



**CPWC**  
COALITION TO PROMOTE WATER CONSERVATION

December 3, 2015

The Honorable Paul D. Ryan  
Speaker of the House  
1233 Longworth HOB  
Washington, DC 20515

The Honorable Kevin McCarthy  
House Majority Leader  
2421 Rayburn HOB  
Washington, D.C. 20515

The Honorable Nancy Pelosi  
House Minority Leader  
233 Cannon HOB  
Washington, D.C. 20515

Dear Speaker Ryan, Majority Leader McCarthy, and Leader Pelosi:

The Coalition to Promote Water Conservation (CPWC) seeks your support for including a provision in the final Fiscal Year 2016 appropriations legislation or the tax extenders legislation that would clarify that water conservation subsidies are excluded from gross income. The CPWC is an ad hoc affiliation of water supply entities and organizations throughout the country that seeks to advance widespread water conservation practices by the consumers of water.

As you are aware, California and other western states have been facing a severe drought. The Coalition is seeking support for immediate action Congress can take to promote critical residential water conservation measures.

Public utilities have been offering programs such as rebates to promote turf removal and replacement with water-conscious landscaping to promote water conservation and storm water management by providing subsidies. These subsidies and the actions they promote help stimulate responsible water use; however, residential participation is essential to their success.

Section 136 of the Internal Revenue Code exempts energy conservation subsidies from inclusion in gross income, but there is no similar express exemption for water conservation measures and storm water management. The CPWC believes these programs are just as valuable as energy conservation programs and should be treated equally, particularly at a time when promoting water conservation is of paramount importance.

We are seeking your support for parity within Section 136 to apply to water conservation and storm water management programs starting January 1, 2015. The Joint Committee on

Taxation provided a score on a similar proposal and found a negligible revenue effect for the 2016-2025 budget window.

This simple but effective change is crucial to ensuring residents continue to participate in water conservation programs that play an important role in responding to the water crisis facing the west. Please support its inclusion in the final Fiscal Year 2016 appropriations or tax extenders legislation. Thank you for your attention to this issue.

Sincerely,

COALITION TO PROMOTE WATER CONSERVATION

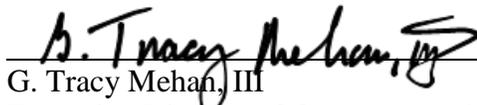
Alliance For Water Efficiency



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Mary Ann Dickinson  
President and CEO

American Water Works Association



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G. Tracy Mehan, III  
Executive Director of Government Affairs

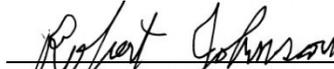
Association of California Water Agencies



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Tim Quinn  
Executive Director

National Water Resources Association



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Robert W. Johnson  
Executive Vice President

U.S. Water Alliance



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Radhika Fox  
Chief Executive Officer

Western Coalition of Arid States



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Kelly Collins  
President

Western Urban Water Coalition



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Michael Carlin  
Chairman