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FOR IMMEDIATE RELEASE:

PCWA Opposes SB 407

Auburn - The Placer County Water Agency is urging state officials to oppose Senate Bill 407, which would transfer local property tax revenues away from the water agency to help balance the state budget.

SB 407, by Sen. Tom Torlakson (D-Antioch), would transfer an estimated \$95 million away from 37 "enterprise" special districts in California, including PCWA. Enterprise districts are those that are able to set fees for services.

PCWA General Manager David Breninger said the legislation, as proposed, would cause a loss of \$150,000 of the total \$375,000 in property taxes that are allocated annually to the water agency.

"It's a small amount compared to what some of the other agencies are facing, but it is a very important source of funding for our agency-wide water resource management and planning activities," Breninger said.

Board Chairman Mike Lee said it is wrong to place the burden for the state's financial problems on local agencies. "While the agency appreciates the fact that the state is having very difficult budgetary problems, this situation is not the result of actions made by our agency or any of our colleagues in local government," Lee wrote to state legislators.

"The people of Placer County should not have this county's water resources imperiled in order to solve statewide fiscal problems."

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The agency expressed its opposition in letters to St. Sen. Sam Aanestad, St. Sen. Thomas “Rico” Oller and Assemblyman Tim Leslie.

Because SB 407 could cause significant revenue losses for local water suppliers, the bill has received opposition from the Assoc. of California Water Agencies, League of California Cities, California Assoc. of Counties and California Special Districts Assoc.

Despite the opposition, SB 407 was approved by the State Senate and passed June 11 on a 5-2 vote of the Assembly’s Local Government Committee. It will next be considered by the Assembly’s Appropriations Committee.