

# Heber Public Utility District Report to the Board of Directors

**MEETING DATE:** March 19, 2020

**FROM:** Laura Fischer, General Manager

**SUBJECT:** Adopt Resolution Number 2020-03 Amending the Heber Public Utility District Policy Manual to meet SB 998, known as the Water Shutoff Protection Act, requirements.

**ISSUE:**

Shall the Heber Public Utility Board of Directors adopt Resolution Number 2020-03 amending the Heber PUD Policy Manual to meet SB 998, known as the Water Shutoff Protection Act, requirements?

**GENERAL MANAGER RECOMMENDATION:**

Approve Resolution 2020-03 adopting the modified Heber Public Utility District Policy Manual.

**FISCAL IMPACT:**

One Time Cost – Tyler Technology to set up New Bill Face	\$1,000
One Time Cost – New Forms and Door Hangers	<u>\$2,000</u>
Subtotal One Time Costs-	\$3,000
Increase to Budget – Office Supplies Additional Notices	\$ 600
Increase to Budget – Additional Postage for Notices	<u>\$2,000</u>
Subtotal Increase Budget	\$2,600
<b>TOTAL</b>	<b>\$5,600</b>

**BACKGROUND:**

SB 998, signed into law September 2018 as the Water Shutoff Protection Act, California Health and Safety Code Sections 116900 et seq., provides additional procedural protections for delinquent residential water customers before the discontinuation of water service.

Under SB 998, water utilities are required to adopt and post written policy regarding residential service termination for nonpayment. Among other things, SB 998 mandates that water utilities may not discontinue residential water service due to delinquent payment until a payment by a customer has been delinquent for at least 60 days. A policy must include: 1) options for averting discontinuance of water service for non-payment including provisions for alternative payment arrangements; 2) timeline of notifications for shut-off due to non-payment; 3) a formal bill appeals process; and 4) translation of the policy and notices into five languages (Spanish, Chinese, Tagalong, Vietnamese, and Korean) as well as any language that is spoken by 10% or more of the population. SB 998 must be implemented by April 1, 2020.

The proposed Residential Water Termination Policy (Exhibit A to Resolution) incorporates

the requirements set forth by SB 998 to be effective April 1, 2020 and has been reviewed by the District’s counsel.

The primary changes for the District are as follows:

<b>Adoption and Posting of Written Policy</b>	
<b><i>Current Policy</i></b>	<b><i>SB 998 Policy Requirements</i></b>
Written policy for discontinuation of service nor non-payment available on the back of utility bill and available on website.	Written policy on discontinuation of service for nonpayment available on the website.
Policy is available in English	Policy must be available in English, Spanish, Chinese, Tagalog, Vietnamese, Korean <b>and</b> any other language spoken by 10% of the population in our service area.
Policy has Customer Payment Arrangements section 3037 with “Reasonable payment schedule following receipt of delinquency “shut-off” notice.”	Policy must contain: Plan for deferred or reduced payments. Alternative payment schedules. Formal mechanism to contest and appeal the bill.
<b>New or Expanded Procedural Protections</b>	
<b><i>Current Policy</i></b>	<b><i>SB 998 Policy Requirements</i></b>
Water cannot be turned off until account is a minimum of 37 days past due.	Water cannot be turned off until account is 60 days past due.
Notices are in English and Spanish	Notices must be in English, Spanish, Chinese, Tagalog, Korean and Vietnamese.
Notices. Utility Service Policy Number 3510 Section X States: Required written notices will either be mailed to the address specified by the Customer for receipt of notices or delivered or mailed to the service address, or in the case of master-metered residential accounts, mailed to the property owner as identified on the latest equalized tax roll at the address listed for mailing of the tax bill.	Notices sent to mailing address and service address.

<p>Notice Includes:  Customer's name  Amount of delinquency  Shut Off Date  Notice of reconnection charge</p>	<p>Notice Includes:  Customer's Name  Amount of delinquency  A description on how to petition bill  A description of procedure for a deferred, reduced or alternative payment schedule.</p>
<p>If unable to make contact with account holder (returned mail) No policy addressing this concern, however staff contacts the telephone number on file.</p>	<p>If unable to make contact with account holder (returned mail)  Must make good faith effort to visit residence and leave:  Notice of imminent discontinuation of service.  Copy of District's Discontinuation policy.</p>
<p><b>Special Medical or Financial Circumstances</b></p>	
<p><b><i>Current Policy</i></b></p>	<p><b><i>SB 998 Policy Requirements</i></b></p>
<p>Policy Manual Policy Number 3037 Customer Payment Arrangements states: GM may approve special arrangements to be made for payment of the fees when an extreme hardship exists. Monthly payment not to exceed 6 payments.</p> <p>Although SB 998 includes certain provisions for low income customers, Staff recommends treating all customers similarly to reduce administrative burden.</p>	<p>Water cannot be discontinued if a customer is willing to enter into a payment arrangement and:  Submits certification from primary care provider that discontinuation of water is life threatening.  Provides evidence that they are financially unable to pay with the normal billing cycle.  Proof includes: CalWorks, CalFresh, General Assistance, Medi-Cal, SSI or CARE (200% of poverty level).  The District may choose to automatically qualify all requests for payment arrangements without certification.</p>
<p>District may discontinue service if customer does not comply with payment arrangements:  48 hour notification is delivered to service address.</p>	<p>District may discontinue service if:  Customer does not comply with payment arrangements for 60 days or more.  Customer does not pay current bill for 60 days or more.  District must mail an intent to disconnect at least 7 business days prior to shut off.  District must post a final notice of intent to disconnect in a prominent location at the property 5 business days prior to shutoff.  District does not have to continuously offer arrangements if customer has not complied historically.</p>



## NEXT STEPS:

Update current Policy Manual with requirements as set out in Exhibit B  
Update bill print with noticing requirements and additional information  
Update fee schedule to conform to requirements as set out in Exhibit C  
Work with professionals to translate documents to meet language requirements  
Update website with required materials  
Work with staff to develop a billing schedule that includes all notices to meet requirements.

The attached changes to the District's Policy Manual (Exhibit B to the Resolution) include:

1) Adding the body of the Residential Water Termination Policy to Policy 3510 Utility Service Policy Sections:

VII. SPECIAL INFORMATION REQUIRED ON FORMS, Customer's Bills; Final Notice; Discontinuance of Service Notices.

IX. DEPOSITS, Amount of Deposit

X. NOTICES, Notices from the HPUD to a Customer, Payment of Bills, Notice of Bill Dispute Hearing Procedure

XII. BILL DISPUT HEARING PRACTICES

XIII. DISCONTINUANCE OF UTILITY SERVICES, Discontinuance of water, sewer and/or trash by the HPUD, Noncompliance with the HPUD Policy.

XIV. TERMINATION OF SERVICE PROCEDURE

XV. RECONNECTION SERVICE CHARGE

## **CONCLUSION:**

As SB 998 was enacted by law and small water districts must comply by April 1, 2020, it is in the best interest of the HPUD to adopt Resolution 2020-03 to ensure compliance with SB 998 regulations.

## **RECOMMENDATION:**

Staff recommends Adoption of Resolution 2020-03 to amend the Heber Public Utility District Policy Manual to Comply with SB 998 Regulations.

## **ALTERNATIVES:**

- 1) Do not adopt Resolution 2020-03 as presented, and provide edits or modifications to the Resolution.
- 2) Do not adopt Resolution 2020-03 and provide alternate direction to staff. This item would be brought back before the Board at a Special meeting in March to meet the April 1<sup>st</sup> deadline.

3) Provide alternate direction to staff.

Respectfully Submitted,

Laura Fischer, General Manager

Attachment: Resolution Number 2020-03  
SB 998

**RESOLUTION NO. 2020-03**

**A RESOLUTION OF THE HEBER PUBLIC UTILITY DISTRICT AMENDING POLICY MANUAL TO ENSURE COMPLIANCE WITH SB 988**

**WHEREAS** in September 2018, Senate Bill 998 was enacted and added the Water Shutoff Protection Act as California Health and Safety Code sections 116900 et seq. The Water Shutoff Protection Act establishes additional safeguards related to the termination of residential water service for non-payment to the procedural requirements already established in existing laws; and

**WHEREAS**, the Water Shutoff Protection Act requires that the Heber Public Utility District adopt a written policy regarding the termination of residential water service due to non-payment; and

**WHEREAS**, the District desires to adopt a policy that complies with the requirements of the Water Shutoff Protection Act and the requirements of existing laws, and also includes the District's procedures and practices in connection with the collection of delinquent accounts, including notifications, and the termination of water service; and

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of Heber Public Utility District:

- 1) The Amendment to the Utility Service Policy, as documented in Exhibit A, attached hereto and incorporated herein as though fully set forth, is hereby approved.
- 2) The District's Policy Manual Number 3037, Customer Payment Arrangements, as documented in Exhibit B, attached hereto and incorporated herein as though fully set forth, is hereby approved.
- 3) The District's Other Charges and Fee Schedule for specific services, as documented in Exhibit C, attached hereto and incorporated herein as though fully set forth, is hereby approved.

**PASSED AND ADOPTED THIS** 19<sup>th</sup> day of March, 2020, by the following vote:

AYES:

NOES:

ABSENT:

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Moises Cardenas, President  
Board of Directors

ATTEST:

\_\_\_\_\_  
Raquel R. Carrillo, Clerk of the Board

APPROVE AS TO FORM:

\_\_\_\_\_  
Steven M. Walker, General Counsel

STATE OF CALIFORNIA )  
COUNTY OF IMPERIAL )  
HEBER PUBLIC UTILITY )  
DISTRICT )

I, RAQUEL R. CARRILLO, Clerk of the Board of the Heber Public Utility District, County of Imperial, State of California, DO HEREBY CERTIFY that the foregoing resolution was dully passed, approved and adopted by the Board of Directors of the Heber Public Utility District at its regularly scheduled meeting held on the 19th day of March, 2020.

By \_\_\_\_\_  
Raquel R. Carrillo, Clerk of the Board

## EXHIBIT A

### Heber Public Utility District Residential Water Service Termination Policy 3520

(Effective April 1, 2020)

#### 1. **Background**

This policy is adopted to satisfy the Heber Public Utility District's (District) obligations under California Government Code Section 60370 *et seq.*, California Public Utilities Code Section 10001 *et seq.* and Health and Safety Code Section 116900 *et seq.*, which govern the termination of certain utility service. Health and Safety Code Section 116900 *et seq.*, the Water Shutoff Protection Act enacted by SB 998, requires urban water suppliers and urban and community water systems, such as the District, to adopt a written policy regarding the discontinuation of residential service due to non-payment. The District can be contacted by phone at (760) 482-2440 to discuss options for averting discontinuation of water service for non-payment under the terms of this policy.

This policy will be available and posted on the District's website ([www.heber.ca.gov](http://www.heber.ca.gov)) in English, Spanish, Chinese, Tagalog, Vietnamese, Korean, and any other language that is spoken by at least 10% of the residents in the service area.

#### 2. **Payment for Residential Water Service**

Every person receiving water service from the District is required to pay for such service within 21 calendar days of mailing of the statement or billing. Except as prohibited by statute, the District will have the right to discontinue water service for the failure to make complete and timely payment. The District will not discontinue residential service for nonpayment until the subject account has been delinquent for at least 60 calendar days.

#### 3. **Delinquency Notice Fee**

If payment for a bill is not received by close of business on the 21<sup>st</sup> calendar day after the bill date, the account is considered "Late" and a Late Fee will be assessed as established in the District's Other Charges and Fee Schedule (Exhibit C).

#### 4. **Payment Arrangements**

Any customer who is unable to pay for water service or any other fees assessed in accordance with the District's Other Charges and Fee Schedule (Exhibit C) or this policy and within the normal payment period may request a payment arrangement to avoid disruption of service. The District will grant a payment arrangement or amortization plan as specified in this policy for any customer who does not already have an active payment arrangement or amortization plan.

Payment arrangements that extend into the next billing period are considered an amortization plan, which must be in writing and confirmed by the customer. An amortization plan will amortize the unpaid balance over a period defined by the customer, not to exceed 12 months from date of the amortization agreement. The amortized payments may be combined with, and subject to the due date of, the customer's future regular bills. The customer must comply with the terms of the amortization plan and remain current as charges accrue in each subsequent billing period. The customer may not request further amortization of any subsequent unpaid charges while paying delinquent charges pursuant to an amortization plan.

A customer who enters into and abides by an amortization or payment arrangement plan shall not be considered delinquent. Failure to comply with the terms of an amortization or payment arrangement plan will result in the customer being considered delinquent. The customer will then be subject to disconnection once the account is delinquent for 60 calendar days and additional arrangements or extensions will not be available for any new delinquent balance, and the customer will not be granted future alternative payment arrangements until the delinquent balance has been paid.

No less than 7 business days before disconnection, the District will make a good faith effort to contact the customer of pending disconnection by telephone, mail or email notice. In addition, a final Shut-Off Warning Notice will be provided by means of a door hanger delivered to the premises no less than 5 business days in advance of discontinuance of service.

## **5. Notifications**

As required by law, the District will notify the customer that the account remains past due and further collection action will be forthcoming. The means of notification will be by phone, mail, or notification at the premises. The District assumes no responsibility for phone, mail or email contact information that has not been kept up to date by the customer.

## **6. Written Disconnection Notice**

The District shall not discontinue water service for non-payment until payment by the customer has been delinquent for at least 60 calendar days. The District will make a reasonable, good faith effort to contact the customer in writing at least 7 business days before discontinuation of water service for non-payment. The Written Disconnection Notice (Shut Off Notice) will be mailed to the mailing address designated on the account and delivered or mailed to the service address, if different from the mailing address. The Written Disconnection Notice (Shut Off Notice) will include:

- Customer's name and address
- Amount that is past due
- Date by which payment or payment arrangements are required to avoid discontinuation of service
- Description of the process and procedure to apply for an amortization plan
- Description of the process to dispute or appeal a bill
- District's phone number and a web link to the District's Residential Water Termination Policy

Notice to Residential Tenants/Occupants in an Individually Metered Residence: The District will make a reasonable, good faith effort to inform the occupants, by means of written notice, when the water service account is in arrears and subject to disconnection at least 10 calendar days before water service is shut off. The written notice will advise the tenant/occupant that they have the right to become customers of the District without being required to pay the amount due on the delinquent account, as long as they are willing to assume financial responsibility for subsequent charges for water service at that address. In order for the tenant/occupant not to be charged for the delinquent amount, the tenant/occupant must provide verification of tenancy in the form of a rental agreement or proof of rent payments and verify that the delinquent account holder was the landlord, property manager, or other agent of the property

Notice to Tenants/Occupants in a Multi-Unit Complex Served through a Master Meter: The District will make a reasonable, good faith effort to inform the occupants, by means of written notice hung on the door of each residence, when the water service account is in arrears and subject to disconnection at least 15 calendar days before water service is shut off. The written notice will advise the tenant/occupant that they have the right to become customers of the District without being required to pay the amount due on the delinquent account, as long as they are willing to assume financial responsibility for subsequent charges for water service at the address(es) served by the master meter. If one or more of the occupants are willing and able to assume responsibility for the subsequent charges for water service to the satisfaction of the District, or if there is a physical means, legally available to the District, of selectively terminating service to those occupants who have not met the requirements for service, the District will make service available to the occupants who have met those requirements.

If the Written Disconnection Notice is returned through the mail as undeliverable, the District will make a reasonable, good faith effort to contact the customer by phone, and to visit the residence and leave a notice of discontinuance for non-payment.

**7. Shut-Off Warning Notice**

The District will make a reasonable, good faith effort to notify the customer in advance of disconnection of water service for non-payment as set forth in this Policy. The last means of notification will be in the form of a door hanger (Shut-Off Warning Notice) delivered to the premises no less than 5 days in advance of discontinuance of service. A Shut-Off Warning Notice Fee may be applied to an account for any such notice as established in the Other Charges and Fee Schedule.

**8. Disconnection of Water Service**

The District will disconnect water service by turning off and locking the meter.

**9. Re-establishment of Service**

In order to resume or continue service that has been disconnected for non-payment, the customer must pay a Reconnection Fee, as established in the Other Charges and Fee Schedule. The District will reconnect service as soon as practicable but, at a minimum, will restore service before the end of the next regular working day following payment of any past due amount and delinquent fees attributable to the termination of service. Water service that is

turned on by any person other than District personnel or without District authorization may be subject to fines or additional charges or fees. Any damages that occur as a result of unauthorized restoration of service are the responsibility of the customer.

**10. Re-establishment of Service After Business Hours**

Service restored after 4:30 pm Monday through Friday, weekends, or holidays may be charged an outside of normal business hours Reconnection Fee, as established in the Other Charges and Fee Schedule.

**11. Notification of Disposition of Returned Payment**

Upon receipt of a returned check (or other payment method) taken as payment of water service or other charges, the account shall be returned to the District's delinquency process as though no attempt was made to pay the balance due. The District will make a reasonable, good faith effort to notify the customer by phone, mail, or e-mail of the returned item and the account's delinquency status. All amounts paid to redeem a returned check and to pay a returned check charge (as specified in the District's Other Charges and Fee schedule) must be in cash, credit card or certified funds.

**12. Returned Payment for Previously Disconnected Service**

In the event a customer tenders a non-negotiable check or a disputed credit card as payment to restore water service previously disconnected for non-payment and the District restores service, the District may promptly disconnect service without providing further notice. No notice of termination will be given in the case of a non-negotiable check or fraudulent credit card tendered for payment of water charges that were subject to discontinuance.

**13. Disputed Bills**

If a customer believes he or she was overcharged for residential water service or charged for residential water service not rendered, the customer may contest the amount due by notifying the District in writing no later than 35 calendar days from the original issue date of the disputed bill. The District will evaluate the information provided by the customer and investigate the matter. The General Manager, or designee, shall make a decision based upon all the information and shall have the authority to adjust the amount due in a fair and equitable manner, if appropriate.

If the customer disagrees, the customer may, within 10 calendar days from the General Manager's decision, appeal the decision, in writing, to the Board of Directors. The Board of Directors will review the record and make a determination at its next regular Board of Directors meeting. The decision of the Board of Directors shall be final.

**EXHIBIT B**

**Heber Public Utility District  
Residential Water Service Termination Policy 3520  
Modification to Specific Sections of the Utility Service Policy 3510**

These sections will be replaced with Policy 3520 via Resolution 2020-03 specified in Exhibit A.

***Policy 3510 – Utility Service Policy Modified Sections***

***Section VII. Special Information Required on Forms***

Final Notice  
Discontinuance of Service Notice

***Section XI. Payment of Bills***

Payment of Bills  
Notice of Bill Dispute Hearing Procedures

***Section XII. Bill Dispute Hearing Practices***

***Section XIII. Discontinuance of Utility Services***

Discontinuance of water, sewer and/or trash service by the HPUD  
Nonpayment of Bills

***Section XIV. Termination of Service Procedure***

***Section XV. Reconnection Service Charge***

**EXHIBIT C**  
**Heber Public Utility District**  
**Residential Water Service Termination Resolution 2020-03**

**HEBER PUBLIC UTILITY DISTRICT**  
**OTHER CHARGES AND FEES SCHEDULE**

<b><u>PAST DUE BILL</u></b> 21 <sup>st</sup> day of the month after bill was mailed.	<b><u>LATE FEE</u></b> Notice Mailed on 22 <sup>nd</sup> day of the month after bill was mailed.	<b><u>\$15.00</u></b> Applied on the 21 <sup>st</sup> of the month for every month that is past due.	<b><u>SAME</u></b>
<b><u>RETURNED CHECK</u></b> Returned from Bank for Non-Sufficient Funds.	<b><u>NSF FEE</u></b> Fee per check returned.	<b><u>\$30.00</u></b>	<b><u>SAME</u></b>
<b><u>CUSTOMER REQUESTED SHUT OFF OR TURN ON</u></b> During work hours Example: For service line repairs	<b><u>CUSTOMER REQUESTED DURING WORK HOURS</u></b> Shut off Turn on	<b><u>\$10.00</u></b> <b><u>\$10.00</u></b>	<b><u>SAME</u></b> <b><u>NEW</u></b>
Outside work hours Example: For service line repairs	<b><u>OUTSIDE WORK HOURS</u></b> Shut off Turn on	<b><u>\$50.00</u></b> <b><u>\$50.00</u></b>	<b><u>NEW</u></b> <b><u>NEW</u></b>
<b><u>OPEN NEW ACCOUNT</u></b>	<b><u>NEW ACCOUNT</u></b> <b><u>OWNER</u></b> <b><u>RENTER</u></b>	<b><u>\$25.00</u></b> <b><u>\$25.00 Plus Deposit –</u></b> Deposit of 2 months bill	<b><u>SAME</u></b> <b><u>SAME</u></b>
<b><u>CUSTOMER REQUEST TO CLOSE ACCOUNT</u></b>	<b><u>CUSTOMER REQUESTED SHUT OFF - DISCONNECT</u></b>	<b><u>\$25.00</u></b>	<b><u>NEW</u></b>
<b><u>HPUD FINAL NOTICE AND SHUT OFF NOTIFICATION</u></b> Due to Customer Non-Payment	<b><u>FINAL NOTICE</u></b> (7 day mailed) <b><u>SHUT OFF NOTICE</u></b> (5 day prior to shut off door knob)	<b><u>\$10.00</u></b> <b><u>\$10.00</u></b>	<b><u>NEW</u></b> <b><u>NEW</u></b>
<b><u>DISCONNECTION FEE</u></b> Due to Customer Non-Payment	<b><u>HPUD SHUT OFF FEE</u></b> Due to Customer Non-Payment	<b><u>\$50.00</u></b>	<b><u>NEW</u></b>
<b><u>RECONNECTION FEE</u></b> During Regular Work Hours Due to Customer Non-Payment	<b><u>RECONNECTION FEE</u></b> Regular Work Hours	<b><u>\$50.00</u></b>	<b><u>LOWER</u></b>
Outside Regular Hours	<b><u>Outside Regular Work Hours</u></b>	<b><u>\$100.00</u></b>	<b><u>NEW</u></b>
<b><u>TEMP SERVICE METER SET UP AT HYDRANT</u></b>	<b><u>TEMP HYDRANT SERVICE SET UP FEE</u></b>	<b><u>\$100.00</u></b>	<b><u>NEW</u></b>

# Senate Bill No. 998

## CHAPTER 891

An act to add Chapter 6 (commencing with Section 116900) to Part 12 of Division 104 of the Health and Safety Code, relating to water.

[ Approved by Governor September 28, 2018. Filed with Secretary of State September 28, 2018. ]

### LEGISLATIVE COUNSEL'S DIGEST

SB 998, Dodd. Discontinuation of residential water service: urban and community water systems.

Existing law, the California Safe Drinking Water Act, requires the State Water Resources Control Board to administer provisions relating to the regulation of drinking water to protect public health. Existing law declares it to be the established policy of the state that every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including water corporations. Existing law requires certain notice to be given before a water corporation, public utility district, municipal utility district, or a municipally owned or operated public utility furnishing water may terminate residential service for nonpayment of a delinquent account, as prescribed.

This bill would require an urban and community water system, defined as a public water system that supplies water to more than 200 service connections, to have a written policy on discontinuation of water service to certain types of residences for nonpayment available in prescribed languages. The bill would require the policy to include certain components, be available on the system's Internet Web site, and be provided to customers in writing, upon request. The bill would provide for enforcement of these provisions, including making a violation of these provisions punishable by a civil penalty issued by the board in an amount not to exceed \$1,000 for each day in which the violation occurs, and would require the enforcement moneys collected by the board to be deposited in the Safe Drinking Water Account. The bill would prohibit an urban and community water system from discontinuing residential service for nonpayment until a payment by a customer has been delinquent for at least 60 days. The bill would require an urban and community water system to contact the customer named on the account and provide the customer with the urban and community water system's policy on discontinuation of residential service for nonpayment no less than 7 business days before discontinuation of residential service, as prescribed.

This bill would prohibit residential service from being discontinued under specified circumstances. The bill would require an urban and community water system that discontinues residential service to provide the customer with information on how to restore service. The bill would require an urban and community water system to waive interest charges on delinquent bills for, and would limit the amount of a reconnection of service fee imposed on, a residential customer who demonstrates, as prescribed, to the urban and community water system household income below 200% of the federal poverty line. The bill would require an urban and community water system that furnishes individually metered residential service to residential occupants of a detached single-family dwelling, a multiunit structure, mobilehome park, or permanent residential structure in a labor camp, and that the owner, manager, or operator of the dwelling, structure, or

park is the customer of record, to make every good faith effort to inform the residential occupants by written notice that service will be terminated and that the residential occupants have the right to become customers, as specified. The bill would require an urban and community water system to report the number of annual discontinuations of residential service for inability to pay on its Internet Web site and to the board, and the bill would require the board to post on its Internet Web site the information reported. The bill would require an urban water supplier, as defined, or an urban and community water system regulated by the commission, to comply with the bill's provisions on and after February 1, 2020, and any other urban and community water system to comply with the bill's provisions on and after April 1, 2020. The bill would provide that the provisions of the bill are in addition to the provisions in existing law duplicative of the bill and that where the provisions are inconsistent, the provisions described in the bill apply.

## DIGEST KEY

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

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## BILL TEXT

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS  
FOLLOWS:

### SECTION 1.

The Legislature finds and declares as follows:

- (a) All Californians have the right to safe, accessible, and affordable water as declared by Section 106.3 of the Water Code.
- (b) It is the intent of the Legislature to minimize the number of Californians who lose access to water service due to inability to pay.
- (c) Water service discontinuations threaten human health and well-being, and have disproportionate impact on infants, children, the elderly, low-income families, communities of color, people for whom English is a second language, physically disabled persons, and persons with life-threatening medical conditions.
- (d) When there is a delinquent bill, all Californians, regardless of whether they pay a water bill directly, should be treated fairly, and fair treatment includes the ability to contest a bill, seek alternative payment schedules, and demonstrate medical need and severe economic hardship.
- (e) The loss of water service causes tremendous hardship and undue stress, including increased health risks to vulnerable populations.
- (f) It is the intent of the Legislature that this act provide additional procedural protections and expand upon the procedural safeguards contained in the Public Utilities Code and Government Code as of January 1, 2018, relating to utility service disconnections.

### SEC. 2.

Chapter 6 (commencing with Section 116900) is added to Part 12 of Division 104 of the Health and Safety Code, to read:

#### **CHAPTER 6. Discontinuation of Residential Water Service 116900.**

This chapter shall be known, and may be cited, as the Water Shutoff Protection Act.

**116902.**

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

- (a) “Board” means the State Water Resources Control Board.
- (b) “Public water system” has the same meaning as defined in Section 116275.
- (c) “Residential service” means water service to a residential connection that includes single-family residences, multifamily residences, mobilehomes, including, but not limited to, mobilehomes in mobilehome parks, or farmworker housing.
- (d) “Urban and community water system” means a public water system that supplies water to more than 200 service connections.
- (e) “Urban water supplier” has the same meaning as defined in Section 10617 of the Water Code.

**116904.**

- (a) An urban water supplier not regulated by the Public Utilities Commission shall comply with this chapter on and after February 1, 2020.
- (b) An urban and community water system regulated by the Public Utilities Commission shall comply with this chapter on and after February 1, 2020. The urban and community water system regulated by the Public Utilities Commission shall file advice letters with the commission to conform with this chapter.
- (c) An urban and community water system not described in subdivision (a) or (b) shall comply with this chapter on and after April 1, 2020.

**116906.**

(a) An urban and community water system shall have a written policy on discontinuation of residential service for nonpayment available in English, the languages listed in Section 1632 of the Civil Code, and any other language spoken by at least 10 percent of the people residing in its service area. The policy shall include all of the following:

- (1) A plan for deferred or reduced payments.
  - (2) Alternative payment schedules.
  - (3) A formal mechanism for a customer to contest or appeal a bill.
  - (4) A telephone number for a customer to contact to discuss options for averting discontinuation of residential service for nonpayment.
- (b) The policy shall be available on the urban and community water system’s Internet Web site, if an Internet Web site exists. If an Internet Web site does not exist, the urban and community water system shall provide the policy to customers in writing, upon request.
- (c) (1) The board may enforce the requirements of this section pursuant to Sections 116577, 116650, and 116655. The provisions of Section 116585 and Article 10 (commencing with Section 116700) of Chapter 4 apply to enforcement undertaken for a violation of this section.
- (2) All moneys collected pursuant to this subdivision shall be deposited in the Safe Drinking Water Account established pursuant to Section 116590.

**116908.**

(a) (1) (A) An urban and community water system shall not discontinue residential service for nonpayment until a payment by a customer has been delinquent for at least 60 days. No less than seven business days

before discontinuation of residential service for nonpayment, an urban and community water system shall contact the customer named on the account by telephone or written notice.

(B) When the urban and community water system contacts the customer named on the account by telephone pursuant to subparagraph (A), it shall offer to provide in writing to the customer the urban and community water system's policy on discontinuation of residential service for nonpayment. An urban and community water system shall offer to discuss options to avert discontinuation of residential service for nonpayment, including, but not limited to, alternative payment schedules, deferred payments, minimum payments, procedures for requesting amortization of the unpaid balance, and petition for bill review and appeal.

(C) When the urban and community water system contacts the customer named on the account by written notice pursuant to subparagraph (A), the written notice of payment delinquency and impending discontinuation shall be mailed to the customer of the residence to which the residential service is provided. If the customer's address is not the address of the property to which residential service is provided, the notice also shall be sent to the address of the property to which residential service is provided, addressed to "Occupant." The notice shall include, but is not limited to, all of the following information in a clear and legible format:

(i) The customer's name and address.

(ii) The amount of the delinquency.

(iii) The date by which payment or arrangement for payment is required in order to avoid discontinuation of residential service.

(iv) A description of the process to apply for an extension of time to pay the delinquent charges.

(v) A description of the procedure to petition for bill review and appeal.

(vi) A description of the procedure by which the customer may request a deferred, reduced, or alternative payment schedule, including an amortization of the delinquent residential service charges, consistent with the written policies provided pursuant to subdivision (a) of Section 116906.

(2) If the urban and community water system is unable to make contact with the customer or an adult occupying the residence by telephone, and written notice is returned through the mail as undeliverable, the urban and community water system shall make a good faith effort to visit the residence and leave, or make other arrangements for placement in a conspicuous place of, a notice of imminent discontinuation of residential service for nonpayment and the urban and community water system's policy for discontinuation of residential service for nonpayment.

(b) If an adult at the residence appeals the water bill to the urban and community water system or any other administrative or legal body to which such an appeal may be lawfully taken, the urban and community water system shall not discontinue residential service while the appeal is pending.

**116910.**

(a) An urban and community water system shall not discontinue residential service for nonpayment if all of the following conditions are met:

(1) The customer, or a tenant of the customer, submits to the urban and community water system the certification of a primary care provider, as that term is defined in subparagraph (A) of paragraph (1) of subdivision (b) of Section 14088 of the Welfare and Institutions Code, that discontinuation of residential service will be life threatening to, or pose a serious threat to the health and safety of, a resident of the premises where residential service is provided.

(2) The customer demonstrates that he or she is financially unable to pay for residential service within the urban and community water system's normal billing cycle. The customer shall be deemed financially unable

to pay for residential service within the urban and community water system's normal billing cycle if any member of the customer's household is a current recipient of CalWORKs, CalFresh, general assistance, Medi-Cal, Supplemental Security Income/State Supplementary Payment Program, or California Special Supplemental Nutrition Program for Women, Infants, and Children, or the customer declares that the household's annual income is less than 200 percent of the federal poverty level.

(3) The customer is willing to enter into an amortization agreement, alternative payment schedule, or a plan for deferred or reduced payment, consistent with the written policies provided pursuant to subdivision (a) of Section 116906, with respect to all delinquent charges.

(b) (1) If the conditions listed in subdivision (a) are met, the urban and community water system shall offer the customer one or more of the following options:

(A) Amortization of the unpaid balance.

(B) Participation in an alternative payment schedule.

(C) A partial or full reduction of the unpaid balance financed without additional charges to other ratepayers.

(D) Temporary deferral of payment.

(2) The urban and community water system may choose which of the payment options described in paragraph (1) the customer undertakes and may set the parameters of that payment option. Ordinarily, the repayment option offered should result in repayment of any remaining outstanding balance within 12 months. An urban and community water system may grant a longer repayment period if it finds the longer period is necessary to avoid undue hardship to the customer based on the circumstances of the individual case.

(3) Residential service may be discontinued no sooner than 5 business days after the urban and community water system posts a final notice of intent to disconnect service in a prominent and conspicuous location at the property under either of the following circumstances:

(A) The customer fails to comply with an amortization agreement, an alternative payment schedule, or a deferral or reduction in payment plan for delinquent charges for 60 days or more.

(B) While undertaking an amortization agreement, an alternative payment schedule, or a deferral or reduction in payment plan for delinquent charges, the customer does not pay his or her current residential service charges for 60 days or more.

#### **116912.**

An urban and community water system that discontinues residential service for nonpayment shall provide the customer with information on how to restore residential service.

#### **116914.**

(a) For a residential customer who demonstrates to an urban and community water system household income below 200 percent of the federal poverty line, the urban and community water system shall do both of the following:

(1) Set a reconnection of service fee for reconnection during normal operating hours at fifty dollars (\$50), but not to exceed the actual cost of reconnection if it is less. Reconnection fees shall be subject to an annual adjustment for changes in the Consumer Price Index beginning January 1, 2021. For the reconnection of residential service during nonoperational hours, an urban and community water system shall set a reconnection of service fee at one hundred fifty dollars (\$150), but not to exceed the actual cost of reconnection if it is less. Reconnection fees shall be subject to an annual adjustment for changes in the Consumer Price Index beginning January 1, 2021.

(2) Waive interest charges on delinquent bills once every 12 months.

(b) An urban and community water system shall deem a residential customer to have a household income below 200 percent of the federal poverty line if any member of the household is a current recipient of CalWORKs, CalFresh, general assistance, Medi-Cal, Supplemental Security Income/State Supplementary Payment Program, or California Special Supplemental Nutrition Program for Women, Infants, and Children, or the customer declares that the household's annual income is less than 200 percent of the federal poverty level.

**116916.**

(a) This section applies if there is a landlord-tenant relationship between the residential occupants and the owner, manager, or operator of the dwelling.

(b) If an urban and community water system furnishes individually metered residential service to residential occupants of a detached single-family dwelling, a multiunit residential structure, mobilehome park, or permanent residential structure in a labor camp as defined in Section 17008, and the owner, manager, or operator of the dwelling, structure, or park is the customer of record, the urban and community water system shall make every good faith effort to inform the residential occupants, by means of written notice, when the account is in arrears that service will be terminated at least 10 days prior to the termination. The written notice shall further inform the residential occupants that they have the right to become customers, to whom the service will then be billed, without being required to pay any amount which may be due on the delinquent account.

(c) The urban and community water system is not required to make service available to the residential occupants unless each residential occupant agrees to the terms and conditions of service and meets the requirements of law and the urban and community water system's rules and tariffs. However, if one or more of the residential occupants are willing and able to assume responsibility for the subsequent charges to the account to the satisfaction of the urban and community water system, or if there is a physical means legally available to the urban and community water system of selectively terminating service to those residential occupants who have not met the requirements of the urban and community water system's rules and tariffs, the urban and community water system shall make service available to those residential occupants who have met those requirements.

(d) If prior service for a period of time is a condition for establishing credit with the urban and community water system, residence and proof of prompt payment of rent or other credit obligation acceptable to the urban and community water system for that period of time is a satisfactory equivalent.

(e) Any residential occupant who becomes a customer of the urban and community water system pursuant to this section whose periodic payments, such as rental payments, include charges for residential water service, where those charges are not separately stated, may deduct from the periodic payment each payment period all reasonable charges paid to the urban and community water system for those services during the preceding payment period.

(f) In the case of a detached single-family dwelling, the urban and community water system may do any of the following:

(1) Give notice of termination at least seven days prior to the proposed termination.

(2) In order for the amount due on the delinquent account to be waived, require an occupant who becomes a customer to verify that the delinquent account customer of record is or was the landlord, manager, or agent of the dwelling. Verification may include, but is not limited to, a lease or rental agreement, rent receipts, a government document indicating that the occupant is renting the property, or information disclosed pursuant to Section 1962 of the Civil Code.

**116918.**

An urban and community water system shall report the number of annual discontinuations of residential service for inability to pay on the urban and community water system's Internet Web site, if an Internet Web site exists, and to the board. The board shall post on its Internet Web site the information reported.

**116920.**

(a) The Attorney General, at the request of the board or upon his or her own motion, may bring an action in state court to restrain by temporary or permanent injunction the use of any method, act, or practice declared in this chapter to be unlawful.

(b) For an urban and community water system regulated by the Public Utilities Commission, the commission may bring an action in state court to restrain by temporary or permanent injunction the use by an urban and community water system regulated by the commission of any method, act, or practice declared in this chapter to be unlawful.

**116922.**

All written notices required under this chapter shall be provided in English, the languages listed in Section 1632 of the Civil Code, and any other language spoken by 10 percent or more of the customers in the urban and community water system's service area.

**116924.**

Where provisions of existing law are duplicative of this chapter, compliance with one shall be deemed compliance with the other. Where those provisions are inconsistent, the provisions of this chapter shall apply. Nothing in this chapter shall be construed to limit or restrict the procedural safeguards against the disconnection of residential water service existing as of December 31, 2018.

**116926.**

This chapter does not apply to the termination of a service connection by an urban and community water system due to an unauthorized action of a customer.