



March 1, 2019

The Honorable Chris Holden
State Capitol, Room 5132
Sacramento, CA 95814

Paul Schubert, Chair
Kerry Schmitz, Vice
Chair

*Re: AB 533 (Holden): Income taxes: exclusion: water conservation or efficiency programs:
water runoff management improvement program.*

Members

California American Water
Carmichael Water District
Citrus Heights Water District
Del Paso Manor Water
District
El Dorado Irrigation District
Elk Grove Water District
Fair Oaks Water District
Folsom, City of
Golden State Water
Company
Lincoln, City of
Orange Vale Water Company
Placer County Water Agency
Rancho Murieta Community
Services District
Roseville, City of
Rio Linda / Elverta
Community Water District
Sacramento, City of
Sacramento County Water
Agency
Sacramento Suburban Water
District
San Juan Water District
West Sacramento, City of
Yuba City, City of

Position: Support

Dear Assemblymember Holden:

On behalf of the Regional Water Authority (“RWA”), I am writing to express RWA’s support for AB 533, your measure related to income tax exclusions for water conservation, efficiency, or runoff programs.

As introduced on February 13, 2019, AB 533 would exclude any financial benefit issued by a local water agency for the purpose of improving water use and runoff management from gross income.

RWA and Sacramento region water suppliers have demonstrated a long-term commitment to achieving lasting improvements in water use efficiency. These efforts include the administration of a wide variety of incentive and rebate programs for water efficient plumbing fixtures and appliances, outdoor irrigation and landscaping changes, as well as substantial investments in public outreach and informational campaigns during all water year types.

Achieving lasting water efficiency and storm runoff improvements is a challenge. Locally managed water efficiency and storm runoff programs are proven to be effective in addressing that challenge. Consumer rebates and subsidies increase participation in these programs and are among the most cost-effective tools at doing so. Ensuring that rebates and subsidies are not assessed state income tax will prevent mixed messages, and will have governmental policies working together. This will support the state’s effort to make water conservation a California way of life by encouraging water customers to take water saving actions.

For these reasons, RWA supports AB 533. If you or your staff have any questions, please contact Ryan Ojakian of RWA’s staff at (916) 967-7692 or rojakian@rwah2o.org.

Associates

County of Placer
El Dorado County Water
Agency
Sacramento Area Flood
Control Agency
Sacramento Municipal Utility
District
Sacramento Regional County
Sanitation District

Sincerely,

John Woodling
Executive Director