

May 2, 2025

The Honorable Mike McGuire
President pro Tempore
California State Senate
State Capitol Building
Sacramento, CA 95814

The Honorable Brian Jones
Minority Leader
California State Senate
1021 O Street, Suite 7640
Sacramento, CA 95814

The Honorable Robert Rivas
Speaker
California State Assembly
State Capitol Building
Sacramento, CA 95814

The Honorable James Gallagher
Republican Leader
California State Assembly
1021 O Street, Suite 4740
Sacramento, CA 95814

Subject: Request for Funding - SAFER Program

Senator McGuire, Senator Jones, Speaker Rivas, and Assemblyman Gallagher:

With his January budget proposal, Governor Newsom has opened a legislative conversation regarding both the extension of the state's Cap-and-Trade Program and the expenditure of funds raised from that program and deposited into the Greenhouse Gas Reduction Fund (GGRF).

The San Joaquin Valley Collaborative Action Program (CAP) is a collective of over 80 leaders from agriculture, water agencies, safe drinking water advocates and technical assistance providers, environmental organizations, technical assistance organizations, academia, local government, and state and federal agencies, that are focused on building water and land resilience in the San Joaquin Valley. This watershed feeds California's and the nation's urban and agricultural populations. Virtually every census tract in the San Joaquin Valley meets the state's official definition as a disadvantaged community. The CAP respectfully requests the following:

- 1. Increase annual appropriations to the SAFER program commensurate with the increase in GGRF revenue; and**

2. Extend the SAFER program appropriation from GGRF revenue consistent with the authorized program extension.

The SAFER Program

The Safe and Affordable Funding for Equity and Resilience Drinking Water program (SAFER program) is administered by the State Water Resources Control Board (SWRCB) and currently receives \$130 million annually from the GGRF to fund its activities.

GGRF funding is partnered with private and federal funds to ensure Californians who lack safe, adequate, and affordable drinking water receive it as quickly as possible, and that the water systems serving them establish sustainable solutions.

Established by SB 200 (Monning) in 2019, SAFER has a proven track record of success. As of April 2024, the SWRCB has distributed over \$831 million in grants for drinking water projects in California's disadvantaged communities. In this same period, 251 water systems serving 2 million people have come back into compliance with drinking water standards and 142 consolidations, benefiting approximately 100,000 people, have been completed.

More Need than Available Funding

Recently, the SWRCB conducted their "Drinking Water Needs Assessment" related to the SAFER program. Among its major findings:

- Approximately 56% of Failing public water systems serve disadvantaged communities and 67% serve majority communities of color.
- Estimated 5-year funding needs for modeled long-term and interim solutions for Failing and At-Risk public water systems is approximately \$6.6 billion and \$4.9 billion for high-risk state small water systems and domestic wells.
- The State Water Board has a projected \$3.5 billion in 5-year funding availability, \$2 billion for grants and \$1.5 billion for loans.
- The estimated 5-year funding gap for small water systems is at least \$5.5 billion for grant eligible needs.

Specific Requests

Our coalition requests that any legislation that extends the Cap-and-Trade program and/or appropriates funding from the GGRF include the following language:

- Amend Health and Safety Code section 39719 (b)(3)(A) as follows:

Beginning in the ~~2020-21~~ 2025-26 fiscal year, and until June 30, 2030 20__, 5 percent of the annual proceeds of the fund, ~~up to the sum of one hundred thirty million dollars (\$130,000,000)~~ or no less than the sum of two hundred million dollars(\$200,000,000), is hereby annually transferred to the Safe and Affordable Drinking Water Fund established pursuant to Section 116766 for the purposes of Chapter 4.6 (commencing with Section 116765) of Part 12 of Division 104.

Our coalition appreciates your consideration of these important requests. We are happy to discuss them in more detail.

Sincerely,

Sincerely,



Ann Hayden
Environmental Defense Fund

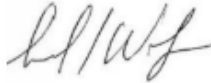


Sarah Woolf
Water Wise

Co-Chairs
San Joaquin Valley Water Collaborative Action Program



Ann Hayden
Environmental Defense Fund



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CC:

California Environmental Protection Agency, Secretary Yana Garcia

California Environmental Protection Agency, Deputy Secretary and Special Counsel for water Policy
Anna Naimark

California Environmental Protection Agency, Deputy Secretary for Legislative Affairs Ana Melendez

State Water Resources Control Board, Chair E. Joaquin Esquivel

State Water Resources Control Board, Director of Legislative Affairs Candace Cotton

CA State Senator Benjamin Allen

CA State Assemblymember Steve Bennett

California State Assembly, Budget Consultant Shy Forbes (Assemblymember Jesse Gabriel Staffer)

California State Senate, Budget Consultant Joanne Roy

Cap-and-Trade Program Branch Chief, Mark Sippola