

**RESOLUTION OF THE BOARD OF DIRECTORS OF
THE ORANGE COUNTY WATER DISTRICT
SUPPORTING THE USE OF STATE GENERAL FUND DOLLARS, DURING TIMES
OF SURPLUS, TO IMPROVE WATER SYSTEMS IN DISADVANTAGED COMMUNITIES,
AND THE CREATION OF SMALL SYSTEM WATER AUTHORITIES TO ABSORB, IMPROVE,
AND OPERATE NON-COMPLIANT WATER SYSTEMS.**

WHEREAS, the Orange County Water District (OCWD) along with 13 cities, five retail water districts, and one investor owned water utility that OCWD serves, (namely: the cities of Anaheim, Buena Park, Fountain Valley, Fullerton, Garden Grove, Huntington Beach, La Palma, Newport Beach, Orange, Santa Ana, Seal Beach, Tustin, Westminster, East Orange County Water District, Irvine Ranch Water District, Mesa Water District, Serrano Water District, Yorba Linda Water District, and Golden State Water Company), recognize that safe drinking water accessibility is truly a concern in a number of regions throughout California; and,

WHEREAS, in February 2019, the State Water Resource Control Board identified approximately 264 public water systems in California that are chronically serving contaminated water to customers and are in violation of primary state and federal drinking water standards. A great percentage of these failing systems are primarily located in economically-distressed or rural counties; and,

WHEREAS, locally, a small failing, private mutual water system, Diamond Park Mutual Water Company consolidated with the surrounding City of Santa Ana public water system in 2014. State funding, in the amount of nearly one million dollars from Proposition 84, were secured by the City of Santa Ana to install approximately 4,000 feet of new distribution piping, along with necessary appurtenance, hydrants, and water services. Properties, located in a disadvantaged community, were previously served water that exceeded maximum nitrate levels by the mutual water company. Thanks to this funding and the city's willingness to consolidate, the impacted mutual water company's well was abandoned and destroyed and distribution systems and water meters were installed to connect each impacted property to safe drinking water. The City of Santa Ana, a reliable water agency with decades of experience operating safe drinking water systems, now provides potable water to each of these connections; and,

WHEREAS, based on experience since 1933 in providing safe groundwater water, and its work with the City of Santa Ana to consolidate failing private water system, OCWD supports solutions, as provided by the Small System Water Authority Act of 2019, SB 414 (Caballero, D-Salinas), that authorizes the creation of a Small System Water Authority that will be authorized to absorb, improve, and competently operate currently non-compliant public water systems with either contiguous or non-contiguous boundaries; and,

WHEREAS, by establishing lasting changes to the governance structures of failing water systems, the State of California will take substantial steps toward achieving the goal of making safe, clean, and reliable drinking water a reality for all Californians; and,

WHEREAS, 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 one-time federal and state safe drinking water funding sources that are available for capital costs; and,

WHEREAS, 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 (Caballero D-Salinas), would provide a durable funding source to provide financial assistance for replacement water as a short-term solution, consolidation and ongoing O&M costs; and

WHEREAS, OCWD supports SB 669 (Caballero D-Salinas), which would create the Safe Drinking Water Trust (the Trust) at the State Treasury, the purpose of which 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; and,

WHEREAS, OCWD believes 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 not drive up water costs and work against the state's Human Right to Water policy of affordable water; and

WHEREAS, during a state-wide poll conducted in February 2018, California residents opted to use General Fund dollars over a new tax on water to resolve the need to provide safe and affordable drinking water to all residences - especially during times of a state budget surplus; and,

NOW, THEREFORE, be it resolved that the Orange County Water District supports use of general fund dollars during a state surplus as a better approach than a statewide water tax and supports fixing the infrastructure and management problems of small water systems in disadvantaged communities to sustainably provide safe drinking water to all California residents, as was successfully achieved in the City of Santa Ana in 2014.