



SCV
WATER

ITEM NO.
6.2

Ratepayer Assistance Program

Process History

- February 2022, staff presented Ratepayer Assistance Programs
 - Program on hold pending SB 222
 - To establish a Water Rate Assistance Program and Water Rate Assistance Fund to provide water affordability assistance for drinking and wastewater services to low-income ratepayers)
- SB 222 passed at the end of session.
 - Governor Newsom vetoed the bill
 - There was “no funding identified”
 - It would create “an ongoing program that would require all community water systems and wastewater systems to participate”
 - “Would result in significant General Fund pressures in the billions of dollars to provide such assistance.”
- SCV Water registered with LIHWAP as a participating water system in April 2022
 - 5 payments received to date from this program
 - Expires August 2023, unless extended
 - Governor added \$200 million to the program with the 2022-23 budget
- SCV Water offers extended payment plans – up to 12 months – to avoid disruption of service.



Agencies Offering a Ratepayer Assistance Program?

- Cucamonga Valley Water District (benchmark)
- LADWP (benchmark)
- Torrance Municipal Water (benchmark)
- Crescenta Valley Water District
- Rowland Water District
- Contra Costa Water District
- Elsinore Valley Municipal Water District
- East Bay Municipal Water District
- Palmdale Water District



A Simple Estimate of Assistance

- According to Santa Clarita Economic Development Corporation in 2022, 7.3% (21,807) of families in the Santa Clarita Valley, out of a population (298,731), lie below the poverty level
- Assuming 4 residents per water account $21,807/4 = 5,452$ accounts
- Assuming assistance of \$10 off the fixed charge
- Annual cost would be (5,452 accounts X \$10 per account per month x 12 months) \$654,240
- An alternative would be to fixed the annual allocation to the program as not all low-income families are responsible to pay their water bill

Where Would the Funding Come From?

- For an Agency program, non-rate revenues could be used
 - 1% Property Tax
 - Cell Lease/Rental Income
- Currently non-rate revenues are used to offset the need for higher rates for all customers
- Funding would ultimately reduce the pay-go budget until a new cost of service study and new rates were adopted

F&A Committee Discussion

- Interest in pursuing further development of a ratepayer assistance program
- Desired amount of monthly assistance per account
- Eligibility criteria
- What amount of funds would be desired or provided for the program on an annual basis?
 - Other non-rate revenue sources would need to be identified

OR

- Wait to see if new legislation is introduced which addresses the lack of identified funding in the vetoed SB 222



Pilot Program Developed

- Recommended Guidelines

1. Use the So Cal Edison (SCE) and So Cal Gas CARE program to determine income eligibility
2. Establish a priority for Seniors >62, veterans and the permanently disabled
3. Only residential, individually metered accounts will be eligible (=<1”)
4. Require that the eligibility account (SCE or SoCalGas) be in the same name or service address as the SCV Water account holder
5. Require account holders to requalify each fiscal year
6. Allocate \$100,000 per year from non rate revenues, approve annually
7. Pilot program – 3 years

Program Funding Alternatives

- Research other methods that can fund or offset the ratepayer assistance program expense without impacting current ratepayers.
- Agency's existing functionality
 - Direct donations
 - Round up feature on existing customers credit card payment
 - A link on our website for donations (through Invoice Cloud)
- Other fundraising platforms
 - Donate Kindly
 - GoFundMe
 - Others



Recommendation

- That the Finance and Administration Committee recommends that the Board of Directors approve a Ratepayer Assistance Pilot Program.

