



## SB 998 Residential Utility Shutoff Service Policy

### **BACKGROUND**

Intended to minimize the number of Californians who lose access to water service due to their inability to pay, Senate Bill (SB) 998 imposes certain procedural and noticing requirements before residential water service can be discontinued. SB 998, known as the Water Shutoff Protection Act, was signed into law by Governor Jerry Brown on September 28, 2018 (California Health and Safety Code Sections 116900, et seq.). SB 998 only applies to customers with residential service, including service to single-family residences, multifamily residences, mobile homes and farmworker housing.

This policy is available here on the Casitas Municipal Water District website. Casitas' administration office can be contacted by email at [customerservice@casitaswater.com](mailto:customerservice@casitaswater.com) or by phone at 805-649-2251 ext. 0 to discuss options for averting termination of residential water service for nonpayment under the terms of this policy. This policy does not apply to non-residential water service.

This policy was adopted by the Board of Directors on January 8<sup>th</sup>, 2020 and updated on March 22<sup>nd</sup>, 2023 and May 10<sup>th</sup>, 2023.

### **Discontinuation of Residential Utility Service for Nonpayment Policy**

- SB 998 Policy on Discontinuation of Residential Water Service for Nonpayment – English
- SB 998 Policy on Discontinuation of Residential Water Service for Nonpayment – Spanish
- SB 998 Policy on Discontinuation of Residential Water Service for Nonpayment – Chinese
- SB 998 Policy on Discontinuation of Residential Water Service for Nonpayment – Korean
- SB 998 Policy on Discontinuation of Residential Water Service for Nonpayment – Tagalog
- SB 998 Policy on Discontinuation of Residential Water Service for Nonpayment – Vietnamese



## **Water Billing Policy: Discontinuation of Residential Service for Nonpayment**

- 1. Purpose:** This policy has been established to comply with Senate Bill 998, known as the “Water Shutoff Protection Act” and approved by the Governor on September 28, 2018 (California Health and Safety Code Sections 116900, et seq.). This policy shall be made available on the Casitas Municipal Water District website. The Casitas Municipal Water District (CMWD) can be contacted by phone at 805-649-2251 (or by email at [customerservice@casitaswater.com](mailto:customerservice@casitaswater.com)) to discuss options for averting termination of residential water service for nonpayment under the terms of this policy. This policy does not apply to non-residential water service.
- 2. Effective Date:** This policy shall was adopted by the Board of Directors on January 8<sup>th</sup>, 2020 and updated on March 22<sup>nd</sup>, 2023 and May 10<sup>th</sup> 2023.
- 3. Published Languages:** This policy and written notices required in this policy shall be available and published in English, Spanish, Chinese, Tagalog, Vietnamese, and Korean, and any other language spoken by at least 10 percent of the people residing in CMWD’s service area.
- 4. Provisions of the Rates and Regulations for Water Service that conform to requirements of SB 998.**

The fully adopted version of the Rates and Regulations can be found on the Casitas Municipal Water District website at [www.casitaswater.org](http://www.casitaswater.org).

- A. Section 2.2 Definitions of customer classifications and water use types of the Casitas Rates and Regulations includes the following definitions:

2.2.12 “Residential service” shall mean water service to any single-unit dwelling residence for uses such as drinking, food preparation, bathing, washing clothes and dishes, flushing toilets, and watering landscapes including personal vegetable or fruit tree gardens. Residential service excepts service to any water agency, any business or industrial facility, any other facility, or agricultural service through which service to a residence or residences may be obtained.

2.2.8 “Multi-family residential service” shall mean water service to any property with two or more legal residential dwelling units, including apartment and condominium complexes, mobile home parks, farmworker housing, accessory dwelling units, or other types of community development for domestic purposes.



2.2.9 “Non-residential service ” shall mean water service provided to a customer that is not within the scope of “residential service” or “multi-family residential service” as defined herein.

B. Section 3 Arrangements for Regular Water Service of the Casitas Rates and Regulations reads as follows:

3.7. DEPOSIT AND ESTABLISHMENT OF CREDIT. All customers are required to furnish a deposit to guarantee payment of the customers obligations to Casitas until good credit is established to the satisfaction of Casitas. If the customer is a water agency, credit will be deemed established and deposit waived. If a currently active customer is opening an account, the deposit will be waived if the customer has established and maintained good credit to the satisfaction of Casitas. A customers credit is considered established and maintained to the satisfaction of Casitas if the service has not received a delinquency charge, a shutoff notice, or a shutoff for the most recent two-year period. When a customer has established and maintained credit to the satisfaction of Casitas, the customer's deposit, without interest, will be refunded by crediting the account. If the deposit is applied to a closing bill and the balance is less than \$1.00, a deposit refund will be made by request only. Deposits shall be in accordance with the schedule in Appendix B of the adopted Rates and Regulations and is as follows:

<u>Meter Size</u>	<u>Amount</u>
Up to 1: Meters:	\$ 60.00
Up to 2” Meters: Residential:	100.00
Up to 2” Meters: Agricultural:	150.00
3” and Larger Meters:	200.00

3.8 OUTSTANDING OBLIGATIONS. Payment in full of any outstanding obligations owed by a customer in connection with Casitas water service at a previous location shall be prerequisite to initiation of service to a customer at a new location.

3.9 RENTERS. All charges for water are the responsibility of the property owner, although accounts may be billed to tenants as a convenience to the owner upon filling necessary forms with the District. If the owner, manager, or operator of a residential property is the customer of record, and the account is delinquent, and the Residential service is subject to shutoff due to nonpayment (refer to Section 19.3 “Delinquency”), the occupant (also referred to as tenant or renter) of the serviced property has the right to appeal and become a customer, to whom the service will then be billed. The occupant will not be charged the delinquent



amount provided that the occupant verifies that the delinquent account customer of record is or was the landlord, manager, or agent of the residential 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. Any remaining delinquent amount from the previous customer account of record held by the owner, manager, or operator of the residential property will be subject to the terms under subsection 19.5 “Remedies for Nonpayment.”

If the renter closes their account, the account reverts back into the property owner’s name and the property owner is responsible for all services and charges, fees, and penalties that are incurred after the time from which the renter closed their account. The service will not be discontinued unless the property owner makes a request in accordance with section 4 termination, discontinuance and restoration of service.

C. Section 19 BILLING AND PAYMENT of the Casitas Rates and Regulations reads as follows:

19.2 DATE DUE. Amounts due Casitas pursuant to bills for water service shall be due and payable upon deposit of said bills in the United States mail addressed to the customer at the mailing address designated by customer or by electronic bill as elected as a billing preference by the customer. The bill shall provide a billing date representing the day bills are either mailed or electronically delivered to customers.

19.3 DELINQUENCY. Bills for water service are due, payable, and become delinquent from the due date. Water service is subject to discontinuation if bills are not paid within sixty (60) days from the date of the bill. Casitas shall make a reasonable, good faith effort to notify the customer by either phone, mail, or email regarding the impending shutoff. The District assumes no responsibility for phone or email contact information that has not been kept up to date by the customer.

PAST DUE NOTICE AND DELINQUENCY CHARGES: If a customer bill remains unpaid by the second to the last business day of the month following the date of the bill, Casitas shall send the customer a past due notice. If the customer’s billing address is different than the service address, past due notice shall also be sent to the service address, addressed to “Occupant(s)”. A delinquency fee on the past due bill shall be assessed to the customer’s account as provided in Appendix B: Schedule of Other Fees and Charges.



PAYMENT PLANS: Casitas shall provide eligible customers with the opportunity to participate in agreed upon payment plans. For each account, only one alternative payment plan will be administered at a time, and customers must honor the agreed upon payment arrangement to maintain eligibility.

DISCONTINUANCE OF SERVICE: A notice of shutoff warning shall be mailed to the customer with delivery no less than ten (10) days prior to discontinuation of service. If the customer's billing address is different than the service address, the notice of shutoff warning shall also be sent to the service address, addressed to "Occupant(s)". The shutoff warning notice shall contain information on how to restore service. Payments must be received no later than 4:30 pm on the date specified on the shutoff warning notice. Postmarks are not acceptable. If the bill remains unpaid, a hang tag will be processed the following day and a charge per Appendix B: Schedule of Other Fees and Charges (Disconnection Fee) shall be assessed and service will be disconnected.

Nothing in this section shall limit the ability of Casitas to discontinue or interrupt water service for reasons other than nonpayment of water bills, and the sending of additional notices not set forth above shall not constitute a waiver of Casitas' right to discontinue service as set forth herein.

19.3.1 RESIDENTIAL SERVICE. If the property owner is customer of record, the District will make a good faith effort to inform residential occupants by written notice that service will be shut off and the tenant has a right to become a customer in accordance with Section 3.9: Renters.

If a residential customer meets criteria set forth in California Health and Safety Code Section 116910 (a)(1-3), delinquency charges will be waived no more than once every 12 months. After a Residential service customer enters into an agreed upon payment plan, Casitas may discontinue service if the Residential service customer fails to comply with or pay according to the agreed upon payment for more than sixty (60) days. In such instances, Casitas may discontinue Residential water service no less than five (5) business days after placing a shutoff notice hang tag on the door of the Residential service address. If the bill remains unpaid when the hang tag is processed, a charge per Appendix B: Schedule of Other Fees and Charges (Disconnection Fee) shall be assessed.

Casitas may discontinue Residential service when the account has been delinquent for at least 60 days and after Casitas has complied with all requirements for the discontinuation of Residential water service, as set forth in California Health and Safety Code Sections 116900 et seq., as may be amended.



19.4 RESTORATION OF WATER SERVICE FOLLOWING SHUTOFF DUE TO DELINQUENCY. In order to restore water service following a shutoff for non-payment, the customer is required to pay the Reconnection Fee per the amount in Appendix B: Schedule of Other Fees and Charges) in addition to delinquent water service charges pursuant to Subsections 19.3: Delinquency and 19.5: Remedies for Non-Payment. If a residential customer demonstrates household income below two hundred (200) percent of the federal poverty line, the total service fees for restoring service shall not exceed the limit set forth in California Health and Safety Code Section 116914(a)(1), as may be amended.

In the event that payment is by check which is subsequently returned by the bank for any reason, a hang tag will be processed, and shutoff scheduled for 5 business days following the hang tag. The aforementioned Reconnection Fee shall again be added to the customer's account in addition to the returned unpaid check charge provided for in Subsection 19.6: Returned Checks.

Regardless of whether restoration of service is requested by a current customer or a new customer, Casitas shall be provided a minimum of 72 hours' notice, excluding Saturdays, Sundays and holidays, in advance of such restoration of service.

19.5 REMEDIES FOR NONPAYMENT. The General Manager may institute action in any court of competent jurisdiction, cause the delinquent amount to be added to and become a part of the annual tax levied upon the property in accordance with Section 72094, et seq. of the California Water Code, and/or take any other steps to effect collection for services rendered by Casitas, provided such actions are compliant with California Health and Safety Code Sections 116900 et seq. as may be amended.

19.6 RETURNED CHECKS. Should a check be returned by a bank for any reason, the customer shall be charged per the amount in Appendix B: Schedule of Other Fees and Charges (Returned Check Fee) for each such check returned. Additionally, any customer subject to the returned check charge may be placed on a probationary cash or credit card basis for a period of 12 billing cycles or as determined by the General Manager. Checks will not be accepted from customers that have been placed on a probationary cash or credit card basis until after the conclusion of the probationary period.

19.7. DISPUTED BILLS A customer may request Casitas review a water bill by following the procedures in Subsection 21.5: Disputed Bills.



D. Section 21 APPEALS PROCESS of the Casitas Rates and Regulations reads as follows:

APPEALS PROCESS: Notwithstanding anything else in the Casitas Rates and Regulations to the contrary, if an adult at a residence submits an appeal regarding a bill for Residential water service to Casitas or any other administrative or legal body to which such an appeal may be lawfully taken, Casitas shall not discontinue residential service while the appeal is still pending.

21.1 RESIDENTIAL SERVICE SHUTOFF APPEALS: Customers receiving Residential service who wish to appeal charges or shutoff pursuant to California Health and Safety Code Sections 116900 et seq. as may be amended, may complete a written appeal form within 45 days of the billing date. The Bill Hearing Officer will review the nature of the appeal and submit their recommendation to the General Manager, or designee, for a final decision that shall be reported to the customer in writing.

21.2 CLASSIFICATION APPEALS: Customers denied a request for a Type of Service change may request a review of the request by submitting a written appeal to the designated Water Conservation Manager stating the nature of the appeal. The appeal shall be reviewed by the Water Conservation Manager and the Engineer Manager and a final recommendation reported to the General Manager. Decision of the General Manager shall be reported to the customer in writing.

21.3 ALLOCATION APPEALS: Customers who wish to appeal their assigned allocation may do so according to the appeal process described in the latest adopted version of the Water Efficiency and Allocation Program.

21.4 APPEAL OF EXTRAORDINARY WATER USE CHARGES: Customers who wish to appeal extraordinary volumetric charges or a WEAP Conservation Penalty due to circumstances beyond the customer's reasonable control may do so in accordance with the Bill Relief Program provided in Subsection 20.2: Bill Relief Program.

21.5 DISPUTED BILLS: In the event a customer disputes or denies the correctness of any bill presented to the customer, the following procedures shall be followed:

Within 45 days from the billing date, the customer shall provide a statement of reasons for believing the bill to be in error. The customer shall pay, at a minimum, the service charges and any other charges that are not dependent on water usage, that are owed on the disputed bill.

Any new charges incurred during subsequent billing periods shall be paid by the customer.





Appeals resulting from billing errors or meter malfunction may be submitted to the Bill Hearing Officer and resolved upon verification of the error.

21.5.1. BILL ADJUSTMENT BY BILL HEARING OFFICER: The Bill Hearing Officer has the authority to make such adjustment in the disputed bill as they feel is appropriate in the circumstances up to \$500.00. Amounts over \$500.00 require the approval of the General Manager.

Should the customer and the Bill Hearing Officer or the General Manager fail to agree on the amount to be paid to Casitas on account of the disputed bill, the customer has the right to appeal the matter to the Board for a final determination per Subsection 21.6: Appeals to Board of Directors.

21.6 APPEALS TO BOARD OF DIRECTORS: Nothing in this ordinance shall restrict or prevent an aggrieved party from appealing a determination of the General Manager to the Casitas Board of Directors. For the purposes of this subsection, an aggrieved party shall be any customer or applicant with an issue relating to a rule, violation, penalty, or other relief that specifically affects the interest of the particular aggrieved party and shall not apply to determinations of the General Manager that are of general concern to the district. A party who is not a customer shall be an aggrieved party if the relief sought by the party, if granted, would result in the party becoming a customer.

An appeal of a final determination of the General Manager shall be filed with the District's Clerk to the Board within thirty (30) days following the date of such determination. The appeal shall specify in writing the grounds upon which it is taken, the date of the determination, and the relief requested.

Within thirty (30) days of receipt of such appeal, the General Manager shall set a hearing on the appeal before the Board of Directors and notify the aggrieved party in writing of the time and place of the hearing at least ten (10) days prior to the hearing.

At the hearing, the aggrieved party may present evidence concerning the appeal. Evidence shall include such relevant documents and information that is sufficient to permit the full determination of the appeal. In the event the aggrieved party fails to submit relevant documents and information as required by this subsection, the determination shall be made on the information available, but the Board shall have no obligation to seek out the information upon which the aggrieved party relies. Any materials submitted to the Board by the General Manager shall be made available to the aggrieved party a reasonable time before the hearing.





Continuances of the hearing of the appeal shall be made at the discretion of the Board.

The Board may deny, approve, conditionally approve, or continue any appeal. The General Manager shall notify the aggrieved party within ten (10) days in writing of the Board action taken. Notice of the action taken shall be deemed to have been given when the written notification has been emailed or deposited in the mail, postpaid, addressed to the address shown on the appeal.

The provisions of this chapter are intended to be an alternative form of review. Nothing contained in this chapter shall alter, modify or supersede the provisions of any law or regulation of the State of California to the contrary with respect to review of a determination in court.