



Funding To Support the Human Right to Water

Many small, low-income communities have had to bear extreme and acute impacts due to increasing water scarcity and groundwater contamination long before the Governor's Drought Declaration in March of 2014. For years, disadvantaged communities (DACs) particularly in the San Joaquin and Salinas Valleys have lacked safe, clean, accessible, affordable and reliable drinking water. Many barriers have slowed or stalled DAC access to the financial and technical resources necessary to address their water issues, leaving DACs across the state without what California has declared is a basic human right.¹ Now, heading into the fourth year of a drought that appears to be increasing in intensity,² DACs are on the front line, feeling the impacts of increased drinking water contamination and well failures most acutely and having the least ability to adapt and mitigate these conditions.

Proposition 1 and state drought funding plays a vital role in addressing the needs of the most vulnerable communities, primarily small, rural areas that are disadvantaged, or severely disadvantaged. Funding should be targeted in order to systematically reduce the number of non-compliant public water systems and impacted communities that lack a centralized water system. Appropriations this year should focus on developing regional tools and programs and funding projects that address matters related to lack of both economies of scale and technical, managerial and financial (TMF) capacity. Additionally, more emergency and interim funding is needed to ensure all Californians have access to safe and affordable water as long-term solutions are pursued.

Appropriations Recommendations

Prioritize the Most Vulnerable Communities: Even though \$32 billion in water bonds have been approved since 2000, less than 2% of that total has funded small community drinking water or wastewater projects.³ Legislative appropriations (particularly Chapters 5, 7, and 8 of Proposition 1) should protect the interests of the most vulnerable communities, especially those that lack safe drinking water. A particular focus should be to prioritize severely disadvantaged communities (SDACs) with small water systems under 200, extremely small systems (fewer than 15 connections), and those on private wells, and help them transition or consolidate into larger or regional operational entities that can be more resilient, affordable and sustainable. In addition, renewed emergency and interim solutions funding is needed for those communities without safe or adequate water sources to ensure immediate needs can be met while a more permanent, sustainable solution is pursued.

Do Not Prioritize "Shovel Ready" Projects Over DACs Projects: Implementation of previous bonds prioritized shovel ready projects, which meant that nearly all money went to larger water systems that had the internal funding sources to do planning and design, and limited the ability of the most disadvantaged communities to access those funding programs. Proposition 84's appropriation bills limited certain key sections to only "immediate" projects, making those funds inaccessible to most DACs that needed some planning or design work. It is crucial that we do not limit Proposition 1 in the same way.

¹ Governor Brown signed AB685 (2012) declaring that, "every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes." California Water Code Section 106.3(A).

² <http://www.latimes.com/local/lanow/la-me-ln-california-drought-monitor-report-20150205-story.html>

³ <http://www.ppic.org/main/testimony.asp?i=1331>

Prioritize Funding of Multidisciplinary Technical Assistance for DACs: Broad-based technical assistance (project development, community engagement, grant writing, project management, engineering, legal, environmental review, as well as technical, managerial, and financial training and assistance) are needed to ensure that DAC solutions are funded and able to achieve the best outcome for the communities that they are meant to serve. Previous bonds did not include targeted technical assistance. Proposition 1 allocated \$25 million in Chapter 5 for DAC technical assistance. This funding must be used early and targeted effectively to develop community-driven solutions that are reliable, affordable and sustainable for the communities that need it most.

Funding Consolidations: Consolidation of small systems is not sufficiently promoted, despite language in the 1996 Safe Drinking Water Act promoting this solution. Out of a total of 7500 regulated drinking water systems (3000 of them community water systems), in the last 20 years, the Drinking Water Program has only completed 145 consolidations. This results in less efficient and effective use of taxpayer funds, and often unaffordable water rates for small communities forced to pay higher costs for treatment, distribution and other expenses related to the provision of safe drinking water. State funding is key to promote consolidations more aggressively, cover the transactional and planning costs of consolidations, and ensure that larger systems are willing and able to annex in or extend services to existing DACs without adequate water or wastewater services.

Funding of O&M Costs for DACs

Emergency and interim solutions for communities with no water or contaminated water require funding sources that can cover operations and maintenance costs. Additionally, in those cases where groundwater contamination requires water treatment, it is not uncommon for small DACs to struggle to pay household rates of \$100+ per month for water alone. It is vital that funding be made available for operations and maintenance for DACs for both interim and emergency solutions, and to cover the costs of contaminant treatment and help transition to a more permanent solution that is affordable. While Proposition 1 allows for up to two years of O&M, it is important that the California develop alternative funding sources that can cover these kinds of costs. Important sources include drought funding through the General Fund and continued use of the Clean Up and Abatement Account at the State Water Resources Control Board. But it is important that the legislature also push for enacting more sustainable funding sources such as a “Fertilizer Fee,” “Water Discharger Fee,” or a “Public Goods Charge on Water” throughout the state to ensure that a basic amount of water can be affordable for all.

Ensure All Disadvantaged & Vulnerable Communities Are Eligible:

Eligibility is often a problem for very small communities to access funding through the State Revolving Fund (SRF) since only water systems with 15 connections or more are currently eligible for funding. That leaves up to 2 million Californians that get drinking water from private wells or small systems with fewer than 15 connections unable to access the primary state and federal funding source. Appropriations of Chapter 5 of Proposition 1 should ensure that eligibility allows for investment of sustainable solutions for all DACs without safe and reliable water, including those communities without existing centralized systems over 15 connections.

Create a Small DAC Office at the State Water Board: Small communities with water contamination or poor infrastructure pay higher unit costs due to economies of scale, and generally do not have skilled staff to assist with planning, engineering or fundraising needs. By contrast, larger water and wastewater systems that serve a majority of Californians can fund their capital, operations, and maintenance needs from a large customer base. The State Water Board keeps a list of 183 small communities (“Small Systems List”) that are unable to supply safe drinking water on an on-going basis. These systems are located in nearly every county of California, with a majority in the San Joaquin Valley. Recent reports from State Water Board imply that this list will increase in number, possibly by the hundreds, when more complete analysis of impacted systems are included as well as communities not meeting the Hexavalent Chromium standards. A more targeted and systematic approach addressing this growing and unmet demand is needed. Appropriations should be made to create an office within the State Water Board to provide technical assistance and to promote regional solutions for DACs.

For more information, contact Omar Carrillo omar.carrillo@communitywatercenter.org, Jennifer Clary jclary@cleanwater.org, or Phoebe Seaton pseaton@leadershipcounsel.org.