



Item 3940 and 8570 Safe and Affordable Drinking Water Program

MAY 2019

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Governor's Proposal

- Proposes budget trailer legislation to establish the Safe and Affordable Drinking Water (SADW) program to increase access to safe drinking water for Californians. The legislation would establish the Safe and Affordable Drinking Water Fund (SADWF) and prioritize the use of funds to assist disadvantaged communities and low-income households that are served by water systems that do not provide safe and affordable drinking water.
- Proposes various charges estimated to generate roughly \$126 million to \$129 million annually when fully implemented to fund the new program. Specifically, the administration proposes to:
 - Impose monthly charges on most water system customers (generally \$1.00 per month) estimated to generate revenues of \$104 million annually.
 - Increase fertilizer mill fees estimated to generate revenues of \$17 million to \$20 million annually.
 - Impose charges on milk producers estimated to generate \$5 million annually.
 - Impose charges on confined animal facilities—excluding dairies—such as poultry and other livestock operations estimated to generate up to \$500,000 annually.
- Proposes \$4.9 million in one-time General Fund support and 30 positions for the State Water Resources Control Board and the Department of Food and Agriculture for state administration costs and to begin implementation of the SADW program.



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Senate Plan

- Rejected the Governor's proposal.
- Adopted budget trailer legislation to continuously appropriate \$150 million from the General Fund to the SADWF contingent on enactment of Senate Bill 200 (Monning), which would establish the SADWF to help water systems provide an adequate and affordable supply of safe drinking water.

Assembly Plan

- Set aside \$4.9 million General Fund in Item 9901 pending future agreement on the establishment of the SADW program.
- Deferred action on the creation of the SADW program and referred the issue to the legislative policy committees for further consideration.