Overview

The Safe and Affordable Funding for Equity and Resilience (SAFER) Advisory Group (AG) participated in a day-long meeting that included presentations on SAFER metrics and progress, events and outreach, arrearages, drought assistance, affordability, and the draft Fiscal Year (FY) 21-22 Fund Expenditure Plan (FEP). The meeting also included robust discussions on FEP priorities, how the Safe and Affordable Drinking Water (SADW) funding should be allocated in the FEP, and how to improve the grant/loan funding process.

Funding Allocations & Priorities

- In terms of the FEP priorities: There was general consensus and agreement about the additional FEP priority on racial equity and agreement on the other existing priorities. And there was one recommendation to add a priority related to process improvements.

- In terms of funding category allocations, there was not consensus on how SADW funds should be allocated in the FEP. Some agreed with the Department of Financial Assistance’s (DFA) proposal. Given the additional drinking water infrastructure funding, some recommended no SADW funds be used for construction because there are other construction funding mechanisms. Others felt construction is the most important category regardless of other funding mechanisms. Some wanted all SADW funds used for interim/emergencies. Others felt SADW funds used to scale up domestic well testing and include domestic well testing performance metrics in the FEP. Others suggested Technical Assistance (TA) could be increased to expedite application submittals and planning efforts.

- There was general support for using some SADW funds for emergencies, but the AG would like clarity on what defines an emergency. Emergencies may be immediate issues (like water system failures) or chronic problems (like drought). Some believe SAFER funds should only be used for immediate issues and not chronic emergencies. There was not consensus on this, but most want to explore the idea further.

- Some believe that SADW Operations and Maintenance (O&M) funds should also be used for systems where consolidation is not an option and not only as a consolidation incentive.

- Some are concerned that SADW funds are supporting solutions where a responsible party should pay for solutions (e.g., Central Valley Salinity Alternatives for Long-Term Sustainability (CV-SALTS) and Salinas farmers, or Groundwater Sustainability Agencies (GSAs)).

- Most are interested in developing shared expectations for the funding process. Some would like specific timelines, so communities understand how long it takes for different solutions. Others recognized that each project is unique, and it’s difficult to provide a single timeline for each solution. Staff believe there is a middle ground and they can provide a range of times by solution type.

Funding Process Improvements

- There was general support for expediting the funding process, so long as it doesn’t impact the quality of work (e.g., speed does not always align with quality and we don’t want to short-change construction) or push for a solution that will not be sustainable in the long-run.
Some would like a formal “Process Improvement” priority/goal in the FEP. Not everyone agreed with this, but most would like 1) ongoing review of the funding process to identify areas of improvement and 2) updates on the number of projects that are falling behind, why, and if there is anything the State Water Board (SWB) can do to move things along (e.g., mandatory consolidation letter, incentives, other).

Most agreed that we need better messaging and more transparency in the funding process. Some recommended developing specific milestones/deadlines for projects that allow us to evaluate project progress. Some supported outlining specific SWB intervention points in the FEP for when things are taking too long (e.g., define what will trigger a mandatory consolidation letter).

The AG and SWB staff had a robust discussion on various ideas for process improvements. Recommendations included: more TA for preparing the cumbersome funding application, ensuring staff ask for everything they need upfront, allow different parties to submit the application on behalf of the community or system, consider each project in the context of an emergency (e.g., East Porterville moved very quickly), and more.

There were also several requests for more information about our outreach processes and specifically how SAFER is supporting domestic wells.

Public Comments
- Concerned about O&M funding being used as an incentive for consolidations.
- Support setting goals and deadlines for projects.
- Want to ensure affordability discussions address the total cost of supplying water (e.g., fees, taxes, assessments)
- Consider how Harmful Algal Blooms impact drinking water for vulnerable communities.

Next Steps and Requests for More Information
- Staff & AG continue process improvement discussion.
- Staff provide updates on implementation of process improvements.
- Staff use AG feedback to provide information/updates on the following topics:
  - How SAFER is supporting domestic wells.
  - How SAFER is coordinating with other related programs/agencies (CV-SALTS, Sustainable Groundwater Management Act (SGMA), Department of Water Resources (DWR), etc.). Some requested this be included in the FEP. Not everyone supported the idea of having this in the FEP, but many wanted to receive updates and more information on coordinated efforts.
  - How O&M funds are being used and what pilot projects look like.
  - How staff outreach to hard-to-reach systems (e.g., those not on the Human Right to Water (HR2W) list, those who don’t know about funding, etc.).
  - How the funding process works, why it takes so long, and a general idea of how long different solutions take to complete.
- Staff will work to address these requests at future AG meetings

Advisory Group Roll Call
1. Horacio Amezquita: Present
2. Sergio Carranza: Present
3. Sandra Chavez: Present
4. David Cory: Present
5. Cástulo Estrada: Present
6. Lucy Hernandez: Present
7. Jianmin Huang: Present
8. Don James: Present
9. Everett McGhee: Present
10. Maria Luisa Munoz: Present
   a. Erick Orellana, Community Water Center (w/ Jonathan Nelson)
12. Camille Pannu: Present
13. Michael S. Prado Sr.: Present
15. Michael Rincon: Present
16. Emily Rooney: Present
   a. Karina Herrera, Water Boards (w/ Emily Rooney)
17. Isabel Solorio: Absent
18. Dawn White: Present

State Water Board Attendance

- **Division of Drinking Water**: Michelle Frederick, Karen Nishimoto, David Zensius
- **Division of Financial Assistance**: Jasmine Oaxaca, Joe Karkoski, Bridget Chase, Jennifer Toney
- **Office of Public Participation**: Adriana Renteria, Jessica Bean, Itzel Vasquez-Rodriguez, Elizabeth Herrera
- **Office of Chief Counsel**: Doug Bojack