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February 9, 2021

The Honorable Ben Allen Chair, Senate Committee on Environmental Quality State Capitol, Room 2205 Sacramento, CA 95814

The Honorable Ben Hueso Chair, Senate Committee on Energy, Utilities, and Communications State Capitol, Room 4035 Sacramento, CA 95814

Re: SB 222 (Dodd) Framework for Statewide Water Affordability Assistance Program, and SB 223 (Dodd) Water Shutoffs and Bill Repayment Protections – SUPPORT (as Introduced on 01/14/2021)

Dear Senator Allen and Senator Hueso:

As organizations that work directly with or in partnership with frontline communities, we write to register our strong support for SB 222 and SB 223 (Dodd) to help preserve and provide access to affordable water for all Californians. <u>SB 222</u> would establish a long-needed framework for a statewide water affordability assistance program. <u>SB 223</u> strengthens and extends inadequate existing water shutoff and bill repayment protocols and procedures to better protect all low-income California households that may face or have already experienced water service disconnections due to the water customer's inability to pay their water bill.

Water is the most basic form of PPE, yet millions of Californians face a looming threat of water shutoffs. In April 2020, California Governor Gavin Newsom issued an Executive Order banning water shutoffs statewide for the duration of the COVID-19 pandemic state of emergency. The moratorium was the right thing to do — no one should lose access to water because of the inability to pay, especially amid a global pandemic. But, the shutoff moratorium is a temporary measure. The threat of water shutoffs has not gone away in the long term — and water and sewer debt is accruing with each passing month for families behind on their water bills.

Californians are carrying \$1 billion in water debt affecting 1.6 million Californian households and 5 million Californians. This information is taken from the State Water Board's January 2021 Drinking Water COVID-19 Financial Impacts Survey. The survey additionally found that low-income communities of color had disproportionately high water debt levels. And the survey found that lost revenue has pushed over 100 small water systems to the brink of collapse, jeopardizing the only water source for the disproportionately Black, Indigenous and communities of color (BIOPIC) they serve. Altogether, this means that a rising tide of household water debt for low-income families now threatens a tidal wave of mass water shutoffs once California's water shut-off moratorium ends.

No one should ever have their water shut off due to inability to pay, but Californians struggled with water affordability issues and experienced high numbers of water shutoffs even before the pandemic. Around 500,000 Californians were impacted by water shutoffs in 2019 according to State Water Board data. The water sector has long lacked a universal affordability state program and adequate shutoff and bill repayment protections for low-income households. Over 50% percent of Californians have a water service provider that does not offer water rate assistance to low-income customers. For water systems that do, enrollment rates are typically low. More broadly, less than 20% of the state's low-income population served by community water systems currently receives benefits from a low-income rate assistance program.

SB 222 and 223 are directly informed by and build on prior legislative action to address our current water affordability crisis. In 2015 the California Legislature passed AB 401 (Dodd), which required the State Water Board to create a plan for a statewide water affordability program and was released in early 2020 and helped inform this legislation. Then in 2018, the Legislature passed SB 998 (Dodd) which established for the first time a basic set of protections and protocols for water shutoffs. While SB 998 provides an important foundation, the pandemic has revealed a number of gaps in the statute that need to be addressed as quickly as possible to avoid families losing access to water and to better put them on track to repayment.

SB 222 would establish a long-needed framework for a statewide water affordability

assistance program. This bill would direct the State Water Board to create program guidelines for a future water affordability program via a public process, and would authorize the Board to provide funding to water systems and 3rd party technical assistance providers for direct water bill assistance. Funding to provide water affordability assistance could come from future state and/or federal sources. Given funding for water affordability needs was already secured at the federal level in 2020, with a high likelihood of additional funding being secured in 2021, it is appropriate for the Legislature to instruct the relevant state agency (the State Water Board) to develop a plan and weigh in at the policy level for how the state should manage this funding to ensure equitable access for all Californians to water affordability assistance. No less importantly, the need for water affordability assistance is not going away — it has been a major challenge and gap in our utility safety net for decades and water affordability challenges will only continue to increase due to the rising cost of water. The pandemic has dramatically increased attention to the lack of a statewide water affordability program and there is now real urgency to address it.

SB 223 strengthens and extends inadequate existing water shutoffs and bill repayment protocols and procedures to better protect all low-income California households. Among other provisions SB SB 223 would ensure the following protections are provided:

- Extend existing protections to cover customers served by very small water systems (200 or fewer connections) that are currently left out.
- Protecting against water shutoffs until a customer has been delinquent for at least 120 days and the amount of the delinquency, excluding late charges and interest, is at least four hundred dollars (\$400).
- Provide universal access to extended repayment plans of at least 12 months in duration and also require access to arrearage management plans.
- Provide technical assistance to very small water systems, require the State Water Board to develop a template shutoff policy, and establish a bridge loan program to assist small water systems in offering extended repayment plans.
- Waive late fees and reconnection fees for low-income Californians.

Access to affordable water is a racial justice and equity issue -- and without action, our water debt and water shutoffs crisis will prevent California from achieving an equitable COVID-19 pandemic recovery. The time is now to address these urgent challenges facing our state. We must fully realize and implement the Human Right to Water, which was established under AB 685 (Eng, 2012) so that every Californian can have daily access to safe and reliable drinking water. SB 222 and SB 223 provide a path forward to help achieve this goal during and beyond the pandemic. For the above reasons, we urge your AYE vote and support before your Committee. For questions or more information, please contact Jennifer Clary at jclary@cleanwater.org, Michael Claiborne at mclaiborne@leadershipcounsel.org, and Uriel Saldivar at uriel.saldviar@communitywatercenter.org.

Sincerely,

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CC:

The Honorable Bill Dodd, California State Senate District 3 The Honorable Lena Gonzalez, California State Senate District 33 The Honorable Richard Bloom, California State Assembly District 50 The Honorable Robert Rivas, California State Assembly District 30 Angela Pontes, Deputy Legislative Secretary, Governor Newsom Alf W. Brandt, General Counsel, Office of Assembly Speaker Anthony Rendon Kip Lipper, Chief Policy Advisor, Office of Senate President pro Tempore Toni Atkins Joaquin Esquivel, Board Chair, State Water Resources Control Board Kristin Peer, Deputy Secretary, California Environmental Protection Agency Martha Guzman Aceves, Commissioner, California Public Utilities Commission Christine Hironaka, Deputy Cabinet Secretary, Office of Governor Gavin Newsom Gabrielle Meindl, Chief Consultant, Senate Committee on Environmental Quality Nidia Bautista, Chief Consultant, Senate Committee on Energy, Utilities, and Communications