



March 31st, 2021

Honorable Bill Dodd
California State Senate
State Capitol, Room 2082
Sacramento, CA 95814

Dear Senator Dodd:

Subject: SB 223 – Oppose

The San Gabriel Valley Water Association respectfully wishes to express our opposition to SB 223, your bill that would extend to small water systems (with fewer than 200 service connections) the same provisions regarding water service discontinuation that apply to larger public water systems, in addition to other provisions with ramifications to all water systems already trying to implement SB998. The San Gabriel Valley Water Association's 60 members supply drinking water to residents in 31 cities and 2 million residents through special districts, investor-owned utilities, municipal water utilities, and mutual water companies.

We have a strong concern about the necessity of safe water for the health and well-being of every person, for all the reasons cited in the legislative declarations. Water suppliers should be allowed to fully implement SB998, and before any new requirements are imposed by the state.

In the San Gabriel Valley, we have a history of larger water systems and various regional water agencies extending resources and help to smaller water systems. The COVID-19 crisis has impeded the larger retail suppliers' ability to implement SB998 because the Governor's Executive Order prohibits all shut-offs, including those due to delinquent payments. We feel that SB223 squanders our opportunity to learn about the strengths and weaknesses in SB998's original provisions.

As presently written, SB223 does not identify any funding sources to help the small water systems deal with the financial impacts of implementing the requirements of the bill. The State Water Resources Control Board has assessed the impacts of COVID-19 payment arrearages on small water systems who were not exempted from the Governor's Executive Order prohibiting



customer shut-offs for any reason. The Water Board already has already determined that there is insufficient funding in the Federal Government's relief measure to meet the \$700 million in needed by small water systems to replace lost revenue. Without a defined funding source, the impact of SB223 will compound financial losses of the most needy water systems. This may imperil their goal of bringing safe drinking water to all customers.

Many small water systems face the same problems as their customers, namely they exist on extremely limited resources, with only one or two people to operate the system (sometimes volunteers) and few financial reserves for capital improvements. Many of these systems keep water rates lower than they ideally should, precisely to lessen impacts on the customers for whom water bills are a hardship. And in our experience, these systems already work with customers in arrears in paying their water bills. SB 223 would exacerbate the challenges for small systems by diverting precious resources to complicated administrative procedures, or in a worst-case scenario, to penalties that will cause further financial hardship.

The extra administrative burden imposed by SB 223 on small water systems is beyond their capacity and will further erode their extremely limited resources. For example, it would be extraordinary for a small system operator to determine what languages are spoken by 10 percentage of its customer base, so it will likely just be a guess. Then, translation into multiple languages and formal processes for serving notices creates an added bureaucratic and financial burden. For example, the cost of translation services are not scalable by population and cost the same regardless of a system's size. The translation services as required under SB223 and SB998 can cost up to 30% of a system's income with under 200 connections.

For the small systems targeted by this bill, we believe the protections for customers with delinquent accounts should be contingent upon certification that ***all of the following*** are completed and are in effect by the State Water Resources Control Board:

1. Available funds in a program to compensate the small systems affected by this policy in amounts equal to the lost revenue due to forbearance on service discontinuation under provisions of Section 116910.
2. Distribution to all systems affected by this policy of a template for the policy required under Section 116906 (a).



3. Distribution to all systems affected by this policy of an English language template for discontinuation of service notices, and translations of the template in the languages listed in Section 1632 of the Civil Code.

As a voice for the very small systems in the San Gabriel Valley that would be affected by SB 223, we understand the hardships of insufficient income. The same hardship is felt acutely by small water systems when their customers cannot pay for service. For this fundamental reason, we regretfully must oppose this SB223. We would welcome an opportunity to discuss our concerns with you and your staff.

Sincerely,

Gregory Galindo
President
San Gabriel Valley Water Association