



SB 414 (Caballero) The Small System Water Authority Act of 2019

A Solution to Providing Safe Drinking Water to Communities Served by Chronically Non-Compliant Systems

Background

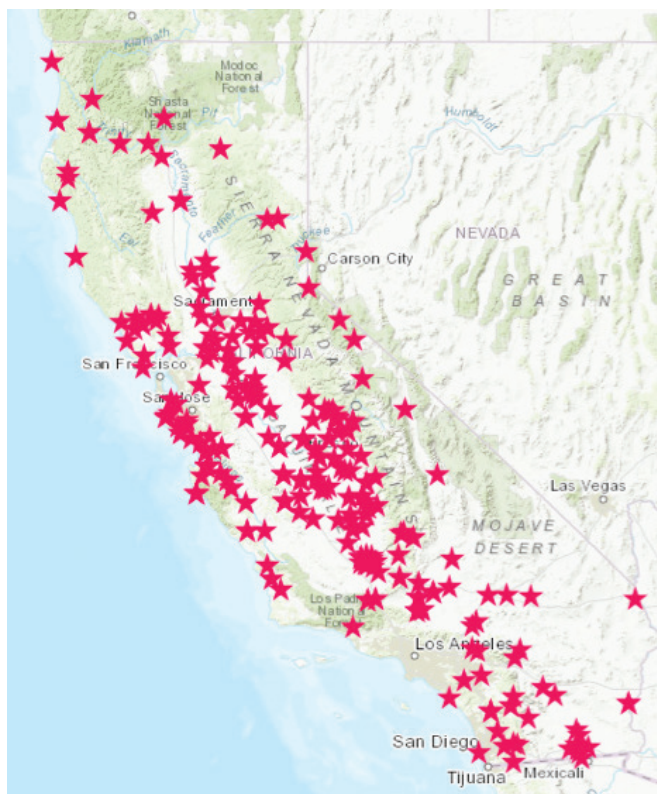
In 2012, Governor Jerry Brown signed into law Assembly Bill 685 (Eng), establishing the Human Right to Water—declaring that it is the policy of the state that every Californian has a human right to safe, clean, affordable, and accessible drinking water.

Water Accessibility and Safety Concerns in California

Nearly 800,000 people in California lack access to safe and reliable drinking water on a daily basis. The State Water Resources Control Board (State Board) has identified 329 (as of November 2017) systems statewide that chronically serve

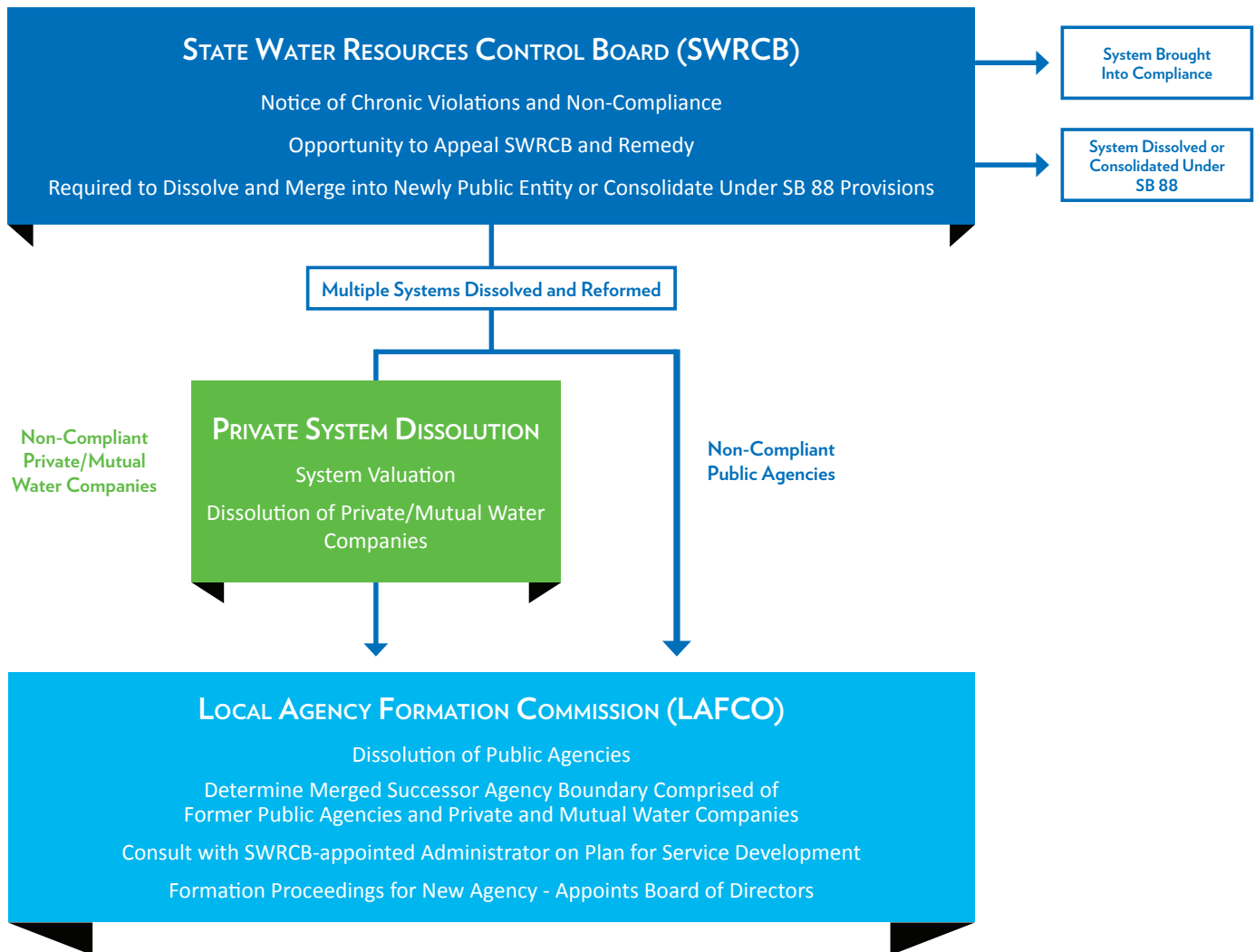
contaminated drinking water or cannot provide reliable water service due to unsound infrastructure or because they lack the local financial, managerial, and technical resources to do so. The vast majority of these systems are small, rural systems that typically serve less than 10,000 people. A sustainable solution is necessary to address this drastic health and safety crisis.

To date, laws have been passed that address various elements of the water accessibility issue including voluntary and forced consolidations, supplying resources and technical support, and limiting the development of new unsustainable water systems. While these efforts have created a portfolio of options to address this critical issue of water accessibility in California, immediate and lasting changes to the governance structure of chronically non-compliant small systems are still needed to protect public health and safety.



The Small System Water Authority Act of 2019

SB 414 would create the Small System Water Authority Act of 2019, providing yet another valuable tool to prevent chronically non-compliant water systems from serving contaminated water to Californians. SB 414 proposes to merge non-compliant water systems into a larger and more robust public water system that can take advantage of improved economies of scale, streamlined managerial functions and enhanced financial capacity.



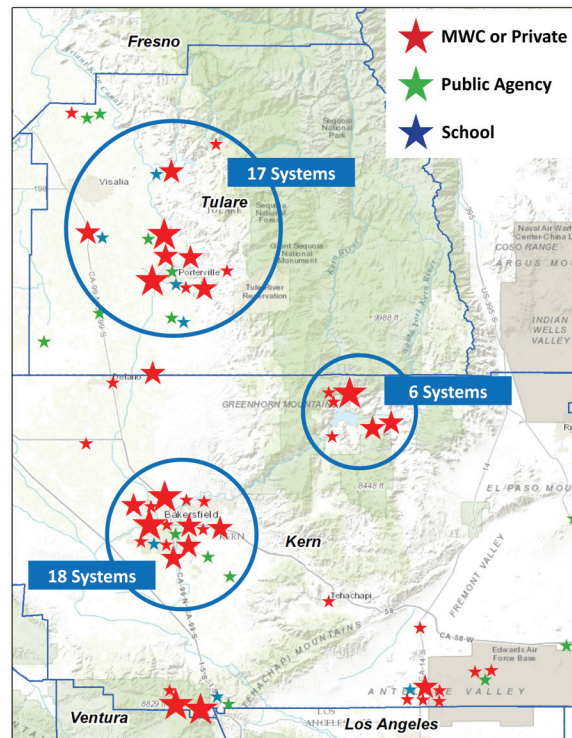
This bill authorizes the State Board to notify chronically non-compliant systems that they are in violation of public health and safety. Each system is then provided with an opportunity to develop a compliance plan within a given time period. If a system is unable to develop an approved plan, the State Board will then notify the county local agency formation commission (LAFCO) that it has determined the chronically non-compliant system needs to be dissolved and consolidated into an authority. Private and mutual water companies will be dissolved and will receive compensation through a distressed business valuation process, if there is remaining value on the system. At this time any existing water systems also will have an opportunity to voluntarily consolidate with a new authority.

The State Board will appoint an Administrator in regions that have five or more chronically non-compliant systems. In regions that have less than five systems, the State Board will be directed to use existing consolidation authorities and funding to bring those systems into compliance. The LAFCO will then form the new Small System Water Authority (Authority), which will have the unique powers to absorb, improve, and consolidate currently non-compliant public water systems with either contiguous or noncontiguous boundaries. Each Authority will be

required to submit a conceptual formation plan to the State Board. The Administrator will identify and hire critical staff and will ultimately complete a Final Plan for Service that will be approved, through a local public hearing process, at the LAFCO.

The new system will be formed as an independent special district, provided with new internal and external financing opportunities, increased transparency including an elected Board of Directors, and the system will be scaled to a size to develop, coordinate, or contract through regional agreements, the necessary infrastructure to treat contamination issues. This in turn will lead to more sustainable water systems that can effectively deliver safe and affordable drinking water to its residents.

SAMPLE Grouping of Non-Compliant Systems For demonstration purposes only.



Larger stars denote proportionately larger populations of small systems noted as “Out of Compliance” in State Water Board Database.

For more information regarding the Small System Water Authority Act of 2019

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Small System Water Authority Act of 2019 Support/Opposition

SUPPORT

California Municipal Utilities Association (Co-Sponsor)
Eastern Municipal Water District (Co-Sponsor)
Economic Development Coalition
Calleguas Municipal Water District
City of Roseville
City of Torrance
Cucamonga Valley Water District
Independent Special Districts of Orange County
Las Virgenes Municipal Water District
Murrieta/Wildomar Chamber of Commerce
Rural County Representatives of California
Santa Ana Watershed Project Authority
Three Valleys Municipal Water District
Valley Center Municipal Water District
Western Municipal Water District

OPPOSITION

None on file