

## 14<sup>th</sup> ANNUAL CALIFORNIA WATER LAW SYMPOSIUM

### Environmental Justice and Safe Drinking Water

Assembly Bill 685 (2012) – Established policy of the State that every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes. Foundational step, but didn't include funding.

Senate Bill 623 (2017) – Safe and Affordable Drinking Water Fund. Failed to pass out of the Legislature last year due primarily to intense lobbying by municipal water agencies that would have required them to collect money from their ratepayers to fund water quality improvement projects in other communities.

Senate Bill 623 author Monning says the State General Fund isn't a reliable funding source and that the proposed tax on households, amounting to roughly \$11.40 per year, is negligible and won't be noticed on monthly water bills. SB 623 needed a two-thirds vote of each house.

Municipal water agencies opposition - Water is essential to life. Should we tax drinking water? We don't think so - Association of California Water Agencies.

A water tax isn't new. A decade or so ago, a Statewide water tax was proposed to fund capital facilities for water supply and system reliability purposes. Water supply agencies and not the State would face ratepayers' wrath for increased charges to fund State water tax. Would it stop with SB 623, or is that just foot in the door for more? Among other competing needs for money by municipal water agencies are potential impacts on the ability to issue debt or fund local water system projects and related deterioration of ratepayer support. And then there's Proposition 218.

#### Metrics

SB 623 would have generated about \$2 billion over 15 years to fund water system improvements or new systems for about 200,000 people affected by poor water quality, mostly in rural communities.

Proposition 1 and Proposition 84 grant money is available for some water quality improvement projects in rural communities. More is needed.

State policy allows up to \$30,000/connection for State funding. If consolidating existing water systems, State policy allows up to \$60,000/connection.

Rural communities tend to be small and spread out, which results in high per connection costs. For example, in one community located near Bakersfield, the estimated water system improvement project cost is \$20 million for about 400 connections.

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Alternatively, individual water treatment systems can be installed at each connection in some cases, but this requires consent to entry agreements to monitor and service the connections.

In the case of either a community water system or individual treatment system, there are operating and maintenance costs that will likely require ongoing financial subsidies in rural communities. Funding for ongoing O&M costs is as important as the capital installation expense.