

**STATE WATER RESOURCES CONTROL BOARD  
BOARD MEETING SESSION – DIVISION OF FINANCIAL ASSISTANCE  
AUGUST 16, 2023**

**ITEM 10**

**SUBJECT**

BOARD WORKSHOP ON THE DRAFT FISCAL YEAR 2023-24 FUND EXPENDITURE PLAN FOR THE SAFE AND AFFORDABLE DRINKING WATER FUND.

**DISCUSSION**

The Safe and Affordable Drinking Water Fund (SADW Fund) was established through Senate Bill 200 in July 2019. The SADW Fund provides up to \$130 million per year to develop and implement solutions for water systems and domestic wells that are not sustainable or have violations of drinking water standards. Funding is generally prioritized for small, disadvantaged communities or low-income households.

The State Water Board adopted the Policy for Developing the Fund Expenditure Plan (SAFER Policy) for the SADW Fund. The SAFER Policy establishes and documents the State Water Board's direction on how the annual Fund Expenditure Plan (FEP) is to be developed. The SAFER Policy identifies and defines key terms and metrics; describes how proposed remedies will be identified, evaluated, prioritized, and included in the FEP; establishes a petition process for consideration of consolidation orders for disadvantaged communities, and includes a public hearing requirement.

The State Water Board is updating the FEP, which is an annual document required by statute. The Draft FY 2023-24 FEP is informed by an annual statewide drinking water needs assessment, which was released in May 2023, and developed in consultation with stakeholders. The FEP discusses FY 2023-24 funding targets, funding prioritization by solution type, distribution of prior FY 2022-23 funds, metrics and performance, funding process, financing and programmatic requirements, and schedule. Expenditures from the FY 2023-24 SADW Fund allocation must be consistent with the FY 2023-24 FEP.

**POLICY ISSUE**

Discuss the Draft FY 2023-24 FEP.

**FISCAL IMPACT**

None. The FEP is an annual document required by statute which documents past and planned expenditures, and prioritizes projects for funding, with existing funding and staff.

**REGIONAL BOARD IMPACT**

Eligible projects statewide may be funded by the SADW Fund and will require collaboration and engagement between DFA and the Division of Drinking Water and, in some cases, with the Regional Water Quality Control Boards.

**STAFF RECOMMENDATION**

None; workshop item only.