

2023 DRINKING WATER NEEDS ASSESSMENT

State Water Resources Control Board

ABOUT

The purpose of the annual Needs Assessment is to (1) **identify communities** in California that are failing or at risk of failing to have access to safe drinking water; (2) **estimate the cost** implementing solutions for these communities; and (3) **identify affordability challenges** that may pose as barriers to implementing these solutions. White papers, presentations, public feedback received, and webinar recordings can be found on the State Water Board's [Needs Assessment](#) webpage.

AFFORDABILITY-RELATED ENHANCEMENTS

In response to stakeholder feedback after the release of the 2021 and 2022 Needs Assessment, the State Water Board in partnership with the Office of Environmental Health Hazard Assessment (OEHHA), hosted three public Affordability Workshops in 2022 to re-evaluate previously utilized affordability indicators. In response, the 2023 Needs Assessment:

- Removes two affordability indicators from the Affordability Assessment: 'Percent of Residential Arrearages' and 'Residential Arrearage Burden.' Current data for these risk indicators is not available for use in the Needs Assessment because it was only collected as a part of the COVID-19 pandemic Drinking Water Arrearage Payment Program.
- Includes a new affordability indicator, "Household Socioeconomic Burden," a composite indicator that is a combined measure of Housing Burden and Poverty Prevalence that measures the extent to which low-income customers may have affordability challenges now or in the future because their disposable income is constrained by high housing costs. This allows for the first time, the inclusion in the assessment of approximately 680 community water systems (i.e., mobile home parks, etc.) that do not charge customers directly for water.

STATE SMALL AND DOMESTIC WELL RISK ASSESSMENT ENHANCEMENTS

The 2022 Risk Assessment included two risk categories for state small water systems and domestic wells: Water Quality and Water Shortage. In 2022, the State Water Board partnered with OEHHA to develop a third category that analyzed socioeconomic risk. The purpose of the new Socioeconomic risk category is to (1) assess a counties' overall administrative, technical, and managerial capacity to assist communities served by state small water systems and domestic wells and (2) assess the ability of communities served by these systems to access and pay for water at a neighborhood level, especially when faced with a well experiencing water quality or water shortage issues.

2023 RISK ASSESSMENT RESULTS

As of January 1, 2023, there were 388 water systems, serving a population of approximately 938,000 people on the Failing list. The 2022 Risk Assessment correctly predicted approximately 87% of the water systems that were on the Failing list in 2022. Below is the

summary of the 2023 Risk Assessment results for public water systems, state small water systems, and domestic wells.

System Type	Total Systems Analyzed	At-Risk
Public Water Systems	3,053	512 (17%)
State Smalls Water Systems	1,297	245 (19%)
Domestic Wells	291,401	81,588 (28%)

NO 2023 COST ASSESSMENT UPDATE

This 2023 Needs Assessment does not include an updated Cost Assessment. The State Water Board is currently updating the full Cost Assessment Model for Failing and At-Risk public water systems, state small water systems, and domestic wells for the 2024 Needs Assessment. The State Water Board began hosting public workshops in 2022 and additional workshops are planned for 2023. This 2-year enhancement effort includes:

1. Updating how the Cost Assessment Model identifies and selects interim and long-term solutions for Failing and At-Risk systems.
2. Updating and enhancing the cost assumptions and formulas used in the Model to estimate costs – both capital and non-capital.
3. Improving the analysis of the Cost Assessment results.
4. Improving transparency by making the underlying data, formulas, etc. more accessible.

2023 AFFORDABILITY ASSESSMENT RESULTS

The Affordability Assessment identifies community water systems that serve disadvantaged communities (DAC/SDAC) that may face financial management issues due to customer fiscal stresses. Affordability indicators used:

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

The State Water Board identified 75 (5%) DAC/SDAC water systems that had a high affordability burden, 246 (17%) with a medium affordability burden, 889 (60%) with a low affordability burden, and 272 (18%) with no affordability burden.