

Casitas Municipal Water District
WATER RESOURCES COMMITTEE
Baggerly/Spandrio

December 17, 2019 – 10:00 A.M.

at

Casitas Municipal Water District
1055 Ventura Ave.
Oak View, CA 93022

AGENDA

1. Roll Call
2. Public Comments
3. Board Comments.
4. Manager Comments.
5. Discussion and Update of the Comprehensive Water Resources Plan.
6. Review and discussion of proposed District Ordinance modifying the Casitas Municipal Rates and Regulations in reference to Senate Bill 998 (California Water Shutoff Protection Act).
7. Review and discussion of proposed District Ordinance modifying the Rates and Regulations in reference to definitions of customer/District facilities, District liability for planned and unplanned outages, and District liability for maintenance of the District's system.

Right to be heard: Members of the public have a right to address the Board directly on any item of interest to the public which is within the subject matter jurisdiction of the Board. The request to be heard should be made immediately before the Board's consideration of the item. No action shall be taken on any item not appearing on the agenda unless the action is otherwise authorized by subdivision (b) of §54954.2 of the Government Code.

If you require special accommodations for attendance at or participation in this meeting, please notify our office in advance (805) 649-2251, ext. 113. (Govt. Code Sections 65954.1 and 54954.2(a). Please be advised that members of the Board of Directors of Casitas who are not members of this standing committee may attend the committee meeting referred to above only in the capacity of observers, and may not otherwise take part in the meeting. (Govt. Code Section 54952.2(c)(6))

**CASITAS MUNICIPAL WATER DISTRICT
MEMORANDUM**

TO: WATER RESOURCES COMMITTEE

FROM: MICHAEL FLOOD, GENERAL MANAGER

SUBJECT: COMPLIANCE WITH SENATE BILL 998 REGARDING RESIDENTIAL SERVICE DISCONTINUANCE

DATE: 12/17/19

RECOMMENDATION:

That the Water Resources Committee:

- a) Receive an overview of Senate Bill 998 requirements;
- b) Recommend that the Board of Directors Adopt an Ordinance Modifying the Casitas Municipal Water District Rates and Regulations for Water Service (Adopted December 16, 2009) for Compliance with Senate Bill 998 Regarding Residential Service Discontinuance
- c) Consider when to return to the Water Resources Committee with a comprehensive update of all Rates and Regulations

BACKGROUND AND DISCUSSION:

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. Senate Bill 998, known as the Water Shutoff Protection Act, was signed into law by Governor Jerry Brown on September 28, 2018 (refer to [Attachment 1](#) for the full language of SB 998). SB 998 only applies to customers with residential service, including service to single-family residences, multifamily residences, mobile homes and farmworker housing. Compliance with SB 998 is required by February 1, 2020.

The following is a summary of the key procedural requirements of SB 998:

- Requires that Casitas have a written policy on discontinuation of services, and the policy must be available in English, Spanish, Chinese, Tagalog, Vietnamese, Korean, and any other languages spoken by at least 10% of people residing in the Casitas service area.
- Residential service shall not be discontinued for nonpayment until the account has been delinquent for at least sixty (60) days.
- Residential service shall not be discontinued for nonpayment if a customer demonstrates medical need, financial hardship, and is willing to enter into a payment arrangement approved by Casitas.
- Customers with residential service that have a household income below 200 percent of the federal poverty level may qualify to have interest charges on delinquent balances waived once every 12 months.

- In cases where the delinquent account is held by the owner, manager or operator of the residential dwelling, the tenant has a right to become the customer, to whom the service will then be billed, without being required to pay any amount which may be owed on the delinquent account (with verification of the landlord-tenant relationship or similar).
- Casitas must report the number of annual disconnections of residential service due to inability to pay on its website and to the State Water Resources Control Board.

In addition to the procedural requirements, SB 998 requires the following notices be presented prior to discontinuance of residential service. Certain information on the notices must be available in a minimum of six languages (English, Spanish, Chinese, Tagalog, Vietnamese, and Korean).

- Past Due Notice – mailed to both the billing address and service address; notification that the account balance is delinquent, and a payment is required by a specified date to avoid discontinuance of water service
- Shut off Notice – hanging tag placed in a conspicuous place at the service address; notification of imminent discontinuation of service due to nonpayment

To comply with SB 998, Casitas must adopt an ordinance amending its adopted Rates and Regulations. A full copy of most recently adopted Rates and Regulations is found on the Casitas website: <https://www.casitaswater.org/about-us/finance>. The proposed ordinance amending the Rates and Regulations is included as Attachment 2, and a redline version is provided as Attachment 3. Most of the revisions are either required by law or further clarify current processes. However, staff are recommending some additional policy changes for consideration:

Additional Policy Recommendations:

- *Assignment of Accountholders:* Staff are concerned about the high turnover rate of accounts held by tenants, and the potential for nonpayment issues resulting from the SB 998 requirement that residential water service cannot be shut off until an account has been delinquent for more than 60 days. There is concern that tenants will allow an account to become delinquent and move out before water can be shut off. While the outstanding balance would be sent to a collection agency, there are fewer options available to Casitas for remedy of nonpayment from tenants as compared with property owners (refer to Section 10.2.4 of Rates and Regulations). To reduce nonpayment risks, staff are recommending that all new account holders be the owner, manager, or operator of the service address. Tenants may appeal to become the account holder in cases where the owner, manager, or operator is delinquent on payments and water service is subject to shutoff (in accordance with SB 998). Staff believes a policy that all new account holders be the owner, manager, or operator of the property will help reduce potential nonpayment issues, and also provide water bill incentive for the property owner to fix plumbing leaks that are their responsibility to resolve.
- *Returned Checks:* To minimize nonpayment resulting from multiple returned checks, staff are recommending that any customer that is subject to the returned check charge be placed on a 12 month probationary cash or credit card basis as determined by the General Manager. Once the probationary period is over, Casitas would accept checks again from the customer as long as they remain in good standing.

Next Steps

This item is tentatively scheduled for the Board of Directors discussion on January 8, 2020. Once an ordinance has been adopted by the Board of Directors, staff will finalize updates to required notices and administrative policies, and have the required information translated so that is available in six languages. Staff has been coordinating with the billing service provider on

operational adjustments and expect to have testing completed before issuance of any required residential noticing after February 1, 2020.

Staff is also requesting the Committee consider timing of when the full Rates and Regulations document (most recently adopted on December 16, 2009) should be brought back to Committee. While certain portions of the Rates and Regulations must be amended to comply with SB 998, there are several other areas that staff and the Committee have discussed should be brought up to date which includes coordination with the Water Efficiency and Allocation Program (WEAP).

BUDGET IMPACT:

The estimated cost of implementing SB 998 is less than \$20,000. Ongoing operational costs may increase slightly as a result of higher printing and mailing costs of notices.

Attachments:

1. Senate Bill 998
2. Proposed Ordinance to Amend Casitas Rates and Regulations
3. Redline of Proposed Ordinance

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.

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.

CASITAS MUNICIPAL WATER DISTRICT

ORDINANCE XX-XX

AN ORDINANCE OF THE CASITAS MUNICIPAL WATER DISTRICT TO AMEND SECTIONS 2, 4.7, 10.2 AND 15.7 OF THE RATES AND REGULATIONS FOR WATER SERVICE

WHEREAS, the California Water Shutoff Protection Act (“Act”), codified as California Health and Safety Sections 116900 et seq., imposes certain administrative procedural and notice requirements on the Casitas Municipal Water District (“Casitas”) related to the discontinuation of residential water service; and

WHEREAS, certain provisions of the Rates and Regulations for Water Service, adopted by the Casitas Municipal Water District Board of Directors on December 19, 2009 must be amended to conform to requirements of the Act; and

WHEREAS, Casitas wishes to comply with the Act and provide residential customers with ample procedural safeguards to ensure water discontinuations do not affect the health and safety of Casitas customers.

NOW, THEREFORE, the Board of Directors of the Casitas Municipal Water District ordains as follows:

1. Section 2 of the Casitas Rates and Regulations is hereby amended to include the following definitions:

“Residential service” shall mean and include all service to any single-family residence, multi-family residences, apartment and condominium complexes, mobilehomes and mobile home parks, farmworker housing, or other types of community development for domestic purposes. 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.

“Non-residential service” shall mean service provided to a customer that is not within the scope of “residential service” as defined in this Section.

2. Section 4.7 of the Casitas Rates and Regulations is hereby amended to read as follows:

4.7 ESTABLISHMENT AND MAINTENANCE OF CREDIT.

4.7.1 DEPOSITS. Customers are required to establish and maintain credit to the satisfaction of Casitas. If the customer is a water agency, credit will be deemed established. All other customers shall be required to furnish a deposit to guarantee payment of the customer's obligations to Casitas until good credit has been established to the satisfaction of Casitas. A customer's credit shall be considered established and maintained to the satisfaction of Casitas if the service has not received a delinquency charge, a shut-off notice hanging tag,

or a shut-off for a period of one year. 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. In the event the customer does not continue to maintain his or her credit to the satisfaction of Casitas after the deposit has been refunded, the full deposit will again be required in order to continue water service. The customer will be notified in writing with the first shut-off notice that a deposit will be required to restore water service after it has been shut off. Deposits shall be in accordance with the following schedule:

<u>Meter Size</u>	Amount
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

4.7.2 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.

4.7.3 RENTERS. All new account holders shall be the owner, manager, or operator of the property.

If the owner, manager, or operator of a residential property is the customer of record, and the account has become delinquent, and the Residential service is subject to shutoff due to nonpayment (refer to Section 10.2.2 "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 Section 10.2.4 "Remedies for Nonpayment."

If the renter closes their account, the account will revert back into the owner's name and the owner will be responsible for all services and charges that are incurred after the time from which the renter closed their account.

3. Section 10.2 of the Casitas Rates and Regulations is hereby amended to read as follows:

10.2 PAYMENT.

10.2.1 DATE DUE. Amounts due Casitas pursuant to bills rendered in conformance with subsection 10.1, 'Water Service', above shall be due and payable upon deposit of said bills in the United States mails addressed to the customer at the mailing address designated by customer or presented to the customer.

10.2.2 DELINQUENCY. Payment for water service shall become delinquent if unpaid on the last business day of the month of the billing cycle.

10.2.2.1 NON-RESIDENTIAL SERVICE DELIQUENCY. If a Non-residential service customer becomes delinquent due to non-payment, a delinquency percentage equal to ten (10%) of the bill shall be added to the bill. A shut-off notice 'hanging tag' shall be hung on the door providing 48-hour notice of shut off. If the bill remains unpaid when the hanging tags are processed, a charge of twenty dollars (\$20.00) shall be assessed. Two days later shall be the shut off day. Shut offs shall be made for all services remaining unpaid two days following the hanging of the tag. A charge of twenty dollars (\$20.00) shall be assessed for each service shut off if the bill remains unpaid.

10.2.2.2 RESIDENTIAL SERVICE DELIQUENCY. If a Residential service customer becomes delinquent due to non-payment, Casitas shall send the customer a "past due" notice. A delinquency percentage equal to ten (10%) of the past due bill shall be assessed to the customer's account. If the customer's billing address is different than the service address, "past due" notice shall also be sent to the Residential service address, addressed to "Occupant(s)".

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.

A shut-off notice 'hanging tag' shall be hung on the door of the service address no less than ten (10) days prior to discontinuation of service. If the bill remains unpaid when the hanging tags are processed, a charge of twenty dollars (\$20.00) shall be assessed. The shut off tag shall contain information on how to restore Residential service.

Casitas shall provide eligible customers with the opportunity to participate in agreed upon payment plans. 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 60 days. In such instances, Casitas may discontinue Residential water service no less than five (5) days after placing a shut-off notice "hanging tag" on the door of the Residential service address. If the bill remains unpaid when the hanging tags are processed, a charge of twenty dollars (\$20.00) shall be assessed.

Nothing in this Section 10.2 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's right to discontinue service as set forth herein.

10.2.3 RESTORATION OF WATER SERVICE. In order to restore water service following a shut-off for non-payment, the customer shall be required to pay the twenty dollar (\$20.00) turn-on charge in addition to water service charges which have become delinquent pursuant to subsection 10.2.2, "Delinquency", and 10.2.4 "Remedies for Non-Payment Charges". 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, the aforementioned shut-off charge shall again be added to the customer's account in addition to the returned unpaid check charge provided for in paragraph 10.2.5, "Returned Checks".

10.2.4 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.

10.2.5 RETURNED CHECKS. Should a check be returned by a bank for any reason, the customer shall be charged \$30.00 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 twelve (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.

4. Section 15.7 of the Casitas Rates and Regulations is hereby amended to read as follows:

15.7 APPEALS PROCESS:

15.7.1 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 Supervisor stating the nature of the appeal. The appeal shall be reviewed by the Water Conservation Supervisor and the Principal Civil Engineer and a final recommendation reported to the General Manager. Decision of the General Manager shall be reported to the customer in writing and to the Casitas Board of Directors.

15.7.2 ALLOCATION AND CONSERVATION PENALTY APPEALS: Customers who wish to appeal their assigned allocation or a conservation penalty may do so according to the appeal process described in the latest adopted version of the Water Efficiency and Allocation Program.

15.7.3 RESIDENTIAL SERVICE SHUT OFF APPEALS: Customers receiving Residential service who wish to appeal charges or shut off 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 his or her recommendation to the General Manager, or designee, for a final decision that shall be reported to the customer in writing and to the Board of Directors.

15.7.4 WATER BILL APPEAL: Customers wishing to appeal a water bill for reasons other than billing errors or a meter malfunction must submit their written appeal to the General Manager or designee, who shall review the nature of the appeal and submit a recommendation to the Casitas Board of Directors for final approval.

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

15.7.6 APPEALS TO BOARD OF DIRECTORS: Nothing in this ordinance shall restrict or prevent any customer from appealing to the Casitas Board of Directors.

Notwithstanding anything else 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.

This ordinance shall become effective upon its adoption.

ADOPTED this ___th day of _____ 2019.

_____, President
Casitas Municipal Water District

ATTEST:

_____, Secretary

Casitas Municipal Water District

1. Section 2 of the Casitas Rates and Regulations is hereby amended to include the following definitions:

“Residential service” shall mean and include all service to any single-family residence, ~~multiple~~multi-family residences, apartment and condominium complexes, mobilehomes and mobile home parks, farmworker housing, or other types of community development for domestic purposes. 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.

“Non-residential service” shall mean service provided to a customer that is not within the scope of “residential service” as defined in this Section.

2. Section 4.7 of the Casitas Rates and Regulations is hereby amended to read as follows:

4.7 ESTABLISHMENT AND MAINTENANCE OF CREDIT.:

4.7.1 DEPOSITS.: Customers are required to establish and maintain credit to the satisfaction of Casitas. If the customer is a water agency, credit will be deemed established. All other customers shall be required to furnish a deposit to guarantee payment of the customer's obligations to Casitas until good credit has been established to the satisfaction of Casitas. A customer’s credit shall be considered established and maintained to the satisfaction of Casitas if the service has not ~~been turned off during any one year period; received a delinquency charge, a shut-off notice hanging tag, or a shut-off for a period of one year.~~ 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. In the event the customer does not continue to maintain his or her credit to the satisfaction of Casitas after the deposit has been refunded, the full deposit will again be required in order to continue water service. The customer will be notified in writing with the first ~~turnshut~~turnshut-off notice that ~~another turnoff shall require re-a~~ deposit of the amount of deposit will be required ~~and the date the deposit is due to restore water service after it has been shut off.~~ Deposits shall be in accordance with the following schedule:

<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

4.7.2 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.

4.7.3 RENTERS: ~~All new account holders shall be the owner, manager, or operator of the property. The owner of a property must approve for a renter to open an account in the renter's name.~~

~~If the owner, manager, or operator of a residential property is the customer of record, and the account has become delinquent, and the Residential service is subject to shutoff due to nonpayment (refer to Section 10.2.2 "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 Section 10.2.4 "Remedies for Nonpayment."~~

~~If the renter closes their account, the account will revert back into the owner's name and for the owner will be responsible for all services and charges that are incurred after the time from which the ~~prior renter closes~~ their account, ~~and until a change of account to another renter occurs. Renters are responsible for the charges incurred during their agreement and owners are responsible for the charges incurred for the time between renter agreements and shall have the current owner agreement for water service on file at the District office.~~~~

3. Section 10.2 of the Casitas Rates and Regulations is hereby amended to read as follows:

10.2 PAYMENT:

10.2.1 DATE DUE: Amounts due Casitas pursuant to bills rendered in conformance with subsection 10.1, 'Water Service', above shall be due and payable upon deposit of said bills in the United States mails addressed to the customer at the mailing address designated by customer or presented to the customer.

10.2.2 DELINQUENCY: Payment for water service shall become delinquent ~~30 days following the date of billing, if unpaid on the last day of the month of the billing cycle.~~ ~~When the bill~~

10.2.2.1 NON-RESIDENTIAL SERVICE DELIQUENCY. If a Non-residential service customer becomes delinquent due to non-payment, a delinquency percentage equal to ten (10%) of the bill shall be added to the bill. ~~Within ten (10) days after the delinquent date has passed, a~~ shut-off notice 'hanging tag' ~~{shall be hung on the door providing 48-hour notice of shut off} shall be hung on the door, or for a multi-residential structure, the hanging tag shall be given to one of the residents if the manager cannot be found.~~ If the bill remains unpaid ~~afterwhen~~ the hanging ~~tag is hung~~tags are processed, a charge of twenty dollars (\$20.00) shall be ~~made for hanging the tag assessed~~. Two days later shall be the shut off day. Shut offs shall be made for all services remaining unpaid two days following the hanging of the tag. A charge of twenty dollars (\$20.00) shall be ~~madeassessed~~ for each service shut off if the bill remains unpaid.

10.2.2.2 RESIDENTIAL SERVICE DELIQUENCY. If a Residential service customer becomes delinquent due to non-payment, Casitas shall send the customer a "past due" notice. A delinquency percentage equal to ten (10%) of the past due bill shall be assessed to the customer's account. If the customer's billing address is different than the service address, "past due" notice shall also be sent to the Residential service address, addressed to "Occupant(s)".

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.

A shut-off notice 'hanging tag' shall be hung on the door of the service address no less than ten (10) days prior to discontinuation of service. If the bill remains unpaid when the hanging tags are processed, a charge of twenty dollars (\$20.00) shall be assessed. The shut off tag shall contain information on how to restore Residential service.

Casitas shall provide eligible customers with the opportunity to participate in agreed upon payment plans. 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 60 days. In such instances, Casitas may discontinue Residential water service no less than five (5) days after placing a shut-off notice "hanging tag" on the door of the Residential service address. If the bill remains unpaid when the hanging tags are processed, a charge of twenty dollars (\$20.00) shall be assessed.

Nothing in this Section 10.2 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's right to discontinue service as set forth herein.

10.2.3 RESTORATION OF WATER SERVICE:

In order to restore water service following ~~turn-a~~ shut-off for non-payment, the customer shall be required to pay the twenty dollar (\$20.00) turn-on charge in addition to water service charges which have become delinquent pursuant to subsection 10.2.2, "Delinquency", and 10.2.4 "Remedies for Non-Payment Charges". 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, the aforementioned ~~turn~~shut-off charge shall again be added to the customer's account in addition to the returned unpaid check charge provided for in paragraph 10.2.5, "Returned Checks".

~~No service will be turned off on weekends or holidays, or the day preceding said weekend or holiday.~~

10.2.4 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.

10.2.5 RETURNED CHECKS:--. Should a check be returned by a bank for any reason, the customer shall be charged \$30.00 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 twelve (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.

4. Section 15.7 of the Casitas Rates and Regulations is hereby amended to read as follows:

15.7 APPEALS PROCESS:

15.7.1 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 Supervisor stating the nature of the appeal. The appeal shall be reviewed by the Water Conservation Supervisor and the Principal Civil Engineer and a final recommendation reported to the General Manager. Decision of the General Manager shall be reported to the customer in writing and to the Casitas Board of Directors.

~~15.7.2 ALLOCATION AND CONSERVATION PENALTY APPEALS: Customers who are denied a request for increased allocations may request a review by submitting a written appeal to the designated Water Conservation Supervisor stating the nature of the request. The Water Conservation Supervisor shall review the appeal and related information and prepare a recommendation for the General Manager. The General Manager's decision on the appeal shall be reported to the customer in writing and to the Casitas Board of Directors. Customers who wish to appeal their assigned allocation or a conservation penalty may do so according to the appeal process described in the latest adopted version of the Water Efficiency and Allocation Program.~~

~~15.7.3 RESIDENTIAL SERVICE SHUT OFF APPEALS: Customers receiving Residential service who wish to appeal charges or shut off 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 his or her recommendation to the General Manager, or designee, for a final decision that shall be reported to the customer in writing and to the Board of Directors.~~

15.7.34 WATER BILL APPEAL: Customers wishing to appeal a water bill for reasons other than billing errors or a meter malfunction must submit their written appeal to the General Manager or designee, who shall review the nature of the appeal and submit his recommendation to the Casitas Board of Directors for final approval.

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

15.7.56 APPEALS TO BOARD OF DIRECTORS: Nothing in this ordinance shall restrict or prevent any customer from appealing to the Casitas Board of Directors.

Notwithstanding anything else 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.

MEMORANDUM

TO: Water Resources Committee

From: Michael L. Flood, General Manager

RE: **Review and discussion of proposed District Ordinance modifying the Rates and Regulations in reference to definitions of customer/District facilities, District liability for planned and unplanned outages, and District liability for maintenance of the District's system.**

Date: December 13, 2019

RECOMMENDATION:

The Water Resources Committee recommend the Board of Directors adopt the ordinance.

BACKGROUND:

The District adopted the latest version of the Rates and Regulations for Water Service in 2009.

Recent construction and maintenance activities have revealed the need for the District to better define which water facilities are owned by the customer and which facilities are owned by the District.

Additionally, recent interactions with customers have revealed the need for the District to better define its liability in reference to various activities related to outages, repairs and maintenance of the District's system and the need for customers to realize they must maintain their water systems.

DISCUSSION:

Section 5.1 of the Rates and Regulations for Water Service defines what facilities are owned by the District and conversely which are owned by the customer. Current language of this section doesn't definitively define the nature of the customer's facilities. The revised language is meant to remedy that situation.

Section 15.1 of the Rates and Regulations is titled as 'Liability' which is somewhat vague. The revised title is meant to convey that this section speaks to there being no liability on the part of the District in relation to delivery interruptions.

Section 15.2 of the Rates and Regulations attempts to address the lack of liability on the District's part in conjunction with maintenance activities but is also somewhat vague. The revised language not only clears up this situation but also informs customers that they need to maintain their water systems in good working order.

CASITAS MUNICIPAL WATER DISTRICT

ORDINANCE XX-XX

AN ORDINANCE OF THE CASITAS MUNICIPAL WATER DISTRICT TO AMEND SECTIONS 5.1, 15.1, and 15.2 OF THE RATES AND REGULATIONS FOR WATER SERVICE

WHEREAS, the Casitas Municipal Water District (“Casitas”) desires to provide its customers with a better definition related to customer-owned facilities than currently exists within the Rates and Regulations for Water Service; and

WHEREAS, Casitas also desires to provide more clarity to its customers as to the extent of Casitas’ liability related to interruption of delivery; and

WHEREAS, Casitas also desires to provide more clarity to its customers as to the extent of Casitas’ liability related to repair and improvement activities conducted on Casitas’ water system.

WHEREAS, Casitas also desires to ensure its customers understand that it is the customer’s responsibility to maintain customer-owned facilities in good working order.

NOW, THEREFORE, the Board of Directors of the Casitas Municipal Water District ordains as follows:

1. Section 5.1 of the Casitas Rates and Regulations for Water Service is hereby amended to read as follows:

5.1 CASITAS-INSTALLED FACILITIES: Casitas shall retain ownership of all Casitas-installed meters, appurtenances, and connection piping ahead of the meter. The valve on the outlet side of the meter, all piping (either above or below ground), pressure regulators, backflow prevention devices, and any special facilities beyond the meter are considered to be owned by the customer and their proper operation and maintenance are the responsibility of the customer. Casitas regulations relating to assurances regarding proper operation of such special facilities are set forth in Section 19 of “Protection of Public Water Supply.”

2. Section 15.1 of the Casitas Rates and Regulations for Water Service is hereby amended to read as follows:

15.1 NO LIABILITY DUE TO INTERRUPTION OF DELIVERY: Casitas will attempt to deliver to customers a continuous and sufficient supply of water at the meter. Casitas, however, shall not be liable for interruption of service or shortage or insufficiency of supply or for any loss or damage occasioned thereby.

3. Section 15.2 of the Casitas Rates and Regulations for Water Service is hereby amended to read as follows:

15.2 NO LIABILITY DUE TO REPAIRS AND IMPROVEMENTS TO CASITAS

MWD'S SYSTEM: For the purpose of making repairs or installing improvements to the system, Casitas shall have the right to temporarily suspend the delivery of water. Casitas may notify customers in advance of such action, except in cases of emergency. Repairs or improvements may be performed during regular working hours except in the case of emergencies as defined by Casitas. Casitas shall not be liable for any loss or damage occasioned by or the result of repairs or improvements made to Casitas MWD's system. The customer's water system is expected to be of sufficiently maintained condition as to be able to handle the effects of work being completed on Casitas MWD's system.

This ordinance shall become effective upon its adoption.

ADOPTED this ___th day of _____ 2019.

_____, President
Casitas Municipal Water District

ATTEST:

_____, Secretary
Casitas Municipal Water District