Southern California Water Dialogue Co-chairs

CONNER EVERTS

Executive Director
Southern California Watershed Alliance

DEE ZINKE

Assistant General Manager/Chief External Affairs Officer, External Affairs
The Metropolitan Water District of Southern California
Southern California Water Dialogue
Steering Committee

• E.J. CALDWELL  
  West Basin Municipal Water District
• RITA KAMPALATH  
  LA County Chief Sustainability Office
• ZITA YU  
  Jacobs
• FERNANDO PALUDI  
  Trabuco Canyon Water District
• PEER SWAN  
  Irvine Ranch Water District
• CHARMING EVELYN  
  Sierra Club
• CHARLEY WILSON  
  Southern California Water Coalition
• MARTHA CAMACHO RODRIQUEZ  
  Central Basin Municipal Water District
• MARK STADLER (Retired, SDCWA)
• RICH ATWATER  
  Foothill Municipal Water District
• FRED O’CALLAGHAN  
  JPL/NASA (Retired)
• KATHY CALDWELL  
  So Cal Water Dialogue, Coordinator
Webinar Ground Rules

• **Technical Difficulties:** Use chat feature to let us know

• **Asking a Question:** Use Q/A feature, type in question, and click send. Questions addressed after presentation.

• **Poor Connection:** Move closer to your wireless router and turn off other services using bandwidth (e.g. Netflix)

• **Audio Muted:** Attendee audio on mute by default

• **Timetable:** Presentation runs apx 60 minutes followed by Q/A session
How to Ask A Question

On the bottom of your screen, click “Q&A”
Type in question and then click send

You can upvote by clicking “thumbs up” icon
Agenda

• Announcements and Introduction of Speakers
• Topic overview – by Conner Everts
• Discussion
• Dialogue (Q/A) – Led by Dee Zinke
• Concluding remarks
Speakers

**Abby Schneider**, Federal Executive Legislative Representative, Metropolitan Water District of Southern California, Washington D.C.

**Rachel Ehlers**, Principal Fiscal & Policy Analyst, Water, Coastal Development, and Fish and Wildlife, Legislative Analyst’s Office

**Jose Solorio**, Member, California Water Commission

**Alesandra Nájera**, Program Officer, Healthy Communities, Water Foundation
Federal Water Infrastructure Funding

Abby Schneider
January 26, 2022
American Rescue Plan Act (ARPA)
ARPA: State, Local, and Tribal Fiscal Relief Fund

- $43 B to California
- State received all funds, others full funding this spring
- Necessary investments in water and sewer infrastructure

<table>
<thead>
<tr>
<th>Unit of Government</th>
<th>Available Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>State</td>
<td>$27.0 B</td>
</tr>
<tr>
<td>Counties</td>
<td>$7.7 B</td>
</tr>
<tr>
<td>Cities</td>
<td>$7.0 B</td>
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<tr>
<td>Other</td>
<td>$1.2 B</td>
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</table>
ARP: Water and Sewer Funds

- Projects align EPA’s Drinking Water and Clean Water SRF
- Other Water Projects
  - Lead Service Line Replacement
  - Climate Change Adaptation
  - Dam and Reservoir Rehabilitation
- All funds obligated by December 31, 2024 and construction completed by December 31, 2026.
Water Funding in IIJA

$17.1 B for Army Corps of Engineers

$8.3 B for Bureau of Reclamation

$50.4 B for Environmental Protection Agency
IIJA Bureau of Reclamation Funding

<table>
<thead>
<tr>
<th>Program</th>
<th>Funding Amount</th>
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<tbody>
<tr>
<td>Large-Scale Water Recycling Projects</td>
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<tr>
<td>Title XVI Water Recycling Projects</td>
<td>$550 M</td>
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<tr>
<td>Water Storage and Conveyance</td>
<td>$1.15 B</td>
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<tr>
<td>Desalination</td>
<td>$250 M</td>
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<tr>
<td>WaterSMART</td>
<td>$400 M</td>
</tr>
<tr>
<td>Colorado River Drought Contingency Plans</td>
<td>$300 M</td>
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<tr>
<td>Aquatic Ecosystem Restoration and Protection</td>
<td>$250 M</td>
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</table>
# 2022 Reclamation Spend Plan

<table>
<thead>
<tr>
<th>Program</th>
<th>Funding Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title XVI Water Recycling Projects</td>
<td>$245 M</td>
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<tr>
<td>Water Storage and Conveyance</td>
<td>$210 M</td>
</tr>
<tr>
<td>Desalination</td>
<td>$15 M</td>
</tr>
<tr>
<td>WaterSMART Water and Energy Efficiency Grants</td>
<td>$160 M</td>
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<tr>
<td>Lower Colorado River Drought Contingency Plans</td>
<td>$50 M</td>
</tr>
<tr>
<td>Undesignated, TBD</td>
<td>$281 M</td>
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</table>
## IIJA EPA SRF Funding

<table>
<thead>
<tr>
<th>Water Program</th>
<th>Funding Amount</th>
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<tr>
<td>Drinking Water SRF</td>
<td>$11.7 B</td>
</tr>
<tr>
<td>Clean Water SRF</td>
<td>$11.7 B</td>
</tr>
<tr>
<td>Lead Service Line Replacement</td>
<td>$15 B</td>
</tr>
<tr>
<td>Emerging Contaminants</td>
<td>$10 B</td>
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</table>
## California’s 2022 Allocation

<table>
<thead>
<tr>
<th>Water Program</th>
<th>Funding Amount</th>
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<tbody>
<tr>
<td>Drinking Water SRF</td>
<td>$158.4 M</td>
</tr>
<tr>
<td>Clean Water SRF</td>
<td>$128.3 M</td>
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<tr>
<td>Lead Service Line Replacement</td>
<td>$249.4 M</td>
</tr>
<tr>
<td>Emerging Contaminants</td>
<td>$73.2 M</td>
</tr>
</tbody>
</table>
Other Sources of Funding

- Appropriations
- Build Back Better Act
Overview of Recent State Water-Related Funding

Presented to:

Southern California Water Dialogue
January 26, 2022

Rachel Ehlers
Legislative Analyst’s Office
Overview of Presentation

- State Budget Process
- Current State Fiscal Context
- Current-Year Budget Package
  - Drought and Water Resilience Package.
  - Other water-related funding.
- Governor’s Budget Proposal for 2022-23
- Next Steps
- State Budget Resources
Key Steps in the Typical State Budget Process

**January 10**
Governor releases state budget proposal for fiscal year that starts July 1

**January-April**
Legislature discusses budget proposals in budget committee and subcommittee hearings

**Mid-May**
Governor releases May Revision updated proposal

**June**
Legislature develops budget reflecting its priorities

**July-September**
Legislature and Governor make supplemental changes to the budget as needed

**By July 1**
Governor signs budget and fiscal year begins

**By June 15**
Legislature passes balanced budget

**June**
Governor and Legislature negotiate budget package agreement

By July 1
Governor signs budget and fiscal year begins

By July 15
Legislature passes balanced budget

By July 1
Governor signs budget and fiscal year begins

By July 15
Legislature passes balanced budget
State in a VERY Strong Fiscal Position

2021-22 Budget Included $47 Billion Surplus

2022-23 Governor’s Budget Allocates Additional $29 Billion Surplus
How the 2021-22 Budget Allocated $47 Billion General Fund Surplus

One-Time and Temporary Spending

Ongoing Spending

Debt and Liabilities

Reserves\(^a\)

\(^a\) SFEU balance and Safety Net Reserve deposit.
Major General Fund Spending
Choices in the 2021-22 Budget

(In Billions)

- Schools and Community Colleges
- Resources and Environment
- Golden State Stimulus Payments
- Other
- Transportation
- Higher Education
- Health
- Housing and Homelessness
- Human Services
- Criminal Justice

R Proposition 98 spending includes General Fund and local property tax revenue.
## 2021-22 Drought and Water Resilience Budget Package

*(In Millions)*

<table>
<thead>
<tr>
<th>Activity</th>
<th>2021-22</th>
<th>2022-23</th>
<th>2023-24</th>
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</thead>
<tbody>
<tr>
<td>Drinking water and wastewater</td>
<td>$1,300</td>
<td>$0</td>
<td>$0</td>
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<tr>
<td>Water supply and reliability</td>
<td>991</td>
<td>200</td>
<td>50</td>
</tr>
<tr>
<td>Ecosystem restoration</td>
<td>400</td>
<td>410</td>
<td>260</td>
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<tr>
<td>Groundwater management</td>
<td>255</td>
<td>110</td>
<td>110</td>
</tr>
<tr>
<td>Immediate drought response</td>
<td>137</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Flood management</td>
<td>130</td>
<td>110</td>
<td>60</td>
</tr>
<tr>
<td>Water quality</td>
<td>56</td>
<td>50</td>
<td>20</td>
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<tr>
<td><strong>Totals</strong></td>
<td><strong>$3,269</strong></td>
<td><strong>$880</strong></td>
<td><strong>$500</strong></td>
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# Drought and Water Resilience Package

(In Millions)

<table>
<thead>
<tr>
<th>Activity</th>
<th>Department</th>
<th>2021-22</th>
<th>2022-23</th>
<th>2023-24</th>
<th>Totals</th>
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<tr>
<td><strong>Water Supply and Reliability, Drinking Water, and Flood</strong></td>
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<tr>
<td>Drinking water and wastewater projects</td>
<td>SWRCB</td>
<td>$1,300</td>
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<td>–</td>
<td>$1,300</td>
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<tr>
<td>Multibenefit water projects</td>
<td>DWR</td>
<td>200</td>
<td>–</td>
<td>–</td>
<td>200</td>
</tr>
<tr>
<td>Small community water projects</td>
<td>DWR</td>
<td>200</td>
<td>–</td>
<td>–</td>
<td>200</td>
</tr>
<tr>
<td>SGMA implementation</td>
<td>DWR</td>
<td>180</td>
<td>$60</td>
<td>$60</td>
<td>300</td>
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<tr>
<td>Groundwater cleanup and water recycling projects</td>
<td>SWRCB</td>
<td>150</td>
<td>100</td>
<td>100</td>
<td>350</td>
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<tr>
<td>Flood management</td>
<td>DWR</td>
<td>130</td>
<td>110</td>
<td>60</td>
<td>300</td>
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<tr>
<td>Urban water projects</td>
<td>DWR</td>
<td>100</td>
<td>–</td>
<td>–</td>
<td>100</td>
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<tr>
<td>Water conveyance repairs</td>
<td>DWR</td>
<td>100</td>
<td>100</td>
<td>–</td>
<td>200</td>
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<tr>
<td>Data, research, and communications</td>
<td>DWR</td>
<td>91</td>
<td>–</td>
<td>–</td>
<td>91</td>
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<tr>
<td>SWEEP</td>
<td>CDFA</td>
<td>50</td>
<td>50</td>
<td>–</td>
<td>100</td>
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<tr>
<td>San Diego Pure Water project</td>
<td>SWRCB</td>
<td>50</td>
<td>–</td>
<td>–</td>
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<tr>
<td>Multibenefit land repurposing program</td>
<td>DOC</td>
<td>50</td>
<td>–</td>
<td>–</td>
<td>50</td>
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<td>Water rights modernization</td>
<td>SWRCB</td>
<td>30</td>
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<td>Watershed climate studies</td>
<td>DWR</td>
<td>25</td>
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<tr>
<td>Aqueduct solar panel pilot study</td>
<td>DWR</td>
<td>20</td>
<td>–</td>
<td>–</td>
<td>20</td>
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<tr>
<td><strong>Water Quality and Ecosystem Restoration</strong></td>
<td></td>
<td>$456</td>
<td>$460</td>
<td>$280</td>
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<td>CNRA</td>
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<td>$100</td>
<td>$180</td>
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<td>Streamflow for the environment</td>
<td>WCB</td>
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<td>150</td>
<td>–</td>
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<tr>
<td>Resilience projects for fish and wildlife</td>
<td>WCB</td>
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<td>40</td>
<td>–</td>
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<tr>
<td>Salton Sea</td>
<td>DWR</td>
<td>40</td>
<td>100</td>
<td>80</td>
<td>220</td>
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<tr>
<td>Funding to address PFAs contamination</td>
<td>SWRCB</td>
<td>30</td>
<td>50</td>
<td>20</td>
<td>100</td>
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<tr>
<td>Urban rivers and streams</td>
<td>Various</td>
<td>30</td>
<td>20</td>
<td>–</td>
<td>50</td>
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<tr>
<td>Water quality improvements for border rivers</td>
<td>SWRCB</td>
<td>20</td>
<td>–</td>
<td>–</td>
<td>20</td>
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<td>Clear Lake rehabilitation</td>
<td>CNRA</td>
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<td>6</td>
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<tr>
<td><strong>Immediate Drought Response</strong></td>
<td></td>
<td>$137</td>
<td>–</td>
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<td>$137</td>
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<td>Drought support for fish and wildlife</td>
<td>CDFW</td>
<td>$33</td>
<td>–</td>
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<td>$33</td>
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<tr>
<td>Drought emergency response</td>
<td>Various</td>
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<td>–</td>
<td>–</td>
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<td>Drought permitting compliance and enforcement</td>
<td>SWRCB</td>
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<td>–</td>
<td>–</td>
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<td>Drought permitting compliance and enforcement</td>
<td>CDFW</td>
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<td>–</td>
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<td>8</td>
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<tr>
<td>Drinking water emergencies</td>
<td>SWRCB</td>
<td>12</td>
<td>–</td>
<td>–</td>
<td>12</td>
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<tr>
<td>Drought technical assistance</td>
<td>DWR</td>
<td>10</td>
<td>–</td>
<td>–</td>
<td>10</td>
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<td>Salinity barrier</td>
<td>DWR</td>
<td>10</td>
<td>–</td>
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<tr>
<td>Data, research, and communications</td>
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<td>Agriculture technical assistance</td>
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<td>5</td>
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<tr>
<td><strong>Totals</strong></td>
<td></td>
<td>$3,269</td>
<td>$880</td>
<td>$500</td>
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### Key Categories of Water Supply and Reliability Funding

*(In Millions)*

<table>
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<th>Activity</th>
<th>2021-22</th>
<th>2022-23</th>
<th>2023-24</th>
</tr>
</thead>
<tbody>
<tr>
<td>Drinking water and wastewater projects</td>
<td>$1,300</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Urban and multibenefit water projects</td>
<td>300</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Small community water projects</td>
<td>200</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>SGMA Implementation</td>
<td>180</td>
<td>60</td>
<td>60</td>
</tr>
<tr>
<td>Groundwater clean-up and water recycling</td>
<td>150</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Water conveyance repairs</td>
<td>100</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>San Diego Pure Water Project</td>
<td>50</td>
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## Key Categories of Water Quality and Ecosystem Funding

*(In Millions)*

<table>
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<tr>
<th>Activity</th>
<th>2021-22</th>
<th>2022-23</th>
<th>2023-24</th>
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</thead>
<tbody>
<tr>
<td>Water resilience projects</td>
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<td>$100</td>
<td>$180</td>
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<tr>
<td>Streamflow for the environment</td>
<td>100</td>
<td>150</td>
<td>0</td>
</tr>
<tr>
<td>Resilience projects for fish and wildlife</td>
<td>65</td>
<td>40</td>
<td></td>
</tr>
<tr>
<td>Salton Sea</td>
<td>40</td>
<td>100</td>
<td>80</td>
</tr>
<tr>
<td>Los Angeles River restoration</td>
<td>30</td>
<td>20</td>
<td>0</td>
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<tr>
<td>Address PFAs contamination</td>
<td>30</td>
<td>50</td>
<td>20</td>
</tr>
<tr>
<td>Border rivers water quality</td>
<td>20</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
$3.7 Billion Climate Resilience Package (Across Three years)
  • $768 million for multibenefit and nature-based solutions.
  • $500 million for coastal protection and adaptation projects.
  • $403 million to protect fish and wildlife from changing conditions.

Continued Implementation of Bonds
  • $572 million from Proposition 1 (2014 water bond).
  • $240 million from Proposition 68 (2018 water/resources bond).

$130 Million for Safe and Affordable Drinking Water

Funding increases for California Dept of Fish and Wildlife
## Governor Proposes Additional “Drought Response” Funding in 2022-23

(In Millions)

<table>
<thead>
<tr>
<th>Category</th>
<th>Activities</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water conservation</td>
<td>Grants, projects, turf replacement, agricultural water efficiency</td>
<td>$200</td>
</tr>
<tr>
<td>Water supply and reliability</td>
<td>Urban and small community grants, SGMA groundwater recharge projects</td>
<td>150</td>
</tr>
<tr>
<td>Lands management and habitat enhancement</td>
<td>Multibenefit land repurposing program, enhance habitat for fish and wildlife</td>
<td>85</td>
</tr>
<tr>
<td>Immediate drought response</td>
<td>Support for fish and wildlife, drinking water emergencies, relief for small farmers</td>
<td>65</td>
</tr>
<tr>
<td>Unallocated drought response</td>
<td>Unspecified; placeholder</td>
<td>250</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$750</strong></td>
</tr>
</tbody>
</table>
State Expects to Receive New Federal Funding

From Federal Infrastructure Investment and Jobs Act (IIJA)

- $2.4 Billion Across Five Years for State Revolving Funds
  - Drinking Water and Clean Water funds.
- $360 Million to Address Emerging Contaminants
- $1.4 Billion for Lead Service Line Replacements
Next Steps

- **State Departments Will Allocate Funding**
  - Developing criteria and soliciting grant applications.
  - Including federal funds, when received.

- **Legislature Will Consider and Adopt 2022-23 Budget**

- **Legislature Will Conduct Oversight Over New Spending**
State Budget Resources

Legislative Analyst’s Office: www.LAO.ca.gov
  • E-mail subscription lists for publications.
  • The 2021-22 Spending Plan: Natural Resources and Environmental Protection
  • The 2022-23 Budget: Overview of the Governor’s Budget

Department of Finance: www.DOF.ca.gov
  • Budget narrative descriptions, detailed “budget change proposals,” proposed “trailer bill” statutory changes.

California Budget and Policy Center: www.calbudgetcenter.org
  • Dollars and Democracy: A Guide to the California State Budget Process
Water Storage Investment Program - Proposition 1
Lessons Learned

Presentation to South California Water Dialogue
On January 26, 2022
by Jose Solorio
California Water Commissioner
manta del agua
History of Droughts – One in CA Lasted 100 Years
“When the well’s dry, we know the worth of water.”

– Benjamin Franklin
From the Cotton Fields to the Water Commission

- Raised and worked in Lost Hills, Wasco & Mettler farm worker communities
- Regional Water Quality Control Board Member
- Santa Ana City Council Member
- Orange County Water District Board Member
- State Assembly Member
  - Author of law authorizing rainwater capture
  - Joint Conference Committee on Water
  - Assembly Select Committee on Water
- Water Legislative Advocate (Nossaman)
- Moulton Niguel Water District Government Affairs Officer
- Metropolitan Water District of Southern California Board Member
- California Water Commission Member
Three C’s of Water

- Capture
- Conveyance
- Conservation
Proposition 1: The Water Quality, Supply and Infrastructure Improvement Act, dedicated $2.7 billion for investments in the public benefits of water storage projects. The California Water Commission approved maximum conditional eligibility determinations (MCEDs), which is the amount of Prop 1 funding available to a given project, for seven proposed projects in the Water Storage Investment Program (WSIP). In addition, the Commission is receiving screening information from new projects. Both existing WSIP projects and screening projects are subject to the eligibility deadline discussed here.
All Seven Projects Approved by Statutory Deadline

PROP 1 ELIGIBILITY DEADLINE REQUIREMENTS

To ensure progress, existing projects and screening projects must meet a statutory deadline of January 1, 2022, after which a project will not be eligible for funding if the following conditions are not met:

- All feasibility studies are complete and draft environmental documentation is available for public review;
- The Director of the Department of Water Resources receives commitments from not less than 75 percent of the non-public benefit cost shares of the project; and
- The Commission makes a finding that the project is feasible, and will advance the long-term objectives of restoring ecological health and improving water management for beneficial uses of the Delta.
Reflections & Lessons Learned

• Set expectations early on
• Provide clear process and updates on website
• Partner with grant applicants to better inform stakeholders about process and progress milestones
• Use social media to connect with stakeholders and keep them updated
• Create relationships with water journalists and key media outlets to develop content ideas for them
Reflections & Lessons Learned

• History repeats itself

• Large public works projects can take years or decades to get approved, permitted, funded and constructed in California

• Government funding partners can always become more efficient, but pace of work is often linked with progress project applicants make

• We can’t change past actions, we can only take the best actions now

• We have dedicated, talented and caring staff and commissioners at the California Water Commission!
Thank you for your attention. Find us at cwca.ca.gov.

Thank you former Governor Jerry Brown and Legislature for your leadership on the water bond – Proposition 1.

Thank you Governor Gavin Newsom and Legislature for continuing to lead the way through the good times and the challenging times.
Water Foundation

Role

• Bridging state and federal policy

• Supporting community-based organizations and fostering dialogue

• Today: providing philanthropic perspective
Federal Policy Context

• Justice40
• SRF funding is the main vehicle for drinking water solutions
• Low income rate assistance programs still in development
Bridging State-Federal Policy

- California’s recent efforts through the SAFER program mean we are in better shape than many other states to help historically excluded communities
- Opportunities presented by the budget surplus
Low Income Rate Assistance (LIRA)

• More work remains to be done on LIRA programs at federal and state level

• According to UCLA:
  • LA County CWS’ average necessary household expenditure saw an increase of about 25% from 2015 - 2019, well above the increase in in median household income (11%) and inflation
  • There remains great disparity in how much residents pay for water across systems; monthly rates for 12 CCF1 of water range from $26 to $134 per month.
Looking Forward

- Key policy opportunities
- Ensuring community participation
- Building partnership across sectors
How to Ask a Question

Click “Q&A” on the bottom of your screen
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