Budget Act of 2021 Allocation: Per- and Polyfluoroalkyl Substances (PFAS)

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Division of Financial Assistance (DFA)

March 30, 2022
Ways to Participate

Raise Hand

Chat

Phone Keypad

Mute/Unmute = *6
Raise/Lower Hand = *9
Meeting Logistics

• This meeting is being recorded

• Panelists, please mute yourself when not speaking

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PFAS Funding Workshop Agenda

• Welcome and Meeting Logistics
• Funding Background
• Proposed Funding Strategy
• Feedback on Proposals
• Next Steps & Stay Informed
• Related Efforts
• Adjourn
## Budget Act of 2021 – State Water Board Allocations

<table>
<thead>
<tr>
<th>Allocation (Millions)</th>
<th>Project Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>$650</td>
<td>Wastewater projects&lt;br&gt; *priority to septic-to-sewer conversions</td>
</tr>
<tr>
<td>$650</td>
<td>Drinking water projects&lt;br&gt; *priority to disadvantaged communities (DACs)</td>
</tr>
<tr>
<td>$100</td>
<td>Per- and polyfluoroalkyl substances (PFAS) support for water systems</td>
</tr>
<tr>
<td>$350</td>
<td>Groundwater cleanup and water recycling projects</td>
</tr>
<tr>
<td>$20</td>
<td>Mexico border rivers</td>
</tr>
<tr>
<td>$</td>
<td>Other project-specific/directed allocations</td>
</tr>
</tbody>
</table>
Funding Background

• Senate Bill 170 appropriated $30M from General Fund to State Water Board for technical and financial assistance to drinking water systems to address PFAS.
  o Must be committed to projects by June 30, 2024
  o Must be disbursed by June 30, 2026

• Additional $50M proposed for fiscal year (FY) 2022/2023
• Additional $20M proposed for FY 2023/2024.
Funding Background Continued

• Existing Division of Financial Assistance funding processes will be used to administer this PFAS funding.

• Relevant existing programs/processes:
  o Drinking Water State Revolving Fund (DWSRF) Intended Use Plan (IUP)
  o Safe and Affordable Drinking Water (SADW) Fund Expenditure Plan (FEP)
Relevant Existing Small DAC Support

The SADW FEP prioritizes funding for small DACs and discusses funding opportunities for:

• Collection and analysis of water samples for contaminants of emerging concern, including PFAS.
• Planning and Technical Assistance to address contaminants of emerging concern.
• Pilot or demonstration studies.
Proposed Small DAC PFAS Support

• Minimum $20M for projects benefitting small DACs, funded consistent with SADW FEP.

• Proposed project types:
  o Testing water systems for PFAS, likely via a Technical Assistance Provider
  o Regional-scale pilot tests and demonstration projects
    ▪ Template designs for other small systems to utilize
  o Planning for regional consolidation efforts
Proposed Support for Other Communities

• Implementation funding for ready to proceed projects.

• Apply through DWSRF Program.

• Small non-DACs and medium DACs eligible for 100% of eligible project costs.

• For other communities (medium non-DACs, all larger communities) funding limited to 50% of project costs.

• As condition of PFAS funding, water systems to incorporate data collection and analysis to inform statewide PFAS data.
Other Pilot/Demonstration Projects

- State Water Board can potentially approve funding to specific projects that don't follow FEP or IUP processes, as part of a directed Board action.
- Such projects must assist water system(s) to address PFAS.
Feedback on Proposals

• Comments on proposed $20M set aside for small DACs?
• Other small DAC needs/project types to address?
• Comments on approach for other communities?
• Key needs/project types we did not address?
State Funding for PFAS ($100 M)

Next Steps:

• **April 13, 2022:** Deadline for (Informal) Public Feedback/Comments on information presented at March 30, 2022 Staff Workshop
  - Submit to: [DFA-PFAS-Funding@waterboards.ca.gov](mailto:DFA-PFAS-Funding@waterboards.ca.gov)

• **June 21, 2022:** Board Consideration of Proposals

Stay Informed:

• Subscribe for e-updates: [www.waterboards.ca.gov/resources/email_subscriptions/swrcb_subscribe.html](http://www.waterboards.ca.gov/resources/email_subscriptions/swrcb_subscribe.html)
  - Click on “Financial Assistance”
    - Select “Per-and Polyfluoroalkyl Substances (PFAS) Funding”

• Check for updates on the PFAS Funding website: [http://waterboards.ca.gov/water_issues/programs/grants_loans/](http://waterboards.ca.gov/water_issues/programs/grants_loans/)
Related Federal Funding

• New federal funding through DWSRF and CWSRF for contaminants of emerging concern, including PFAS.
  - Anticipated over next five years:
    ▪ $360M for drinking water
    ▪ $70M for wastewater

• Funding priorities and requirements to be addressed in 2022/23 DWSRF and Clean Water State Revolving Fund (CWSRF) IUPs
  - Planned for Board consideration July 2022