

AMENDED IN ASSEMBLY APRIL 9, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 1434

Introduced by Assembly Member Yamada

January 6, 2014

An act to ~~amend Section 739.8 of the Public Utilities Code~~ *add Section 12092 to the Government Code*, relating to *low-income water corporations assistance*.

LEGISLATIVE COUNSEL'S DIGEST

AB 1434, as amended, Yamada. ~~Water corporations: low-income relief programs.~~ *Low-Income Water Rate Assistance Program.*

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including water corporations, as defined. Existing law authorizes the commission to fix the rates and charges for every public utility, and requires that those rates and charges be just and reasonable. Existing law requires the Public Utilities Commission to consider, and authorizes the commission to implement, programs to provide rate relief for low-income ratepayers of a water corporation.

Existing law establishes the Department of Community Services and Development in state government and vests with the department various powers and authority regarding the implementation and administration of programs to assist low-income individuals in the state.

This bill would ~~instead require the commission to implement a program to provide rate relief for low-income ratepayers of a water corporation, as specified.~~ *require the department, no later than January 1, 2016, in collaboration with the State Board of Equalization, to develop a plan for the funding and implementation of the Low-Income Water Rate Assistance Program, including specified elements. The bill*

would require the department, no later than January 1, 2017, to establish the program to require water service providers to provide water bill discounts and subsidies for eligible low-income residential water ratepayers who enroll in the program, in accordance with prescribed requirements. The bill would create the Low-Income Water Rate Assistance Fund in the State Treasury, and would authorize the department, upon appropriation by the Legislature, to expend moneys deposited in the fund for the purposes of the program. The bill would require the department, no later than January 1, 2016, to report to the Legislature on its findings regarding the feasibility and desired structure of the program to be implemented pursuant to the bill, including any recommendations for additional legislative action that may need to be taken to ensure the successful implementation of the program.

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

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

- 1 SECTION 1. Section 12092 is added to the Government Code,
- 2 to read:
- 3 12092. (a) This section shall be known, and may be cited, as
- 4 the Low-Income Water Rate Assistance Act.
- 5 (b) No later than January 1, 2016, the department, in
- 6 collaboration with the board, shall develop a plan for the funding
- 7 and implementation of the Low-Income Water Rate Assistance
- 8 Program, which shall include all of the following elements:
- 9 (1) A description of the method for collecting funds to support
- 10 and implement the program.
- 11 (2) A description of the mechanism for providing funding
- 12 assistance under the program through either direct credits to
- 13 enrollees in the program or reimbursements to water service
- 14 providers.
- 15 (3) A description of the method to be used to determine the
- 16 amount of funds that may need to be collected from water
- 17 ratepayers to fund the program. This section does not authorize
- 18 the imposition of a state charge to fund the program.
- 19 (c) (1) No later than January 1, 2017, the department shall
- 20 establish the program, which shall require water service providers
- 21 in the state to provide discounts or subsidies for eligible

1 *low-income residential water ratepayers who enroll in the*
2 *program.*

3 *(2) The department may require documentation, including tax*
4 *documents, pay stubs, wage statements, or other documents*
5 *providing proof of income, of an enrollee's eligibility for the*
6 *program.*

7 *(d) The program required to be developed pursuant to this*
8 *section shall ensure all of the following:*

9 *(1) A water discount or subsidy not exceeding 20 percent of an*
10 *enrollee's total water bill, or sixty dollars (\$60) per month,*
11 *whichever is less, shall be made available per billing period to an*
12 *eligible enrollee in the program for residential water service*
13 *provided by a water service provider.*

14 *(2) A water ratepayer who is enrolled in the program may*
15 *receive assistance in the form of a discount or credit based on*
16 *water usage and the total amount of the enrollee's most recent*
17 *water bill.*

18 *(e) The Low-Income Water Rate Assistance Fund is hereby*
19 *created in the State Treasury. Moneys deposited in the fund may*
20 *be expended by the department, upon appropriation by the*
21 *Legislature, for the purposes of the program.*

22 *(f) No later than January 1, 2016, the department shall report*
23 *to the Legislature on its findings regarding the feasibility and*
24 *desired structure of the program to be implemented pursuant to*
25 *this section, including any recommendations for additional*
26 *legislative action that may need to be taken to ensure the successful*
27 *implementation of the program.*

28 *(g) For purposes of this section, the following terms shall have*
29 *the following meanings:*

30 *(1) "Board" means the State Board of Equalization.*

31 *(2) "Department" means the Department of Community Services*
32 *and Development.*

33 *(3) "Fund" means the Low-Income Water Rate Assistance Fund.*

34 *(4) "Low-income" means a household with income that is equal*
35 *to or no greater than 200 percent of the federal poverty guideline*
36 *level. For one-person households, program eligibility shall be*
37 *based on two-person household guideline levels.*

38 *(5) "Program" means the Low-Income Water Rate Assistance*
39 *Program.*

1 (6) “Water service provider” means a water corporation, public
2 utility district, or other entity that provides water service to
3 residential water customers in the state.
4 SECTION 1. ~~Section 739.8 of the Public Utilities Code is~~
5 ~~amended to read:~~
6 ~~739.8.—(a) Access to an adequate supply of healthful water is~~
7 ~~a basic necessity of human life, and shall be made available to all~~
8 ~~residents of California at an affordable cost.~~
9 ~~(b) (1) The commission shall implement programs to provide~~
10 ~~rate relief for low-income ratepayers.~~
11 ~~(2) A program pursuant to paragraph (1) shall include a discount~~
12 ~~of not less than 20 percent of the low-income ratepayer’s total bill~~
13 ~~amount.~~
14 ~~(3) The rate relief shall be made available to all eligible~~
15 ~~low-income ratepayers obtaining service from a water corporation~~
16 ~~serving water at retail within the area in which the low-income~~
17 ~~ratepayer is located.~~
18 ~~(e) The commission shall consider and may implement programs~~
19 ~~to assist low-income ratepayers in order to provide appropriate~~
20 ~~incentives and capabilities to achieve water conservation goals.~~
21 ~~(d) In establishing the feasibility of rate relief and conservation~~
22 ~~incentives for low-income ratepayers, the commission may take~~
23 ~~into account variations in water needs caused by geography, climate~~
24 ~~and the ability of communities to support these programs.~~
25 ~~(e) For purposes of this section, “low-income” means a~~
26 ~~household with income that is equal or no greater than 200 percent~~
27 ~~of the federal poverty guideline level. For one-person households,~~
28 ~~program eligibility shall be based on two-person household~~
29 ~~guideline levels.~~