

CALIFORNIA LEGISLATURE— 2025–2026 REGULAR SESSION

ASSEMBLY BILL

NO. 532

Introduced by Assembly Member Ransom
(Coauthor: Assembly Member Rogers)

February 11, 2025

An act to repeal and add Section 12087.2 of the Government Code, and to add Chapter 6.5 (commencing with Section 116950) to Part 12 of Division 104 of the Health and Safety Code, relating to water.

LEGISLATIVE COUNSEL'S DIGEST

AB 532, as amended, Ransom. Water rate assistance program.

(1) Existing federal law, the Consolidated Appropriations Act, 2021, among other things, requires the federal Department of Health and Human Services to carry out a Low-Income Household Drinking Water and Wastewater Emergency Assistance Program, which is also known as the Low Income Household Water Assistance Program, for making grants to states and Indian tribes to assist low-income households that pay a high proportion of household income for drinking water and wastewater services, as provided. Existing law requires the Department of Community Services and Development to administer the Low Income Household Water Assistance Program in this state, and to receive and expend moneys appropriated and allocated to the state for purposes of that program, pursuant to the above-described federal law. The Low Income Household Water Assistance Program was only operative until March 31, 2024.

This bill would repeal the above-described requirements related to the Low Income Household Water Assistance Program. The bill would instead require, upon appropriation by the Legislature, the Department of Community Services and Development to establish and administer the California Low Income Household Water Assistance Program to provide water rate assistance to residential ratepayers of community water ~~systems with under 3,000 connections, or water systems serving predominantly~~ *systems, and urban retail water suppliers that serve* disadvantaged communities, as specified.

(2) Existing law, the California Safe Drinking Water Act, requires the State Water Resources Control Board to administer provisions relating to the regulation of drinking water to protect public health. Existing law declares it to be 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.

Existing law requires the state board, by January 1, 2018, to develop a plan for the funding and implementation of the Low-Income Water Rate Assistance Program, as prescribed. Existing law requires the state board, by 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. Existing law requires a public water system to submit a technical report to the state board as part of the permit application or when otherwise required by the state board.

This bill would authorize an urban retail water supplier to provide water rate assistance to its ratepayers, as specified, and would define the term “water rate assistance” to mean any offset of the cost of water service provided through a low-income water rate assistance program, including, but not limited to, a reduction in a ~~volumetric or fixed water fee or charge~~, *water bill*, a percentage reduction of a water utility bill, a water account credit, or crisis assistance used to reduce or eliminate a water bill arrearage or potential arrearage. The bill would authorize the water rate assistance to be provided to specified eligible ratepayers, including, among others, residential ratepayers with an annual household income at or below 200 percent of the federal poverty guideline level. The bill would authorize an urban retail water supplier to use any funding it has available to provide water rate assistance to its ratepayers, as specified, including voluntary contributions sought from other ratepayers. The bill would require an urban retail water supplier to, beginning January 1, 2028, include in the technical report to the state board specified information regarding its water rate assistance program.

Digest Key

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

Bill Text

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. (a) The Legislature finds and declares all of the following:

- (1) Urban retail water suppliers serve over 92 percent of the state’s population, while community water systems with under 3,000 connections serve the remaining 8 percent.
- (2) It is important to efficiently and cost-effectively expand water rate assistance to a greater number of low-income residential water ratepayers in California.
- (3) After two decades of policy discussions and debate on establishing and funding a sweeping statewide low-income water rate assistance program to no avail, and in recognition of the diversity of water suppliers and community water rate assistance needs in California, communities’ varying levels of needs, the level of sustainable water rate assistance a community can support, the proportion of a community’s ratepayers needing assistance as a percent of the overall rate base, and how that assistance can most efficiently and cost-effectively be provided to low-income residential water ratepayers, California should focus on expanding water rate assistance to low-income residential water ratepayers by doing all of the following:
 - (A) Giving urban retail water suppliers express authority to establish and fund local water rate assistance programs that are designed to meet each community’s specific needs and would be administrated efficiently and transparently without violating Proposition 218.
 - (B) Ensuring that existing programs can continue to provide water rate assistance.
 - (C) Clarifying that locally derived funding that supports a local program shall stay within the water system’s service area to support its program.
 - (D) Creating a targeted state program to directly assist low-income residential ratepayers with their water bills served by community water systems with under 3,000 connections or water systems serving predominantly disadvantaged communities.

(4) Granting urban retail water suppliers express authority to provide a local water rate assistance program to its residential ratepayers will give statutory certainty to suppliers that establish and fund a water rate assistance program, thereby expanding access to water rate assistance across California while protecting existing programs that are currently providing that assistance.

(5) To track the progress California is making to expand low-income water rate assistance for residential ratepayers, water systems should report summary information through the electronic annual report administered by the State Water Resources Control Board about the types of programs suppliers are able to provide in helping to meet the affordability elements of the human right to water.

(b) It is the intent of the Legislature that an entity eligible for any state or federal funding authorized or appropriated in furtherance of providing water rate assistance to low-income residential ratepayers shall include an urban retail water supplier with an existing water rate assistance program and an urban retail water supplier with a water rate assistance program established by the authority granted in this measure.

SEC. 2. Section 12087.2 of the Government Code is repealed.

SEC. 3. Section 12087.2 is added to the Government Code, to read:

12087.2. (a) It is the intent of the Legislature to establish the California Low Income Household Water Assistance Program, which shall be administered by the Department of Community Services and Development.

(b) Upon appropriation by the Legislature, the department shall establish and administer the California Low Income Household Water Assistance Program to provide water rate assistance to residential ratepayers of community water ~~systems with under 3,000 connections, or water systems serving predominantly~~ *systems, and urban retail water suppliers that serve* disadvantaged communities.

(c) Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1, the department shall develop the state plan, requirements, guidelines, and subgrantee contract provisions for the program described in this section.

(d) The California Low Income Household Water Assistance Program guidelines shall include information regarding program implementation, including, but not limited to, the following:

(1) Household eligibility.

(2) Prioritization criteria, including whether an urban retail water supplier has established a program pursuant to Section 116950 of the Health and Safety Code.

(3) Program design and implementation.

(4) Funding allocation.

(5) Financial water assistance payments.

(6) State oversight and program integrity.

(7) Public participation.

(8) Data collection and reporting.

~~(e)~~

(e) (1) The department shall use local service providers to help administer the program.

(2) The department shall post on its internet website the eligibility requirements of the program, local service provider area, local service provider contact information, and total annual assistance available during the

current fiscal year.

(d)

(f) (1) Notwithstanding Section 10231.5, beginning the first fiscal year after the California Low Income Household Water Assistance Program has been established, and each year thereafter, the department shall provide a report to the Legislature that includes the total amount of assistance provided, total administrative cost of the program, and total number of households served by the program during the previous fiscal year.

(2) A report to be submitted pursuant to this subdivision shall be submitted in compliance with Section 9795.

(g) *For purposes of this section, the following definitions apply:*

(1) *“Community water systems” means community water systems, as defined in Section 116275 of the Health and Safety Code, that provide retail water service to 3,000 or less end users or that serve 3,000 or less acre-feet of potable water annually.*

(2) *“Disadvantaged communities” means both disadvantaged communities as defined in Section 79505.5 of the Water Code, and a low-income community, as defined in Section 39713 of the Health and Safety Code.*

(3) *“Local service providers” has the same meaning as used in Section 16367.5.*

(4) *“Urban retail water supplier” means the same as defined in Section 10608.12 of the Water Code.*

SEC. 4. Chapter 6.5 (commencing with Section 116950) is added to Part 12 of Division 104 of the Health and Safety Code, to read:

CHAPTER 6.5. Water Rate Assistance Program

116950. For the purposes of this chapter, the following definitions apply:

(a) “Urban retail water supplier” has the same meaning as defined in Section 10608.12 of the Water Code.

(b) “Water rate assistance” means any offset of the cost of water service provided through a low-income water rate assistance program, including, but not limited to, a reduction in a ~~volumetric or fixed water fee or charge;~~ *water bill*, a percentage reduction of a water utility bill, a water account credit, or crisis assistance used to reduce or eliminate a water bill arrearage or potential arrearage.

116951. (a) An urban retail water supplier may provide water rate assistance to its ratepayers in furtherance of the state water policy described in Section 106.3 of the Water Code in any manner it determines will best sustainably meet its community’s needs while permitting the efficient administration and distribution of any assistance provided. This includes a supplier having the option of using third parties to administer or provide that assistance.

(b) In providing the assistance authorized by this section, an urban retail water supplier may provide water rate assistance to its residential ratepayers with an annual household income at or below 200 percent of the federal poverty guideline level, residential ratepayers with an arrearage or those likely to have an arrearage without assistance, or to other ratepayers if a supplier determines that offering assistance would allow it to better meet its community’s needs, better administer or provide for a more sustainable program, or better balance competing policy objectives, such as water quality, water efficiency, and water affordability.

(c) An urban retail water supplier, at its sole discretion, may use any funding it has available to provide water rate assistance to its ratepayers provided it does not use any funding derived from a fee or charge levied pursuant to Article XIII D of the California Constitution.

(d) An urban retail water supplier, at its sole discretion, may seek and use voluntary contributions of funds from its ratepayers and others to support a water rate assistance program for ratepayers. Voluntary contributions may be sought on a water bill or through any other legal means. Any voluntary contributions of funds a supplier receives shall not be considered public funds.

(e) To establish a water rate assistance program pursuant to this chapter, an urban retail water supplier shall hold a public meeting consistent with Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code.

116952. Beginning January 1, 2028, and annually thereafter, an urban retail water supplier shall include in the technical report required by the state board pursuant to Section 116530 all of the following regarding voluntary contributions and water rate assistance:

(a) Whether the supplier provides water rate assistance to its customers.

(b) The amount of funding used to provide any water rate assistance during the previous reporting period.

(c) If the supplier did not provide water rate assistance during the reporting period, an explanation as to any progress made towards implementation of a water rate assistance program, or information about the barriers encountered that prevented providing water rate assistance.

(d) Whether the supplier has sought any voluntary contributions to fund its water rate assistance program. If so, the total amount of voluntary contributions collected to fund its water rate assistance program.

(e) The total number of eligible households that were provided with water rate assistance.