

Other State
Communication
2024



2024 Proposed Bill Background

(Please complete this form and submit to Senator Laird’s staff for consideration)

Date: 1/19/24	Sponsor / Individual name: David J. Stoldt
Contact Phone Number: 831-658-5651	Contact Email: dstoldt@mpwmd.net
Other offices this proposal is being proposed to (be specific): None	
One sentence summary explaining what the bill does: Clarifies Monterey Peninsula Water Mgt District enabling act to reflect services provided by the District since 1994.	
Relevant background information: See below.	
How will this proposal benefit the constituents of the 17 th Senate District: Will clear a path to continue forward on voter-approved Measure J from 2018.	
Current Law: n/a	
Problem the proposal aims to solve: Monterey County LAFCO denied our request to “activate our latent power” to sell potable water retail. Our District has always maintained that we did not need LAFCO approval of the “activation” because we had been selling water retail before LAFCO was granted authority to review, but local investor-owned water utility California American Water (Cal-Am) attorneys threatened they would sue if we did not get LAFCO approval. A Superior Court final judgement entered just over a month ago on December 7, 2023 requires LAFCO to vacate their denial.	
Solution the proposal provides: As we proceed with an attempt to purchase Cal-Am’s assets via eminent domain, our only three remedies are (i) ask LAFCO to rehear the request anew in the next several months, despite their previous vote, which is still subject to negative local politics; (ii) let the Court in the eminent domain proceeding issue a review, whereby they might send it back to LAFCO or decide to hear it themselves, but it could take 12-18 months or more and be contentious; or, (iii) seek this legislation to clarify our situation somewhat quickly and then be done with the issue.	
Committee/s this bill would likely be referred to: We do not really know. However, we look to the Senator’s office for guidance.	



Feedback from relevant committee/s (**Feedback from relevant committee staff is required prior to submitting this form. Include committee name and staff member who provided feedback. Do NOT submit this form if you have not received feedback from committee staff**): See previous response.

State agencies affected by the proposal: n/a

Feedback from relevant agencies:

Previous legislation (include year introduced and outcome): n/a

Has any similar legislation been previously vetoed or failed passage? If so, Why? No, it has not.

Has the same, or similar, legislation been introduced in another state? Yes No If Yes, list the state(s), year it was introduced and outcome.

State:	Outcome:	Year:

Please identify any similar federal legislation:

Cost - Please describe the estimated cost of the proposal and identify the entity that would pay for the proposal. If the state would pay, please identify a source for the funding and where you would recommend cutting state spending to pay for the proposal: There not a cost element to this.

Summarize any studies, reports, statistics, or other evidence showing the problem exists and how this bill will address the problem:

Potential support: Several local community groups and local electeds.



JOHN LAIRD
REPRESENTING SENATE DISTRICT 17

Potential opposition and possible concerns: California-American Water Company
Feedback from support/opposition groups: The District believes it can secure numerous letters of support if the legislation moves forward.
Please provide bill language in a word document or Legislative Counsel form. If there is no language provide an expected completion date: Included in separate Word document.

* Please ensure that all relevant information included in the attachments is also listed in the appropriate section of this form ("See attached" will not be accepted).



February 28, 2024

The Honorable Scott Wiener
Chair, Senate Committee on Budget and Fiscal Review
1020 N Street, Room 502
Sacramento, CA 95814

RE: California Water Infrastructure Funding

Dear Senator Wiener,

The Association of California Water Agencies (ACWA) and the undersigned organizations wish to express continued support for investments in water infrastructure. ACWA represents over 470 public water agencies throughout California that deliver over 90% of the water used for agricultural, commercial, and residential purposes. While we are aware the State is currently facing a \$38 billion budget deficit, and potentially larger, we urge the Legislature and Governor to maintain previously committed investments for water infrastructure. In addition, we strongly

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support continued development of a climate resilience general obligation bond that would provide significant investments in new and aging water infrastructure.

Governor Newsom Proposed January Budget

The Governor's January budget proposes to cut or delay funding for several critical water categories including:

- Recycled Water – Reduction of \$174.4 million and delay of \$100 million.
- PFAS - Reversion of \$71.6 million and reduction of \$30 million.
- Dam Safety - Reversion of \$50 million.
- Forecast-Informed Reservoir Operations (FIRO) — Reduction of \$6.75 million.
- Watershed Climate Resilience – Reversion of \$88 million and reduction of \$350 million

While we recognize the need to address the budget deficit, we encourage the Legislature to maintain as much funding for water infrastructure as possible. In recent years, public water agencies (and their customers) have generally paid for 85% of the investments in water infrastructure projects in California with the remaining 15% coming from State and Federal funding assistance. Over the last few years, the Legislature and Governor have made significant commitments to fund water infrastructure projects to help public water agencies cover the costs associated with new and aging infrastructure projects.

The Department of Water Resources (DWR) is already in the process of finalizing the Dam Safety and Enhancement Grant Program Guidelines and Proposal Solicitation Package. Many public water agencies hope to receive funding through this process to address the public safety and reduced storage capacity issues related to dam safety projects. There are also many planned recycled water and water quality projects throughout the state that are seeking funding assistance. Lastly, the drought-flood whiplash over the past decade highlights the need to increase resilience of watersheds across the state. For these reasons we greatly appreciate the Legislature and Governor's much needed investments in climate resilience over the last few years and encourage the Legislature to maintain this funding.

2024 Climate Resilience Bond

California's changing climate creates increased risks of drought, floods, intense rain events, and sea level rise that will present unique challenges to public water agencies and their ability to reliably provide water to California's farms and cities. **ACWA is advocating for a \$7.85 billion bond investment in water infrastructure** that focuses on a number of critical water issues including, recycled water, groundwater recharge and sustainability, storage, flood protection, dam safety, conveyance, desalination, safe drinking water, water quality, regional watershed resilience, State Water Project improvements, and water conservation.

California's water management system is not currently prepared to address the impacts of a decreasing snowpack and increasing weather extremes. Adapting to climate change will require California to urgently and significantly rehabilitate and modify existing water facilities, improve operational flexibility, and make generational investments in new water infrastructure.

Additional above- and below-ground storage capacity must be developed to capture precipitation, especially in extreme weather events such as atmospheric rivers, and to mitigate

disappearing snowpack. In addition, new and enhanced conveyance facilities are essential for moving collected and stored water, connecting suppliers with different supply sources, transferring water among water users, recharging groundwater, and storing water for a variety of beneficial uses, including environmental flows. State investment in water infrastructure is crucial to ensuring the reliable delivery of safe drinking water to California residents. In addition, climate resilience projects have also been shown to create jobs and stimulate local economies.

We thank you for your consideration of this issue and urge the Legislature to make the investments in California water that are needed in response to climate change, both in the State Budget process and in the development of a climate resilience bond. If you have any questions, please do not hesitate to contact ACWA State Relations Director, Adam Quiñonez at adamq@acwa.com or (916) 441-4545.

Sincerely,

Adam Quiñonez
State Relations Director
Association of California Water Agencies

David Youngblood, PE
General Manager
East Orange County Water District

David J. Coxey
General Manager
Bella Vista Water District

Joe Mouawad, P.E.
General Manager
Eastern Municipal Water District

Richard Wilson
Assistant General Manager – Water
Burbank Water and Power

Rebecca Guo
General Manager
El Dorado Water Agency

Alexandra Biering
Senior Policy Advocate
California Farm Bureau

Greg Thomas
General Manager
Elsinore Valley Municipal Water District

Wendy Broley
Executive Director
California Urban Water Agencies

Paul A. Cook
General Manager
Irvine Ranch Water District

Kristine McCaffrey
General Manager
Calleguas Municipal Water District

Patrick Kaspari
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McKinleyville Community Services District

Katie Valenzuela
Council Member
City of Sacramento

Paul E. Shoenberger, P.E.
General Manager
Mesa Water District

Juan Guerreiro
Director
City of San Diego Public Utilities
Department

Adel Hagekhalil
General Manager
Metropolitan Water District of Southern
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Monterey Peninsula Water Management
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Mountain Counties Water Resources
Association

Kyle Swanson
CEO/General Manager
Padre Dam Municipal Water District

Vince Lucchesi
General Manager
Patterson Irrigation District

Robert S. Grantham
General Manager
Rancho California Water District

Dennis J. Herrera
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San Francisco Public Utilities Commission

Paul Helliker
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San Juan Water District

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Chief Executive Officer
Santa Clara Valley Water District

Albert C. Lau
General Manager
Santa Fe Irrigation District

Sandra F. Jacobs
President
Santa Margarita Water District

Jerry Vilander
General Manager
Serrano Water District

Carlos Quintero
General Manager
Sweetwater Authority

Matthew Litchfield
General Manager
Three Valleys Municipal Water District

Don Perkins
General Manager
Tuolumne Utilities District

Mauricio Guardado
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United Water Conservation District

Thomas Love
General Manager
Upper San Gabriel Valley Municipal Water
District

Bob Reeb
Executive Director
Valley Ag Water Coalition

Erik Hitchman
General Manager
Walnut Valley Water District

E.J. Caldwell
General Manager
West Basin Municipal Water District

Cc:

Honorable Members, Senate Committee on Budget and Fiscal Review
Honorable Members, Senate Committee on Budget and Fiscal Review Subcommittee 2 on
Resources, Environmental Protection and Energy
Joanne Roy, Consultant, Senate Committee on Budget and Fiscal Review
Chris Woods, Budget Director, Senate President pro Tempore

March 1, 2024

ALEX PADILLA

U.S. SENATOR *for* CALIFORNIA

The Low-Income Household Water Assistance Program (LIHWAP) Establishment Act

The LIHWAP Establishment Act is supported by:

American Business Water Coalition
American Rivers
American Water
American Water Works Association
Association of California Water Agencies
Association of Metropolitan Water Agencies
Aurora Water
Azul
Bakersfield City Council Member Kaur Bakersfield
City Council Member Arias
Brownsville Public Utilities Board
Burbank Water and Power
Calaveras County Water District
California Association of Mutual Water Companies
California Association of Sanitation Agencies
California Municipal Utilities Association
California League of Cities
California-Nevada American Water Works Association
California State Assembly Member Soria
California Water Service Group
California Rural Water Association
Central Arizona Project
Center for Water Security and Cooperation
Central Valley Salinity Coalition
Chowchilla Water District
City of Aurora, CO Mayor Coffman
City of Banning Mayor Silva
City of Cathedral City
City of Concord
City of Jurupa Valley Mayor Silva
City of Los Angeles Mayor Bass
City of Madera
City of Merced Mayor Serratto
City of Norco Mayor Bash
City of Oakland Mayor Thao
City of Ontario
City of Pasadena Mayor Gordo
City of Phoenix
City of Ridgecrest
City of Riverside Mayor Locke-Dawson
City of Rohnert Park Mayor Hollingsworth Adams
City of Temecula
City of Tulare
City of Sacramento
City of San Diego Mayor Gloria
City of San Francisco Mayor Breed
City of Seattle, WA Mayor Harrell
City of Watsonville
City of Wildomar
Clean Water Action
Clean Water Services of Washington County, OR
Coachella Valley Water District
Colorado Springs Utilities
Community Water Center
Community Water Systems Alliance
Contra Costa Water District
Denver Water
Earthjustice
East Bay Municipal Utility District
Eastern Municipal Water District
El Dorado Water
Elsinore Valley Municipal Water District
Fresno City Council President Perea
Fresno City Council Member Chavez
Fresno City Council Member Esparza
Fresno City Council Member Karbassi
Fresno City Council
Fresno County Board of Supervisors
Fresno County Supervisor Masgig
Fresno Economic Opportunities Commission
GreenLatinos
Indian Wells Valley Groundwater Authority
Inland Empire Utilities Agency
International Association of Plumbing and Mechanical Officials
Irvine Ranch Water District
JEA Florida
Jurupa Community Services District
Las Vegas Valley Water District
Latino Caucus of California Counties
Los Angeles Chamber of Commerce
Los Angeles Department of Water and Power
Madera County Supervisor Gonzalez
Marin Water District
Merced City Council
Merced City Council Member Smith
Merced County
Mesa Water
Metropolitan Water District of Southern California
Mid-Kaweah Groundwater Sustainability Agency
Mission Springs Water District
Monterey County

Monterey One Water
Monterey Peninsula Water Management District
National Association of Clean Water Agencies
National Association of Counties
National Association of Water Companies
National League of Cities
Natural Resources Defense Council
New Mexico: Albuquerque Bernalillo County
Water Utility Authority
Palmdale Water District
Physicians for Social Responsibility Los Angeles
Placer County Water Agency
PolicyLink
Rancho California Water District
Regional Water Authority
Rural Community Assistance Partnership
Rural County Representatives of California
Salt Lake City Public Utilities
Salt River Project
San Diego County Water Authority
San Francisco Public Utilities Commission
San Jose Water
Santa Clara Valley Water District
Santa Cruz County Board of Supervisors
Santa Cruz County Supervisor Friend
Santa Margarita Water District
Seattle Public Utilities
Solano County Water Agency
Soquel Creek Water District
Southern Nevada Water Authority
South Coast Water District
South Tahoe Public Utility District
Tahoe City Public Utility District
Truckee Meadows Water Authority
Upper San Gabriel Valley Municipal Water District
U.S. Chamber of Commerce
Utica Water and Power Authority
Veolia
Water Agency Leaders Alliance
Water Environment Federation
Water Replenishment District of Southern California
We the People of Detroit
West Basin Municipal Water District
Western Municipal Water
Western Urban Water Coalition
Westlands Water District
West Valley Water District
Yolo County Board of Supervisors



VIA EMAIL

March 26, 2024

The Honorable Jimmy Panetta
United States House of Representatives
304 Cannon House Office Building
Washington, DC 20515

RE: Support Request – HR 7525 *Special District Grant Accessibility Act*

Dear Representative Panetta:

The Monterey Peninsula Water Management District respectfully requests that you support the *Special District Grant Accessibility Act* (HR 7525). This important bipartisan legislation was overwhelmingly approved by the House Oversight and Accountability Committee on March 7 and is now awaiting action by the full House. We urge you to work with Congressional leadership to ensure that the legislation is considered in a timely fashion.

HR 7525 will require the Office of Management and Budget (OMB) to issue guidance to federal agencies requiring special districts to be recognized as local governments for the purpose of federal financial assistance. The bill also would formally define “special district” in federal law.

Special districts are local governments created by a community to deliver specialized services essential to their health, safety, economy, and well-being. In the State of California, there are over 2,000 special districts providing a broad range of essential services and infrastructure.

Despite the significance of special districts throughout the United States, federal law lacks a consistent definition of these special purpose units of local government. As a result, some communities served by special districts face challenges in accessing federal funding. Moreover, special districts lack official population figures and are therefore not recognized by the U.S. Census Bureau as “geographic units of government.” As a result, special districts are unable to gain access to certain formula-driven grants and resources.

Again, I encourage you to support the *Special District Grant Accessibility Act*. Thank you for considering this request.

Sincerely,

A handwritten signature in black ink that reads "David J. Stoldt".

David J. Stoldt
General Manager

cc: California Special Districts Association



July 29, 2024 Submitted/August 05, 2024 Signatories Updated

The Honorable Buffy Wicks
 Chair, Assembly Committee on Appropriations
 1021 O Street, Suite 8140
 Sacramento, CA 95814

RE: SB 1255 (Durazo): Water Rate Assistance Program (June 19 Version)
POSITION: OPPOSE UNLESS AMENDED

Dear Chair Wicks:

The Association of California Water Agencies (ACWA) and the undersigned organizations have an “Oppose-Unless-Amended” position on SB 1255. This bill proposes to require retail water suppliers with more than 3,300 residential connections to implement a water low-income rate assistance (LIRA) program. We agree with the intent of the bill. **However, SB 1255 would create fiscal uncertainties, and the proposed approach would not allow for successful implementation of the program. ACWA and the undersigned organizations urge the Assembly**

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Committee on Appropriations to hold the bill unless it is amended as suggested in ACWA's mockup (attached). Following are examples of concerns.

Uncertain Funding Levels – The bill would rely on **voluntary contributions** from ratepayers who would not receive the assistance. **The funding (i.e., total amount of the contributions) for any public water agency's SB 1255 program would be completely uncertain.**

"Voluntary" Contributions (Opt-Out) [Section 116932 (c)(d)(e)] – The bill proposes an "opt-out" approach with notice, but many ratepayers would likely not see the notice (e.g., if their water bills are on automatic payment). So many noneligible **ratepayers would be charged the "voluntary" contributions when they were not aware they could opt out.** This would set up a negative reputation for the program from the start. Customers could opt out and seek refunds, but that would create even more funding uncertainty. ACWA is suggesting an "opt-in" approach.

Funding Conundrum (Administrative Costs) [Section 116931 (c)(2)] – Beginning July 1, 2027, the bill would cap administrative costs for the program at not greater than ten percent of the voluntary contributions. This cap would not work because of the uncertain funding amount. As an example, to have the cost covered for one position to administer this program (e.g., \$70,000 salary plus \$30,000 in benefits), the agency would have to receive over \$1,000,000 in voluntary contributions each year, which is highly unlikely for many public water agencies. Agencies could not use rate revenue from noneligible ratepayers to cover the difference because that would violate Proposition 218 (the State Constitution). This provision needs to be deleted.

Communities with Many Ratepayers Just Above Eligibility – Residential ratepayers with an annual household income of no greater than 200 percent of the federal poverty guidelines would be eligible for assistance. ACWA agrees with that threshold. However, funding the proposed rate assistance program would be extremely challenging for communities where many of the noneligible ratepayers have annual household incomes that are not much above the eligibility threshold.

Application of Bill Credit – Drinking Water Not Wastewater [Section 116931 (b)(2)] – **SB 1255 should limit the bill credit to drinking water charges and not apply it to wastewater charges.** SB 1255 would provide that if wastewater charges were on the same bill as drinking water charges, the bill credit would have to be applied for the wastewater charges also. This aspect is problematic. For example, some public water agencies provide drinking water service to all of their customers and wastewater services to some of their customers, etc. There is an **equity issue** if some customers receive a credit for wastewater charges and some customers (who are billed only for drinking water on the water bill) do not receive that additional credit.

Use of Arrearage Data - Needs Assessment [Section 116772 (c)(2)(A) and (B)] – **The bill should not require the collection and use of arrearage data to estimate what funding is needed for a LIRA program for community water systems with fewer than 3,300 connections. Arrearages are not a good basis for estimating this funding need.** Arrearages for nonpayment exist for



multiple reasons. Some ratepayers with high incomes may have not paid their bills, and there will be ratepayers with low incomes who have paid their water bills and do not have arrearages, etc. ACWA suggests that the State use existing **income** information the State has and estimate the number of low-income ratepayers for these systems.

Incomplete Process - The bill was **amended in the second house on June 3 to propose a major new program** – a water LIRA program. **No Senate policy committee has heard the proposal, and the Senate Appropriations Committee has not heard the proposal.**

There can be a workable and efficient State water LIRA program in California. However, **ACWA and the undersigned organizations have serious concerns that SB 1255 cannot be successfully implemented.** ACWA and the undersigned organizations remain opposed to SB 1255 unless it is amended as suggested in the attached mockup. We urge your “NO” vote when the Assembly Committee on Appropriations hears the bill. If you have any questions, please contact ACWA Deputy Executive Director, Cindy Tuck at (916) 669-2388 or at cindy@acwa.com.

Sincerely,

Cindy Tuck
Deputy Executive Director
Association of California Water Agencies

Ernesto A. Avila
Board President
Contra Costa Water District

David J. Coxey
General Manager
Bella Vista Water District

John Bosler
General Manager/CEO
Cucamonga Valley Water District

Kristine McCaffrey
General Manager
Calleguas Municipal Water District

Joe Mouawad, P.E.
General Manager
Eastern Municipal Water District

Michael Flood
General Manager
Casitas Municipal Water District

Bruce Kamilos
General Manager
Elk Grove Water District

Bruce Houdesheldt
Mayor
City of Roseville

Nicholas Schneider
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Georgetown Divide Public Utility District



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General Manager
Helix Water District

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Water Resources Specialist
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Las Virgenes Municipal Water District

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Charles Wilson
Executive Director
Southern California Water Coalition



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West Valley Water District

Craig D. Miller, P.E.
General Manager
Western Municipal Water District

Attachment: Mockup: *ACWA Recommended Amendments to SB 1255 (Durazo)* (Starts on Page 6)

cc: The Honorable Maria Elena Durazo
Honorable Members, Assembly Committee on Appropriations
Jacqueline Kinney, Consultant, Assembly Committee on Appropriations
Gino Folchi, Consultant, Assembly Republican Caucus

ATTACHMENT

Association of California Water Agencies Recommended Amendments to SB 1255 (Durazo) – June 19, 2024 Version

Inserts Shown with Red Underscore and Bold
Deletions Shown with Red Strikeout and Bold
June 25, 2024

SECTION 1.

The Legislature finds and declares all of the following:

(a) Existing state law declares that it is 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.

(b) In 2015, the Legislature passed Assembly Bill 401 (Chapter 662 of the Statutes of 2015) that required the State Water Resources Control Board to develop a plan, informed by the public and the State Board of Equalization, for statewide low-income rate assistance for water.

(c) In 2020, the state board released a report pursuant to Assembly Bill 401, which is entitled "Recommendations for Implementation of a Statewide Low-Income Water Rate Assistance Program," that found that it would take over \$140,000,000 annually to create a low-income water rate assistance program.

(d) However, the cost of water has continued to rise, outpacing the rate of inflation and putting too many California families at risk of water shutoffs.

(e) Many larger systems in California could provide ratepayer assistance, but are limited by Proposition 218. The Legislature should develop tools for larger water systems to provide more assistance to ratepayers without violating Proposition 218.

(f) Further, the options available to aid small water systems vary from those available to larger water systems, and include ongoing operations and maintenance assistance for some systems that serve all or nearly all low-income households.

(g) Therefore, to inform future legislation, the state board should develop regularly updated data on resources needed to support small water systems to guide the creation of a future program to fulfill the right of customers of these systems to affordable drinking water ~~and wastewater~~.

SEC. 2.

Section 116772 of the Health and Safety Code is amended to read:

116772.

(a) (1) By January 1, 2021, the board, in consultation with local health officers and other relevant stakeholders, shall use available data to make available a map of aquifers that are at high risk of containing contaminants that exceed safe drinking water standards that are used or likely to be used as a source of drinking water for a state small water system or a domestic well. The board shall update the map annually based on new and relevant data.

(2) The board shall make the map of high-risk areas, as well as the data used to make the map, publicly accessible on its internet website in a manner that complies with the Information Practices Act of 1977 (Chapter 1 (commencing with Section 1798) of Title 1.8 of Part 4 of Division 3 of the Civil Code). The board shall notify local health officers and county planning agencies of high-risk areas within their jurisdictions.

(b) (1) By January 1, 2021, a local health officer or other relevant local agency shall provide to the board all results of, and data associated with, water quality testing performed by a laboratory that has accreditation or certification pursuant to Article 3 (commencing with Section 100825) of Chapter 4 of Part 1 of Division 101 for a state small water system or domestic well that was collected after January 1, 2014, and that is in the possession of the local health officer or other relevant local agency.

(2) By January 1, 2022, and by January 1 of each year thereafter, all results of, and data associated with, water quality testing performed by a laboratory that has accreditation or certification pursuant to Article 3 (commencing with Section 100825) of Chapter 4 of Part 1 of Division 101 for a state small water system or domestic well that is submitted to a local health officer or other relevant local agency shall also be submitted directly to the board in electronic format.

(c) (1) On or before July 1, 2026, and on or before July 1 of each three years thereafter, the board, in consultation with the advisory group established pursuant to Section 116768.5 and appropriate stakeholders, shall update the needs analysis of the state's public water systems to include an assessment of the funds necessary to provide a 20-percent bill credit for low-income households served by community water systems with fewer than 3,300 service connections and for community water systems with fewer than 3,300 service connections to meet the affordability threshold established pursuant to Section 116769.

(2) To develop this assessment, the board shall do all of the following for community water systems with fewer than 3,300 connections:

(A) Obtain income information from one or more State agencies that have the income information as to which ratepayers for those systems have an annual household income that is no greater than 200 percent of the federal poverty guideline level. ~~Collect arrearage data from water systems not regulated by the Public Utilities Commission and request data from the Public Utilities Commission on those systems they regulate.~~

~~(B) Estimate the number of households in need of assistance using arrearage data as well as information provided by the United States Census Bureau or other comparable data source.~~

~~(B) (C) Identify available data on water rates charged by those community water systems with fewer than 3,300 service connections.~~

~~(C) (D) Report the number of those systems for which the rates data was unavailable. Where data is unavailable for a water system, use an average of existing data to estimate the level of need for that system.~~

SEC. 3.

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

CHAPTER 6.5. Water Rate Assistance Programs

116930.

For purposes of this chapter, the following definitions apply:

(a) "Affordability programs" means any of the following programs:

(1) CalWORKs.

(2) CalFresh.

(3) General assistance.

(4) Medi-Cal.

(5) Supplemental Security Income or the State Supplementary Payment Program.

(6) California Special Supplemental Nutrition Program for Women, Infants, and Children.

(7) California Alternate Rates for Energy program.

(8) Family Electric Rate Assistance program.

(b) “Available information” means any of the following:

(1) Information provided pursuant to an agreement entered into pursuant to Section 116933 for the purposes of documenting the residential ratepayer’s participation in an affordability program.

(2) A benefits award letter provided by the residential ratepayer documenting that the customer is an enrollee in, or is a recipient of, an affordability program.

~~*(3) Self-certification of eligibility, under penalty of perjury, by the residential ratepayer.*~~

(c) “Balancing account” means a reserved amount of sufficient funding to address fluctuations in voluntary contributions received or changes in eligible ratepayers, not to exceed 25 percent of the annual expenditures of the program.

(d) “Crisis assistance” means direct bill credits to accounts of eligible ratepayers to reduce accrued arrearages.

(e) “Eligible ratepayer” means a low-income residential ratepayer with an annual household income that is no greater than 200 percent of the federal poverty guideline level.

(f) “Program” means a water rate assistance program established pursuant to this chapter.

(g) “Qualified system” means any retail water supplier that serves over 3,300 residential connections.

(h) “Residential ratepayer” means an accountholder of a qualified system who resides in a single-family or multifamily residence and who receives a bill from a qualified system for water service.

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

(j) “Voluntary contributions” means funds voluntarily remitted by ratepayers to qualified systems that are not derived from fees or assessments pursuant to Section 4 or 6 of Article XIII D of the California Constitution.

116931.

(a) On or before July 1, 2027, a qualified system, other than a system meeting the requirements of subdivision (f), shall establish a program meeting the minimum requirements of subdivision (b) and begin providing water rate assistance to eligible ratepayers in compliance with this chapter.

(b) A program offered pursuant to this chapter shall, at a minimum, include both of the following:

(1) Automatic enrollment of eligible ratepayers if available information indicates that they are qualified to receive assistance.

(2) (A) Provision of a bill credit for eligible ratepayers of no less than 20 percent of the drinking total water charges, ~~and, if present on the bill, wastewater charges~~, for a volume of water approximately similar to that identified in Section 10609.4 of the Water Code or, if the eligible ratepayer uses less, the actual volume used. In the event there is not sufficient funding, including any balancing account funds, to support a 20-percent bill credit, the program shall provide the maximum bill credit available that funding is able to support, unless the maximum bill credit available that funding is able to support is less than 10 percent, in which case the qualified system shall instead provide crisis assistance to the extent funds are available consistent with subdivision (j). The bill credit may be applied pursuant to subparagraph (B).

(B) The qualified system may select the element or elements of the drinking water charges, pursuant to subparagraph (C), upon which the bill credit is applied or may elect to provide a bill credit as a set percentage of the total water bill, provided that the total bill credit is equivalent in value to the bill credit required by this paragraph.

(C) Element, or elements, of the drinking water charges upon which the bill credit may be applied include, but are not limited to, the fixed, volumetric, or fixed and volumetric charges levied by the system.

(c) (1) On or before September 1, 2026, for the reasonable costs associated with the administration of this chapter and to establish ~~initial~~ program funding, a qualified system may begin collecting voluntary contributions. Reasonable costs include administrative costs associated with this chapter and for providing notice to ratepayers pursuant to this chapter.

~~(2) Beginning July 1, 2027, the reasonable costs associated with the administration of this chapter shall not exceed 10 percent of voluntary contributions collected pursuant to this section.~~

(d) In establishing a program pursuant to this section, a qualified system may establish a balancing account to manage fluctuations in voluntary contributions and the granting of bill credits to eligible ratepayers.

(e) This section does not require a qualified system to use funds other than voluntary contributions collected pursuant to Section 116932 to provide rate assistance to eligible ratepayers or to pay for associated administrative costs. A qualified system may use other funds available for this purpose that are not derived from fees or assessments pursuant to Section 4 or 6 of Article XIII D of the California Constitution.

(f) (1) Any qualified system that offers an existing water rate assistance program on or before September 1, 2026, that meets the minimum enrollment and bill credit requirements specified in subdivision (b) by July 1,

2027, shall not be required to comply with this chapter, but may collect voluntary contributions pursuant to Section 116932 to supplement or expand the existing program or to provide crisis assistance. **If an existing water rate assistance program of a qualified system no longer meets the minimum enrollment and bill credit requirements specified in subdivision (b), the qualified system shall meet the requirements pursuant to Section 116931 and Section 116932 within 2 years.**

(2) Nothing in this chapter shall prohibit a qualified system from offering assistance to residential ratepayers that does either, or both, of the following:

(A) Provides a greater bill credit benefit.

(B) Exceeds the definition of low income as specified in this chapter for ratepayer eligibility.

(3) [PLACEHOLDER FOR REFINEMENTS AND/OR POSSIBLE ADDITIONAL OPTION(S) FOR OTHER EXISTING PROGRAMS.]

(g) Any public water system that is not a qualified system may collect voluntary contributions to fund a water affordability program, but is not required to comply with this chapter.

(h) A qualified system may require verification of eligibility from a sample of enrolled eligible ratepayers on an annual basis **or less frequently** to verify the ratepayer's low-income status and eligibility for assistance. A qualified system may remove any ratepayers found to not be eligible for assistance from this program.

(i) A qualified system shall continue to have a program pursuant to this chapter as long as there is sufficient funding available pursuant to Section 116932 to provide water rate assistance or crisis assistance, pay for the qualified system's reasonable costs for administration of the program, and establish a balancing account if the qualified system chooses to do so.

(j) (1) If, after three months of accepting voluntary contributions, the qualified system can demonstrate there will not be sufficient funds to support a program at a minimum of a 10-percent discount or five dollars (\$5) per month, whichever amount is greater and adjusted for the consumer price index after July 1, 2027, and pay for the qualified system's reasonable costs for administration of the program, the system shall instead use the collected contributions to provide ~~ongoing~~ crisis assistance and pay for the qualified system's reasonable costs for administration of crisis assistance. Crisis assistance shall be offered on or before July 1, 2027. **When funding is available that exceeds the administrative costs, c**~~C~~risis assistance shall be offered to eligible ratepayers, at a minimum, when a qualified system provides notice pursuant to Section 116908 or when the eligible **ratepayer customer**~~customer~~ contacts the qualified system about a delinquent account. **For this purpose, a delinquent account means an account that is 90 days past due.**

(2) Crisis assistance shall only be provided to an eligible ratepayer once per year and limited to an amount determined by the qualified system, taking into account the overall past due amount and available funding. To the extent the amount of crisis assistance provided does not eliminate an eligible ratepayer's arrearages, the ratepayer may enter into an amortization agreement, alternative payment schedule, or plan for deferred or reduced payment, pursuant to Section 116910, to be eligible for crisis assistance.

116932.

(a) On or before September 1, 2026, a qualified system offering a program pursuant to this chapter shall provide an opportunity for each ratepayer of the system who has opted in pursuant to this section to provide a voluntary contribution as part of the ratepayer's water bill to provide funding for the qualified system's program.

(b) A qualified system shall establish a recommended voluntary contribution amount ~~on the bill of each~~ for ratepayers other than an eligible ratepayer based on available information as of July 1, 2026, at a level intended to raise sufficient funding to provide a bill credit to eligible ratepayers pursuant to paragraph (2) of subdivision (b) of Section 116931, pay for the qualified system's administrative costs to implement this chapter beginning January 1, 2025, and establish a balancing account if the qualified system chooses to do so. When setting the recommended voluntary contribution, a qualified system shall assume that ~~XX60~~ percent of ratepayers other than eligible ratepayers will opt in to providing the contribution. After January 1, 2028 ~~On or before July 1, 2027~~, a qualified system may adjust the recommended voluntary contribution, as necessary, considering the previous year's actual participation rate. The recommended voluntary contribution shall not exceed 5 percent of the charges for drinking water ~~and wastewater~~ on the water bill for any residential ratepayer.

(c) On or before July 1, 2026, ~~A bill from~~ a qualified system shall identify the option to opt in to providing a label the voluntary contribution in a way that describes the purpose of the funds. The qualified system shall notify their ratepayers of the option to provide a voluntary contribution and, in a visually accessible manner and using clear and unambiguous language, shall provide each ratepayer the option and method of opting in to ~~out of~~ providing the voluntary contribution ~~at least three months prior to beginning collection of the voluntary contribution~~, and thereafter on at least an annual basis. If a ratepayer opts in to providing the voluntary contribution, the voluntary contributions shall commence on the qualified system's subsequent billing cycle following from the ratepayer's opt in notice. The qualified system may choose to include alternative amounts for contributions. A qualified system shall also provide this information on its internet website in English, the other languages listed in Section 1632 of the

Civil Code, and any other language spoken by at least 10 percent of the people residing in its service area.

*(d) A ratepayer **who opts in to providing a voluntary contribution** may opt out of the voluntary contribution at any time in a manner that may be specified by the qualified system and shall be included in the notice in subdivision (c), with voluntary contributions terminating on the qualified system's subsequent normal billing cycle **following the opt out and no longer appearing on the ratepayer's bill.***

*(e) A ratepayer **who opts in to providing a voluntary contribution but subsequently opts out** may only request a refund for contributions made since the ~~ratepayer opted out~~ ~~last notice of opportunity to opt out of the program was provided or for the period of the last billing cycle prior to the date the ratepayer opts out, whichever time period is greater.~~ Qualified systems may provide refunds in the form of a bill credit.*

(f) A qualified system shall not sanction, take any enforcement or collection action against, impose any late charge or penalty against, or otherwise hold liable a ratepayer in any manner for exercising the option of not paying a voluntary contribution described in this section.

(g) The voluntary contributions shall be used only to provide rate assistance to eligible ratepayers, pay for associated administrative costs to implement the program, and establish a balancing account. Administrative costs of establishing the program may be reimbursed from voluntary contributions.

(h) A qualified system may contract with a third party to receive the voluntary contributions and comply with this section.

(i) Any partial payment made by a ratepayer that is insufficient to pay for charges on the bill shall be used to pay the qualified system's charges shown on the ratepayer's bill before being attributed to a voluntary contribution.

(j) No penalty or late fee may be assessed by a qualified system for the failure of a ratepayer to make timely payment of a voluntary contribution described in this section, ~~regardless of whether the ratepayer has exercised the option of not paying a voluntary contribution.~~

(k) A qualified system may use any state or federal funds that are available to support a program by offsetting or supplementing the funds collected from voluntary contributions.

116933.

(a) On or before January 1, 2026, the Public Utilities Commission shall establish a mechanism for electrical corporations and gas corporations to provide data to all qualified systems no later than April 1, 2026, and annually by April 1 thereafter, regarding ratepayers enrolled in, or eligible to be

enrolled in, the California Alternate Rates for Energy (CARE) program established pursuant to Section 739.1 of the Public Utilities Code and the Family Electric Rate Assistance (FERA) program established pursuant to Section 739.12 of the Public Utilities Code.

*(b) All qualified systems may enter into agreements with local publicly owned electric utilities and local publicly owned gas utilities, including, **but not limited to**, municipal utility districts ~~and irrigation districts~~, for the purpose of regularly receiving data regarding ratepayers enrolled in, or eligible to be enrolled in, affordability programs benefiting eligible ratepayers.*

(c) Data provided pursuant to subdivision (a) or (b) is subject to Section 7927.410 of the Government Code and the Information Practices Act of 1977 (Chapter 1 (commencing with Section 1798) of Title 1.8 of Part 4 of Division 3 of the Civil Code).

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

116934.

Beginning in 2028, the state board shall require qualified systems, in technical reports required by the state board pursuant to Section 116530, to annually report the following:

(a) The total amount of voluntary contributions collected, the administrative costs of operating the program, the number of eligible households that were provided rate assistance or crisis assistance, and the total amount of rate assistance or crisis assistance provided to eligible households.

(b) An evaluation of available relevant information regarding any arrearages that remain after application of bill assistance.

116935.

(a) The Attorney General may bring an action in state court to restrain, by temporary or permanent injunction, the use of any method, act, or practice in violation of this chapter by a qualified system, other than a system that meets the requirements of subdivision (f) of Section 116931, including nonparticipation by a qualified system pursuant to this chapter.

(b) The Attorney General shall not bring an action against a qualified system for failing to meet the requirements of subdivision (f) of Section 116931, as long as the qualified system makes a good faith effort to raise sufficient funding pursuant to Section 116932.

~~116936.~~

~~**The provisions of this chapter are severable. If any provision of this article or its application is held invalid due to a conflict with federal requirements, that invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.**~~

116XXX - PLACEHOLDER TO ADDRESS OTHER ISSUES SUCH AS:

(1) Confidentiality issues related to income data;

(2) Any tax implications of bill credits.

SEC. 4.

No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.