

Assembly Bill No. 401

CHAPTER 662

An act to add Section 189.5 to the Water Code, relating to low-income water assistance.

[Approved by Governor October 9, 2015. Filed with
Secretary of State October 9, 2015.]

LEGISLATIVE COUNSEL'S DIGEST

AB 401, Dodd. 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 State Water Resources Control Board and the 9 California regional water quality control boards as the principal state agencies with authority over matters relating to water quality. Existing law requires the state board to formulate and adopt state policy for water quality control.

This bill would require the state board, no later than January 1, 2018, in collaboration with the State Board of Equalization and relevant stakeholders, to develop a plan for the funding and implementation of the Low-Income Water Rate Assistance Program, which would include specified elements. The bill would permit the board to consider existing rate assistance programs authorized by the commission in developing the plan and would authorize the plan to include recommendations for other cost-effective methods of offering assistance to low-income water customers. The bill would require the state board, no later than 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.

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

SECTION 1. Section 189.5 is added to the Water Code, to read:

189.5. (a) This section shall be known, and may be cited, as the Low-Income Water Rate Assistance Act.

(b) No later than January 1, 2018, the board, in collaboration with the State Board of Equalization and relevant stakeholders, shall develop a plan

for the funding and implementation of the Low-Income Water Rate Assistance Program, which shall include all of the following elements:

(1) A description of the method for collecting moneys to support and implement the program, including a discussion of any constitutional restrictions on public water agency ratesetting.

(2) A description of the mechanism for providing funding assistance under the program through either direct credits to enrollees in the program or reimbursements to water service providers, including a method for verifying income eligibility of low-income ratepayers, clarification of the role of the Public Utilities Commission and water utilities in determining and verifying customer eligibility, and recommendations regarding the structure of the program, particularly whether it will be administered by the state or locally administered.

(3) A description of the method to be used to determine the amount of moneys that may need to be collected from water ratepayers to fund the program. The plan shall include a set of recommendations and best practices of cost-savings measures to ensure water utilities are demonstrating whether and how they are keeping rates low. This section does not authorize the imposition of a state charge to fund the program.

(c) In developing the plan required in subdivision (b), the board may consider the existing rate assistance programs authorized by the Public Utilities Commission for investor-owned water utilities pursuant to Section 739.8 of the Public Utilities Code.

(d) The plan may also include recommendations for other cost-effective methods of offering assistance to low-income water customers besides rate assistance, including billing alternatives, installation of water conservation devices, and leak repair. In considering other methods, the board may consider the Public Utilities Commission's "Assessment of Water Utility Low-Income Assistance Programs."

(e) (1) No later than February 1, 2018, the board shall 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.

(2) The requirement for submitting a report imposed under this subdivision is inoperative on February 1, 2022, pursuant to Section 10231.5 of the Government Code.

(3) A report to be submitted pursuant to this subdivision shall be submitted in compliance with Section 9795 of the Government Code.

(f) For purposes of this section, the following terms have the following meanings:

(1) "Board" means the State Water Resources Control Board.

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

- (3) “Program” means the Low-Income Water Rate Assistance Program.

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