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HEALTH AND SAFETY CODE - HSC

DIVISION 104. ENVIRONMENTAL HEALTH [106500 - 119406] (Division 104 added by Stats. 1995, Ch. 415, Sec. 6.)

PART 12. DRINKING WATER [116270 - 117130] (Part 12 added by Stats. 1995, Ch. 415, Sec. 6.)

CHAPTER 4.7. Water and Wastewater System Payments Under the American Rescue Plan Act of 2021 [116773 - 116773.8] (Chapter 4.7 added by Stats. 2021, Ch. 115, Sec. 61.)

116773. This chapter shall be known, and may be cited, as the Water and Wastewater System Payments Under the American Rescue Plan Act of 2021.

(Added by Stats. 2021, Ch. 115, Sec. 61. (AB 148) Effective July 22, 2021. Inoperative July 1, 2026, pursuant to Section 116773.8. Repealed as of January 1, 2027, pursuant to Section 116773.8.)

116773.2. For purposes of this chapter, the following definitions apply:

- (a) "Community water system" has the same meaning as defined in Section 116275.
- (b) "COVID-19 pandemic bill relief period" means the period from March 4, 2020, to December 31, 2022, inclusive, and includes any customer billing period that includes these dates.
- (c) "Enterprise revenue" means revenues of the water or wastewater enterprise of the community water system or wastewater treatment provider.
- (d) "Past-due bills" means customer water bills that are 60 days or more past due and includes both active and inactive accounts, and accounts that have payment plans or payment arrangements.
- (e) "Proportional basis" means based on the percentage of the total statewide need for community water system reimbursement under this chapter, estimated by the state board, and the total assistance available for disbursement.
- (f) "Small community water system" has the same meaning as defined in Section 116275.
- (g) "State board" means the State Water Resources Control Board.
- (h) "Wastewater treatment provider" means any of the following:
 - (1) A city, county, special district, or joint powers authority that provides wastewater collection, treatment, or disposal service through a publicly owned treatment works.
 - (2) Any privately owned facility used in the treatment or reclamation of sewage or industrial wastes, and regulated by the Public Utilities Commission pursuant to Sections 216 and 230.6 of, and Chapter 4 (commencing with Section 701) of Part 1 of Division 1 of, the Public Utilities Code.

(Amended by Stats. 2023, Ch. 51, Sec. 14. (SB 122) Effective July 10, 2023. Inoperative July 1, 2026, pursuant to Section 116773.8. Repealed as of January 1, 2027, pursuant to Section 116773.8.)

116773.4. (a) The California Water and Wastewater Arrearage Payment Program is hereby established in the state board to implement this chapter.

(b) (1) The state board shall adopt a resolution establishing guidelines for application requirements and reimbursement amounts for those arrearages and enterprise revenue shortfalls.

(2) There shall be an initial 60-day application timeframe in which a community water system or wastewater treatment provider may apply to the state board for reimbursement.

(3) The state board shall use the application total to determine the total amount of residential and commercial arrearages and enterprise revenue shortfalls from community water systems and wastewater treatment providers that have submitted that

information.

(4) If there are insufficient funds in the appropriation described in paragraph (1) to reimburse the total amount of reported arrearages and enterprise revenue shortfalls of community water systems and wastewater treatment providers, the state board shall disburse the funds on a proportional basis to each applicant.

(5) An applicant shall calculate or estimate, based on its billing frequency, the total amount of outstanding past-due bills that have accumulated during the COVID-19 pandemic bill relief period. The calculations shall include documentation to support the amount of outstanding customer arrearages or enterprise revenue shortfalls that were incurred during that period, if available. An applicant's authorized representative, or its designee, shall attest that the application is true and accurate.

(6) (A) The state board shall prioritize the timing of the disbursement of funding to small community water systems or wastewater treatment providers serving small communities.

(B) The state board shall establish guidelines to prioritize residential water or wastewater customers and customers with the largest arrearages.

(7) If a community water system or wastewater treatment provider uses customer classes for purposes of its billing program, the following customer classes are eligible for funding under this chapter and may be included in the application:

(A) Residential customers.

(B) Commercial customers.

(c) An applicant shall, within 60 days of receiving funds under this chapter, allocate payments as follows:

(1) As bill credits to customers to help address past-due bills incurred during the COVID-19 pandemic bill relief period and notify customers of the amounts credited to their accounts.

(2) As offsets to or reimbursements for eligible enterprise revenue shortfalls.

(d) (1) An applicant shall provide customers with arrearages accrued during the COVID-19 pandemic bill relief period a notice that they may enter into a payment plan and that they have 30 days from the date of the notice to enroll in the payment plan. A payment plan and its associated rules offered by a community water system of any size shall conform with Chapter 6 (commencing with Section 116900), notwithstanding limitations in that chapter relating to a community water system's size. A community water system shall not discontinue water service to a customer that remains current on a payment plan.

(2) A community water system shall not discontinue water service due to nonpayment of past-due bills before either of the following dates, whichever date is later:

(A) December 31, 2021.

(B) For a customer that has been offered an opportunity to participate in a payment plan, the date the customer misses the enrollment deadline for, or defaults on, the payment plan.

(e) A system or provider shall remit any moneys disbursed to the system or provider under this chapter not credited to customers or utilized as eligible enterprise revenue offsets within six months of receipt back to the state board.

(f) Customer information collected under this chapter is subject to Section 7927.410 of the Government Code.

(g) A community water system or wastewater treatment provider receiving assistance under this chapter may expend up to 3 percent, or up to one million dollars (\$1,000,000), whichever amount is less, of that assistance for costs incurred in applying for the assistance or complying with use and reporting conditions of the assistance.

(Amended by Stats. 2023, Ch. 51, Sec. 15. (SB 122) Effective July 10, 2023. Inoperative July 1, 2026, pursuant to Section 116773.8. Repealed as of January 1, 2027, pursuant to Section 116773.8.)

116773.5. (a) Notwithstanding any other law, any assistance or relief authorized by, and provided by a community water system or a wastewater treatment provider to an individual pursuant to, this chapter shall be treated in the same manner as the federal earned income refund for the purpose of determining the individual's eligibility to receive benefits under Division 9 (commencing with Section 10000) of the Welfare and Institutions Code, excluding benefits under Chapter 7 (commencing with Section 14000) of Part 3 of Division 9 of the Welfare and Institutions Code, or amounts of those benefits.

(b) Notwithstanding any other law, any assistance or relief authorized by, and provided by a community water system or a wastewater treatment provider to an individual pursuant to, this chapter shall not be taken into account as income, and shall not be taken into account as resources for a period of 12 months from receipt, for purposes of determining the eligibility of that individual, or any other individual, for benefits or assistance or the amount or extent of benefits or assistance under any state or local program not covered in subdivision (a). With respect to a state or local program, this subdivision shall only be implemented to the extent that it

does not conflict with federal law relating to that program, and that any required federal approval or waiver is first obtained for that program.

(Added by Stats. 2022, Ch. 3, Sec. 3. (SB 113) Effective February 9, 2022. Inoperative July 1, 2026, pursuant to Section 116773.8. Repealed as of January 1, 2027, pursuant to Section 116773.8.)

116773.6. (a) Actions by the state board to implement this chapter, including the adoption or development of any plan, handbook, guidelines, reporting and audit requirements, or forms, are exempt from Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

(b) Actions by the state board to implement this chapter, including entering into contracts for services or equipment, are exempt from Chapter 2 (commencing with Section 10290) of Part 2 of Division 2 of the Public Contract Code. The state board may award a contract under this chapter on a noncompetitive bid basis as necessary to implement the purposes of this chapter.

(c) The state board shall coordinate with the Department of Community Services and Development in allocating funding under this chapter to community water systems that are publicly owned utilities providing electric and water services.

(d) The state board may use its authority granted pursuant to Chapter 4 (commencing with Section 116270) to implement the requirements of this chapter. For purposes of Article 7 (commencing with Section 116525), Article 8 (commencing with Section 116625), and Article 9 (commencing with Section 116650) of Chapter 4, a violation of any requirement imposed in connection with funding under this chapter or the associated program is a violation of Chapter 4.

(e) This chapter satisfies the requirement for subsequent legislation in Provision 2 of Item 3940-062-8506, Provision 3 of Item 3940-162-8506 of Section 2.00 of the Budget Act of 2021, and implementation of Item 3940-162-8506 of Section 2.00 of the Budget Act of 2023.

(Amended by Stats. 2023, Ch. 51, Sec. 16. (SB 122) Effective July 10, 2023. Inoperative July 1, 2026, pursuant to Section 116773.8. Repealed as of January 1, 2027, pursuant to Section 116773.8.)

116773.8. (a) This chapter shall become inoperative on July 1, 2026, and, as of January 1, 2027, is repealed.

(b) Notwithstanding the repeal of this chapter, any claim or cause of action based thereon that was commenced before January 1, 2027, whether or not reduced to a final judgment, or other action of an implementing agency undertaken pursuant to this chapter shall be preserved, and any remedy that was or could have been ordered to redress a violation of this chapter as it read on June 30, 2026, may be ordered or maintained thereafter.

(Amended by Stats. 2023, Ch. 51, Sec. 17. (SB 122) Effective July 10, 2023. Repealed as of January 1, 2027, by its own provisions. Note: Repeal affects Chapter 4.7, commencing with Section 116773.)