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2554 SWEETWATER SPRINGS BOULEVARD, SPRING VALLEY, CALIFORNIA 91978-2004
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August 22, 2017

The Honorable Lorena S. Gonzalez Fletcher, Chair
Assembly Appropriations Committee
State Capitol, Room 2114
Sacramento, CA 95814

RE: Opposition to SB 623 (Monning)

Dear Chairwoman Gonzalez Fletcher:

On behalf of the Otay Water District, I am writing to express our very strong opposition to SB 623 (Monning), which would establish a water tax and a special fund to be administered by the State Water Resources Control Board to assist those who do not have access to safe drinking water.

Thanks to extensive public investments in our water system, safe drinking water is a given for Otay customers. For some Californians who live in rural, low-income communities, however, that is not the case.

Unfortunately, a last-minute effort has emerged in the Legislature to impose a statewide tax on residential and business water bills as part of the solution. Sen. Bill Monning (D-Carmel) is amending language into SB 623 to impose a statewide tax on water. Monning is calling the tax the "Safe and Affordable Drinking Water Fee." Though the measure has been through two policy hearings, the author waited until the final weeks of the legislative session to propose the tax. And make no mistake about it, this is a tax, not a fee.

As a local water agency committed to a safe and reliable water supply, we support the intent of the bill in assisting disadvantaged communities that do not have access to safe drinking water. However, placing the financial burden on local water agencies across the state and to Californians, through SB 623, is not the solution and not the appropriate funding approach. SB 623 and many other legislative initiatives will only make water less affordable to many more Californians, but without a resulting benefit to those paying the proposed water tax. To impose a statewide tax on Californians' water bills would turn local water agencies into taxation entities that send money to Sacramento.

This problem is a public health and social issue that takes focused leadership on the state level and not one to be solved by water ratepayers in Otay's District, or elsewhere. As such, the state's General Fund is the only appropriate and equitable source of funding for this important social issue and not a new tax on residential water users.

For these reasons, the District strongly opposes SB 623 and respectfully requests your "NO" vote when the bill is taken up in the Assembly Appropriations Committee on Wednesday, Aug. 23.

Please do not hesitate to contact me at (619) 670-2210 or mwatton@otaywater.gov.

Sincerely,

Mark Watton, General Manager
Otay Water District

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CC: The Honorable William Monning

Honorable Members, Assembly Appropriations Committee

The Honorable Randy Voepel

Ms. Jennifer Galehouse, Deputy Chief Consultant, Assembly Appropriations Committee

Mr. John Kennedy, Consultant, Assembly Republican Caucus

Ms. Cindy Tuck, ACWA Deputy Executive Director for Governmental Relations