

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

November 17, 2022, Meeting Materials Packet

Please review this packet before the meeting.

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Discussion #1: Process Improvements and Performance Indicators

OVERVIEW

In state fiscal year (SFY) 2020-21, the State Water Board’s Division of Financial Assistance (DFA) formed an internal Process Improvement Work Group (PIWG) with staff from the Office of Sustainable Water Solutions, Loans & Grants, and Office of Chief Counsel, to identify program inefficiencies, evaluate potential improvements, and revise internal procedures accordingly. The PIWG focus is to reduce the amount of time needed to approve projects, execute funding agreements, and process reimbursement requests.

To date, the PIWG has completed 40 improvements and are developing an additional 35 improvements. Additional details will be featured in the Fiscal Year (FY) 2022-23 Safe and Affordable Drinking Water Funding Expenditure Plan, [Appendix K](#) Funding Process and Process Improvements.

Funding process improvements Overview

The State Water Board recognizes the need for an ongoing effort to improve its service, particularly increasing efficiency of the funding process. A funding process overview is included in Appendix K, which provides information on the five phases of a project, from the submittal of a complete application to project closeout, shown in Figure 1 below.

Figure 1. Funding Process Overview



Starting in June 2021, the State Water Board staff diverted staff resources towards a strategic, dedicated effort to evaluate several items to improve administrative efficiencies of the funding process. The funding process will have an overall impact on the time it takes to execute funding agreements and amendments and enables DFA staff to shorten the process time in other process phases. This effort will continue in FY 2022-23 focusing on the select improvements as identified in the FEP (see Table 22) which are expected to provide the greatest benefit to applicants.

Completed Funding Process Improvements in FY 2021-22

The following describes key improvements made in the last fiscal year expected to have the most significant impact to the funding process.

1. **Electronic Disbursement Procedures** – 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.
2. **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.

3. **Standardize Special Conditions** – Standardize common special technical conditions to improve consistency across DFA units and sections.
4. **Technical Assistance (TA) for non- disadvantaged communities (non-DACs)** – Amended TA master agreements to allow for TA resources to assist non-DACs with good cause.
5. **Drinking Water TA Provider Request for Qualifications (RFQ) Process** – Through the Drinking Water TA Provider RFQ Guidelines, DFA solicited statements of qualifications from entities that are interested in being added to the qualified drinking water TA provider pool.
6. **Revised Drinking Water State Revolving Fund (DWSRF) Intended Use Plan (IUP) to include Infrastructure Appropriation** – The Board adopted a resolution in March 2022 incorporating Budget Act of 2021 (SB 170) “Infrastructure Appropriation” into the DWSRF IUP, including offering greater opportunities for full grant funding (across funding sources), which can streamline funding approval processes.

See [Appendix K](#) for the list of improvements completed since FY 2019-20.

Discussion Questions:

1. If you participated in the technical assistance or funding process, have you observed changes from recently implemented improvements?
2. What feedback do you have on the process improvements currently in development? What key priorities should we focus on?
3. What new recommendations do you have regarding process improvements, staff expectations, metrics, or benchmarks?

Discussion #2: 2023 Drinking Water Needs Assessment

OVERVIEW

The State Water Board conducts the Needs Assessment annually to inform the annual Fund Expenditure Plan (FEP), support implementation of the SAFER Program, and advance its water system Technical, Managerial, Financial (TMF) Capacity Development Strategy. The Needs Assessment consists of three core components: the Risk Assessment, Cost Assessment, and Affordability Assessment. The results of the Needs Assessment will be used by the State Water Board and the SAFER Advisory Group to inform prioritization of public water systems, tribal water systems, state small water systems, and domestic wells for funding in the Safe and Affordable Drinking Water Fund Expenditure Plan; inform direction for State Water Board technical assistance; and to develop strategies for implementing interim and long-term solutions.

Expected Updates to the 2023 Drinking Water Needs Assessment

The following is a description of the expected updates:

- Minimal changes to the Risk Assessment for public water systems. The State Water Board plans to remove two affordability risk indicators and add one new one to the Assessment (based on feedback from the Affordability Assessment workshops mentioned below).
- A new socio-economic layer will be added to the Risk Assessment for state small water systems and domestic wells. The addition of this layer will help further align the Risk Assessment method employed for state small water systems / domestic wells with the method used for public water systems.
- The 2023 Needs Assessment will not include an updated Cost Assessment. The State Water Board is re-building the Cost Assessment Model to update cost assumptions, decision criteria, and incorporate drought infrastructure needs. The Cost Assessment Model re-build will take approximately 2 years. A webinar workshop was hosted on August 8, 2022. A white paper, presentation materials, and the webinar recording is available on the [Needs Assessment webpage](#). Future workshops will be hosted as the State Water Board moves forward with the re-build. The State Water Board anticipates including updated Cost Assessment results in the 2024 Needs Assessment Report.
- The State Water Board in partnership with the Office of Environmental Health Hazard Assessment (OEHHA) has hosted 3 workshops to refine the Affordability Assessment. White papers, presentation materials, and recordings are available on the [Needs Assessment webpage](#). Recommendations from these workshops will be used to enhance the 2023 Needs Assessment and future iterations as data becomes available.

Discussion Questions:

- 1) Do you support the proposed changes for the 2023 Needs Assessment?
- 2) What additional water system performance metrics should be included in future Needs Assessments?
- 3) What other information should be included in the Needs Assessment to help YOU better advise on the SAFER Program?

SAFER Advisory Group Updates

OVERVIEW

This document provides a written update for Advisory Group members on topics related to the SAFER program. There will not be a facilitated discussion on the topics below. *You are encouraged to read these updates, but it is not required for Advisory Group Meeting #4.*

Advisory Group Member Applications

The SAFER Advisory Group provides the State Water Board with advice on the Safe and Affordable Drinking Water Fund Expenditure Plan and other SAFER-related policies. The 2022 SAFER Advisory Group application period was extended and ended on September 27, 2022.

For the 2023-24 term:

- 11 open seats for the SAFER Advisory Group

- 24 applications received
- Applications are under review by the Water Boards Executive Director
- Selected applicants will be notified by December 2022

For resources and information regarding the SAFER Advisory Group visit:
https://bit.ly/SAFER_AdvisoryGroup.

Mandatory Consolidation Projects

The State Water Board strongly supports voluntary sharing of local resources, consolidation and regionalization. Local, proactive approaches to public water system sustainability will provide the best outcomes. However, when public water systems are failing to meet water quality standards and/or have inadequate water supply, the State Water Board may order mandatory consolidations in some circumstances, in accordance with Sections 116680-116686 of the California Health and Safety Code.

The first step in the mandatory consolidation process is to issue letters to public water systems, pursuant to Section 116682 of the California Health and Safety Code (CHSC). The recipients of such letters have up to six months from the date the letter is issued to voluntarily consolidate with, or receive extension of service from, a public water system. All letters to public water systems, consolidation orders, petitions, responses, and administrative indices are available to the public upon request.

[East Niles Community Service District \(CSD\) and seven public water systems, 6-month Consolidation Letter](#)

On September 30, 2022, the State Water Board issued letters regarding mandatory consolidation to East Niles CSD and seven other public water systems, including Del Oro Water Company-Country Estates District, East Wilson Road Water Company, Oasis Property Owners Association, San Joaquin Estates Mutual Water Company, Victory Mutual Water Company, Wilson Road Mutual Water Company and Wini Mutual Water Company. These seven water systems are all currently failing a primary maximum contaminant level. After years of planning work, a \$22 million-dollar draft construction agreement for the project was submitted to East Niles CSD in August 2021. East Niles CSD has failed to make progress to sign the funding agreement despite substantial efforts by the State Water Board.

[Athal Mutual Water Company \(MWC\) & Fuller Acres MWC, 6-month Consolidation Letter](#)

On September 30, 2022, the State Water Board issued letters to Athal MWC, Fuller Acres MWC and Lamont Public Utility District regarding mandatory consolidation. The letters serve as official notification that pursuant of CHSC Section 116682(b) these three entities are to negotiate consolidation. The State Water Board staff held a workshop on May 25, 2022, with Athal MWC and Fuller Acres MWC; no significant compliance actions were taken by the two water systems after this meeting.

Notice of Failing and At-Risk Water Systems

The State Water Board was required by Senate Bill 200, passed in 2019, to publish a list of public water systems that are Failing and At-Risk of failing to provide an adequate supply of

safe drinking water. Criteria to define ‘failing’ were developed through a stakeholder process as listed below.

Systems listed on the Failing list meet one or more of the following criteria:

- Primary maximum contaminant level (MCL) violation with an open enforcement action
- Secondary MCL violation with an open enforcement action
- Escherichia coli (E. coli) violation with an open enforcement action
- Treatment technique violations (in lieu of an MCL)
 - One or more treatment technique violations, related to a primary contaminant, with and open enforcement action; and/or
 - Three or more treatment technique violations, related to a primary contaminant, within the last three years (regardless of compliance status)
- Monitoring and reporting violations (related to an MCL or treatment technique)
 - Three monitoring and reporting violations within the last three years where at least one violation has been open for 15 months or greater.

At-Risk public water systems focus primarily on developing and evaluating risk factors for community water systems up to 30,000 service connections or less; and serving a population of 100,000 or less.

The State Water Board has notified water systems that are on the Failing and At-Risk lists in the [SAFER Dashboard](#). The State Water Board has shared a list of resources available to these water systems to help address their identified challenges and ensure that their communities have access to safe and affordable drinking water.

Adoption of the FY 2022-23 Fund Expenditure Plan for the Safe and Affordable Drinking Water Fund

On October 3, 2022, the State Water Board adopted the Fiscal Year (FY) 2022-23 Fund Expenditure Plan (FEP) for the Safe and Affordable Drinking Water Fund (SADW Fund). The Draft FY 2022-23 FEP was released for a 30-day public comment period on August 15, 2022, with a Board Workshop on August 16, 2022. Four comment letters were received, and we made minor revisions to the final version. The FEP discusses the funding approach and targeted distribution of funds (\$130 M from the SADW Fund for FY 2022-23); prioritization of funding for interim solutions and emergencies, technical assistance (TA), administrators, planning, operations and maintenance (O&M), and construction; funding for households served by state small water systems or domestic wells; other related efforts including pilot projects, community engagement, and workforce development; program metrics and performance; funding process and programmatic requirements.

Summary of Key Updates:

- New priority added to provide direct O&M support to assist community water systems facing the highest affordability burdens while promoting sustainability and TMF capacity building.

- Significant investments planned for targeted distribution of \$70 million to expand the drinking water TA program, with the goal of expediting planning efforts to have more projects ready for construction.
- New list of project conditions where certain eligible construction projects, including consolidations, may be funded with SADW Funds via the Urgent Drinking Water Needs application process rather than the traditional DWSRF application and approval process.
- Metrics and Performance section expanded to track SAFER Program performance across all eight metric categories introduced in the SADW Fund Policy plus one on Racial Equity and Environmental Justice (added in the FY 2021-22 FEP).

Additionally, at the October 3, 2022, Board Meeting, the State Water Board adopted the FY 2022-23 IUPs for both the DWSRF and the Clean Water State Revolving Fund (CWSRF). For more information, see the [Financial Assistance for Drinking Water and Wastewater Infrastructure](#) section below.

Point-of-Use/Point-of-Entry Treatment Report Workshops

The State Water Boards hosted two public workshops on the Point-of-Use and Point-of-Entry (POU/POE) Treatment Report (Report). The Report provides recommendations and actions that address challenges regarding successful implementation of POU/POE treatment as drinking water solutions and proposes specific pilot studies needed to close knowledge gaps.

The same information was presented at both public workshops. The workshops provided an opportunity for the public to ask questions and provide comments on the Report. Questions and comments can be submitted through Tuesday, November 30, 2022.

- **Public Workshop #1**
November 8, 2022
- **Public Workshop #2**
November 9, 2022

For more information, see the SAFER timeline below or visit the [SAFER Calendar](#).

Drinking Water Needs Assessment Workshops

The State Water Board has been hosting public workshops to provide opportunities for stakeholders to learn about and contribute to the development of the Needs Assessment methodologies. These methodologies will be refined over time, particularly as new information becomes available or as new regulatory changes occur.

The State Water Board continues to host public workshops on proposed changes to the methods used in the annual Needs Assessment. The following includes recent and future Needs Assessment workshops.

- **Cost Assessment Workshop: Proposed Updates to the Drinking Water Cost Assessment Model**
August 8, 2022
Public Notices: [English](#) | [Spanish](#)
Materials: [White Paper](#) | [Presentation](#)
- **Affordability Workshop 1: Overview of Drinking Water Affordability**
August 11, 2022
Public Notices: [English](#) | [Spanish](#)
Materials: [Presentation](#)
- **Affordability Workshop 2: Potential Affordability Indicators**
September 20, 2022
Public Notices: [English](#) | [Spanish](#)
Materials: [White Paper](#) | [Supplemental Appendix C1](#) | [Supplemental Appendix E](#)
- **Affordability Workshop 3: Affordability Assessment Methodology & Threshold Setting**
November 1, 2022
Public Notices: [English](#) | [Spanish](#)
Materials to be posted soon on the [Needs Assessment webpage](#).
- **Workshop 4: 2023 Needs Assessment Workshop**
January 2023 (TBD)
Materials to be posted soon on the [Needs Assessment webpage](#).

10th Anniversary of Human Right to Water

The State Water Resources Control Board approved \$2.7 billion in financial assistance for the 2022-23 fiscal year as California recognizes the 10th anniversary of adopting the nation's first Human Right to Water law.

The financial assistance plans prioritize disadvantaged communities and water resiliency projects to address inadequate infrastructure, which is often a barrier for communities trying to create resilient water supplies. Leveraging historic investments by Gov. Gavin Newsom, the California Legislature and the Biden administration, the board is expanding its capacity for grant and loan forgiveness to maximize a generational opportunity to reinvest in California's outdated water infrastructure. Projected spending includes \$609 million from recently appropriated federal dollars under the federal [Bipartisan Infrastructure Law](#).

Since California instituted the Human Right to Water in 2012, a series of actions gave the board the authority and mechanisms to implement the law:

- In 2014, the Department of Public Health's Drinking Water Program was [transferred](#) to the State Water Board.
- In 2016, SB 88 established the board's [mandatory consolidation authority](#).

- In 2019, the Governor signed SB 200, which led to the creation of the [Safe and Affordable Funding for Equity and Resilience \(SAFER\) drinking water program](#). Through SAFER, the board finances both mandatory and voluntary consolidations.

Financial Assistance for Drinking Water and Wastewater Infrastructure

The State Water Board’s Drinking DWSRF and CWSRF programs account for the majority of its financial assistance for drinking water and wastewater infrastructure. Communities can apply for loans to construct or improve their systems at rates well below those commercially available. Disadvantaged communities also may be eligible for principal forgiveness or grants.

This fiscal year, federal funding is adding \$475 million and \$134 million to the DWSRF and CWSRF, respectively, increasing the level of available grant money for disadvantaged communities.

Financing plans that the board adopted on October 3, 2022, prioritize the following amounts for loan forgiveness and grants:

- \$765 million to build or upgrade water and wastewater infrastructure.
- \$55 million to address emerging contaminants in drinking water, such as [Per- and Polyfluoroalkyl Substances](#) (PFAS).
- \$120 million to replace lead service lines and connectors.

Aside from loan forgiveness and grants, the board is projecting about \$1.6 billion in DWSRF loans this year.

SAFER Related Job Opportunities

The State Water Board is hiring for several SAFER positions. Details regarding these positions will be announced during the SAFER Advisory Group Meeting on November 17, 2022. To learn more about job opportunities, visit calcareers.ca.gov.

SAFER Timeline

Table 1: Tentative 2022 Schedule of Events Related to SAFER

2022	Topic
10/28	Release of POU/POE Report
11/1, 10:00 am	Affordability Workshop #3
11/8, 9:00 am	Point of Use/Point of Entry Treatment Report Workshop #1
11/9, 5:00 pm	Point of Use/Point of Entry Treatment Report Workshop #2
11/17, 9:00am	Advisory Group Meeting #4
12/TBD	Board Meeting on Administrator Handbook

2022 Legislation Related to the SAFER Program

The 2022 legislative session has ended. The following is a summary of the final disposition of bills with potential impacts to the SAFER Program that moved through the Legislature in 2022.

NOTE: Bills that were signed by the Governor will take effect on January 1, 2023.

ADMINISTRATIVE

AB 1733 (Quirk) State bodies: open meetings.

This bill would amend the Bagley-Keene Open Meeting Act to make several changes regarding teleconferencing. This bill would require state bodies:

- To hold open meetings by teleconference and would allow teleconferencing in closed sessions.
- To provide a means by which the public may remotely attend the meeting and address the state body, including a physical location.

This bill also updates the notice requirements for teleconferenced meetings. This bill is an urgency measure.

NOTE: Bill was held in the Assembly Governmental Organization Committee.

**SAFER Advisory Group meetings are subject to the Bagley-Keene Open Meetings Act.*

AB 2108 (RIVAS, ROBERT) Water policy: environmental justice: disadvantaged and tribal community representation.

This bill would make several environmental justice-oriented changes to address disparate water quality impacts in disadvantaged communities. Among the changes, this bill would require the State Water Resources Control Board and Regional Water Quality Control Boards, collectively referred to as the Water Boards, to:

- Assess environmental justice impacts when issuing waste discharge requirements or waivers and plans or policies,
- Address issues of environmental justice and social equity as early as possible in project planning processes,
- Take actions if funding is appropriated.

****NOTE: SIGNED BY GOVERNOR, chaptered by the Secretary of State as Chapter 347, Statutes of 2022***

SB 1219 (HURTADO) 21ST century water laws and agencies: committee.

This bill would require the secretaries of Natural Resources and Environmental Protection Agencies to convene a committee to develop a strategic vision, proposed statutes, and recommendations for a modern 21st century set of water laws and regulations, and for state and local water agencies by December 31, 2024.

This bill would also require the Governor or the committee to appoint a blue-ribbon citizen commission to assist the committee in making recommendations for improved water resource management.

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

CEQA

AB 1642 (SALAS) California environmental quality act: water system well and domestic well projects: exemption.

This bill would create a California Environmental Quality Act (CEQA) exemption for well projects that are part of a water system designated by the State Water Board as high risk or medium risk in the Board's drinking water needs assessment. The bill would require that any applicant wishing to use the exemption to first contact the State Water Board to determine if taking the exemption would impact the project's ability to receive financial assistance.

NOTE: SIGNED BY GOVERNOR, chaptered by the Secretary of State as Chapter 859, Statutes of 2022

**The SAFER Program Needs Assessment designates water systems as failing or at-risk of failing to provide an adequate supply of safe drinking water.*

DRINKING WATER

AB 1931 (RIVAS, LUZ) Community water systems: lead pipes.

This bill would require the State Water Board to provide federal Infrastructure Investment and Jobs Act funding to community water systems to fund the replacement or removal of lead service lines, among other related uses. Community water systems that serve disadvantaged communities would be prioritized for funding.

The bill would mandate that community water systems take measures:

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

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

NOTE: Bill was held in the Senate Appropriations Committee.

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

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

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

NOTE: Bill was held in the Assembly Appropriations Committee.

SB 222 (Dodd) Water Rate Assistance Program.

This bill would, upon appropriation, establish the Water Rate Assistance Fund and the Water Rate Assistance Program, to be administered by the State Water Board. The program would provide water and wastewater bill assistance to low-income residential ratepayers. This bill would require the following: the State Water Board to consult with relevant agencies and an advisory group to adopt program guidelines.

The California Public Utilities Commission to establish a mechanism for electrical corporations and gas corporations to regularly share data for the program.

- All community water systems and wastewater systems to participate in the program (it would be optional for tribal water and wastewater systems).

NOTE: VETOED BY GOVERNOR

**SAFER conducts an Affordability Assessment as part of its annual Needs Assessment.*

SB 1124 (ARCHULETA) Public health goal: primary drinking water standard: manganese.

This bill would require the following:

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

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

NOTE: Bill was held in the Assembly Appropriations Committee.

**SAFER considers water system compliance with Maximum Contaminant Levels as part of its Needs Assessment.*

SB 1254 (HERTZBERG) Drinking water: administrator: managerial and other services.

This bill would implement the following:

- Provide liability protection to water system administrators appointed by the State Water Board for good faith efforts taken to improve a failing drinking water system.
- Clarify the State Water Board's liability in the context of appointing administrators.
- Authorize the State Water Board to appoint administrators to drinking water systems which are at-risk of failure.

NOTE: SIGNED BY THE GOVERNOR, chaptered by the Secretary of State as Chapter 681, Statutes of 2022. This bill was sponsored by the Governor's Administration.

**The Administrator Program is a vital component of SAFER.*

FUNDING/BONDS/FEES

AB 2387 (GARCIA, EDUARDO) Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, and Workforce Development Bond Act of 2022.

This bill would place the Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, and Workforce Development Bond Act of 2022 before voters for approval at the November 8, 2022, statewide general election. This act would authorize the issuance of \$7.430 billion in general obligation bonds to finance projects for safe drinking water, wildfire prevention, drought preparation, flood protection, extreme heat mitigation, and workforce development.

Of the funds that would be made available to the State Water Board:

- \$400 million would be for wastewater and drinking water projects
- \$100 million for clean water projects
- \$100 million for groundwater contamination projects
- \$300 million for water recycling projects.

This bill declares that it is an urgency statute.

NOTE: Bill was held in the Assembly Appropriations Committee.

AB 2419 (BRYAN) Environmental Justice: Federal Infrastructure Investment and Jobs Act: Justice40 Oversight Committee.

This bill, among other provisions, would require:

- A minimum of 40 percent of the federal Infrastructure Investment and Jobs Act (IIJA) funds be allocated to projects that benefits disadvantaged communities and disadvantaged unincorporated communities,
- An additional 10 percent be allocated to projects that benefit low-income communities.

This bill would also establish the Justice40 Oversight Committee within the Strategic Growth Council to identify infrastructure deficiencies, recommend projects, track IIJA funds, and develop standards for agencies administering IIJA funds. The oversight committee would be required to submit reports to the Legislature on or before December 31, 2024, and December 31, 2027.

NOTE: Bill was held in the Senate Appropriations Committee.

AB 2536 (GRAYSON) Development fees: connection fees and capacity charges: studies.

This bill would require a local agency to:

- Evaluate the amount of a proposed new fee or capacity charge; or
- Increase in an existing fee or capacity charge.

The evaluation must include evidence to support that the fee or capacity charge does not exceed the reasonable cost of providing the service.

The bill would also require a public meeting to discuss the evaluation for a new or increased fees/capacity charges.

NOTE: SIGNED BY GOVERNOR, chaptered by the Secretary of State as Chapter 128, Statutes of 2022

**Facilitating water system consolidation is a key tool of the SAFER program.*

AB 2877 (GARCIA, EDUARDO) Safe And Affordable Drinking Water Fund: tribes.

This bill would require the State Water Board to work with California Native American tribes to:

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

This bill would also require the State Water Board's tribal liaison to participate in all discussions with Tribes about SADW Fund monies, including negotiations over waivers of tribal sovereignty.

****NOTE: SIGNED BY GOVERNOR, chaptered by the Secretary of State as Chapter 481, Statutes of 2022***

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

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

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

****NOTE: SIGNED BY GOVERNOR, chaptered by the Secretary of State as Chapter 680, Statutes of 2022***

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

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

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

****NOTE: Bill was held in Assembly Appropriations Committee.***

WATER QUALITY

SB 1197 (CABALLERO) Water Innovation and Drought Resiliency Act of 2022.

This bill would create the Initiative to Advance Water Innovation and Drought Resiliency at the Office of Planning and Research. The bill would require the office, to take specified measures on or before December 31, 2024, to advance innovation in the water sector and ensure a drought-resilient economy.

NOTE: Bill was held in Senate Appropriations Committee.