



July 26, 2022

The Honorable Gavin Newsom
 Governor
 1021 O Street, Suite 9000
 Sacramento, CA 95814

The Honorable Toni Atkins
 Senate President Pro Tempore
 1021 O Street, Suite 8518
 Sacramento, CA 95814

The Honorable Nancy Skinner
 Chair, Senate Budget and Fiscal Review
 State Capitol, Room 502
 Sacramento, CA 95814

The Honorable Bob Wieckowski
 Chair, Senate Budget Subcommittee 2
 1020 N Street, Room 502
 Sacramento, CA 95814

The Honorable Anthony Rendon
 Speaker of the Assembly
 1021 O Street, Suite 8330
 Sacramento, CA 95814

The Honorable Philip C. Ting
 Chair, Assembly Committee on Budget
 State Capitol, Room 8230
 Sacramento, CA 95814

The Honorable Richard Bloom
 Chair, Assembly Budget Subcommittee 3
 State Capitol Room 8230
 Sacramento, CA 95814

Re: \$200 M for Low-Income Water Efficiency Assistance in the 2022-23 Budget

Dear Governor Newsom, President Pro Tempore Atkins, Speaker Rendon, and Chairs Skinner and Ting;

The organizations signed below work in partnership with disadvantaged communities and communities of color who are experiencing the twin crises of climate change and economic inequality.

We commend you for including a landmark \$19 billion climate package in this year's budget. **As part of the climate package, we call for trailer bill language to allocate \$200 million over two years for Low-Income Water Efficiency Assistance.** This allocation has been requested in earlier letters, and also appeared in the May 10 Senate Budget Subcommittee 2 Hearing Agenda.^{1,2,3}

Low-Income Water Efficiency Assistance would pay for free home water audits, leak repairs, and efficient water fixtures to income-qualified households who pay a water bill. The goals are to keep the cost of meeting essential water needs affordable for low-income households, while improving the drought-resilience of the state. Free, direct-install programs are essential for reaching low-income households, who cannot take advantage of rebate programs and partial discounts.

Water affordability is an urgent problem, with water rates going up 5% in real dollars each year in California.⁴ Middle and upper-income households have access to modern fixtures and plumbers that make it easy to meet their daily needs with relatively little water. By contrast, homes occupied by low-income families are more likely to be older, with out-of-date fixtures and leaks. These households use more water to accomplish the same tasks as their better-off neighbors.⁵

When low-income households have out-of-date fixtures and leaks, their bills go up. In 2019, some 240,000 households in California had their water shut off for failure to pay, and water

¹ Letter to the Legislature. *January Budget And Critical Drought, Water Equity and Sustainability Investments and Budgetary Actions*. February 7, 2022. Signed by Clean Water Action, Community Water Center, Leadership Counsel for Justice & Accountability, Self-Help Enterprises, California Environmental Voters Nextgen Policy, LAANE, Natural Resources Defense Council, Union of Concerned Scientists, and Rural Community Assistance Corporation.

² Letter to the Legislature. *Support for \$1.5 Billion Drinking Water Budget Package*. May 31, 2002. Signed by Clean Water Action, Community Water Center, Leadership Counsel for Justice & Accountability, LAANE, Natural Resources Defense Council.

³ Agenda for Senate Budget Subcommittee 2. May 10, 2022. See pp. 9, *\$200 million for direct installation of efficiency improvements that will save water and lower water and sewer bills in low-income households*.

⁴ California Water Board. *Options for Implementation of a Statewide Low-Income Water Rate Assistance Program*. Sacramento, California, 2019. https://www.waterboards.ca.gov/water_issues/programs/conservation_portal/assistance/docs/ab401_report.pdf.

⁵ Alliance for Water Efficiency. 2022. *An Assessment of Water Affordability & Conservation Potential in Long Beach California*. <https://www.allianceforwaterefficiency.org/impact/our-work/assessment-water-affordability-conservation-potential-long-beach-california>. Willis, R., R.A. Stewart, K. Panuwatwanich, B. Capati, D. Giurco. 2009. Gold Coast Domestic Water End Use Study. Water. September 2009: pp 79-85.

shutoffs are disproportionately clustered in low-income and communities of color.⁶ **Making sure that low-income families can afford the bill for their essential drinking water needs is a key part of the Human Right to Water.**

Water efficiency is also vital for drought resiliency for California. The Governor has asked urban water systems to reduce their water use by 15%, yet the state has sorely missed these goals. **Improving efficiency in low-income households will help urban water systems meet the voluntary conservation target, and achieve long-term indoor use efficiency targets..**

We recommend that the state budget include \$200 million for low-income water efficiency over two years as follows:

1. Supplement the current CPUC Energy Saving Assistance Program (ESAP) to include more water-saving measures (\$150 million);
2. Establish a new grant program at DWR for direct install water efficiency programs for low-income households carried out by local agencies and organizations (\$50 million).

The Low-Income Water Efficiency Programs would yield major savings for low-income households on their water bills, and conserve a substantial amount of water. We estimate the two programs together would:

- Serve over 200,000 income-qualified households with water efficiency upgrades
- Save over 4.8 billion gallons of water per year
- Reduce water/sewer bills for low-income households by nearly \$54 million per year
- Save the average participating household \$200 a year on their water bill

For the above reasons, we urge you to include Low-Income Water Efficiency in this year's climate package. For questions or more information, please contact Laura Feinstein, lfeinstein@spur.org.

Sincerely,

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⁶ <https://pacinst.org/when-california-utilities-shut-off-water-for-the-poor-we-are-all-at-risk/>.
<https://pacinst.org/publication/equity-dimensions-of-disconnections/>

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