

---

## SENATE COMMITTEE ON ENVIRONMENTAL QUALITY

Senator Allen, Chair

2021 - 2022 Regular

---

**Bill No:** SB 222  
**Author:** Dodd  
**Version:** 4/20/2021  
**Urgency:** No  
**Consultant:** Gabrielle Meindl

**Hearing Date:** 4/29/21  
**Fiscal:** Yes

**SUBJECT:** Water Affordability Assistance Program

**DIGEST:** This bill would establish the Water Rate Assistance Program, with an unknown source of funding, administered by the Community Services Development Department (CSD) in consultation with the State Water Resources Control Board (State Water Board), to help provide water affordability assistance, for both drinking water and wastewater services, to low-income ratepayers.

Due to the COVID-19 Pandemic and the unprecedented nature of the 2021 Legislative Session, all Senate Policy Committees are working under a compressed timeline. This timeline does not allow this bill to be referred and heard by more than two committees as a typical timeline would allow. In order to fully vet the contents of this measure for the benefit of Senators and the public, this analysis includes information from the Senate Judiciary Committee.

### **ANALYSIS:**

Existing law:

- 1) Establishes the California Safe Drinking Water Act (SDWA) and requires the State Water Board to maintain a drinking water program to protect public health. (Health & Safety Code (HSC) § 116270, et seq.)
- 2) Establishes as the policy of the state that every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes. (Water Code § 106.3)
- 3) Requires the State Water Board, by January 1, 2018, to develop a plan for the funding and implementation of the Low-Income Water Rate Assistance Program, as prescribed. Requires the State Water Board, by February 1, 2018, to report to the Legislature on its findings regarding the feasibility, financial stability, and desired structure of the program, including recommendations for legislative action that may need to be taken. (Water Code § 189.5)

- 4) Establishes the California Public Utilities Commission (CPUC) regulatory authority over privately-owned utilities, including water corporations. (California Constitution Article XII)
- 5) Establishes the CSD as a department within the California Health and Human Services Agency, and tasks CSD with implementing several types of federal assistance to help low-income households meet their energy needs. (Government Code §§12085-12091 and 16366.1-16367.8)
- 6) Requires the CPUC to consider programs to provide rate relief for low-income ratepayers of water corporations. (Public Utilities Code §739.8)

This bill:

- 1) Establishes the Water Rate Assistance Fund in the State Treasury to help provide water affordability assistance, for both drinking water and wastewater services, to low-income ratepayers and ratepayers experiencing economic hardship in California.
- 2) Requires the CSD to develop and administer the Water Rate Assistance Program established by the bill.
- 3) Makes monies in the fund available upon appropriation by the Legislature to CSD to provide, in consultation with the State Water Board, direct water bill assistance, water bill credits, and water crisis assistance.
- 4) Authorizes CSD to expend up to 10 percent on administrative costs.
- 5) In administering the fund, requires CSD, among other things, to:
  - a) Develop and implement a process for disbursing program funds to public water systems or third-party providers, providers for direct payments to community water systems, including controls to prevent fraud, waste, and abuse.
  - b) Manage and maintain fund balances in conjunction with the Controller, the Treasurer, the California State Auditor's Office, and the Department of Finance, as appropriate.
  - c) Expend, upon appropriation by the Legislature, moneys in the fund for grants, contracts, direct monetary assistance, or services to assist eligible recipients. Specifies that services may include technical assistance to small

public water systems to administer program components and contracting with a third-party fund administrator for work related to eligibility determination, call center services, internet-based enrollments, and document intake and processing.

- d) Verify the eligibility of each recipient, based on specified requirements.
- 6) Requires CSD, in consultation the State Water Board, to develop guidelines and fund oversight procedures for implementation of the program by January 1, 2023, consulting with a specified advisory group.
  - 7) Requires CSD and the State Water Board, in consultation with the advisory group and after a public hearing, to adopt an annual fund expenditure plan that includes:
    - a) An estimate of the number of households eligible for assistance, including those that do not receive a direct bill for water.
    - b) A discussion on water affordability challenges and proposed solutions for reducing water debt for eligible Californians served by public water systems, state small water systems, local small water systems, and domestic wells.
    - c) Methods to ensure timely and meaningful public participation and encourage enrollment in the program.
    - d) An estimate of the funding needed available for the next fiscal year based on the amount available in the fund, anticipated funding needs, other existing funding sources, and other relevant data and information.
  - 8) Requires, by July 1, 2022, the CPUC to establish a mechanism for electrical corporations and gas corporations to, and would authorize CSD to require local publicly owned electric utilities and local publicly owned gas utilities to, regularly share specified customer data with CSD, subject to certain confidentiality protections.
  - 9) Requires CSD to coordinate with the State Water Board to collect and ensure the accuracy of water rate data and water system boundary data from each public water system.
  - 10) Specifies that once an annual funding expenditure plan is adopted and includes funding for a low-income rate assistance program, the existing rate assistance programs for investor-owned water utilities shall cease and customers shall be transitioned to the new program through a process established by the CPUC.

- 11) Requires CSD to consult with the State Water Board on options to provide oversight of the public water system's implementation of the program to ensure effectiveness and prevent fraud, waste, and abuse for public water systems not regulated by the CPUC.
- 12) Requires CSD to develop and publish, in consultation with the State Water Board and the CPUC, performance metrics for the program, including, but not limited to, enrollment levels, total water shutoffs for inability to pay, and on-time payment levels.
- 13) Requires CSD to identify alternative entities to distribute and track benefits if a public water system is unwilling to do so or if the department, in consultation with the State Water Board, has determined a public water system is incapable of administering the program.

## Background

- 1) *Federal Safe Drinking Water Act (SDWA)*. The federal SDWA was enacted in 1974 to protect public health by regulating drinking water. California has enacted its own safe drinking water act to implement the federal law and establish state standards under the state SDWA. The United States Environmental Protection Agency (US EPA) enforces the federal SDWA at the national level. Most states, including California, have been granted "primacy" by the US EPA, giving them the authority to implement and enforce the federal SDWA at the state level. In accordance with the federal SDWA, the US EPA provides funds to states for their drinking water loan programs, conducts an annual oversight review of each state's program, and issues an annual program evaluation report.
- 2) *California's drinking water program*. Senate Bill 861 (Committee on Budget and Fiscal Review, Chapter 35, Statutes of 2014) transferred the drinking water program from CDPH to the State Water Board effective July 1, 2014, creating the new Division of Drinking Water within the State Water Board and made other statutory changes to create efficiencies and adoption and administration of the drinking water program.

The State Water Board directly enforces the federal SDWA for all large water systems (those with 200 or more service connections), including those water systems regulated under the California Public Utilities Commission (CPUC), Division of Corporations (DOC), or Department of Housing and Community Development (DHCD). For small water systems (those with less than 200

connections), local health departments can be delegated to have regulatory authority as the local primacy agency. Along with the regulation of drinking water, the State Water Board and the Regional Water Quality Control Boards (Regional Water Boards) are responsible for protecting the waters of the state, including drinking water sources, both surface water and groundwater supplies.

- 3) *Human right to water.* In 2012, California became the first state to enact a Human Right to Water law, AB 685 (Eng, Chapter 524, Statutes of 2012). Public policy continues to be focused on the right of every human being to have safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitation. Water supply, contaminants, costs of treatment and distribution systems, the number and nature of small public water systems, especially in disadvantaged communities, and many other factors will continue to challenge progress in addressing the Human Right to Water.
- 4) *Water utilities.* California residents are served by various types of water utilities or water systems, including publicly owned utilities, investor-owned utilities, small community water systems.
  - a) *Publicly owned water utilities.* The majority of California's residential water customers are served by cities, special districts, and mutual water companies. These utilities are governed by the city council, or other local governing body, which set their own water rates. As established by Proposition 218 (1996), the majority of these utilities are subject to state constitutional and statutory requirements that ensure water rates are directly tied to the cost-of-service. As a result, these utilities are not able to increase rates in order to fund low-income rate relief programs for customers.
  - b) *CPUC-regulated water utilities.* The CPUC has jurisdiction over water companies that provide water service to about 16 percent of California's residents with annual water and wastewater revenues totaling about \$1.4 billion. Approximately 95 percent of those residents are served by nine large water utilities, each serving more than 10,000 service connections. Combined, the nine largest utilities serve approximately 1.175 million customers. However, the majority of the CPUC-regulated water utilities (92) have service connections of 2,000 or less, and 87 of those have service connections of 500 or less. As with other investor-owned utilities, the CPUC regulates rates of the water utilities under its jurisdiction, as well as, rules regarding discontinuation of service due to nonpayment.

- 5) *CPUC vs. State Water Board*. Under existing law, the CPUC generally has authority over the regulation of services and utilities and assures that California residents have access to safe and reliable utility infrastructure and services from privately-owned utilities, including water companies. In comparison, the State Water Board has regulatory authority over the quality of the state's water resources and drinking water. The State Water Board is involved with the quality of the water, especially drinking water, whereas the CPUC is involved with the supply and access to that water.
- 6) *The Growing Water Affordability Challenge*. AB 401 (Dodd, Chapter 662, Statutes of 2015) required the State Water Board, in collaboration with the State Board of Equalization and relevant stakeholders, to develop a plan for funding and implementing a Low-Income Water Rate Assistance Program. According to the State Water Board's February 2020 report to the Legislature, *Recommendations for Implementation of a Statewide Low-Income Water Rate Assistance*, while drinking water is a basic human need, California households "find it increasingly difficult to satisfy this need as the retail cost of water has risen substantially over the last decade and is expected to rise significantly over the coming years...adjusting for inflation, the average Californian household paid around 45% more per month for drinking water service in 2015 than in 2007.

"The burden of rapidly rising drinking water costs falls disproportionately on the 13 million Californians living in low-income households, many of whom have seen their incomes stagnate during the same period. The high and rising costs of other basic needs for California residents, including housing, food, and other utility services, means that cost increases for any single need, such as water, can force families to make difficult and risky tradeoffs which could harm their health and welfare. Expenditures to meet basic water needs are expected to continue to rise rapidly due to the need for water systems to replace aging infrastructure, meet treatment standards, diversify supplies, and maintain a well-trained workforce."

The report further finds that "Only about half of California's population is served by a community water system (CWS) offering some form of rate assistance program, and most of these existing programs have low levels of enrollment and limited financial resources. As a result, less than 20% of the state's low-income population served by CWSs currently receives benefits from a low-income rate assistance program."

The Report recommends the creation of a statewide water rate assistance program funded through taxes on personal income, business income, and

bottled water, as most water systems are not able to fund low-income assistance programs. For qualifying customers, the program recommended by the State Water Board will support bill discounts, crisis assistance, and a tax credit for renters who pay for their water indirectly through rent. These bill discounts are modeled on the low-income assistance program for customers of CPUC-regulated energy utilities, and the crisis assistance is modeled on the federal energy crisis program known as Low Income Heating and Assistance Program (LIHEAP), administered by CSD in California. The State Water Board estimates the first-year cost for the recommended program, including administrative costs, at \$606 million.

- 7) *CPUC-regulated water utilities low-income assistance program.* The CPUC has authorized the largest nine water utilities to offer low-income rate assistance programs similar in concept to those provided to electricity customers through California Alternate Rates for Energy (CARE). However, each program varies in terms of the amount of the assistance provided to low-income customers and the collection of the surcharge from non-participating ratepayers to cover the cost of the program. Discounts and surcharges supporting the programs are reviewed in each utility's general rate cases.
- 8) *Drinking Water COVID-19 Financial Impacts Survey.* For nearly a year, the COVID-19 pandemic has made it difficult for many Californians to pay their bills due to job loss and other hardships. Water systems, like many other service providers, have been directly affected by their customers' inability to pay. Californians have been protected from water shutoffs during the COVID emergency by the Governor's April 2020 Executive Order preventing water shutoffs for lack of payment. To gauge the magnitude of household debt and related financial impacts on water systems, the State Water Board surveyed water systems between November 9 and December 4, 2020. The survey found:
  - a) An estimated \$1 billion in household debt across the state as of January 2021;
  - b) All of the debt is from non-payment of water bills. However, some water systems collect charges for other services, such as wastewater, stormwater, and energy on the water bill. The Board's estimate of drinking-water specific debt is between \$600 and \$700 million.
  - c) The Board estimates that at least 1.6 million households have water debt. This means at least 12% of households in the state have water debt.
  - d) The average debt amount is roughly \$500 per household;
  - e) The Board estimates that over 155,000 households have more than \$1,000 in water debt. These households account for over half of the total water debt.

- f) The top 10 Zip Codes with the highest levels of water debt are in Los Angeles, Santa Maria, Rancho Cordova, Colton, Bell Gardens, Norwalk, and Cypress. The water-debt crisis is most acute in Southern California, particularly in Los Angeles.
- 9) *Proposition 218*. As noted above, non-CPUC regulated water utilities are subject to differing constraints on their ability to collect rates for rate relief from one customer to another. Specifically, as acknowledged by the SB 401 (Dodd, Chapter 662, Statutes of 2015) report:

*Funding individual W-LIRA [water low-income rate assistance] programs at the system level without violating constitutional restrictions would likely be infeasible for publicly owned water systems. Systems could impose special taxes, but those measures would need to be submitted to the local electorates and approved by a two-thirds majority. Among systems with high eligibility burdens, there may be significant local resistance to approving such taxes. Alternatively, systems would almost certainly face legal challenges to recovering W-LIRA expenses from water rates and charges. Article XIID of the California Constitution, added by Proposition 218 in 1996, requires, among other things, that the revenues derived from property related fees and charges not exceed the funds required to provide the property related service. Most importantly for purposes of W-LIRA funding, Proposition 218 also requires that property related fees and charges not exceed the proportional cost of service attributable to the property. In addition, the service for which a fee or charge is imposed must be immediately available to the property owner, rather than for future or potential use.*

*The systems bear the burden of proving compliance with these cost-of-service requirements. Proposition 26, adopted in 2010, places the burden on local governments for proving by a preponderance of evidence that the amount of a fee or charge is “no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor’s burdens on, or benefits from, the governmental activity.”*

*These substantive restrictions on ratemaking by publicly owned water systems prevent subsidization of one customer’s water rates by another and would pose serious, if not fatal, obstacles to publicly owned water systems funding individual W-LIRA programs from water rates and charges. As a result, publicly owned water systems instead fund existing*



*W-LIRA programs from revenues derived from sources other than water rates and charges, such as lease revenues or voluntary donations. These non-rate revenue options are limited and considered insufficient to sustainably fund W-LIRA programs throughout the state.*

- 10) *CSD energy assistance programs.* CSD administers three low-income energy assistance programs: the federal Low-Income Home Energy Assistance Program (LIHEAP) and Weatherization Assistance Program, and the state-funded Low-Income Weatherization Program (LIWP). Each of the three weatherization programs administered by CSD provides energy efficiency services to eligible low-income households, both homeowners and renters, by installing a range of weatherization upgrades to reduce energy usage, improve resident comfort and provide monetary savings to the residents. Residents are also educated on basic energy efficiency practices and on the proper use and maintenance of the appliances and measures installed. In addition, the CSD-administered, Greenhouse Gas Reduction Fund (GGRF)-funded LIWP funds the installation of rooftop solar photovoltaic systems and solar water heaters in low-income single-family and multi-family households located within disadvantaged communities. In the case of LIHEAP, CSD provides one-time energy utility bill assistance for low-income customers in need of crisis support. CSD reports that it contracts with a network of private, nonprofit, and local government community-based organizations to provide for the local administration of grant programs and delivery of service to eligible low-income households.
- 11) *COVID-19 crisis prompts statewide moratorium.* On March 16, 2020, Governor Newsom issued Executive Order N-28-20 requesting the CPUC monitor measures undertaken by public and private utilities to implement customer service protections in response to COVID-19 pandemic. On March 17, 2020, the CPUC's Executive Director issued a letter to Class A & B water utilities (the largest) ordering immediate protections for water utility customers, including a moratorium on disconnections. Utilities were required to extend protections to customers affected by the COVID-19 pandemic, particularly the suspension of disconnections of delinquent accounts and to provide reasonable payment options. On April 2, 2020, Governor Newsom issued Executive Order N-42-20 which prohibits water systems from discontinuing residential water service and water service to small businesses in a critical infrastructure sector. Both moratoriums are still in place.
- 12) *Utility assistance available in other programs.* Several safety-net programs provide assistance to help offset utility bills. Recent Rental Assistance enacted by the Legislature in response to COVID-19 crisis provides flexibility to apply

assistance towards both rent and utilities. However, it seems reasonable to assume that given the arrears on rent and the desire to prevent evictions, most eligible renters will apply the majority (if not all) of the rental assistance towards the debt owed on their rent. However, actual numbers are not, yet, available as the program is currently being implemented across the state. Additionally, CalFresh participants, funded via the federal Supplemental Nutrition Assistance Program (SNAP) are also eligible for utility assistance allowance that can range from \$130 to over \$400, according to the program's website. This assistance can be used towards any utility service: water, energy, sewer, etc.

- 13) *Federal funding to offset water utility debt and customer assistance.* In December 2020, Congress passed and the President signed the COVID relief bill which included \$638 million for emergency low-income drinking and wastewater assistance. California may likely expect to receive approximately \$60-70 million given the state's share of the national population, although no final allocation has been set, yet. In recent weeks, CSD was named the administering agency for the California funds by the Governor's Administration to the federal government. There remain active discussions at the federal level regarding additional water affordability relief, as the initial funding may not address all the need.
- 14) *SB 222.* This bill would establish the Water Rate Assistance Program, with an unknown source of funding, administered by the CSD, in consultation with the State Water Board, to help provide water affordability assistance, for both drinking water and wastewater services, to low-income ratepayers and ratepayers experiencing economic hardship in California. Specifically, the bill proposes the program to fund: direct water bill assistance; water bill credits to renters and individuals or households that pay other amounts, fees, or charges related to residential water or wastewater service; and water crisis assistance.

Additionally, SB 222 requires CSD and the State Water Board to work with an advisory board to adopt an annual fund expenditure plan, from an unidentified source(s) of funding, with specified requirements. This bill also requires the collection of water rate data from each public water system. Other provisions of the bill include authorization for up to 10 percent of an unknown amount of monies towards administrative costs and emergency regulations to implement the program.

## Comments

- 1) *Purpose of Bill.* According to the author, “Water is the most basic form of PPE, yet millions of Californians face a looming threat of water shutoffs because of water unaffordability and the pandemic-induced economic recession. Currently, Californians are carrying \$1 billion in water debt affecting 1.6 million Californian households and 5 million Californians. Moreover, California has effective affordability programs in place for nearly all other basic utilities, including electricity, heat/gas, and even cell phones - but not for water. Recognizing this gap, in 2015, the California Legislature passed AB 401 (Dodd), which required the State Water Board to create a plan for a statewide water affordability program. That plan was released in early 2020 and helped inform this legislation. SB 222 would establish a long-needed framework for a statewide water affordability assistance program. The pandemic has dramatically increased attention to this lack of a statewide water affordability program and the real urgency to address it. Access to affordable water is a racial justice and equity issue, and we must ensure equitable access for all Californians to realize the Human Right to Water (AB 685, 2012). The need for water affordability assistance will not magically disappear - it has been a major challenge and gap in our utility safety net for decades, and water affordability challenges will only continue to increase due to the rising cost of water. It is appropriate for the Legislature to develop a policy framework and provide directives, including regarding how to implement future sources of water affordability funding, to the relevant state agency (the State Water Board) in order to respond to the important ongoing challenge of access to affordable water.”
- 2) *Missing funding source – the elephant in the room?* As noted by the author and sponsors, this bill does not identify a specific source of funding for the ambitious goals of this program. Nonetheless, the author and sponsors would like the opportunity to continue to craft the program in the hopes that funding source(s) may materialize. As noted in the SB 401 report, a low-income rate assistance program, itself, would require roughly \$600 million annually, plus the added features of the other activities this bill proposes to fund. The report also recommended taxes as a source of sustainable funding.

*Given that certain funding sources (other than General Fund monies) may come with restrictions/requirements, does creating a program before identifying a funding source put the cart before the horse?*

- 3) *Is the collection of water rate data necessary?* SB 222 requires CSD to coordinate with the State Water Board to “collect and ensure the accuracy of water rate data and water system boundary data from each public water system.” While the bill does not provide any detail as to what the data would

be used for, the sponsors have indicated that this data would be used to set the amount of the benefit (i.e., the water subsidy) for the low-income rate assistance program. Opponents argue that that presupposes that the benefit could vary from system to system for each of the thousands of public water systems. “The administrative cost on this benefit issue arises because apparently the State would be deciding a unique system LIRA benefit (household subsidy) for each system based on a review of the rate data for each of thousands of systems,” according to the Association of California Water Agencies (ACWA).

There are over 2,900 public water systems with distinct governing boards each having domain over setting water rates for their respective systems. ACWA maintains that establishing a benefit system-by-system “is an overly complicated way that would waste fund dollars for administration.” ACWA argues that there are much simpler ways to set the amount of the benefit (e.g., set a flat rate in statute) so that the program can be formulaic. The AB 401 Report, referenced above, supports this idea, in the context of households that do not directly pay water bills (approximately 60 percent of the low-income households), suggesting that a “flat dollar value benefit would minimize administrative complexity and cost.”

*The Committee may wish to consider deleting this provision from the bill.*

- 4) *A work in progress.* While the author has taken numerous amendments to address committee and stakeholder concerns, more work is still needed on developing this new program.

*Should this bill move forward, the Committee may wish to direct the author to continue to work with committee staff and stakeholders to iron out further implementation details and identify a funding source for the program.*

- 5) *Senate Judiciary Committee comments.* The following comment was provided by the staff of the Committee on Judiciary. SB 223 was referred to the Committee on Judiciary. The referral was subsequently rescinded because of the limitations placed on committee hearings due to ongoing health and safety risks from the COVID-19 virus.

“The California Information Practices Act reiterates that the “right to privacy is a personal and fundamental right protected by Section 1 of Article I of the Constitution of California and by the United States Constitution and that all individuals have a right of privacy in information pertaining to them.” (Civ. Code § 1798.1.) It further states the findings of the Legislature:

- the right to privacy is being threatened by the indiscriminate collection, maintenance, and dissemination of personal information and the lack of effective laws and legal remedies;
- the increasing use of computers and other sophisticated information technology has greatly magnified the potential risk to individual privacy that can occur from the maintenance of personal information; and
- in order to protect the privacy of individuals, it is necessary that the maintenance and dissemination of personal information be subject to strict limits.

“In light of these findings, the law emphasizes that public agencies should collect personal information “to the greatest extent practicable directly from the individual who is the subject of the information rather than from another source. (Civ. Code § 1798.15.) To protect against unauthorized disclosures or improper use, agencies are required to establish appropriate and reasonable administrative, technical, and physical safeguards to ensure the security and confidentiality of records, and to protect against threats or hazards to their security or integrity. (Civ. Code § 1798.21.) To minimize the data susceptible to these threats and hazards, agencies are also required to maintain “only personal information which is relevant and necessary to accomplish a purpose of the agency required or authorized by the California Constitution or statute or mandated by the federal government.” (Civ. Code § 1798.14.) This bill calls for the development of a data-sharing mechanism to facilitate data sharing between CSD and electrical and gas corporations. It also authorizes CSD to enter into agreements with local publicly owned utilities for the purpose of regularly sharing data. The ultimate purpose is to connect eligible customers with affordability programs. Therefore, any incidental intrusion on privacy interests is mitigated by the benefit being sought for these customers. However, care should be given to ensure that any data sharing abides by the principles laid out above to limit the vulnerability of this data to misuse and theft and to ensure that customer data is only put to the purposes envisioned in the bill.”

### **Related/Prior Legislation**

SB 91 (Committee on Budget, Chapter 2, Statutes of 2021), this trailer bill extends the moratorium on evictions for non-payment of rent due to COVID-19 financial hardship, subject to numerous conditions from January 31, 2021, to June 30, 2021. This trailer bill also contains an appropriation of federal funds and statutory changes necessary to implement a rental assistance program as part of the 2020 Budget Act.

AB 3088 (Chiu, Chapter 37, Statutes of 2020), establishes a set of temporary measures designed to prevent widespread loss of housing through evictions and foreclosures resulting from the economic impacts of the COVID-19 pandemic. These provisions are set to expire on January 31, 2021.

Enacted December 27, 2020, the federal Consolidated Appropriations Act, 2021 (Public Law 116-260), included \$25 billion for rental assistance programs, allocated to the states. California is expected to receive roughly \$2.6 billion of this amount. \$1.1 billion is to be allocated directly to local jurisdictions with populations above 200,000, with the balance allocated to the state for administration.

SB 998 (Dodd, Chapter 891, Statutes of 2018) required all public water systems (with more than 200 connections) to have a written policy on discontinuation of residential water service, provide that policy in multiple languages, include provisions for not shutting off water for certain customers that meet specified criteria, prohibit the shutoff of water service until the bill has been delinquent for 60 days, and cap the reconnection fees for restoring water service.

SB 401 (Dodd, Chapter 662, Statutes of 2015) required the State Water Board, in collaboration with the State Board of Equalization and stakeholders, to develop a plan for the funding and implementation of a new program to provide water rate relief for low-income ratepayers by January 1, 2018 and provide a corresponding report to the Legislature by February 1, 2018.

SB 200 (Monning, Chapter 120, Statutes of 2019) established the Safe and Affordable Drinking Water Fund (SADWF) to help water systems provide an adequate and affordable supply of safe drinking water in both the near and the long term. Beginning in fiscal year 2020-21 and until June 30, 2030, it annually transfers to the SADWF five percent of the proceeds of the GGRF up to \$130 million. It further requires the State Water Board to adopt a fund implementation plan and requires expenditures of the fund to be consistent with the plan.

**SOURCE:** Clean Water Action, Community Water Center, Leadership Counsel for Justice and Accountability

**SUPPORT:**

Asian Americans Advancing Justice - California  
California Coastkeeper Alliance  
California League of Conservation Voters  
Center for Community Action and Environmental Justice

Central California Environmental Justice Network  
Ceres  
Clean Water Action  
Community Water Center  
Defenders of Wildlife  
Dolores Huerta Foundation  
Environmental Defense Fund  
Environmental Working Group  
Friends Committee on Legislation of California  
Leadership Counsel for Justice and Accountability  
Local Government Commission  
Natural Resources Defense Council.  
Nextgen California  
Physicians for Social Responsibility - Los Angeles  
Planning and Conservation League  
Policy Link  
San Francisco Public Utilities Commission  
Sierra Club California  
Union of Concerned Scientists  
Western Center on Law and Poverty

**OPPOSITION:**

Amador Water Agency  
Association of California Water Agencies (ACWA)  
Brooktrails Township Community Services District  
California Municipal Utilities Association  
California Special Districts Association  
City of Oceanside  
City of Roseville  
City of Shasta Lake  
Cucamonga Valley Water District  
East Valley Water District  
Elsinore Valley Municipal Water District  
Hidden Valley Lake Community Services District  
Irvine Ranch Water District  
Mesa Water District  
Mid-peninsula Water District  
North Coast County Water District  
Olivenhain Municipal Water District  
Padre Dam Municipal Water District  
Palmdale Water District  
Panoche Water District  
Rancho California Water District

Regional Water Authority  
Rio Alto Water District  
San Juan Water District  
Santa Margarita Water District  
Scotts Valley Water District  
Tahoe City Public Utility District  
Tuolumne Utilities District  
Valley Center Municipal Water District  
Vista Irrigation District  
Walnut Valley Water District

**ARGUMENTS IN SUPPORT:** According to the sponsors, “SB 222 would establish a long-needed framework for a statewide water affordability assistance program. This bill would direct the State Water Board to create program guidelines for a future water affordability program via a public process, and would authorize the Board to provide funding to water systems and 3rd party technical assistance providers for direct water bill assistance. Funding to provide water affordability assistance could come from future state and/or federal sources. Given funding for water affordability needs was already secured at the federal level in 2020, with a high likelihood of additional funding being secured in 2021, it is appropriate for the Legislature to instruct the relevant state agency (the State Water Board) to develop a plan and weigh in at the policy level for how the state should manage this funding to ensure equitable access for all Californians to water affordability assistance. No less importantly, the need for water affordability assistance is not going away — it has been a major challenge and gap in our utility safety net for decades and water affordability challenges will only continue to increase due to the rising cost of water. The pandemic has dramatically increased attention to the lack of a statewide water affordability program and there is now real urgency to address it.

**ARGUMENTS IN OPPOSITION:** According to ACWA, “The proposed scope of SB 222 is overly broad. Without many details for how the components would work, SB 222 would authorize the use of funding from an unspecified source for affordability assistance for drinking water and wastewater services, including direct water bill assistance, water bill credits to renters, water crisis assistance, affordability assistance for low-income households served by domestic wells, and water efficiency measures for low-income households. The bill also includes in proposed Section 116931.1 provisions regarding “proposed remedies,” “affordability challenges” and “proposed solutions.” Instead of retaining the overly broad scope, we suggest that SB 222



propose a formulaic and efficient water and wastewater low-income rate assistance program that would help low-income households across California.”

**-- END --**