

Ratepayer Assistance Program

Finance & Administration Committee Meeting

January 24, 2022

Director's request to research

- Director Plambeck requested that staff look into supporting and promoting a Lifeline rate for water rate payers in our valley. (This request was forwarded to the Public Outreach and Legislation Committee for consideration.)
- Public Outreach and Legislation Committee received a report from Assistant General Manager, Steve Cole.
- Director Armitage requested that we continue to look into rate payer assistance for our customers. She mentioned that Elsinore Valley Municipal Water District is creating a rate assistance program for their customers which includes using lease money from their cell towers to offset costs, replacement projects and other programs. She was hoping that the Public Outreach and Legislation Committee could look into something similar.
- The Finance & Administration Committee is being presented with this topic and will provide direction on any next steps.

Public Policy Institute of California

- **Public water agencies are restricted in assisting low-income customers with water bills.** Many large (private) utilities offer “lifeline” rates that can subsidize bills of low-income customers, but [enrollment is often low](#).
- Private water utilities have been able to expand these programs as rates have risen.
- In contrast, public agencies have been constrained since the 1996 passage of Proposition 218—a constitutional amendment that requires a tight connection between water rates and cost of service. To launch or expand assistance programs, these agencies need to use non-rate revenue (e.g., property taxes) or seek approval of new taxes by two-thirds of local voters.
- As an alternative, the State Water Board has recommended a statewide [low-income water rate assistance program](#) to benefit about 4.7 million households at a cost of about \$600 million annually. Congressional bills have proposed federal water rate assistance, similar to an energy rate assistance program. Racial income disparities mean people of color are more likely to need assistance.

A summary of Senate Bill 222

- SB 222, Low Income Water Rate Assistance Fund would:
 - Establish the Water Affordability Assistance Fund in the State Treasury
 - Authorize the State Water Resources Control Board to establish guidelines and criteria for the program
 - Money deposited in the Fund would be used for
 - Direct water bill assistance
 - Water bill credits to renters
 - Water crisis assistance
 - Water efficiency measures for low-income households
 - Short-term assistance to public water systems
- SB 222 is currently in the “inactive file” on the request of Assembly Member Robert Rivas.

Arguments in Support

According to a number of organizations, including Clean Water Action, the Community Water Center, the Dolores Huerta Foundation for Community Organizing, and the Western Center on Law and Poverty, "SB 222 would establish a long-needed framework for a statewide water affordability assistance program. No one should ever have their water shut off due to inability to pay, but Californians struggled with water affordability issues and experienced high numbers of water shutoffs even before the pandemic.

The water sector has long lacked a universal affordability state program and adequate shutoff and bill repayment protections for low-income households. No less importantly, the need for water affordability assistance is not going away — it has been a major challenge and gap in our utility safety net for decades and water affordability challenges will only continue to increase due to the rising cost of water. The pandemic has dramatically increased attention to the lack of a statewide water affordability program and there is real urgency to address it.

Access to affordable water is a racial justice and equity issue -- and without action, our water debt and water shutoffs crisis will prevent California from achieving an equitable COVID-19 pandemic recovery."

Arguments in Opposition

According to the Association of California Water Agencies (ACWA), "ACWA has an "oppose unless"-amended position on SB 222.

SB 222 does not propose a funding source for a program that is estimated to cost over \$600 million per year; the implementing agency - the Department of Community Services and Development (Department) – should be charged with approving the funding plan – as opposed to having two State agencies approve it; instead of creating a needs analysis and having three state agencies develop affordability challenge metrics, ACWA suggests that the part of the funding that would have gone to that work go to assisting to low-income households; and, SB 222 proposes a cap on state administration costs but does not propose a cap on state implementation costs."

Palmdale Water District (PWD) Rate Assistance Program (RAP)

- Palmdale Water District (PWD) Rate Assistance Program (RAP) is for eligible seniors 62 and older, veterans of any age and low-income families to assist them with their water bills in 2022.
- Qualifying RAP participants can receive up to 50% off their monthly \$45.52 service fee, or \$22.76, starting in January 2022. Applications are accepted each November through June and are offered on a first-come, first-served basis. Customers must reapply annually.
- The RAP was launched in 2015 after PWD Board President Gloria Dizmang, who was serving her first term on the Board, asked staff to study ways to offer assistance to senior citizens needing help with their monthly water bills. It was expanded to include veterans and low-income families. PWD uses about \$160,000 from its non-operating revenues, such as proceeds from leasing District-owned property, to fund the program each year. No revenues from ratepayers are used for the RAP.
- "I am very pleased that the RAP is still going strong," President Dizmang said. "We know that some of our customers really need the help. I continue to believe it's vital for us to offer them assistance.
- As of Sept. 30, there were 709 RAP participants made up of 359 seniors, 336 low-income families and 14 veterans. Six years ago, when the RAP started, 289 customers were enrolled.
- **To apply for the RAP, applicants must provide proof of income and be enrolled in the California Alternate Rates for Energy (CARE) program with Southern California Edison or Southern California Gas Co. RAP applications can be completed online at palmdalewater.org. For more information and assistance, please call the Customer Care Department at 661-947-4111.**

Elsinore Valley Municipal Water District

Program Qualifications

- Must be enrolled in the Southern California Edison or Southern California Gas CARE program.
- Customer must reside at the property where the credit is received and the name on the Southern California Edison bill or the Southern California Gas bill reflecting the enrollment of the CARE program, must match the name on the EVMWD water bill.
- The program is open to current EVMWD residential customers only.
- Customer must register for EVMWD's Advanced Meter Program AquaHawk and sign up for alerts.
- Customer must schedule and complete a water evaluation performed by EVMWD.
- Customer must use 13 ccf (billing units) or less in a thirty (30) day billing period to qualify.

East Bay Municipal Water District

- EBMUD offers a Customer Assistance Program (CAP) to help pay a portion of the water bill for qualified low-income residential customers and eligible homeless shelters
- Residential Dwelling Units
- Eligible customers may qualify for 50 percent off of the standard bimonthly service charge and 50 percent off of the home water use in each eligible household, up to a maximum of 1,050 gallons per person per month (1050/748 = 1.4 billing units per person/month)
- A 35 percent discount on EBMUD wastewater service charge and flow charges collected will be applied to the account.
- Participation is valid for two years. To continue assistance, applicants must reapply. The program is not retroactive.

Other means of assistance

- For agencies that do have rate assistance programs funding, it is often for a limited term and provided by:
 - The county the agency resides in: Local nonprofits
 - The water agency (using non-ratepayer funds from rental income or surplus land sales)
 - California Department of Housing and Community Development's CA COVID-19 Rent Relief program.
- At this time Los Angeles County does not provide rate assistance for water bills and we have not identified any nonprofits in the region providing assistance.

A Simple Estimate of Assistance

- According to state and county poverty guidelines, 8.4 percent (17,058) of Santa Clarita Valley (SCV) residents live below the poverty line, which is less than the state's poverty level of 11.8 percent.
- Assuming 4 residents per water account $17,058/4 = 4,264$ accounts
- Assuming assistance of 50% of the fixed charge of $\frac{3}{4}$ " Monthly Fixed charge of \$18.38 (\$9.19)
- Annual cost would be (4,264 accounts X \$9.19 per account per month x 12 months) \$470,233
- This simple analysis does not include the cost of advertising or administration of the program

Where Would the Funding Come From?

- For an Agency program, non-rate revenues could be used.
 - Currently non-rate revenues are used to offset the need for higher rates for all customers.
 - Such an action may trigger the need for a new cost of service study.