

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,

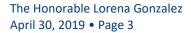
AB 217 is intended to address a gap in safe drinking water funding. The lack of access to safe drinking water in certain disadvantaged communities is a public health issue that the State needs to address. As explained in this letter, the below-listed organizations agree with the intent behind the bill 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**

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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 <u>cindyt@acwa.com</u>.

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