



February 6, 2017

Ms. Felicia Marcus  
Chair, State Water Resources Control Board  
c/o Jeanine Townsend, Clerk of the Board  
1001 I Street, 24th Floor  
Sacramento, CA 95814

Submitted via email:  
[commentletters@waterboards.ca.gov](mailto:commentletters@waterboards.ca.gov)

**Subject: EMWD Comments on the Affordable, Safe Drinking Water Initiative Implementation**

Dear Chair Marcus:

On behalf of Eastern Municipal Water District (EMWD) we would like to thank the State Water Resources Control Board (State Board) for conducting a workshop and inviting public comment on the implementation of AB 401 (Dodd, 2015) Low-Income Water Rate Assistance Program. The program is of interest to EMWD, a water, wastewater, and recycled water services supplier in western Riverside County, as recent Census data shows that a significant percentage of EMWD's territory is considered low-income.

EMWD supports water affordability objectives and would like to share the following policy recommendations for consideration:

- 1. Align Water Affordability Policy with Conservation Objectives:** Virtually all advanced research in the area of water affordability points to conservation and efficiency as central to addressing water affordability concerns. Without first considering a means to reduce water consumption in the broader context of water affordability, the state is failing to align policy with its declared water use priorities. AB 401 represents the legislative means for implementing elements of the Human Right to Water policy to encourage affordable access to safe and clean water by all Californians. It is also emerging policy that we "Make conservation a way of life," (Directive 1: 2016 California Water Action Plan). Providing water rate assistance to residents who use water

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inefficiently or in a wasteful manner is inconsistent with the Governor's directive. The state must incorporate both policy directives simultaneously to ensure fairness and equality for all. To forgo conversations related to consumption, water use, and baseline water needs while researching opportunities to invest in a Low-Income Water Rate Assistance Program represents a disconnect in the policy priorities and recommendations of the state.

- 2. Quantify the Problem: Establish a Mutually Agreed Upon Discussion of Need:** It is important to develop a widely agreed-upon assessment of the problem, especially if funding will be required for the execution of a statewide program, before the report mandated under AB 401 is completed. The research that identifies the scope of assistance needed should be available for broader scrutiny prior to the development of the report to the Legislature. Even with a substantial population of low-income residents, EMWD does not have evidence that people are going without water due to affordability concerns, which underscores the need for a fuller understanding and quantification of need.
- 3. Consideration of Tiered Rates as a Mechanism to Address Water Affordability:** Rate structures, such as allocation based tiered rates afford a mechanism for residents to control the cost of their water and pay less if they stay within their Tier 1 allocation. This is similar in nature to a "baseline allowance" that is assessed by electricity providers and this method also accommodates larger household sizes, as household size is a factor in water budget determination for Tier 1. Rate making methods that allow residents to control the costs of their water, such as allocation based rate structures, not only benefit low-income residents, it is also a tool that can be maximized by the working poor and those on a fixed income.
- 4. Proposition 218 Considerations:** Proposition 218 prohibits water providers from charging more than the cost of providing service; therefore, ratepayers cannot and should not subsidize the cost of providing water service to other similar ratepayers. Requiring water suppliers to collect a surcharge from customers to offset the cost of water for low-income residents is in direct contrast to the requirements of Proposition 218.
- 5. Task Government Agencies Currently Serving Low-Income Populations to Supplement Water Costs:** Agencies currently providing welfare services for state and federal agencies have the resources, data, and checks-and-balances, to manage, assess, and update program participation. Water providers do not have the expertise, staff, or resources to conduct the extensive verification efforts needed – and they simply should not be in the position of assessing a resident's income status. State agencies that

Ms. Felicia Marcus

February 6, 2017

Page 3

manage welfare related programs are a more appropriate and equipped service provider for any potential water rate assistance program. Expanding the services that are already provided by existing state agencies would potentially limit liability, duplication of services, overlapping responsibility, and administrative costs. The water bill assistance could be provided in either rebate form or cash supplement, similar to what is applied by a majority of existing income assistance programs.

- 6. State and Federal Resources as Potential Revenue Sources:** Resources to fund a statewide Low-Income Water Rate Assistance Program should be sourced from the State General Fund with additional resources from federal low-income resources. These funds could be coupled with conservation retrofits for disadvantaged communities sourced from cap-and-trade revenues, or similar funding opportunities, thus mirroring the dual rate assistance and efficiency upgrades offered for the energy sector customers. State and federal resources provide an equitable approach that reaffirms the state's commitment to ensuring that all Californians have a right to safe, clean, affordable and accessible water adequate for human consumption, cooking, and sanitary purposes.

Water affordability is a challenging issue to address especially when framed by state constitutionality constraints, source funding limitations, and policy considerations; however, we very much appreciate the opportunity to share our program recommendations. We hope you will consider EMWD as a resource as conversations progress on the topic of a Low-Income Water Rate Assistance Program. Please contact me at (951) 928-6130 or by email at [jonesp@emwd.org](mailto:jonesp@emwd.org) if you have any questions or concerns.

Sincerely,



Paul D. Jones II, P.E.  
General Manager

c: Members, State Water Resources Control Board