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Ms. Felicia Marcus, Chair
State Water Resources Control Board

January 24, 2019

Dear Ms. Marcus,

Desert Water Agency (DWA) would like to thank the State Water Resources Control Board (State Water Board) for the opportunity to submit comments on January 3 draft of the 'Options for Implementation of a Statewide Low-Income Water Rate Assistance Program' report before it is finalized and delivered to the Legislature.

We applaud the Board's work in analyzing the need for the program, funding mechanisms and benefit administration. It is clear that the Board has spent a great amount of time gathering data and incorporating stakeholder feedback collected at the public workshops held back in 2017.

Desert Water Agency supports the revenue collection options described in the report, especially removing the exemption for bottled water sales tax. As noted in the report, bottled water is significantly more expensive and environmentally hazardous than tap water.

Desert Water Agency suggests that the Board consider:

1. basing the credit on indoor use only
2. clarifying recommendations for benefit delivery
3. strengthening its recommendation not to pursue a fee placed on water bills for revenue collection

1. Benefit should be for indoor water use

Desert Water Agency would urge the board to consider that the amount of water that determines the benefit level (recommended by the report at 12 CCF) should be solely for indoor use at 9 CCF (four people at 55 gpcd). In some areas, 12 CCF provides for a significant amount of discretionary outdoor water use, perhaps even wasteful use. Many low-income households do not have outdoor areas to irrigate. A credit based on 9 CCF promotes conservation, while still satisfying basic needs for drinking, cooking and sanitation.

2. Report explores many benefit delivery options with no clear frontrunner

While the report does a good job of weighing the pros and cons of the various benefit delivery methods explored, it is unclear about the preferred option. With the 'Revenue Collection' and 'Program Design Scenarios' sections there is more clarity in the recommendation.

Desert Water Agency supports the tax credit option as it would have the appropriate oversight, lower administrative cost, robust participation and could be tied to drinking water more easily than expansion of the CARE program. It is important for water agencies to be able to point someone to a clearly labeled benefit associated with the assistance.



3. Report showcases shortcomings of using water bills for W-LIRA

The report, along with appendices G and H, clearly describe the significant shortcomings of placing a fee on water bills and of trying to distribute a benefit on water bills. Desert Water Agency appreciates the SWRCB taking into consideration comments water agencies made at previous workshops.

One unmentioned drawback to using a fee on water bills to collect revenue is that it would discourage agencies from continuing their existing, voluntary-contribution W-LIRA programs, like the one in the Coachella Valley.

While we appreciate the SWRCB efforts in developing this report, there are certainly many regulatory hurdles the Board could work to ease to more broadly address water affordability.

If you have any questions or would like any information to support the report or your presentation to the Legislature, please don't hesitate to contact us.

Thank you,

Mark S. Krause

Mark S. Krause
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Desert Water Agency