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.

² Human Right to Water Portal, SWRCB. 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
Belridge 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
Comité Cívico 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
Nature apple
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
Río 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
Souls 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