

August 20, 2018



The Honorable Bill Monning
Senate Majority Leader
State Capitol, Room 313
Sacramento, CA 95814

Re: Opposition to SB 845

Marcus Yasutake,
Chair

Paul Schubert, Vice
Chair

Dear Senator Monning:

Members

California American Water
Carmichael Water District
Citrus Heights Water District
Del Paso Manor Water District
El Dorado Irrigation District
Elk Grove Water District
Fair Oaks Water District
Folsom, City of
Golden State Water Company
Lincoln, City of
Orange Vale Water Company
Placer County Water Agency
Rancho Murieta Community
Services District
Roseville, City of
Rio Linda / Elverta Community
Water District
Sacramento, City of
Sacramento County Water
Agency
Sacramento Suburban Water
District
San Juan Water District
West Sacramento, City of
Yuba City, City of

Associates

County of Placer
El Dorado County Water
Agency
Sacramento Municipal Utility
District
Sacramento Regional County
Sanitation District
Sacramento Area Flood
Control Agency

I am writing to express the Opposition of the Regional Water Authority (RWA) to Senate Bill 845, which would require water providers to solicit, collect and remit to the state a “voluntary” tax on every customer’s water bill. While we recognize the importance of providing funding so that all Californians may have access to safe drinking water, the mechanism proposed in SB 845 is not the way to accomplish this goal.

RWA joins more than 200 water agencies, cities, business organizations and others in opposing the bill. We urge the Legislature to reject the newly amended “opt-out” tax proposal for the following reasons:

1) The proposal would impose a costly, complex and inefficient structure by requiring over 3,000 water suppliers of all sizes to create and staff new systems to solicit and collect donations each month on customers’ local water bills to bypass local needs and be sent to Sacramento;

2) The proposal could be simplified by instead adding a new voluntary contribution fund check off to the California Form 540 and have it efficiently collected at a much lower cost by one state agency (the Franchise Tax Board). Alternatively, using the state’s general fund or other sources of funding would be more efficient and expedient than the proposal in SB 845;

3) SB 845 is unnecessary:

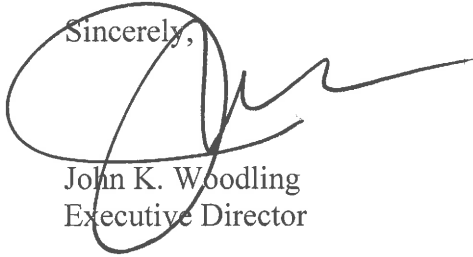
- The Budget Conference Committee already acted on June 8, 2018 to reject the prior version of the budget trailer bill and instead set aside \$23.5 million General Fund dollars for safe drinking water to be allocated in August;
- California voters just approved Proposition 68 in June with \$250 million for safe drinking water that is prioritized for disadvantaged communities; and

4) This new proposal did not go into print until the night of August 16, and no policy committee has taken public testimony on this new proposal. The proponents developed the proposed collection mechanism without the input of the thousands of community water systems that would be charged with implementing it.

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The Regional Water Authority represents the interests of 21 water suppliers serving two million people in the Sacramento Region. We are strongly opposed to the drinking water component of the budget trailer bill.

Sincerely,

A handwritten signature in black ink, appearing to read "John K. Woodling", written over the word "Sincerely,".

John K. Woodling
Executive Director

cc: Ms. Kim Craig, Deputy Cabinet Secretary, Office of the Governor
Assemblymember Ken Cooley
Assemblymember Jim Cooper
Assemblymember James Gallagher
Assemblymember Kevin Kiley
Assemblymember Kevin McCarty
Senator Richard Pan
Senator Ted Gaines
Senator Jim Nielsen