



June 4, 2009

To: 20x202 Agency Team

Via E-mail: 2020comments@waterboards.ca.gov

Re: Comments on draft Water Conservation Plan

The above-listed organizations are concerned that the proposed planning document makes no reference to or plans for encouraging water conservation investments in low-income households or communities. Low-income communities have been consistently overlooked by conservation efforts, with the notable exception of the Los Angeles Conservation Council, which clearly demonstrated the effectiveness of targeting low-income communities for conservation investments. We're concerned that this document, which is trying to set conservation and targets for the next decade, will increase the equity gap that exists in conservation programs in the state.

Recommendations

Data Collection – No state or local water agency is required to track conservation efforts in disadvantaged communities or in low-income households within water systems. That is a problem because we have no understanding of the success of current conservation efforts – although we can guess that the reliance of so many agencies on rebate programs excludes many low-income households from participating in conservation efforts. We recommend that large agencies be required to report on their investments in conservation for low-income households in their service area as part of any conservation reporting, for instance in their Urban Water Management Plans. Additionally, state agencies should track water conservation grants to disadvantaged communities, and work with federal funding programs (USDA, USBR) to incorporate their funding information into the state's conservation database.

Initial information on disadvantaged communities can be obtained from existing low-income subsidy programs administered by energy companies. Another opportunity to map low-income communities and conservation investments exists through the Integrated Regional Water Management (IRWM) process. New standards require that planning efforts identify disadvantaged communities within their planning area. This information could be used to track conservation investments in these neighborhoods and communities.

➤ *Example: San Francisco is conducting a pilot project to target low-income households for conservation retrofits. The project used overlays of income, high household water usage, and location of past fixture rebates to identify areas of concern, and received a grant to provide water audits and direct installation of high-efficiency fixtures to low-income residents in targeted zip codes. In many cases the customers are already participating in a low-income subsidy program offered by the City, so by improving efficiency and offering*



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more permanent savings the water agency is moving towards its demand goals in addition to providing financial benefit to both the City and the customer.

Water Meters – We appreciate your recommendation to facilitate more widespread metering of small water systems. However, it is unclear whether you are limiting your efforts to systems serving 3000 connections or more. We understand that economies of scale dictate that systems that have the highest conservation potential receive the bulk of the investment, but we think the Board should take a broader view of the multiple benefits of metering even for small communities.

- *Example. The community of Lanare in Fresno County has applied to DWR for a grant to install water meters in this small community of 170. This installation is expected to reduce by about 18 acre-feet annually. In addition, reduced groundwater pumping will save more than 13,000kwh of electricity annually and preserve groundwater supplies in an area where water levels have dropped 100 feet in the past 35 years. This community currently is unable to afford the high chemical and electrical costs associated with providing potable water, so this project will make the difference between serving potable and nonpotable water to the community.*

Infrastructure upgrades. The recently released 2007 Drinking Water Needs Survey places the 20-year cost of infrastructure upgrades for small water systems (under 10,000 population) at \$5.6 billion. It's not surprising that for many small communities, water loss greatly exceeds the industry standard of ten percent. This report should consider infrastructure replacement in systems with excessive water loss to be a conservation measure that counts towards the 2020 goals.

- *Example. The community of Alpaugh in Tulare County has applied for funding to replace one mile of leaky pipe, which will produce an estimated savings of 6.13 acre feet per year. In addition to energy, Alpaugh will save energy due to reduced groundwater pumping and treatment costs to remove high levels of arsenic. This will reduce the cost burden to the community, which recently raised its monthly water rates to \$75 per household, which is nearly 4% of the median household income of \$23, 442.*

Financial Incentives. We support efforts encourage and fund conservation through pricing mechanisms. However, the blunt instruments that most cities use to track and bill water use penalizes large households (common to many immigrant communities). New billing and metering technologies should be encouraged in this plan as a way to set accurate and fair water budgets that recognize differences in household size.

- *Example; The City of Maywood, (Median Household Income of \$30,480) located in Southeast Los Angeles County, received a grant from the Department of Water Resources to install 3,000 high-efficiency toilets (HETs) over 2 years, targeting multi-family dwellings, which have a higher rate of usage and the most inefficient toilets. Maywood will save about 71 acre-feet per year based on standard savings calculations. However, because Maywood*



is a high-density city with a larger than average population per household, the potential water savings are higher.

This plan also needs to address the vast difference in capacity among water systems of different sizes. Cities can afford extensive conservation programs because they have the rate base to cover it. But as the communities get smaller, the amount of staffing available to provide conservation assistance decreases. This creates a huge inequity in conservation investment that may very well translate into difficulties in achieving regional targets in the more rural regions of the state. We recommend that the board engage current technical assistance providers in the effort to deliver conservation services to small communities.

Public Goods Charge. While we support a public goods charge in concept, we strongly believe that an exemption should be made for low-income ratepayers. These residents regularly pay far in excess of the US EPA recommended water rate of 1.5% of median household income.

Conservation as a condition to receive state financial assistance. This can create a severe hardship for disadvantaged communities applying for funding to provide basic water and wastewater services. We recommend that any such condition include a hardship exemption.

Offsets. We support offsets as a way to more efficiently achieve goals across a region. However, we also advocate for the use of off-sets to balance funding inequities. Because low-income communities lack the funding to invest in conservation, we support allowing offset funding to be invested outside of the water districts and local communities in which the offset is generated. So long as the offset is used to reduce demand within a hydrologic region and/or reduces demand on the water supply of the contributing district or community the goal is achieved with an added benefit of ensuring the disadvantaged communities are not being left further behind in conservation efforts. We understand that this proposal will have to be carefully crafted to ensure that water agencies can provide water to new developments, but we think this has the potential to create multiple benefits consistent with the overarching programmatic goals of the integrated regional water management planning program.

Cap and Trade. We are not comfortable with this proposal, which almost always rewards haves at the expense of have-nots. Because end-use conservation projects also provide cost-savings to ratepayers, a cap and trade system is likely to create an inequity in the ratepayer community as low income communities are passed over for conservation projects or inadvertently left out because the projects are not designed with low income families in mind. For instance, many toilet replacement projects are set up as rebate or water bill credits requiring an upfront cash investment that many low income families simply cannot afford. This leaves them reliant on their old fixtures that use more water and increase their water bills in metered communities.

Thank you for providing an opportunity to comment on this plan. We look forward to working with you to develop an equitable program.



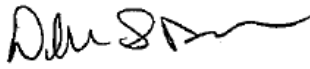
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Sincerely,

A handwritten signature in black ink, appearing to read "Jennifer Clary".

Jennifer Clary, Water Policy Analyst
Clean Water Action

A handwritten signature in black ink, appearing to read 'Debbie Davis', with a long, sweeping horizontal flourish extending to the right.

Debbie Davis, Legislative Analyst
Environmental Justice Coalition for Water