Public Comment
Low-Income Water Rate Assistance Program
Deadline: 2/1/19 by 12 noon

Helix WATER DISTRICT | Setting Standards of Excellence in Public Service

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SWRCB Clerk

January 31, 2019

Ms. Jeanine Townsend, Clerk of the Board
State Water Resources Control Board
P.O. Box 100
Sacramento, CA 95812-2000

VIA EMAIL: commentletters@waterboards.ca.gov

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

Dear Ms. Townsend:

On behalf of Helix Water District's board of directors and ratepayers, thank you for the opportunity to provide comments on the draft report on Options for Implementation of a Statewide Low-Income Water Rate Assistance Program as outlined in AB 401 (2015, Dodd). Helix Water District provides drinking water to over 275,000 residents in eastern San Diego County. Following multiple public workshops conducted by the State Water Resources Control Board, we offer the following comments:

1) **Funding the LIRA program via fees levied on community water system bills is not a feasible option.**

   We agree with the draft report recommendation that fees levied on community water system customer bills is not a feasible revenue option. The report estimates that fees would range from $7 to $10 per month on single-family accounts, depending on the fee collection approach selected. The report states that the average Californian's monthly water bill in 2018 was $53.81 – an increase of 13 to 18 percent. This would further decrease water affordability within the state and could violate Proposition 218 requirements. We appreciate that the draft report includes viable alternative revenue collection options that were proposed during the public workshop and comment process.

2) **Utilizing community water systems for benefit administration via water bills is not a feasible option.**

   Utilizing community water system customer bills to deliver benefits to low-income households is not a practical solution. As the draft report states, approximately 72 percent

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of low-income individuals do not directly receive a water bill from a community water system and cannot access benefits from water assistance programs. In addition to being an ineffective vehicle for benefit distribution, the large number of community water systems with varying technical, managerial and financial abilities make it inefficient as well. Distributing benefits via an established benefit delivery program, as proposed in the draft, could be a more efficient and effective option.

3) If a low-income rate assistance program is adopted, it should provide a volume discount for reasonable indoor use.

The draft report proposes using 12 hundred cubic feet per month as the basis for receiving a benefit. 12 HCF equates to over approximately 75 gallons of water per person, per day, for a family of four. This includes a modest amount of outdoor use per the draft report, which is in direct conflict with AB 685, which states "every human being has a right to safe, clean, affordable, and accessible water adequate for human consumption, cooking and sanitary purposes." There is no health or safety need to provide discounted water for outdoor irrigation. If the discount were based on 55 gallons per person, per day, which is the state's standard, the discount would apply to 9 hundred cubic feet of water per month, which would also reduce the overall cost of the LIRA program and the necessary funding while still meeting the intent of the legislation.

4) Local agencies, and not the state, must have the ability to establish individualized rate structures.

Appendix L of the draft report discusses the alternatives to direct rate assistance, which could include the state extending guidance to water systems to use very progressive rate structures. We strongly oppose this option. Requiring community water systems to develop lifeline rates, as mentioned, could be in direct violation of Proposition 218 requirements. The report also references budget-based rate structures; most water providers do not have the technical, managerial or financial abilities to implement budget-based rate structures as they are highly customized to individual customer accounts. Finally, placing limits on a system's split versus fixed charges will negatively affect many water systems' revenue stability during droughts and economic downturns. The majority of water systems are non-profit and rely on billing revenue to fund infrastructure projects. Placing arbitrary limits on the rate setting process could result in increased water rates for Californians, further reducing water affordability, or further exacerbate the underfunding of water infrastructure statewide.

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We share the state's concern regarding water affordability and its impact on low-income households. Thank you for the opportunity to provide ongoing input throughout this process.

Sincerely,

Daniel H. McMillan
President

Carlos V. Lugo
General Manager