SWEETWATER SPRINGS WATER DISTRICT

TO: Board of Directors **AGENDA NO. V-F**

FROM: Ed Fortner, General Manager

Meeting Date: May 2, 2019

Subject: UPDATE ON WATER TAX LEGISLATION

RECOMMENDED ACTION:

Receive report from the General Manager. Take action approving item V-G Resolution of GM Legislative Advocacy Policy

FISCAL IMPACT:

None

DISCUSSION:

The General Manager was directed at the April 4, 2019 Board meeting to draft a letter to State elected officials opposing the proposed "water tax" legislation AB 217. This proposed legislation called for every water customer in the State of California to pay a set tax on each water bill. The revenue generated was earmarked to assist disadvantaged areas make needed improvements in water infrastructure to improve water quality and quantity. The attached letter was circulated to Board members for input and then sent to Governor Newsom and our locally elected State Assemblyman and Senator on April 10, 2019. On this date, a committee vote was taken for a competing bill in the State Senate, SB 669 that had the same goals with a different revenue source. The revenue would come from the State surplus. SSWD's letter supported SB 669. SB 669 passed unanimously from committee. I will continue to track progress of these two bills and inform and update the Board accordingly.

Agenda item V-G is a resolution to streamline the GM's ability to respond in a timelier fashion to the fast moving proposed bills in the future. Attached to V-G is a draft of a CSDA policy for legislative advocacy by the GM. I recommend approval of this resolution.

Sweetwater Springs WATER DISTRICT

Ed Fortner, General Manager

To: Governor Gavin Newsom

CC: Senator Anna Caballero; Senator Mike McGuire; Assemblyman Jim Wood; ACWA

Re: Opposition to Water Tax

Dear Governor Newsom,

The Sweetwater Springs Water District formally opposes the proposed water tax legislation AB 217. SSWD serves 9,000 customers in West Sonoma County. SSWD feels that the goals of AB 217 are valid, but the proposed funding mechanism is not well thought out. The proposed water tax that would appear on all water bills will confuse our customers and make our own needed water rate increases more difficult. SSWD serves a disadvantaged area, and our water customers will only see this tax as an increase in our water rates. SSWD is also a small organization with only 11 full-time employees. This new regressive tax would impose a huge administrative burden and cost. SSWD agrees with ACWA that it is bad policy to tax an essential resource and would set a bad precedent for additional taxes on water.

SSWD feels that a better funding mechanism for this effort would be the Safe Drinking Water Trust funded through State surpluses as proposed in SB 669 (Caballero).

Sincerely,

Ed Fortner
General Manager
Sweetwater Springs Water District
efortner@sweetwatersprings.com
707-869-4000