



January 30, 2019

Comments submitted via: commentletters@waterboards.ca.gov

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- City of Del Mar
- City of Escondido
- City of National City
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- City of San Diego
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- Valley Center Municipal Water District
- Vista Irrigation District
- Yuima Municipal Water District

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

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

Dear Ms. Townsend:

Thank you for the opportunity to provide comments on *Options for Implementation of a Statewide Low-Income Water Rate Assistance Program* draft report and appendices. The San Diego County Water Authority comments focus on Appendix L: *Options for Improving Affordability That Do Not Include Direct Rate Assistance*.

In the introduction of the draft report it states that AB 401 (Dodd, 2015), which directed the State Water Board to prepare recommendations for a statewide Low-Income Water Rate Assistance Program, is in response to the 2012 Human Right to Water Act. Consistent with the Human Right to Water Act, the Water Authority is committed to providing safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes for all customers. The Human Right to Water Act also clearly states in Water Code Section 106.3(e) that: "Implementation of this section shall not infringe on the rights or responsibilities of any public water system." The proposals regarding implementation of mandatory water rate design standards, contained in Appendix L, are not consistent with this requirement.

In Appendix L (page 56) it states that: "...one of the Board's proposals is for the Legislature to evaluate (or direct the Board to evaluate) options for additional state oversight and direction on how public water systems set rates". Establishing mandatory standards regarding drinking water system rate design, that would be imposed on public water systems, is clearly infringing upon the rights and responsibilities of locally elected governments. As mentioned above this is not consistent with state law. (Human Right to Water Act (Water Code Section 106.3(e))). We recommend that the proposal be deleted from the draft report and Appendix L.

OTHER REPRESENTATIVE

- County of San Diego

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As stated in Appendix L (page 53): "...a means of potential statewide affordability assistance could be extending guidance to water systems to use very progressive rate structures". As defined in the appendix, a progressive rate structure places greater emphasis on recovering revenue through the variable component of the bill, instead of the fixed component, and charge lower variable rates for lower levels of consumption (increasing block rates). On page 54 in Appendix L, it correctly states that ensuring affordability through sufficiently progressive rates would likely be widely opposed by many California water systems operations. This opposition is because existing rate structures and cost of services practices mold to the needs of each individual agency – which vary widely throughout the state - so a single "cookie cutter" approach cannot be applied.

The adoption of mandatory rate design standards imposes a "one-size fits all" approach that would remove public water systems' ability to adopt rate structures that fit the unique characteristics of their community and maintain the financial solvency of their utility. Appendix L highlights examples of those differences in comparing communities that experience large transient, tourist populations versus those with a more stable customer base. The governing bodies of public water systems must maintain the right to establish a rate structure that ensures revenue stability for their utility so that they can continue providing safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes for all its customers, as outlined in the Human Right to Water Act.

Thank you again for the opportunity to comment on this important topic.

Sincerely,



Kelley Gage
Director of Water Resources