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**ORANGE COUNTY WATER DISTRICT**  
ORANGE COUNTY'S GROUNDWATER AUTHORITY

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March 15, 2019

The Honorable Anna Caballero  
California State Senate  
State Capitol, Room 5052  
Sacramento, CA 95814

RE: Safe Drinking Water Trust (SB 669) - Support

Dear Senator Caballero:

The Orange County Water District (OCWD; the District) writes to express its support of SB 669 (Caballero), which would create the Safe Drinking Water Trust (Trust) at the state Treasury. The purpose of the Trust would be to provide a durable funding source to help community water systems in disadvantaged communities provide their customers with access to safe drinking water. The Trust is a better approach than a statewide water tax.

There currently exists a funding gap for operation and maintenance (O&M) costs for the treatment of drinking water by community water systems in disadvantaged communities. O&M costs generally cannot be financed with existing federal and state safe drinking water funding sources that are available for capital costs. In some situations, the consolidation of a failing community water system with one or more systems may be the most effective solution. The Safe Drinking Water Trust proposed in SB 669 would provide a durable funding source to provide financial assistance for replacement water as a short-term solution, consolidation and ongoing O&M costs.

The Trust would be funded with an infusion of General Fund dollars during a budget surplus year. With the record budget surplus for the 2019-20 Fiscal Year, this is the perfect year to create and fund the Trust. The state would invest the Trust's principal, and the net income from the Trust would be transferred on an ongoing basis to a Safe Drinking Water Fund that would be administered by the State Water Resources Control Board.

The Trust is a better approach than a statewide water tax because it is not sound policy to tax a resource that is essential to life. Unlike a regressive water tax and the associated implementation costs at about 3,000 local water systems, the Trust would

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not drive up water costs and work against the state's Human Right to Water policy of affordable water.

For the above reasons, OCWD is writing in support of SB 669. Please contact OCWD Legislative Affairs Liaison Alicia Dunkin at (714) 477-3750 or [adunkin@ocwd.com](mailto:adunkin@ocwd.com), or me, if we may be of any assistance to you or your staff.

Sincerely,

A handwritten signature in blue ink, appearing to read "Vicente Sarmiento".

Vicente Sarmiento, Esq.  
Board President