



*Dedicated to  
Satisfying our Community's  
Water Needs*

**AGENDA  
MESA WATER DISTRICT  
BOARD OF DIRECTORS  
Monday, April 22, 2019  
1965 Placentia Avenue, Costa Mesa, CA 92627  
3:30 p.m. Special Board Meeting**

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**LEGISLATIVE & PUBLIC AFFAIRS COMMITTEE MEETING  
Monday, April 22, 2019 at 3:30 p.m.**

**CALL TO ORDER - 3:30 p.m. or as soon thereafter as the Finance Committee agenda permits.**

**PUBLIC COMMENTS**

**Items Not on the Agenda:** Members of the public are invited to address the Board on items which are not on the agenda. Each speaker is limited to three minutes. The Board will set aside 30 minutes for public comments.

**Items on the Agenda:** Members of the public may comment on agenda items before action is taken, or after the Board has discussed the item. Each speaker is limited to three minutes. The Board will set aside 60 minutes for public comments.

**CONSENT CALENDAR ITEMS:**

*Approve all matters under the Consent Calendar by one motion unless a Board member, staff, or a member of the public requests a separate action.*

1. State Advocacy Update
2. Outreach Update

**ACTION ITEMS:**

*Items recommended for approval at this meeting may be agendaized for approval at a future Board meeting.*

3. State Legislation Positions

**PRESENTATION AND DISCUSSION ITEMS:**

4. Orange County Update

**REPORTS:**

5. Report of the General Manager
6. Directors' Reports and Comments

**INFORMATION ITEMS:**

None



*In compliance with California law and the Americans with Disabilities Act, if you need disability-related modifications or accommodations, including auxiliary aids or services in order to participate in the meeting, or if you need the agenda provided in an alternative format, please contact the District Secretary at (949) 631-1206. Notification 48 hours prior to the meeting will enable Mesa Water District (Mesa Water) to make reasonable arrangements to accommodate your requests.*

*Members of the public desiring to make verbal comments utilizing a translator to present their comments into English shall be provided reasonable time accommodations that are consistent with California law.*

*Agenda materials that are public records, which have been distributed to a majority of the Mesa Water Board of Directors (Board), will be available for public inspection at the District Boardroom, 1965 Placentia Avenue, Costa Mesa, CA and on Mesa Water's website at [www.MesaWater.org](http://www.MesaWater.org). If materials are distributed to the Board less than 72 hours prior or during the meeting, the materials will be available at the time of the meeting.*

## **ADJOURNMENT**



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## MEMORANDUM

TO: Legislative & Public Affairs Committee  
FROM: Stacy Taylor, External Affairs Manager  
DATE: April 22, 2019  
SUBJECT: State Advocacy Update

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### RECOMMENDATION

This item is provided for information only.

### STRATEGIC PLAN

Goal #7: Actively participate in regional water issues.

### PRIOR BOARD ACTION/DISCUSSION

This item is updated for the monthly meeting of the Legislative & Public Affairs Committee.

### DISCUSSION

Staff will provide a verbal report to the Board.

### FINANCIAL IMPACT

In Fiscal Year 2019, \$89,000 is budgeted for Legal Services; \$63,000 has been spent to date.

### ATTACHMENTS

None.



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## MEMORANDUM

TO: Legislative & Public Affairs Committee  
FROM: Celeste Carrillo, Public Affairs Coordinator  
DATE: April 22, 2019  
SUBJECT: Outreach Update

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### RECOMMENDATION

This item is provided for information only.

### STRATEGIC PLAN

Goal #4: Increase public awareness about Mesa Water® and about water.  
Goal #6: Provide outstanding customer service.  
Goal #7: Actively participate in regional water issues.

### PRIOR BOARD ACTION/DISCUSSION

This item is updated for the monthly meeting of the Legislative & Public Affairs Committee.

### BACKGROUND

Mesa Water District's (Mesa Water®) outreach program aims to connect Mesa Water with its constituents in order to achieve Goal #4 of the Board of Directors' (Board) Strategic Plan. Outreach activities are also designed to achieve the Strategic Plan goals related to customer service, human resources, and/or regional water issues involvement by educating and informing the District's constituents about Mesa Water, water issues, and water in general. Mesa Water's constituents include external audiences, such as customers, community members, elected officials, industry colleagues, media, water districts and special districts – as well as internal audiences, such as staff, retirees and Board members.

### Upcoming Fiscal Year 2019 Events

1. **Water Efficient Landscape Workshop** – Mesa Water District Office, 1965 Placentia Avenue, Costa Mesa: Saturday, May 4, 8:30 a.m. to 12:00 p.m.
2. **Environmental Nature Center ("ENC") Spring Faire** – Environmental Nature Center, 1601 E. 16th Street, Newport Beach: Sunday, May 19, 10:00 a.m. to 3:00 p.m.

The benefits of Mesa Water's outreach program include:

- Informing constituents about Southern California's perpetual drought, the historical drought facing California, and the importance of developing local and cost-effective sources of safe, reliable water for Mesa Water's service area and the region at large;
- Educating constituents about the importance of water and water stewardship, in order to sustain Southern California's population, quality of life, business, and economy;
- Educating constituents about Mesa Water's stewardship of ratepayer funds and financial responsibility to fund, invest in, and save for the current and future provision of safe and reliable water for the District's service area;



- Informing constituents of the District's infrastructure improvements to ensure water quality and water reliability for its service area;
- Learning from constituents and evolving as a well-informed Board of Directors (Board);
- Promoting water use efficiency to Mesa Water's customers and community members to help them save water, money, and the environment;
- Ensuring, for public health and safety reasons, that Mesa Water customers and community members identify the District as their water provider and as the source of information about water in emergency situations;
- Supporting Mesa Water's service area as an actively involved participant in programs that provide added value and benefits to the community;
- Informing the media of Mesa Water's activities that benefit the District's customers and community;
- Empowering Mesa Water's Board and staff with information that will help them provide the best possible service to the District's customers and community members; and,
- Strengthening Mesa Water's industry relations to provide opportunities for improving the District's business and operations -- including the areas of financial and human resources strength, infrastructure and technological innovation, and setting/supporting policies that have a positive impact on Mesa Water's service area -- so that the District can continue to provide safe, high-quality, reliable, and affordable water to its customers.

#### FINANCIAL IMPACT

In Fiscal Year 2019, \$292,000 is budgeted for the District's Public Affairs department expenses; \$205,245 has been spent to date.

#### ATTACHMENTS

None.



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## MEMORANDUM

TO: Legislative & Public Affairs Committee  
FROM: Stacy Taylor, External Affairs Manager  
DATE: April 22, 2019  
SUBJECT: State Legislation Positions

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### RECOMMENDATION

- a. Recommend that the Board of Directors approve an Oppose Unless Amended position for AB 217 (E. Garcia, D-Coachella) Safe and Affordable Drinking Water Fund.
- b. Recommend that the Board of Directors approve Resolution No. XXXX 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.

### STRATEGIC PLAN

- Goal #1: Provide a safe, reliable, and abundant water supply.
- Goal #2: Practice perpetual infrastructure renewal and improvement.
- Goal #3: Be financially responsible and transparent.
- Goal #4: Increase public awareness about Mesa Water® and about water.
- Goal #5: Attract and retain skilled employees.
- Goal #6: Provide outstanding customer service.
- Goal #7: Actively participate in regional water issues.

### PRIOR BOARD ACTION/DISCUSSION

At its March 26, 2018 workshop, the Board of Directors (Board) adopted [Resolution No. 1510 Opposing a Tax on Drinking Water](#).

At its February 25, 2019 meeting, the Board adopted Resolution No. 1520 Supporting [SB 669 \(Caballero, D-Salinas\) Safe Drinking Water Fund](#).

At its April 11, 2019 meeting, the Board approved Mesa Water District's positions on active state bills of high priority which included a support position on [SB 414 \(Caballero, D-Salinas\) The Small System Water Authority Act of 2019](#).

### DISCUSSION

The 2019 legislative session continues to be quite active in Sacramento with Mesa Water District (Mesa Water®) staff and consultants highly engaged in advocacy regarding the top priority issue of safe, affordable, and reliable drinking water in California.

One such bill, Assembly Bill ([AB](#)) [217 Safe and Affordable Drinking Water Fund](#), was introduced by Eduardo Garcia (D-Coachella), Chairman of the State Assembly's Water, Parks and Wildlife Committee. As introduced, AB 217 was initially a spot bill that proposed to create the "Safe and Affordable Drinking Water Fund" (Fund) in the State Treasury to provide a stable funding source for securing access to safe drinking water for all Californians.



As amended on March 28, 2019, AB 217 is concerning in that it proposes a water tax by requiring the State Water Resources Control Board (SWRCB) to adopt, by regulation, an annual schedule for a Safe and Affordable Drinking Water “Fee” whereby each public water system would send a check to the SWRCB based on the system’s number of connections. Despite AB 217’s use of the word “fee”, the proposed funding mechanism would still be a “tax” under Article XIII A of the California Constitution.

While this amendment improves upon prior water tax bills, in that public water systems would not implement the tax collection (as would be the case with Governor Newsom’s budget trailer bill which would have the water tax paid by business and residential customers of public water systems), AB 217 still proposes a water tax that would work against keeping water affordable. State law sets forth a policy of human right to water for human consumption that is safe, clean, affordable, and accessible. Additionally, taxing an essential life resource is not sound policy.

The water tax in AB 217 would also be the precedent for a State water tax in California. For other programs, the SWRCB staff and other State agency staff have expressed interest in -- and floated documents regarding -- a water tax as a funding mechanism (e.g., for the low-income water rate assistance program). The Association of California Water Agencies (ACWA) and its coalition of industry associations and members, including Mesa Water, have expressed strong concerns about the precedent for a State water tax authority. AB 217 would grant such authority to the SWRCB. Changes to the amount of the tax, the purposes of the tax, or the universe of taxpayers could be accomplished with a two-thirds vote of both houses of the State Legislature.

According to ACWA’s coalition, the Safe Drinking Water Trust should replace -- and not add to -- a statewide water tax. Other problematic aspects of AB 217 include the below-listed elements:

- unnecessarily funds capital;
- includes funding for wastewater treatment;
- duplicates State’s water affordability efforts;
- use of a truncated emergency regulation process;
- jumps ahead of pending State needs assessment;
- restricts operations and maintenance (“O&M”) funding;
- limits solutions with a mandate that prioritizes funding for consolidation and service extensions; and,
- proposes a previously rejected State/regional funding split (the Water Resources Investment Fund -- “WRIF” -- revisited).

For the above-stated reasons, and based on Mesa Water’s prior Board actions related to this issue, staff recommends supporting ACWA’s coalition efforts with an **Oppose Unless Amended** position on AB 217 (see Attachment A).

Since 2017, ACWA and its member agencies, including Mesa Water, have been actively engaged on the issue of safe and affordable drinking water for all Californians. During the prior 2-year legislative session (2017-2018), Mesa Water worked as part of ACWA’s coalition of members and other water industry associations to oppose several budget trailer bills and policy bills that proposed



a tax on every tap water customer -- including residential, business, industry, and governmental -- that purchases water from a community water system, as follows:

- No water meter or water meters  $\leq$  1 inch: \$0.95/month
- Water meters  $>$  1 inch and  $\leq$  2 inches: \$4/month
- Water meter  $>$  2 inches and  $\leq$  4 inches: \$6/month
- Water meter  $>$  4 inches: \$10/month
- For customers with multiple meters serving a single address: \$10/month cap

ACWA is urging members to continue opposition to the proposed water tax, which could also be advanced via a policy bill, with several bills on this topic moving through the legislative process, including:

- AB 134 (Bloom, D-Santa Monica) Safe, Clean, Affordable, and Accessible Drinking Water
- AB 217 (E. Garcia, D-Coachella) Safe and Affordable Drinking Water Fund
- Assembly Constitutional Amendment (ACA) 3 (Mathis, R-Visalia) Water: Minimum Funding Guarantee
- Senate Bill (SB) 200 (Monning, D-Carmel) Safe and Affordable Drinking Water Fund

Additionally, Governor Newsom's budget trailer bill is very similar to the 2018 budget trailer bill proposed by then Governor Brown. Unlike legislative policy bills, budget trailer bills do not go through policy committees and, instead, surface with very little time/opportunity available before action is taken as part of the budget process.

Mesa Water's staff and consultants participated in ACWA's workgroup to draft and propose legislation as a better approach than the statewide water tax to addressing the safe drinking water issue. ACWA and the California Municipal Utilities Association (CMUA), which Mesa Water is also a member of, are sponsoring SB 669, which was introduced on Friday, February 22, 2019.

At its February 25, 2019 Legislative & Public Affairs Committee meeting, the Board adopted Resolution No. 1520 Supporting SB 669. By creating a Safe Drinking Water Fund and Trust, SB 669 will help community water systems in disadvantaged communities provide access to safe drinking water. The Trust would be created in the State Treasury and funded with General Fund dollars during a state budget surplus year. The principal would be invested and the net income from the Trust would be transferred to a Safe Drinking Water Fund, which the SWRCB would administer.

This proposal would create a durable funding source for costs associated with operation and maintenance and consolidation efforts, and would complement existing federal and state funding sources for capital costs. The record budget surplus for the 2019 - 2020 Fiscal Year makes this the perfect time to create and fund the Trust.

Heard April 10, 2019 in the Senate Environmental Quality Committee, SB 669 will next be heard in the Senate Governmental Organization Committee on April 24, 2019. Mesa Water's staff and consultants are actively advocating in support of SB 669 via testimony, letters to legislators, and meetings with legislators and their staff and consultants.



While SB 669 provides a funding solution for the safe drinking water issue, as an alternative to the statewide water tax, another bill provides the [governance solution](#) -- SB 414 (Caballero, D-Salinas) Small System Water Authority Act of 2019 – for which the Board approved a support position at its meeting on April 11, 2019.

Co-sponsored by CMUA and Eastern Municipal Water District (EMWD), SB 414 would create a sustainable approach that can help provide all Californians with access to safe and reliable drinking water, now and into the future. Specifically, SB 414 would allow the consolidation of community water systems, private water companies, and mutual water companies that:

- have less than 3,000 service connections or serve under 10,000 people; and,
- are noncompliant from July 1, 2018 to December 31, 2019 with one or more state or federal primary drinking water standard maximum contaminant levels.

SB 414 proposes to merge multiple, chronically non-compliant water systems -- that are close in general proximity but do not have to share boundaries -- into larger and more robust systems that can benefit from improved economies of scale, streamlined operational functions, and enhanced technical, managerial, and financial capacities. The newly formed special district would then have better financing opportunities due to a larger customer base. The collective customer base provides increased access to state grants and municipal bonds, or other funding mechanisms, historically used by larger public agencies. These newly created special districts would be held to public agency accountability standards to ensure funds are appropriately used to develop necessary infrastructure for treating contamination issues so that customers receive safe and affordable water.

Additionally, as part of the coalition outreach effort, a draft resolution supporting the efforts of SB 669 and SB 414 (see Attachment B) is provided for consideration. Staff recommends approving this resolution to allow Mesa Water staff and consultants to amplify our engagement on this high-priority state legislative issue for 2019.

#### FINANCIAL IMPACT

None.

#### ATTACHMENTS

Attachment A: ACWA's Oppose Unless Amended Letter re. AB 217 Safe and Affordable Drinking Water Fund

Attachment B: Draft Resolution No. XXXX



Bringing  
Water  
Together

March 25, 2019

The Honorable Bill Quirk  
Chair, Assembly Environmental Safety and  
Toxic Materials Committee  
State Capitol, Room 2163  
Sacramento, CA 95814

**Re: AB 217 (E. Garcia): Safe Drinking Water Funding/Water Tax**

**Position: OPPOSE UNLESS AMENDED (March 19, 2019 Version)**

Dear Chair Quirk,

The Association of California Water Agencies (ACWA) appreciates that Assembly Member Eduardo Garcia, after months of discussion since the 2017-'18 Legislative Session, is proposing legislation to address the funding gap for safe drinking water funding. ACWA agrees with that intent. The lack of access to safe drinking water in certain disadvantaged communities is a public health issue and a social issue that the State needs to address. We appreciate that Assembly Member Garcia has been open to suggestions for different types of funding mechanisms, including the creation of a trust. However, as explained below, ACWA must oppose AB 217 as amended on March 19 unless it is significantly amended, most notably to delete the proposal for a water tax.

**1. AB 217 Proposes a Water Tax**

ACWA's biggest concern with AB 217 is that it proposes a water tax. At Page 19, AB 217 would require the State Water Resources Control Board (State Water Board) to adopt by regulation an annual schedule for a Safe and Affordable Drinking Water "Fee." Despite the use of the word "fee" in AB 217, the proposed funding mechanism would be a "tax" under the California Constitution.

AB 217 does not propose who would pay this water tax. (The Governor's budget trailer bill language would have the water tax paid by residential and business customers of community water systems.) Under the March 19 version of AB 217, the people (and/or entities) that would pay the water tax would be decided by the State Water Board.

**A. Problems with a Water Tax**

Problems with a water tax include:

- 1) State law sets forth a policy of a human right to water for human consumption that is safe, clean, **affordable** and accessible. **It is not sound policy to tax a resource that is a human right;**

- 2) It is not sound policy to tax a resource that is essential to life;
- 3) If community water systems or their customers would be required to pay it, **adding a state water tax would work against keeping water affordable for Californians;**
- 4) The costs for implementation can work against keeping water affordable. It is unclear how the water tax under AB 217 would be collected. The bill at Page 19, Line 33 would authorize the State Water Board to include in the implementing regulations “provisions concerning (...) collection of the ‘fees’.” If this language resulted in collection via local water bills (as proposed in the Governor’s budget trailer bill language), the implementation costs (e.g., for an additional staff person or more than one staff person and for billing system changes) skyrocket when implemented by about 3,000 local water agencies; and
- 5) The water tax proposal in the bill would be the precedent for a statewide water tax in state law.

## **2. The Safe Drinking Water Trust should *replace* – not add to – the proposal for a statewide water tax.**

ACWA and the California Municipal Utilities Association (CMUA) are sponsoring SB 669 (Caballero), which would create the Safe Drinking Water Trust. ACWA greatly appreciates that Assembly Member Garcia included a proposal for a trust in AB 217. However, the SB 669 proposal for a trust is a legitimate funding mechanism that was intended to **replace** proposals for a water tax – not add to them, as proposed in AB 217. Also, ACWA encourages further consideration of the language in SB 669 as it is more detailed than the language in AB 217.

## **3. Other aspects of AB 217 are problematic.**

Other aspects of AB 217 are problematic. Following are examples based on a preliminary review (not a complete list):

**A) Uses Truncated Emergency Regulation Process:** After the initial State Water Board’s adoption of the initial regulation, AB 217 proposes that subsequent amendments to or adjustments to the annual schedule be adopted through the emergency regulation process. The emergency regulation process would greatly reduce the afforded due process, including the time afforded to stakeholders to comment. The emergency regulation language in AB 217 at Pages 19 and 20 should be deleted along with the proposed water tax.

**B) Proposes Previously-Rejected State/Regional Funding Split:** The March 19 version of AB 217 would authorize the State Water Board to distribute less than or equal to twenty percent of the annual expenditures through its regional drinking water offices to implement region-specific programs. Our understanding is that the Author is including this language due to the concerns with the budget trailer bill language that most local water customers would be paying the water tax and not obtaining any benefit. While well-intended, the regional program concept is problematic. It is inefficient to send money to Sacramento to have twenty percent (or other percentages) come back for a related use in the regions. This proposal is similar to a proposal that was floated as the Water Resources Investment Fund in the past and was rejected. A tax on water would add to the cost of water for Californians. The better approach is to use a percentage of the State’s record budget surplus to fund the Safe Drinking Water Trust as proposed in SB 669 (Caballero).

**C) Limits uses of O&M Funding:** AB 217 proposes that the use of the fund for operation and maintenance (O&M) costs would be limited to O&M costs associated with “consolidated water systems, extended drinking water services, or reliance on a substituted drinking water source.” (See Page 13 at Line 38.) An existing public water system in a disadvantaged community that needed O&M funding assistance for it to comply with the standards but did not meet one of those three tests would apparently not be eligible. This seems counter to the discussions that triggered legislation in this area.

**D) Would Unnecessarily Fund Capital:** AB 217 would make the fund available for capital costs for which existing federal and state funding sources are available. (See Page 13, Line 12.) This is unnecessary. The bill should instead focus on where there are funding gaps (e.g., O&M costs for drinking water treatment at community water systems, in disadvantaged communities, that chronically violate the federal and/or state safe drinking water standards).

**E) Duplicates State’s Water Affordability Efforts:** AB 217 (at Page 17, Line 14) would make community water systems *that have safe drinking water* eligible for funding if the systems must charge fees that exceed the affordability threshold in the State Water Board’s Safe Drinking Water State Revolving Fund Intended Use Plan. Pursuant to AB 401 (Dodd, 2015), the State Water Board is working to issue a draft plan this year for a low-income water rate assistance program. The Safe and Affordable Drinking Water Fund in AB 217 should not duplicate that program. Rather, AB 217 should be targeted at community water systems in disadvantaged communities that are chronically violating federal and/or state drinking water standards.

**F) Includes Funding for Wastewater Treatment:** The bill would make funding available for wastewater treatment plant O&M costs to treat water pollution that originates outside the state. (See Page 14 at Line 19.) The proposed fund should be for drinking water solutions – not wastewater treatment solutions.

**G) Limits Solutions with Prioritization Mandate:** The bill would prioritize funding for consolidation and service extensions. (See Page 15 at Line 12.) Such solutions may be the best solution in many instances, but the prioritization language could keep funding from solving a problem where consolidation or service extension is not needed.

**H) Jumps Ahead of Pending State Needs Assessment:** AB 217 would make funding available for private domestic wells and state small systems (with five to fourteen connections). There currently is no state needs assessment for private wells and small systems because they are regulated at the county level. A state funding program for county-regulated systems may need to look different than O&M assistance, for example. The most recent state needs assessment addresses systems with 15 or more connections, because those are the systems that the State Water Board regulates. In some cases, the solutions for the private domestic wells and small systems will be a form of consolidation. In 2018, the Legislature included \$3 million in the 2018-’19 State Budget for a State Water Board needs analysis of “water systems.” The State Water Board is currently determining how to assess the needs for the private wells and small systems.

As discussed above, ACWA opposes AB 217 unless it is amended, including in particular to delete the proposed water tax. The trust proposed in SB 669 (Caballero) is a better approach to the funding mechanism issue.

If you have questions, please contact me at (916) 441-4545 or at [cindyt@acwa.com](mailto:cindyt@acwa.com).

A handwritten signature in black ink that reads "Cindy Tuck". The signature is written in a cursive, flowing style.

Cindy Tuck  
Deputy Executive Director for  
Government Relations

cc: The Honorable Eduardo Garcia  
Honorable Members, Assembly Environmental Safety and Toxic Materials (AESTM) Committee  
Mr. Carlos Gonzalez, Chief of Staff, Assembly Member Eduardo Garcia's Office  
Mr. Josh Tooker, Chief Consultant, AESTM Committee  
Ms. Catherine Freeman, Chief Consultant, Assembly Water, Parks and Wildlife Committee  
Mr. Greg Melkonian, Consultant, Assembly Republican Caucus  
Mr. Calvin Rusch, Consultant, Assembly Republican Caucus

## **RESOLUTION NO. XXXX**

### **RESOLUTION OF THE MESA WATER DISTRICT BOARD OF DIRECTORS 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 Mesa Water District (Mesa Water®) is a county water district organized and operating pursuant to the provisions of the laws of the State of California (State or California); and

WHEREAS, Mesa Water District along with Orange County Water District and its producers -- the cities of Anaheim, Buena Park, Fountain Valley, Fullerton, Garden Grove, Huntington Beach, La Palma, Newport Beach, Orange, Santa Ana, Seal Beach, Tustin, and Westminster; as well as East Orange County Water District, Irvine Ranch 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 -- that was located in a disadvantaged community and served water that exceeded maximum nitrate levels, was 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, was 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. 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 1960 in providing safe, clean, and reliable drinking water that meets or exceeds all State and Federal water quality standards, Mesa Water District 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, Mesa Water District 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, Mesa Water District 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 California's Human Right to Water policy of affordable water; and

WHEREAS, during a statewide 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.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE MESA WATER DISTRICT DOES HEREBY RESOLVE, DETERMINE, AND ORDER AS FOLLOWS:

**Section 1.** The Mesa Water District Board of Directors 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.

ADOPTED, SIGNED, and APPROVED this 2nd day of May 2019 by a roll call vote.

AYES: DIRECTORS:  
NOES: DIRECTORS:  
ABSENT: DIRECTORS:  
ABSTAIN: DIRECTORS:

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Shawn Dewane  
President, Board of Directors

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Denise Garcia  
District Secretary

DRAFT



*Dedicated to  
Satisfying our Community's  
Water Needs*

## MEMORANDUM

TO: Legislative & Public Affairs Committee  
FROM: Stacy Taylor, External Affairs Manager  
DATE: April 22, 2019  
SUBJECT: Orange County Update

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### RECOMMENDATION

This item is provided for information only.

### STRATEGIC PLAN

Goal #7: Actively participate in regional water issues.

### PRIOR BOARD ACTION/DISCUSSION

This item is updated for the monthly meeting of the Legislative & Public Affairs Committee.

### DISCUSSION

The Mesa Water District (Mesa Water®) government relations program includes monitoring local and regional political issues and policy-setting authorities (i.e., County of Orange, Orange County Local Agency Formation Commission, etc.). Mesa Water's consulting firm, Lewis Consulting Group, will provide an update to the Board.

### FINANCIAL IMPACT

In Fiscal Year 2019, \$50,000 is budgeted for Support Services; \$36,000 has been spent to date.

### ATTACHMENTS

None.

**REPORTS:**

5. REPORT OF THE GENERAL MANAGER

**REPORTS:**

6. DIRECTORS' REPORTS AND COMMENTS