



SB 222 – DODD
LOW-INCOME WATER RATE ASSISTANCE FUND



Summary

SB 222 would establish the Water Affordability Assistance Fund in the State Treasury and establish the Water Affordability Assistance Program to help provide water affordability assistance for both drinking and wastewater services to low-income ratepayers experiencing economic hardships.

Background

AB 401 (Dodd), enacted in 2015, required the State Water Resources Control Board (Board) to develop a plan for funding and implementing the Low-Income Water Rate Assistance Program. The plan would include recommendations for cost-effective methods of offering assistance to low-income water customers.

The Board submitted its report to the legislature in early 2020. The Board found “drinking water is a basic human need. However, 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 basic needs for California residents, including housing, food, and other utility services, can force families to make difficult and risky tradeoffs that 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.” In short, there is ample justification for a low-income water rate assistance program for water and wastewater.

While many low-income Californians receive electric and gas utility rate assistance, less than 20% of the state’s low-income population served by community water systems (CWS) receive any benefits from a low-income water rate assistance program. There are financial obstacles to providing a rate assistance program to water users at the system level absent a statewide program. Further, roughly 50% of the 2,900 individual CWS cannot operate standalone rate assistance programs because they lack an adequate rate base to support benefit expenditures. Using 200% of the federal poverty level (FPL) as the baseline eligibility criteria for WLIRA programs would mean that—for many large systems—more than 50% of their customers would be eligible for assistance. The problem is even more extreme for many smaller systems. To operate individual low-income rate



assistance programs, these systems would likely impose outsized burdens on higher-income households. Even then, publicly-owned systems would face legal barriers (Prop. 218) from imposing water rates on non-eligible customers that exceed the cost of serving those customers.

All these reasons and others are why the State Water Board has recommended the creation of a statewide low-income water rate assistance program, to help provide universal access to urgently needed water affordability assistance.

Existing Law

Existing law declares that as a matter of state policy, every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes (AB 685, 2012).

This Bill

SB 222 establishes the Water Affordability Assistance Program and related Water Affordability Assistance Fund (Fund) in the State Treasury.

SB 222 does not appropriate any funding. However, should money be appropriated in the future, authorized use of monies deposited in the Fund will include the following:

- Direct water bill assistance
- Water bill credits to renters,
- Water crisis assistance

- water efficiency measures for low-income households
- Short-term assistance to public water systems.

This bill requires the Board, in consultation with a specified advisory group to develop guidelines for Program implementation, fund oversight, and an expenditure plan containing enumerated components. The Fund expenditure plan would specifically identify the funding needs for disadvantaged communities and low-income households. If funding is appropriated prior to the adoption of an expenditure plan, the bill directs the Board to allocate that funding to low-income households needing crisis assistance.

SB 222 requires investor and publicly owned utilities to share data with the Board pertaining to energy and utility customers enrolled in low-income affordability programs to facilitate enrollment for the low-income water rate assistance program.

Support

Clean Water Action
Community Water Center
Leadership Counsel for Justice and Accountability
California Coastkeeper Alliance
Natural Resources Defense Council
NextGen California
PolicyLink
Physicians for Social Responsibility – Los Angeles (PSR-LA)
Union of Concerned Scientists



Opposition

None on File

Contact

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