

This Executive Summary shares key findings and recommendations. (Draft - January 2024)

The Full Report is a comprehensive water and wastewater affordability assessment of the City of Santa Barbara, California.

Statewide assessments of affordability only look at the City as a whole and suggest no water affordability concerns in the City, however, a city is more than a single data point. This study leveraged Census data along with household-level water consumption and water and wastewater billing data to reveal impacts to the lowest income households and variation in affordability issues across different areas of the City. The study included:

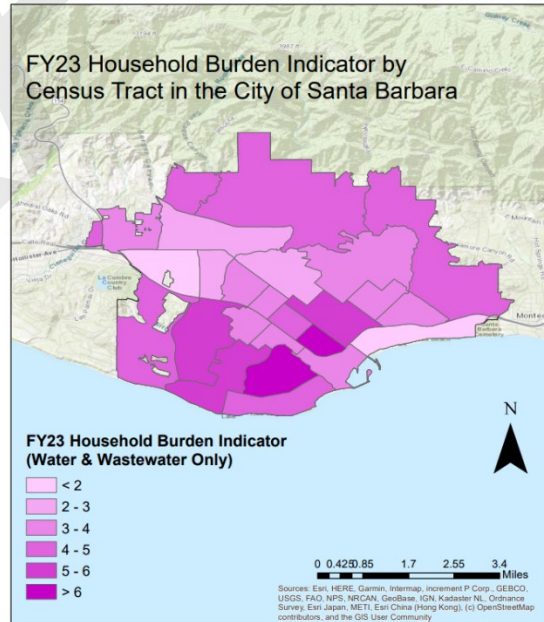
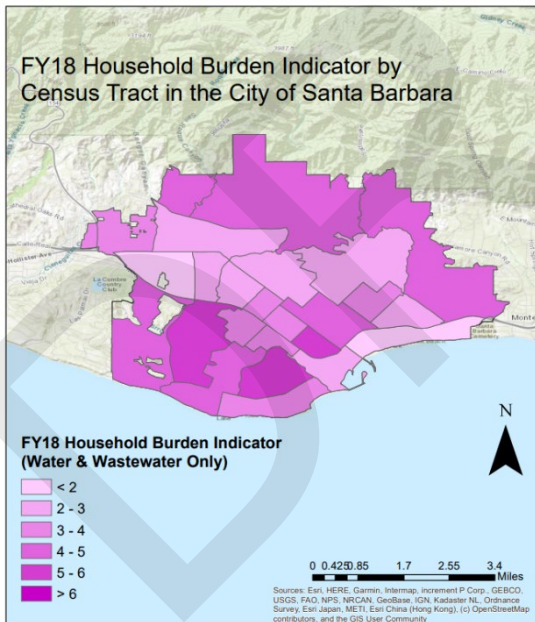
- ✓ An assessment of water affordability
- ✓ Community outreach and engagement to hear from the lived experiences of residents
- ✓ Documentation of the City's current programs and policies,
- ✓ Example affordability and assistance programs across California communities, and
- ✓ Strategies to mitigate water affordability challenges.

The results indicate moderate increases to utility bills over time, and water affordability challenges tend to be concentrated in a handful of Census tracts. The effort demonstrates that **bill assistance programs** and **water conservation strategies** can help with affordability by lowering bills by **10-33%** and **7-15%**, respectively.

Water Affordability Assessment (For more detail, see pages 12-32 of the Report.)

What is the Household Burden Indicator (HBI)?

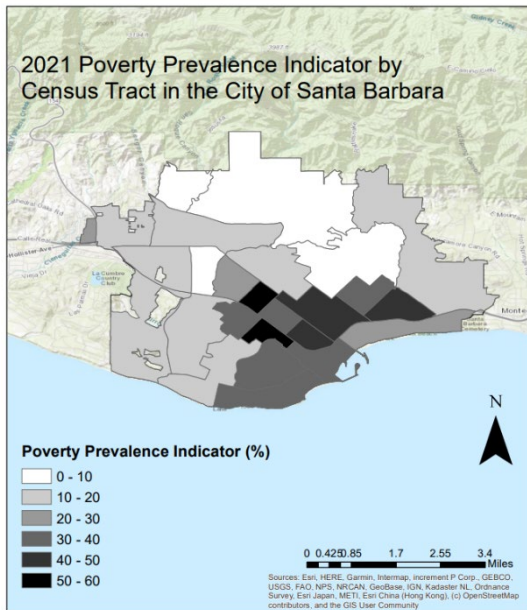
- ✓ Annual water and wastewater bills as a percent of the 20th percentile household income
- ✓ A metric to show how bills impact the lowest-income households. This lens focuses on the most vulnerable households, rather than a median or average household.



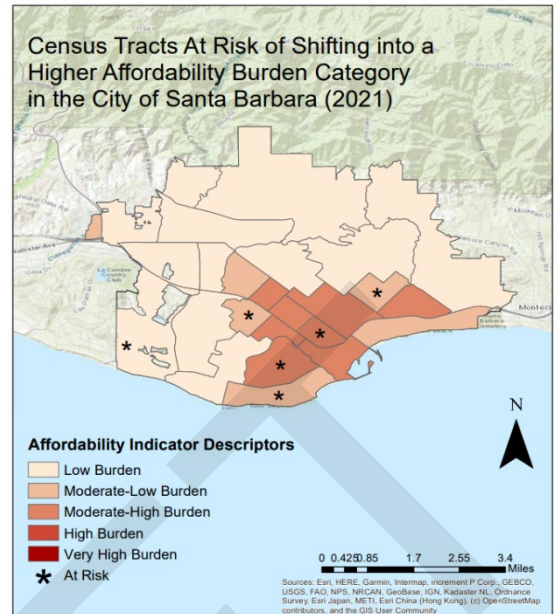
Key Takeaways:

- ✓ The City's modest and incremental rate increases year-to-year have helped keep bills changes small over time, which is helpful for low- and fixed-income residents.
- ✓ HBI increases have been moderate and incremental from FY18 to FY23 (see maps above).
- ✓ On average, households earning the 20th percentile of income across tracts are spending nearly 4% on their annual water and wastewater bills. Other parts of the community spend nearly 7%, **reflecting a variation among low-income households and variation in household water and wastewater bills.**

Poverty Prevalence Indicator & Affordability Descriptors



This map shows the Poverty Prevalence Indicator (PPI), the percentage of households at or below 200% of the Federal Poverty Level and reveals that some areas of the community have over half of households experiencing poverty. **This highlights the role that household income plays in the variation in the HBIs across tracts.**



This map shows affordability descriptors based on a Census tract's HBI and PPI level. Most tracts fall into the "Low Burden" level. **The asterisks indicate tracts that are on the edge of moving into a higher burden category. In particular, the City could focus outreach and education to the tracts at risk of moving into the High Burden level.**

Community Outreach and Engagement (For more detail, see pages 33-37 of the Report.)

Setting the stage:

- ✓ The Water Affordability Community Outreach and Engagement Plan utilized community values developed from the Water Vision Santa Barbara Initiative conducted as part of the City's Enhanced Urban Water Management Plan development in 2020.

Engagement Opportunities:

- ✓ Water Affordability Community Workshop
- ✓ Online Water Affordability Survey
- ✓ Individual Phone Conversations
- ✓ Feedback on Draft Report
- ✓ Sharing Findings and Recommendations to Community

Themes we heard throughout the community engagement efforts:

1. Water affordability is one piece of the larger cost of living challenge faced by residents.

2. Water supply challenges stemming from drought, population growth, and future climate conditions are a concern.

3. Improving residential access to and understanding of water bills, water use, and City resources is a solution to improve water affordability.

4. Water bills seem high despite efforts to conserve, and don't feel reflective of individual household use

Strategies to Mitigate Water Affordability Challenges

(For more detail, see pages 37-61 of the Report.)

Recommendations for the City's Rate Structure:

1. Explore maintaining relatively low fixed charges for residential customers.
2. Explore consumption-based fixed charges.
3. Explore alternative options to make the multi-family rates more closely mirror single-family rates, to see if it would improve affordability for multi-family customers.
4. Evaluate and better align the cost of service for residential customers that drive peak demands; consider a fourth tier if needed based on review of consumption data.

Recommendations for the City's Water Conservation Programs:

5. Assess historical participation in water conservation programs by census tract.
6. Explore strategies to expand and improve accessibility of current water conservation programs.
7. Implement an indoor water efficiency focused program and explore alternative program models to maximize access across all types of customers.
8. Leverage the average water use data presented in the Water Use & Affordability Analysis section to help identify low-income or otherwise vulnerable households that may be using water inefficiently.
9. Ensure communications and marketing strategies for the Advanced Metering Infrastructure and WaterSmart portal are specifically designed to reach account holders in low-income and multi-family settings.
10. Leverage the Advanced Metering Infrastructure hourly data and WaterSmart portal communication platform to help target water conservation tips, programs, and customer assistance programs to those who are using water inefficiently and if done proactively, can help avoid high bills.

Recommendations for the City's Customer Assistance Programs:

11. Explore a regular communications campaign designed to inform renters about how water and wastewater bills are calculated, the ways they might be billed for services, what programs and resources are available to them, and where to turn for support.
12. Explore customer assistance programs to improve and/or expand support to low-income households. This effort should also assess the process for customer participation and aim to make it as easy and accessible as possible.
13. Explore partnerships with existing efforts addressing a broader range of affordability challenges.

A full list of the draft recommendations and a summary of the City's smart practices can be found on page 66 of the Report.



To learn more and read the full Report, visit the project webpage at

www.SantaBarbaraCA.gov/WaterAffordability.

