

AMENDED IN ASSEMBLY AUGUST 24, 2022  
AMENDED IN ASSEMBLY AUGUST 11, 2022  
AMENDED IN ASSEMBLY JUNE 23, 2022  
AMENDED IN ASSEMBLY AUGUST 30, 2021  
AMENDED IN ASSEMBLY JULY 15, 2021  
AMENDED IN ASSEMBLY JULY 5, 2021  
AMENDED IN ASSEMBLY JUNE 17, 2021  
AMENDED IN SENATE MAY 20, 2021  
AMENDED IN SENATE MAY 3, 2021  
AMENDED IN SENATE APRIL 20, 2021  
AMENDED IN SENATE APRIL 5, 2021

**SENATE BILL**

**No. 222**

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**Introduced by Senator Dodd**

**(Coauthors: Senators Gonzalez, Hurtado, and Wiener)**

(Coauthors: Assembly Members Aguiar-Curry, Arambula, Bloom,  
Cooley, Grayson, Mathis, Robert Rivas, and Santiago)

January 14, 2021

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An act to add Chapter 6.5 (commencing with Section 116930) to Part 12 of Division 104 of the Health and Safety Code, relating to water.

LEGISLATIVE COUNSEL'S DIGEST

SB 222, as amended, Dodd. Water Rate Assistance Program.

Existing law, the California Safe Drinking Water Act, requires the State Water Resources Control Board to administer provisions relating to the regulation of drinking water to protect public health. Existing law declares it to be the established 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.

Existing law requires the state board, by January 1, 2018, to develop a plan for the funding and implementation of the Low-Income Water Rate Assistance Program, as prescribed. Existing law requires the state 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 any recommendations for legislative action that may need to be taken.

This bill would establish 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 residential ratepayers. The bill would make moneys in the fund available upon appropriation by the Legislature to the state board to provide, in consultation with relevant agencies, ~~direct water bill assistance;~~ water bill assistance to low-income residential ratepayers served by eligible systems, as defined, ~~and by tribal water and wastewater systems that choose to participate~~ and would require 80% of total funds *expenditures from the fund* to be directly applied to residential ratepayer accounts. The bill would require the state board, to the extent feasible, cost effective, and permitted under the California Constitution, to identify and contract with one or more ~~third-party fund administrators;~~ *providers*. The bill would impose requirements on the state board in connection with the program, including, among others, within 270 days of the effective date, as defined, adopting guidelines in consultation with relevant agencies and an advisory group for implementation of the program and preparing a report to be posted on state board's internet website identifying how the fund has performed. The bill would require the guidelines to include minimum requirements for eligible systems, including the ability to confirm eligibility for enrollment through a request for self-certification of eligibility under penalty of perjury. By expanding the crime of perjury, the bill would impose a state-mandated local program.

The bill would require, within 365 days of the effective date, the Public Utilities Commission to establish a mechanism for electrical corporations and gas corporations to, and would authorize the state board or third-party providers to enter into agreements with local

publicly owned electric utilities and local publicly owned gas utilities to, regularly share specified customer data with the state board or third-party providers, subject to certain protections. The bill would require the state board to, among other things, coordinate with the commission to align criteria between all existing water rate assistance programs offered by investor-owned utilities and to ensure timely processing of payments to investor-owned utilities.

The bill would make the operation of these provisions contingent on an appropriation in the annual Budget Act or another statute for these purposes.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. Chapter 6.5 (commencing with Section 116930)  
2 is added to Part 12 of Division 104 of the Health and Safety Code,  
3 to read:

4  
5 CHAPTER 6.5. WATER RATE ASSISTANCE PROGRAM

6  
7  
8 ~~Article 1. Water Rate Assistance Fund~~

9  
10 116930. (a) The Water Rate Assistance Fund is hereby  
11 established in the State Treasury to provide water affordability  
12 assistance, for both drinking water and wastewater services, to  
13 low-income residential ratepayers. Moneys in the fund shall be  
14 available upon appropriation by the Legislature to the state board  
15 to provide, in consultation with relevant agencies, direct water bill  
16 assistance to low-income residential ratepayers served by eligible  
17 ~~systems and by tribal water and wastewater systems that choose~~  
18 ~~to participate.~~ *systems.*

19 (b) *The program shall be entirely funded by the fund or other*  
20 *available state or federal funding.*

1     ~~(b)~~

2     (c) (1) The state board shall, upon appropriation by the  
3 Legislature, expend moneys from the fund for reasonable costs  
4 associated with the administration of this chapter.

5     (2) Commencing 365 days after the effective date, funds for the  
6 reasonable costs associated with the administration of this chapter  
7 shall not exceed 10 percent of the *average* annual deposits into  
8 the fund. “Reasonable costs associated with the administration of  
9 this chapter” includes relevant agencies’ administrative costs  
10 associated with this chapter. The state board ~~may~~ *shall* reimburse  
11 eligible systems for reasonable costs associated with the  
12 administration of this chapter, which shall not count toward the  
13 10-percent limitation.

14     (3) Commencing ~~365~~ 450 days after the effective date, a  
15 minimum of 80 percent of total ~~funds~~ *expenditures from the fund*  
16 shall be directly applied to residential ratepayer accounts.

17     ~~(e)~~

18     (d) The state board may undertake any of the following actions  
19 to implement this chapter:

20     (1) Provide for the deposit of any of the following moneys into  
21 the fund:

22         (A) Federal or state funding.

23         (B) Voluntary contributions, gifts, grants, or bequests.

24         (C) *Any returned funds.*

25     (2) Enter into funding agreements with the federal government,  
26 local or state agencies, private ~~corporations~~, *entities*, or nonprofit  
27 organizations.

28     (3) Take additional action as ~~may be~~ necessary and appropriate  
29 for adequate administration and operation of the fund and provision  
30 of direct water bill assistance.

31     116930.1. The state board shall do all of the following in  
32 administering the fund:

33         (a) Track and manage revenue in the fund separately from all  
34 other revenue.

35         (b) Develop and implement a process for the state board, or a  
36 third-party provider contracted by the state board, to disburse  
37 program funds to eligible systems, ~~participating tribal water or~~  
38 ~~wastewater systems~~, contract operators, or third-party providers  
39 for direct application to the system’s low-income residential

1 ratepayer accounts, including controls to prevent fraud, waste, and  
2 abuse.

3 (c) Manage and maintain fund balances in conjunction with the  
4 Controller, the Treasurer, the California State Auditor’s Office,  
5 and the Department of Finance, as appropriate.

6 (d) (1) Expend, upon appropriation by the Legislature, moneys  
7 in the fund for grants, contracts, or services to provide benefits to  
8 eligible residential ratepayers.

9 (2) Services may include technical assistance to eligible systems  
10 serving fewer than 3,300 connections to administer the application  
11 of funds to low-income residential ratepayer accounts, including  
12 initial startup costs.

13 (3) The state board shall, to the extent feasible, cost effective,  
14 and permitted under Article VII of the California Constitution,  
15 identify and contract with one or more third-party—~~fund~~  
16 ~~administrators~~ *providers*. The scope of work for a third-party—~~fund~~  
17 ~~administrator~~ *provider* may include, but is not limited to, eligibility  
18 determination, call center services, internet-based enrollments,  
19 document intake and processing, and distribution of funds to  
20 eligible systems for application to qualified residential ratepayer  
21 accounts.

22 (4) Provide funds to eligible systems for reasonable costs for  
23 administration of the program, not to exceed the greater of 5  
24 percent of the total—~~subsidy funds for water bill assistance~~ or two  
25 thousand dollars (\$2,000).

26 (e) (1) Establish a process to regularly confirm the eligibility  
27 of recipients, based upon eligibility pursuant to Section 116931.

28 (2) The eligibility requirement in paragraph (1) may be carried  
29 out by a third-party—~~fund administrator~~ *provider* described in  
30 paragraph (3) of subdivision (d).

31

32 ~~Article 2. Program Implementation~~

33

34 116931. (a) Within 270 days of the effective date, the state  
35 board, in consultation with relevant agencies, shall adopt guidelines  
36 for implementation of the program.

37 (b) In developing the guidelines, the state board shall consult  
38 with an advisory group that includes representatives of all of the  
39 following:

40 (1) Community water systems of small, medium, and large sizes.

1 (2) Wastewater systems.

2 (3) Technical assistance providers, including organizations that  
3 support the federal Low-Income Home Energy Assistance Program  
4 or the federal Low-Income Household Water Assistance Program.

5 (4) Local agencies, including agencies that manage multifamily  
6 housing serving low-income residents.

7 (5) Nongovernmental organizations that work with residents of  
8 disadvantaged communities.

9 (6) Representatives from the public, including, but not limited  
10 to, low-income residential ratepayers and residential ratepayers  
11 served by tribal water or wastewater systems.

12 (c) The guidelines shall include, at minimum, all of the  
13 following:

14 (1) Direction to eligible systems to automatically enroll  
15 households in the program under both of the following  
16 circumstances:

17 (A) Available information shows that any member of the  
18 residential ratepayer's household is a current enrollee in, or  
19 recipient of, CalWORKs, CalFresh, general assistance, Medi-Cal,  
20 Supplemental Security Income or the State Supplementary Payment  
21 Program, or California Special Supplemental Nutrition Program  
22 for Women, Infants, and Children.

23 (B) The residential ratepayer's household is a utility customer  
24 enrolled in the California Alternate Rates for Energy (CARE)  
25 program established pursuant to Section 739.1 of the Public  
26 Utilities Code or in the Family Electric Rate Assistance program  
27 established pursuant to Section 739.12 of the Public Utilities Code.

28 (2) Minimum requirements for eligible systems, including ~~all~~  
29 *both* of the following:

30 (A) Participation in the *statewide* program.

31 (B) The ability to confirm eligibility for enrollment through a  
32 request for self-certification of eligibility under penalty of perjury.

33 ~~(C) A process for expanding the assistance program if funding~~  
34 ~~increases.~~

35 (3) A process for the state board *or third-party providers* to  
36 provide funding to eligible systems for application to eligible  
37 low-income residential ratepayer accounts. Funding shall be  
38 provided to eligible systems on, at minimum, an annual basis.

39 (4) A provision to audit eligible systems receiving funds under  
40 this chapter regarding the receipt and distribution of those funds.

1 (5) Parameters and options for providing funding to eligible  
2 systems that bill exclusively or partially on the property tax roll.

3 (6) A process for instances when a residential ratepayer moves  
4 outside of the eligible system's service area.

5 (7) A process for exemption of eligible systems from providing  
6 low-income rate assistance upon determination by the state board  
7 that the system does not have eligible residential ratepayers.  
8 Exemptions shall be reviewed periodically to determine whether  
9 any residential ratepayers of the eligible system have become  
10 eligible for assistance.

11 (8) A process for eligible systems to return funds to the state if  
12 needed.

13 116931.1. (a) The state board shall, in consultation with  
14 relevant agencies and the advisory group described in subdivision  
15 (b) of Section 116931 and after a public hearing, adopt an annual  
16 report to be posted on the state board's internet website identifying  
17 how the fund has performed.

18 (b) The annual report shall contain all of the following:

19 (1) A report of expenditures from the fund for the prior fiscal  
20 year, including how many households were served, and estimated  
21 expenditures for the current fiscal year.

22 (2) An estimate of the number of households eligible for  
23 assistance. The estimate shall not be based on a  
24 household-by-household evaluation.

25 (3) An evaluation of available relevant information regarding  
26 any household-level water affordability issues that remain after  
27 application of bill assistance.

28 (4) ~~Methods to ensure timely and meaningful~~ *A description of*  
29 *methods to include* public participation and *efforts to* encourage  
30 enrollment in the program.

31 (5) An estimate of the funding available for the next fiscal year  
32 based on the amount available in the fund, anticipated funding  
33 needs, other existing funding sources, and other relevant data and  
34 information.

35 116931.2. (a) Within 365 days of the effective date, the Public  
36 Utilities Commission shall establish a mechanism for electrical  
37 corporations and gas corporations to regularly share data with the  
38 state board or relevant third-party providers regarding the utility  
39 customers enrolled in, or eligible to be enrolled in, the California  
40 Alternate Rates for Energy (CARE) program established pursuant

1 to Section 739.1 of the Public Utilities Code and the Family  
2 Electric Rate Assistance program established pursuant to Section  
3 739.12 of the Public Utilities Code. Electrical corporations and  
4 gas corporations shall regularly share that data with the state board  
5 through the mechanism.

6 (b) (1) The state board and third-party providers may enter into  
7 agreements with local publicly owned electric utilities and local  
8 publicly owned gas utilities, including, but not limited to, municipal  
9 utility districts and irrigation districts, for the purpose of regularly  
10 sharing data with the state board or third-party provider regarding  
11 utility customers enrolled in, or eligible to be enrolled in,  
12 affordability programs benefiting low-income residential  
13 ratepayers.

14 (2) The agreements may authorize the state board to provide  
15 data pursuant to this subdivision to *third-party providers* or eligible  
16 systems for the sole purpose of assisting with the administration  
17 of the program.

18 (c) Data shared pursuant to subdivision (a) or (b) is subject to  
19 Section 6254.16 of the Government Code and the Information  
20 Practices Act of 1977 (Chapter 1 (commencing with Section 1798)  
21 of Title 1.8 of Part 4 of Division 3 of the Civil Code).

22 (d) Data shared pursuant to subdivision (a) or (b) shall not be  
23 considered a disclosure under Section 1798.83 of the Civil Code.

24 116931.3. The operation of this chapter is contingent on an  
25 appropriation in the annual Budget Act or another statute for  
26 purposes of this chapter.

27

28 ~~Article 3. Fund Expenditures~~

29

30 116932. (a) Chapter 3.5 (commencing with Section 11340)  
31 of Part 1 of Division 3 of Title 2 of the Government Code does  
32 not apply to any guidelines developed by the state board pursuant  
33 to this chapter.

34 (b) (1) Notwithstanding Section 11019 of the Government  
35 Code, the state board, or a third-party provider contracted by the  
36 state board, shall, to the extent permissible, make advance  
37 payments to eligible systems for direct water bill assistance, for  
38 related administrative costs, and to implement the purposes of this  
39 chapter.



1 (2) Before distribution of an advance payment, eligible systems  
2 shall provide to the state board an estimate of the number of  
3 households enrolled in the program and their expected bill  
4 discounts.

5 (3) The state board shall have discretion regarding the terms  
6 and conditions that apply to advance payment.

7 (c) An eligible system shall provide a full accounting of its  
8 expenditures on an annual basis and as requested by the state board.

9 (d) The state board, in consultation with the Public Utilities  
10 Commission, may authorize up to 5 percent of program funding  
11 to establish pilot projects that include expenditures that improve  
12 *water or wastewater* affordability for low-income residential  
13 households through installation of water efficiency measures or  
14 assistance programs that otherwise improve residential household  
15 *water or wastewater* affordability in mobilehome parks,  
16 multifamily housing, or other households that do not directly pay  
17 a water or wastewater bill.

18

19 ~~Article 4. Program Administration~~

20

21 116933. (a) The state board shall do all of the following in  
22 administering the program:

23 (1) Provide guidance, oversight, and funding for low-income  
24 rate assistance for residential ratepayers of eligible systems.

25 (2) Coordinate with the Public Utilities Commission, to the  
26 extent reasonable and consistent with this chapter and related policy  
27 goals, to align criteria between all existing water rate assistance  
28 programs offered by investor-owned utilities, and to ensure timely  
29 processing of payments to investor-owned utilities.

30 (3) For an eligible system that is not regulated by the Public  
31 Utilities Commission, consult with relevant agencies on options  
32 to provide oversight of the eligible system's application of program  
33 funds to the system's low-income residential ratepayer accounts  
34 *pursuant to this chapter* to ensure effectiveness and prevent fraud,  
35 waste, and abuse.

36 (4) Coordinate with other relevant state agencies and resolve  
37 disputes as necessary.

38 (5) Consider identifying alternative entities to distribute and  
39 track benefits if the state board determines that an eligible system

1 is incapable of applying program funds to residential ratepayers  
2 of the system pursuant to this chapter.

3 (b) This chapter does not prohibit an eligible system from  
4 offering assistance to ratepayers that is in addition to, or on top  
5 of, the assistance provided through the program.

6 (c) An eligible system that offers assistance that is in addition  
7 to the assistance provided through the program to the same  
8 ratepayers served by the program shall still receive funds from the  
9 program for the eligible portion of the assistance.

10 116933.1. (a) Within 450 days of the effective date, all-eligible  
11 *nontribal, community water systems and wastewater* systems shall  
12 begin providing water rate assistance to residential ratepayers in  
13 compliance with the minimum requirements specified in  
14 subdivision (c) of Section 116931. A tribal water or wastewater  
15 system may offer water rate assistance. *Eligible systems shall*  
16 *continue to provide water rate assistance to low-income residential*  
17 *ratepayers as long as there is sufficient state or federal funding*  
18 *available to provide water rate assistance and fund eligible systems*  
19 *for reasonable costs for administration of the program.*

20 (b) *If the state board has not met the deadline in subdivision*  
21 *(a) of Section 116931 for the adoption of program implementation*  
22 *guidelines within 270 days of the effective date, the deadline in*  
23 *subdivision (a) of this section shall be delayed by the total number*  
24 *of additional days the state board takes to adopt program*  
25 *implementation guidelines.*

26 ~~(b)~~

27 (c) Prior to disconnection of service, a community water system  
28 shall provide residential ratepayers with arrearages a notice that  
29 they may enter into a payment plan and time to enroll in conformity  
30 with the requirements of Chapter 6 (commencing with Section  
31 116900), notwithstanding limitations relating to a community  
32 water system's size. A community water system shall not  
33 discontinue water service to a residential ratepayer that remains  
34 current on a payment plan.

35 116933.2. (a) The Attorney General, at the request of the state  
36 board or upon the Attorney General's own motion, may bring an  
37 action in state court to restrain, by temporary or permanent  
38 injunction, the use of any method, act, or practice declared in this  
39 chapter to be unlawful, including nonparticipation by a public  
40 water system within the program.

1 (b) The state board may qualify awards of financial assistance  
2 upon the establishment of a low-income rate assistance program  
3 consistent with the requirements of Section 116931. *participation*  
4 *in the program.*

5  
6 ~~Article 5. Definitions~~

7  
8 116934. For purposes of this chapter, the following definitions  
9 apply:

10 (a) “Community water system” has the same meaning as defined  
11 in Section 116275.

12 (b) “Effective date” means the date of appropriation of funding  
13 in the annual Budget Act or another statute for purposes of this  
14 chapter.

15 (c) “Eligible system” means a community water system,  
16 wastewater system, or a participating tribal water or wastewater  
17 system.

18 (d) “Fund” means the Water Rate Assistance Fund created  
19 pursuant to Section 116930.

20 (e) “Low income” means an annual household income that is  
21 no greater than 200 percent of the federal poverty guideline level  
22 and consistent with the guidelines established for the California  
23 Alternative Rates for Energy (CARE) program pursuant to  
24 subdivision (a) of Section 739.1 of the Public Utilities Code.

25 (f) “Program” means the Water Rate Assistance Program  
26 established pursuant to this chapter.

27 (g) “Relevant agencies” means those agencies that have a role,  
28 through data collection, regulation, or enforcement, in providing  
29 services, oversight, and assistance to public water systems and  
30 low-income ratepayers.

31 (h) “Residential ratepayer” means a resident of a single-family  
32 or multifamily residence who receives a bill for water or  
33 wastewater.

34 (i) “State board” means the State Water Resources Control  
35 Board.

36 (j) “Wastewater system” means a city, county, special district,  
37 joint powers authority, or tribal or investor-owned utility that  
38 provides wastewater collection, treatment, or disposal service.

39 SEC. 2. No reimbursement is required by this act pursuant to  
40 Section 6 of Article XIII B of the California Constitution because

1 the only costs that may be incurred by a local agency or school  
2 district will be incurred because this act creates a new crime or  
3 infraction, eliminates a crime or infraction, or changes the penalty  
4 for a crime or infraction, within the meaning of Section 17556 of  
5 the Government Code, or changes the definition of a crime within  
6 the meaning of Section 6 of Article XIII B of the California  
7 Constitution.

O