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### **RE: Comment Letter – LIRA Program Scenarios**

The Georgetown Divide Public Utility District (GDPUD) is submitting this letter with comments in response to the request for input regarding the Low Income Rate Assistance Program (LIRA) scenarios that have been presented by the State Water Board. During May and July 2017, I attended two presentations by State Water Board staff regarding the implementation scenarios for AB401. Based on the information presented, and the presentations available, GDPUD has the following comments.

1. A comprehensive program to collaborate with stakeholders is needed. AB401 requires the State Water Board to collaborate with stakeholders. At this point in time, there has been no collaboration with water agencies. The public meetings have been a useful tool for the State Water Board staff to communicate their proposals to interested parties. Unfortunately, the two meetings that I have attended provided no opportunity for meaningful input from stakeholders. State Water Board staff that attended the meetings answered questions to the best of their ability. Unfortunately, they did not attempt to collaborate with water agencies and appeared to be interested in defending the scenarios and dismissing any concerns raised by stakeholders. GDPUD recommends that the State Water Board create a stakeholder group or groups to work collaboratively through a series of meetings to develop a well thought out LIRA. The stakeholder group would be able to truly evaluate suggestions from all interested parties and utilize the skills of the many experts in the water utility field to work through issues and develop a successful LIRA program
2. Water cost as a percentage of household income needs to be factored into the LIRA. The presentations and scenarios rely heavily on the 200% of the Federal Poverty Level to establish the threshold to qualify for LIRA. This results in 34% of California households qualifying for the program, and over 75% of customers in some water agencies. This metric appears overly broad. Best practices for Proposition 218 water rate studies take into account affordability by calculating the water bill as a percentage of household income. This metric of water bill as a percentage of household income should also be used in the LIRA program.

3. Consider basing the discount on the volume of water for reasonable indoor usage.
4. Provide a mechanism that will allow water agencies to continue or develop their own local programs, and allow those local programs to have access to any new funding mechanism that is implemented as part of the statewide LIRA.
5. Evaluate and determine the best method to distribute the discounts to renters who may or may not pay the water bill directly.
6. Evaluate the impact of Proposition 218 requirements on the proposed funding mechanisms. Current law does not allow one user group to subsidize water use by another user group. Current local LIRA programs must use funding sources other than water rates.
7. Explain why 20% rebate amount was chosen and evaluate other rebate amounts.
8. The LIRA plan needs to include an evaluation and recommendation of other methods of assistance besides rate assistance. AB401 states that the plan may also include recommendations for other cost-effective methods of offering assistance to low-income water customers besides rate assistance, including billing alternatives, installation of water conservation devices, and leak repair.

GDPUD appreciates this opportunity to provide comment on the information presented to date and looks forward to collaborating with the State Water Board and other stakeholders as the process moves forward and a report is prepared for the legislature.

Sincerely,

A handwritten signature in black ink, appearing to read 'S Palmer', with a stylized flourish at the end.

Steven Palmer, PE  
General Manager

Cc: Board of Directors