



June 15, 2017

Delivered by e-mail to: Max.Gomberg@waterboards.ca.gov

Max Gomberg
State Water Resources Control Board
1001 I Street
Sacramento, CA 95814

Subject: Further Comments on Statewide Low-Income Rate Assistance Program

Dear Mr. Gomberg:

The California Urban Water Agencies (CUWA) appreciates the continued dialogue with the State Water Resources Control Board (State Water Board) on water affordability in California. CUWA is a nonprofit corporation of 11 major urban water agencies collectively delivering drinking water to over two-thirds of California's population and is committed to providing clean and safe drinking water for their customers at all levels of income. CUWA agencies use a variety of approaches within existing municipal, regulatory, and legislative constraints to keep water affordable to low income households within their largely urban service areas. One of these approaches is a low-income rate assistance (LIRA) program; however current programs are heavily affected by Proposition 218 as rate assistance is constrained by the source of funds to the LIRA programs, and those choosing to apply since the programs are voluntary.

The State Water Board has been seeking input on development and implementation of a statewide LIRA program. In addition to our comment letter dated December 14, 2016, CUWA suggests that the following concepts be considered:

- **Consumer comparisons.** Recognize the substantial differences and exercise caution when presuming a consumer's utility options are similar across various utility services. Consumers living in apartments or condominiums may not have the ability to establish a water utility account. In some cases, there may be a third party such as a landlord or utility billing service (master meter) that pays the water bill while for other utilities there is an individual meter. Program elements in one utility sector may not be directly applicable to another sector and may vary by location.
- **Program efficiency and alignment.** Design the program so that a maximum percentage of funds collected would go to households vs. administration of program. Continue utilizing existing agency programs for assistance (local implementation) and consider a complementary centralized statewide program for entities that may not be able to or do not wish to develop their own program. A statewide program should be aligned with other social services to avoid duplication of administrative systems.
- **Eligibility determinations.** Consider factors other than Median Household Income (MHI) and federal poverty guidelines to determine eligibility. An option that could minimize administrative duplication in determining eligibility is to utilize the CalFresh (food stamp) program as it is already structured to assist income limited participants.

201 N. Civic Drive, Suite 115, Walnut Creek, CA 94596 925-210-2525 www.cuwa.org

- **Benefit eligibility.** Make customer participation and funding assistance prospective only, and not retroactive.
- **Implementation flexibility.** Allow agencies to determine eligibility criteria based on their local area (e.g. Council District or Ward) and conditions and other applicable requirements such as city or county charters, the Municipal Utility District (MUD) Act, or Proposition 218; there should not be a one size fits all solution. Criteria that CUWA has found effective include:
 - Verification of income requirements (both for initial program qualification and periodic verification of continued eligibility). If using another entity's process (e.g. electric utility low-income program) to determine eligibility, ensure those applications are appropriately verified.
 - Establishing that the participant is a direct customer of record of the agency, individually metered, and receives a water bill.
 - Consideration of number of individuals within the household to determine level of assistance.
- **Resolution of implementation issues.** Gather information to make informed decisions. Several issues are complex and require additional elaboration and discussion. For example:
 - Identifying the vehicle to provide the benefit to eligible households.
 - Individuals that may qualify for a LIRA program based on income or other criteria may not be the customer of record (e.g. renters). Further discussion should be held to explore how to reach all eligible households, such as alignment with other social services programs.
 - Some individuals may not be willing to provide information regarding their income, proof of identity, or number of members in the household. Solicit feedback on how to handle those who are not willing to provide proof of eligibility, even though they would be eligible.
 - Transparency is important. CUWA believes that access to safe, affordable drinking water for all Californians is a larger social welfare issue and should be addressed in the context of other social services. With this being the case, moving to a charge on water bills seems inappropriate. In addition, current billing systems may not be able to handle additional credits, fees, or charges or would require an administrative investment to update programming to maintain transparency on billing statements.

We look forward to participating in the upcoming round of workshops this and next month, and will provide our comments on the program scenarios in a separate letter. CUWA supports the State Water Board's commitment to addressing the water affordability issue in California and would like to continue discussing how to advance implementable solutions to this critical challenge statewide. Please contact Katie Porter at 213.271.2239 if you have any questions on our comments.

Sincerely,



Cindy Paulson, Ph.D.
CUWA Executive Director



Katie Porter, PE
CUWA Staff Engineer

Cc: Ms. Mary Yang, State Water Resources Control Board