



CITY OF HAYWARD

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Cover Memo

File #: CONS 18-379, **Version:** 1

DATE: June 5, 2018

TO: Mayor and City Council

FROM: Director of Utilities & Environmental Services

SUBJECT

Consideration of Resolution Opposing the State Water Tax Provisions of the Safe and Affordable Drinking Act Budget Trailer Bill

RECOMMENDATION

That the Council adopts a resolution opposing the Safe and Affordable Drinking Water Act budget trailer bill in its present form, which would impose a State water tax on Hayward's water customers, and encouraging consideration of other potential funding mechanisms to assist disadvantaged communities with access to safe and affordable drinking water supplies.

SUMMARY

The Governor is proposing to include the Safe and Affordable Drinking Water Act as a budget trailer bill (BTB) to his proposed State budget for Fiscal Year 2018-19. The BTB closely resembles Senate Bill 623, which was introduced during the 2017 legislative session and has not been amended since August 21, 2017. The BTB would establish the Safe and Affordable Drinking Water Fund to provide financial assistance to disadvantaged communities that do not have access to safe drinking water because of contamination. The BTB would require local water agencies to collect a State tax on water customers, based on meter size, and remit the monies to the State Water Board to fund the financial assistance. Hayward fully supports the State's objectives to ensure that every Californian has access to safe and affordable drinking water.

Staff recommends, however, that the City Council adopt a resolution opposing the BTB unless it is amended to remove provisions related to the State water tax. Staff is concerned about the burden a State water tax would place upon Hayward water customers, some of whom are economically disadvantaged families, and the precedent of using a water tax as a method to fund other State initiatives. Other funding options are available to the State and should be considered in lieu of a State water tax.

ATTACHMENTS

Attachment I	Staff Report
Attachment II	Draft Resolution

Attachment II ACWD Comment Letter on Drinking Water Tax