

Date of Hearing: May 19, 2021

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Lorena Gonzalez, Chair

AB 1195 (Cristina Garcia) – As Amended April 6, 2021

Policy Committee:	Environmental Safety and Toxic Materials	Vote:	6 - 0
	Local Government		6 - 1

Urgency: No State Mandated Local Program: Yes Reimbursable: No

SUMMARY:

This bill creates the Southern Los Angeles County Human Right to Water Collaboration Act and requires the State Water Board to appoint a Commissioner to implement the Safe and Affordable Funding for Equity and Resilience (SAFER) Program in southern Los Angeles County.

Additionally, this bill:

- 1) Requires the Commissioner, on or before December 31, 2024, to develop and submit to the State Water Board a plan (Plan) for the long-term sustainability of public water systems in southern Los Angeles County
- 2) Requires the Commissioner to oversee the operations of the Central Basin Municipal Water District (Central Basin) in selling drinking water and recycled water to public water systems in its jurisdiction. Requires Central Basin to cooperate with the Commissioner in exercising the Commissioner's oversight responsibilities.
- 3) Requires the Commissioner to oversee, on behalf of the State Water Board, the expenditure of all state funding for groundwater cleanup in the region.
- 4) Requires the Commissioner to be advised by a technical advisory board of experts in water management or water policy.
- 5) Prohibits the severance or separation of surface water rights or groundwater rights exercised by an operator of a public water system for the benefit of the public water system from the public water system.

FISCAL EFFECT:

The State Water Board estimates this bill will result in additional costs of \$4.95 million to \$6.525 million annually in order to implement the SAFER program within the boundaries of the Water Replenishment District of Southern California and to support operation of the 3technical advisory board which will meet at least twice per month, as required the bill (special fund).

COMMENTS:

Background and Purpose. The Safe and Affordable Funding for Equity and Resilience (SAFER) and the Safe and Affordable Drinking Water Fund (SB 200, Chapter 120, Statutes of 2019) supports permanent and sustainable drinking water solutions to provide all Californians

with access to safe, affordable and reliable drinking water. SAFER requires the annual transfer of 5% of AB 32 cap and trade revenues into the fund until June 30, 2030.

The State Water Board develops a plan for SAFER expenditures based on a drinking water needs assessment. Potential options for funding include consolidation with larger water systems, operations and maintenance costs, building local technical and managerial capacity, providing interim replacement water and administrators to run the small systems. Additionally, SAFER funds will provide short-term operation and maintenance support as a bridge until long-term sustainable solutions are in place, and providing long-term operation and maintenance support when necessary.

In early 2021, "The Human Right To Water In Poor Communities of Color: Southern Los Angeles County, UCLA Institute of the Environment and Sustainability" report was released. This report identified 64 community water systems in Los Angeles County serving disadvantaged or severely disadvantaged populations. These 64 water systems have 281,000 connections, serving approximately 1 million people, nearly 10% of the population of Los Angeles County in 2019. The largest population is concentrated in 29 disadvantaged community water systems in southern Los Angeles County. According to the report, disadvantaged communities concentrated in southern Los Angeles County lack fair options when it comes to water supply. When served by public utilities, aging infrastructure and water quality problems can translate into sacrifices in quality or reliability. When supplied by investor-owned utilities, the communities receive reliable water, supply but pay more than affluent communities.

According to the author:

The people in southern Los Angeles County depend on a multitude of small water systems. These water systems are growing old, and the operator/owner may lack the funding to pay to rebuild the system or clean up water contamination. If the system fails, there is no public agency with the capacity to save them and the people's water supply. By contrast, other neighboring companies owned by outside investors charge higher water rates and they are not accountable to the public. In fact, some of the region's disadvantaged communities of color pay some of the highest water prices in the County, depending on which retailer sells them water.

Some small water systems may be close to failure, but there is no public agency with the capacity to take them over to fix the problems. This may lead to privatization of these water systems, as investor-owned utilities, which generally charge higher water rates, have the capacity and the authority to increase water rates to pay for rebuilding the system. This bill will create a regional administrator identified by the State Water Board to help resolve the many water challenges facing the region and build regional collaboration, to keep water rates low, increase water quality, and keep management of southeast water public.

This bill is intended to develop a model to address the regional complexities of providing safe affordable drinking water.

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