

## **SUMMARY OF KEY CHANGES TO SAFE AND AFFORDABLE DRINKING WATER FUND**

- **Governor Brown and lawmakers have introduced bipartisan consensus legislation, SB 844 and SB 845, both authored by Senator Monning with Senator Vidak as a principal Republican co-author, that builds upon the original Safe and Affordable Drinking Water Fund proposal, with changes made to ensure broad support and effective implementation – because California families with toxic water cannot afford to wait any longer.**
  - **Urban contribution to a sustainable funding solution: Changes the mandatory safe drinking water fee to a voluntary program**, giving Californians the ability to opt out if they so choose, similar to other existing models such as community choice aggregators. Funding will be used to help disadvantaged communities afford to create, operate and maintain critical drinking water treatment. The State Water Resources Control Board (State Water Board) will also work with stakeholders to develop best practices and other measures deemed necessary to meet the unique needs of low-income Californians as part of the voluntary program.
  - **Agricultural contribution to a sustainable funding solution: Preserves the mandatory fees and regulatory implementation provisions on agricultural operations and dairies**, while increasing the fertilizer mill fee from the original proposal. Fees are set to collect a fair amount of revenue in proportion to the costs to treat water impacted by nitrate.
  - **Taken together, this safe drinking water legislative package represents a major step forward towards finally achieving the California promise of safe, clean, and affordable drinking water for all.**
- **The Safe and Affordable Drinking Water Fund has been vetted through two years of policy and budgetary hearings, and is built upon more than a decade of intense community activism, stakeholder negotiations, and numerous academic and government studies.**
- **The Safe and Affordable Drinking Water Fund enjoys historic levels of support from over 140 organizations**, including environmental justice, social justice, environmental, health, business, agricultural, labor, local government and both small and large water providers. Editorial Boards ranging from the Sacramento Bee to the Los Angeles Times also support.

## **BACKGROUND ON PROBLEM**

**Roughly one million Californians are exposed to unsafe drinking water each year.**<sup>1</sup> Some water systems have been unable to provide safe drinking water for multiple years or even over a decade. 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. Common contaminants include arsenic, nitrates, and uranium. Low-income communities and communities of color are disproportionately impacted by unsafe, unaffordable drinking water.

**For years, the 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

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<sup>1</sup> 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)

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 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 – but not for the most fundamental of necessities, safe drinking water.** The Safe and Affordable Drinking Water Fund was originally introduced in 2017 as SB 623 (Monning).

## **SOLUTION**

This package of safe drinking water legislation, taken together, will help ensure universal access to safe and affordable drinking water in California. Highlights of the Safe and Affordable Drinking Water Fund and complementary legislation include the following:

1. This legislative package will provide an ongoing source of funding to fill the "O&M gap" and cover other unmet emergency and long-term drinking water needs, including drilling new wells, repairing or replacing failing drinking water infrastructure, installing water treatment systems, 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 State Water Board, in consultation with stakeholders and after adoption of a fund implementation plan and needs assessment, shall prioritize funding to address 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. Funding shall also be prioritized to encourage long-term sustainability and cost-effectiveness of drinking water service and infrastructure.
3. Management of the funds will be transparent 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, with reports posted online.
4. This legislative package 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.
5. This legislative package will serve as a statewide drinking water "safety net" that California communities can tap into as drinking water challenges evolve in the coming years and decades.
6. Sustainable funding for critical drinking water needs shall come from an increase to the existing fertilizer mill fee, a new safe drinking water fee on dairies and confined animal feedlots, and a new small safe drinking water voluntary remittance on water bills. The combined fees are estimated to raise around \$120 million annually.