



**SCV**  
**WATER**

# Ratepayer Assistance Program

# 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.



# Agenda

- **What is a ratepayer assistance program?**
- Examples
- SB222 Low Income Water Rate Assistance Fund
- California Low Income Household Water Assistance Program (LIHWAP)
- What *could* a program look like at SCV Water?

# What is a Ratepayer Assistance Program?

- Water bill payment assistance
- Most commonly based on household income
- In Southern California, common requirement is for customer to be the California Alternate Rates for Energy Program
- Reduction of water bill, not full elimination of bill

# Examples

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

- 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. Customers must reapply annually.

## Elsinore Valley Municipal Water District

- Customer must use 13 ccf (billing units) or less in a thirty (30) day billing period to qualify.
- Customer must register for EVMWD's Advanced Meter Program

## East Bay Municipal Water District Customer Assistance Program (CAP)

- to help pay a portion of the water bill for qualified low-income residential customers and eligible homeless shelters
- 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)

# Other Programs

- SB222 Low Income Water Rate Assistance Fund
  - 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
- Low Income Household Water Assistance Program (LIHWAP)
  - The State is setting up this federally funded, temporary program to provide assistance with past due water bills to avoid service being shut off.

# Other Means of Assistance

- For agencies that do have rate assistance programs, funding 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 ¾" 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

# Questions/Comments/Discussion

