conjunction with application package revisions (separate effort).

## Appendix I. Funding Process and Process Improvements Overview

Identify and Establish Key Performance Indicators (KPIs) for Milestones in the Application, Agreement, and FBA Processes	Identify existing and proposed new KPIs, receive input, train staff, post final KPIs in central location, analyze effectiveness of KPIs and adjust as needed.
Improved Tracking of Final Disbursement Dates	Timely amendment requests can reduce project delays associated with date extensions. Determine if new checks are necessary to ensure timely amendment requests. 2021-2022 (FEP)
Interim Water Supplies and Emergencies	<ol style="list-style-type: none"> <li>1) Enter into regional agreements where possible rather than water system-specific agreements.</li> <li>2) Utilize a checklist to be completed by the funding recipient, as appropriate, to self-certify specific details of a funding agreement. (i.e., contact information, budget summary, deliverable submittal dates, etc.) in place of holding a teleconference.</li> <li>3) Write scopes to be more broad describing main tasks but allowing for details to be approved by DFA staff as the project develops.</li> <li>4) Use of advance approval authority for simple projects to allow direct invoicing for services like bottled or hauled water.</li> </ol>
Internal Decision Tracking	The Division created business rules to track program, policy and process decisions to improve consistency among the
<b>Legal Consultation Request Form</b>	<b>Streamline legal consultations on loans.</b>
Master File Documents Button in LGTS	Coordinate with the LGTS contractor to add a new button for master file documents to be uploaded.
Perform Concurrent Reviews to Resolve Issues as Early as Possible	The Master File will be provided to the assigned OCC attorney at the same time the Master File is routed to the Contracts Unit for drafting. The attorney may be able to identify and resolve issues before receiving the Funding Agreement for review. Incorporate into procedures.
Perform Legal Eligibility Reviews Concurrent with Contract Drafting (Prior to Routing)	The Master File will be provided to the assigned OCC attorney at the same time the Master File is routed to the Contracts Unit for drafting.
Pre-application	The pre-application process allows DFA staff to engage with interested parties early to better assist with the application, connect interested parties with TA providers if needed, and determine which funding source within the larger SAFER Program is most appropriate.
Pre-determine Funding Sources for Projects	Streamline the application review of certain projects by identifying the funding source and associated requirements early. Improvement piloted and expanded under another name "Batch Encumbrance and timing of OCC eligibility review.

## Appendix I. Funding Process and Process Improvements Overview

Process Improvements Work Group	In FY 2020-21 DFA formed an internal Process Improvement Work Group to identify program inefficiencies, evaluate potential improvements, and revise internal procedures accordingly. The focus is to reduce the amount of time needed to approve projects, execute funding agreements, and process reimbursement requests. Process improvements implemented because of this work group will be described in future Fund Expenditure Plans. Note that DDW is also working on evaluating their regulatory process and identifying areas for improvement. DDW and DFA will consider where respective processes intersect and interplay and how they can be improved. In the future, as this is discussed with the SAFER Advisory Group, there may be opportunity to invite additional stakeholder input on process improvements.
<b>Project Closeout (hardcopies) for CWSRF and DWSRF planning and construction</b>	<b>Develop procedures to closeout hardcopy master files for planning and construction of CWSRF and DWSRF projects.</b>
Project Schedule and Standardize Scopes for Construction Agreements	Standardize scope of work language and provide Project Schedules template to improve consistency across DFA units/sections.
Reestablish Periodic Coordination Meeting with US EPA	Meet with US EPA to discuss and review SRF expectations for both the loan program and for projects and communities that will be funded with principal forgiveness. Feedback and information gathered from these discussions will help inform revisions to the SRF policies. Includes TMF expectations of USEPA for SRF.
<b>Review current delegation authorities and revise as appropriate</b>	<b>Evaluate current division delegation authorities and expand or amend as deemed appropriate.</b>
Review Effectiveness of Documents Requested in the Application	Review the purpose of the SRF application requirements and the effectiveness of the attachments to meet their intended purpose. Develop recommendations to improve the application to ensure DFA fulfills its regulatory requirements while streamlining the requirements for applicants. Merged into the Application Update in Table 2.
Revised DWSRF IUP to include Infrastructure Appropriation	The Board adopted a resolution in July 2021 incorporating Budget Act of 2021 (SB 170) “Infrastructure Appropriation” into the DWSRF IUP. The additional funding allows DFA to make additional grant/pf available to eligible applicants with qualified project. This remove the need for a loan component in most DWSRF projects which is expected to reduce application processing times.
Revised MHI Determination Guidelines	Revised MHI Determination Guidelines were added to the Policy as Appendix A in December 2020. The revised guidelines will reduce the number of income surveys that need to be conducted to determine a system’s eligibility for funding, which has historically caused delays.



## Appendix I. Funding Process and Process Improvements Overview

SAFER Clearinghouse	The State Water Board has initiated the development of a new database platform, known as the SAFER Clearinghouse, which will collect, manage, and analyze data from a variety of internal and external data sources to effectively implement the SAFER Program and track progress toward bringing a safe and affordable drinking water supply to communities. Once completed, over the course of the next several years, the SAFER Clearinghouse will be used by the State Water Board to oversee and manage the identification and prioritization of high priority water systems and domestic wells; the provision of TA; assigned Administrators; provision of interim water supplies; status of violations and compliance with issued enforcement orders; as well as tracking the funding of planning and construction projects to address drinking water issues. It will also be used to demonstrate progress toward achieving the human right to water, and provide information to the State Water Board, the public, and stakeholders on SAFER Program implementation.
Staff Training	DDW, DFA, and OPP have made efforts to onboard and train new staff through a combination of cross training across Divisions as well as internal training. In DFA, for example, monthly webinars are being conducted for both technical and administrative staff to provide training on the different phases of the funding process.
Standardize Special Conditions	Standardize common special technical conditions to improve consistency across the Division.
Streamline Application for Specific Projects	Identify in the 2021-2022 (FEP). Create a fast-track application/review for the DWSRF program to meet the most urgent needs. Opportunities to streamline specific projects were identified and are listed as improvements.
TA for non-DACs	The Division amended TA master agreements to allow for TA resources to assist small, non-DAC applicants with good cause to complete planning activities.
Technical Assistance (TA)	<ol style="list-style-type: none"> <li>1) Delegation of authority for funding approvals of TA routine and non-controversial projects to the Supervising Engineer level.</li> <li>2) Revised work plan template and budget to be used by TA providers.</li> <li>3) Increased coordination with TA providers on work plan priorities.</li> <li>4) Developed guidance for TA providers on best practices for planning projects.</li> <li>5) Provided training to TA providers on application process, revised work plan and budget templates</li> </ol>
Uniform Cover Page for Invoice Submittals	Use of a uniform cover page for invoice submittals helps the recipient organize invoices and submit necessary supporting documentation. This also helps DFA and accounting staff in their reviews and minimizes back and forth with the recipient for missing information.

## Appendix I. Funding Process and Process Improvements Overview

Update Delegated Authority for Approving TA Projects	Develop an updated delegation memo with the recommended changes. Potential team members would include the TA unit seniors, TA supervisor, and one OCC attorney for review and approval of the delegation memo. Include under Review current delegation authorities and revise as appropriate.
<b>Update Quarterly Progress Report Review Process</b>	<b>Ensure consistent and timely review of project quarterly progress reports and follow up compliance steps.</b>
Update TA Workplans to Ensure Critical Deliverables are Identified	Coordinate to revise TA workplan to ensure milestones are included to meet the DFA environmental package requirements.
Updated Package Checklists	The main package checklists have been updated recently to ensure that all relevant information and documentation is being requested up front to minimize back and forth between DFA staff and the applicant during the review process.
Use of a Digital Master File	A master file is a compilation of application documents, reviews and clearances for a project and is used for project review and routing for approvals prior to funding agreement execution. As a result of the telework situation, DFA has replaced the physical master file with a digital master file which has increased the ability to conduct reviews electronically.
Use of a Final Inspection Checklist	This has helped ensure all necessary requirements are verified upon project completion.
Use of Expedited Amendments	Using an expedited amendment process for time extensions or FBAs that do not include a cost increase can save time.
Use of Phased Approach for Complex Projects	For some complicated projects, a phased approach is being implemented. For example, construction of all elements related to addressing an emergency need would be part of the first phase, with the remaining items as phase two. This helps get critical parts of a project done faster.
Use of TA for Non-DAC	The Division amended TA master agreements to allow for TA to assist non-DACs with good cause.
Use of TA for Planning Projects	TA is being used more often to conduct planning for projects, which eliminates the need for small DAC systems to go through a separate, potentially lengthy process to apply for planning grants.
Virtual Inspection Procedures	During the COVID-19 emergency, virtual inspection procedures were established to ensure that project site inspections, including the final inspection, could be conducted appropriately and adequately in a virtual setting

## Appendix I. Funding Process and Process Improvements Overview

<p><b>Vision Statement/Description of Future State, Articulate Organizational Cultural Values</b></p>	<p><b>Develop vision statements for small communities and SRF loan programs, respectively. Teams will be led by a DFA manager. Feedback will be solicited from DFA staff and key internal and external partners. Develop list of key organizational values that are critical to the successful implementation of our drinking water and clean water funding programs. Feedback will be solicited from DFA staff.</b></p>
<p>Waive Updated Financials</p>	<p>Clarify when the current year's financial documents can be waived or conditioned in the financing agreement to continue the application review. This may reduce the number of applications that stall due to an incomplete application. Merged into the Alt-F improvement in Table 2.</p>
<p>Work Plan Development and Approval</p>	<p>Create a template letter that will outline expectations of TA providers for work plan submittals. Develop an internal memo concurrently that would establish DFA expectations of the approval and issuance of submitted work plans. Potential team members could include two TA staff, one TA senior, and the TA supervisor for review and approval of the template letter and internal memo.</p>

## Appendix J. State Cross-Cutters

All applicable state laws apply to a financial assistance recipient's use of funding provided by the State Water Board. Certain laws apply regardless of funding source. These cross-cutting state laws include, but are not limited to, the following:

- a. The California Environmental Quality Act (CEQA), as set forth in Public Resources Code sections 21000 et seq. and in the CEQA Guidelines at Title 14, Division 6, Chapter 3, Section 15000 et seq.
- b. Water Conservation requirements, including regulations in Division 3 of Title 23 of the California Code of Regulations.
- c. Monthly Water Diversion Reporting requirements, including requirements set forth in Water Code section 5103.
- d. Public Works Contractor Registration with Department of Industrial Relations requirements, including requirements set forth in Sections 1725.5 and 1771.1 of the Labor Code.
- e. Volumetric Pricing & Water Meters requirements, including the requirements of Water Code sections 526 and 527.
- f. Urban Water Management Plan requirements, including the Urban Water Management Planning Act (Wat. Code, § 10610 et seq.).
- g. Urban Water Demand Management requirements, including the requirements of Section 10608.56 of the Water Code.
- h. Delta Plan Consistency Findings requirements, including the requirements of Water Code section 85225 and California Code of Regulations, title 23, section 5002.
- i. Agricultural Water Management Plan Consistency requirements, including the requirements of Water Code section 10852.
- j. Charter City Project Labor Requirements, including the requirements of Labor Code section 1782 and Public Contract Code section 2503.

## Appendix J. State Cross-Cutters

- k. The Recipient agrees that it will, at all times, comply with and require its contractors and subcontractors to comply with directives or orders issued pursuant to Division 7 of the Water Code.
- l. Regulations in Division 4 of Title 22 of the California Code of Regulations, including but not limited to California Waterworks Standards in Chapter 16, and Lead and Copper regulations in Chapter 17.5.
- m. Public agency conflict of interest laws, including the Political Reform Act (Gov. Code, § 81000 et seq.).
- n. The Drug-Free Workplace Act (Gov. Code, §§ 8350-8357.)
- o. State non-discrimination laws. (Gov. Code, § 11135; Cal. Code Regs, tit. 2, § 11140 et seq.)
- p. State prevailing wage laws. Division of Industrial Relations (DIR) requirements may be found at: <http://www.dir.ca.gov/lcp.asp>. For more information, please refer to DIR's Public Works Manual at: <http://www.dir.ca.gov/dlse/PWManualCombined.pdf>.
- q. Union activities (Gov. Code §§ 16645-16649.)

### Executive Order N-6-22 — Russian Sanctions.

On March 4, 2022, Governor Gavin Newsom issued Executive Order N-6-22 (the EO) regarding Economic Sanctions against Russia and Russian entities and individuals. “Economic Sanctions” refers to sanctions imposed by the U.S. government in response to Russia’s actions in Ukraine, as well as any sanctions imposed under state law. The EO directs state agencies to terminate contracts with, and to refrain from entering any new contracts with, individuals or entities that are determined to be a target of Economic Sanction. Accordingly, should the State Water Board determine Recipient is a target of Economic Sanctions or is conducting prohibited transactions with sanctioned individuals or entities, that shall be grounds for termination of this Agreement. The State Water Board shall provide Recipient advance written notice of such termination, allowing Recipient at least 30 calendar days to provide a written response. Termination shall be at the sole discretion of the State Water Board.

The Recipient represents that the Recipient is not a target of economic sanctions imposed in response to Russia’s actions in Ukraine imposed by the United States government or the State of California. The Recipient is required to comply with the economic sanctions imposed in response to Russia’s actions in Ukraine, including with respect to, but not limited to, the federal executive orders identified in California Executive Order N-6-22, located at <https://www.gov.ca.gov/wp->

## Appendix J. State Cross-Cutters

content/uploads/2022/03/3.4.22-RussiaUkraine-Executive-Order.pdf and the sanctions identified on the United States Department of the Treasury website (<https://home.treasury.gov/policy-issues/financial-sanctions/sanctions-programs-andcountry-information/ukraine-russia-related-sanctions>). The Recipient is required to comply with all applicable reporting requirements regarding compliance with the economic sanctions, including, but not limited to, those reporting requirements set forth in California Executive Order N-6-22 for all Recipients with one or more agreements with the State of California with an aggregated value of Five Million Dollars (\$5,000,000) or more. Notwithstanding any other provision in this Agreement, failure to comply with the economic sanctions and all applicable reporting requirements may result in termination of this Agreement.

For Recipients with an aggregated agreement value of Five Million Dollars (\$5,000,000) or more with the State of California, reporting requirements include, but are not limited to, information related to steps taken in response to Russia's actions in Ukraine, including but not limited to:

1. Desisting from making any new investments or engaging in financial transactions with Russian institutions or companies that are headquartered or have their principal place of business in Russia;
2. Not transferring technology to Russia or companies that are headquartered or have their principal place of business in Russia; and
3. Direct support to the government and people of Ukraine.

## Appendix K. Direct O&M Funding Program Guidelines

### 1. PURPOSE AND OVERVIEW

The purpose of this document is to establish the process and criteria for the allocation and administration of Safe and Affordable Drinking Water Fund (SADW Fund) funding for Operation and Maintenance (O&M) assistance projects. These guidelines will be utilized in soliciting applications, prioritizing and evaluating project proposals, and awarding funding for projects that support the affordability of water while also improving sustainability.

Senate Bill (SB) 200 (Ch. 120, Stats. 2019) established the SADW Fund and requires the annual adoption of a Fund Expenditure Plan (FEP). Expenditures from the SADW Fund will complement other funding sources as part of the broader Safe and Affordable Funding for Equity and Resilience (SAFER) Drinking Water Program (Program), 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 also encompasses regulatory efforts to protect drinking water, community engagement to identify needs and solutions, data collection and assessment to promote sound decision-making, and information management to provide transparency and accountability. The SAFER Program's goal is to provide safe drinking water in every California community, for every Californian.

The FEP includes a list of priorities for the expenditures from the SADW Fund and the broader SAFER Program is implemented consistent with those priorities. The FY 2022-23 FEP introduced a priority related to providing direct O&M assistance:

*Provide direct operation and maintenance support to assist community water systems facing the highest affordability burdens while promoting sustainability and technical, managerial, and financial capacity building.*

The goal of the Direct O&M Funding Program (Direct O&M Program) will be to provide assistance in cases where there is a direct correlation to supporting the affordability of water (as part of the human right to water) while also improving sustainability. One key aspect of ensuring feasibility of broader program implementation is developing a standardized administrative approach to distribute funds efficiently. Streamlined opportunities for direct funding to water systems will be evaluated, as well as approaches to provide funds to Technical Assistance (TA) providers to assist with specific system requirements to receive funding (e.g., lowering water rates, technical, managerial, financial (TMF) assessments, conducting a feasibility study on how to improve system sustainability, etc.).

The State Water Resources Control Board (State Water Board) will continue to prioritize direct O&M funding to facilitate voluntary consolidations and provide interim

## Appendix K. O&M Guidelines

O&M funding for water systems that will be or have been appointed an administrator.

### 2. AUTHORITY

Per Section I.C of the Policy for Developing the Fund Expenditure Plan for the Safe and Affordable Drinking Water Fund (SADW Fund Policy)<sup>1</sup>, the Deputy Director of Division of Financial Assistance (DFA) may substantively update and amend the appendices included in the SADW Fund Policy. Additionally, per Section IV.D.2 of the FY 2023-24 FEP, Direct O&M Funding Guidelines including eligibility criteria for O&M funding will be developed and added to the SADW Fund Policy.

### 3. AFFORDABILITY ASSESSMENT

The affordability threshold is used to create a list of community water systems (CWSs)<sup>2</sup> serving disadvantaged communities (DACs)<sup>3</sup> that must charge fees exceeding the affordability threshold in order to provide drinking water that meets State and federal standards (Health & Saf. Code, § 116769, subd. (a)(2)(B)). The affordability threshold generally refers to a water system- or community level affordability as opposed to an individual household affordability.

The 2023 Affordability Assessment identified disadvantaged CWSs that have instituted customer charges that exceed affordability indicators established by the State Water Board. The 2023 Affordability Assessment was conducted for 2,845 CWSs. The Affordability Assessment included large and small<sup>4</sup> CWSs but excluded non-transient non-community systems (NTNCs), like schools. It also excluded tribal water systems, state small water systems, and households supplied by domestic wells.

The 2023 Affordability Assessment indicators included:

1. **Percent Median Household Income:** average residential customer charges for 6 hundred cubic feet (HCF) per month meet or exceed 1.5 percent (%) of the annual Median Household Income (MHI) within a water system's service area.
2. **Extreme Water Bill:** customer charges that meet or exceed 150% and 200% of statewide average drinking water customer charges at the 6 HCF level.

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<sup>1</sup> [Policy for Developing the FEP for the SADW Fund](https://www.waterboards.ca.gov/water_issues/programs/grants_loans/docs/2021/final_policy_for_dev_fep_sadwf_1221.pdf)  
[https://www.waterboards.ca.gov/water\\_issues/programs/grants\\_loans/docs/2021/final\\_policy\\_for\\_dev\\_fep\\_sadwf\\_1221.pdf](https://www.waterboards.ca.gov/water_issues/programs/grants_loans/docs/2021/final_policy_for_dev_fep_sadwf_1221.pdf)

<sup>2</sup> "Community water system" means a public water system that serves at least 15 service connections used by yearlong residents or regularly serves at least 25 yearlong.

<sup>3</sup> "Disadvantaged community" means a community in which the MHI is less than 80% of the statewide annual MHI.

<sup>4</sup> "Small community water system" means a CWS that serves no more than 3,300 service connections or a yearlong population of no more than 10,000 persons.



## Appendix K. O&M Guidelines

- 3. Household Socioeconomic Burden:** measures the percent of households in a census tract that are both low income (making less than 80% of the Housing and Urban Development (HUD) Area Median Family Income) and severely burdened by housing costs (paying greater than 50% of their income to housing costs).

To assess which systems may be facing the greatest affordability burden, State Water Board staff analyzed how many water systems exceeded thresholds for multiple affordability indicators. Affordability burden is ranked from low (only one affordability indicator threshold exceeded), medium, (two affordability indicator thresholds exceeded), or high (three or four affordability indicator thresholds exceeded). Of the 2,845 CWSs analyzed, most resulted in a low affordability burden (45%) followed by a medium affordability burden (12%) and a high affordability burden (3%). The State Water Board identified 75 (5%) DAC/severely disadvantaged community (SDAC)<sup>5</sup> water systems that have a high affordability burden, 246 (17%) with a medium affordability burden, and 889 (60%) with a low affordability burden. More information on the Affordability Assessment methodology and results is available in the Affordability Assessment Results section of the 2023 Needs Assessment.

### 4. PROGRAM REQUIREMENTS AND PRIORITIES

Applications for the Direct O&M Program will be evaluated and considered based on the program requirements and priorities identified in this section.

#### 4.1 Eligibility Requirements

##### 4.1.1 Eligible Grant Recipients

Consistent with the SADW Fund Policy, eligible recipients are public agencies, non-profit organizations, public utilities, mutual water companies, California Native American Tribes, administrators, and groundwater sustainability agencies. Funding provided to a public utility that is regulated by the Public Utilities Commission or a mutual water company must have a clear and definite public purpose and benefit the customers of the water systems and not the investors or shareholders.

##### 4.1.2 Eligible Water Systems

In general, the State Water Board will use a streamlined approach to committing O&M assistance for Group 1-Statewide Prioritization projects and a standard approach for Group 2-Case-by-Case. See Section 5 below for more details on the funding process. O&M assistance projects must benefit one of the following categories:

#### Group 1 – Statewide Prioritization

- Small DAC or small SDAC water systems that have water rates that are above 2.5 % of the community’s MHI, and
- Water systems that have a high affordability burden per the most updated Affordability Assessment.

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<sup>5</sup> “Severely disadvantaged community” means a community in which the MHI is less than 60% of the statewide annual MHI.

## Appendix K. O&M Guidelines

Further prioritization within Group 1 may be based on the water system's status, i.e., failing, at-risk, or potentially at-risk, according to the most updated Needs Assessment.

Water systems may request to be added to the Group 1 list by submitting documentation to DFA ([DFA-SADW-Fund@waterboards.ca.gov](mailto:DFA-SADW-Fund@waterboards.ca.gov)) which demonstrates a system's water rates are above 2.5% of the community's MHI and the system would be categorized with a high affordability burden based on the Affordability Assessment methodology.

### **Group 2 – Case-by-Case**

Projects may be considered for O&M funding on a case-by-case basis for circumstances including, but not limited to:

- Small DAC/SDAC water systems with existing debt burdens. SADW funds may be used to satisfy part of or all long-term debt service obligations (including debt incurred prior to July 24, 2019) if it is the most cost-effective way to remove a financial barrier to long-term sustainability,
- Small DAC/SDAC water systems where the revenue collected by the water system is less than the operational costs and water service is likely to discontinue because of the revenue shortfall (e.g., increased treatment costs, loss of revenue due to wildfires),
- Non-transient, non-community water system owned by a K-12 public school district on a case-by-case basis,
- Small DAC/SDAC water systems owned by California Native American Tribes that can demonstrate an O&M assistance need, or
- Other small DAC/SDAC systems facing unique affordability challenges that are otherwise not part of Group 1 systems.

The Deputy Director of DFA has discretion to approve projects that do not fall into the scenarios outlined above on a case-by-case basis, per Section V.D.1 of the FY 2024-25 FEP.

Separately, the State Water Board may enter into funding agreements for direct O&M assistance to facilitate voluntary consolidations and for water systems where an administrator has been appointed by the State Water Board's Division of Drinking Water (DDW).

## **5. GROUP 1 FUNDING PROCESS**

To standardize an administrative approach to distribute funds efficiently, Group 1 assistance is based on the methodology established in this section.

### **5.1 Methodology for Group 1 Systems**

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Water systems that meet the eligibility criteria for Group 1 funding listed above may be awarded O&M funding based on the number of connections and the system's water rate as a percentage of the community's MHI. The purpose of the funding will be to lower the water rates down to 2.5% of the community's MHI and to assist the system in establishing an operating reserve account. A funding amount of half (50%) of a system's annual operating expenses will be initially considered for the operating reserve account.

Group 1 O&M funding agreements will initially be developed for interim assistance to the water system for a term of three years.

### **5.2 Notification**

DFA will provide each water system that meets the Group 1 eligibility criteria and any subsequent prioritization criteria with a notice that identifies the availability of potential O&M funding for the system. Water systems must respond to the notice, and associated forms, signaling interest in entering into a funding agreement with the State Water Board. Water systems shall update DFA if revenue or other water system affordability factors have significantly changed since the most recent Needs Assessment results. If interest is shown by the water system and applicable information is submitted, then DFA will proceed with issuing a preliminary award letter and draft funding agreement.

For FY 2024-25, DFA staff will reconsider the Statewide prioritization approach based on the results from the efforts in FY 2023-24. The approach will continue to target specific Group 1 water systems using the info from the 2024 Needs Assessment and also consider a continuous open application process for both Groups 1 and 2 water systems.

### **5.3 Reimbursement**

It is anticipated that O&M funding will be advanced on a yearly basis after a funding agreement is executed. Water systems will be required to demonstrate the reduced water rate charges on the residential customer bills. Water systems must notify customers in writing of the reduced charges. Water systems must also notify customers assistance is being provided through the Safe and Affordable Drinking Water fund by funding from the State Water Board.

Additional conditions for receiving O&M assistance (e.g., lowering water rates, TMF assessment, conducting a feasibility study on how to improve system sustainability, etc.) will be specified in the funding agreements along with reporting requirements.

## **6. GROUP 2 FUNDING PROCESS**

Group 2 – Case-by-Case funding requests are accepted on a continuous basis with consideration given to the O&M funding targets identified in the current FEP. Subject to the availability of funding, DFA will give priority to requests where there is the greatest threat to public health and safety, regardless of when the request for funding is received.

## Appendix K. O&M Guidelines

### 6.1 Funding Application

Interested parties may apply for O&M funding by submitting an application to DFA. Application instructions and forms are being developed and will be posted to the Direct O&M Program's webpage (currently under development).

### 6.2 Project Approval

When determining project approval, consideration will be given to a system's TMF capacity, what actions have been taken or will be taken by the water system to reduce ongoing costs, such as physical or managerial consolidation, or improvements to reduce overall water and energy demand, such as installation of water meters, replacement of leaking or aging distribution lines, installation of solar energy systems, or replacement of inefficient pumps. Consideration will also be given to whether O&M funding is already being provided through other programs.

Funding may be contingent on system-specific special conditions which will be included in the funding agreement, such as lowering water rates or conducting a feasibility study on how to improve system sustainability. TA may be available to assist systems in meeting these requirements.

O&M funding agreements will initially be developed for interim assistance to the water system (approximately two to three years), while other actions are being taken to address sustainability. It is envisioned that as water systems approach a more sustainable status, assistance via the State Water Board's Direct O&M Program will no longer be necessary.

A funding process overview is included in Appendix I of the FY 2024-25 FEP which provides information on the five phases of a project, from the submittal of a complete application to project closeout.

## 7. REIMBURSEMENT OF COSTS

Only work performed within the terms of the funding agreements will be eligible for reimbursement. Pursuant to Health and Safety Code section 116766, subdivision (i), DFA may provide funding through advance funding.

### 7.1 Eligible Project Costs

Eligible costs that may be covered through reimbursement to the water system are the actual, reasonable, and necessary O&M costs for eligible Projects, including, but not limited to:

- Permitting;
- Sampling and Monitoring;
- Reporting;
- Utility bills;
- Chemicals and consumable media;
- Replacement or changeout of existing equipment;
- Appropriately qualified plant operator(s) and contractors;

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- Costs to establish an operating reserve account;
- Costs to pay principal or interest of existing long-term indebtedness; and
- Unforeseen repairs necessary to keep or restore water service to the system's customers.

The following are not eligible for reimbursement as part of a Project:

- O&M costs incurred prior to July 24, 2019, except for long-term debt obligations;
- Contingency costs;
- Indirect costs, overhead costs, or markup; and
- Costs for capital improvement projects.

### 7.2 Disputes

An applicant or recipient may appeal a staff decision within thirty (30) days to the Deputy Director of DFA or designee, for a final DFA decision. An applicant or recipient may appeal a final DFA decision to the State Water Board within thirty (30) days. Upon appeal to the State Water Board, the Office of the Chief Counsel of the State Water Board will prepare a summary of the dispute and make recommendations relative to its final resolution, which will be provided to the State Water Board's Executive Director and each State Water Board Member. Upon the motion of any State Water Board Member, the State Water Board will review and resolve the dispute in the manner determined by the State Water Board. Should the State Water Board determine not to review the final DFA decision, that decision will represent the final agency action on the dispute.

Where a grant agreement has been executed, the dispute and remedies provisions of that agreement will control, and the dispute provisions of this section may be inapplicable.

## 8. STATE CROSS-CUTTERS

Miscellaneous state laws apply to funding provided by state agencies. The recipient must comply with, or not be prohibited from receiving funding under these laws. A list is provided in Appendix J of the FY 2024-25 FEP.