



VIA E-MAIL: commentletters@waterboards.ca.gov

Ms. Jeanine Townsend
State Water Resources Control Board
P.O. Box 100
Sacramento, CA 95811-100



January 31, 2019

Subject: Recommendations for Implementation of a Statewide Low-Income Water Rate Assistance Program - Submitted by Hi-Desert Water District

Dear Chair Marcus and members of the Board,

The Hi-Desert Water District (the “District”) appreciates the opportunity to partner with the State Water Resources Control Board (SWRCB), along with other community water systems, to address the issue of water affordability. The District is agreeable that financial assistance is needed for low-income customers, but there are concerns as to how the proposed Statewide Low-Income Assistance Program (LIRA) is structured.

On August 22, 2017, the District submitted a comment letter that included recommendations to assist the State with developing the LIRA program. Also, within the letter was background information as to why the disadvantaged community of Yucca Valley would benefit from a well-structured financial assistance program. While reviewing the Draft Implementation Plan, the District was pleased to see previous comments were taken into consideration, but it still has reservations about how the structure is proposed.

After the Draft Implementation Plan was reviewed by the District’s Public Advisory Committee, its staff, its Legislative Committee and its Board of Directors, the District is asking that the SWRCB address the following concerns and incorporate some of the recommendations provided while drafting the final LIRA program:

Determining Benefits Received by Eligible Recipients

As presented in the Draft Implementation Plan, the proposed three-tier structure does not support the State’s initiative to reduce water use. Per AB 1668 urban water providers will be required to meet the target of 55 gallons per capita per day by December 2020, yet the tier plan provides a larger discount to those who are exceeding that daily indoor water use goal. District’s have come a long way after California’s drought in educating customers about the need to reduce daily water use by issuing outreach materials, written warnings and fines. By providing a backwards incentive that benefits those with high water use, years of progress towards conservation efforts will unravel. Our customer committee and Board, propose a structure that rewards those households that are conservative with water use, particularly those that comply with the new standard of 55 gallons per capita per day.

Distributing Funding to Eligible Recipients

The District as a whole does not oppose using the California Alternate Rates for Energy (CARE) model to determine if a customer meets eligibility requirements. But it is recommended that just as the CARE program is structured, that low-income households self-identify and apply for the LIRA benefits on their own. Distributing credits through various programs would be hard to track and would not guarantee that the credits would benefit only those who directly or indirectly pay for water. Concerns were brought to staff's attention that if this program disburses the assistance through government programs, that the assistance would no longer be a sole benefit to water customers because those who may not have the cost burden of water, would still receive a monetary benefit from the program.

Administering the Financial Assistance Plan

Additional concerns were raised by the Board and the Public Advisory Committee about the burden that administering the program would pose to their water district. They feel that the 10% administration fee will not be sufficient to cover the State's, the District's and other entities' costs to administer the program.

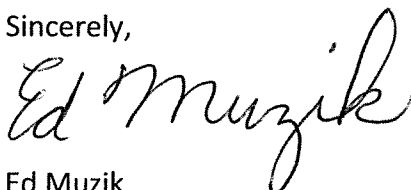
To ensure efficiency, limiting expenses, avoiding Proposition 218 violations, and the success of the program, it was recommended that the State take the sole responsibility for identifying applicants and disbursing funding directly to eligible recipients. If the State takes the lead, it can implement a program asking customers to self-identify by completing an online application that would include proof they are enrolled in the CARE program, as well as any lease agreements or attached water bills needed for reimbursement.

Funding Options through Using Progressive Revenue Sources

The recommendation of placing a surcharge on water bills was highly opposed. A more favorable option was the proposed water bottle tax and the .25% tax on income of \$1 million or more a year. Although it is the preferred method for funding, there were some concerns about the financial impact to those residents who may rely on bottled water for consumption. But due to the fact that many felt the surcharge would negatively impact low-income customers who would not benefit from financial assistance if they are not properly identified, the District prefers the bottled water and income tax method.

Again, thank you for the opportunity to work with the State on developing a viable solution to ensuring Californians maintain their right to water. The District looks forward to seeing other water partners' comments on the Draft Implementation Plan, so that hopefully, there will be another opportunity to review and comment on a final draft plan prior to presenting it to the legislature. Please feel free to contact me if you have additional questions regarding the comments that have been submitted on behalf of the Hi-Desert Water District.

Sincerely,



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