September 6, 2022

The Honorable Gavin Newsom
Governor, State of California
1021 O Street, Suite 9000
Sacramento, CA 95814

RE: SB 222 (Dodd) – VETO REQUEST

Dear Governor Newsom:

The Association of California Water Agencies (ACWA) respectfully urges you to veto SB 222. The bill would create a State water rate assistance program. ACWA would like to see an efficient State water rate assistance program established in State law. Unfortunately, SB 222 does **not** propose an efficient program because it would use more money for administration than is necessary.

A water rate assistance program has three core elements – funding, enrollment, and funding distribution. SB 222 has fundamental problems for the first two of these three elements. The first core element is funding. To date, the State has **not** identified a funding source. It will be important for the funding source to be progressive (not regressive).

The second element is enrollment. The most efficient approach for a State water rate assistance program is for one **State** agency or its third-party contractor to handle enrollment. Unfortunately, SB 222 has the State doing part the enrollment work and thousands of local water agencies across the State also handling part of the enrollment work. For example, auto enrollment based on enrolment in other low-income assistance programs such as CalFresh (food) and CARE (energy) is a great idea, but the State should handle it. It makes no sense for thousands of local water agencies to handle auto enrollment as SB 222 proposes instead of one State agency handling it. This proposal would just waste program funding that could go to actual financial assistance. Further, the bill is unclear on which entity would handle enrollment confirmations, but it makes sense for the State to handle this since the State has **income information** for California households that most public water agencies do not have for their customers because low-income water rates are prohibited under Proposition 218.

Finally, ACWA suggested a cap on first-year administrative costs for this program, but the Author’s office and sponsors rejected that amendment.
California should enact a water rate assistance program that is efficient - so that more funding can go to actual assistance. Unfortunately, SB 222 does not propose such a program. ACWA respectfully requests that you veto SB 222. Thank you for considering this request. I am available to answer questions at CindyT@acwa.com.

Sincerely,

Cindy Tuck
Deputy Executive Director for Government Relations

cc: The Honorable Bill Dodd
    Ms. Angela Pontes, Deputy Legislative Secretary, Office of Governor Newsom
    Mr. Leslie Spahn, Legislative Director, Office of Senator Dodd