Low Income Ratepayer Assistance (LIRA) Implementation Details

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The following document is an update to the FSLVW LIRA Memorandum submitted to the SLVWD Board of Directors on April 2, 2020. The purpose of this update is to note and address the various suggestions and concerns raised by the Board and by District staff in the course of considering FSLVW's recommendation that the District implement a LIRA program.

- Director Fultz has argued that, while a LIRA program has merit, there are five possible reasons that it might not be appropriate for the District to initiate such a program:
  - Such a program should be entirely state-funded (and, in fact, the state is on record as intending to pursue such funding at some unspecified future date).
  - A LIRA program violates the spirit of Proposition 218 which attempts to prevent one set of ratepayers from subsidizing another set.
  - The number of District ratepayers in need of LIRA assistance may be much larger than current estimates (which assume that about 15% of ratepayers will qualify).
  - A LIRA program is unduly burdensome for a small District such as SLVWD (as compared to larger Districts).
  - A LIRA program needs to be built into the budget, and it is not clear what other expenses should be deemed lower priority than a LIRA program.
- FSLVW's response to these concerns is as follows:
  - SLVWD has a responsibility to its neediest ratepayers to act promptly and autonomously on their behalf; lobbying of the state can proceed in parallel.
  - Prop-218-compliant LIRA programs have been successfully initiated by multiple other districts; FSLVW believes that these districts are worth emulating.
  - The PG&E CARE program appears to provide both a convenient and reasonable means of identifying the neediest subset of ratepayers; 15% reflects actual data.
  - SLVWD may very well be capable of funding a LIRA program despite its severe budget constraints.

- There are inherent trade-offs between the simplicity of a LIRA program and its ultimate effectiveness:
  - Some Board Members expressed a preference for limiting program participation to the neediest ratepayers rather than operating on a first-come, first-served basis. Staff responded that they cannot reasonably undertake assessments of individual need. They see the PG&E CARE criteria as the only viable option. If a sufficient amount is budgeted for the LIRA program, then no needy participants will be excluded.

    - Staff initially prioritized ease of funding over scope of coverage. A cell tower lease provides an assured $25,000 per year through 2030, so staff proposed that the LIRA program be limited to 208 participants receiving a $10 monthly discount. (Annual property tax revenues are in the vicinity of $800,000, but these can be disrupted.) $25,000 is a reasonable amount for a pilot program, but it likely fails to achieve the stated purpose of an ongoing LIRA program (because the initial estimate is that perhaps 1200 ratepayers may qualify).

- The following additional points are worth noting:
    - An ongoing LIRA program needs to be explicitly built into the budget. Staff has indicated that they will initially look for a way to accommodate the $25,000 pilot program in FY 2020-21. However, they have not yet grappled with sustaining a larger, permanent commitment.
    - Some people have confused the LIRA program with a temporary response to the Covid-19 pandemic. FSLVW anticipates that the District will need to continue funding its LIRA program until such time as the state steps forward with its own funding.
    - One person objected to a pilot program as too likely to generate public confusion and unhappiness. It isn't clear why this would be the case, provided that the District takes sufficient care in its messaging.

FSLVW was highly encouraged by the 3-0 vote in the Budget and Finance Committee on 6/2/20 to bring an actionable proposal for a $25,000 LIRA pilot program to the Board for its approval.