



**Safe and Affordable Funding for Equity and Resilience
(SAFER) Advisory Group Meeting**

Monday, January 13, 2020

Ask Your Neighbor

- What flavor of ice cream would you be and why?
- What is your favorite Food?
- What do you like to do on vacation?
- What is the first concert you went to?
- What is your favorite kind of music?

30-Second Introductions

- Name
- Organization
- Group category
- Fun Facts

Agenda

Slido Code: safer

Time	Topic
9:30 a.m.	Item #1: Welcome/Introductions/Overview of the Advisory Group
10:45 a.m.	Item #2: SAFER Drinking Water Program Framing
11:15 a.m.	Break and Photos
11:25 a.m.	Item #3: Needs Assessment Discussion and Public Comment
12:45 p.m.	Lunch and Photos
1:15 p.m.	Item #4: Fund Expenditure Policy Discussion and Public Comment
3:15 p.m.	Break
3:25 p.m.	Item #5: Next Steps, Future Meetings and Public Comment
4:30 p.m.	Adjourn



What is the SAFER Drinking Water Advisory Group (Group)?

- ◆ Consultative body (required by SB 200)
- ◆ Advises the Board on the Fund Expenditure Plan and other key analyses and policies as needed.
- ◆ Composed of 19 representatives from 6 categories
- ◆ Governed by a charter



What is the purpose of the Charter?

It outlines guidelines for the advisory group:

- Purpose and background of the group
- Member responsibilities, terms, compensation and reimbursement
- Meeting procedures and protocol

We won't be going through the entire charter today. We will cover key points in this overview and ask that you review the entire document after this meeting.

What does the Group do?

- 💧 Meets up to four times per year in locations around the state.
- 💧 Provides constructive advice and feedback on the Plan and other key analyses and policies as determined by the State Water Board.

What doesn't the Group do?

- 💧 Approve plans, documents or make policy decisions.
- 💧 Evaluate individual applications for funding. Develop consensus recommendations or majority opinions.

How is Group advice provided to the Board?

Board staff will:

- 🔹 Keep meeting minutes
- 🔹 Gather and review Group and public comments
- 🔹 Document areas of agreement/disagreement
- 🔹 Provide minutes to Board and Group members
- 🔹 Post minutes online

What are member responsibilities?

1. Attend all meetings.

2. Prepare for each meeting

3. Contact Board staff if you will be absent (no alternates).

4. Ask questions.

5. Share your advise.

6. Resign if you can no longer actively participate in group activities.



What are the legal considerations?



Meetings subject to Bagley-Keene Open Meeting Act:

- Meetings open to public.
- Publicly notice meetings.
- Members cannot meet outside scheduled and publicly noticed meetings to discuss Group business.
- Quorum is 10 members: Absent quorum Group cannot conduct business.

Ethics and Conflicts of Interest:

- Must comply with applicable ethics and conflicts laws, including AB 1013. *AB 1013 prohibits evaluation of an application by an evaluator that was a representative, voting member, or staff member of the applicant within the 2-year period preceding receipt of the application.*

What are the ground rules?

1. Honor the agenda and support meeting start and end times.
2. Listen actively and do not interrupt.
3. Speak briefly and allow everyone to participate.
4. Respect each other and disagree without being disagreeable.
5. Do your best to follow the ground rules.
6. Allow Board staff to enforce the ground rules.
7. Act in good faith in all aspects of Group deliberations.
8. Conduct yourself in a manner that promotes joint problem-solving, collaboration and consideration of the input and viewpoints of others.



**Safe and Affordable Drinking Water Fund
Policy and Fund Expenditure Plan**

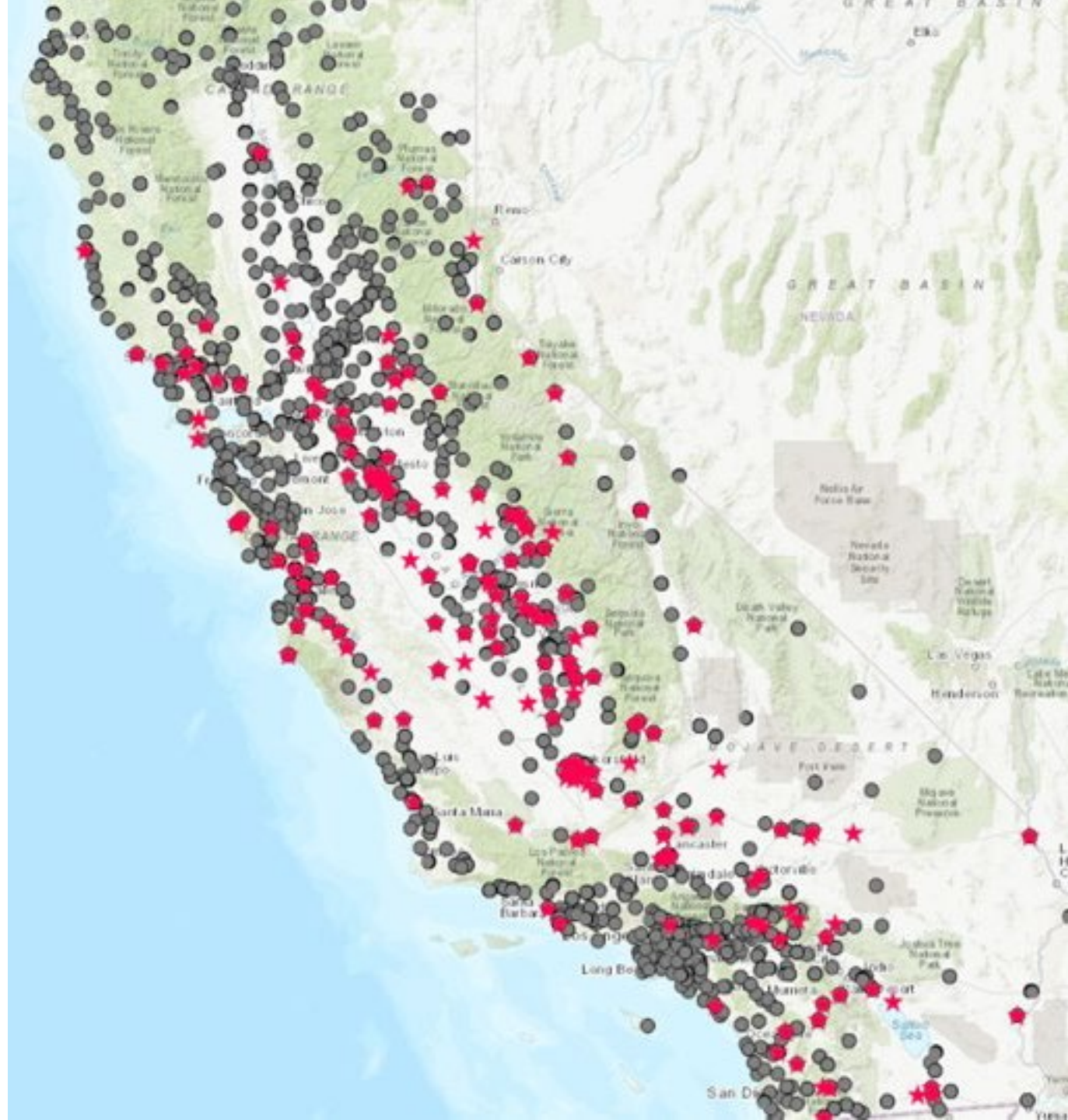
OUTLINE

- SAFER Drinking Water Program (Program) Overview
- Program Updates
- Draft Policy for Developing the Fund Expenditure Plan (Policy)
- Fund Expenditure Plan (Plan)
- Next Steps

SAFE AND AFFORDABLE FUND
FOR EQUITY AND RESILIENCY
(SAFER) DRINKING WATER
PROGRAM (PROGRAM)
OVERVIEW

Community Water Systems

- Approximately 3,000 Community Water Systems and School Systems
- Red stars represent water systems with violations of drinking water standards
- 90% of violations occur in water systems serving less than 500 connections



Available drinking water funds FY19-20

Approximately \$410 million for DAC projects this fiscal year (FY). 85% capital projects. Remaining 15% will be used for:

- Appointment of Administrators
- Additional Technical Assistance
- Interim replacement water
- Emergency assistance

In addition, in future FYs funding will be used for:

- Operations and Maintenance (O&M)
- Address other funding gaps identified in the Needs Assessment.

SB 200 OVERVIEW



Authorizes the State Board to contract with, or provide a grant to, an administrator



Defines the administrator process



Requires the State Board to create and adopt an Administrator Handbook



Establishes the Safe Affordable Drinking Water Fund

SB 200

OVERVIEW

(cont.)



Defines the projects that are eligible to be funded under the SADW Fund



Requires that State Board to adopt a fund expenditure plan



Requires the State Board to consult with an advisory group to meet the purposes of the fund expenditure plan



List conditions to receive funding

SB 200

OVERVIEW

cont.



Requires the State Board to publish maps of aquifers at a high risk of containing contaminants that exceed safe drinking water standards



State Board will require that state small water system or domestic well data collected after January 1, 2014 be submitted by a local health officer or other relevant local agency

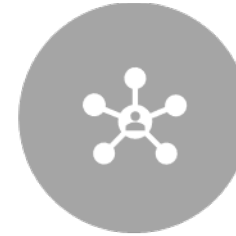


Enhances the Division of Drinking Water's authority in making determination about public water system sustainability during the permitting process

SAFER DRINKING WATER PROGRAM GOALS



IDENTIFY HIGH-RISK
SYSTEMS AND AREAS



CONSOLIDATION AND
REGIONAL SOLUTIONS



ACCELERATE PROJECT
TIMELINES



COMPREHENSIVE
SOLUTION ASSISTANCE



LOCAL CAPACITY
BUILDING



ACCESS TO INTERIM
SOLUTIONS

Needs Assessment Update

Michelle Frederick, P.E.

Supervising Water Resource Control Engineer

State Water Resource Control Board – Division of Drinking Water

In Partnership with: Pacific Institute, UNC, UCLA, Corona, and Sacramento State



Needs Assessment Chronology

- 2018 Funding Allocated
- 2019 Public Workshops
- Partnership with UCLA Team
 - Contract development in May & June 2019
 - Contract executed on September 27, 2019
- Senate Bill-200 Approved July 24, 2019

Needs Assessment Background

Budget Act of 2018:

- Appropriated \$3,000,000 for needs analysis of drinking water systems
- Funds must be encumbered by June 2020 and liquated by June 2021

Elements -- Needs Assessment

Element 1:

Identification of Public Water Systems in Violation or At-Risk

Element 2:

Identification of Domestic Wells and State Small Water Systems At-Risk, and

Element 3:

Cost-analysis for Interim and Long-term Solutions

Partner Roles—Element 1

Identification of Public Water Systems (PWS) in Violation or At-Risk:

- University of California, Los Angeles (UCLA)
- University of North Carolina's Environmental Finance Center (UNC)

Also building on work from:

- Office of Environmental Health Hazard Assessment (OEHHA)
- Department of Water Resources (DWR)

Partner Roles—Element 2

Identification of Domestic Wells and State Small Water Systems At-Risk:

- SWQCB's Division of Water Quality (DWQ)
- Water Foundation
- Rural Community Assistance Corporation (RCAC)
- Water Equity Science Shop (WESS)
- County Environmental Health Agencies

Partner Roles—Element 3

Cost-analysis for Interim and Long-term Solutions

- Corona Environmental Consulting
- Sac State, Environmental Finance Center
- Pacific Institute
- UCLA
- SWRCB Division of Financial Assistance (DFA)

Element 1:

Identification of Public Water Systems in Violation or At-Risk

Phase 1: Initial Screening of Risk for Smaller PWS

Phase 2: Income vs. Water Rates Screening for Medium Sized PWS

Phase 3: Financial Capacity/Rate Dashboards

Element 2 – Domestic Wells

- Estimate domestic well water quality for all chemicals with an MCL in each Public Land Survey System section
- Estimate populations of potentially impacted domestic wells
- Provide results to UCLA to support cost estimate

Element 2 & SB-200

- Provide map by January 1, 2021 (annual updates)
- Consult with “local health officers and other relevant stakeholders”
- Data from State Small systems to be incorporated 2022
- Support fund expenditure plan (domestic well impacts)
- Next Step: stakeholder consultation

2020 Needs Analysis

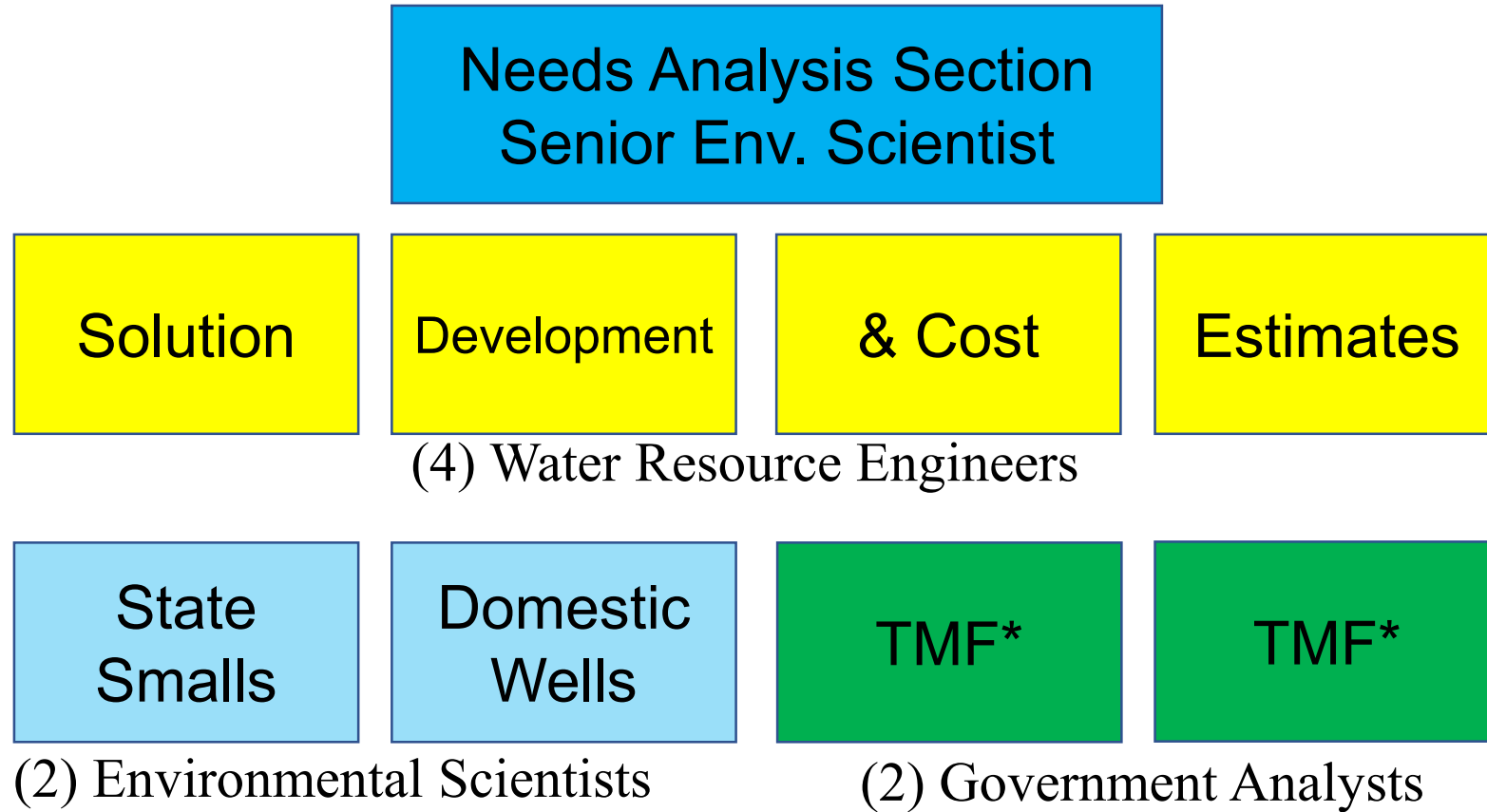
- Preliminary Deliverables
- Public input and feedback
- High Risk Mapping workshops
- Build and develop based on current work
 - Refine what risk means and various levels
 - Outreach to support counties with data
 - Creation of hazard maps for domestic wells

Timeline

- Spring 2020 – Drafts
 - TMF & “At Risk” Systems
 - Affordability
 - Long Term Solutions (HR2W systems)
- Fall 2020 – Drafts
 - Long Term Solutions (at risk systems)
 - Financial Capacity Tool - beta version
- Spring 2021 – Final Reports
 - Risk + Rate Analysis
 - Funding Needs
 - Financial Capacity Tool – finished dashboard

New Needs Analysis Unit

(9 new positions)



*Technical, Financial and Managerial Capacity

Discussion/Questions

Contact:

Michelle.Frederick@waterboards.ca.gov

PROGRAM UPDATES

**ANTICIPATED
EXPENDITURES
FOR
FY 2019/2020**

Project Type	Amount
Planning	\$1.6 M
Construction	\$55 M
Interim Replacement Water	\$8.4 M
Existing Technical Assistance	\$19 M
New Technical Assistance	\$40 M
Reserved	\$6 M
TOTAL	\$130 M

FUNDING AGREEMENTS EXECUTED/ FUNDING APPROVED – JULY 1, 2019 TO NOW

Item	Number	Amount
Drinking Water Technical Assistance Workplans		
- Executed	35	\$3.5 M
- Amended	41	\$4.3 M
Drinking Water for Schools Program		
- Executed	73	\$8.7 M
Lead in Childcare Centers		\$4.9 M
Drinking Water Planning Projects (Small Comm.)		
- Executed	7	\$3.2 M
- Amended	22	(new only)
Drinking Water Construction Projects (Small Comm.)		
- Executed	18	\$125.7 M
- Amended	9	(new only)
Interim Replacement Water		
- Approved	8	\$3.62 M
- Executed	17	\$1.47 M

EVALUATION OF PUBLIC WATER SYSTEMS IN VIOLATION

Item	Number
Total number of systems on list	310
Number of systems jointly assessed	253
Number of systems identified as 'on-schedule'	136
Number of systems identified as 'delayed/need action'	111
Number of systems identified as 'returned to compliance'	6
Number of systems assessed where next steps still need to be identified	0
Remaining number of systems to be assessed	57

PROCESS
IMPROVEMENTS
IN THE
DIVISION OF
FINANCIAL
ASSISTANCE

- Streamlining the Agreement Amendment Process
- Cross-training staff
- Identifying Opportunities to Waive/Eliminate Requirements in Special Circumstances

APPLYING FOR FUNDING

- New pre-application available in FAAST:
<https://faast.waterboards.ca.gov/>
- Select 'Small Community Funding Program, Pre-Application'
- Other funding applications still available

Policy for Developing the Fund Expenditure Plan (Policy)

POLICY OUTLINE

- Introduction
- Purpose and Objective
- Human Right to Water
- Climate Change
- CA Climate Investment Requirements
- Tribal Considerations

POLICY
OUTLINE
(CONT.)

- Eligibility for Funding
 - Public agencies
 - Non-profit organizations
 - Public utilities
 - Mutual water companies
 - CA Native American Tribes
 - Administrators
 - Groundwater Sustainability Agencies

POLICY
OUTLINE
CONT.

- Eligibility for Funding for Projects using the Greenhouse Gas Reduction Fund (GGRF)
 - Project must:
 - Facilitate reductions in GHG emissions in CA communities, OR
 - Improve climate change resiliency and adaptation for:
 - GGRF Disadvantaged Communities;
 - GGRF Low-income communities; or
 - GGRF Low-income households.

POLICY
OUTLINE
CONT.

- Key Terms and Definitions
- Funding Terms and Conditions
- Responsibilities of the Division of Drinking Water (DDW) and Division of Financial Assistance (DFA)

POLICY
OUTLINE
CONT. 2

- Fund Expenditure Plan Development
(see next slides)
- Petition Process for Consideration of Consolidation
- SAFER Drinking Water Resources

FUND
EXPENDITURE
PLAN
DEVELOPMENT
(FROM POLICY)

Advisory Group

To provide input on Policy development, the Fund Expenditure Plan, and overall implementation of the Fund

- First meeting January 2020
- Second meeting February 2020
- Meetings will occur at least quarterly

FUND
EXPENDITURE
PLAN
DEVELOPMENT
(FROM POLICY)

Drinking Water Needs Analysis

Will also be the basis for the Fund Expenditure Plan and include the following:

- 1) Identification of Public Water Systems (PWSs) in violation or at risk
- 2) Identification of domestic well and state small water systems at risk
- 3) Cost analysis for interim and long-term solutions

FUND
EXPENDITURE
PLAN
DEVELOPMENT
(FROM POLICY)

Identifying Water Systems Needing Solutions

- PWSs in violation of primary drinking water standards
- PWSs at risk (per Needs Assessment)
- Review of contaminated aquifer risk map
- Review of drought risk map
- Outreach and testing of domestic wells
- Review of state small water systems and individual well data
- Water systems serving disadvantaged communities (DACs) that must charge rates above affordability threshold

FUND EXPENDITURE PLAN DEVELOPMENT *(FROM POLICY)*

Prioritizing Systems In Violation

- Immediate health risk
- Untreated or at-risk sources
- Other chronic compliance or water shortage problems

Potential Solutions

- Interim water supplies
- Administrator
- Planning
- Regionalization or consolidation
- Infrastructure repair, replacement, upgrades

- System optimization
- Long-term O&M
- Remove financial barriers to provide access to capital

FUND
EXPENDITURE
PLAN
DEVELOPMENT
FROM POLICY

Prioritizing At-Risk Systems

- Systems with source water contaminants where a new/revised MCL is proposed
- Inadequate technical, managerial, or financial capacity
- History of past violations
- Secondary risks
- Other identified risk factors

Potential Solutions

- Interim water supplies
- Administrator
- Planning
- Regionalization or consolidation
- Infrastructure repair, replacement, upgrades
- System optimization
- Long-term O&M
- Remove financial barriers to provide access to capital

FUND
EXPENDITURE
PLAN
DEVELOPMENT
FROM POLICY 2

Metrics

- Number of communities and schools served with interim supplies of safe drinking water.
- Number of communities and schools with executed and completed preliminary planning assistance projects.
- Number of communities and schools with long-term solutions completed.

FUND
EXPENDITURE PLAN
DEVELOPMENT
(FROM POLICY)

Other Requirements

- Safe and Affordable Drinking Water Fund Solution List
- Report of Prior Year Expenditures
- Public Hearing
- Report to the Legislature

Policy for Developing the Fund Expenditure Plan



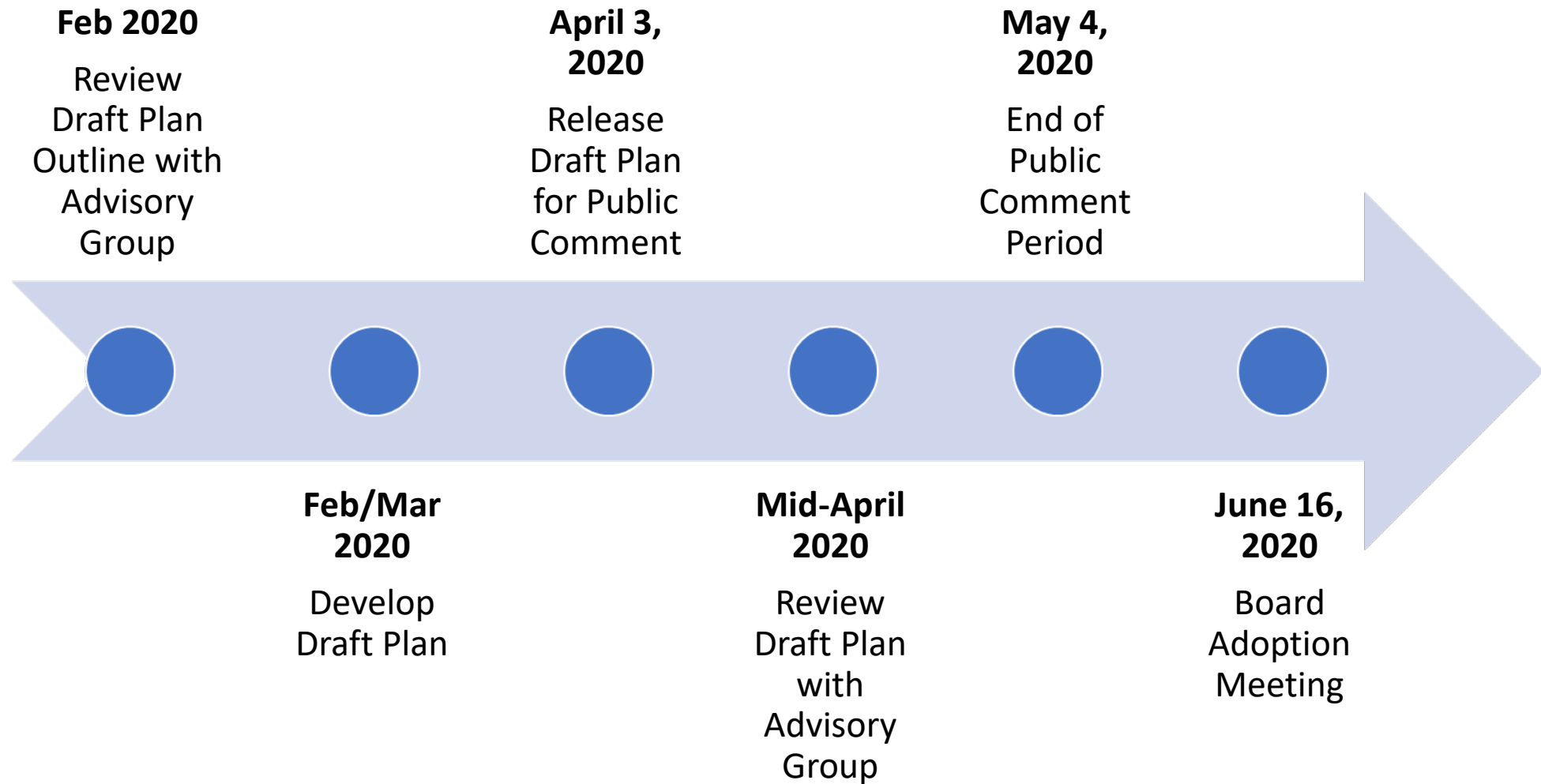
Fund Expenditure Plan (Plan)

PLAN PURPOSE

Purpose

- 1) Identify water systems and regions where domestic wells consistently fail or are at risk of failing to provide adequate safe drinking water.
- 2) Determine the amounts and sources of funding needed to provide safe drinking water or eliminate the risk of failure to provide safe drinking water.
- 3) Identify gaps in supplying safe drinking water and determine the amounts and sources of funding to eliminate those gaps.

Fund Expenditure Plan



NEXT STEPS

- Continue public process for Policy
- Begin developing Plan
- Next Advisory Group meeting Feb 2020