

# The Metropolitan Water District of Southern California

# Agenda

The mission of the Metropolitan Water District of Southern California is to provide its service area with adequate and reliable supplies of high-quality water to meet present and future needs in an environmentally and economically responsible way.

## **EI&A Committee**

T. McCoy, Chair  
G. Cordero, Vice Chair  
D. De Jesus  
B. Dennstedt  
L. Dick  
A. Fellow  
L. Fong-Sakai  
J. Garza  
G. Gray  
M. Luna  
N. Sutley

## **Equity, Inclusion, and Affordability Committee - Final**

Meeting with Board of Directors \*

**October 24, 2023**

**9:30 a.m.**

Agendas, live streaming, meeting schedules, and other board materials are available here: <https://mwdh2o.legistar.com/Calendar.aspx>. A listen-only phone line is available at 1-877-853-5257; enter meeting ID: 891 1613 4145. Members of the public may present their comments to the Board on matters within their jurisdiction as listed on the agenda via in-person or teleconference. To participate via teleconference 1-833-548-0276 and enter meeting ID: 815 2066 4276 or click <https://us06web.zoom.us/j/81520664276pwd=a1RTQWh6V3h3ckFhNmduUWpKR1c2Zz09>

**Tuesday, October 24, 2023  
Meeting Schedule**

**09:30 a.m. EIA  
11:30 a.m. Break  
12:30 p.m. Exec**

---

**MWD Headquarters Building • 700 N. Alameda Street • Los Angeles, CA 90012**

**Teleconference Locations:**

**#10 Cumberland • Belmont, MA 02478**

**Three Valleys MWD • 1021 E. Miramar Ave. • Claremont, CA 91789**

**525 Via La Selva • Redondo Beach, CA 90277**

**3008 W. 82nd Place • Inglewood, CA 90305**

**3024 Fairview Drive • Vista, CA 92084**

---

\* The Metropolitan Water District's meeting of this Committee is noticed as a joint committee meeting with the Board of Directors for the purpose of compliance with the Brown Act. Members of the Board who are not assigned to this Committee may participate as members of the Board, whether or not a quorum of the Board is present. In order to preserve the function of the committee as advisory to the Board, members of the Board who are not assigned to this Committee will not vote on matters before this Committee.

- 1. Opportunity for members of the public to address the committee on matters within the committee's jurisdiction (As required by Gov. Code Section 54954.3(a))**

**\*\* CONSENT CALENDAR ITEMS -- ACTION \*\***

- 2. CONSENT CALENDAR OTHER ITEMS - ACTION**

- A. Approval of the Minutes of the Equity, Inclusion, and Affordability Committee for August 14, 2023 (Copies have been submitted to each Director, any additions, corrections, or omissions) [21-2418](#)

**Attachments:** [10102023 EIA 2A \(08142023\) Minutes](#)

### 3. **CONSENT CALENDAR ITEMS - ACTION**

NONE

**\*\* END OF CONSENT CALENDAR ITEMS \*\***

### 4. **OTHER BOARD ITEMS - ACTION**

NONE

### 5. **BOARD INFORMATION ITEMS**

NONE

### 6. **COMMITTEE ITEMS**

- a. Panel on Affordability [21-2683](#)

Panelist:

Joe Mouawad, General Manager, Eastern Municipal Water District  
Jennifer Capitolo, Executive Director, California Water Association  
Jennifer Clary, California Director, Clean Water Action/Clean Water Fund

George Rofail, Chief Customer Officer, Los Angeles Department of Water and Power

**Attachments:** [10242023 EIA 6a Presentation Revised](#)

### 7. **MANAGEMENT ANNOUNCEMENTS AND HIGHLIGHTS**

- a. Diversity, Equity, and Inclusion activities [21-2417](#)

### 8. **FOLLOW-UP ITEMS**

NONE

### 9. **FUTURE AGENDA ITEMS**

### 10. **ADJOURNMENT**

**NOTE:** This committee reviews items and makes a recommendation for final action to the full Board of Directors. Final action will be taken by the Board of Directors. Committee agendas may be obtained on Metropolitan's Web site <https://mwdh2o.legistar.com/Calendar.aspx>. This committee will not take any final action that is binding on the Board, even when a quorum of the Board is present.

Writings relating to open session agenda items distributed to Directors less than 72 hours prior to a regular meeting are available for public inspection at Metropolitan's Headquarters Building and on Metropolitan's Web site <https://mwdh2o.legistar.com/Calendar.aspx>.

Requests for a disability-related modification or accommodation, including auxiliary aids or services, in order to attend or participate in a meeting should be made to the Board Executive Secretary in advance of the meeting to ensure availability of the requested service or accommodation.

# **THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA**

## **MINUTES**

### **EQUITY, INCLUSION, AND AFFORDABILITY COMMITTEE**

**August 14, 2023**

Chair McCoy called the meeting to order at 9:31 a.m.

Members present: Directors Cordero, Dick, Fellow, Fong-Sakai, Gray (teleconference posted location), and McCoy.

Members absent: Directors De Jesus, Dennstedt, Garza, Luna, and Sutley.

Other Members present: Armstrong, Goldberg, Kurtz, Ortega, Peterson (teleconference posted location), and Pressman (teleconference posted location).

Committee Staff present: Crosson, Hagekhalil, Kasaine, Rohen, Ros, and Thomas.

#### **1. OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO ADDRESS THE COMMITTEE ON MATTERS WITHIN THE COMMITTEE'S JURISDICTION**

Caty Wagner, Sierra Club California commented.

### **CONSENT CALENDAR ITEMS — ACTION**

#### **2. CONSENT CALENDAR OTHER ITEMS – ACTION**

- a.                   Subject:           Approval of the Minutes of the Equity, Inclusion, and Affordability Committee for July 25, 2023 (Copies have been submitted to each Director, Any additions, corrections, or omissions)

#### **3. CONSENT CALENDAR ITEMS – ACTION**

None

Director Fellow made a motion, seconded by Director Fong-Sakai, to approve the consent calendar consisting of item 2a.

The vote was:

Ayes: Directors Cordero, Dick, Fellow, Fong-Sakai, Gray, and McCoy.

Noes: None

Abstentions: None

Absent: Directors De Jesus, Dennstedt, Garza, Luna, and Sutley.

The motion for items 2a passed by a vote of 6 ayes, 0 noes, 0 abstain, and 5 absent.

## **END OF CONSENT CALENDAR ITEMS**

### **4. OTHER BOARD ITEMS – ACTION**

None

### **5. BOARD INFORMATION ITEMS**

None

### **6. COMMITTEE ITEMS**

- a. Subject: A Survey of Member Agency Programs offered to Disadvantaged Communities as defined in Water Code 79505.5  
Presented by: Patty Quilizapa, Senior Deputy General Counsel  
Adrian Hightower, Special Projects Manager

Ms. Katano introduced the item. Ms. Quilizapa presented the committee with an overview of Metropolitan's customers, Metropolitan services, and Affordability at Metropolitan. Mr. Hightower continued the presentation with the results of the Member Agency Survey. The survey results included community programs, Agency programs offered to disadvantaged communities, and the percentage of disadvantaged community customers within the Member Agency service area.

The following Directors provided comments or asked questions:

1. Fong-Sakai
2. Armstrong
3. Goldberg
4. Ortega
5. Fellow
6. Cordero

Staff responded to the Directors' comments and questions.

- b.           Subject:           Panel Discussion on Affordability:
- Ismahan Abdullahi, National Executive Director at Muslim American Society: Public Affairs and Civic Engagement; San Diego County Water Authority Board Member
  - Maura Allaire, Assistant Professor, University California Irvine School of Social Ecology
  - Jennifer Capitolo, California Water Association
  - Dan Denham, General Manager at San Diego County Water Authority
  - Mauricio Guardado, General Manager United Water Conservation District
- Presented by:   Liz Crosson, Chief Sustainability, Resilience, and Innovation Officer  
                      Liji Thomas, Chief Diversity, Equity, and Inclusion Officer

Ms. Kasaine introduced the item and Ms. Crosson introduced Ms. Thomas, the Chief Diversity, Equity, and Inclusion Officer, who moderated today's panel. Ms. Thomas provided an overview of the objectives of the panel. She then introduced the panelist Mauricio Guardado, General Manager of United Water Conservation District; Maura Allaire, Assistant Professor, at the University of California Irvine School of Social Ecology; Dan Denham, General Manager at San Diego County Water Authority; Jennifer Capitolo, California Water Association; Ismahan Abdullahi, National Executive Director at Muslim American Society: Public Affairs and Civic Engagement; SDCWA Board Member; Mary Matava, President & Agronomist at Agri Service Inc.

Ms. Thomas asked the panel the following questions: 1. a. What specific factors do you see increasing affordability challenges facing the water sector and water customers? b. Where do think MWD plays the most significant role affecting affordability aging infrastructure, regulatory changes, imported water costs, contaminated groundwater, labor needs, climate pressures, supply chain issues, rulemaking process, and changes in rates? c. How do MWD's programs help to offset these factors/pressures? 2. a. What do you think Metropolitan's role is in addressing affordability challenges at the wholesale level? Are there other types of support that Met can offer to address these challenges? Is there a role at the retail level? b. Thoughts on Metropolitan's approach to California's mandate on the Human Right to water; 3. a. How have you seen utilities address affordability challenges related to climate investments? 4. What are potential strategies for distributing the costs of water infrastructure investments among ag users and water agencies?

The following Directors provided comments or asked questions:

1. Ortega
2. Fong-Sakai
3. Dick

Staff responded to the Directors' comments and questions.

**7. MANAGEMENT REPORTS**

- a. Subject: Diversity, Equity, and Inclusion Manager's Report

No report was given.

**8. FOLLOW-UP ITEMS**

None

**9. FUTURE AGENDA ITEMS**

None

**10. ADJOURNMENT**

The meeting adjourned at 11:32 a.m.

Tana McCoy  
Chair



Equity, Inclusion, and Affordability Committee

# Panel on Affordability

Item 6a

October 24, 2023



## Today's Agenda

9:30 am –10:00 am Roll call & Public comment

**Presentation** – Introduction to current policies and overview of water affordability programs.

10:00 am –11:30 am **Panel on Water Affordability**

- Welcome & Panelist Introductions
- Three Questions on Affordability - *Open to all Panelists*
- Board Questions and Discussion (remaining time)

## EIA Panels on Affordability



### August 2023

Panel 1: Discussion of member agency programs

### October 2023

Panel 2: Metropolitan's role in household water affordability

### November 2023

Panel 3: Regulatory requirements impacting costs

### January 2024

Panel 4: Metropolitan's efforts to contain/offset costs

This series of panels will inform the CAMP4W **first year progress report** for the board, specifically regarding **next steps for coming year**

## EIA Panel on Affordability

### Subject

- Follow-up to Board's request for discussions on affordability to inform the Board's Climate Adaptation Master Plan for Water (CAMP4W) process
- Expand on initial CAMP4W thematic statements on affordability that will serve as guideposts in the development of evaluative criteria

## EIA Panel on Affordability

### Purpose

1. Increase understanding on the various dimensions of household water affordability
2. Explore challenges in implementing low-income rate assistance programs (LIRA)
3. Discuss water affordability criteria to inform a decision-making framework



Equity, Inclusion, and Affordability Committee

# Panel on Affordability: Current Status

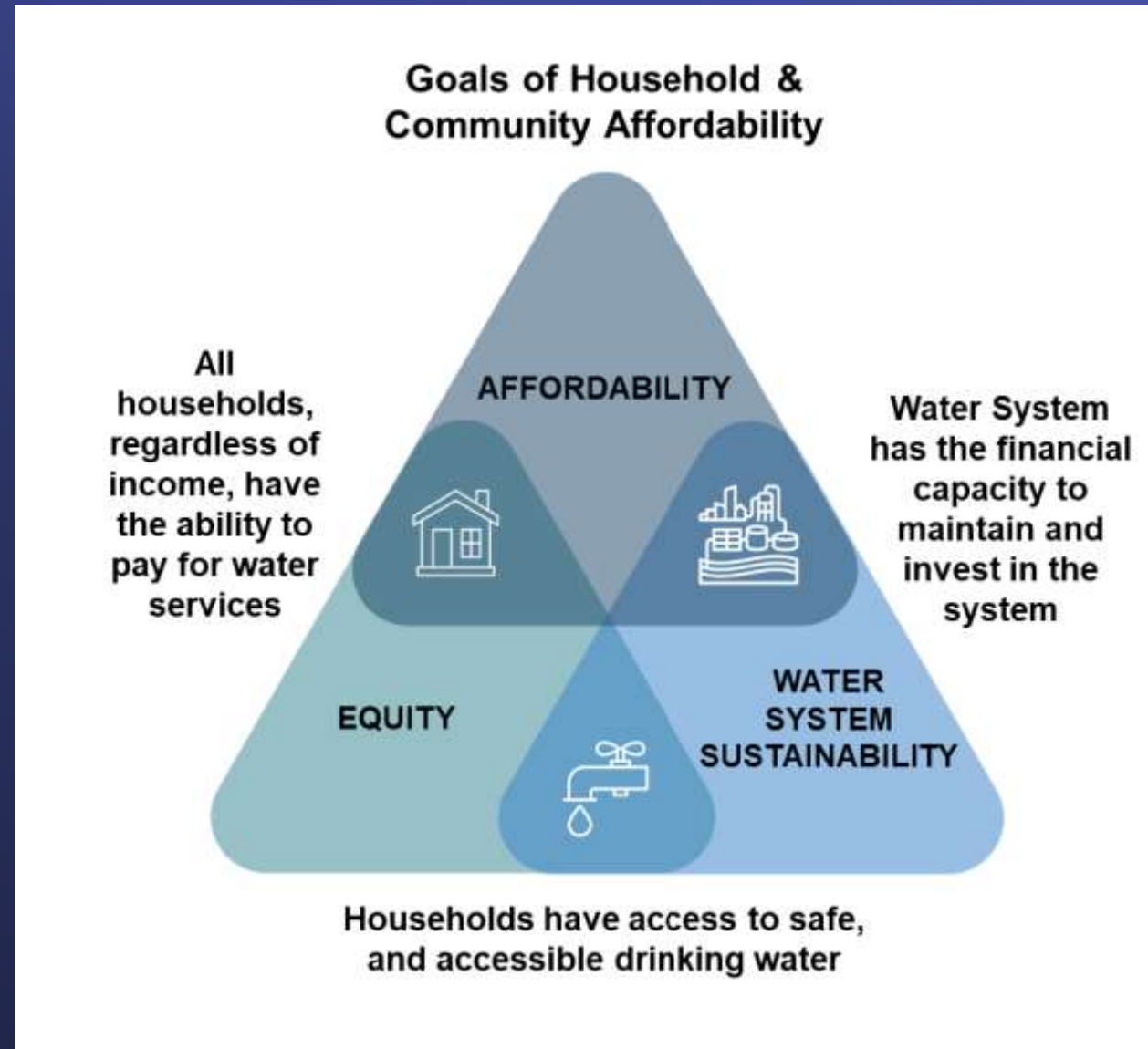
## Historical Perspective



Why should a man get water, the essential element of life, more cheaply than the cost to him of polishing his shoes or paying for his telephone?

William Mulholland (1927)

What do we  
mean by  
affordability?



## Drinking Water Affordability Assessment (2021)

# Affordability

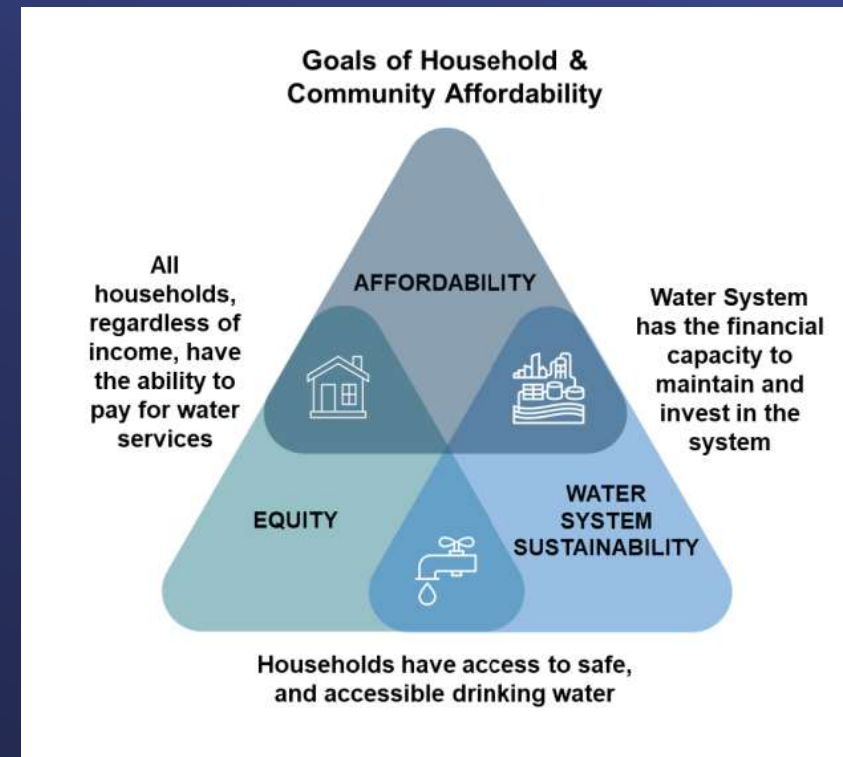
## CAMP4W working definition

“Relative cost burden and elastic ability to access (pay for) service and support member agency efforts to provide affordable supply to their customers.”

CAMP4W Working Memo 2 (Aug. 2023)

### Focus of this presentation:

The ability of a customer to pay the water bill in full and on time without jeopardizing the customer's ability to pay for other essential expenses





# Human Right to Water

## California's Human Right to Water Policy

### AB 685 (2012)

“...every human being has the right to **safe, clean, affordable, and accessible** water adequate for human consumption, cooking, and sanitary purposes.”

- Applies to state agencies when revising, adopting, or establishing policies, regulations, or criteria
- Domestic use is generally recognized as 55 gal./person/day (GPCD)

See Title 23, Div. 3, Chap. 2, Arti. 24, §878.1 (b) (1)

# California Legislature

- ☑ 2015 – AB 401; Low-Income Water Rate Assistance Program
- ☑ 2017 – SB 998; Discontinuation of Water Service
- ☑ 2019 – SB 200; Safe and Affordable Drinking Water Act
- ☒ 2021 – SB 222; Water Rate Assistance Program  
~Vetoed

## U.S. Congress

# Low-Income Household Water Assistance Program (LIHWAP)

- The federal government never funded household water assistance...until Covid
- LIHWAP
  - Created in the Consolidated Appropriation Act of 2021 to help households during the pandemic
  - American Rescue Plan Act provided additional funding
  - Reimbursements end in March 2024 unless Congress authorizes and appropriates additional funds

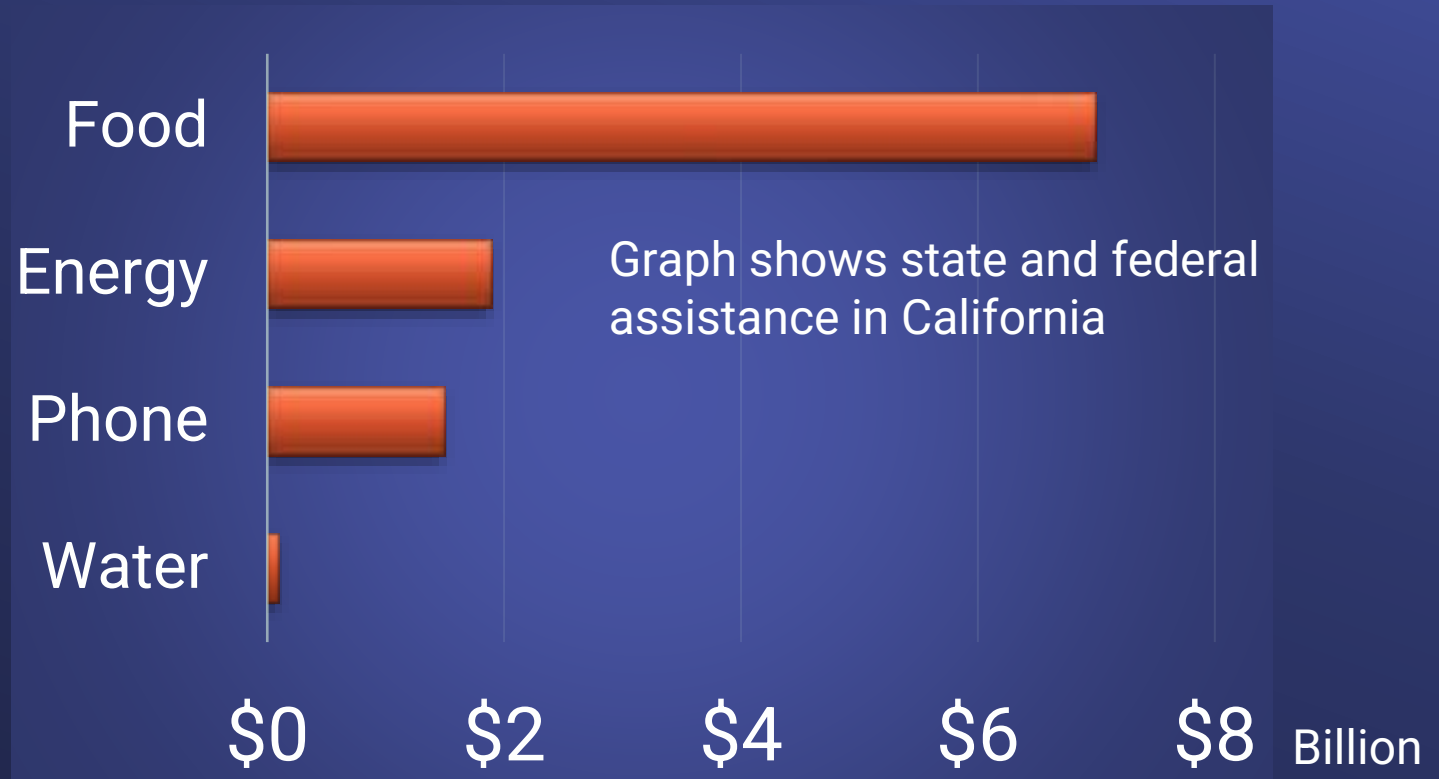
# Low-Income Household Water Affordability Program

LIHWAP provides emergency assistance,  
not ongoing household affordability

- Benefit
  - Arrearage: \$2,000 for past-due balances
  - Non-Arrearage: \$200 to \$1,030 based on income
- Program elements
  - One-time benefit
  - Benefit paid only to water system
  - Income less than 60% of state median income
  - Proof of income
  - Proof of identification
  - U.S. Citizenship or qualified citizen

# Water Assistance Funding Lags other Basic Services

## State & Federal Assistance Programs



Pierce Gregory et al. (2020) "The Case for State-Level Drinking Water Affordability Programs: Conceptual and Empirical Evidence from California." Utilities Policy

# Measuring Household Affordability

## Affordability

- Percentage of median household income
- Household Affordability Ratio (AR)
  - Ratio of basic water cost to disposable household income for low-income customers
- Hours of labor at minimum wage (HM)

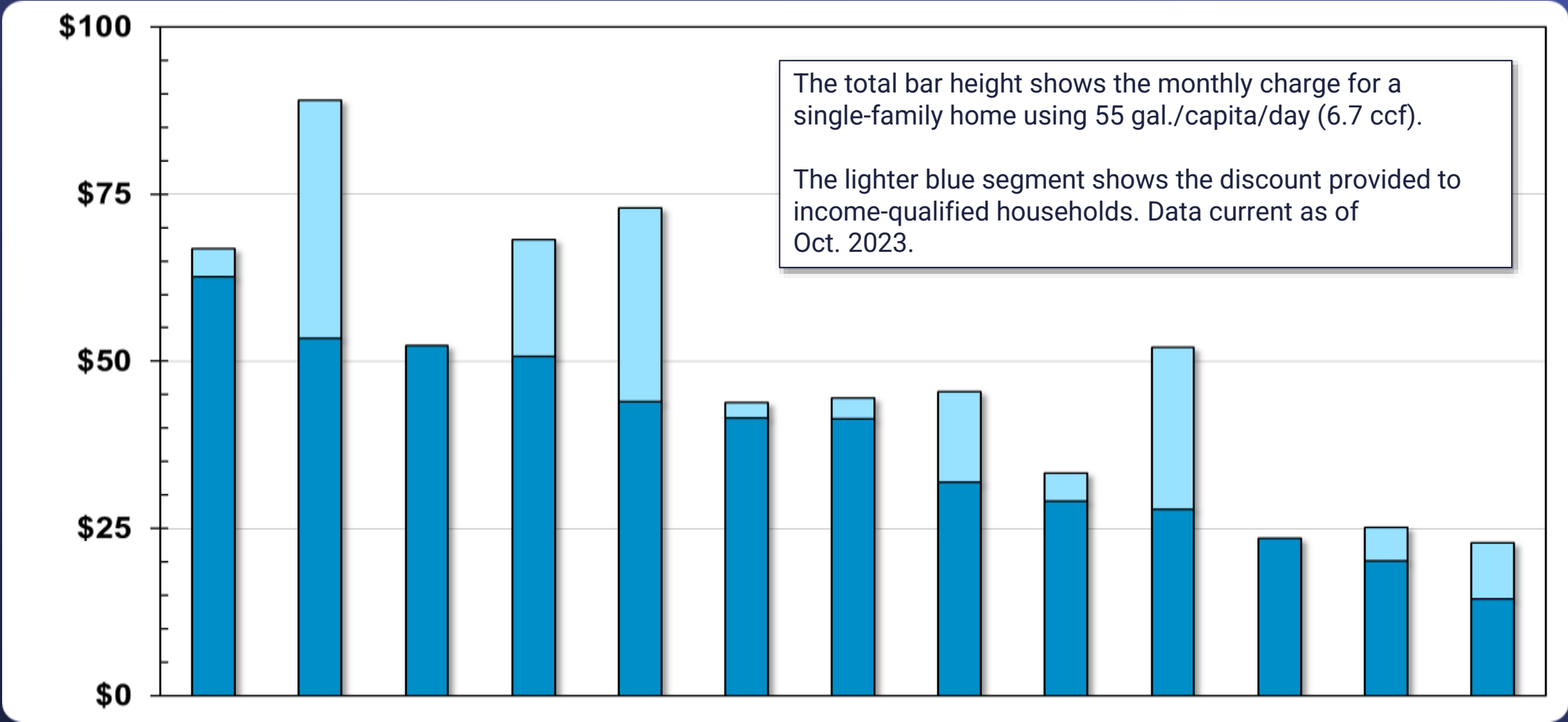
Teodoro, M. P. (2018). "Measuring Household Affordability for Water and Sewer Utilities." Journal American Water Works Association 110(1): 13.

# Affordability Programs

## Common Customer Assistance Programs

- **Bill Discounts:** Utilities reduce a customer's bill
- **Flexible Terms:** Utilities adjust repayment terms
- **Lifeline Rates:** Customers pay a subsidized rate for a fixed amount of water expected to cover basic needs
- **Emergency Assistance:** Utilities provide short-term or one-time assistance to prevent disconnection or restore disconnection following an unexpected hardship
- **Conservation:** Utilities subsidize or provide water efficiency measures aimed at reducing water use and costs (e.g., fixing leaks, rebates for efficient fixtures and appliances, or in-home water audits)

# Customer Assistance at California's Largest Public Water Utilities



13 Largest Public Water Utilities in CA Sorted by Final Cost to Income Qualified Residents



## Water Cost and Assistance Programs

# These Utilities use Many Funding Sources to Provide Customer Assistance Programs

Property-tax  
revenue

Charitable  
donations

Lease and  
rental income

Late payments  
and delinquency  
charges

Rate  
revenue

Utility tax  
waiver

# Metropolitan and Household Affordability

## How can Metropolitan address household affordability?

# Metropolitan and Household Affordability Policies

## Metropolitan supports efforts to provide access to safe and affordable drinking water to all residents

- Support actions that prioritize providing safe and affordable drinking water to disadvantaged communities
- Support actions that meaningfully improve water affordability throughout the region at both the individual and the water system level without burdening existing ratepayers
- Support funding to help water systems provide low-income ratepayer assistance programs

Metropolitan's Legislative Priorities and Principles (2023)

# Metropolitan and Household Affordability

## Scope of Purpose

## Metropolitan's Authorized Purpose

May “provide, sell, and deliver water at **wholesale** for municipal and domestic uses and purposes.” MWD Act, Sec. 130(c)

- Customers are Member Agencies—not retail customers (households)
- May take on various functions, including conservation to meet its wholesale purpose

May set rates for services that “shall be **uniform** for like classes of service throughout the district.” MWD Act, Sec. 134)

# Metropolitan and Household Affordability Authority

## Metropolitan's Legal Framework

- As a special district, Metropolitan's powers are granted by the Metropolitan Water District Act
  - *Single Purpose Entity*
- Unlike cities, Metropolitan does not have inherent or police powers

## Meet the Panelists

### **Joe Mouawad**

General Manager, Eastern Municipal Water District

### **Jennifer Capitolo**

Executive Director, California Water Association

### **Jennifer Clary**

California Director, Clean Water Action/Clean Water Fund

### **George Rofail**

Chief Customer Officer, Los Angeles Department of Water and Power

## Panel on Affordability

### Question 1

What **factors or policies** would you **change** to meaningfully improve household water affordability?

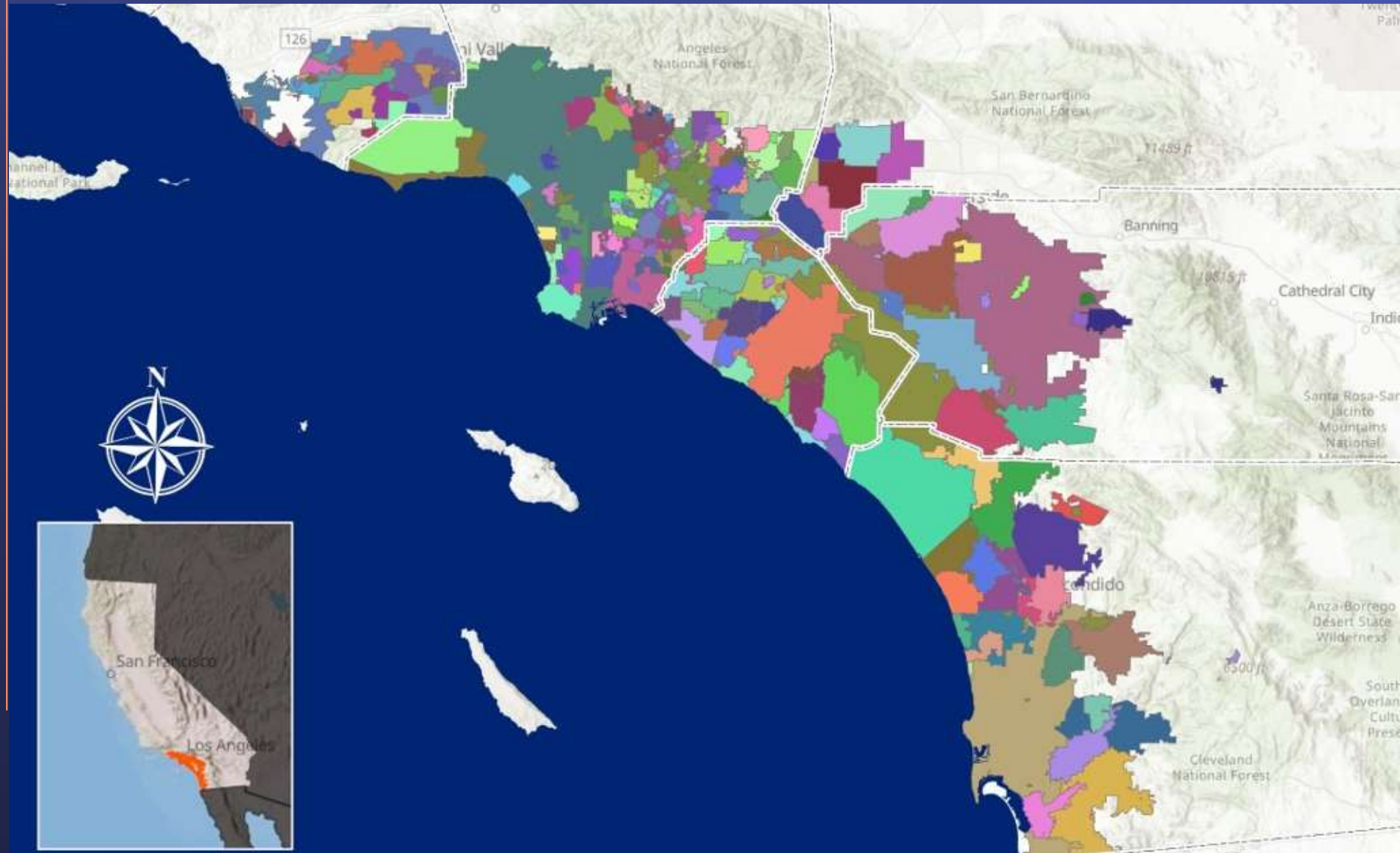


# 300+ Retailers & Utilities

Metropolitan's Service Area

## Metropolitan

- Voluntary Co-Operative
- Limited Purpose Entity
- No direct connection to retail customers
- No Governing Authority over Members
- No Authority to direct rate structures by Members





# Panel on Affordability

## Question 2

What should **Metropolitan's** role be in advancing **household water affordability** in our service area?

## Panel on Affordability

### Question 3

How could household water affordability programs address California's Human Right to Water policy and promote environmental justice?

