

March 20, 2019

The Honorable Anna Caballero  
State Capitol, Room 5082  
Sacramento, CA 95814

**RE: SB 669 (Caballero): Safe Drinking Water Trust - SUPPORT**

Dear Senator Caballero:

Camrosa Water District is pleased to support your bill, SB 669, a sensible and fair alternative to a drinking water tax. This bill creates a state trust with a stable funding source for water systems in disadvantaged communities (DACs) to provide their customers with access to safe drinking water.

We agree with the goal of ensuring that all communities receive safe drinking water, per the direction of the Human Right to Water law. Camrosa puts the tenets of the law into practice every day for the customers residing in our service area. We also take seriously our responsibility as prudent financial stewards of our ratepayers' money, and don't believe that asking them to fund failing systems outside of their service area, via a water tax, is fair.

The trust is a better approach than a statewide water tax for many reasons. First, it appropriately provides a statewide funding solution to a problem for which the state bears responsibility – not individual ratepayers. Drawing upon the General Fund in a time of budgetary surplus is a responsible use of excess funds; indeed, what more basic and important need could be addressed via this windfall than the provision of safe, clean water to Californians? The trust also bears a sound financial and administrative approach: the Trust Commission would comprise the Lieutenant Governor, the State Treasurer, and the State Controller, who would invest the trust's principal, and the net income would be deposited to a Safe Drinking Water Fund overseen by the State Water Resources Control Board. A flat tax on water bills is a regressive tax; drawing as it proposes to from the General Fund, the Trust would depend on a progressive income tax.

One of the challenges to finding a funding solution for this issue has been that some state and federal funding sources are prohibited from paying for district operation and maintenance costs. Under the trust, these costs would be permissible, along with other financial assistance, such as replacement water and consolidation costs with another system.

Last session's proposed water tax ultimately ended up failing due to its onerous provisions, inequitable premise, and unworkable implementation. SB 669 is a reasonable answer to a thorny problem that has no place in the State of California.

Sincerely,



Tony Stafford  
General Manager