



August 20, 2018

The Honorable Phil Ting
Chair, Assembly Budget Committee
State Capitol, Room 6026
Sacramento, California 95814

**RE: SB 845 (Monning): Safe and Affordable Drinking Water Fund –
OPPOSE AS AMENDED ON AUGUST 16, 2018**

Dear Chair Ting,

A coalition of water providers and special districts representing more than 1.6 million residents and businesses in western Riverside County are writing to express our strong opposition to SB 845 – Safe and Affordable Drinking Water Fund by Senator Monning. This bill would require all water agencies from across the state to add a fee to their customers' bills based on their meter size. Customers would automatically be forced to pay this new fee, unless they opt-out or elect to pay a different amount.

Our respective agencies are committed to ensuring safe drinking water for all Californians, especially those in disadvantaged communities. However, forcing water agencies across California to automatically add a fee to their customers' bills will not solve the problem.

We have a number of concerns with SB 845 that include:

1. Low income and disadvantaged residents will have the "opt-out" tax included on their water bills. SB 845 relies on the belief that people do not scrutinize their bills – especially those that pay electronically. Failing to include a carve-out for low income residents, will result in the very residents this bill claims to help having to pay the tax.

August 20, 2018

RE: SB 845 (Monning): Safe and Affordable Drinking Water Fund

Page: 3

2. Funds will be taken from our customers without them seeing any direct benefit – in western Riverside County it is unlikely that funding will return to the region in which it is collected, as western Riverside County’s water providers and ratepayers have already made strong infrastructure and water quality investments.
3. Water providers will have to change their entire billing system to implement this concept, as none of our agencies have an opt-out provision within our billing structures.
4. As an unfunded state mandate, SB 845 relies on water ratepayers having to subsidize the implementation of this tax collection mechanism.
5. Other methods, including an “opt-in” line item for safe drinking water on the Income Tax Form 540 provides a truly voluntary and supportable method for collecting resources to address this critical problem.
6. SB 845 does not include a cap on the funding amount mandated per meter size that water providers must request of their ratepayers – which is a concerning departure from prior efforts.

Access to clean, safe drinking water in the state is a serious public health priority and we strongly support the need for an effective and comprehensive solution. Such a solution should first seek to address the underlying foundational problems with failing water systems; and second, should provide proper levels of funding from appropriate sources. If these failing systems were consolidated either into larger agencies or through the process that is outlined in AB 2050 (Caballero) Small System Water Authority Act of 2018, not only would the technical, managerial and financial capabilities be addressed, but economies of scale and alternative water supply opportunities would substantially reduce funding needs. SB 845 does not address these service delivery issues, and therefore the funding that is projected by proponents of this effort appears to be markedly excessive.

For the reasons listed, we the previously identified water agencies oppose SB 845 and request your “no” vote on this bill.

Very Respectfully,

Paul Jones, II
General Manager
**Eastern Municipal
Water District**

John D. Vega
General Manager
**Elsinore Valley
Municipal Water**

Craig Miller
General Manager
**Western Municipal
Water District**

Todd M. Corbin
General Manager
**Jurupa Community
Services District**

Jeffrey Armstrong
General Manager
**Rancho California
Water District**

Todd Jorgenson
*Interim General
Manager*
**Riverside Public
Utilities**

August 20, 2018

RE: SB 845 (Monning): Safe and Affordable Drinking Water Fund

Page: 3

cc: Honorable Members of the Assembly Budget Committee
Senator Bill Monning
Assembly Member Chad Mayes
Assembly Member Jose Medina
Assembly Member Melissa Melendez
Assembly Member Sabrina Cervantes
Assembly Member Randy Voepel
Assembly Member Marie Waldron
Association of California Water Agencies
California Municipal Utilities Association
California Special Districts Association
Santa Ana Watershed Project Authority
The Metropolitan Water District of Southern California