



CALIFORNIA URBAN WATER AGENCIES

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Delivered by e-mail to: [commentletters@waterboards.ca.gov](mailto:commentletters@waterboards.ca.gov)

Jeanine Townsend  
State Water Resources Control Board  
1001 I Street, 24<sup>th</sup> floor  
Sacramento, CA 95814



Subject: Comment Letter - Options for Implementation of a Statewide Low-Income Water Rate Assistance Program

Dear Ms. Townsend:

The California Urban Water Agencies (CUWA) appreciates the continued dialogue with the State Water Resources Control Board (State Water Board) on water affordability in California. Thank you for incorporating several suggestions from the stakeholder workshops into the draft report, "Options for Implementation of a Statewide Low-Income Water Rate Assistance Program". We offer some additional recommendations on the following concepts discussed in this report.

- **Acknowledge the full range of drivers behind rising water rates in California.** CUWA appreciates that the report acknowledges the increasing cost of service to address aging infrastructure, comply with more stringent water quality standards, prepare for climate change, and provide safe and reliable drinking water. In addition to the drivers highlighted in Figure 4, an increasing number of State mandates are also adding upward pressure to local agencies' costs. Many of these requirements—such as lead testing in schools, dam seismic upgrades, and long-term water use efficiency reporting—protect public health and support the reliability of our water supplies. However, without a source of outside funding, the cost for local agencies to implement these measures ultimately falls to ratepayers. Acknowledging these requirements in Figure 4 and the surrounding text would provide a more comprehensive summary of the drivers behind water rates.

Furthermore, Appendix L proposes additional state oversight and direction on how public water systems set their water rates yet recognizes that the report "does not attempt to fully explain the complexity of rate structure design and the constraints which different types of CWS face in rate design and revenue recovery". We caution the State Water Board not to recommend mandatory standards regarding water system rate design. If implemented, this one-size fits all approach could lead to financial challenges for utilities, as each utility develops rate structures that best meet the needs of their unique system and diverse population served. A more constructive means of input to water agencies would be development of legally defensible constructs within the current Proposition 218 that would allow for funding low income programs for those that wish to do so. We strongly urge the State Water Board to engage in discussions with water utilities and promote education on issues surrounding water rates and cost of service.

- **Continue engaging water agencies on resolution of implementation issues.** CUWA appreciates the acknowledgement of administrative and management considerations under various program designs—specifically, considerations on how to provide benefits to eligible households that may not directly receive a water bill, challenges of collecting information regarding income, proof of identity, or number of members in the household, and the substantial modification of billing systems needed to maintain transparency on billing statements. Each of the proposed benefit

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distribution options has various implementation challenges, and we would like to remain engaged in the discussion on how to best resolve these issues prior to finalization of the program. We believe it is important for the benefit to reach eligible customers in multi-family/master-metered dwellings, as this is one of the current challenges of existing programs. In addition, the following program elements are important and applicable regardless of the selected program option:

- **Benefit eligibility.** Make customer participation and funding assistance prospective only, and not retroactive.
- **Benefit recognition.** Ensure that recipient households will easily recognize the benefit as offsetting drinking water expenditures. For example, include a statement with the benefit delivery mechanism that reads “The following benefit ensures affordable drinking water for each eligible household.”
- **Focus on solutions versus subsidy.** CUWA supports the State Water Board’s commitment to addressing the water affordability issue in California and appreciates the consideration of funding mechanisms that would not further exacerbate water affordability issues for low-income households. However, the proposed program focuses on providing a subsidy for those meeting certain criteria, rather than addressing the underlying issue through a longer-term strategy. We are committed to identifying strategies that could successfully address affordability within our collective service area. Some suggestions include:
  - **Customer conservation assistance** to reduce demand and water bills by increasing water efficiency within low-income households. Water Savings Assistance Programs have been funded through Prop 84 grant funds.
  - **Non-financial solutions**, such as offering alternative payment plans for those in a temporary financial bind. CUWA supports including non-financial alternatives that support positive overall financial management habits rather than solely relying on a monetary rebate/credit.
  - **Education on the safety and value of utility served tap water** as an inexpensive alternative to bottled water. For the majority of Californians who have access to clean and safe water, elevating the value of existing services and promoting consumer choices towards a more cost-effective alternative benefits each household. Consumer savings can go towards household water bills.

CUWA agencies remain committed to providing safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes for all customers. All CUWA agencies with retail customers already have an assistance program in place and will continue applying a variety of approaches within existing municipal, regulatory, and legislative constraints to make water accessible to low income households in their service areas. We look forward to continuing our discussions on how to advance implementable solutions to this critical challenge statewide. Please contact Katie Porter at 213.271.2239 if you have any questions.

Sincerely,



Cindy Paulson, Ph.D.  
CUWA Executive Director



Katie Porter, PE  
CUWA Staff Engineer

Cc: Mr. Max Gomberg, State Water Resources Control Board  
Ms. Mary Yang, State Water Resources Control Board