

AB 783 — SAFE DRINKING WATER SYSTEMS
ASSEMBLY MEMBER JUAN ARAMBULA

Summary

AB 783 gives direction to the Department of Public Health (DPH) on spending funds to improve and protect drinking water systems in small communities. The bill encourages DPH to give priority to disadvantaged communities and, when beneficial, to water system consolidation in such communities. The bill also updates and raises the limit on oral contracts made in cases of emergency to protect public health.

Purpose

Drinking water grants and loans typically help to improve water delivery and to remove contaminants that may include microbes, such as giardia and fecal coliform; inorganic chemicals, such as nitrate and lead; and various organic compounds, such as the pesticide DBCP.

Supplying safe drinking water is often a major challenge in small, disadvantaged communities. These communities typically do not have the cash or the debt capacity to finance major upgrades to their water systems.

A lack of adequate management resources can have other deleterious effects on disadvantaged communities. Small water districts with limited resources can have difficulty responding to the numerous engineering, legal, and policy issues already made urgent by the poverty in their communities.

In many cases such districts lack the staff and expertise to apply for outside funds that may be available to help them upgrade or repair their water systems. In other cases districts in disadvantaged communities may have difficulty providing adequate notice of meetings, or interpretive service for non-English-speaking members of the public.

In a subset of these cases, consolidation would seem to provide an obvious solution to certain management challenges. Through consolidation, nearby or adjacent districts that are dealing with similar engineering, legal, and policy issues would have to deal with such issues only once — together — instead of twice. The resulting efficiency would free resources to provide better water service at a lower cost to ratepayers.

Ironically, because such communities are disadvantaged, one obstacle to consolidation can be the cost of studying the feasibility of consolidation itself. Managers of such districts, already apprehensive about sharing control of their water systems, can find it easy to avoid paying for such studies.

This bill directs the state, whenever possible, to offer a “carrot” to water districts seeking to study consolidation, in the form of funding for consolidation feasibility studies. In addition, where it is found that consolidation would help to improve water quality and reliability, and reduce costs to ratepayers, construction projects to implement consolidation would receive priority for funding.

Background

The State Department of Public Health (formerly Health Services) administers several sources of state funding for communities seeking to improve or expand their drinking water systems.

The Safe Drinking Water State Revolving Fund (SRF), in existence since 1997, provides loans for water system projects to meet a wide range of needs. SRF funds are targeted toward projects addressing public health risks, projects needed to comply with safe drinking water laws, and drinking water systems where

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service is the least affordable for ratepayers. The SRF program also provides technical assistance to small water systems.

In addition to project funding, the SRF also provides loans for feasibility studies needed to prepare for projects. However, the Department reports that few communities have made use of these loans. In fact, in the history of the SRF, the Department has awarded only five planning loans. In addition to being underutilized, these loans do not fund studies of water system consolidation.

The most funding for drinking water projects in recent years has come from initiative bond measures. Proposition 50 of 2002 provided \$435 million for grants and loans to fund drinking water projects. The Department set aside 25% of these funds for disadvantaged communities, and did not require a funding match for small water systems or disadvantaged communities.

Proposition 84 of 2006 provides \$180 million for small community drinking water systems, with priority for disadvantaged communities. The Department's draft guidelines for Proposition 84 programs place limits on the ability of non-"disadvantaged" communities to access the funds, and require applicants to evaluate the feasibility of water system consolidation. However, the guidelines do not explicitly allow funding for studies of the feasibility of consolidating water systems.

This bill provides a statutory framework for the Department — regardless of the source of funding — to continue its focus on the needs of disadvantaged communities, and to better promote consolidation as a way of meeting those needs under certain circumstances.

Emergency Oral Contracts

In 1987 the Legislature created the Emergency Clean Water Grant Fund to assist communities in cases of emergency to prevent risks to public health from drinking water contamination. Proposition 84 of 2006 provides \$10 million for these types of emergency purposes.

The existing Emergency Fund statute allows the Department to enter into oral contracts with agencies for up to \$5,000, and the Department has indicated it will follow this statute in implementing emergency programs funded by Proposition 84.

In recent years water systems that have experienced water quality emergencies have discovered that, due to inflation since the Fund was created twenty years ago, \$5,000 is often no longer enough to avert public health risks in cases of emergency.

This bill adjusts the Emergency Fund statute for inflation by increasing the limit on oral contracts to \$10,000 each. This change will help local agencies protect public health from drinking water contamination in cases of emergency.

Supporters

Environmental Justice Coalition for Water
California Rural Legal Assistance Foundation
Self-Help Enterprises
Community Water Center
Friant Water Authority
Cities of Fowler, Mendota, San Joaquin, and
Huron (as introduced) and Coalinga
Kings Canyon USD (as introduced)

Opposition

None on file