



Bringing
Water
Together

April 30, 2019

The Honorable Lorena Gonzalez
Chair, Assembly Appropriations Committee
State Capitol, Room 2114
Sacramento, CA 95814

Re: AB 217 (E.Garcia): Safe Drinking Water Funding/Water Tax

Position: OPPOSE UNLESS AMENDED

Dear Chair Gonzalez,

AB 217 is intended to address a gap in safe drinking water funding. The lack of access to safe drinking water in certain disadvantaged communities is a public health issue that the State needs to address. As explained in this letter, the below-listed organizations agree with the intent behind the bill but are **OPPOSED UNLESS AMENDED** because the bill proposes a water tax as a funding mechanism. This problem can be solved without a water tax.

Amador Water Agency
Association of California Water Agencies
Bella Vista Water District
Building Owners and Managers Association of California
Calaveras County Water District
CalDesal
California Business Properties Association
California Municipal Utilities Association
California Special Districts Association
Calleguas Municipal Water District
Carmichael Water District
Citrus Heights Water District
City of Corona
City of Fairfield
City of Fresno
City of Lakewood
City of Newport Beach
City of Oceanside
City of Riverside
City of Santa Rosa
City of Shasta Lake
City of Torrance
Coastside County Water District

Contra Costa Water District
Cucamonga Valley Water District
Desert Water Agency
Dublin San Ramon Services District
Eastern Municipal Water District
El Dorado County Joint Chamber Commission
El Dorado Irrigation District
El Toro Water District
Elk Grove Chamber of Commerce
Elsinore Valley Municipal Water District
Fallbrook Public Utility District
Folsom Chamber of Commerce
Georgetown Divide Public Utilities District
Glenn-Colusa Irrigation District
Helix Water District
Hidden Valley Lake Community Services District
Humboldt Bay Municipal Water District
Humboldt Community Services District
Indian Wells Valley Water District
International Council of Shopping Centers
Jarupa Community Services District
Kern County Water Agency
Kinneloa Irrigation District
Lake Hemet Municipal Water District
Las Virgenes Municipal Water District
League of California Cities
Malaga County Water District
Mammoth Community Water District
McKinleyville Community Services District
Mesa Water District
Mid-Peninsula Water District
Mojave Water Agency
National Association of Industrial and Office Properties – California Chapters
National Federation of Independent Business
North Tahoe Public Utility District
Northern California Water Association
Oakdale Irrigation District
Olivenhain Municipal Water District
Orange County Water District
Orchard Dale Water District
Otay Water District
Palm Ranch Irrigation District
Palmdale Water District
Palmdale Water District
Placer County Water Agency
Rainbow Municipal Water District

Rancho Cordova Chamber of Commerce
Regional Water Authority
Rincon del Diablo Municipal Water District
Roseville Area Chamber of Commerce
Rowland Water District
Sacramento Suburban Water District
San Bernardino Valley Municipal Water District
San Diego County Water Authority
San Diego Regional Chamber of Commerce
San Gabriel Valley Economic Partnership
San Juan Water District
Santa Margarita Water District
Scotts Valley Water District
South Tahoe Public Utility District
Southern California Water Coalition
Stockton East Water District
Three Valleys Municipal Water District
Tuolumne Utilities District
Twaine Harte Community Services District
United Chamber Advocacy Network
Valley Center Municipal Water District
Walnut Valley Water District
West Hollywood Chamber of Commerce
Western Canal Water District
Western Municipal Water District
Westlands Water District
Yorba Linda Water District
Yuba Water Agency
Zone 7 Water Agency

AB 217 would require public water systems to send a water tax to the State Water Resources Control Board based on a system's number of connections. California households and businesses that purchase water from a public water agency would be paying for this state tax. Following are examples of concerns with this approach:

- While well-intended, AB 217 proposes a ***tax on water – a resource that is essential to life***.
 - The proposed “fee” based on the public water system’s number of connections would be a tax under Article XIII A of the California Constitution.
- AB 217 would set the ***precedent*** for a statewide water tax.
 - There are state agencies and other entities with documented interest in using a water tax to fund various programs. AB 217 would be the first in the line.



- There is a human right to both safe and **affordable water**. Taxing water would work against keeping water affordable.
- The proposed tax would be **regressive** – with the lowest-income customers paying the same amount as high-income customers.
- AB 217 does propose a trust, but the **trust in SB 669 (Caballero)** was intended to **replace** proposals for a water tax – not add to them.
- The fund can address the problem - the proposed **regional distribution split (up to 20 percent back to somewhere in the region from which it was sent) is unnecessary - and has been rejected in the past.**
- AB 217 **would include funding for capital costs when there are existing federal and state funding sources for capital costs** (the Safe Drinking Water State Revolving Fund and General Obligation bonds).

The above-listed organizations urge your “No” vote on AB 217 unless the bill is amended to delete the proposed water tax and replace it with one or more acceptable funding sources.

If you have any questions, please contact Ms. Cindy Tuck, Deputy Executive Director for Government Relations, Association of California Water Agencies at (916) 441-4545 or at cindy@acwa.com.

cc: The Honorable Eduardo Garcia
Honorable Members, Assembly Appropriations Committee
Ms. Jennifer Galehouse, Deputy Chief Consultant, Assembly Appropriations Committee
Ms. Suzanne Sutton, Consultant, Assembly Republican Caucuses
Mr. Carlos Gonzalez, Chief of Staff, Assembly Member Eduardo Garcia’s Office