

SB 669 (CABALLERO) WATER QUALITY: SAFE DRINKING WATER FUND

POSITION: The Chamber's Public Policy Sub-Committee on Energy & Water voted to SUPPORT the bill on April 4, 2019. The Chamber's Public Policy Committee voted to SUPPORT the bill on April 9, 2019. The Chamber's Board of Directors voted to SUPPORT the bill on April 25, 2019.

RATIONALE: The Chamber is supportive of alternative mechanisms to secure clean drinking water for communities around the state.

STATUS: SB 669 was introduced by Senator Anna Caballero on February 22, 2019 and was referred to the Senate Environmental Quality Committee and the Senate Governmental Organization on March 14, 2019.

SUMMARY

SB 669 would establish a Safe Drinking Water Trust, initially funded by General Fund dollars, to address the lack of funding for clean drinking water in parts of California.

INDUSTRY/IES IMPACTED

All industries would be impacted by this bill as water is vital to all businesses.

SUPPORTERS

- Association of California Water Agencies (sponsor)
- California Municipal Utilities Association (sponsor)
- Metropolitan Water District of Southern California
- San Diego County Water Authority

OPPONENTS

None known

ARGUMENTS IN FAVOR

The Safe Drinking Water Trust is a win-win mechanism to address the funding gap that exists in some communities around the state. Taxpayers don't incur additional costs while the state establishes a funding stream to serve communities that don't have access to clean drinking water.

ARGUMENTS IN OPPOSITION

All Californians deserve access to clean, safe drinking water. SB 669 doesn't create a guaranteed, ongoing revenue stream to address this public health crisis.

MORE INFORMATION

Around 800,000 people in the state do not have access to clean drinking water. These communities do not have the financial resources to maintain and operate their water systems, leaving some Californians without access to clean water.

The fund would accept "federal contributions, voluntary contributions, gifts, grants, and bequests, transfers by the Legislature from the General Fund and the Greenhouse Gas Reduction Fund, funding from authorized general obligation bond acts, and net revenue from the Safe Drinking Water Trust that this bill would create."

According to the bill sponsors, "the Trust would be funded with General Fund dollars during a state budget surplus year with the net income from the Trust creating a durable funding source." The one-time use of

General Fund dollars would be invested and the net income would be used as an ongoing funding source for the Safe Drinking Water Fund for communities that don't have access to clean drinking water.

The bill requires, by July 1, 2021, the Water Board to create an annual fund implementation plan and to provide subsequent updates on a yearly basis.

In 2018, the Chamber voted to oppose a statewide water tax on urban users as a mechanism to address the issue of communities in the state not having access to clean drinking water.