



Legislation and Communications Committee

Report on SB 1255 (Durazo) : Public water systems: needs analysis: water rate assistance program

Item 9-3

July 8, 2024

Report on SB 1255

Subject

Report on SB 1255 (Durazo, D – Los Angeles): Public water systems: needs analysis: water rate assistance program.

Purpose

To provide a legislative update on a legislative proposal regarding low-income water rate assistance.

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Summary

Sponsor: CA Water Foundation, Community Water Center, Clean Water Action and Leadership Council for Justice and Accountability

Summary: Would require an urban retail water agency to establish a low-income rate assistance program through voluntary contributions.

Status: Language introduced June 3, currently in legislative committee.

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Key Provisions

- LIRA program for urban retail water suppliers with at least 3,300 connections
- Voluntary contributions, opt-out basis
- Goal of 20% bill credit, minimum 10% or \$5/mo
- Automatic enrollment based on public assistance program data
- Electric and gas utilities to share data

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Key Provisions

- Assumption that 60% of non-eligible ratepayers will contribute
- 10% cap on administrative costs
- Crisis Assistance Program for contributions below minimum
- Existing LIRA programs must conform to bill credit and enrollment requirements
- Flexibility in assigning bill credits

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Implementation Timeline

January 1, 2025 – System may begin using ratepayer funds to cover initial administrative costs for the program

September 1, 2026 - System may begin collecting voluntary contributions

July 1, 2027 - Date to establish LIRA program or crisis assistance program if cannot fund LIRA

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Member Agency Concerns

Opt-out Provision (No. 1 Priority): Undermines customer trust. Importance of transparency.

Administrative Burden: 10% cap is too low. Reimbursement administration and bill credit processing will be staff intensive. Litigation risk.

Equity: Unequal benefit across the state. Regressive in nature.

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Legislative Process and Stakeholders

Committee Status

- Assembly Utilities and Energy: July 1, 2024
- Assembly Appropriations Committee
- July Recess

Next Steps

- Continue work with water community/sponsors to resolve conflicts

