



May 20, 2025

*Submitted Via Position Letter Portal*

The Honorable Anna Caballero  
 Senate Appropriations Committee  
 State Capitol, 412  
 Sacramento, CA 95814

**RE: Support for Senate Bill 350 – Water Rate Assistance Program**

Dear Senator Caballero:

The undersigned organizations work directly with or in partnership with disadvantaged and low-income communities of color, we are proud to sponsor and register our strong support for SB 350 (Durazo). SB 350 would establish a first in the nation Low-Income Water Rate Assistance Program to bring down utility costs and ensure that all Californians can access drinking water and wastewater services regardless of income.

Water is essential in life, not a luxury good. Yet, water and sewer rates consistently outpace inflation, as demonstrated by families paying 45% more per month for drinking water service in 2015 than in 2007 ([State Water Board AB 401 Report](#)). Additionally, a recent [trade article](#) found that water and sewer bills for a typical U.S. household have increased 24% in the past 5 years. And, 34% of California households — roughly 13 million people — earn less than 200% of the federal poverty level (roughly \$50,000 per family). These dual realities cause low-income families to be increasingly unable to afford their water and sewer bills.

As noted in the thoughtful staff analysis, the implementation of SB 350 is contingent upon appropriation. Further, as the staff analysis correctly lays out, the bill would establish a highly efficient framework for improving utility affordability in the water sector. Specifically, though the bill sets a 10% cap on ongoing state administrative costs, the State Board estimates that it can administer the program for only \$18 million annually, a mere ~3% of overall program costs.<sup>1</sup> Similarly, the Class A investor-owned utilities that already offer low-income rate assistance programs that include an auto-enrollment using data from the California Alternative Rates for Energy (CARE) program report low ongoing administrative costs. In sharp contrast, The Department of Community Services and Development initially requested administrative costs of 28% for the 2021-2023 Low-Income Household Water Assistance (LIHWAP) program,<sup>2</sup> but had to settle for *just* 22%<sup>3</sup> after pushback from HHS (Health and Human Services, the federal agency administering the program).

Moreover, recent amends have simplified and clarified roles in implementing the program with a

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<sup>1</sup> While the staff analysis correctly states that the AB 401 Report estimates an overall affordability program cost of \$606 million annually, only \$141 million was for the direct water bill credits proposed in SB 350. The remainder of the total estimate included \$422 million for crisis assistance and renter's credits (which are not included in SB 350) and \$43 million to provide technical assistance for initial water system implementation for all three program components. (See Recommendations for Implementation of a Statewide Low-Income Rate Assistance Program, SWRCB (February 2020), p. 11 [https://www.waterboards.ca.gov/water\\_issues/programs/conservation\\_portal/assistance/docs/ab401\\_report.pdf](https://www.waterboards.ca.gov/water_issues/programs/conservation_portal/assistance/docs/ab401_report.pdf).)

<sup>2</sup> Draft 2021 LIHWAP State Plan (Released July 26, 2021)

<sup>3</sup> Updated 2021 LIHWAP State Plan (Updated as of April 10, 2024)

goal of reducing administrative costs. For example, the May 7, 2025 amends: (a) clarified implementation roles between the State Board, third party providers, and water systems; (b) instructed the State Board to develop guidance regarding what administrative costs are reasonable (as opposed to excessive or unnecessary); and (c) eliminated language that would have required calculation of household-specific bill credits for households that use less than the volume of water set forth in conservation regulations. The result of these amends is to make the bill more efficient and less costly to implement.

The author and sponsors are engaged in ongoing conversations with the Association of California Water Agencies (ACWA) and California Municipal Water Association (CMUA) in order to ensure that the bill is workable and efficient, and are exploring other amendments that could reduce both overall program costs and administrative costs.

The bottom line is that water is both an essential utility and increasingly unaffordable, and the state must act to bring down the cost of water for the most vulnerable Californians. We believe that SB 350 is a vital step toward lowering utility costs, promoting water equity and ensuring that all Californians, regardless of income, have access to affordable water services. We commend your leadership on this issue and urge the Legislature to pass this important legislation. For questions or more information, please contact Jennifer Clary ([jclary@cleanwater.org](mailto:jclary@cleanwater.org)), Michael Claiborne ([mclaiborne@leadershipcounsel.org](mailto:mclaiborne@leadershipcounsel.org)), and Abraham Mendoza ([abrahammendoza@communitywatercenter.org](mailto:abrahammendoza@communitywatercenter.org)).

Sincerely,

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