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January 31, 2019

State Water Resources Control Board
Attn: Ms. Felicia Marcus, Chair
1001 I Street
Sacramento, CA 95814

Comments Submitted Electronically to commentletters@waterboards.ca.gov



Re: Comments on Proposed Statewide Low-Income Water Rate Assistance Program (AB 401)

Dear Ms. Marcus,

On behalf of the Indio Water Authority (IWA) Board of Directors and ratepayers, thank you for the opportunity to provide comments on the proposed statewide Low-Income Rate Assistance Program (W-LIRA). Indio Water Authority provides drinking water to over 80,000 residents in the Coachella Valley and supports the water affordability objectives of AB 401. With the foregoing in mind, we offer the following comments for your consideration:

- 1. Allocation for indoor water use should balance water affordability and encourage water use efficiency:** The draft report's benefit level is based on 12 CCF of consumption per month, which is very high for a desert region such as the Coachella Valley and could encourage wasteful use in some areas. IWA recommends that the Board consider lowering the benefit level to 9 CCF, which is consistent with the state indoor use goal of 55 gallons per capita per day for four people. Many low-income households have limited outdoor water use; a benefit based on 9 CCF helps meet affordability and water efficiency objectives.

Many water agencies, including IWA, currently have mechanisms to provide additional non-discretionary water allowances to larger households at the lowest cost of supplies. This provides an effective subsidy to eligible customers, including low-income customers, while still being compliant with Proposition 218 and promoting water conservation.

- 2. Revenue Collection and Benefit Delivery Options:** The draft report weighs the pros and cons of the various revenue collection and benefit delivery options explored, but the options were not ranked in order of preference. IWA supports removing the sales tax exemption on bottled water. The report also indicates that 44% of Californian households do not pay a direct bill for water service, therefore, a benefit delivery option that is the most direct and least costly to water agencies and their ratepayers is most desirable. For these reasons, Indio Water Authority supports the tax credit option as the best benefit delivery method.



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3. **State regulations and mandates increase water rates:** The cost of developing, implementing and administering an ongoing W-LIRA program and other state laws such as SB 998 would represent new costs to IWA and similarly situated water utilities, which will ultimately have to be passed on to customers through increased water rates. Therefore, Indio Water Authority recommends that the State Water Board strengthen its recommendation not to pursue a fee placed on water bills as a revenue collection option. Any state mandate that turns water agencies into revenue collection and social assistance delivery arms of the state will only increase the cost of water.

Thank you for the opportunity to comment; we look forward to additional engagement before the report is finalized and delivered to the Legislature. If you have any questions or concerns, please do not hesitate to contact us.

Sincerely,



Mark Scott
Executive Director/City Manager

cc: Board of Directors, Indio Water Authority