



Media Release

State Water Board Adopts Guidelines for Paying off Pandemic-Related Water Bill Debt

***Funds to be paid directly to water systems to credit customers'
accounts***

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SACRAMENTO – On Tuesday the State Water Resources Control Board adopted [guidelines](#) that will determine how the agency will administer the \$1 billion financial relief program for community water systems' unpaid water bill debt from residential and commercial customers who were unable to pay their bills due to COVID-related financial hardship. The [California Water and Wastewater Arrearages Payment Program](#) will disburse funds between November 1, 2021 and January 31, 2022, prioritizing small drinking water systems first.

Water systems must apply for the funding, which covers residential and commercial accounts that are 60 days or more behind on payments for debt accrued between March 4, 2020 and June 15, 2021. As a condition of receiving the funds, participating systems must credit their customers' accounts and notify them that their water bill debt has been cleared or reduced. *Customers will not be paid directly.* Pending budget legislation negotiated by the Administration and the Legislature would extend the moratorium on water shutoffs to December 31, 2021.

The guidelines adopted Tuesday set forth the conditions systems must meet, the type and amount of eligible debt, the prioritization of payments from the program, and the amount of allowable administrative costs. For example, water systems without customer payment plans will be required to have them, and relief for water systems serving disadvantaged communities will be prioritized. The program will also encourage those systems that have transferred customer debt to third parties to apply for funding nonetheless and clear those debts for their customers.



CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY

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“Water affordability for California’s communities and households is a top priority as we advance our state’s economic recovery,” said Joaquin Esquivel, Chair of the State Water Board. “Thanks to the leadership of Governor Newsom and the California legislature, this first-in-the-nation program will provide relief for households that accrued water debt during the pandemic response and economic downturn, and will help ensure that the generational reinvestments being made in our water systems are equitable and maximized.”

Water systems will be able to apply to the program beginning in October.

This summer, the State Water Board surveyed local water providers to understand the scope of unpaid debt. The board also held workshops and reached out to 2,500 individual providers encouraging them to participate in the program.

Eighty-seven percent of the systems that charge for water responded to the survey. Results indicate that over \$333 million will be needed statewide to cover remaining unpaid customer water bill debt and allowable administrative costs. This figure includes about \$8 million in eligible debt from systems that did not participate in the survey but can still apply for the program.

In July 2021 Governor Newsom and the California Legislature authorized \$1 billion in federal funding to provide relief from statewide household and commercial water bill debt as well as wastewater debt. Based on the survey results, program funds are available to meet 100% of reported drinking water debt, and the remaining funds will extend to wastewater debt relief after January 31, 2022.

The State Water Board’s mission is to preserve, enhance and restore the quality of California’s water resources and drinking water for the protection of the environment, public health and all beneficial uses, and to ensure proper resource allocation and efficient use for the benefit of present and future generations.