



November 16, 2016

Ms. Kathy Frevert
Division of Drinking Water
State Water Resources Control Board
1001 I Street
Sacramento, CA 95814 – VIA EMAIL: Kathy.Frevert@waterboards.ca.gov

Subject: Comments on Low-Income Rate Assistance

Dear Ms. Frevert:

The California Association of Mutual Water Companies (CalMutuals), appreciates the opportunity of submitting the following comments regarding the low-income water rate assistance plan.

CalMutuals represents over 400 mutual water companies statewide, many of which are small with less than 200 connections. A low-income water rate assistance program would benefit a portion of our members operating in disadvantaged communities. While we support said program, our members do not operate like public agencies and thus, hope that the State Water Resources Control Board (“the Board”) takes into account the following considerations.

As private not-for-profit entities, mutual water companies may only charge the cost of service and are not eligible to receive subsidies. Mutual water companies are legally obligated to assess fees based upon the service provided – assessing shareholders unequally to sustain a low-income assistance program conflicts with the “cost of service” requirements that mutual water companies must adhere to.

Many small mutual water companies, especially those operating in DAC’s, are managed by volunteers. As a result, concerns may arise with the technological and administrative tasks associated with the implementation of a low-income water rate assistance program.

Alternative approaches that could include residents that are mutual water company shareholders with low incomes may include: Providing assistance through existing state-funded programs that help low income residence aid (i.e. Supplemental Nutrition Assistance Program (SNAP), California Work Opportunity and Responsibility to Kids (CalWORKs), and Cash Assistance Program for Immigrants (CAPI).

We also encourage the Board to provide clarity on what the threshold for “low-income” will be as that will have an impact on what systems will be eligible for the program.

We appreciate your consideration of our comments and look forward to continuing to work with the Board in the drafting of a low-income rate assistance plan.

Sincerely yours,

Adán Ortega, Executive Director
CalMutuals