

CALAVERAS COUNTY WATER DISTRICT LEGAL AFFAIRS COMMITTEE MEETING

AGENDA

January 29, 2019
1:00 p.m.
CCWD Board Room

Calaveras County Water District
120 Toma Court (P.O. Box 846)
San Andreas, California 95249

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Administration Office at (209) 754-3028. Notification in advance of the meeting will enable CCWD to make reasonable arrangements to ensure accessibility for this meeting. Any documents that are made available to the Board before or at the meeting, not privileged or otherwise protected from disclosure, and related to agenda items, will be made available at CCWD for review by the public.

ORDER OF BUSINESS

1. **CALL TO ORDER / PLEDGE OF ALLEGIANCE**
2. **PUBLIC COMMENT:** Comments limited to 5 minutes per person.
3. **APPROVAL OF MINUTES**
Minutes from September 19, 2018
4. **OLD BUSINESS**

Federal
 - a. *Update on Efforts with the U.S. Bureau of Reclamation regarding Section 4006 New Melones Study
(Jeff Meyer, Interim General Manager)
State
 - b. Update on Long-Term Water Conservation Legislation
(Joel Metzger, Manager of External Affairs, Conservation and Grants)
 - c. Update on SB 998 (Dodd) Water Service Shutoff Bill
(Joel Metzger, Manager of External Affairs, Conservation and Grants)
5. **NEW BUSINESS**
 - a. *Update on Potential Dates for a Washington D.C. Visit
(Joel Metzger, Manager of External Affairs, Conservation and Grants)

- b. *Overview of State and Federal Elected Officials
(Joel Metzger, Manager of External Affairs, Conservation and Grants)
- c. Gov. Newsom's Announcement that Creating a Safe and Affordable Drinking Water Fund is a Top Priority.
(Joel Metzger, Manager of External Affairs, Conservation and Grants)
- d. *Update on other State and Federal Legislative and Policy Matters.
(Joel Metzger, Manager of External Affairs, Conservation and Grants)

6. **INTERIM GENERAL MANAGER COMMENTS**

7. **DIRECTOR COMMENTS**

8. **FUTURE AGENDA ITEMS**

9. **NEXT COMMITTEE MEETING**

10. **ADJOURNMENT**

MINUTES

CALAVERAS COUNTY WATER DISTRICT
LEGAL AFFAIRS COMMITTEE MEETING

September 19, 2018

ORDER OF BUSINESS

1. CALL TO ORDER / PLEDGE OF ALLEGIANCE

The Legal Affairs Committee met at the CCWD offices in San Andreas at approximately 2:30 p.m.

The following directors/committee members were present:

Director Davidson
Director Ratterman

Others present:

Dave Eggerton, General Manager via conference call
Rebecca Hitchcock, Clerk of the Board
Joel Metzger, Mgr. of External Affairs, Conservation, and Grants

2. PUBLIC COMMENT:

No public comment at this time

3. APPROVAL OF MINUTES

Approved minutes from the Legal Affairs Committee meeting of June 25, 2018

4. OLD BUSINESS

FEDERAL

- a. ***Update on federal legislative policy matters, including conversation with Austin Ewell & New Melones report status**
(Dave Eggerton, General Manager)

DISCUSSION: Mr. Eggerton reported on the WIIN Act efforts in Washington D.C. and at this point, the U.S. Bureau of Reclamation's report has not been released. Mia O'Connell is working to set up a post-tour meeting with Austin Ewell to keep the momentum going. CCWD will prepare for the next year with that anticipated changes in Congress.

b. *Update on fire protection and forest management
(Dave Eggerton, General Manager)

DISCUSSION: Mr. Eggerton reported that the FARM bill has a real viable change to pass into law and discussed some of the details of the bill. Director Davidson stated that he would like to see a forest management update brought to an upcoming Board meeting.

STATE

c. *Review of 2018 Legislative Session
(Joel Metzger, Manager of External Affairs, Conservation and Grants)

DISCUSSION: Mr. Metzger discussed the Water Tax defeat, which was a huge effort by many organizations. He mentioned that a water tax could return in the future. In addition, AB 2649 (Arambula): Groundwater recharge bill was so controversial it ended up failing. SB 998 (Dodd): Water shut off bill was passed but had not yet been signed by Governor Brown. This will change CCWD policy for water lock-offs and could potentially cost the District significant money. Mr. Metzger discussed the various details and challenges of the bill.

d. Update on long-term water conservation legislation
(Joel Metzger, Manager of External Affairs, Conservation and Grants)

DISCUSSION: Mr. Metzger reported on the single most comprehensive piece of legislation this year. It was opposed by many agencies and ultimately came out as AB 1668 and SB 606. CCWD was able to influence the legislation like the variances for evaporative coolers, seasonal population, variances for agriculture and livestock, dust control, etc. Those variances are now part of the legislation. Aerial photos will be run through a software program to determine each property's outdoor water use. Indoor water use is already capped at 55 gallons per person per day, to be reduced to 52 ½ gallon per day in 2025, and further reduced to 50 gallons per day by 2030. CCWD must begin complying with state-mandate water budgets in 2020 and penalties will be levied on CCWD if goals are not met by 2027. There was significant discussion on this item.

e. Discussion/direction regarding state water bond: Proposition 3
(Joel Metzger, Manager of External Affairs, Conservation and Grants)

DISCUSSION: Mr. Metzger mentioned that CCWD formally supported Prop 3 Water Supply and Quality Act of 2018. It offers a huge opportunity for \$8.9 billion in water-

related grant funding. The Board is encouraged to educate the voters about this important proposition.

5. NEW BUSINESS

- a. *Update on other state and federal legislative and policy matters**
(Dave Eggerton, General Manager)

DISCUSSION: Mr. Metzger had no updates.

- b. *Planning/strategy discussion for state and federal legislative advocacy**
(Dave Eggerton, General Manager)

DISCUSSION: Mr. Metzger asked for the Committee to give staff priorities on state legislation. Director Davidson wants to know from Mia O'Connell, what Federal legislation looks like it could pass. Director Ratterman wants to see continued efforts into access to water storage in New Melones. There was discussion on when to have a planning session with Mia O'Connell with the full Board.

6. GENERAL MANAGER COMMENTS

Mr. Eggerton had nothing further to report.

7. DIRECTOR COMMENTS

Director Davidson had nothing to report.
Director Ratterman had nothing to report.

8. FUTURE AGENDA ITEMS

Legislative Planning Session with the full Board.

9. NEXT COMMITTEE MEETING

To be announced

10. ADJOURNMENT

The meeting adjourned at approximately 3:36 p.m.

Respectfully Submitted,

Rebecca Hitchcock
Clerk of the Board

Agenda Item

DATE: January 29, 2019

TO: Legal Affairs Committee

FROM: Joel Metzger, CCWD Manager of External Affairs, Conservation and Grants

SUBJECT: Discussion / Direction regarding state legislation

Long-Term Water Conservation Update

SB 606 and AB 1668 were passed by the State Legislature and signed by Gov. Brown earlier this year. CCWD has been working closely with ACWA and a statewide coalition of water agencies to help inform a “Primer” regarding the recently approved long-term water conservation legislation (attached). This primer provides detailed information about the implementation timeline for the legislation and provides clarity on “gray areas” within the language.

Additionally, CCWD has been selected as one of 15 agencies that will be part of the outdoor irrigation measurement pilot study being conducted by the Department of Water Resources and spearheaded by DWR’s Water Use Efficiency Program Manager, Peter Brostrom. This will allow CCWD to work through potential inaccuracy challenges with the aerial imaging technology, such as thick tree canopies in the eastern portion of Calaveras County. These challenges will be shared by many foothill agencies throughout the Sierra Nevada.

Finally, the State Water Resources Control Board’s Climate and Conservation Manager, Max Gomberg, said in November that SB 555 (water loss) requirements are being incorporated into the SB 606 and AB 1668 legislation. Each water district will need to meet water loss targets by 2027, as part of the sweeping water use efficiency legislation that will govern indoor and outdoor water use across the state.

Each water provider will be mandated to meet targets that are the sum total of outdoor water use, indoor water use and water loss.

SB 998 (Dodd) Water Service Shut-Off Bill

This bill was passed and signed by Gov. Brown (attached). It will replace current water district service shut-offs processes that are tailored by local water districts to meet the needs of their agency customers. A new, one-size-fits-all statewide program will be created that will prevent service shut-offs for at least 60 days for delinquent customers, create a cap on the amount of lock-off and reconnection fees an agency could charge that may not cover the actual cost of these reconnections, triggers Prop. 218 concerns for public water agencies and expands authority to both the State Water Resources Control Board and the Attorney General to enforce provisions of the bill.

Water agencies must comply with this law by April 1, 2020.

Despite the best efforts of local water agencies in conjunction with ACWA to amend the bill, the final version contains provisions that continue to complicate current water district policy and create unfair cost-shifting, which is arguably a violation of Prop. 218.

The bill language causes the following concerns:

- Mandates that water agencies offer alternative payment schedules
- Mandates a formal process be created for customers to contest or appeal bills
- Prevents water agencies from shutting off water service while an appeal is pending
- Prevents water agencies from shutting off water service until customer has been delinquent for at least 60 days
- Prevents water agencies from shutting off water service if a customer demonstrates they are unable to pay by providing proof of being the recipient of CalWORKS, CalFresh (and other social assistance programs) or the household's income is less than 200 percent of the federal poverty level.

During the recent ACWA conference in San Diego, the panel of a SB 998 seminar suggested installing flow-regulating devices on delinquent customers' meters rather than locking them off. This will create a significant incentive for customers to pay their bills and will not be a violation of SB 998 or any other law, to our knowledge.

Elected State Representatives

In order to be effective with influencing legislation and policy, the Calaveras County Water District Board and staff members must be familiar with their elected at the state and federal level. Investing in relationships with these elected officials is the most effective way of gaining their support for District issues.

Staff suggests arranging annual in-person meetings between CCWD Board members on the Legal Affairs Committee and the District's elected representatives in the State Assembly and Senate.

Frank Bigelow, 5th Assembly District

Committees:

- Appropriations Committee, vice chair
- Governmental Organization Committee, vice chair
- Insurance Committee
- Health Committee
- Transportation Committee
- Water, Parks and Wildlife

General info: Bigelow has represented California's Fifth Assembly District since 2012. Before joining the Assembly, Bigelow served the residents of Madera County on the Board of Supervisors for 14 years, and as a volunteer firefighter for 40 years. Bigelow has worked at the Ponderosa Telephone Company since 1973, rising through the ranks to his current position of vice president. He lives in O'Neals with his wife of 35 years, Barbara.

Senator Andreas Borgeas, 8th Senate District

Committees:

- Judiciary Committee - Vice Chair
- Governmental Organization Committee
- Insurance Committee
- Natural Resources and Water Committee
- Joint Legislative Audit Committee

General info: This is Borgeas' first term as a state senator. Prior to serving in the Legislature, Borgeas served as a Fresno County Supervisor and is a Professor of International Law at the San Joaquin College of Law. He is a Georgetown Law School graduate and Fulbright Scholar. In Sacramento, Borgeas plans to spend his time working on water and infrastructure issues, developing more educational opportunities, and working to help clean up and manage the state's forests while supporting first responders. Borgeas represents all or portions of Amador, Calaveras, Fresno, Inyo, Madera, Mariposa, Mono, Sacramento, Stanislaus, Tulare and Tuolumne Counties.

Elected Federal Representatives

- Congressman Tom McClintock, CA 4th District
- Senator Dianne Feinstein, U.S. Senator for California
- Senator Kamala Harris, U.S. Senator for California

Safe Drinking Water Fund

A unified coalition of water agencies and partner organizations successfully defeated the effort to pass a statewide water tax (SB 623) over the past two years. This tax would have funded a Safe Drinking Water Fund to help provide all communities in California with safe drinking water. While that is a laudable goal, water agencies opposed the idea of funding the effort by putting a \$1 tax on every person's water bill.

While defeating the water tax was an incredible achievement, water tax proponents have already made it clear they will introduce legislation in 2019 to pass the tax.

Rather than continuing to play defense, ACWA has changed its strategy to sponsor legislation that will create a Safe Drinking Water Fund without taxing Californians' water bills. The details of this new plan are forthcoming and will be provided in the presentation to the Legal Affairs Committee Board on the 29th.

Gov. Gavin Newsom has announced that the creation of a Safe Drinking Water Fund is one of his top priorities. On January 10, Gov. Newsom released his proposed budget for Fiscal Year 2019-'20 that includes a proposal for a Safe and Affordable Drinking Water Fund. The fund would be funded through a statewide tax on drinking water and an assessment on fertilizer sales and dairies, which is similar to the proposal that was defeated in 2018. The legislative language for the proposal is not yet available, but it will be "consistent with the policy framework of SB 623, introduced in the 2017-18 legislative session," according to the budget summary. The CCWD Board of Directors opposed SB 623 and all other related efforts to impose a tax on drinking water.

The Newsom Administration is still deciding whether they will advance the proposal as a policy bill or a budget trailer bill.

Most water agencies agree that making access to safe drinking water for all Californians should be a top priority for the State. However, a statewide water tax is highly problematic and is not necessary when alternative funding solutions exist and the state has a huge, \$14.8-billion budget surplus.

Attachments: *SB 998 (Dodd): Bill language*
 Gov. Newsome Statement on Safe Drinking Water Fund
 Water Tax Facts

Introduced by Senator DoddFebruary 5, 2018

An act to add Chapter 6 (commencing with Section 116900) to Part 12 of Division 104 of the Health and Safety Code, and to amend Sections 777, 779, 779.1, 780, 10009, 10010, 10010.1, 12822, 12823, 12823.1, 16481, 16482, and 16482.1 of the Public Utilities Code, relating to water.

LEGISLATIVE COUNSEL'S DIGEST

SB 998, as introduced, Dodd. Water shutoffs: 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 residential service shutoff available in English, Spanish, or any other language spoken by at least 5% of the people residing in its service area. The bill would require the policy to include certain components and be available on the system's

Internet Web site and be provided annually to customers in writing. The bill would make a violation of these provisions punishable by a civil penalty issued by the board or the commission, as appropriate, in an amount not to exceed \$500 for each day in which the violation occurs. The bill would eliminate existing notice and other requirements relating to the termination of residential service for commission-regulated urban and community water systems and instead would apply the provisions of this bill to those systems. This bill would prohibit an urban and community water system from shutting off residential service 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 residential service shutoff no less than 3 business days before shutoff, as prescribed. The bill would prohibit an urban and community water system from shutting off residential service until the system notifies the local health department and the local health department assesses that a shutoff at the residence would not pose a grave threat to the health and safety of the residents, except as provided. By imposing new duties on local health departments, this bill would impose a state-mandated local program.

This bill would prohibit residential service from being shut off under specified circumstances. The bill would require an urban and community water system that shuts off residential service to provide the customer with information on how to restore service and petition for a waiver of reconnection fees. The bill would require an urban and community water system to waive reconnection fees and offer a reduction or waiver of interest charges on delinquent bills for a residential customer with a demonstrated household income below 200% of the federal poverty line and would limit the amount of a reconnection of service fee imposed on any other residential customer. The bill would require an urban and community water system to report the number of annual shutoffs for inability to pay on its Internet Web site. 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, 2019, and any other urban and community water system to comply with the bill's provisions on and after April 1, 2019.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares as follows:

2 (a) All Californians have the right to safe, accessible, and
3 affordable water as declared by Section 106.3 of the Water Code.

4 (b) It is the intent of the Legislature to minimize the number of
5 Californians who lose access to water service due to inability to
6 pay.

7 (c) Water service shutoffs threaten human health and well-being,
8 and have disproportionate impact on infants, children, the elderly,
9 low-income families, communities of color, people for whom
10 English is a second language, physically disabled persons, and
11 persons with life-threatening medical conditions.

12 (d) When there is a delinquent bill, all Californians, regardless
13 of whether they pay a water bill directly, should be treated fairly,
14 and fair treatment includes the ability to contest a bill, seek
15 alternate payment schedules, and demonstrate medical need and
16 severe economic hardship.

17 (e) The loss of water service causes tremendous hardship and
18 undue stress, including increased health risks to vulnerable
19 populations.

20 SEC. 2. Chapter 6 (commencing with Section 116900) is added
21 to Part 12 of Division 104 of the Health and Safety Code, to read:

22

23

CHAPTER 6. WATER SHUTOFFS

24

25 116900. For the purposes of this chapter, the following
26 definitions apply:

27 (a) "Board" means the State Water Resources Control Board.

28 (b) "Infant" means a person less than 12 months of age.

29 (c) "Public water system" has the same meaning as Section
30 116275.

1 (d) “Residential service” means water service to a residential
2 connection that includes, but is not limited to, single-family
3 residences, multifamily residences, mobile home parks, or
4 farmwork housing, regardless of how the urban and community
5 water system classifies the connection for the purpose of imposing
6 rates and charges.

7 (e) “Severely disabled” mean a person with the inability to
8 independently perform basic maintenance functions such as
9 cleaning and eating.

10 (f) “Severe economic hardship” means any of the following:

11 (1) The incarceration of the main income earner in the
12 household.

13 (2) The deportation of the main income earner in the household.

14 (3) The death of the main income earner in the household.

15 (g) “Urban and community water system” means a public water
16 system that supplies water to more than 200 service connections.

17 (h) “Urban water supplier” has the same meaning as Section
18 10617 of the Water Code.

19 116902. (a) An urban water supplier not regulated by the
20 Public Utilities Commission shall comply with this chapter on and
21 after February 1, 2019. The urban water supplier shall adopt rules
22 to comply with this chapter.

23 (b) An urban and community water system regulated by the
24 Public Utilities Commission shall comply with this chapter on and
25 after February 1, 2019. The urban and community water system
26 regulated by the Public Utilities Commission shall file advice
27 letters with the commission to conform with this chapter.

28 (c) An urban and community water system not described in
29 subdivision (a) or (b) shall comply with this chapter on and after
30 April 1, 2019. The urban and community water system shall adopt
31 rules to comply with this chapter.

32 116904. (a) An urban and community water system shall have
33 a written policy on residential service shutoff available in English,
34 Spanish, and any other language spoken by at least 5 percent of
35 the people residing in its service area. The policy shall include all
36 of the following:

37 (1) A plan for deferred or reduced payments.

38 (2) Alternate payment schedules.

39 (3) A formal mechanism for a customer to contest or appeal a
40 bill.

1 (4) A telephone number for a customer to contact to discuss
2 options for averting a shutoff.

3 (b) The policy shall be available on the urban and community
4 water system's Internet Web site, if an Internet Web site exists,
5 and be provided annually to customers in writing.

6 (c) A violation of this section shall be punishable by a civil
7 penalty, issued by the board or the Public Utilities Commission,
8 as appropriate, in an amount not to exceed five hundred dollars
9 (\$500) for each day in which the violation occurs. All moneys
10 collected shall be deposited in the General Fund.

11 116906. (a) (1) An urban and community water system shall
12 not shut off residential service until a payment by a customer has
13 been delinquent for at least 60 days. No less than three business
14 days before shutoff, an urban and community water system shall
15 contact the customer named on the account and provide the
16 customer with the urban and community water system's policy on
17 residential service shutoff. An urban and community water system
18 shall offer to discuss options to avert a shutoff, including, but not
19 limited to, alternate payment schedules, deferred payments,
20 minimum payments, and petition for bill review and appeal.

21 (2) If the urban and community water system is unable to contact
22 the customer named on the account, an urban and community water
23 system shall not shut off residential service until the urban and
24 community water system contacts any adult occupying the
25 residence and provides them with the urban and community water
26 system's policy on residential service shutoffs and offers to discuss
27 options as described in paragraph (1).

28 (3) If the urban and community water system is unable to make
29 contact with the customer or an adult occupying the residence, the
30 urban and community water system shall visit the residence and
31 leave, in a conspicuous place, a notice of imminent shutoff and
32 the urban and community water system's policy for residential
33 service shutoff.

34 (b) (1) Except as provided in paragraph (2), an urban and
35 community water system shall not shut off residential service until
36 the urban and community water system notifies the local health
37 department and the local health department assesses that a shutoff
38 at the residence would not pose a grave threat to the health and
39 safety of the residents.

1 (2) An assessment by the local health department for residential
2 service to a single-family residence shall be conducted only on the
3 request of a resident. If a resident of a single-family residence
4 requests an assessment by the local health department to determine
5 whether a shutoff poses a grave threat to health and safety for the
6 residents, an urban and community water system shall not shut off
7 residential service to a single-family residence until the local health
8 department has made an assessment and determines that shutting
9 off the water would not pose a grave threat to the health and safety
10 of the residents.

11 (3) If the local health department determines pursuant to an
12 assessment conducted in accordance with this subdivision that
13 shutting off the water would pose a grave threat to health and safety
14 for the residents, the urban and community water system shall not
15 shut off residential service and the urban and community water
16 system may ask the local health department for a subsequent health
17 and safety assessment after 90 days.

18 (c) If an adult at the residence requests an appeal of the water
19 bill, the urban and community water system shall not shut off
20 residential service while the appeal is pending.

21 (d) If a customer demonstrates that his or her household has
22 experienced a severe economic hardship within the last year, an
23 urban and community water system shall not shut off residential
24 service for 180 days following the customer's demonstration.

25 116908. An urban and community water system shall not
26 shutoff residential service under any of the following
27 circumstances:

28 (a) If any of the following apply to the residential service
29 customer or a member of the customer's household who occupies
30 the residence:

31 (1) He or she is 65 years of age or older and receiving in-home
32 care.

33 (2) He or she is undergoing hospice care.

34 (3) He or she is suffering from a life-threatening medical
35 condition that a licensed physician, person licensed pursuant to
36 the Osteopathic Initiative Act, or a nurse practitioner certifies will
37 worsen if residential service is shutoff.

38 (b) An infant is present in the household.

39 (c) A severely disabled child is present in the household.

1 116910. An urban and community water system that shuts off
2 residential service shall provide the customer with information on
3 how to restore residential service and petition for a waiver of
4 reconnection fees pursuant to Section 116912.

5 116912. (a) For a residential customer with a demonstrated
6 household income below 200 percent of the federal poverty line,
7 an urban and community water system shall waive reconnection
8 fees and offer a reduction or waiver of interest charges on
9 delinquent bills.

10 (b) For a residential customer not described in subdivision (a),
11 an urban and community water system shall set a reconnection of
12 service fee for reconnection during normal operating hours at
13 twenty dollars (\$20) or less, with an annual adjustment for changes
14 in the Consumer Price Index beginning January 1, 2020. For the
15 reconnection of residential service during nonoperational hours,
16 an urban and community water system shall set a reconnection of
17 service fee at one hundred dollars (\$100) or less, with an annual
18 adjustment for changes in the Consumer Price Index.

19 116914. An urban and community water system shall report
20 the number of annual shutoffs for inability to pay on the urban and
21 community water system’s Internet Web site, if an Internet Web
22 site exists.

23 116916. The Attorney General shall have authority to bring an
24 action in state court to restrain by temporary or permanent
25 injunction the use of any method, act, or practice declared in this
26 chapter to be unlawful.

27 SEC. 3. Section 777 of the Public Utilities Code is amended
28 to read:

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

32 (b) If an electrical, gas, heat, or water corporation furnishes
33 individually metered residential service to residential occupants
34 of a detached single-family dwelling, a multiunit residential
35 structure, mobilehome park, or permanent residential structure in
36 a labor camp, as defined in Section 17008 of the Health and Safety
37 Code, and the owner, manager, or operator of the dwelling,
38 structure, or park is the customer of record, the corporation shall
39 make every good faith effort to inform the residential occupants,
40 by means of written notice, when the account is in arrears, that

1 service will be terminated at least 10 days prior to termination.
2 The written notice shall further inform the residential occupants
3 that they have the right to become customers, to whom the service
4 will then be billed, without being required to pay any amount which
5 may be due on the delinquent account. The notice shall be in
6 English and in the languages listed in Section 1632 of the Civil
7 Code.

8 (c) The corporation is not required to make service available to
9 the residential occupants unless each residential occupant agrees
10 to the terms and conditions of service and meets the requirements
11 of law and the corporation's rules and tariffs. However, if one or
12 more of the residential occupants are willing and able to assume
13 responsibility for the subsequent charges to the account to the
14 satisfaction of the corporation, or if there is a physical means,
15 legally available to the corporation, of selectively terminating
16 service to those residential occupants who have not met the
17 requirements of the corporation's rules and tariffs, the corporation
18 shall make service available to those residential occupants who
19 have met those requirements.

20 (d) If prior service for a period of time is a condition for
21 establishing credit with the corporation, residence and proof of
22 prompt payment of rent or other credit obligation acceptable to
23 the corporation for that period of time is a satisfactory equivalent.

24 (e) Any residential occupant who becomes a customer of the
25 corporation pursuant to this section whose periodic payments, such
26 as rental payments, include charges for residential electrical, gas,
27 heat, or water service, where those charges are not separately
28 stated, may deduct from the periodic payment each payment period
29 all reasonable charges paid to the corporation for those services
30 during the preceding payment period.

31 (f) In the case of a detached single-family dwelling, the
32 corporation may do any of the following:

33 (1) Give notice of termination at least seven days prior to the
34 proposed termination, notwithstanding the notice period specified
35 in subdivision (a).

36 (2) In order for the amount due on the delinquent account to be
37 waived, require an occupant who becomes a customer to verify
38 that the delinquent account customer of record is or was the
39 landlord, manager, or agent of the dwelling. Verification may
40 include, but is not limited to, a lease or rental agreement, rent

1 receipts, a government document indicating that the occupant is
2 renting the property, or information disclosed pursuant to Section
3 1962 of the Civil Code.

4 *(g) This section does not apply to water service by a water*
5 *corporation that is an urban and community water system as*
6 *defined by Section 116900 of the Health and Safety Code.*

7 ~~(g)~~

8 *(h) This section shall become operative on July 1, 2010.*

9 SEC. 4. Section 779 of the Public Utilities Code is amended
10 to read:

11 779. (a) No electrical, gas, heat, or water corporation may
12 terminate residential service for nonpayment of a delinquent
13 account unless the corporation first gives notice of the delinquency
14 and impending termination, as provided in Section 779.1.

15 (b) No electrical, gas, heat, or water corporation may terminate
16 residential service for nonpayment in any of the following
17 situations:

18 (1) During the pendency of an investigation by the corporation
19 of a customer or subscriber dispute or complaint.

20 (2) When a customer has been granted an extension of the period
21 for payment of a bill.

22 (3) On the certification of a licensed physician and surgeon that
23 to do so will be life threatening to the customer and the customer
24 is financially unable to pay for service within the normal payment
25 period and is willing to enter into an amortization agreement with
26 the corporation pursuant to subdivision (e) with respect to all
27 charges that the customer is unable to pay prior to delinquency.

28 (c) Any residential customer who has initiated a complaint or
29 requested an investigation within five days of receiving the
30 disputed bill, or who has, before termination of service, made a
31 request for extension of the payment period of a bill asserted to
32 be beyond the means of the customer to pay in full within the
33 normal period for payment, shall be given an opportunity for
34 review of the complaint, investigation, or request by a review
35 manager of the corporation. The review shall include consideration
36 of whether the customer shall be permitted to amortize any unpaid
37 balance of the delinquent account over a reasonable period of time,
38 not to exceed 12 months. No termination of service shall be
39 effected for any customer complying with an amortization

1 agreement, if the customer also keeps the account current as
2 charges accrue in each subsequent billing period.

3 (d) Any customer whose complaint or request for an
4 investigation pursuant to subdivision (c) has resulted in an adverse
5 determination by the corporation may appeal the determination to
6 the commission. Any subsequent appeal of the dispute or complaint
7 to the commission is not subject to this section.

8 (e) Any customer meeting the requirements of paragraph (3) of
9 subdivision (b) shall, upon request, be permitted to amortize, over
10 a period not to exceed 12 months, the unpaid balance of any bill
11 asserted to be beyond the means of the customer to pay within the
12 normal period for payment.

13 (f) *This section does not apply to water service by a water*
14 *corporation that is an urban and community water system as*
15 *defined by Section 116900 of the Health and Safety Code.*

16 SEC. 5. Section 779.1 of the Public Utilities Code is amended
17 to read:

18 779.1. (a) Every electrical, gas, heat, or water corporation shall
19 allow every residential customer at least 19 days from the date of
20 mailing its bill for services, postage prepaid, for payment of the
21 charges demanded. No corporation subject to this section may
22 terminate residential service for nonpayment of a delinquent
23 account unless the corporation first gives notice of the delinquency
24 and impending termination, at least 10 days prior to the proposed
25 termination, by means of a notice mailed, postage prepaid, to the
26 customer to whom the service is billed, not earlier than 19 days
27 from the date of mailing the corporation's bill for services, and
28 the 10-day period shall not commence until five days after the
29 mailing of the notice.

30 (b) Every corporation shall make a reasonable attempt to contact
31 an adult person residing at the premises of the customer by
32 telephone or personal contact at least 24 hours prior to any
33 termination of service, except that, whenever telephone or personal
34 contact cannot be accomplished, the corporation shall give, either
35 by mail or in person, a notice of termination of service at least 48
36 hours prior to termination.

37 (c) Every corporation shall make available to its residential
38 customers who are 65 years of age or older, or who are dependent
39 adults as defined in ~~paragraph (1) of subdivision (b) of Section~~
40 ~~15610~~ *Section 15610.23* of the Welfare and Institutions Code, a

1 third-party notification service, whereby the corporation will
2 attempt to notify a person designated by the customer to receive
3 notification when the customer's account is past due and subject
4 to termination. The notification shall include information on what
5 is required to prevent termination of service. The residential
6 customer shall make a request for third-party notification on a
7 form provided by the corporation, and shall include the written
8 consent of the designated third party. The third-party notification
9 does not obligate the third party to pay the overdue charges, nor
10 shall it prevent or delay termination of service.

11 (d) Every notice of termination of service pursuant to
12 subdivision (a) or (b) shall include all of the following information:

13 (1) The name and address of the customer whose account is
14 delinquent.

15 (2) The amount of the delinquency.

16 (3) The date by which payment or arrangements for payment
17 is required in order to avoid termination.

18 (4) The procedure by which the customer may initiate a
19 complaint or request an investigation concerning service or charges.

20 (5) The procedure by which the customer may request
21 amortization of the unpaid charges.

22 (6) The procedure for the customer to obtain information on the
23 availability of financial assistance, including private, local, state,
24 or federal sources, if applicable.

25 (7) The telephone number of a representative of the corporation
26 who can provide additional information or institute arrangements
27 for payment.

28 (8) The telephone number of the commission to which inquiries
29 by the customer may be directed.

30 All written notices shall be in a clear and legible format.

31 (e) Any residential customer whose complaint or request for an
32 investigation has resulted in an adverse determination by the
33 corporation may appeal the determination to the commission. Any
34 subsequent appeal of the dispute or complaint to the commission
35 is not subject to this section.

36 (f) If a residential customer fails to comply with an amortization
37 agreement, the corporation shall not terminate service without
38 giving notice to the customer at least 48 hours prior to termination
39 of the conditions the customer is required to meet to avoid

1 termination, but this notice does not entitle the customer to further
2 investigation by the corporation.

3 (g) No termination of service may be effected without
4 compliance with this section. Any service wrongfully terminated
5 shall be restored without charge for the restoration of service, and
6 a notation thereof shall be mailed to the customer at his or her
7 billing address.

8 *(h) This section does not apply to water service by a water*
9 *corporation that is an urban and community water system as*
10 *defined by Section 116900 of the Health and Safety Code.*

11 SEC. 6. Section 780 of the Public Utilities Code is amended
12 to read:

13 780. (a) No electrical, gas, heat, or water corporation shall,
14 by reason of delinquency in the payment of its charges, terminate
15 service on any Saturday, Sunday, legal holiday, or at any time
16 during which the business offices of the corporation are not open
17 to the public.

18 *(b) This section does not apply to water service by a water*
19 *corporation that is an urban and community water system as*
20 *defined by Section 116900 of the Health and Safety Code.*

21 SEC. 7. Section 10009 of the Public Utilities Code is amended
22 to read:

23 10009. (a) This section applies if there is a landlord-tenant
24 relationship between the residential occupants and the owner,
25 manager, or operator of the dwelling.

26 (b) If a public utility furnishes individually metered residential
27 light, heat, water, or power to residential occupants in a detached
28 single-family dwelling, a multiunit residential structure,
29 mobilehome park, or a permanent residential structure in a labor
30 camp, as defined in Section 17008 of the Health and Safety Code,
31 and the owner, manager, or operator of the dwelling, structure, or
32 park is the customer of record, the public utility shall make every
33 good faith effort to inform the residential occupants, by means of
34 written notice, when the account is in arrears, that service will be
35 terminated in 10 days. The written notice shall further inform the
36 residential occupants that they have the right to become customers
37 of the public utility without being required to pay the amount due
38 on the delinquent account. The notice shall be in English and in
39 the languages listed in Section 1632 of the Civil Code.

1 (c) The public utility is not required to make service available
2 to the residential occupants unless each residential occupant agrees
3 to the terms and conditions of service, and meets the requirements
4 of law and the public utility's rules. However, if one or more of
5 the residential occupants are willing and able to assume
6 responsibility for the subsequent charges to the account to the
7 satisfaction of the public utility, or if there is a physical means,
8 legally available to the public utility, of selectively terminating
9 service to those residential occupants who have not met the
10 requirements of the public utility's rules, the public utility shall
11 make service available to the residential occupants who have met
12 those requirements.

13 (d) If prior service for a period of time is a condition for
14 establishing credit with the public utility, residence and proof of
15 prompt payment of rent or other obligation acceptable to the public
16 utility for that period of time is a satisfactory equivalent.

17 (e) Any residential occupant who becomes a customer of the
18 public utility pursuant to this section whose periodic payments,
19 such as rental payments, include charges for residential light, heat,
20 water, or power, where these charges are not separately stated,
21 may deduct from the periodic payment each payment period all
22 reasonable charges paid to the public utility for those services
23 during the preceding payment period.

24 (f) *This section does not apply to water service by a public utility*
25 *that is an urban and community water system as defined by Section*
26 *116900 of the Health and Safety Code.*

27 SEC. 8. Section 10010 of the Public Utilities Code is amended
28 to read:

29 10010. (a) No public utility furnishing light, water, power, or
30 heat may terminate residential service for nonpayment of a
31 delinquent account unless the public utility first gives notice of
32 the delinquency and impending termination, as provided in Section
33 10010.1.

34 (b) No public utility shall terminate residential service for
35 nonpayment in any of the following situations:

36 (1) During the pendency of an investigation by the public utility
37 of a customer dispute or complaint.

38 (2) When a customer has been granted an extension of the period
39 for payment of a bill.

1 (3) On the certification of a licensed physician and surgeon that
2 to do so will be life threatening to the customer and the customer
3 is financially unable to pay for service within the normal payment
4 period and is willing to enter into an amortization agreement with
5 the public utility pursuant to subdivision (e) with respect to all
6 charges that the customer is unable to pay prior to delinquency.

7 (c) Any residential customer who has initiated a complaint or
8 requested an investigation within five days of receiving the
9 disputed bill, or who has, within 13 days of mailing of the notice
10 required by subdivision (a), made a request for extension of the
11 payment period of a bill asserted to be beyond the means of the
12 customer to pay in full during the normal period for payment, shall
13 be given an opportunity for review of the complaint, investigation,
14 or request by a review manager of the public utility. The review
15 shall include consideration of whether the customer shall be
16 permitted to amortize the unpaid balance of the account over a
17 reasonable period of time, not to exceed 12 months. No termination
18 of service shall be effected for any customer complying with the
19 amortization agreement, if the customer also keeps the account
20 current as charges accrue in each subsequent billing period.

21 (d) Any customer whose complaint or request for an
22 investigation pursuant to subdivision (c) has resulted in an adverse
23 determination by the public utility may appeal the determination
24 to the governing body of the municipal corporation. Any
25 subsequent appeal of the dispute or complaint to the governing
26 body is not subject to this section.

27 (e) Any customer meeting the requirements of paragraph (3) of
28 subdivision (b) shall, upon request, be permitted to amortize, over
29 a period not to exceed 12 months, the unpaid balance of any bill
30 asserted to be beyond the means of the customer to pay within the
31 normal period for payment.

32 (f) *This section does not apply to water service by a public utility*
33 *that is an urban and community water system as defined by Section*
34 *116900 of the Health and Safety Code.*

35 SEC. 9. Section 10010.1 of the Public Utilities Code is
36 amended to read:

37 10010.1. (a) No public utility furnishing light, heat, water, or
38 power may terminate residential service on account of nonpayment
39 of a delinquent account unless the public utility first gives notice
40 of the delinquency and impending termination, at least 10 days

1 prior to the proposed termination, by means of a notice mailed,
2 postage prepaid, to the customer to whom the service is billed, not
3 earlier than 19 days from the date of mailing the public utility's
4 bill for services, and the 10-day period shall not commence until
5 five days after the mailing of the notice.

6 (b) Every public utility shall make a reasonable attempt to
7 contact an adult person residing at the premises of the customer
8 by telephone or personal contact, at least 24 hours prior to any
9 termination of service, except that, whenever telephone or personal
10 contact cannot be accomplished, the public utility shall give, by
11 mail, in person, or by posting in a conspicuous location at the
12 premises, a notice of termination of service, at least 48 hours prior
13 to termination.

14 (c) Every public utility shall make available to its residential
15 customers who are 65 years of age or older, or who are dependent
16 adults as defined in ~~paragraph (1) of subdivision (b) of Section~~
17 ~~15610~~ *Section 15610.23* of the Welfare and Institutions Code, a
18 third-party notification service, whereby the public utility will
19 attempt to notify a person designated by the customer to receive
20 notification when the customer's account is past due and subject
21 to termination. The notification shall include information on what
22 is required to prevent termination of service. The residential
23 customer shall make a request for third-party notification on a
24 form provided by the public utility, and shall include the written
25 consent of the designated third party. The third-party notification
26 does not obligate the third party to pay the overdue charges, nor
27 shall it prevent or delay termination of service.

28 (d) Every notice of termination of service pursuant to
29 subdivision (a) shall include all of the following information:

30 (1) The name and address of the customer whose account is
31 delinquent.

32 (2) The amount of the delinquency.

33 (3) The date by which payment or arrangements for payment
34 is required in order to avoid termination.

35 (4) The procedure by which the customer may initiate a
36 complaint or request an investigation concerning service or charges,
37 except that, if the bill for service contains a description of that
38 procedure, the notice pursuant to subdivision (a) is not required
39 to contain that information.

1 (5) The procedure by which the customer may request
2 amortization of the unpaid charges.

3 (6) The procedure for the customer to obtain information on the
4 availability of financial assistance, including private, local, state,
5 or federal sources, if applicable.

6 (7) The telephone number of a representative of the public utility
7 who can provide additional information or institute arrangements
8 for payment.

9 Every notice of termination of service pursuant to subdivision
10 (b) shall include the items of information in paragraphs (1), (2),
11 (3), (6), and (7).

12 All written notices shall be in a clear and legible format.

13 (e) If a residential customer fails to comply with an amortization
14 agreement, the public utility shall not terminate service without
15 giving notice to the customer at least 48 hours prior to termination
16 of the conditions the customer is required to meet to avoid
17 termination, but the notice does not entitle the customer to further
18 investigation by the public utility.

19 (f) No termination of service may be effected without
20 compliance with this section. Any service wrongfully terminated
21 shall be restored without charge for the restoration of service, and
22 a notation thereof shall be mailed to the customer at his or her
23 billing address.

24 (g) *This section does not apply to water service by a public*
25 *utility that is an urban and community water system as defined by*
26 *Section 116900 of the Health and Safety Code.*

27 SEC. 10. Section 12822 of the Public Utilities Code is amended
28 to read:

29 12822. (a) This section applies if there is a landlord-tenant
30 relationship between the residential occupants and the owner,
31 manager, or operator of the dwelling.

32 (b) If a district furnishes individually metered residential light,
33 heat, water, or power to residential occupants in a detached
34 single-family dwelling, multiunit residential structure, mobilehome
35 park, or permanent residential structure in a labor camp, as defined
36 in Section 17008 of the Health and Safety Code, and the owner,
37 manager, or operator of the dwelling, structure, or park is the
38 customer of record of the service, the district shall make every
39 good faith effort to inform the residential occupants, by means of
40 written notice, when the account is in arrears, that service will be

1 terminated in 10 days. The written notice shall further inform the
2 residential occupants that they have the right to become customers
3 of the district without being required to pay the amount due on the
4 delinquent account. The notice shall be in English and in the
5 languages listed in Section 1632 of the Civil Code.

6 (c) The district is not required to make service available to the
7 residential occupants unless each residential occupant agrees to
8 the terms and conditions of service, and meets the requirements
9 of the district's rules. However, if one or more of the residential
10 occupants are willing and able to assume responsibility for the
11 subsequent charges to the account to the satisfaction of the district,
12 or if there is a physical means, legally available to the district, of
13 selectively terminating service to those residential occupants who
14 have not met the requirements of the district's rules, the district
15 shall make service available to the residential occupants who have
16 met those requirements.

17 (d) If prior service for a period of time is a condition for
18 establishing credit with the district, residence and proof of prompt
19 payment of rent or other credit obligation acceptable to the district
20 for that period of time is a satisfactory equivalent.

21 (e) Any residential occupant who becomes a customer of the
22 district pursuant to this section whose periodic payments, such as
23 rental payments, include charges for residential light, heat, water,
24 or power, where these charges are not separately stated, may deduct
25 from the periodic payment each payment period all reasonable
26 charges paid to the district for those services during the preceding
27 payment period.

28 (f) *This section does not apply to water service by a district that*
29 *is an urban and community water system as defined by Section*
30 *116900 of the Health and Safety Code.*

31 SEC. 11. Section 12823 of the Public Utilities Code is amended
32 to read:

33 12823. (a) No district furnishing its inhabitants with light,
34 water, power, or heat may terminate residential service for
35 nonpayment of a delinquent account unless the district first gives
36 notice of the delinquency and impending termination, as provided
37 in Section 12823.

38 (b) No district shall terminate residential service for nonpayment
39 in any of the following situations:

1 (1) During the pendency of an investigation by the district of a
2 customer dispute or complaint.
3 (2) When a customer has been granted an extension of the period
4 for payment of a bill.
5 (3) On the certification of a licensed physician and surgeon that
6 to do so will be life threatening to the customer and the customer
7 is financially unable to pay for service within the normal payment
8 period and is willing to enter into an amortization agreement with
9 the district pursuant to subdivision (e) with respect to all charges
10 that the customer is unable to pay prior to delinquency.
11 (c) Any residential customer who has initiated a complaint or
12 requested an investigation within five days of receiving the
13 disputed bill, or who has, within 13 days of mailing of the notice
14 required by subdivision (a), made a request for extension of the
15 payment period of a bill asserted to be beyond the means of the
16 customer to pay in full during the normal period for payment, shall
17 be given an opportunity for review of the complaint, investigation,
18 or request by a review manager of the district. The review shall
19 include consideration of whether the customer shall be permitted
20 to amortize the unpaid balance of the account over a reasonable
21 period of time, not to exceed 12 months. No termination of service
22 shall be effected for any customer complying with an amortization
23 agreement, if the customer also keeps the account current as
24 charges accrue in each subsequent billing period.
25 (d) Any customer whose complaint or request for an
26 investigation pursuant to subdivision (c) has resulted in an adverse
27 determination by the district may appeal the determination to the
28 board. Any subsequent appeal of the dispute or complaint to the
29 board is not subject to this section.
30 (e) Any customer meeting the requirements of paragraph (3) of
31 subdivision (b) shall, upon request, be permitted to amortize, over
32 a period not to exceed 12 months, the unpaid balance of any bill
33 asserted to be beyond the means of the customer to pay within the
34 normal period for payment.
35 (f) *This section does not apply to water service by a district that*
36 *is an urban and community water system as defined by Section*
37 *116900 of the Health and Safety Code.*
38 SEC. 12. Section 12823.1 of the Public Utilities Code is
39 amended to read:

1 12823.1. (a) No district furnishing light, heat, water, or power
2 may terminate residential service on account of nonpayment of a
3 delinquent account unless the district first gives notice of the
4 delinquency and impending termination, at least 10 days prior to
5 the proposed termination, by means of a notice mailed, postage
6 prepaid, to the customer to whom the service is billed not earlier
7 than 19 days from the date of mailing the district's bill for services,
8 and the 10-day period shall not commence until five days after the
9 mailing of the notice.

10 (b) Every district shall make a reasonable attempt to contact an
11 adult person residing at the premises of the customer by telephone
12 or personal contact, at least 24 hours prior to any termination of
13 service, except that, whenever telephone or personal contact cannot
14 be accomplished, the district shall give, by mail, in person, or by
15 posting in a conspicuous location at the premises, a notice of
16 termination of service, at least 48 hours prior to termination.

17 (c) Every district shall make available to its residential customers
18 who are 65 years of age or older, or who are dependent adults as
19 defined in ~~paragraph (1) of subdivision (b) of Section 15610~~
20 *Section 15610.23* of the Welfare and Institutions Code, a third-party
21 notification service, whereby the district will attempt to notify a
22 person designated by the customer to receive notification when
23 the customer's account is past due and subject to termination. The
24 notification shall include information on what is required to prevent
25 termination of service. The residential customer shall make a
26 request for third-party notification on a form provided by the
27 district, and shall include the written consent of the designated
28 third party. The third-party notification does not obligate the third
29 party to pay the overdue charges, nor shall it prevent or delay
30 termination of service.

31 (d) Every notice of termination of service pursuant to
32 subdivision (a) shall include all of the following information:

33 (1) The name and address of the customer whose account is
34 delinquent.

35 (2) The amount of the delinquency.

36 (3) The date by which payment or arrangements for payment
37 is required in order to avoid termination.

38 (4) The procedure by which the customer may initiate a
39 complaint or request an investigation concerning service or charges,
40 except that, if the bill for service contains a description of that

1 procedure, the notice pursuant to subdivision (a) is not required
2 to contain that information.

3 (5) The procedure by which the customer may request
4 amortization of the unpaid charges.

5 (6) The procedure for the customer to obtain information on the
6 availability of financial assistance, including private, local, state,
7 or federal sources, if applicable.

8 (7) The telephone number of a representative of the district who
9 can provide additional information or institute arrangements for
10 payment.

11 Every notice of termination of service pursuant to subdivision
12 (b) shall include the items of information in paragraphs (1), (2),
13 (3), (6), and (7).

14 All written notices shall be in a clear and legible format.

15 (e) If a residential customer fails to comply with an amortization
16 agreement, the district shall not terminate service without giving
17 notice to the customer at least 48 hours prior to termination of the
18 conditions the customer is required to meet to avoid termination,
19 but the notice does not entitle the customer to further investigation
20 by the district.

21 (f) No termination of service may be effected without
22 compliance with this section. Any service wrongfully terminated
23 shall be restored without charge for the restoration of service, and
24 a notation thereof shall be mailed to the customer at his or her
25 billing address.

26 (g) *This section does not apply to water service by a district*
27 *that is an urban and community water system as defined by Section*
28 *116900 of the Health and Safety Code.*

29 SEC. 13. Section 16481 of the Public Utilities Code is amended
30 to read:

31 16481. (a) This section applies if there is a landlord-tenant
32 relationship between the residential occupants and the owner,
33 manager, or operator of the dwelling.

34 (b) If a district furnishes individually metered residential light,
35 heat, water, or power to residential occupants in a detached
36 single-family dwelling, multiunit residential structure, mobilehome
37 park, or permanent residential structure in a labor camp, as defined
38 in Section 17008 of the Health and Safety Code, and the owner,
39 manager, or operator is the customer of record, the district shall
40 make every good faith effort to inform the residential occupants,

1 by means of written notice, when the account is in arrears, that
2 service will be terminated in 10 days. The written notice shall
3 further inform the residential occupants that they have the right to
4 become customers of the district without being required to pay the
5 amount due on the delinquent account. The notice shall be in
6 English and in the languages listed in Section 1632 of the Civil
7 Code.

8 (c) The district is not required to make service available to the
9 residential occupants unless each residential occupant agrees to
10 the terms and conditions of service, and meets the requirements
11 of the district's rules. However, if one or more of the residential
12 occupants are willing and able to assume responsibility for the
13 subsequent charges to the account to the satisfaction of the district,
14 or if there is a physical means, legally available to the district, of
15 selectively terminating service to those residential occupants who
16 have not met the requirements of the district's rules, the district
17 shall make service available to the residential occupants who have
18 met those requirements.

19 (d) If prior service for a period of time is a condition for
20 establishing credit with the district, residence and proof of prompt
21 payment of rent or other credit obligation acceptable to the district
22 for that period of time is a satisfactory equivalent.

23 (e) Any residential occupant who becomes a customer of the
24 district pursuant to this section whose periodic payments, such as
25 rental payments, include charges for residential light, heat, water,
26 or power, where these charges are not separately stated, may deduct
27 from the periodic payment each payment period all reasonable
28 charges paid to the district for those services during the preceding
29 payment period.

30 (f) *This section does not apply to water service by a district that*
31 *is an urban and community water system as defined by Section*
32 *116900 of the Health and Safety Code.*

33 SEC. 14. Section 16482 of the Public Utilities Code is amended
34 to read:

35 16482. (a) No district furnishing its inhabitants with light,
36 water, power, heat, or means for the disposition of garbage, sewage,
37 or refuse matter may terminate residential service for nonpayment
38 of a delinquent account unless the district first gives notice of the
39 delinquency and impending termination, as provided in Section
40 16482.1.

1 (b) No district shall terminate residential service for nonpayment
2 in any of the following situations:

3 (1) During the pendency of an investigation by the district of a
4 customer dispute or complaint.

5 (2) When a customer has been granted an extension of the period
6 for payment of a bill.

7 (3) On the certification of a licensed physician and surgeon that
8 to do so will be life threatening to the customer and the customer
9 is financially unable to pay for service within the normal payment
10 period and is willing to enter into an amortization agreement with
11 the district pursuant to subdivision (e) with respect to all charges
12 that the customer is unable to pay prior to delinquency.

13 (c) Any residential customer who has initiated a complaint or
14 requested an investigation within five days of receiving the
15 contested bill, or who has, within 13 days of mailing of the notice
16 required by subdivision (a), made a request for extension of the
17 payment period of a bill asserted to be beyond the means of the
18 customer to pay in full during the normal period for payment, shall
19 be given an opportunity for review of the complaint, investigation,
20 or request by a review manager of the district. The review shall
21 include consideration of whether the customer shall be permitted
22 to amortize the unpaid balance of the account over a reasonable
23 period of time, not to exceed 12 months. No termination of service
24 shall be effected for any customer complying with an amortization
25 agreement if the customer also keeps the account current as charges
26 accrue in each subsequent billing period.

27 (d) Any customer whose complaint or request for an
28 investigation pursuant to subdivision (c) has resulted in an adverse
29 determination by the district may appeal the determination to the
30 board. Any subsequent appeal of the dispute or complaint to the
31 board is not subject to this section.

32 (e) Any customer meeting the requirements of paragraph (3) of
33 subdivision (b) shall, upon request, be permitted to amortize, over
34 a period not to exceed 12 months, the unpaid balance of any bill
35 asserted to be beyond the means of the customer to pay within the
36 normal period for payment.

37 (f) *This section does not apply to water service by a district that*
38 *is an urban and community water system as defined by Section*
39 *116900 of the Health and Safety Code.*

1 SEC. 15. Section 16482.1 of the Public Utilities Code is
2 amended to read:

3 16482.1. (a) No district furnishing light, heat, water, or power,
4 or means for the disposition of garbage, sewage, or refuse matter,
5 may terminate residential service on account of nonpayment of a
6 delinquent account unless the district first gives notice of the
7 delinquency and impending termination, at least 10 days prior to
8 the proposed termination, by means of a notice mailed, postage
9 prepaid, to the customer to whom the service is billed, not earlier
10 than 19 days from the date of mailing the district's bill for services,
11 and the 10-day period shall not commence until five days after the
12 mailing of the notice.

13 (b) Every district shall make a reasonable, good faith effort to
14 contact an adult person residing at the premises of the customer
15 by telephone or personal contact, at least 48 hours prior to any
16 termination of service, except that, whenever telephone or personal
17 contact cannot be accomplished, the district shall give, by mail,
18 in person, or by posting in a conspicuous location at the premises,
19 a notice of termination of service, at least 48 hours prior to
20 termination.

21 (c) Every district shall make available to its residential customers
22 who are 65 years of age or older, or who are dependent adults as
23 defined in ~~paragraph (1) of subdivision (b) of Section 15610~~
24 *Section 15610.23* of the Welfare and Institutions Code, a third-party
25 notification service, whereby the district will attempt to notify a
26 person designated by the customer to receive notification when
27 the customer's account is past due and subject to termination. The
28 notification shall include information on what is required to prevent
29 termination of service. The residential customer shall make a
30 request for third-party notification on a form provided by the
31 district, and shall include the written consent of the designated
32 third party. The third-party notification does not obligate the third
33 party to pay the overdue charges, nor shall it prevent or delay
34 termination of service.

35 (d) Every notice of termination of service pursuant to
36 subdivision (a) shall include all of the following information:

37 (1) The name and address of the customer whose account is
38 delinquent.

39 (2) The amount of the delinquency.

1 (3) The date by which payment or arrangements for payment
2 is required in order to avoid termination.

3 (4) The procedure by which the customer may initiate a
4 complaint or request an investigation concerning service or charges,
5 except that, if the bill for service contains a description of that
6 procedure, the notice pursuant to subdivision (a) is not required
7 to contain that information.

8 (5) The procedure by which the customer may request
9 amortization of the unpaid charges.

10 (6) The procedure for the customer to obtain information on the
11 availability of financial assistance, including private, local, state,
12 or federal sources, if applicable.

13 (7) The telephone number of a representative of the district who
14 can provide additional information or institute arrangements for
15 payment.

16 Every notice of termination of service pursuant to subdivision
17 (b) shall include the items of information in paragraphs (1), (2),
18 (3), (6), and (7).

19 All written notices shall be in a clear and legible format.

20 (e) If a residential customer fails to comply with an amortization
21 agreement, the district shall not terminate service without giving
22 notice to the customer at least 48 hours prior to termination of the
23 conditions the customer is required to meet to avoid termination,
24 but this notice does not entitle the customer to further investigation
25 by the district.

26 (f) No termination of service may be effected without
27 compliance with this section. Any service wrongfully terminated
28 shall be restored without charge for the restoration of the service,
29 and a notation thereof shall be mailed to the customer at his or her
30 billing address.

31 (g) *This section does not apply to water service by a district
32 that is an urban and community water system as defined by Section
33 116900 of the Health and Safety Code.*

34 SEC. 16. If the Commission on State Mandates determines
35 that this act contains costs mandated by the state, reimbursement
36 to local agencies and school districts for those costs shall be made
37 pursuant to Part 7 (commencing with Section 17500) of Division
38 4 of Title 2 of the Government Code.

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Statement from Gov. Newsom Regarding Safe and Affordable Drinking Water

Since 2010, the state has provided over \$3 billion in assistance to address safe and affordable drinking water needs, such as the repair, replacement, and improvement of aging infrastructure and new treatment systems for over 600 projects to comply with the federal Safe Drinking Water Act. Despite these efforts, many local water systems in the state, particularly those serving small disadvantaged communities, consistently fail to provide safe drinking water to their customers. The most significant remaining challenge is the lack of a stable funding source for long-term operation and maintenance of drinking water systems. Existing loan and grant programs are limited to funding for capital improvements and do not address ongoing operations and maintenance needs. Many small disadvantaged communities lack the resources to repair the problems with their drinking water systems, and are forced to find other sources of safe drinking water, which are costly and burdensome to low-income households.

Significant Adjustments:

- Safe Drinking Water Projects—\$168.5 million in Proposition 68 funds for the State Water Resources Control Board to provide technical assistance, grants, and loans to public water systems in disadvantaged communities for infrastructure improvements to meet safe and affordable drinking water standards, including both drinking water and wastewater treatment projects.
- Emergency Water Supplies—\$10 million General Fund for the State Water Resources Control Board to address safe drinking water emergencies in disadvantaged communities, such as provision of interim alternate water supplies, including bottled or hauled water, and emergency improvements or repairs to existing water systems, such as well rehabilitation or replacement, extension of service, consolidation projects, or treatment systems.
- Technical Assistance—\$10 million General Fund for the State Water Resources Control Board to contract with, or provide grants to, an administrator to provide administrative, technical, operational, or managerial services to a designated water system to achieve compliance with current drinking water standards. Technical assistance could also include the development of a community-based needs assessment and preparation of grant applications for capital projects.
- Safe and Affordable Drinking Water Fund—Establish a new special fund, with a dedicated funding source from new water, fertilizer, and dairy fees, to enable the State Water Resources Control Board to assist communities, particularly disadvantaged communities, in paying for the short-term and long-term costs of obtaining access to safe and affordable drinking water. This proposal is consistent with the policy framework of SB 623, introduced in the 2017-18 legislative session. The Budget also includes \$4.9 million

General Fund on a one-time basis for the State Water Resources Control Board and the Department of Food and Agriculture to take initial steps toward implementation of this new Safe and Affordable Drinking Water Program, including (1) implementation of fee collection systems, (2) adoption of an annual implementation plan, and (3) development of a map of high-risk aquifers used as drinking water sources.

ACWA's Efforts

ACWA is working on a number of fronts to address the state's complex drinking water issues. ACWA is taking the lead on developing and advancing drinking water solutions that are reasonable, effective and workable for public agencies.

ACWA is opposed to a statewide tax on water.

We Can Solve it Without Increasing Water Bills

On Jan. 10, 2019, Gov. Gavin Newsom released his proposed budget for Fiscal Year 2019-'20 that includes a proposal for a Safe and Affordable Drinking Water Fund. Revenue for the fund would be collected through a statewide tax on drinking water and an assessment on fertilizer sales and dairies.

ACWA strongly believes that making access to safe drinking water for all Californians should be a top priority for the State. However, a statewide water tax is highly problematic and is not necessary when alternative funding solutions exist.

Instead, ACWA and the California Municipal Utilities Association will be advancing a proposal for a Safe Drinking Water Trust. This is a credible solution for sustainable, long-term funding. The state has a very large budget surplus this year, making it an excellent time to create and fund the trust.

In 2018, despite attempts to create a new tax, the legislative budget conference committee kept the statewide water tax out of the state budget, instead setting aside \$23.5 million in General Fund revenue for safe drinking water. Also in 2018, California voters approved Proposition 68 with \$250 million for safe drinking water that is prioritized for disadvantaged communities. [Learn more](#) about the previously proposed tax on drinking water.

Californians Oppose a Drinking Water Tax



[Tulchin Research](#) conducted a [statewide poll](#) in early 2018 based on a previous drinking water tax proposal. That poll showed that **73% of likely voters oppose a new tax on drinking water**, both initially and even after hearing more information.

Additionally, **74% would prefer using existing funding sources** rather than establishing a new tax on drinking water.

For more on the polling, please read the [polling results memo](#) or see our [news release](#).

Why a Tax is Not the Right Solution

Local public water agencies are committed to providing safe and reliable water. They strongly agree that all Californians should have safe drinking water, but oppose a statewide tax for several reasons, including:

- The state should not tax something that is essential to life, such as water and food.
- The cost of living in California is already too high.

- A tax on drinking water would work against the goal of keeping water affordable for Californians.

Effective funding solutions already exist for achieving this goal that do not require a tax. Last year, the legislative budget conference committee rejected the statewide water tax out of the state budget, instead setting aside \$23.5 million in General Fund revenue to safe drinking water. Also last year, California voters approved Proposition 68 with \$250 million for safe drinking water that is prioritized for disadvantaged communities.