

Safe and Affordable Drinking Water Fund

Background

California has a statewide safe drinking water crisis. One million Californians are exposed to unsafe drinking water each year,¹ and more than 300 California public water systems are currently out of compliance with drinking water standards. Some water systems have been unable to provide safe drinking water for multiple years.² Additionally, nearly 2 million Californians utilize domestic wells and/or state small water systems that are not eligible for most assistance programs, leaving them particularly vulnerable to unsafe drinking water.

California's statewide drinking water crisis is a serious public health emergency. Drinking water contaminants are dangerous and can cause a variety of both short and long-term health effects, with children and the elderly typically at greatest risk. Low-income communities and communities of color are disproportionately impacted by unsafe, unaffordable drinking water. However, drinking water challenges are found in every part of California, in both urban and rural settings, making this a statewide health crisis that requires a statewide response.

For years, the State Water Resources Control Board (State Water Board) and drinking water advocates have called for the creation of a new sustainable funding source to support safe drinking water needs, since other sources of funding such as bond funding or the Safe Drinking Water State Revolving Fund (SDWSRF) do not qualify to be used to support critical functions like ongoing operations and maintenance (O&M) costs for drinking water treatment. The General Fund, both volatile and subject to varied and growing demands, is not a reliable funding source and cannot provide the long term security needed to support permanent drinking water solutions. Small, rural and/or socioeconomically disadvantaged communities often lack a sufficient ratepayer base to afford the entire cost of their ongoing drinking water treatment. The lack of a sustainable funding source means low-income communities and others have no outside support to draw upon forcing them to choose between water they cannot afford or water that they cannot drink.

As a state, California has policies in place to make sure all Californians have access to basic utilities like energy and even telecommunications. However, California has no corresponding policy to ensure universal access to the most fundamental of necessities: safe drinking water.

The Safe and Affordable Drinking Water Fund was originally introduced as Senate Bill 623 (Monning). The Governor in his January 2018 budget committed to introducing statutory language consistent with SB 623 in a budget trailer bill, and also included nearly \$5 million in one-time startup funding to help set up the Fund.

Solution

The Safe and Affordable Drinking Water Fund (Fund) will help ensure universal access to safe and affordable drinking water in California. Highlights of the Fund include the following:

1. The Fund will provide an ongoing source of funding to fill the "O&M gap" and cover other unmet long-term drinking water needs, including for critical drilling new wells, repairing or

¹ Annual Compliance Report to the US EPA from the California State Water Resources Control Board (SWRCB) Division of Drinking Water. https://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/documents/dwdocuments/2015/2015_acr.pdf

² Human Right to Water Portal, SWRCB. https://www.waterboards.ca.gov/water_issues/programs/hr2w/index.shtml

replacing failing drinking water infrastructure, providing technical assistance, conducting lead pipe replacement, consolidating water systems or facilitating drinking water extensions, and other projects designed to secure long-term safe drinking water for all.

2. The Fund will provide emergency replacement water, as needed, to ensure immediate protection of health and safety in response to drought and other water supply and water quality emergencies.
3. The State Water Board, in consultation with a multi-disciplinary stakeholder group and after adoption of an annual fund implementation plan and needs assessment, shall prioritize funding to first focus on disadvantaged communities and low-income domestic well users with exceedances of primary drinking water standards where the cost of treatment or new sources would otherwise make the cost of the water service unaffordable.
4. The Fund shall be prioritized to encourage long-term sustainability and cost-effectiveness of drinking water service and infrastructure.
5. The Fund will be operated transparently in a manner similar to other funding programs at the State Water Board, and will include stakeholder and public processes to solicit input and ensure funding is being targeted and deployed effectively. The State Water Board will also be required to conduct a public review and assessment of the Fund.
6. The Safe and Affordable Drinking Water Fund will be located in the State Water Board's Office of Sustainable Water Solutions, which is well situated to leverage other sources of existing or new funding.
7. The Fund will complement ongoing regulatory efforts to reduce nitrate loading by conditioning limited regulatory enforcement protection for agricultural dischargers on compliance with all existing and new regulations designed to protect groundwater and drinking water.
8. The Fund will facilitate implementation by public water agencies such as by allowing water agencies to utilize a portion of revenues they collect to support local implementation and administration purposes.
9. The Fund will serve as a statewide drinking water "insurance policy" that California communities can tap into as drinking water challenges evolve in the coming years and decades.

Funding shall come from an increase to the existing fertilizer mill fee, a new safe drinking water fee on dairies, and a new small safe drinking water fee assessed monthly on water bills. The combined fees will raise an estimated total of \$140 million annually for the first two years, and thereafter can be kept consistent or reduced by the State Water Board based on its annual needs assessments. Fees CANNOT be adjusted by the State Water Board to exceed the caps identified in statute. For single-family homes and most multi-family homes and businesses, the monthly safe drinking water fee is capped at a maximum of 95 cents, with an exemption from the fee for low-income households (under 200% of the federal poverty level).

The Safe and Affordable Drinking Water Fund is informed by years of experience and discussion around how to solve California's long-standing gap in operations and maintenance funding for drinking water treatment and other unmet drinking water needs. It is the result of over a year of bipartisan policy discussions, convened by the author of Senate Bill 623, Senate Majority Leader Senator Bill Monning, and crafted with input from major environmental justice, water, health, agricultural and environmental stakeholders. The breadth and strength of the historic coalition behind the Safe and Affordable Drinking Water Fund is a testament to the urgency of this issue and the unique opportunity represented by the Fund to finally secure safe drinking water for all Californians – both now and generations to come.

Support

Agricultural Council of California	City of Arvin
Allensworth Community Services District	City of Hanford
Alliance of Child and Family Services	City of Huron
Almond Alliance	City of Lanare
American Cancer Society Cancer Action Network	City of Lindsay
American Heart Association	City of Porterville
American Rivers	Clean Water Action
American Stroke Association	Clif Bar
Armona Community Services District	Comite Civico del Valle
Arvin Community Services District	Common Sense Kids Action
Asian Pacific Environmental Network	Community Alliance for Agroecology
Asociación de Gente Unida por el Agua	Community Water Center
Belridge Water Storage District	Costa Farms
Berrenda Mesa Water District	County of Tulare
Black Women for Wellness	Cultiva la Salud
CA Audubon	Dolores Huerta Foundation
CA Bicycle Coalition	Driscoll's
CA Citrus Mutual	EILEEN FISHER
CA Environmental Justice Alliance	El Quinto Sol de America
CA Food Policy Advocates	Environmental Defense Fund
CA Fresh Fruit Association	Esperanza Community Housing CA
CA Housing Partnership	Faith in the Valley
CA Labor Federation	Farm Bureau Monterey
CA League of Conservation Voters	Foxy Produce
CA Pan-Ethnic Health Network	Fresno Building Healthy Communities
CA Partnership for the San Joaquin Valley	Friends Committee on Legislation of CA
CA Rice Commission	Friends of Calwa
CA Rural Legal Assistance Foundation	Gap, Inc.
CA Strawberry Commission	Grower-Shopper Association of Central California
CA Water Service	Kaweah Basin Water Quality Association
Catholic Charities, Diocese of Stockton	Kaweah Delta Water Conservation District
Center for Race, Poverty, and the Environment	Kern County Farm Bureau
Central California Asthma Collaborative	Kern Delta Water District
Central California Environmental Justice Network	Latino Coalition for a Healthy America
Central California Environmental Network	Leadership Counsel for Justice and Accountability
Ceres	League of Women Voters of California
Coalition for Humane Immigrant Rights of Los Angeles	Lost Hills Water District
Church Brothers Farm	Lutheran Office of Public Policy
	Merrill Farms
	Mi Familia Vota

Mission Readiness: Council for a Strong
America
Monterey Bay Independent Physician
Association
Monterey County Board of Supervisors
Naturipe
NextGen California
Pacific Institute
Pacific Water Quality Association
Pepsico
Pesticide Action Network North
America
Physicians for Social Responsibility Los
Angeles
Planning and Conservation League
PolicyLink
Poplar Community Services District
Public Health Advocates
Public Interest Law Project
Pueblo Unido CDC
Rava Ranches
RCAC
RCRC
Rio Farms

Salinas Basin Agricultural Stewardship
Group
Santa Cruz County Farm Bureau
Self Help Enterprises
Service Employees International Union
Sierra Nevada Brewing Company
Souls Mutual Water Company
State Building and Construction Trades
Council
Strategic Actions for a Just Economy
Strategic Concepts in Organizing &
Policy Education
Sultana Community Services District
Sunflower Alliance
The Coca-Cola Company
Tooleville Mutual Water Association
TransForm
United Farm Workers
Water Quality Association
Western Center on Law & Poverty
Western Growers
Western United Dairymen
Wheeler-Ridge Maracopia Water
District
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