



State Water Resources Control Board

TO: Greenhouse Gas Reduction Fund Program

FROM: Jared Blumenfeld 
Secretary for Environmental Protection
CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY

Eileen Sobeck 
Executive Director
STATE WATER RESOURCES CONTROL BOARD

DATE: NOV 12 2019

SUBJECT: GREENHOUSE GAS REDUCTION FUND:
STATE WATER RESOURCES CONTROL BOARD

EXPENDITURE RECORD FOR FISCAL YEAR 2019-2020
SAFE AND AFFORDABLE DRINKING WATER PROGRAM

This Attestation Memorandum documents that the California Environmental Protection Agency and State Water Resources Control Board completed the attached Expenditure Record on November 6, 2019, for the Safe and Affordable Drinking Water Program. The Expenditure Record is consistent with the statutory requirements of Government Code Section 16428.9 to support expenditures from the Greenhouse Gas Reduction Fund.

This Attestation Memorandum and Expenditure Record will be submitted to the California Air Resources Board (CARB) for posting on the CARB website at: www.arb.ca.gov/caclimateinvestments. Questions on this Attestation Memorandum or Expenditure Record may be directed to Leslie Laudon, Deputy Director of the Division of Financial Assistance, at (916) 341-5499 or Leslie.Laudon@waterboards.ca.gov.

Attachment

cc: Leslie Laudon

E. JOAQUIN ESQUIVEL, CHAIR | EILEEN SOBECK, EXECUTIVE DIRECTOR

Greenhouse Gas Reduction Fund: Expenditure Record

State Water Resources Control Board
Safe and Affordable Drinking Water Program

Authorizing legislation: Item 3940-102-3228 of the Budget Act of 2019, as amended by Senate Bill (SB) 200 (Chapter 120, Statutes of 2019) appropriates to State Water Resources Control Board \$100,000,000 for local assistance to fund grants, loans, contracts, or services to help water systems provide safe and affordable drinking water.

Element (1) A description of each expenditure proposed to be made by the administering agency pursuant to the appropriation.

<input type="checkbox"/> Agency that will administer funding	<ul style="list-style-type: none"> ▪ State Water Resources Control Board (State Water Board)
<input type="checkbox"/> Amount of proposed expenditure and appropriation reference	<ul style="list-style-type: none"> ▪ The total expenditure is \$100 million, per Section 3940-102-3228 of the Budget Act of 2019, as amended by Senate Bill (SB) 200 (Chapter 120, Statutes of 2019).
<input type="checkbox"/> Estimated amount of expenditures for administering agency administrative costs	<ul style="list-style-type: none"> ▪ Expenditures from the Safe and Affordable Drinking Water Fund are available for State Water Board costs associated with the implementation and administration of the program. ▪ Administering agency administrative costs are estimated to be approximately \$5 million or 5 percent.
<input type="checkbox"/> If applicable, identify laws or regulations that govern how funds will be used	<ul style="list-style-type: none"> ▪ SB 200 established the program and provides the general framework for how the funds will be administered, including project and recipient eligibility. All funds will be allocated and managed in accordance with this law. ▪ State Water Board Resolution 2019-0042 ▪ Assembly Bill (AB) 1532 (Pérez, Chapter 807, Statutes of 2012), SB 535 (de León, Chapter 830, Statutes of 2012), SB 1018 (Budget and Fiscal Review Committee, Chapter 39, Statutes of 2012), SB 862 (Budget and Fiscal Review Committee, Chapter 36, Statutes of 2014), and AB 1550 (Gomez, Chapter 369, Statutes of 2016) provide the general framework for how the auction proceeds will be administered to further the purposes of AB 32.
<input type="checkbox"/> Continuation of existing Expenditure Record	<ul style="list-style-type: none"> ▪ This is a new program that does not have an existing Expenditure Record.
<input type="checkbox"/> Project type(s)	<ul style="list-style-type: none"> ▪ Climate adaptation and resiliency ▪ Technical assistance

-
- | | |
|--|---|
| <input type="checkbox"/> Describe the projects and/or measures that will be eligible for funding | <ul style="list-style-type: none">▪ Planning, construction and repair of long-term sustainable improvements to drinking water systems in disadvantaged and low-income communities, increasing their resiliency to climate change.▪ Operation and maintenance costs to help deliver an adequate supply of safe drinking water in both the near and long terms in disadvantaged and low-income communities.▪ Technical assistance in support of long-term sustainable improvements to drinking water systems in disadvantaged and low-income communities, increasing their resilience to climate change.▪ Technical assistance to further opportunities to reduce the unit cost of providing drinking water through organizational improvements, operational efficiency improvements, and other options and approaches to reduce cost.▪ Interim solutions while the long-term sustainable solutions are being planned/constructed, including the provision of replacement water and providing funding for administrator services.▪ Provide job development and training programs to disadvantaged and low-income communities related to the identified long-term sustainable solution to the drinking water system.▪ Outreach efforts that seek to directly engage and involve local community residents and community-based organizations in disadvantaged and low-income communities. |
| <input type="checkbox"/> Intended recipients | <ul style="list-style-type: none">▪ Public agencies▪ Nonprofit organizations▪ Public utilities▪ Mutual water companies▪ Federally recognized California Native American tribes▪ Nonfederally recognized Native American tribes on the contact list maintained by the Native American Heritage Commission▪ State Water Board-appointed Administrators of public water systems▪ Groundwater sustainability agencies |
| <input type="checkbox"/> Program structure and process for selecting projects for funding | <ul style="list-style-type: none">▪ Grant agreements and contracts will be awarded to assistance providers and administrators to provide interim solutions and provide necessary planning work toward long-term solutions for water quality, accessibility, and affordability issues and to provide safe and affordable drinking water.▪ The existing, non-competitive, continuous solicitation processes will be used to award grants in accordance with the terms outlined in the state fiscal year 2019/2020 Drinking Water State Revolving Fund Intended Use Plan, the Cleanup |
-

and Abatement Account Funding Program Guidelines, and/or the pending Fund Expenditure Plan required by SB 200.

- Priority will be given to projects serving disadvantaged and/or low-income communities and benefitting public health.

Element (2) A description of how a proposed expenditure will further the regulatory purposes of Division 25.5 (commencing with Section 38500) of the Health and Safety Code, including, but not limited to, the limit established under Part 3 (commencing with Section 38550) and other applicable requirements of law.

-
- | | |
|--|--|
| <input type="checkbox"/> How the expenditure is consistent with the Investment Plan and the Scoping Plan | <ul style="list-style-type: none">▪ Expenditures through the program are consistent with the Investment Plan and the Scoping Plan by addressing the critical need for developing community drought resilience, and reducing health and social inequities by providing safe drinking water for all. |
|--|--|

Element (3) A description of how a proposed expenditure will contribute to achieving and maintaining greenhouse gas emission reductions pursuant to Division 25.5 (commencing with Section 38500) of the Health and Safety Code.

-
- | | |
|--|--|
| <input type="checkbox"/> Describe how expenditures will facilitate the achievement of GHG emission reductions in the State | <ul style="list-style-type: none">▪ SB 200¹ requires that expenditures will facilitate the achievement of GHG emission reductions in the state or, in accordance with SB 200, improve climate change adaptation and resiliency of disadvantaged communities or low-income households or communities.▪ Expenditures will help achieve adaptation and resiliency to climate change by funding projects and or/measures to enhance the long-term sustainability of drinking water systems in disadvantaged and low-income communities confronted with reduced surface water flows, accelerating declining groundwater levels, and increasing concentrations of environmental contamination that has been exacerbated by climate change. |
|--|--|

¹ SB 200 provides direction to the SWRCB for completing Element 2 and Element 3 of this expenditure record. The statute states: "For purposes of the funds made available pursuant to subdivision (a), a state agency may also comply with the requirements of paragraphs (2) and (3) of subdivision (a) of Section 16428.9 of the Government Code by describing how each proposed expenditure will improve climate change adaptation and resiliency of disadvantaged communities or low-income households or communities."

- | | |
|--|--|
| <p>□ Explain when GHG emission reductions and/or co-benefits are expected to occur and how they will be maintained</p> | <ul style="list-style-type: none"> ▪ Long-term sustainable improvements to drinking water systems will begin increasing resiliency to climate change in 2022 for an average period of 20 to 50 years based on the expected life of the improvement(s). ▪ Technical Assistance and the preparation of planning documents are key steps in determining long-term sustainable solutions that will have long-term benefits in increasing resiliency to climate change. |
|--|--|

Element (4) A description of how the administering agency considered the applicability and feasibility of other non-greenhouse gas reduction objectives of Division 25.5 (commencing with Section 38500) of the Health and Safety Code.

- | | |
|--|---|
| <p>□ Expected co-benefits, particularly environmental, economic, public health and safety, and climate resiliency</p> | <ul style="list-style-type: none"> ▪ Safe and Affordable Drinking Water projects provide the support needed for drinking water systems serving disadvantaged and low-income communities to implement long-term sustainable projects to provide safe and affordable drinking water. In addition, the implementation of the long-term project will aid in assisting disadvantaged and low-income communities in becoming more resilient to climate change by reducing their susceptibility to drought induced water shortages. |
| <p>□ How the project will support other objectives of AB 32 and related statutes</p> | <ul style="list-style-type: none"> ▪ Directs public investment toward the most disadvantaged communities in California. ▪ Improves climate adaptation and resiliency of disadvantaged communities and low-income communities by providing more reliable sources of drinking water that are less susceptible to drought induced water shortages. ▪ Provides job development and training programs to disadvantaged and low-income communities. |
| <p>□ Percentage of total funding that will be expended for projects that are located in and benefit priority populations² per CARB guidance</p> | <ul style="list-style-type: none"> ▪ The State Water Board has established a target to expend 100 percent of the total project funds received under this fiscal year appropriation to fund projects and or/measures that provide benefits to disadvantaged and/or low-income communities. |

² Priority populations include residents of: (1) census tracts identified as disadvantaged by California Environmental Protection Agency per SB 535; (2) census tracts identified as low-income per AB 1550; or (3) a low-income household per AB 1550. See Section VII.B for more information on the definitions of priority populations.

<p>❑ Describe the benefits to priority populations per CARB guidance</p>	<ul style="list-style-type: none"> ▪ Projects will directly assist disadvantaged and low-income³ communities in adapting to climate change. ▪ Improving resiliency and climate change adaptation needs of low-income communities is a main goal of the State Water Board's Safe and Affordable Drinking Water Program. ▪ Any priority population benefits determined will be consistent with CARB guidance.
<p>❑ Explain strategies the administering agency will use to maximize benefits to disadvantaged communities</p>	<ul style="list-style-type: none"> ▪ Projects serving or providing a benefit to disadvantaged and low-income communities will be the sole beneficiaries of the funding. ▪ An advisory group to aid in meeting the purposes of the Water Board's fund expenditure plan will be established and include residents served by community water systems in low-income communities.
<p>❑ Explain how the administering agency will avoid potential substantial burdens to disadvantaged communities and low-income communities or, if unknown, explain the process for identifying and avoiding potential substantial burdens</p>	<ul style="list-style-type: none"> ▪ The State Water Board will consult directly with communities through various means including technical assistance, workshops and public comments on program guidelines to identify potential burdens. The agency will make programmatic adjustments to eligibility criteria, and ultimately funding decisions, as necessary to avoid potential substantial burdens to disadvantaged and low-income communities.

Element (5) A description of how the administering agency will document the result achieved from the expenditure to comply with Division 25.5 (commencing with Section 35800) of the Health and Safety Code.

<p>❑ How the administering agency will track / report progress to make sure projects are implemented per requirements in statute and CARB guidance</p>	<ul style="list-style-type: none"> ▪ The State Water Board will require funding recipients to maintain records and submit quarterly status reports. In addition, the State Water Board will conduct periodic reviews of selected projects. If a funding recipient does not perform in accordance with program requirements, the recipient will be subject to the remedies for non-performance, as identified in the State Water Board's guidelines or the grant agreement.
--	---

³ A low-income household per AB 1550. See Section VII.B for more information on the definitions of priority populations.

<p><input type="checkbox"/> Describe the approach that will be used to document GHG emission reductions and/or other benefits before and after project completion.</p>	<ul style="list-style-type: none">▪ The State Water Board will provide a summary of projects, including the climate change resiliency measures taken.▪ The State Water Board will calculate benefits achieved from projects using CARB-developed methodologies.
<p><input type="checkbox"/> Type of information that will be collected to document results, consistent with CARB guidance</p>	<ul style="list-style-type: none">▪ The State Water Board will collect data on project location, baseline water quality and resiliency to climate change, type of upgrade that was installed, expected quantification period, and other data, as applicable and as specified in CARB guidance.▪ To determine the job benefits, the State Water Board will compile data from funding recipients on the quality and quantity of jobs provided, consistent with CARB guidance.
<p><input type="checkbox"/> How the administering agency will report on program status</p>	<ul style="list-style-type: none">▪ The State Water Board will report to CARB consistent with CARB guidance. The State Water Board will provide regular updates on the program, including expenditure amounts, the number and type of agreements executed and other benefits, as applicable (e.g., number of construction projects completed and jobs supported). Reports will also include information on project outcomes for a subset of projects.
