

Date of Hearing: June 24, 2026

ASSEMBLY COMMITTEE ON UTILITIES AND ENERGY

Cottie Petrie-Norris, Chair

SB 1125 (Menjivar) – As Amended June 9, 2026

SENATE VOTE: 30-9

SUBJECT: Water Rate Assistance Program

SUMMARY: Establishes a statewide program to provide water rate assistance to low-income residential ratepayers; and requires the State Water Resources Control Board (State Water Board) to implement and administer the Program upon the appropriation of funding by the Legislature. Specifically, **this bill:**

Defines:

- 1) "Effective date" as the effective date of the appropriation by the Legislature to fund the Program.
- 2) "Eligible system" as a community water system, or a participating tribal water system.
- 3) "Low-income" as an annual household income that is no greater than 200% of the federal poverty guideline level and consistent with the guidelines established for the California Alternative Rates for Energy (CARE) program.

Implementation Contingent Upon Appropriation:

- 1) Provides that implementation of the provisions of this bill is contingent upon an appropriation by the Legislature for its purposes.

Water Rate Assistance Fund:

- 1) Creates the Water Rate Assistance Fund (Fund) in the State Treasury to provide water affordability assistance for residential water services to low-income residential ratepayers. Requires that moneys in the Fund be available upon appropriation by the Legislature to the State Water Board to provide, in consultation with relevant agencies, direct water bill assistance to low-income residential ratepayers served by eligible systems. Requires the State Water Board to, upon appropriation by the Legislature, expend moneys from the Fund for reasonable costs associated with the administration of the Program.
- 2) Prohibits, commencing 450 days after the effective date, funds for the reasonable costs associated with the administration of the Program, including relevant agencies' administrative costs, from exceeding 10% of the average annual deposits into the Fund.
- 3) Requires the State Water Board to pay eligible systems for reasonable costs associated with the administration of the Program, which shall not count toward the 10% limitation.

- 4) Requires, commencing 730 days after the effective date, a minimum of 80% of total expenditures from the Fund to be directly applied to residential ratepayer accounts.
- 5) Authorizes the State Water Board to undertake the following actions, among others, to administer the Fund:
 - a) Provide for the deposit of any of the following moneys into the Fund: federal or state funding; voluntary contributions, including, but not limited to, gifts, grants, or bequests; and any previously distributed funds returned to the Fund pursuant to the defined process; and
 - b) Enter into funding agreements with the federal government, local or state agencies, private entities, or nonprofit organizations.
- 6) Requires the State Water Board to do all of the following in administering the Fund, among other requirements:
 - a) Develop and implement a process for the State Water Board to disburse program funds to eligible systems for direct application to the system's low-income residential ratepayer accounts, including controls to prevent fraud, waste, and abuse; and
 - b) Expend, upon appropriation by the Legislature, moneys in the Fund for grants, contracts, or services to provide benefits to eligible residential ratepayers.
- 7) Provides that services may include technical assistance to eligible systems serving fewer than 3,300 connections to administer the application of funds to low-income residential ratepayer accounts, including initial startup costs.

Third-Party Providers and Eligibility Process:

- 1) Requires the State Water Board to identify and contract with one or more third-party providers for the purpose of providing assistance to eligible systems with customer enrollment and disenrollment, to the extent authorized by government contracting law.
- 2) Provides that the scope of work for a third-party provider shall include, but not be limited to, the receipt of CARE enrollment data, as provided; the receipt of information from eligible systems; the creation of eligible customer lists to be provided to eligible systems; call center services; internet-based enrollments; document intake and processing; and, provision of notices to eligible customers of enrollment into the program and an opportunity for them to opt out of the program.
- 3) Requires the State Water Board to establish a process for contracted third-party providers or other entities responsible for enrollment to regularly confirm the eligibility of recipients, based upon income eligibility pursuant to this bill.

Program Guidelines:

- 1) Requires the State Water Board to, in consultation with relevant agencies, after a public hearing, and within 365 days of the effective date, adopt guidelines for implementation of the Program.
- 2) Requires that the Program guidelines include, at minimum, all of the following requirements, among others:
 - a) Direction to eligible systems to automatically enroll households in the Program if the residential ratepayer's household is a utility customer enrolled in the CARE program.
 - b) A process to enroll, as specified, other households if available information shows that any member of the residential ratepayer's household is a current enrollee in, or recipient of, CalWORKs, CalFresh, general assistance, Medi-Cal, Supplemental Security Income or the State Supplementary Payment Program, or the California Special Supplemental Nutrition Program for Women, Infants, and Children.
 - c) Minimum requirements for eligible systems, including all of the following, among others:
 - i) Participation in the statewide Program;
 - ii) A process for enrollment into the Program for households that meet the eligibility criteria established pursuant to this bill;
 - iii) The ability to confirm eligibility for enrollment through a request for self-certification of eligibility under penalty of perjury;
 - iv) A process for eligible systems, at their sole discretion, to elect whether and the extent to which they will rely on third-party providers for the eligibility and enrollment services within the scope of work set forth in this bill, or instead elect to perform one or more of these services itself; and
 - v) A process for eligible systems to share information with third-party providers, to the extent necessary for third-party providers to provide the services elected by the eligible system.
 - d) A process for the State Water Board to provide, as specified, funding to eligible systems for application to eligible low-income residential ratepayer accounts.
 - e) Guidance to eligible systems regarding payment of reasonable costs for administration of the program, which include, but are not limited to, staff costs to implement the program; changes to billing systems needed to provide bill credits; and communication materials to customers about the program.
 - f) A process for eligible systems to provide a flat bill credit to low-income residential ratepayers of no less than \$20 per month. Requires the State Water Board to update the flat bill credit annually to reflect changes in the Consumer Price Index.
 - g) A process for eligible systems to opt to instead provide a bill credit to low-income residential ratepayers of 20% of the total water charges for a volume of water similar to that identified in sustainable water use and demand reduction law, as specified, if this bill credit would be higher than the flat bill credit developed by the State Water Board pursuant to the provision above.

- h) A provision to audit eligible systems receiving funds under this bill regarding the receipt and distribution of those funds.
 - i) A process for determining how funding and implementation will be prioritized among eligible systems, in the event that full funding is not immediately available.
- 3) Provides that if an eligible system does not receive funding as part of the prioritization process, the eligible system shall not be required to comply with the provisions of this bill. Requires the State Water Board to provide notice to eligible systems if they are not required to comply with this bill.
 - 4) Requires the State Water Board to hold at least three public workshops throughout the state on the draft guidelines, and to provide at least 45 days for public comment on the draft.

Annual Report:

- 1) Requires the State Water Board to, in consultation with relevant agencies and after a public hearing, adopt an annual report to be posted on the State Water Board's internet website identifying how the fund has performed, as specified.

Eligibility data transfer:

- 1) Requires, within 450 days of the effective date, the California Public Utilities Commission (CPUC) to establish a mechanism for electrical corporations and gas corporations to regularly share data that includes customer names and account addresses with the third-party providers regarding the utility customers enrolled in, or eligible to be enrolled in, the CARE program. Requires electrical corporations and gas corporations to regularly share that data with third-party providers through the mechanism.
- 2) Authorizes the State Water Board and third-party providers to enter into agreements, as specified, 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 sharing specified data with the third-party provider regarding utility customers enrolled in, or eligible to be enrolled in, affordability programs benefiting low-income residential ratepayers.

Administrative Details:

- 1) Provides that administrative regulations and rulemaking law do not apply to guidelines developed by the State Water Board pursuant to this bill.
- 2) Requires the State Water Board to, to the extent permissible and as specified, make advance payments to eligible systems for direct residential water bill assistance, for related administrative costs, and to implement the purposes of this bill.
- 3) Requires an eligible system to provide a full accounting of its expenditures on an annual basis and as requested by the State Water Board.

- 4) Provides that an eligible system shall not be required to establish or maintain the administrative infrastructure, including staff, changes to billing systems, or other reasonable actions necessary to comply with this bill, unless the Fund has sufficient funds therein to comply, and a distribution for reasonable administrative costs has been provided to the eligible system.

Administrative requirements:

- 1) Requires the State Water Board to do all of the following, among other requirements, in administering the program:
 - a) Provide guidance, oversight, and funding for low-income rate assistance for residential ratepayers of eligible systems;
 - b) Coordinate with the CPUC, to the extent reasonable and as specified, 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;
 - c) For an eligible system that is not regulated by the CPUC, consult with relevant agencies on options to provide oversight of the eligible system's application of Program funds to the system's low-income residential ratepayer accounts pursuant to this bill to ensure effectiveness and prevent fraud, waste, and abuse; and
 - d) Consider identifying alternative entities to distribute and track benefits if the State Water Board determines that an eligible system is incapable of applying program funds to residential ratepayers of the system pursuant to this bill.

Local water rate assistance programs:

- 1) Provides that this bill does not prohibit an eligible system from administering a local water rate assistance program that is in addition to, or on top of, or different from, the assistance provided through the Program. Provides that local water rate assistance programs are administered independently and separately from the Program without oversight from the State Water Board.
- 2) Requires that an eligible system that offers assistance through a local water rate assistance program that is in addition to the assistance provided through the Program to qualifying ratepayers still receives funds from the Program for the eligible portion of the assistance.

Community Water System Implementation:

- 1) Requires all nontribal community water systems to, within 730 days of the effective date, or by any other date set by the State Water Board based on a process for prioritization among eligible systems, begin providing water rate assistance to residential ratepayers in compliance with the minimum requirements specified in this bill.
- 2) Authorizes a tribal water system to offer water rate assistance.

- 3) Requires eligible systems to continue to provide water rate assistance to low-income residential ratepayers as long as there is sufficient state or federal funding available to provide water rate assistance and fund eligible systems for reasonable costs for administration of the Program.

Enforcement:

- 1) Authorizes the Attorney General, at the request of the State Water Board, to bring an action in state court to restrain, by temporary or permanent injunction, the use of any method, act, or practice declared by this bill to be unlawful, including nonparticipation by a public water system with the Program.
- 2) Prohibits the State Water Board from requesting an action, and the Attorney General from bringing an action, against an eligible system for failing to meet the requirements of this bill, as long as the eligible system makes a good faith effort to implement the provisions of this bill or the eligible system has been notified that they do not need to comply with the requirements of this bill because the Program hasn't been fully funded.

EXISTING LAW:

- 1) Declares as 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. (Water Code § 106.3)
- 2) Requires the State Water Board, by January 1, 2018, to develop a plan for the funding and implementation of a Low-Income Water Rate Assistance Program, as specified. (Water Code § 189.5(b))
- 3) Requires the State Water Board, by February 1, 2018, to report to the Legislature on its findings regarding the feasibility, financial stability, and desired structure of a Low-Income Water Rate Assistance Program, including recommendations for needed legislative action. (WC § 189.5 (e))
- 4) Establishes the California Safe Drinking Water Act to provide for the operation of public water systems and imposes on the State Water Board various responsibilities and duties relating to the regulation of drinking water to protect public health. (Health & Safety Code §§ 116270 – 116755)
- 5) Establishes the Safe and Affordable Drinking Water Fund in the State Treasury to help water systems provide an adequate and affordable supply of safe drinking water in both the near and long term. (Health & Safety Code § 116766)
- 6) Requires the CPUC to continue, as specified, the CARE program of assistance to low-income electricity and gas customers with annual household incomes less than 200% of the federal poverty guideline levels. (Public Utilities Code § 739.1)

- 7) Declares that access to an adequate supply of healthful water is a basic necessity of human life, and that it shall be made available to all residents of California at an affordable cost. (Public Utilities Code § 739.8 (a))
- 8) Requires the CPUC to consider, and authorizes it to implement, programs to provide rate relief for low-income ratepayers. (Public Utilities Code § 739.8 (b))
- 9) Provides that the California CPUC has regulatory authority over public utilities, including water investor-owned utilities (IOUs). Defines “public utility” to include every water corporation and sewer system corporation where the service is performed for, or the commodity delivered to, the public or any portion thereof. (California Constitution Article XII and Public Utilities Code § 2701)

FISCAL EFFECT: According to the Senate Committee on Appropriations, this measure could result in very significant ongoing cost pressures, potentially in the hundreds of millions of dollars annually, to provide water bill assistance through the Water Rate Assistance Fund. Of that amount, up to 10 percent could be used by the State Water Board to administer the program. The bill could also result in ongoing costs of up to \$17 million annually and one-time costs of at least \$1 million for the State Water Board to develop, implement, administer, and oversee the program. In addition, to the extent the Attorney General, at the request of the State Water Board, brings actions to enforce the program's requirements, the bill could result in unknown, potentially significant cost pressures on the state-funded trial courts due to additional workload.

BACKGROUND:

Human Right to Water – AB 685 (Eng, Chapter 524, Statutes of 2012) established California as the first state to enact a Human Right to Water law. Public policy continues to be focused on the right of every human being to have safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitation. However, challenges such as the need for an adequate supply of water suitable for drinking, the costs of constructing and maintaining treatment and distribution systems, and the number and nature of small public water systems – especially those in economically disadvantaged communities – among others continue to plague the State’s progress in achieving this human right.¹

Regulation of California’s Drinking Water Systems – The State Water Board has primary responsibility for regulating the state’s drinking water quality.² It works together with the CPUC or local agencies that regulate water utilities. More specifically, the CPUC regulates water IOUs to ensure that ratepayers have access to safe and reliable water utility infrastructure and services. Water POU’s are governed by local boards, not the CPUC, in addition to the State Water Board. To distinguish and outline the responsibilities between these governing bodies, the State Water Board has entered into a memorandum of understanding with the CPUC;³ for many of these

¹State Water Resources Control Board, “Report to the Legislature in Compliance with the Health and Safety Code Section 116365”; September 2021

²Ibid

³CPUC; “Memorandum of Understanding Between the State Water Resources Control Board and the California Public Utilities Commission Regarding the Regulation of Public Water Systems”; https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/news-and-outreach/documents/news-office/mous/12920-signed-mou-between-cpuc-and-swrcb.pdf?sc_lang=en&hash=9E9654130F6F54CDAC0E3751845F896D

responsibilities, though, the State Water Board and CPUC work in consultation with one another. The following describes in greater detail the various groups with regulatory oversight of California's drinking water systems:

- *State Water Resources Control Board (State Water Board)*: Specifically, the State Water Board has general authority with regard to water quality and drinking water functions, and administers provisions relating to public water systems and regulation of drinking water to protect public health. These include establishing drinking water standards, maximum contaminant levels in drinking water, and permitting public water systems. The State Water Board oversees approximately 7,500 public water systems, which are also overseen by either the CPUC or local boards.⁴
- *CPUC*: The CPUC Water Division regulates over 100 water and sewer IOUs providing water service to about 16% of California's residents with annual water and wastewater revenues totaling \$1.4 billion.⁵ Approximately 95% of those residents are served by nine large water utilities each serving more than 10,000 connections. The majority of the CPUC-regulated water utilities (92) have service connections of 2,000 or less, and 87 of those have service connections of 500 or less. As with other IOUs, the CPUC regulates the customer rates assessed by water utilities under its jurisdiction, ensuring that costs are just and reasonable.
- *Water POU's*: The majority of California's water customers (more than 80%) are served by cities, water districts, and mutual water companies, which are governed by local boards. These utilities are not regulated by the CPUC, but are instead governed by the city council or other local governing bodies, which set their own rates. Like IOUs, these utilities can also vary greatly in size of their customer base, from the Los Angeles Department of Water and Power, which owns and maintains over 700,000 water meters and service connections,⁶ to the City of Ukiah's water system that serves approximately 6,000 customers.⁷
- *Public Water Systems*: Existing law stipulates that a public water system (PWS) provides water for human consumption to 15 or more connections or serves 25 or more people daily for at least 60 days out of the year.⁸ These systems can include not only large city or regional water suppliers, but also small housing communities, businesses, schools, and hospitals. A public water system is not necessarily a public entity, and most are privately owned. Approximately 92% of PWS serve less than 1,000 connections.⁹ The State Water Board has primary responsibility for regulating all PWS, but other state agencies can also regulate certain aspects of specific classes of water systems: 1) the CPUC for IOUs, 2) the Division of Corporations for mutual water companies, and 3) the Department of Housing and Community Development for mobile home parks.

⁴ https://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/waterpartnership.html

⁵ CPUC, "Water Division"; <https://www.cpuc.ca.gov/about-cpuc/divisions/water-division>

⁶ LADWP, "Provision of Water Service for Single-Family Residential Dwelling Units" December 2018

⁷ The Ukiah Daily, "Improving Ukiah water system' has been a massive project"

<https://www.ukiahdailyjournal.com/2021/05/12/improving-ukiah-water-supply-system-has-been-a-massive-project/>

⁸ HSC § 116275

⁹ https://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/waterpartnership.html

In summary, the existence of numerous state and local agencies makes the allocation and management of the state's water resources complex. According to a 2018 report published by the Public Policy Institute on "*Allocating California's Water*," "California's system for allocating water prevents it from meeting the state's diverse needs, especially in times of scarcity. It is fragmented, inconsistent, and lacking in transparency and clear lines of authority."

The Growing Cost of Drinking Water— Access to safe drinking water is a basic human need; however, the cost of water service has increased substantially across California. According to the State Water Board, the average California household paid approximately 45% more per month for drinking water service in 2015 than in 2007, after adjusting for inflation. The State Water Board has also reported that average water costs increased by approximately 35% between 2012 and 2017 across all sizes of water systems.¹⁰ More recent data from the State Water Board indicates that the average cost of drinking water increased by more than 60% between 2019 and 2022 across water systems of all sizes. In 2022, the average statewide monthly charge for 6 hundred cubic feet (HCF) of water was \$69. Based on that level of usage, customers of small drinking water systems paid an average of \$74 per month, compared to \$42 per month for customers of large water systems. Unfortunately, many economically disadvantaged communities rely on small water systems, and the higher rates often associated with those systems have raised concerns regarding the affordability of drinking water for low-income households.

Existing Water Utility Assistance Programs—The CPUC has authorized the largest nine water utilities to offer low-income rate assistance programs similar in concept to those provided to electricity customers through the California Alternate Rates for Energy (CARE) program. However, each program varies in terms of the amount of assistance provided to low-income customers and the method by which surcharges to cover the cost of the program are collected from non-participating ratepayers. All nine Class A water utilities, one Class B utility, and one Class C utility offer discounts on their monthly bills for qualifying low-income customers.¹¹ Water utilities have been transitioning the unique names of their low-income assistance programs to the uniform name Customer Assistance Program (CAP) pursuant to the CPUC's direction. Discounts and surcharges supporting these programs are reviewed in each utility's general rate case proceeding.

State Water Board Water Affordability Report— AB 401 (Dodd, Chapter 662, Statutes of 2015) required the State Water Board, in collaboration with the State Board of Equalization and relevant stakeholders, to develop a plan for funding and implementing a statewide low-income water rate assistance program and to report its findings to the Legislature. The report was required to evaluate the feasibility, financial stability, and desired structure of such a program, and to include any recommendations for legislative action. In 2020, the State Water Board published *Recommendations for Implementation of a Statewide Low-Income Water Rate Assistance Program*, which examined options for establishing a statewide assistance program for low-income water customers.

¹⁰ Ranges between 23 to 40%. State Water Resources Control Board, Pg VIII; "Safe Drinking Water Plan for California." September 2021

¹¹ Class A Utilities having more than 10,000 service connections, Class B Utilities having between 2,000 service connections and 10,000 service connections, Class C Utilities having between 500 service connections and 2,000 service connections.

Statewide Versus Local Assistance Programs— In its 2020 report, the State Water Board found that existing water rate assistance programs reach only a limited share of eligible households. The report noted that while some community water systems offer rate assistance, many programs have limited funding and enrollment, and fewer than 20 percent of low-income residents served by community water systems receive assistance. The report also found that many water systems, particularly smaller systems, may lack a sufficient customer base to support a standalone assistance program. Based on these findings, the State Water Board recommended creation of a statewide low-income water rate assistance program and identified progressive funding sources as a means of supporting the program without increasing affordability challenges for low-income households.

COMMENTS:

- 1) *Author's Statement.* According to the Author, “Affordability is top of mind for everyone, and people are struggling to make ends meet and pay for their day-to-day expenses. Approximately 1.6 million households, or 1 in 8 Californians, have household water debt. Unlike in the energy space, there is no statewide assistance for families who are falling behind on their water bills. SB 1125 will establish, upon appropriation, the foundation for the first-ever statewide low-income water rate assistance program that will provide direct bill credits on water bills to put money directly back into Californians’ pockets and honor their human right to affordable water.
- 2) *Propositions 218 and 26.* Publicly owned water utilities face legal constraints on their ability to fund low-income water rate assistance programs through water rates. Proposition 218, approved by voters in 1996, requires that revenues derived from property-related fees and charges not exceed the cost of providing the service for which the fees are imposed. Proposition 26, approved by voters in 2010, requires local governments to demonstrate that fees and charges do not exceed the reasonable costs of the governmental activity for which they are imposed and bear a fair or reasonable relationship to the benefits received or burdens imposed by the payor. As such, publicly owned water utilities may face limitations in using water rate revenues to subsidize assistance for other customers. According to the State Water Board's 2020 report, many existing local water rate assistance programs rely on alternative funding sources, such as lease revenues or voluntary contributions, which may be limited and insufficient to support broader affordability efforts. The report identified these funding constraints as a challenge for individual water systems seeking to provide affordability assistance and cited them as one factor supporting consideration of a statewide program.
- 3) *Focus on Direct Bill Assistance.* The State Water Board's 2020 report identified three approaches to addressing water affordability: direct bill assistance, assistance for customers with past-due water bills, and assistance for households that do not receive a direct water bill. SB 1125 focuses on direct bill assistance by requiring eligible systems to provide low-income residential ratepayers with either a monthly bill credit of at least \$20, adjusted annually for inflation, or a bill credit equal to 20 percent of eligible water charges when that amount would provide a greater benefit. According to the bill's sponsors, reducing monthly water bills may make water service more affordable for low-income households and reduce water bill debt and service disconnections. The sponsors also note that the bill incorporates recommendations found in the 2020 report, including

eligibility at or below 200% of the federal poverty level, delivery of assistance through water bill credits, enrollment through CARE data matching and self-certification, and protections governing the sharing of customer information. Sponsors further assert that, while the report also discussed arrearage assistance and assistance for households that do not receive a direct water bill, SB 1125 prioritizes direct bill assistance as an initial step toward implementing a statewide affordability program.

- 4) *California Alternate Rates for Energy (CARE) Program.* The CARE program provides discounted electric and natural gas rates to eligible low-income households served by investor-owned utilities. Households enrolled in CARE receive a 30-35% discount on their electric bill, or 20% if they receive electric service from an electrical corporation with fewer than 100,000 customers, and a 20% discount on their natural gas bill. CARE is funded through a rate surcharge paid by all other utility customers, both residential and non-residential. To support enrollment in the Water Rate Assistance Program, SB 1125 requires the CPUC to establish a mechanism for IOUs to regularly share customer names and account addresses for households enrolled in, or eligible to be enrolled in, CARE with third-party providers administering the program.
- 5) *Guidelines.* This measure also requires the State Water Board's guidelines to direct eligible systems to automatically enroll households in the program if the residential ratepayer's household is enrolled in CARE. The State Water Board, in consultation with relevant agencies and following a public hearing, must adopt implementation guidelines within 365 days of the bill's effective date. Recognizing the administrative and coordination requirements associated with establishing the data-sharing and enrollment processes required by the bill, SB 1125 provides a 450-day period before these provisions become operative.
- 6) *Program Funding Remains Unresolved.* While support for improving water affordability is widespread, this bill does not identify a dedicated funding source for the Water Rate Assistance Program. Supporters of the bill note that AB 2739 (Soria) proposes a potential funding mechanism through the creation of the Water Affordability and System Stabilization Trust, with a portion of trust revenues directed to the Water Rate Assistance Fund established by this bill if both measures are enacted. However, the proposed trust has not yet been funded, and AB 2739 is currently awaiting a hearing in the Senate Committee on Natural Resources and Water on June 23, 2026.

The absence of an identified funding source was also a key factor in Governor Newsom's 2022 veto of SB 222 (Dodd), a similar measure that would have established a statewide low-income water rate assistance program. In his veto message, the Governor cited the lack of a sustainable, ongoing funding source and expressed concern that establishing a permanent statewide assistance program without identified funding could create significant General Fund pressures. Whether a sustainable and ongoing funding source can be secured remains a critical question for implementation of the program.

- 7) *Program Evaluation.* SB 1125 would establish a new statewide water affordability assistance program and require annual reporting on program expenditures, enrollment, and funding needs. Given the anticipated public investment and the scale of the program, the author may wish to consider requiring a periodic performance evaluation of the program. At a minimum, the evaluation could include aggregated eligibility and

enrollment rates by system size and region. Such information could help the Legislature evaluate the program's effectiveness in reaching eligible households and help guide future policy and programmatic changes.

8) *Prior Legislation.*

AB 532 (Ransom, 2025) would have authorized a public urban retail water supplier to provide water rate assistance to its ratepayers, as specified. Status: Held in Senate Appropriations Committee.

SB 350 (Durazo, 2025) would have established the Water Rate Assistance Program, administered by the State Water Board, to provide rate assistance for drinking water and wastewater services to low-income residential ratepayers. Status: Held in Senate Appropriations Committee.

SB 1255 (Durazo, 2024) would have required retail water suppliers that serve over 3,300 residential connections to establish a water rate assistance program to provide assistance to eligible ratepayers for their water and wastewater bills. Status: Held in Assembly Appropriations Committee.

SB 222 (Dodd, 2021). Would have required the State Water Board to develop and administer a statewide water rate assistance program to provide rate assistance to low-income residential ratepayers of a community water system or wastewater system. Status: Vetoed by Governor Gavin Newsom.

AB 217 (E. Garcia, 2019). Would have created the Safe Drinking Water for All Act, which would have established the Safe and Affordable Drinking Water Fund to provide a source of funding for safe drinking water for all Californians, and long-term sustainability of drinking water systems. Would have imposed several fees on agricultural activities and a charge on retail water systems that together would have provided the source of revenue to the Fund. Status: Subsequently amended into another subject.

SB 200 (Monning) Establishes the Safe and Affordable Drinking Water Fund (SADW Fund) to help water systems provide an adequate and affordable supply of safe drinking water in both the near and the long terms. Transfers to the SADW Fund annually, until June 30, 2030, 5% of the proceeds of the Greenhouse Gas Reduction Fund, up to \$130 million. Status: Chapter 120, Statutes of 2019.

AB 401 (Dodd) Requires the State Water Board to develop a plan for funding and implementation of a statewide Low-Income Water Rate Assistance Program. Status: Chapter 662, Statutes of 2015.

AB 685 (Eng). Establishes as policy of the state that every human being has the right to clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes and requires relevant state agencies to consider this policy when revising, adopting, or establishing policies, regulations, and grant criteria pertinent to the human uses of water. Status: Chapter 524, Statutes of 2012.

REGISTERED SUPPORT / OPPOSITION:**Support**

Alliance of Californians for Community Empowerment (ACCE) Action
Asian Pacific Environmental Network Action
Association of California Water Agencies
Association of California Water Agencies (ACWA)
Bryan Osorio, Councilmember, City of Delano
California Coastkeeper Alliance
California Environmental Justice Alliance
California Environmental Voters
California Municipal Utilities Association
California National Organization for Women
California Special Districts Association
California State Association of Counties (CSAC)
California Water Association
Calleguas Municipal Water District
Center for Environmental Health
Center on Race, Poverty, & the Environment
Central California Environmental Justice Network
City of Roseville
City of Sacramento
City of Thousand Oaks
Clean Water Action
Cleaneearth4kids.org
Community Water Center
Courage California
Denise Kadara, President, Allensworth Progressive Association
Destiny Rodriguez, Vice President, State Center Community College District
East Bay Municipal Utility District
Eddie Valero, Supervisor, Tulare County District 4
El Dorado Irrigation District
Environmental Defense Fund
Erin Brockovich, INC.
Friends Committee on Legislation of California
Friends of the River
Gregorio Gomez - Councilmember, Farmersville
Integrated Resource Management
Irene Cacho, Le Grand Resident, Safer Advisory Group
Irvine Ranch Water District
Joe Soria, Mayor Pro Tem, City of Lindsay
Jose Sigala, Councilmember, City of Tulare
Kari Quintana, Trustee, Sultana Community Services District Board
Leadership Counsel Action
Los Angeles Alliance for a New Economy (LAANE)
Los Angeles Waterkeeper
Lutheran Office of Public Policy - California
Medical Advocates for Healthy Air

Metropolitan Water District of Southern California
Mono Lake Committee
Mountain Counties Water Resources Association
Municipal Water District of Orange County
Physicians for Social Responsibility - Los Angeles
Planning and Conservation League
Rancho California Water District
Regional Water Authority
Restore the Delta
San Diego County Water Authority
San Francisco Public Utilities Commission
Sierra Club California
Sustainable Conservation
The Nature Conservancy
The Unidos Network
Tim Prado, President of Board, Lamont Public Utility District
Union of Concerned Scientists
Wholly H2o

Opposition

None on file.

Analysis Prepared by: Lina V. Malova / U. & E. / (916) 319-2083