March 1, 2019

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

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

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.

Sincerely,

John Woodling  
Executive Director