Legislator's proposed water tax faces opposition

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Water agencies from throughout California – including Calaveras County Water District – have joined with the Association of California Water Agencies to publicly voice their opposition to a bill that would establish the state's first-ever tax on drinking water.

The water agencies voiced their opposition Aug. 23 at an Assembly Appropriations hearing focusing on SB623 by Sen. Bill Monning, D-Carmel. The bill was placed on suspense and may be taken up by the full Assembly later this session.

Proponents of SB623 – called the "Safe and Affordable Drinking Water Fee" – say the bill is aimed at creating a fund to clean up contaminated drinking water in disadvantaged communities.

CCWD General Manager Dave Eggerton sent a letter earlier this month to Assembly Appropriations Chair Lorena Gonzalez Fletcher and Vice Chair Frank Bigelow voicing the district's opposition to SB623 unless it is seriously amended.

While ACWA strongly supports the goal of providing assistance to disadvantaged communities without access to safe and reliable drinking water, ACWA is vigorously opposed to this new tax and the precedent it would set. ACWA supports funding safe drinking water solutions for disadvantaged communities with General Fund dollars, packaged together with ongoing federal safe drinking water funds, general obligation bond funds, and the new agriculture-proposed assessment related to nitrates in groundwater.

"Water is essential to life and shouldn't be taxed," ACWA Deputy Executive Director for Government Relations Cindy Tuck testified during the hearing. "It works against water affordability. We agree with the intent – we want to solve the problem – but we oppose a regressive tax on water. This is a state social issue and yet local water agencies are being asked to collect money through a tax and send it to Sacramento."

"Proponents say they have been negotiating for months, but the tax was amended to this bill just this past Monday and has been through no policy hearings. An issue of this magnitude needs to be fully debated in a thorough and transparent process," Tuck added.

Several opponents of the bill also called the tax regressive, saying it would hurt low-income earners the hardest. The General Fund is primarily derived from income taxes and is progressive, therefore using that as a funding source would mean high – income earners pay more.

Greg Morrison, government relations officer for the Elsinore Valley Municipal Water District, questioned how proponents of the measure could say they had reached an historic deal on the funding mechanism.

"How can they call this an historic agreement when the largest impact group – local water agencies – were not even at the table?" Morrison asked after the hearing.

San Diego County Water Authority Government Relations Manager Glenn Farrel said the bill is "asking urban water ratepayers to pay for another sector's contamination without any nexus."

In all, representatives of more than 20 ACWA agencies appeared in person to voice their opposition to SB623's water tax, and more than 100 – including CCWD – have signed a coalition statement against the bill.