

DIRECTORS

PHILIP L. ANTHONY
DENIS R. BILODEAU, P.E.
SHAWN DEWANE
JAN M. FLORY
CATHY GREEN
DINA NGUYEN
ROMAN A. REYNA
STEPHEN R. SHELDON
HARRY S. SIDHU, P.E.
ROGER C. YOH, P.E.



ORANGE COUNTY WATER DISTRICT
ORANGE COUNTY'S GROUNDWATER AUTHORITY

OFFICERS

President
CATHY GREEN

First Vice President
DENIS R. BILODEAU, P.E.

Second Vice President
PHILIP L. ANTHONY

General Manager
MICHAEL R. MARKUS, P.E., D.WRE

September 16, 2015

The Honorable Senator Fran Pavley
California Senate
State Capitol, Room 5108
Sacramento, CA 95814

**RE: Proposed Statewide Tax on Water Bills / Public Goods Charge on Water-
OPPOSE**

Dear Senator Pavley:

On behalf of the Orange County Water District (OCWD; the District), I am writing to express our opposition to efforts to establish a public goods charge or other permanent statewide tax on water to fund statewide water solutions or provide funding to disadvantaged communities without safe drinking water or those affected by the ongoing drought. Although, this issue may not be taken up in the 2015 legislative session, when your two-year bill, SB 20, is taken up for a vote in the next 2016 legislative session, we would oppose a public goods charge as an amendment to your bill.

Establishing a permanent statewide tax on water under the heading of emergency drought relief is illogical and misleading. OCWD has made, and continues to make, significant local investments in infrastructure such as the Groundwater Replenishment System (GWRS), which is the world's largest advanced water purification system for potable reuse. It takes treated wastewater that otherwise would be sent to the Pacific Ocean and purifies it to near-distilled quality. The GWRS produces 100 million gallons per day (MGD) or enough drinking water for 850,000 people, which has allowed our district to respond to the current drought. Such investments made by agencies throughout California have shielded our communities and the state's economy from the drought's most severe impacts over the past four years.

While there is a clear need to fund sensible long-term solutions such as the GWRS and assist disadvantaged communities that do not have safe drinking water, a tax on water bills paid by a subset of Californians is not the solution. Layering an additional tax on water bills in order to send money to Sacramento, where a portion will be carved out to

The Honorable Fran Pavley

September 16, 2015

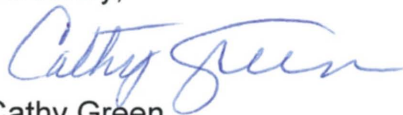
Page 2 of 2

fund another layer of administration, is not efficient and is not an appropriate solution or sound policy. More appropriate funding sources – such as the state’s general fund – should be pursued to address a problem that is in the general public’s interest to solve.

With income tax making up a good part of the state’s general fund, Californians with higher incomes would be contributing more and Californians with lower incomes would contribute less.

For the aforementioned reasons, OCWD opposes a public goods charge or other permanent statewide tax on water bills and respectfully requests your “NO” vote if such a bill is heard on the Senate floor and/or oppose amending SB 20 in the 2016 legislative session to include a public goods charge/tax on water bills.

Sincerely,



Cathy Green

OCWD Board President

cc: Wendy Ridderbusch, Director of State Relations, ACWA