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April 2, 2018

The Honorable Bill Monning
California State Senate
State Capitol, Room 313
Sacramento, CA 95814

Dear Senator Monning:

Re: Senate Bill 623 (SB 623) (Monning) – OPPOSE

On behalf of Jurupa Community Services District (JCSD), I am writing to express our opposition to SB 623, which would establish a special fund to be administered by the State Water Resources Control Board (SWRCB) to assist disadvantaged communities (DAC) that do not have safe drinking water.

While we agree with the goal of a safe, affordable water supply for all Californians, especially those in DAC areas, we believe there are other ways to address these problems. Alternative methods include utilizing the state General Fund, the Safe Drinking Water State Revolving Fund, or Assembly Bill 2050 (AB 2050 - Caballero) – The Small System Water Authority Act of 2018. AB 2050 allows the SWRCB to authorize small water authorities to absorb, improve, and provide technical, managerial and financial support. JCSD has worked towards this goal for over 50 years by absorbing small mutual water systems that couldn't support a growing population and believes this will work for non-compliant water systems throughout California.

Additionally, SB 623 has areas that are problematic including:

- JCSD ratepayers, staff, and its regional partners have consistently planned for the future, committing both the time and resources to provide reliable, safe water at a reasonable cost to our ratepayers. This tax would reallocate local ratepayer money for the benefit of water systems many miles away.

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- Tax Collection - JCSD would become a tax collector for the SWRCB. This would impact many administrative functions including customer service and finance. The billing system and the physical bill would have to be modified for the tax with an exemption placeholder for the ratepayers who fall into this category. The Finance Department would have to track the tax, the exempt customers, the reasons for exemption, and the non-exempt customers as well as monitor the transfer of money to the SWRCB. Layering a tax on water bills in order to send money to Sacramento is not efficient.
- Outreach and Education – This would be the first Public Goods Tax on water and a significant amount of outreach and education will be necessary to explain this to ratepayers. JCSD has a diverse population and outreach and education will need to be in at least two, and possibly three languages, costing thousands of dollars. While it may be possible for JCSD to recoup some of that money in an administrative fee paid by the Public Goods Tax, the very tracking of that work will be an administrative burden.
- Low Income and DAC Effects – Taxes impact everyone, but families with lower incomes are often disproportionately impacted. Approximately 28 percent of JCSD's service area is located within a DAC area, however, it is unknown whether these families are within the stated income exemption level of less than 200 percent of the federal poverty level. Families above that threshold will not be exempt. One stated goal of the Human Right to Water is affordability. A tax will simply make water less affordable. The argument has been made that water, like food, should never be taxed. We agree with that premise.

While there is clearly a need to help fund sensible, long-term solutions and assist DAC's that do not have safe drinking water, a tax on local water bills is not the solution.

If JCSD can be of further assistance, please do not hesitate to contact me at tcorbin@jcsd.us.

Sincerely,



Todd M. Corbin
General Manager

cc: Member of the Assembly Rules Committee
Michael Erke, Consultant, Assembly Rules Committee
Curtis Vandermolen, Assembly Republican Caucus