



## San Diego County Water Authority

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### News Release

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#### **Region Unites to Oppose State's \$135 Million per Year Water Tax Proposal**

*Business, civic and water leaders offer other funding solutions to improve water quality in disadvantaged communities*

Business, civic and water industry officials from across San Diego County have joined forces to oppose a proposed \$135 million per year tax on drinking water in California that would harm ratepayers and likely result in a flood of additional taxes on the state's most precious natural resource.

During a news conference this morning at the County Administration Center, regional leaders offered other funding solutions to improve water quality in poor, rural areas of California without adding another tax burden to residents in one of the nation's most expensive states.

Encinitas City Councilmember Mark Muir, chair of the San Diego County Water Authority's Board of Directors and a member of the San Dieguito Water District Board, warned that the current water tax proposal would set a dangerous precedent. "It would be the camel's

nose under the tent; what begins as a modest increase could quickly grow larger and larger as more projects and programs try to get into the tent,” he said. “We’ve already seen proposals in Sacramento that could add more than \$15 a month to residential water bills.”

Muir was joined at the news conference by officials from several Water Authority member agencies; Supervisor Kristin Gaspar, chairwoman of the County Board of Supervisors; and representatives from the San Diego County Taxpayers Association, the Industrial Environmental Association, and several other organizations. In all, more than 30 agencies and organizations have signed a letter to legislative leaders opposing the drinking water tax plan.

“We all support clean, safe and reliable water for all Californians, and we agree on the importance of helping disadvantaged communities improve access to safe water supplies,” said Chairwoman Gaspar. “But we oppose misguided efforts to force Californians to pay a tax on drinking water. That approach will only make it harder for residents to afford this basic necessity.”

The tax proposal is being advanced through Senate Bill 623 by state Sen. William Monning (Carmel) and a Brown Administration budget trailer bill related to safe drinking water. The drinking water tax would initially raise about \$135 million a year to help provide clean, safe water in disadvantaged communities, mostly in the Central and Salinas valleys, where groundwater has been contaminated by farming operations. In addition, approximately \$22 million a year would be generated by a tax on fertilizer and confined dairy facilities. State legislators are expected to vote on the tax by mid-June, though the issue could extend into late summer.

Don Billings, a ratepayer advocate and former chairman of the City of San Diego’s Independent Rates Oversight Committee, urged the Legislature to seek another solution. “I’m

wary of the state forcing local water agencies into the role of state tax collectors,” he said. “This creates more bureaucracy and undermines the local investments necessary to maintain our region’s water treatment and delivery systems.”

The local coalition against the drinking water tax has proposed several funding options that would help address clean water concerns in some communities. They are:

- Making polluters pay for groundwater cleanup.
- Creating a trust fund from state budget surpluses.
- Using funds from existing and future general obligation bonds. Proposition 68 on the June ballot includes \$175 million for safe drinking water.
- Tapping the state general fund. (The state uses its general fund to pay for other important programs and social issues that have been identified as state priorities, including public health, education, housing and disability services. The public supports using the general fund to pay for programs that serve and protect residents and communities in need.)
- Applying cap-and-trade funds for localized groundwater contamination cleanup and remediation programs, which would reduce the need to transport water long distances, thereby reducing greenhouse gas emissions.
- Assessing a fee on agricultural products that are connected to the problem of contaminated groundwater.

“The water tax violates a core tenet of pollution cleanup policy: polluter pays,” said Haney Hong, president & CEO of the San Diego County Taxpayers Association. “Why not collect more revenue from the actual polluters rather than all consumers? It doesn’t make sense to place a disproportionate responsibility on ratepayers to clean up groundwater contamination caused by others.”

A recent statewide poll showed nearly three-quarters of Californians opposed the water tax, across demographic groups, geographic locations and party affiliation.

Jack Monger, CEO of the Industrial Environmental Association, also spoke at today’s news conference about California’s ever-increasing tax burden. “Higher taxes not only harm residents by making it less affordable to live in California, but they also make it harder for our businesses to compete with companies in low-cost states and countries,” he said. “What seems

like a modest water tax today could lead to substantial monthly water bill increases that hurt residents and our economy alike.”

Additional quotes from water agency leaders:

- “Farmers and other ratepayers in my district have been hit hard by water price increases in recent years, and now the state would force them to pay more for water projects elsewhere? It’s hard to think of a worse idea.” – Gary Arant, general manager of the Valley Center Municipal Water District
- “Taxing water doesn’t make sense for many reasons, and one of them is that doing so will weaken support for local investments in our own water supply projects and programs.” – Tim Smith, Board president of the Otay Water District
- “A tax on drinking water will actually undermine access to this basic need, set a precedent for taxing necessities like food, and likely lead to more taxes on water in the future.” – Larry Watt, president of the Olivenhain Municipal Water District

[Click here](#) for more information about the proposed water tax.

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*The San Diego County Water Authority sustains a \$220 billion regional economy and the quality of life for 3.3 million residents through a multi-decade water supply diversification plan, major infrastructure investments and forward-thinking policies that promote fiscal and environmental responsibility. A public agency created in 1944, the Water Authority delivers wholesale water supplies to 24 retail water providers, including cities, special districts and a military base.*



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