

# 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,<sup>1</sup> 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.<sup>2</sup> 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.



*Right now, unsafe water can be found in nearly every county in the state. Public water systems out of compliance with health standards (as of April 2018) are denoted by a star.*

Source: Human Right to Water Portal, SWRCB

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](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](https://www.waterboards.ca.gov/water_issues/programs/hr2w/index)

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 (SADWF) 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 replacing failing drinking water infrastructure, providing technical assistance, 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.



# SUPPORTERS

Agricultural Council of California  
 Allensworth Community Services District  
 Alliance of Child and Family Services  
 Almond Alliance  
 American Cancer Society Cancer Action Network  
 American Heart Association  
 American Rivers  
 American Stroke Association  
 Armona Community Services District  
 Arvin Community Services District  
 Asian Pacific Environmental Network  
 Asociación de Gente Unida por el Agua  
 Beldridge Water Storage District  
 Berrenda Mesa Water District  
 Black Women for Wellness  
 CA Audubon  
 CA Bicycle Coalition  
 CA Citrus Mutual  
 CA Environmental Justice Alliance  
 CA Food Policy Advocates  
 CA Fresh Fruit Association  
 CA Housing Partnership  
 CA Labor Federation  
 CA League of Conservation Voters  
 CA Pan-Ethnic Health Network  
 CA Partnership for the San Joaquin Valley  
 CA Rice Commission  
 CA Rural Legal Assistance Foundation  
 CA Strawberry Commission  
 CA Water Service  
 California Medical Association  
 Catholic Charities, Diocese of Stockton  
 Center for Race, Poverty, and the Environment  
 Central California Asthma Collaborative  
 Central California Environmental Justice Network  
 Central California Environmental Network  
 Ceres  
 Coalition for Humane Immigrant Rights  
 of Los Angeles  
 Church Brothers Farm  
 City of Arvin  
 City of Hanford  
 City of Huron  
 City of Lanare  
 City of Lindsay

City of Porterville  
 Clean Water Action  
 Clif Bar  
 Comite Civico del Valle  
 Common Sense Kids Action  
 Community Alliance for Agroecology  
 Community Water Center  
 Costa Farms  
 County of Tulare  
 Cultiva la Salud  
 Dolores Huerta Foundation  
 Driscoll's  
 EILEEN FISHER  
 El Quinto Sol de America  
 Environmental Defense Fund  
 Esperanza Community Housing CA  
 Faith in the Valley  
 Farm Bureau Monterey  
 Foxy Produce  
 Fresno Building Healthy Communities  
 Fresno Chamber of Commerce  
 Friends Committee on Legislation of CA  
 Friends of Calwa  
 Gap, Inc.  
 General Mills  
 Greater Bakersfield Chamber of Commerce  
 Grower-Shipper Association of Santa Barbara  
 & San Luis Obispo Counties  
 Grower-Shipper Association of Central California  
 Kaweah Basin Water Quality Association  
 Kaweah Delta Water Conservation District  
 Kern County Farm Bureau  
 Kern County Hispanic Chamber of Commerce  
 Kern Delta Water District  
 Latino Coalition for a Healthy America  
 Leadership Counsel for Justice and Accountability  
 League of Women Voters of California  
 Lost Hills Water District  
 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, Inc.  
 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  
 Semitropic Water Storage District  
 Service Employees International Union  
 Seventh Generation  
 Sierra Nevada Brewing Company  
 Soult's Mutual Water Company  
 State Building and Construction Trades Council  
 Strategic Actions for a Just Economy  
 Strategic Concepts in Organizing & Policy Education  
 Squaw Valley  
 Sultana Community Services District  
 Sunflower Alliance  
 The Coca-Cola Company  
 Tooleville Mutual Water Association  
 TransForm  
 Tulare County Farm Bureau  
 Union of Food and Commercial Workers  
 United Farm Workers  
 Water Foundation  
 Water Quality Association  
 Western Center on Law & Poverty  
 Western Growers  
 Western United Dairymen  
 Wheeler-Ridge Maracopa Water District  
 Wholly H2O

