

Regional Water Quality Control Board
North Coast Region
Executive Officer's Summary Report
October 15, 2020

ITEM: 6

SUBJECT: Update on SB 200 and the Safe and Affordable Funding for Equity and Resilience (SAFER) Drinking Water program (*Darrin Polhemus and Michelle Frederick, Division of Drinking Water, State Water Resources Control Board*)

BOARD ACTION: This is an information item only, no action will be taken by the Regional Board.

BACKGROUND: The primary purpose of the Safe and Affordable Funding for Equity and Resilience (SAFER) program is to bring true environmental justice to California and address the continuing disproportionate environmental burdens in the state by creating a fund that will assist in providing safe drinking water in every California community, for every Californian.

DISCUSSION: SAFER funds will help water systems provide a safe, accessible, and affordable supply of drinking water to communities in both the near and long terms by accelerating implementation of short- and long-term drinking water solutions, moving water systems to more efficient modes of operation, providing short-term operation and maintenance support as a bridge until long-term sustainable solutions are in place, and providing long-term operation and maintenance support when necessary.

The SAFER program supports permanent and sustainable drinking water solutions that ensure all Californians have access to safe, affordable, and reliable drinking water. The SAFER Program builds upon the successful regulatory and financial assistance efforts of the Division of Drinking Water (DDW) and the Division of Financial Assistance (DFA) that have resulted in 98% of Californians served by community drinking water systems having access to safe and reliable sources of drinking water. Unfortunately, at the same time, there are approximately one million people in California without access to safe drinking water. Many of these people are served by small water systems with 500 or fewer connections. There are approximately 3000 community water systems in California and approximately 300 of them are in violation of drinking water standards. The majority of traditional funding sources are only available for capital improvements and there has been very little funding available for planning and other preliminary steps that are necessary before embarking on a capital project.

In July 2019 SB 200 was passed by the Legislature and signed by Governor Newsom. SB 200 established a fund of up to \$130 million per year to address water systems serving disadvantaged communities and established new regulatory authorities as well. The SAFER program is utilizing the funding and regulatory authorities to create a comprehensive program that will address drinking water issues in disadvantaged communities.

There are a number of overlapping work areas within the SAFER program. Success in each of these areas depends on coordination throughout many divisions in at the State Water Board.

1. Regulatory (DDW lead)

- a. Consolidations – Originally authorized through SB88 (2015). The Board has the authority to order small water systems who fail to consistently provide adequate drinking water to consolidate with other drinking water systems, when voluntary consolidation efforts don't work.
- b. Administrators – Administrator can be named through a public process to take over the operations of a failing water system and put it on a path to long term sustainability.

2. Funding (DFA lead)

- a. Fund Expenditure Plan: Each year the Board is required to adopt a Fund Expenditure Plan which will guide staff work in the SAFER program over the fiscal year.
- b. SB200 Funding: One of the innovations of SB200 is the flexibility in the funding that it provides. Funds in the Safe and Affordable Drinking Water Fund can be used for both capital and non-capital expenses including paying for administrators, technical assistance (including project planning and pre-planning), and operations and maintenance.
- c. Other Funding Sources: In addition to SB200 funding other funding sources including bond funding, the Drinking Water State Revolving Fund and some general funds are available for projects under the SAFER program. Most of these funds are limited to capital projects but some funding sources have the flexibility to be used for other purposes

3. Outreach and Engagement (Office of Public Participation (OPP) lead)

- a. SB200 Advisory Group: SB200 calls for the Board to name an advisory group to advise it on the development of the Fund Expenditure Plan and other aspects of the SAFER program
- b. Community Engagement: Community engagement is a cornerstone of the SAFER program. OPP works with staff in DDW Engagement units to ensure that community members can engage in finding solutions to issues with their drinking water systems.

4. Data and Needs Assessment (DDW lead)

- a. Affordability and Cost Assessments: Development of an Affordability Threshold is required for each year's Fund Expenditure Plan. Cost estimates for different solution types are also being developed
- b. Risk Assessment: The risk assessment utilizes a variety of indicators of risk of failure for drinking water systems. The development of list of "at risk" water systems will allow DDW and DFA to work on solutions for drinking water systems and put them on the path to long term sustainability, before they violate drinking water standards
- c. Data Gathering and Dissemination: One key to the SAFER program is bringing disparate data systems together in order find drinking water

solutions and to track program progress. Disseminating the data to the public in ways that are easy to digest and understand is also critical to the success of the program.

Accomplishments of the SAFER program to date include:

- Encumbering \$130 million for projects in fiscal year 2019-2020
- Continuing assessment and reassessment of all drinking water systems with violations through quarterly meetings between DDW, DFA and others
- Adoption of Fund Expenditure Plan for fiscal year 2020-2021
https://www.waterboards.ca.gov/water_issues/programs/grants_loans/sustainable_water_solutions/docs/sadwfep_2020_07_07.pdf
- Five public meetings of SB200 Advisory Group
- Development of publicly available visualizations for program tracking
https://www.waterboards.ca.gov/safer/dw_systems_violations_tool.html

Goals for fiscal year 2020-21 include

- Providing interim water supplies to 150 additional communities
- Funding planning and technical assistance for 150 communities
- Developing long term solutions for 100 communities
- Development of Risk Assessment metrics and a list of at-risk drinking water systems

The staff presentation by DDW will provide an overview of the SAFER program, with a particular focus on its implementation within the North Coast Region.

RECOMMENDATION: None. This is an informational item only.

SUPPORTING

DOCUMENTS: More information on SAFER can be found at:
<https://www.waterboards.ca.gov/safer/>