

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

State Water Board Workshop



Agenda Item 6

August 16, 2022



FY 2021-22 Progress

FY 2021-22 SAFER Program Performance

	Water Systems (Communities / Schools)	Households	No. of Connections Benefiting	No. of People Benefiting	Total Assistance Provided	FY 2022-23 Goal
Interim Assistance	55	1,265	6,451	35,244	\$13 M	50 communities
Technical Assistance (TA) Projects	94 (27 planning via TA)		35,515	128,283	\$14.6 M	100
Planning Projects	10		117,996	335,877	\$4.5 M	10
Construction Projects*	37 (26)		1M (32,051)	7.3M (56,293)	\$691 M (\$97 M)	30

* Numbers in parentheses for construction projects reflect projects in Office of Sustainable Water Solutions (OSWS) benefiting primarily small DACs or low-income households. The work in other categories is solely through OSWS and benefiting primarily small DACs or low-income households.

SAFER Program Assistance by System Type

System Type	Total Number of Systems	Systems Receiving Assistance [%] (# Approved/# Requested)	Total Funding Provided/Pending (\$ Approved/\$ Requested)
Systems Out of Compliance (HR2W)*	368	220 [60%] (200/ 20)	\$337.5 M (\$205.4 M/ \$132.1 M)
At-Risk Systems	432	128 [30%] (108/ 20)	\$226.5 M (\$163.6 M/ \$62.9 M)

* Number of systems on the Human Right to Water (HR2W) list used in the 2022 Drinking Water Needs Assessment (from April 2022)

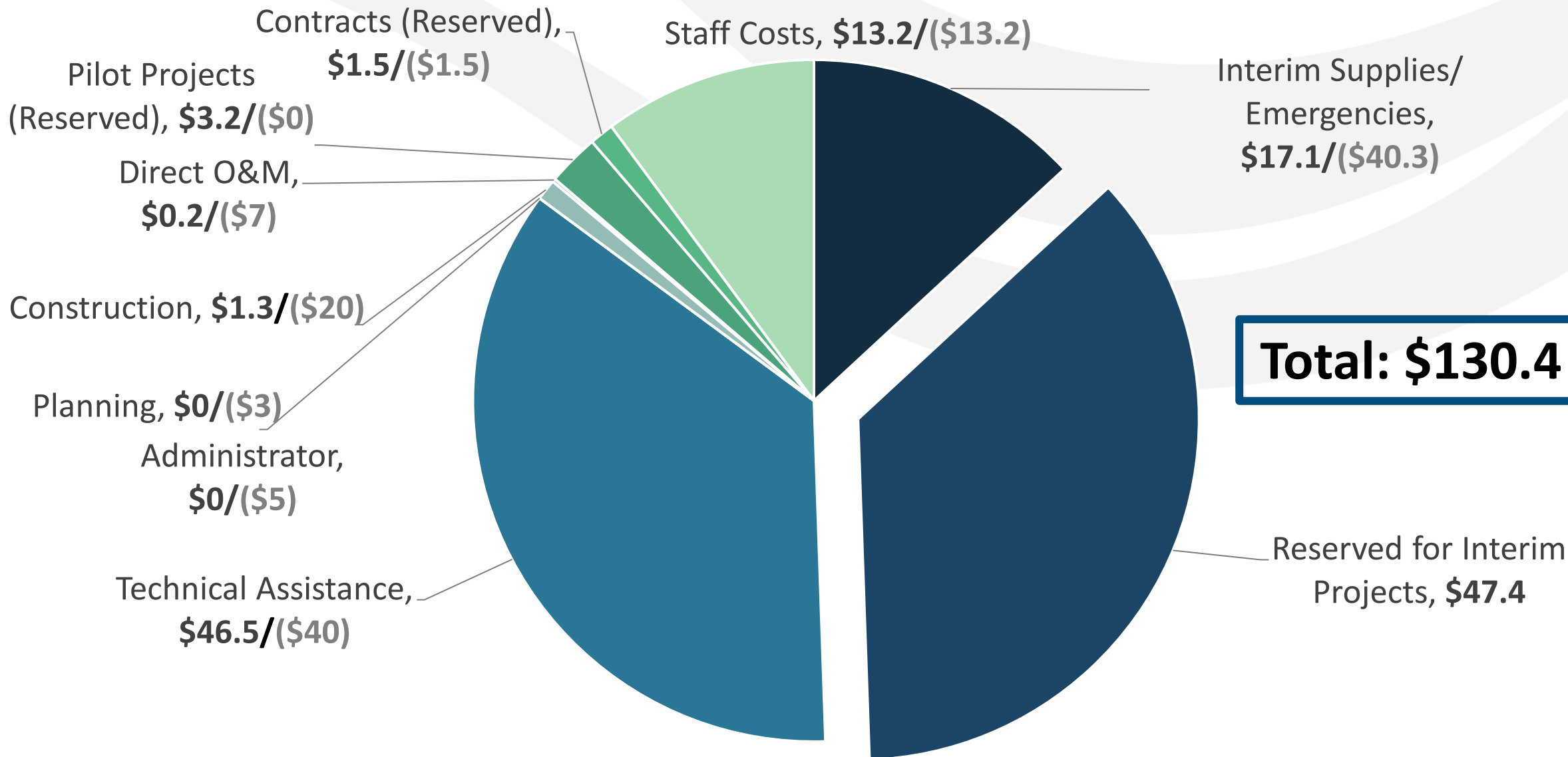
FY 2021-22 SAFER Program Committed Expenditures (SADW Fund plus other complementary funding)

Funding Category	Interim Water Supplies and Emergencies	Technical Assistance ¹	Administrator /O&M	Planning/ Construction	TOTAL
SADW Fund	\$18.0 M	\$51.8 M	\$0.2 M	\$5.3 M	\$75.3 M
General Obligation Bond Funding	-	\$1.9 M	-	\$15.8 M	\$17.7 M
General Fund (GF)	\$10.9 M	\$3.6 M	\$6.1 M	\$120.3 M	\$140.9 M
Principal Forgiveness		-	-	\$55.0 M	\$55.0 M
TOTAL	\$28.9 M	\$57.3 M	\$6.3 M	\$196.4 M	\$288.9 M (100)²

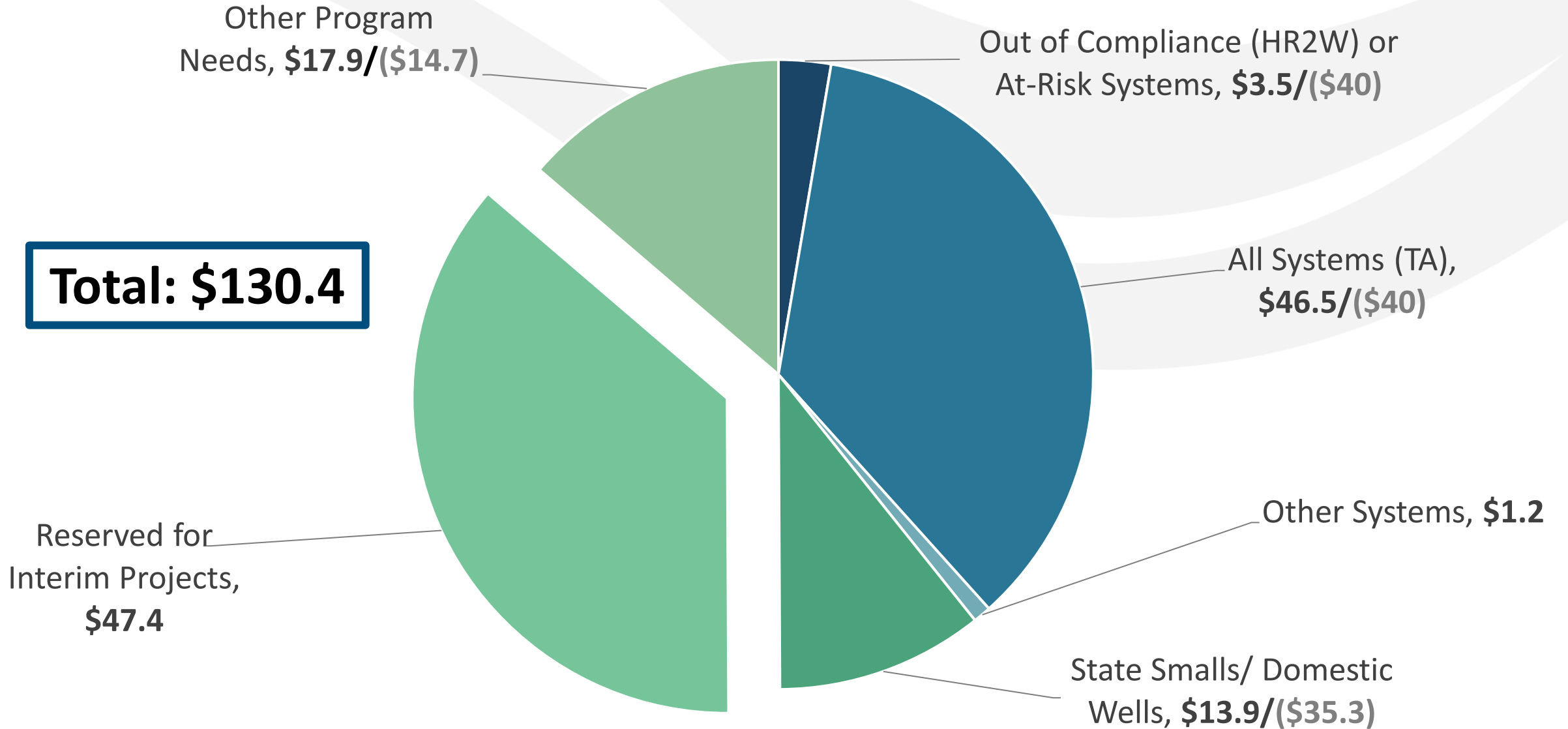
¹ Technical Assistance committed amounts reflective of the master agreements with the providers.

² Parentheses shows Number of Agreements.

FY 2021-22 Committed Expenditures, by Solution Type (in millions)(\$ committed/(\$ target))



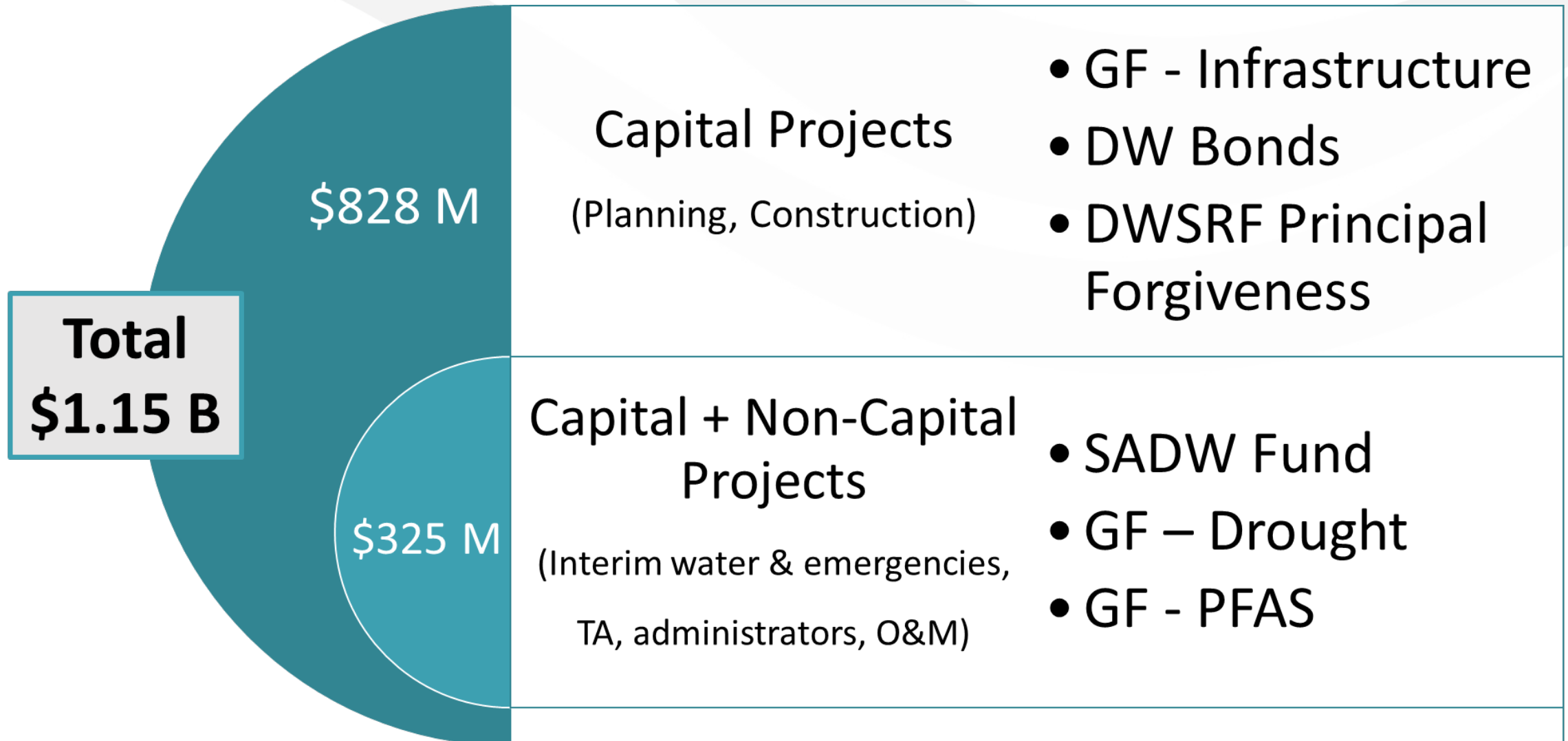
FY 2021-22 Committed Expenditures, by System Type (in millions)(\$ committed/(\$ target))





FY 2022-23

FY 2022-23 SAFER Program Anticipated Available Funding



Proposed Priorities (focus on small DACs and low-income households)



Emergency or urgent funding needs (only where other funds are not available).



Water systems that are out of compliance with primary drinking water standards or at-risk of failing.



Accelerate consolidations and promote opportunities for regional-scale consolidations.



Expedite planning through use of technical assistance.



Interim solutions and planning efforts for long-term solutions for state smalls and domestic wells.



Provide direct O&M support to assist CWSs facing the highest affordability burdens.



Ensure assistance is distributed consistent with the State Water Board's Racial Equity Resolution and Racial Equity Action Plan.

FY 2022-23 SADW Fund Proposed Targets (in millions)

	Solution Type					
Water System Category	Interim Water Supplies and Emergencies	Technical Assistance (includes Planning)	Administrator	Planning	Direct O&M Support	Construction
Systems Out of Compliance, At-Risk, or Consolidations	\$5	\$72	\$5	\$3	\$3	\$5
State Smalls/ Domestic Wells	\$13.3		\$0	\$0	\$0	\$5
Reserved from FY 2021-22	\$47.4	\$0	\$0	\$0	\$0	\$0
SUBTOTAL BY SOLUTION TYPE	\$18.3 (\$65.7)	\$72	\$5	\$3	\$3	\$10
PROJECT TOTAL						\$111.3 (\$158.7)
Other Program Needs (Reserved)	Pilot Projects	Contracts	Staff Costs			
	\$3.2	\$1.5	\$14			
GRAND TOTAL						\$130 (\$177.4)

Summary of Proposed FY 2022-23 Targets

- Focus on **small DACs** and **low-income households**.
- Significant investments proposed to address large number of **state small water systems and domestic wells** at-risk for water quality and or drought impacts.
- TA funds focus on agreements with new providers to complete planning tasks that **accelerate projects towards construction**
- Some funds to help establish additional **administrator** agreements.
- Some funds to further develop the **direct O&M funding program**.
- Planning and construction funds relatively low given the large amount of funding still available from the **General Fund Infrastructure appropriation**.



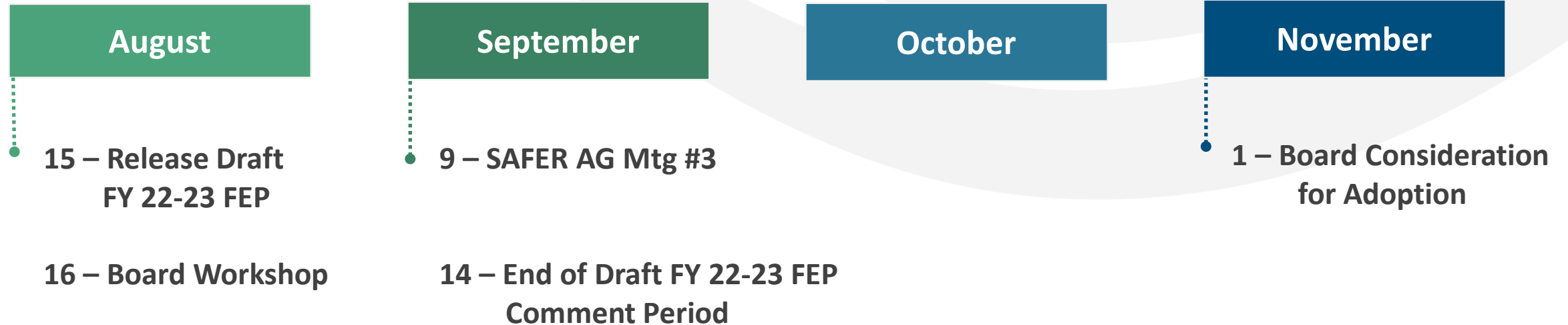
Summary of Key Updates for FY 2022-23

Summary of Updates for FY 2022-23

- **Direct O&M Support** – more detail added around steps to develop the O&M funding program.
- **Construction** – list of project conditions where certain eligible construction projects, including consolidations, may be funded with SADW Funds via a streamlined approval process.
- **Per- and polyfluoroalkyl substances (PFAS)** – addition of information on how a portion of state funding for PFAS will be utilized to meet the needs of small disadvantaged communities.
- **Drought Infrastructure** – addition of discussion on SB 552 requirements for small water suppliers and counties.
- **Metrics and Performance** – expanded this section to track SAFER Program performance across metric categories introduced in the SADW Fund Policy plus Racial Equity.

FY 2022-23 Fund Expenditure Plan Timeline

2022



AG = Advisory Group
FEP = Fund Expenditure Plan

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Questions?