

ATTACHMENT 1
DRAFT LETTER FOR DISCUSSION

MEMO

To: Board of Directors
From: District Manager
Subject: Supplement Re: Low Income Rate Assistance Program,
Board Meeting Agenda Item 5a
Date: June 18, 2020

SUMMARY AND BACKGROUND:

This memorandum supplements the San Lorenzo Valley Water District's previously published backup materials for agenda item 5a by furnishing a draft letter of support for the State Water Resources Control Board's (SWRCB) recommendations under Assembly Bill (AB) 401 (See Attachment 1).

The District is not aware of any pending legislation to implement the AB 401 recommendations. This makes it difficult to identify appropriate addressees for a letter.

For discussion purposes, the attached draft letter is addressed to the Assembly Appropriations Committee and the Assembly Utilities and Energy Committee, both of which were involved in passing AB 401. The draft letter is copied to local Assembly Member Mark Stone, legislative consultants for the two Assembly Committees, and the SWRCB point of contact.

ATTACHMENTS:

Attachment 1 - Draft Letter Re: AB 401

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[Insert District Letterhead]

June __, 2020

*[Assembly Appropriations Committee
State Capitol, Room 2114
Sacramento, California 95814*

*Assembly Utilities and Energy Committee
State Capitol, Room 5132
Sacramento, California 95814]*

Dear *[Chair Gonzalez and Members of the Appropriations Committee; Chair Holden and Members of the Committee on Utilities and Energy]*:

The San Lorenzo Valley Water District (“SLVWD”) commends the Committees and the Legislature for passing Assembly Bill 401 (“AB 401”) in 2015. AB 401 requires state agencies to develop a plan for funding and implementing a Low-Income Water Rate Assistance (“W-LIRA”) Program to help low-income Californians. The State Water Resources Control Board (“State Board”) issued the AB 401 Final Report (“Report”) in February 2020. SLVWD applauds the State Board for the Report.

SLVWD is a public water agency serving the communities of Boulder Creek, Brookdale, Ben Lomond, Lompico, Zayante, Scotts Valley, Manana Woods and Felton located in a mountainous area of Santa Cruz County. These communities include low-income households and households getting by on fixed incomes.

The State Board’s Report presents carefully crafted recommendations for a statewide W-LIRA program to the Legislature. The Report includes detailed recommendations for establishing direct water bill credits, renters’ water bill assistance, and water crisis assistance.

The Report explains why a *statewide* program is needed, whereas providing effective assistance at the local system level is impractical. Many water systems (especially smaller systems or those with large numbers of low-income households) would need to impose outsized burdens on higher-income households. Proposition 218 prevents public agencies such as SLVWD from raising the water rates on high-income households in order to reduce the burdens on low-income neighbors.

SLVWD agrees with many aspects of the Report. SLVWD is seeking to provide rate assistance to its qualifying low-income customers, within the confines of the law. While local measures are possible, and may be implemented by SLVWD as a stopgap, they are inadequate. Limited funds legally can be used for this purpose under Proposition 218. Also, local programs have high startup and administration costs.

The COVID-19 emergency brings this issue into even sharper focus. California’s low-income households are among those hardest hit. Statewide orders to cease water shutoffs merely defer, and do not resolve, long-term economic impacts. The need for water bill assistance is more urgent than ever.

The State Board’s Report emphasizes that drinking water is a basic human need. Yet the retail cost of water has risen substantially over the last decade and is expected to continue to rise in order to replace

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aging infrastructure, meet treatment standards, diversify supplies, and maintain a well-trained workforce.

Assembly Bill 685 (“AB 685”) established the human right to water as state policy in 2012. Following AB 685 the Legislature has passed various laws aimed at making this policy a reality. The clear next step is new legislation to implement the Report’s recommendations for statewide W-LIRA. Legislative action is needed now as communities plan for reopening the economy in the wake of COVID-19.

SLVWD urges swift adoption of legislation to implement the recommendations of the State Board Report. SLVWD respectfully encourages each Committee Member to introduce and/or support such legislation, and thanks the Committees for their attention to this issue of statewide importance.

Steve Swan

President, Board of Directors
San Lorenzo Valley Water District

[Cc: *Assembly Member Mark Stone, by email: _____*]
Jay Dickenson, Chief Consultant, by fax: 916.319.2181
Mary McDonald, Chief Consultant, by fax: 916.319.3099
Jennifer Galehouse, Deputy Chief Consultant, by fax: 916.319.2181
Mary Yang, State Water Resources Control Board, by email: Mary.Yang@Waterboards.ca.gov
Rick Rogers, SLVWD District Manager, by email: rrogers@slvwd.com]