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State Water Board approves \$2.7 billion in financial assistance as California recognizes 10th anniversary of Human Right to Water

Oct. 12, 2022 Contact: Dimitri Stanich – Information Officer

SACRAMENTO –The State Water Resources Control Board has approved major spending plans for the 2022-23 fiscal year totaling \$2.7 billion that prioritizes disadvantaged communities and water resiliency projects. The approvals come as California this month recognizes the 10th anniversary of adopting the nation's first Human Right to Water law.

The plans include financial assistance 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its capacity for grant and loan forgiveness to maximize a generational opportunity to reinvest in California's outdated water infrastructure.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.

"Last week, joined by community advocates and partners, we reflected on how far we have come since California instituted the Human Right to Water in 2012," said Joaquin Esquivel, chair of the State Water Board. "Since then, hundreds of water systems are providing communities with reliable and affordable access to safe drinking water and sanitation. But there is still much more work to do, especially as drought and climate change compound contamination and supply issues for our most vulnerable communities."

After the Human Right to Water was passed, 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 <u>transferred</u> to the State Water Board; in 2016, SB 88 established the board's <u>mandatory consolidation authority</u>; and in 2019, the Governor signed SB 200, which led to the creation of the <u>Safe and Affordable Funding for Equity and Resilience (SAFER) drinking water program</u>. Through SAFER, the board finances both mandatory and voluntary consolidations.

"The Human Right to Water story is one of clear progress, thanks in large part to Gov. Newsom's leadership," said Yana Garcia, California's Secretary for Environmental Protection. "This historic milestone has enabled the state, together with water system





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administrators and communities, to reduce the population served by failing water systems by 40%. As we prepare for a fourth year of drought, our continued commitment and advocacy to realize this human right is as urgent as ever."

Financial Assistance for Drinking Water and Wastewater Infrastructure

The board's <u>Drinking Water</u> and <u>Clean Water</u> State Revolving Fund 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 Drinking Water and Clean Water funds, respectively, increasing the level of available grant money for disadvantaged communities.

Financing plans that the board adopted Oct. 3 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 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 SRF loans this year.

Financial Assistance for Safe and Affordable Drinking Water

Additionally, on Oct. 3, the board adopted its <u>Safe and Affordable Drinking Water Fund Expenditure Plan</u>, establishing its targeted priorities for distributing \$130 million to assist sustainable drinking-water solutions in disadvantaged communities. Developed in consultation with a <u>community advisory board</u>, the plan prioritizes:

- Up to \$60 million for county and regional programs providing support for state small water systems and domestic wells at risk of failure.
- · Expanding technical assistance support.
- Investing in accelerated planning efforts for consolidations.
- Operation and maintenance support for systems with high affordability burdens.

The Safe and Affordable Fund complements the broader <u>SAFER</u> program to address funding gaps and expedite priority projects. Since the SAFER program launched in 2019, it has distributed 84% more grant funding to small, disadvantaged communities - totaling \$700 million - than in the three years prior. Additionally, 80 consolidations have been completed and another 210 currently are in process.

The State Water Board's mission is to preserve, enhance and restore the quality of California's water resources and drinking water for the protection of the environment and public health, and to ensure proper resource allocation and efficient use for present and future generations



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The SAFER Program includes projects funded by the Safe and Affordable Drinking Water Fund, which is part of California Climate Investments, a statewide initiative that puts billions of Cap-and-Trade dollars to work reducing greenhouse gas emissions, strengthening the economy, and improving public health and the environment-particularly in disadvantaged communities.