



ROWLAND WATER DISTRICT

IMPORTANT INFORMATION ABOUT A PROPOSED STATE WATER TAX

Dear Customer,

To protect your interests, we at Rowland Water District monitor the introduction of legislation that could impact your rates or otherwise affect the water industry.

We thought you would want to know about one of the proposals we are following – state Senate Bill 623. This legislation would establish a first-ever tax on drinking water to raise money for upgrades to small community water systems and private wells that serve disadvantaged communities and households. The money collected from this tax will be deposited into the Safe and Affordable Drinking Water Fund.

This bill, authored by Senator Bill Monning of Carmel, would levy a tax of 95 cents per month on the bills of retail water customers and up to \$10 per month for businesses. The amount of this tax could be increased each year. SB 623 also calls for fertilizer and dairy fees to help more than 300 communities with water quality and contamination issues, many of them in California's Central Valley.

This statewide tax on water is expected to generate about \$110 million per year. Local agencies would collect the tax and send it to Sacramento to be allocated by the State Water Resources Control Board. It is unlikely that any tax revenue collected from Rowland Water District customers would be invested by the State here.

A February 2018 statewide survey on behalf of the Association of California Water Agencies found that 73 percent of voters oppose the legislation and would prefer using existing funding sources to improve water quality for the communities needing assistance.

Rowland Water District encourages all of our customers to learn more about Senate Bill 623. Please contact Rowland Water District with any questions or concerns about this new legislation and how it could impact your water rates. Additional facts about SB 623 can be found on the back of this letter.

Sincerely,

Tom Coleman
General Manager

UNDERSTANDING SENATE BILL 623

Introduced by Senator Bill Monning of Carmel in 2017, Senate Bill 623 is now included in the Brown Administration budget trailer bill for 2018.



Facts about Senate Bill 623:

- ▶ Creates the first-ever water tax of 95 cents per month for residential connections and up to \$10 per month for businesses, and calls for a tax on fertilizer and milk to finance the Safe and Affordable Drinking Water Fund.
- ▶ Mandates that the water tax be collected by local agencies and sent to Sacramento.
- ▶ The money would be allocated by the State Water Resources Control Board to fund upgrades to water systems in about 300 disadvantaged communities across California, mostly in the Central Valley, where water quality is degraded by agricultural pesticides, arsenic and other contaminants.
- ▶ The fund could pay for the construction, operation and maintenance of water treatment plants and would prioritize assistance for low-income communities and residents who rely on private wells.
- ▶ That money could also be used for short-term fixes such as bottled water for communities in need.
- ▶ Would require the State Water Resources Control Board and local health officials to develop a map of areas where drinking water does not meet state and federal standards, and these areas would be eligible for funding.
- ▶ Would require local agencies to provide the results of water quality testing and data for small water systems or domestic wells.
- ▶ There are other ways to fund these upgrades and repairs. They include: federal funding, general obligation bonds, the state General Fund, and using money from fertilizer and dairy fees to pay for nitrate-related remedies.

**ROWLAND WATER DISTRICT ENCOURAGES YOU
TO GET INFORMED AND GET INVOLVED**

For more information please contact Tom Coleman, General Manager, at TColeman@Rowlandwater.com or (562) 697-1726.

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