

# LAO report looks at fee to fund public benefits of water investments

By Lisa Lien-Mager, Association of California Water Agencies

A new paper by the Legislative Analyst's office says assessing a fee on water at the retail level would be the most feasible option for funding the public benefits of water investments.

In a March 22 report prepared for the Senate Natural Resources and Water Committee, the LAO said placing an assessment at the water retailer level makes sense from a practical standpoint.

"We find that an assessment levied on water retailers and administered by the state Board of Equalization is the most feasible funding option for a public-benefit-type charge in California," the eight-page report says. "It is relatively easy for water retailers to provide the data necessary to impose assessments tied to the use of water."

The report identifies five broad categories of "public-purpose water activities" currently supported by the state's General Fund or by general obligation bonds. The categories include: planning and management of the statewide water system; broadening access to necessary water services; ecosystem improvements; management of water-related risks and major public emergencies; and water system changes that improve recreation opportunities.

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