



# COACHELLA VALLEY WATER DISTRICT

*Established in 1918 as a public agency*

GENERAL MANAGER  
Jim Barrett

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Sylvia Bermudez

ASSISTANT GENERAL MANAGER  
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ASSISTANT GENERAL MANAGER  
Dan Charlton

May 29, 2024

***VIA EMAIL***

The Honorable Jared Huffman  
U.S. House of Representatives  
2445 Rayburn House Office Building  
Washington, D.C. 20515

Dear Representative Huffman:

**RE: Support for Water Conservation Rebate Tax Parity Act**

On behalf of Coachella Valley Water District (CVWD), I write in support of the *Water Conservation Rebate Tax Parity Act*. As arid regions of the country—including the Coachella Valley—continue to confront water scarcity, water conservation is among the most important tools we have to uphold our promise of delivering the safe drinking and irrigation water which is the backbone of our local economy. At CVWD, we are fortunate to offer several rebate programs to our customers to help lower the per capita demand on our limited water supply. However, these rebates are treated as taxable income by the IRS; forcing additional tax liability on ratepayers and tax document preparation costs onto CVWD. The *Water Conservation Rebate Tax Parity Act* would deliver much-appreciated relief to families and businesses in the Coachella Valley.

Established in 1918, CVWD was formed with the core mission of safeguarding and preserving water resources, primarily for agricultural irrigation purposes. CVWD has evolved into a multifaceted agency serving a vast area of approximately 1,000 square miles stretching from the San Gorgonio Pass to the Salton Sea, predominantly within Riverside County but also including portions of Imperial and San Diego counties. Today, CVWD offers a wide array of water-related services, including delivering irrigation and drinking water, groundwater replenishment, storm water protection, wastewater treatment and recycling, and promoting water conservation.

“Making every drop count” is more than CVWD’s slogan, it is a way of life in the desert. In its 2020 Water Management Plan, CVWD laid out a robust commitment to conservation. CVWD offers a variety of resources to help customers save water, including several water conservation rebate programs. The *Water Conservation Tax Parity Act* would deliver relief by expanding tax exclusions for energy conservation subsidies provided by a public utility to include water conservation rebates. This change would align with how the IRS treats other energy conservation rebates—such as the instillation of Energy Star windows or energy efficient appliances—which are not taxable.

The Honorable Jared Huffman  
U.S. House of Representatives  
May 29, 2024  
Page 2

CVWD preserves thousands of acre-feet of water annually through initiatives such as offering rebates for water-efficient indoor appliances and outdoor landscape devices; leak detection; the Residential Turf Conversion Rebate; Homeowners Association and Commercial Rotary Nozzle Rebate Program; and Commercial Water-Efficient Toilet Rebate Program.

Low-income residents and underserved communities often do not take advantage of rebates because of the tax implications and the fact that it may have negative implications by making them ineligible for assistance programs.

CVWD offers its strong support for providing tax relief to further these water conservation efforts and reduce burdensome administrative costs. CVWD looks forward to the *Water Conservation Rebate Tax Parity Act* becoming law.

Sincerely,



J. M. Barrett  
General Manager