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MEMBER AGENCY OF THE  
METROPOLITAN WATER  
DISTRICT  
OF SOUTHERN CALIFORNIA

**Glen D. Peterson**  
MWD Representative

January 29, 2019

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



**RE: COMMENTS TO OPTIONS FOR IMPLEMENTATION OF A  
STATEWIDE LOW-INCOME WATER RATE ASSISTANCE (LIRA)  
PROGRAM**

Dear Ms. Townsend,

Las Virgenes Municipal Water District (District) has reviewed the subject draft report and is providing comments. We hope our comments will be considered and incorporated into the final report before it is submitted to the legislature.

Introduction

In the Introduction section of the report on page 3, please consider adding language or at a minimum, a footnote, that provides better context for AB 685. When citing the language “that every human being has the right to safe, clean, affordable, and accessible water....”, policymakers and state agencies often disregard Section 1, 106.3, paragraph (d) of AB 685, which states “The implementation of this section shall not infringe on the rights or responsibilities of any public water system”.

Water Affordability

There are several locations in the document with statements that water has become “unaffordable”. The reality is that tap water is extremely affordable and will remain so despite recent and future rate increases. Page 11 of the report states that the average California Household in 2015 paid around \$60 per month for 12 CCF (\$5 per CCF). This equates to less than 7/10ths of a penny per gallons of water used, which would be approximately 35 cents per day or \$10.65 per month per person to meet all basic drinking, cooking, and sanitation/hygiene related needs. In the meantime, eligible low-income recipients will be spending many times this amount for their cell phones (\$50+ per month), electrical and gas bills, and many other living expenses. Tap water will continue to be the most affordable component of household expenses. To characterize water as unaffordable even for basic human needs, is not an accurate representation. **Potable water only becomes unaffordable when it is used inefficiently and well above and beyond what is needed for health and safety reasons.**

The Use of 12 CCF

The report makes the case that 12 CCF (HCF) consumption level is appropriate for calculating the benefit that eligible low-income households would receive as it represents the minimum amount needed for four occupants for health and safety purposes. However, this amount includes 75

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gallons of water per day for outdoor purposes. We do not believe that an outdoor allowance should be included as this would typically be for watering decorative outdoor landscaping and is not an essential need. By removing this amount, the consumption level would be closer to 9 CCF. Additionally, AB 1668 explicitly states that the indoor efficiency standard will be lowered to as little as 50 gallons per capita per day by 2030. If this is the case, the consumption level could and should be further lowered to 8 CCF.

On page 20 there is a statement about the “types of uses and activities that should be subsidized and that the CARE program provides discounts for use up to 400% of the baseline.” It is our opinion that only the amount of water that is needed (and that was closely evaluated and adopted in the new efficiency standard in AB 1668), should be used, which is at most 55 gallons per capita per day. There really should be no need for a “value” judgement as is indicated.

It may be more equitable to base the consumption level for the purpose of calculating a household’s benefit by basing it on a per person amount. As it stands now, a household of 1 or 2 will stand to benefit more than a household of say, 6 – which may not be fair. On a per person basis, the consumption level would be closer to 3 CCF, but as low as 2 CCF if 50 gallons per capita per day is acknowledged as the minimum required amount of water for health and safety needs.

#### Funding Sources

We concur that a direct fee to non-eligible households on their water bills would indeed be inconsistent with Proposition 218 and should therefore not be considered as a revenue source. Another worthwhile funding source that should be considered is an irrevocable trust fund utilizing a one-time infusion of general fund surplus dollars to generate on-going annual funds from interest earnings. For instance, a \$1 billion fund earning 6.5% annually will generate \$65 million per year that can be used for these programs.

#### Appendix L – Progressive Rate Structures

While the concept of utilizing progressive rates to enhance affordability has its merits, we agree that it also has some drawbacks. The District has designed a rate structure that works best for its unique characteristics. For several years, we have been slowly increasing our fixed charges for the very reason stated in the report – to improve revenue stability in order to pay for fixed costs. In order for a progressive rate structure to achieve the desired affect and provide greater affordability to our low-income customers, the commodity charge for the water actually used would have to be extremely low to the extent that it would in fact be subsidized by other customers – a potential violation of Proposition 218. Additionally, a state-mandated standard on setting rates would infringe on the rights and responsibilities of our locally elected Board of Directors.

Again, thank you for the opportunity to comment. If you need to reach us, I may be contacted at 818-251-2130 or by e-mail at [jmcdermott@lvmwd.com](mailto:jmcdermott@lvmwd.com).

Sincerely,



Joe McDermott

Director of Resource Conservation and Public Outreach