



Southern California
Water Dialogue

The Roll Out of Federal and State Water Funding

January 26, 2022

Southern California Water Dialogue Co-chairs

CONNER EVERTS

Executive Director

Southern California Watershed Alliance

DEE ZINKE

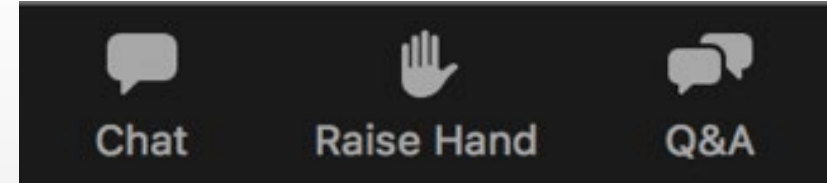
Assistant General Manager/Chief External Affairs Officer, External Affairs

The Metropolitan Water District of Southern California

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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



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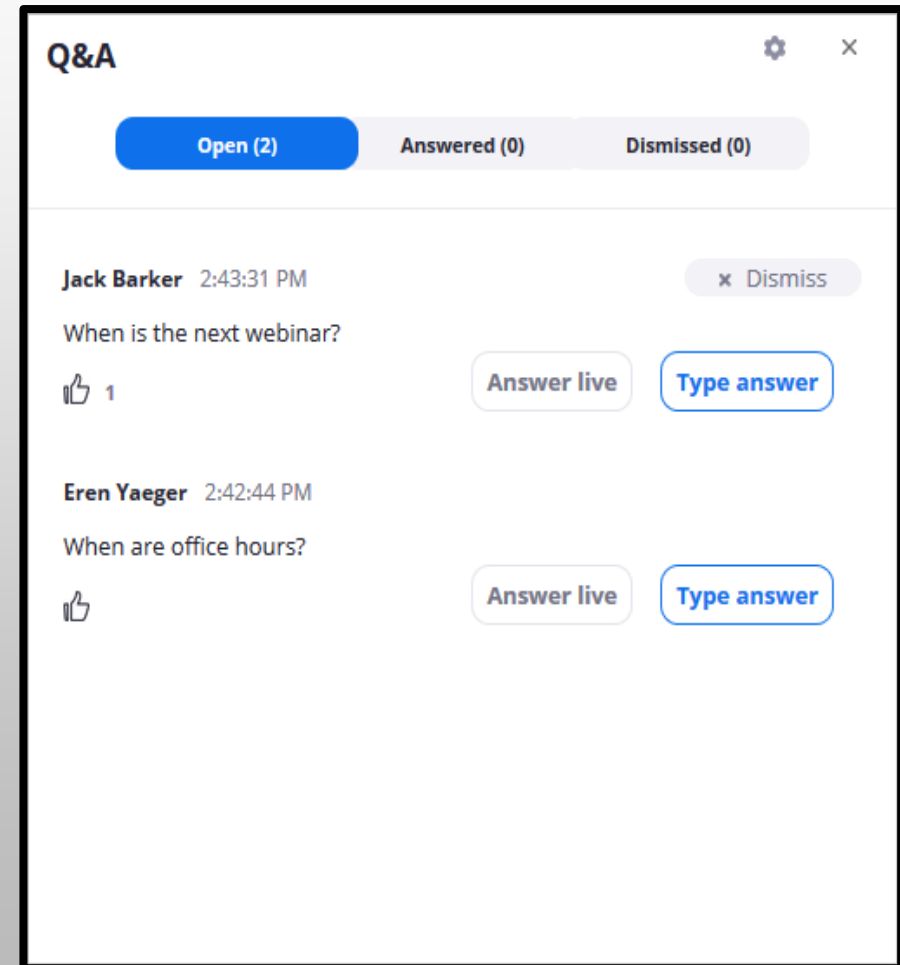
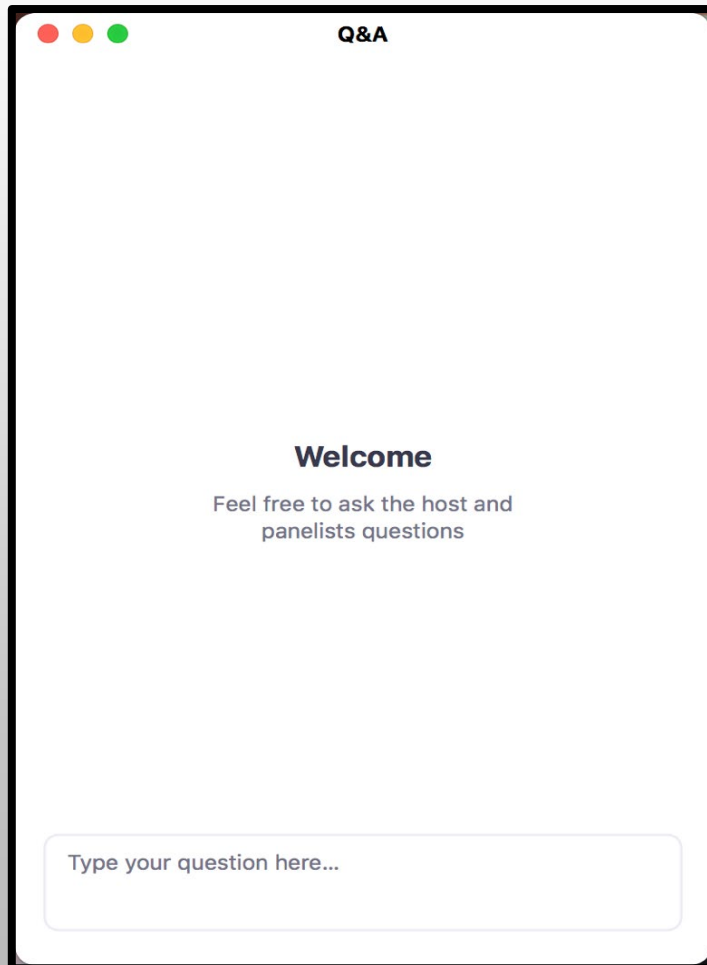




Type in question and then click send



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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)

THE AMERICAN RESCUE PLAN

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

Unit of Government	Available Funding
State	\$27.0 B
Counties	\$7.7 B
Cities	\$7.0 B
Other	\$1.2 B

A microscopic image of a virus particle, showing a spherical head with a textured surface and a tail-like structure. The image is in shades of blue and white, with a blurred background.

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.

Infrastructure Investment and Jobs Act (IIJA)



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

Program	Funding Amount
Large-Scale Water Recycling Projects	\$450 M
Title XVI Water Recycling Projects	\$550 M
Water Storage and Conveyance	\$1.15 B
Desalination	\$250 M
WaterSMART	\$400 M
Colorado River Drought Contingency Plans	\$300 M
Aquatic Ecosystem Restoration and Protection	\$250 M

2022 Reclamation Spend Plan

Program	Funding Amount
Title XVI Water Recycling Projects	\$245 M
Water Storage and Conveyance	\$210 M
Desalination	\$15 M
WaterSMART Water and Energy Efficiency Grants	\$160 M
Lower Colorado River Drought Contingency Plans	\$50 M
Undesignated, TBD	\$281 M

IIJA EPA SRF Funding

Water Program	Funding Amount
Drinking Water SRF	\$11.7 B
Clean Water SRF	\$11.7 B
Lead Service Line Replacement	\$15 B
Emerging Contaminants	\$10 B

California's 2022 Allocation

Water Program	Funding Amount
Drinking Water SRF	\$158.4 M
Clean Water SRF	\$128.3 M
Lead Service Line Replacement	\$249.4 M
Emerging Contaminants	\$73.2 M

Other Sources of Funding

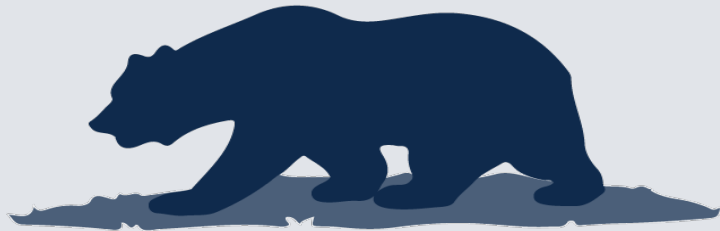


Appropriations



Build Back Better Act

Overview of Recent State Water-Related Funding



Presented to:

Southern California Water Dialogue

January 26, 2022

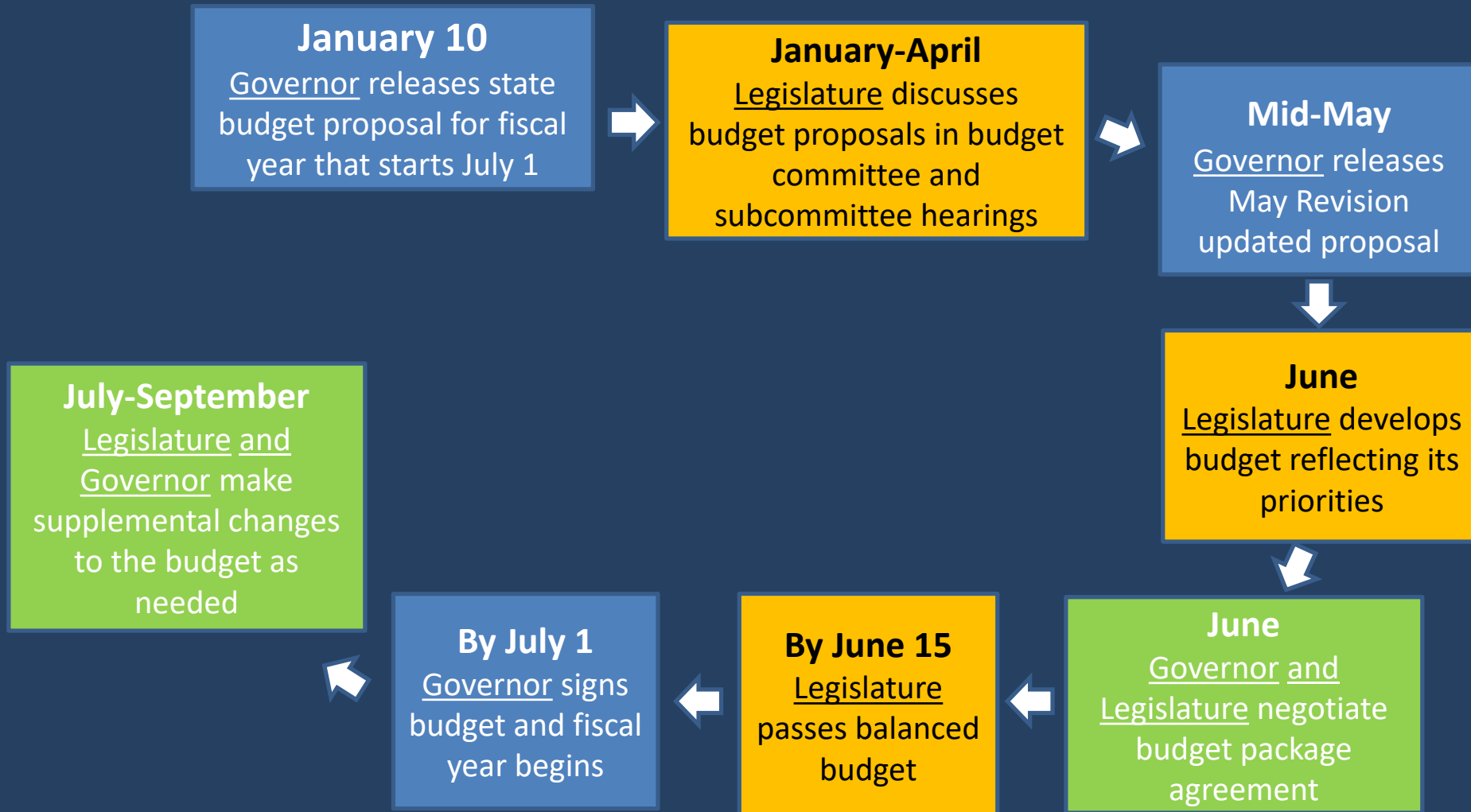
Rachel Ehlers

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**

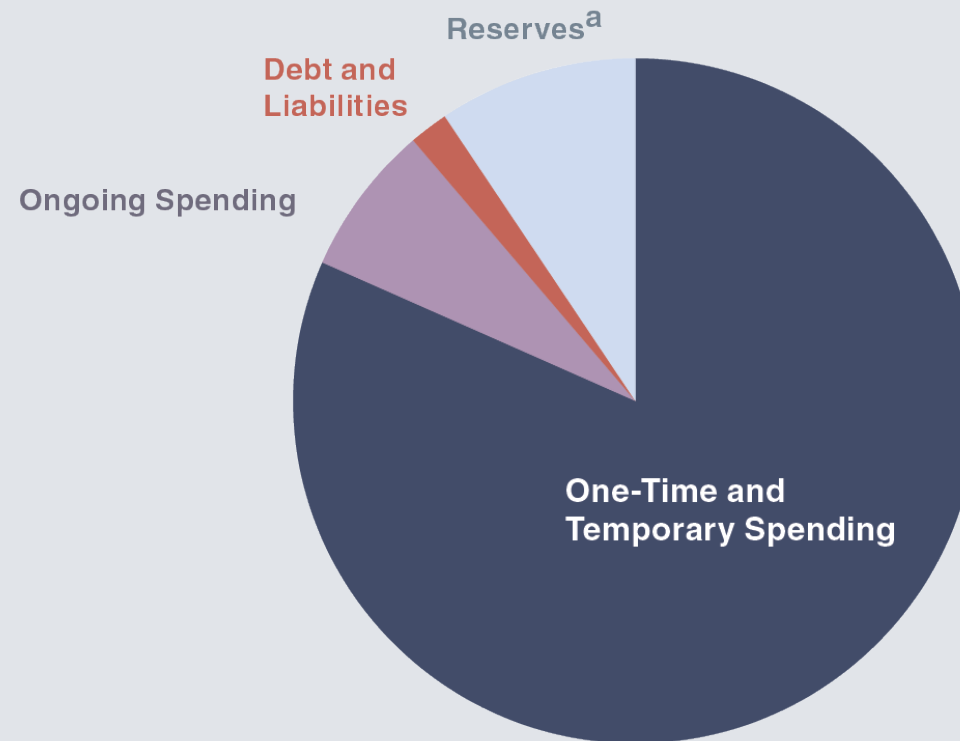
Key Steps in the Typical State Budget Process



Current State Fiscal Context

- **State in a VERY Strong Fiscal Position**
- **2021-22 Budget Included \$47 Billion Surplus**
- **2022-23 Governor's Budget Allocates Additional \$29 Billion Surplus**

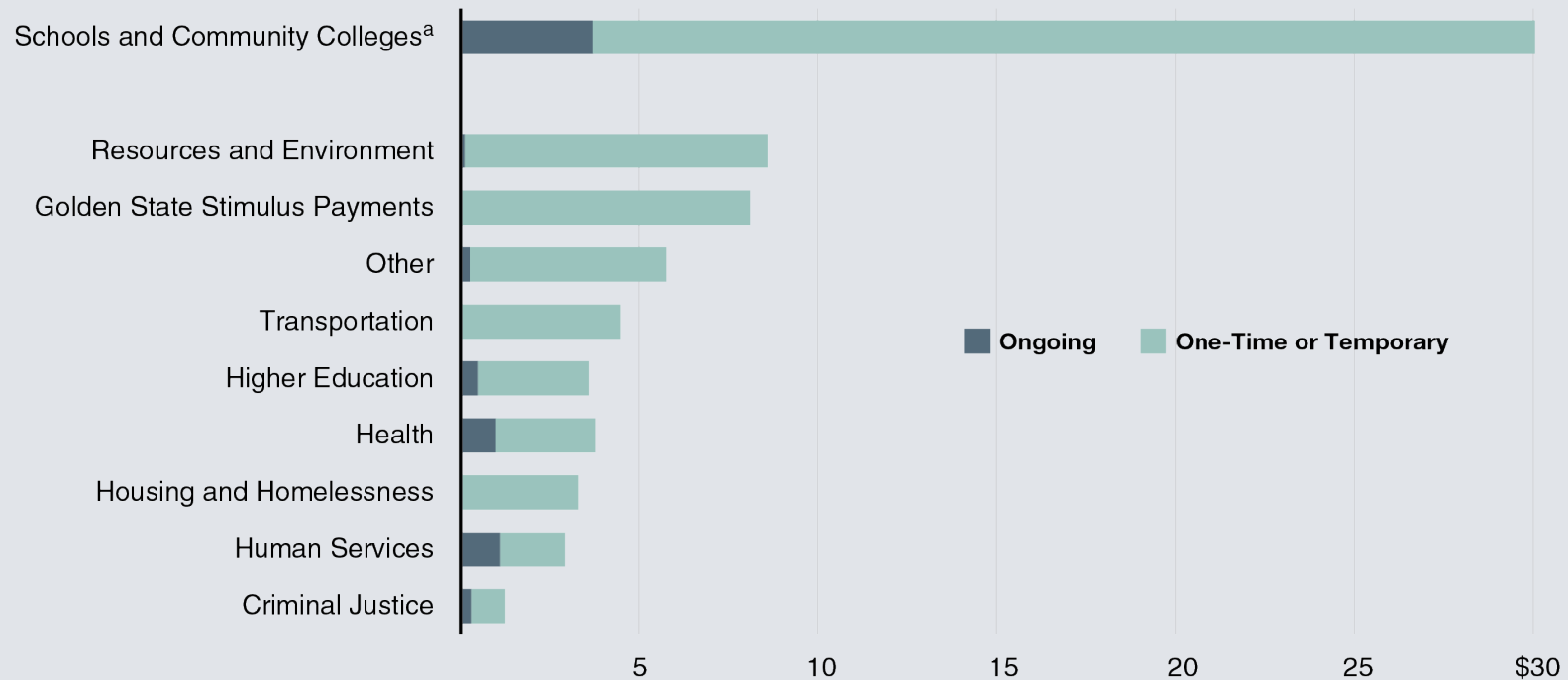
How the 2021-22 Budget Allocated \$47 Billion General Fund Surplus



^a SFEU balance and Safety Net Reserve deposit.

Major General Fund Spending Choices in the 2021-22 Budget

(In Billions)



^a Proposition 98 spending includes General Fund and local property tax revenue.

Significant Water-Related Funding in This Year's Budget

2021-22 Drought and Water Resilience Budget Package (In Millions)

Activity	2021-22	2022-23	2023-24
Drinking water and wastewater	\$1,300	\$0	\$0
Water supply and reliability	991	200	50
Ecosystem restoration	400	410	260
Groundwater management	255	110	110
Immediate drought response	137	0	0
Flood management	130	110	60
Water quality	56	50	20
Totals	\$3,269	\$880	\$500

Drought and Water Resilience Package

(In Millions)^a

Activity	Department	2021-22	2022-23	2023-24	Totals
Water Supply and Reliability, Drinking Water, and Flood		\$2,676	\$420	\$220	\$3,316
Drinking water and wastewater projects	SWRCB	\$1,300	—	—	\$1,300
Multibenefit water projects	DWR	200	—	—	200
Small community water projects	DWR	200	—	—	200
SGMA implementation	DWR	180	\$60	\$60	300
Groundwater cleanup and water recycling projects	SWRCB	150	100	100	350
Flood management	DWR	130	110	60	300
Urban water projects	DWR	100	—	—	100
Water conveyance repairs	DWR	100	100	—	200
Data, research, and communications	DWR	91	—	—	91
SWEEP	CDFA	50	50	—	100
San Diego Pure Water project	SWRCB	50	—	—	50
Multibenefit land repurposing program	DOC	50	—	—	50
Water rights modernization	SWRCB	30	—	—	30
Watershed climate studies	DWR	25	—	—	25
Aqueduct solar panel pilot study	DWR	20	—	—	20
Water Quality and Ecosystem Restoration		\$456	\$460	\$280	\$1,196
Water resilience projects	CNRA	\$165 ^b	\$100	\$180	\$445
Streamflow for the environment	WCB	100	150	—	250
Resilience projects for fish and wildlife	WCB	65	40	—	105
Salton Sea	DWR	40	100	80	220
Funding to address PFAs contamination	SWRCB	30	50	20	100
Urban rivers and streams	Various	30	20	—	50
Water quality improvements for border rivers	SWRCB	20	—	—	20
Clear Lake rehabilitation	CNRA	6	—	—	6
Immediate Drought Response		\$137	—	—	\$137
Drought support for fish and wildlife	CDFW	\$33	—	—	\$33
Drought emergency response	Various	25	—	—	25
Drought permitting compliance and enforcement	SWRCB	18 ^c	—	—	18
Drought permitting compliance and enforcement	CDFW	8	—	—	18
Drinking water emergencies	SWRCB	12	—	—	12
Drought technical assistance	DWR	10 ^d	—	—	10
Salinity barrier	DWR	10	—	—	10
Data, research, and communications	Various	6	—	—	6
Agriculture technical assistance	CDFA	5	—	—	5
Totals		\$3,269	\$880	\$500	\$4,649

Key Categories of Water Supply and Reliability Funding

(In Millions)

Activity	2021-22	2022-23	2023-24
Drinking water and wastewater projects	\$1,300	\$0	\$0
Urban and multibenefit water projects	300	0	0
Small community water projects	200	0	0
SGMA Implementation	180	60	60
Groundwater clean-up and water recycling	150	100	100
Water conveyance repairs	100	100	
San Diego Pure Water Project	50	0	0

Key Categories of Water Quality and Ecosystem Funding

(In Millions)

Activity	2021-22	2022-23	2023-24
Water resilience projects	\$165	\$100	\$180
Streamflow for the environment	100	150	0
Resilience projects for fish and wildlife	65	40	
Salton Sea	40	100	80
Los Angeles River restoration	30	20	0
Address PFAs contamination	30	50	20
Border rivers water quality	20		

Additional Notable Water and Ecosystem Funding in 2021-22 Budget

- **\$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)

Category	Activities	Amount
Water conservation	Grants, projects, turf replacement, agricultural water efficiency	\$200
Water supply and reliability	Urban and small community grants, SGMA groundwater recharge projects	150
Lands management and habitat enhancement	Multibenefit land repurposing program, enhance habitat for fish and wildlife	85
Immediate drought response	Support for fish and wildlife, drinking water emergencies, relief for small farmers	65
Unallocated drought response	Unspecified; placeholder	250
Total		\$750

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*](#)

lao.ca.gov

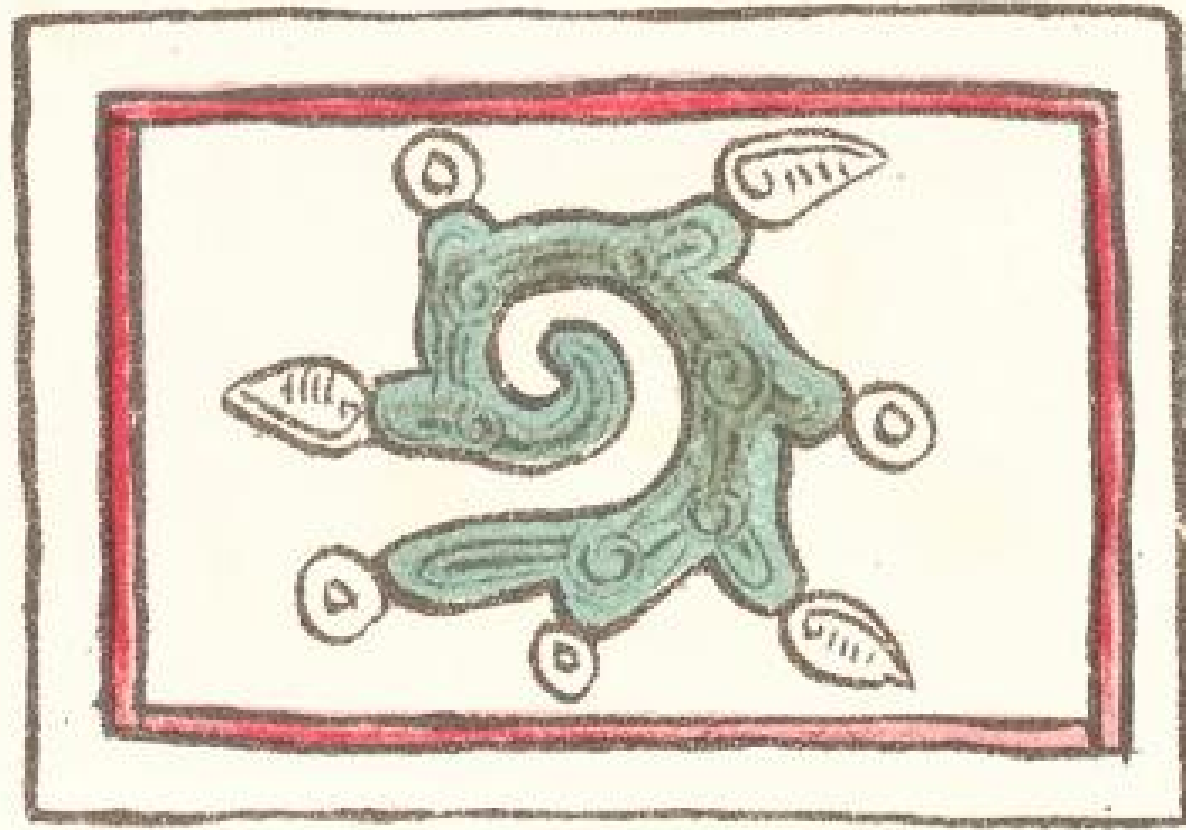
Water Storage Investment Program - Proposition 1

Lessons Learned

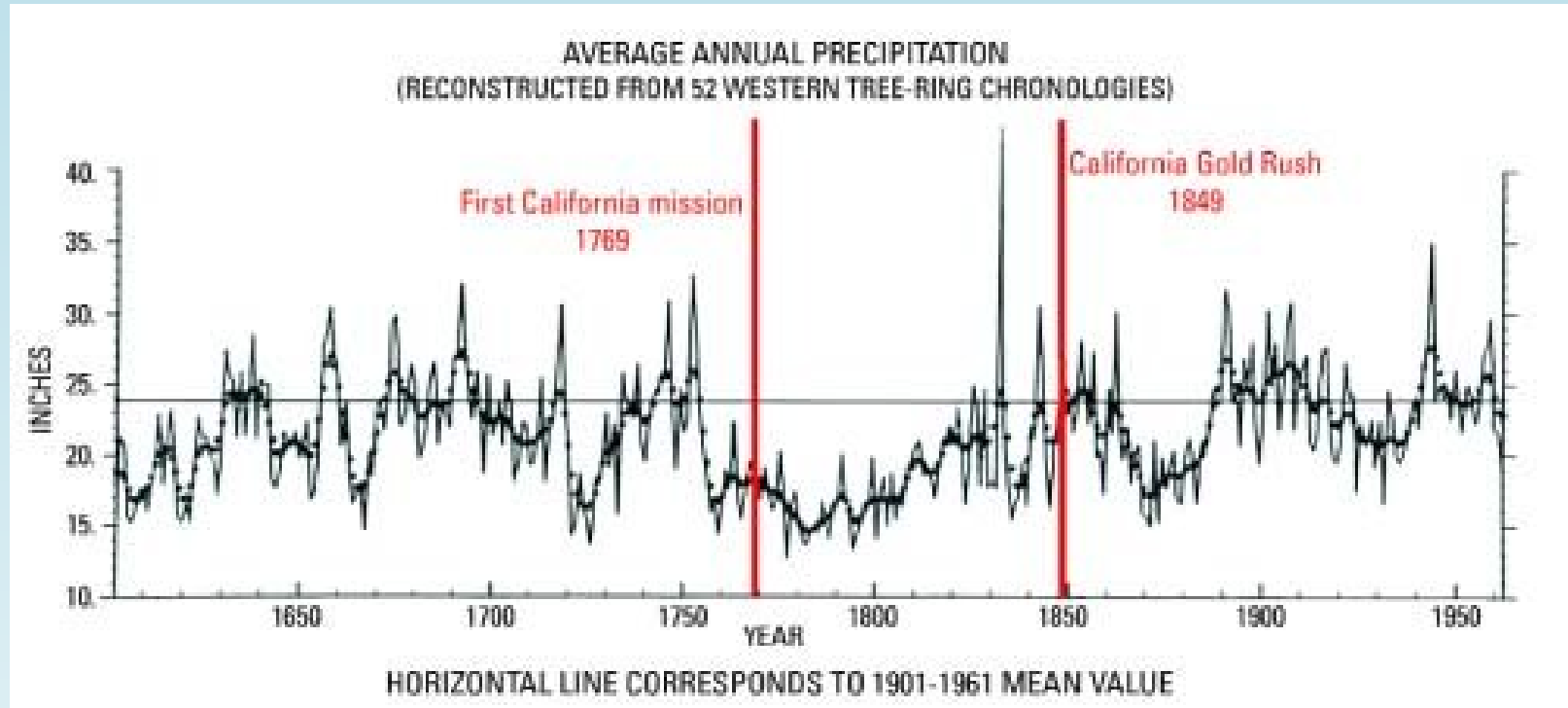


Presentation to South California Water Dialogue
On January 26, 2022
by Jose Solorio
California Water Commissioner

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History of Droughts – One in CA Lasted 100 Years



**“When the well’s dry, we know the
worth of water.”**

– Benjamin Franklin

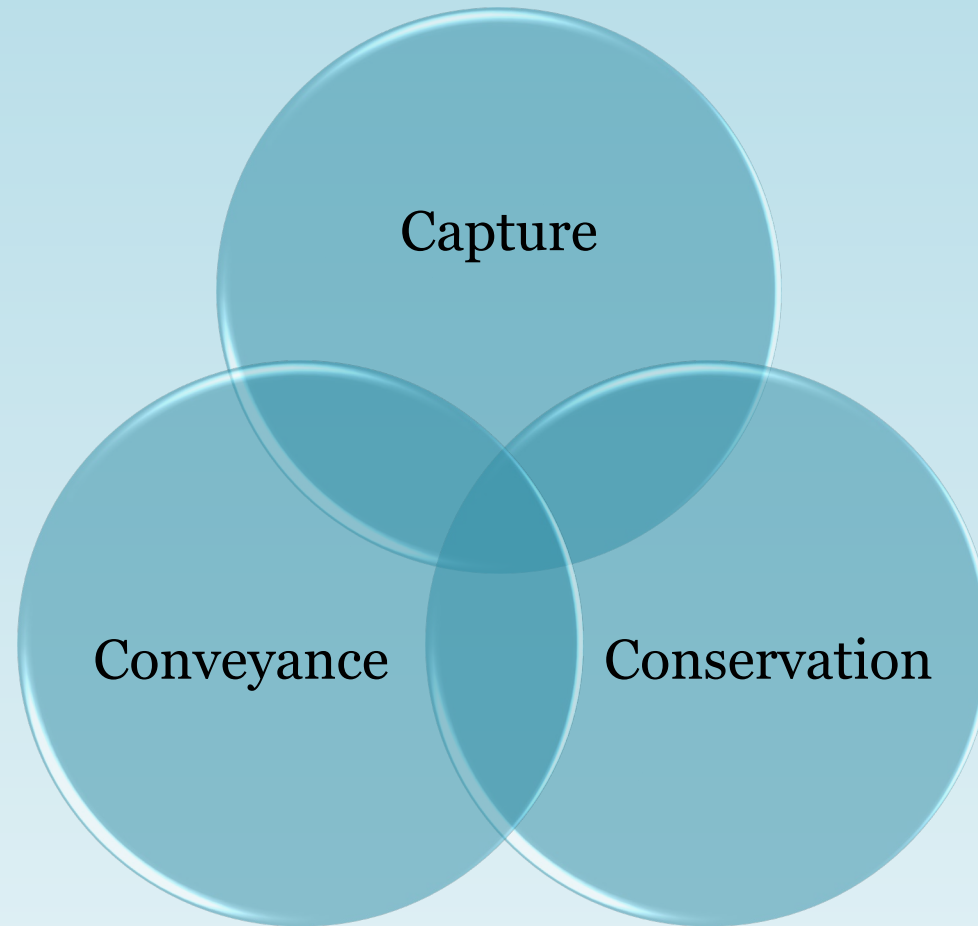
From the Cotton Fields to the Water Commission

- 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



And Then There Were Seven

WSIP UPDATE: APRIL 2021

Milestone year for Water Storage Investment Program

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.



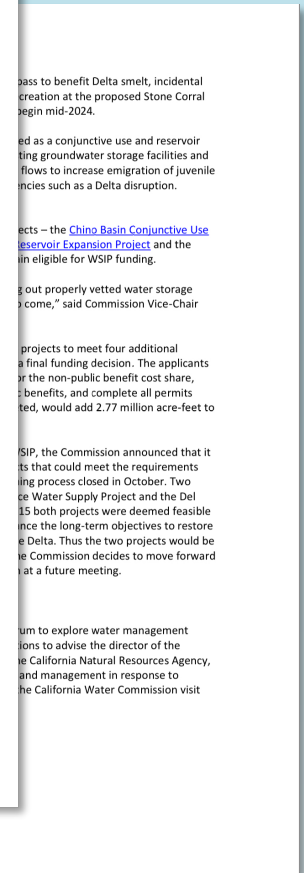
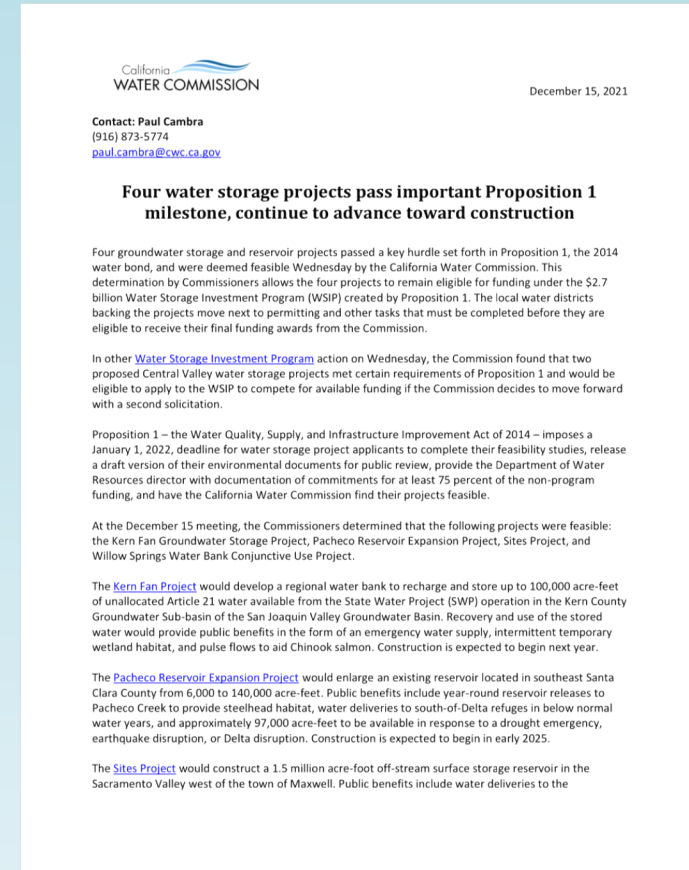
Reflections & Lessons Learned

- 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 cwc.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



Question and Answer



How to Ask a Question

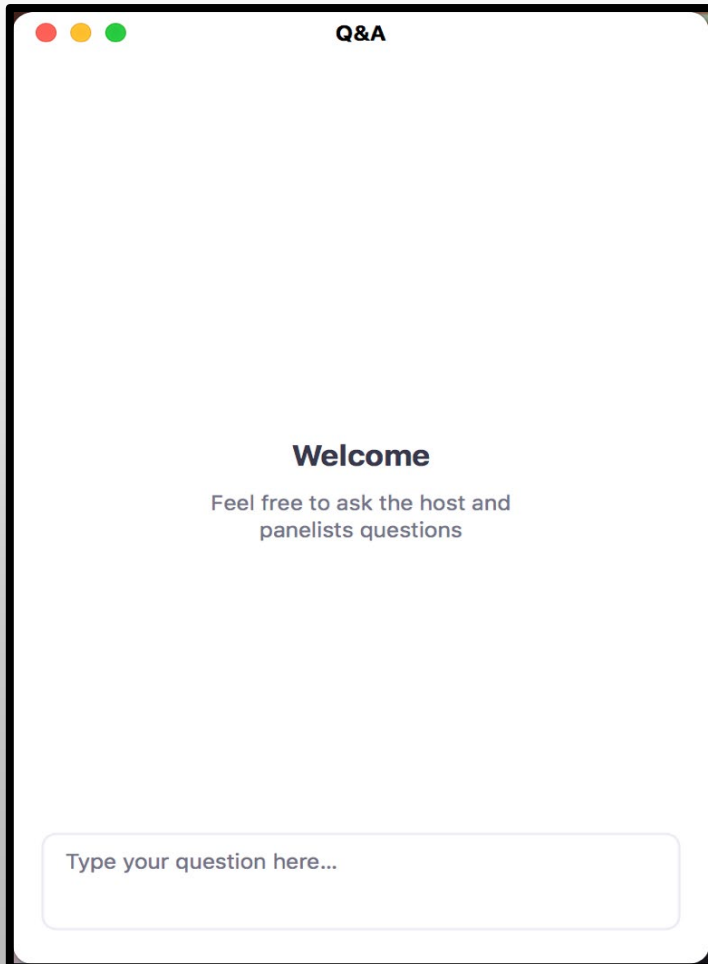


Click “Q&A” on the bottom of your screen

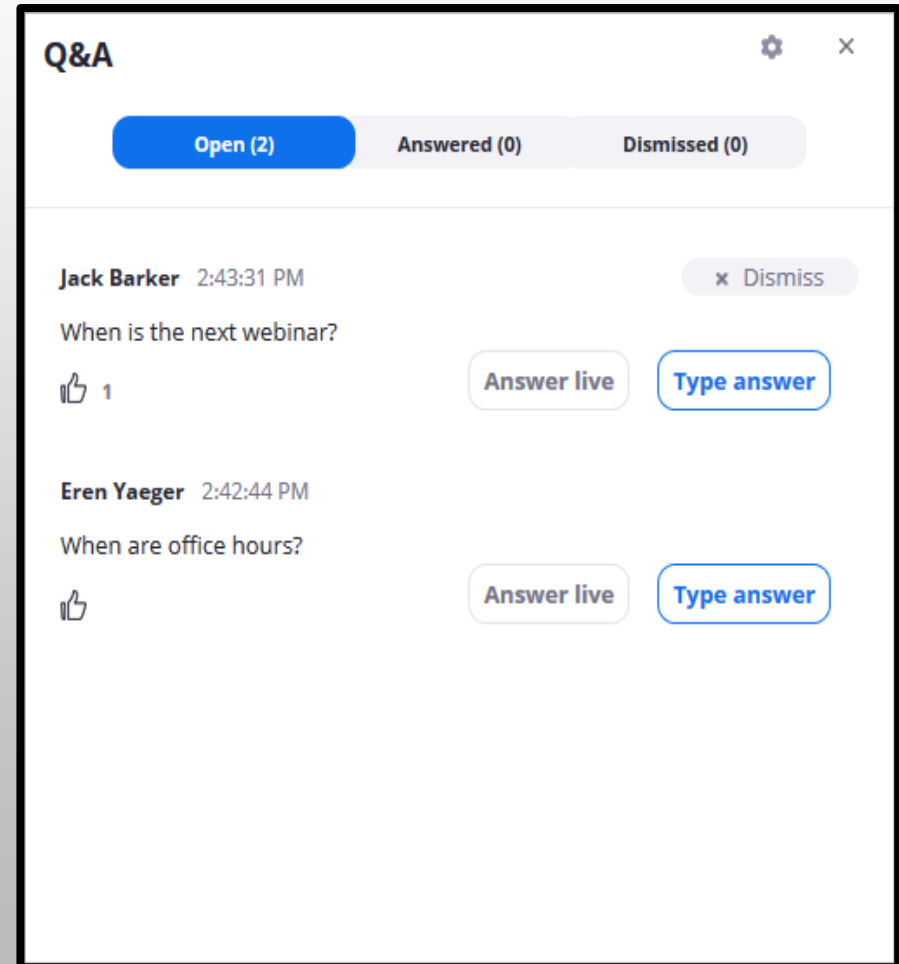




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Next Southern California Water Dialogue Webinar

Wednesday, February 23, 2022
12:00 – 1:30 pm

Your feedback on today's meeting is important to us. For the next ten minutes, you can use the Zoom Chat feature to send us any comments.

[Socalwaterdialogue.org](https://socialwaterdialogue.org)