

**Board of Directors**

Edmund K. Sprague, President  
Robert F. Topolovac, Vice President  
Lawrence A. Watt, Treasurer  
Robert M. Kephart, Secretary  
Christy Guerin, Director



**General Manager**  
Kimberly A. Thorner, Esq.  
**General Counsel**  
Alfred Smith, Esq.

February 1, 2019



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

Delivered by email: [commentletters@waterboard.ca.gov](mailto:commentletters@waterboard.ca.gov)

**Subject: Olivenhain Municipal Water District Comment Letter – Options for Implementation of a Statewide Low-Income Water Service Assistance Program**

Dear Chair Marcus and Members of the Board:

Olivenhain Municipal Water District is pleased to provide these comments on the draft Options for Implementation of a Statewide Low-Income Water Rate Assistance Program report released for public comment on January 3, 2019 by the State Water Resources Control Board. OMWD provides 86,000 customers in northern San Diego County with water, wastewater, recycled water, hydroelectric, and recreational services.

Implementing a statewide Water Low-Income Rate Assistance program faces considerable challenges, given the diverse nature of water service delivery and regulation in California. OMWD appreciates the opportunity to provide feedback into this decision-making at this stage in the process of program development.

1. Funding of the W-LIRA Program:

As with food, there should not be a tax on water at the retail/customer level, as water is a basic necessity. The draft report needs to further explore alternatives for funding income assistance, especially the general fund options suggested by the Association of California Water Agencies and California Municipal Utilities Association.

2. Distribution of the W-LIRA Benefit:

With regard to SWRCB's proposed approach to benefit distribution, the draft report reviews several existing options as well as creating new mechanisms for subsidy distribution. While a direct water nexus is optimal related to the subsidy or financial assistance, the real intent is providing monetary assistance to low-income families. As stated in the draft report, 72 percent of families do not pay a water bill directly, so the use of an existing assistance program, such as CalFresh, makes the most sense, as it can draw on the existing database of low-income families, would forego the need by community water systems to invest hundreds of millions of dollars statewide in updating software to track and verify



1966 Olivenhain Road • Encinitas, CA 92024  
Phone (760) 753-6466 • Fax (760) 753-1578 • [www.olivenhain.com](http://www.olivenhain.com)



customer income data, does not require new administrative staff and offices to manage, reduces overhead costs, and would be a simpler implementation mechanism. Federal legislation could be proposed to allow CalFresh participants to use their benefit to pay their water bill. CalFresh participants can currently use their benefits to buy bottled water which costs from \$0.89 per gallon to \$8.26 per gallon, compared to \$0.02 per gallon for water from the tap.

### 3. Basis of Assistance:

The determination of the consumption level at which to subsidize, 12 units, should not use the proposed 75 gallons per capita per day (55 for indoor and 20 for outdoor) in its calculation. The intent of the legislation is to provide assistance for water used for basic human needs, and including an additional 20 gallons for modest outdoor use is not consistent with that intent. Furthermore, as many program recipients reside in multi-family dwelling units and thus would not have outdoor water use needs, the additional 20 gpcd is inappropriate. As acknowledged in the report, the State Board considers 55 gpcd to be appropriate for indoor use, and this figure should be used for the basis of consumption level.

An additional area of concern in the consumption level calculation lies with the average household size. The report recommends subsidizing using a household size of four; however, no supporting documentation on how this number was selected was provided. Further research should be performed to determine an empirically supported average household size for program participants. The US Census Bureau reports that the median household size in California is just under three. In absence of an accurate measure of low income household size, three should be used for the basis of consumption level.

Using the aforementioned variables for the basis of monthly consumption, subsidizing seven units (one unit = one hundred cubic feet = 748 gallons) rather than 12 units would be appropriate.

### 4. Other Comments:

- Page 56: The appendices suggest that SWRCB will request, from the legislature, additional authority by which to exercise more oversight over how each water agency sets its rates. Though Water Code §106.3 establishes that “that every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes,” it also states that “The implementation of this section shall not infringe on the rights or responsibilities of any public water system.” Local water districts are best suited to determine the most appropriate rate structure for their ratepayers and are responsible for ensuring the financial security of the district. Furthermore, recommending SWRCB or the legislature to become involved in financial management or rate-setting activities of locally elected governments is not relevant to the discussion on a W-LIRA. If SWRCB wishes to pursue this oversight, a separate working group should be formed to discuss those issues. The reference to this oversight should, therefore, be deleted from the draft report.
- Page 7: The draft report also includes a discussion of failed legislation to address drinking water safety. This is also unrelated to the W-LIRA program and should be resolved separately by the legislature. We recommend this reference also be deleted from the draft report.

Thank you for the opportunity to provide these comments in advance of submitting SWRCB's final report to the legislature. If you or your staff should need any additional details pertaining to this comment letter, please feel free to contact me at [kthorner@olivenhain.com](mailto:kthorner@olivenhain.com) or 760-753-6466.

Very sincerely,



Kimberly A. Thorner  
General Manager

cc: Senate Pro Tem Toni Atkins  
Senator Brian Jones  
Senator Patricia Bates  
Senator Ben Hueso  
Assemblymember Todd Gloria  
Assemblymember Marie Waldron  
Assemblymember Brian Maienschein  
Assemblymember Tasha Boerner Horvath  
Dave Eggerton, Association of California Water Agencies  
Cindy Tuck, Association of California Water Agencies  
Dave Bolland, Association of California Water Agencies