

Agenda
Rio Linda / Elverta Community Water District
Executive Committee

Visitors/Depot Center
6730 Front Street
Rio Linda, CA 95673

January 6, 2020
6:00 p.m.

Public documents relating to any open session items listed on this agenda that are distributed to the Committee members less than 72 hours before the meeting are available for public inspection on the counter of the District Office at the address listed above.

The public may address the Committee concerning any item of interest. Persons who wish to comment on either agenda or non-agenda items should address the Executive Committee Chair. The Committee Chair will call for comments at the appropriate time. Comments will be subject to reasonable time limits (3 minutes).

In compliance with the Americans with Disabilities Act, if you have a disability, and you need a disability related modification or accommodation to participate in this meeting, then please contact the District office at (916) 991-1000. Requests must be made as early as possible and at least one full business day before the start of the meeting.

Call to Order

Public Comment

This is an opportunity for the public to comment on non-agenda items within the subject matter jurisdiction of the Committee. Comments are limited to 3 minutes.

Items for Discussion:

1. Review and discuss the expenditures of the District for the Month of November 2019.
2. Review and discuss the financial reports for the Month of November 2019.
3. Discuss the 12-19-2019 newspaper article on Del Paso Manor Water District.
4. Discuss the Discontinuation of Service for Non-Payment Policy (SB 998).
5. Continue discussing the need for District policy revisions in response to SB 13, Accessory Dwelling Units.
6. Discuss the runoff election for Sacramento County LAFCo, Alternate Commissioner.
7. Discuss the mid-year budget revision process.
8. Update from Contract District Engineer.

Directors' and General Manager Comments

Items Requested for Next Month's Committee Agenda

- Paperless billing and incentives therefor.

Adjournment

Next Executive Committee meeting: Monday, February 3, 2020 at 6:00 p.m.

ADA COMPLIANCE STATEMENT

In compliance with the Americans with Disabilities Act, if you need special assistance or materials to participate in this meeting, please contact the District Office at 916-991-1000. Notification 48 hours prior to the meeting will enable the District to make reasonable arrangements to ensure accessibility to this meeting and agenda materials.



Executive Committee Agenda Item: 1

Date: January 6, 2020

Subject: Expenditure Summary

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

It is recommended that the Executive Committee review the expenditures for November 2019, then forward the item to the January 27th Board agenda, consent section, with a recommendation for approval.

Current Background and Justification:

These expenditures were necessary and prudent for operation of the District and consistent with the policies and budget adopted by the Board of Directors. The Expenditure Summary provides the listing of expenditures which have occurred since the last regular meeting of the Board.

Conclusion:

Consistent with the District policies, the Expenditure Summary is to be reviewed by the Executive Committee and approved by the Board of Directors.

**Rio Linda Elverta Community Water District
Expenditure Report
November 2019**

| Type | Date | Num | Name | Memo | Amount |
|-----------------|------------|------|--|---|-----------|
| Liability Check | 11/04/2019 | EFT | QuickBooks Payroll Service | For PP Ending 10/31/2019 Paydate 11/05/2019 | 21,447.51 |
| Liability Check | 11/05/2019 | EFT | CalPERS | For PP Ending 10/31/2019 Paydate 11/05/2019 | 2,330.39 |
| Liability Check | 11/05/2019 | EFT | CalPERS | For PP Ending 10/31/2019 Paydate 11/05/2019 | 2,225.41 |
| Liability Check | 11/05/2019 | EFT | Nationwide | Deferred Compensation Plan | 1,364.44 |
| Liability Check | 11/05/2019 | EFT | Nationwide | Deferred Compensation Plan | 75.00 |
| Bill Pmt -Check | 11/05/2019 | EFT | Adept Solutions | Computer Maintenance | 1,333.00 |
| Bill Pmt -Check | 11/05/2019 | EFT | Comcast | Phone/Internet | 227.25 |
| Bill Pmt -Check | 11/05/2019 | EFT | Republic Services | Utilities | 87.49 |
| Liability Check | 11/05/2019 | EFT | Internal Revenue Service | Employment Taxes | 7,715.66 |
| Liability Check | 11/05/2019 | EFT | Employment Development | Employment Taxes | 1,653.70 |
| Bill Pmt -Check | 11/05/2019 | EFT | Voyager Fleet Commander | Transportation Fuel | 467.21 |
| Transfer | 11/05/2019 | EFT | RLECWD | Umpqua Bank Monthly Debt Service Transfer | 16,500.00 |
| Liability Check | 11/06/2019 | EFT | QuickBooks Payroll Service | For PP Ending 11/02/2019 Paydate 11/07/2019 | 2,049.03 |
| Liability Check | 11/07/2019 | EFT | CalPERS | For PP Ending 11/02/2019 Paydate 11/07/2019 | 200.71 |
| Liability Check | 11/07/2019 | EFT | CalPERS | For PP Ending 11/02/2019 Paydate 11/07/2019 | 190.87 |
| Liability Check | 11/07/2019 | EFT | Internal Revenue Service | Employment Taxes | 694.36 |
| Liability Check | 11/07/2019 | EFT | Employment Development | Employment Taxes | 52.04 |
| Check | 11/05/2019 | 1019 | Franchise Tax Board | Employee Garnishment | 881.82 |
| Check | 11/05/2019 | 1020 | Customer | Final Bill Refund | 130.69 |
| Check | 11/05/2019 | 1021 | Customer | Final Bill Refund | 13.69 |
| Bill Pmt -Check | 11/05/2019 | 1022 | ABS Direct, Inc. | Postage | 2,000.00 |
| Bill Pmt -Check | 11/05/2019 | 1023 | ACWA/JPIA | EAP | 23.50 |
| Bill Pmt -Check | 11/05/2019 | 1024 | BSK Associates | Lab Fees | 450.00 |
| Bill Pmt -Check | 11/05/2019 | 1025 | Buckmaster Office Solutions | Office Equipment Expense | 201.47 |
| Bill Pmt -Check | 11/05/2019 | 1026 | Churchwell White | Legal Fees | 4,350.80 |
| Bill Pmt -Check | 11/05/2019 | 1027 | Cintas | Safety | 28.55 |
| Bill Pmt -Check | 11/05/2019 | 1028 | EKI Environment & Water | Engineering | 5,000.00 |
| Bill Pmt -Check | 11/05/2019 | 1029 | Intermedia.net, Inc. | Phone/Internet | 79.44 |
| Bill Pmt -Check | 11/05/2019 | 1030 | McCrometer | Pumping Maintenance | 1,567.65 |
| Bill Pmt -Check | 11/05/2019 | 1031 | O'Reilly Automotive | Shop Supplies | 23.24 |
| Bill Pmt -Check | 11/05/2019 | 1032 | Rio Linda Elverta Recreation & Park Dist | Meeting Expense | 50.00 |
| Bill Pmt -Check | 11/05/2019 | 1033 | Rio Linda Hardware & Building Supply | Shop Supplies | 143.54 |
| Bill Pmt -Check | 11/05/2019 | 1034 | Sierra Chemical Company | Treatment | 2,574.62 |
| Bill Pmt -Check | 11/05/2019 | 1035 | SMUD | Utilities | 18,720.02 |
| Bill Pmt -Check | 11/05/2019 | 1036 | Spok, Inc. | Field Communication | 15.28 |
| Bill Pmt -Check | 11/05/2019 | 1037 | Staples | Office Expense | 71.59 |
| Bill Pmt -Check | 11/05/2019 | 1038 | Vanguard Cleaning Systems | Janitorial | 195.00 |
| Bill Pmt -Check | 11/05/2019 | 1039 | Water Rite Products | Distribution | 259.07 |
| Liability Check | 11/14/2019 | EFT | WageWorks | FSA Administration Fee | 76.25 |
| Check | 11/17/2019 | EFT | ARCO | Transportation: Fuel | 710.61 |
| Liability Check | 11/20/2019 | EFT | QuickBooks Payroll Service | For PP Ending 11/16/19 Pay date 11/21/19 | 17,756.99 |
| Liability Check | 11/19/2019 | EFT | AFLAC | Employee Paid Insurance | 651.04 |
| Liability Check | 11/21/2019 | EFT | CalPERS | For PP Ending 11/16/19 Pay date 11/21/19 | 2,007.14 |

**Rio Linda Elverta Community Water District
Expenditure Report
November 2019**

| Type | Date | Num | Name | Memo | Amount |
|---|-------------|------------|--|---|--------------------------|
| Liability Check | 11/21/2019 | EFT | CalPERS | For PP Ending 11/16/19 Pay date 11/21/19 | 1,979.44 |
| Liability Check | 11/21/2019 | EFT | CalPERS | SSA 218 Annual Fee | 300.00 |
| Liability Check | 11/21/2019 | EFT | Internal Revenue Service | Employment Taxes | 6,432.32 |
| Liability Check | 11/21/2019 | EFT | Employment Development | Employment Taxes | 1,301.19 |
| Liability Check | 11/21/2019 | EFT | Nationwide | Deferred Compensation Plan | 1,291.38 |
| Liability Check | 11/21/2019 | EFT | Nationwide | Deferred Compensation Plan | 75.00 |
| Liability Check | 11/21/2019 | EFT | Kaiser Permanente | Health Insurance | 862.39 |
| Liability Check | 11/21/2019 | EFT | Principal | Dental & Vision Insurance | 1,674.91 |
| Liability Check | 11/21/2019 | EFT | Western Health Advantage | Health Insurance | 8,803.57 |
| Bill Pmt -Check | 11/21/2019 | EFT | Adept Solutions | Computer Maintenance | 673.53 |
| Bill Pmt -Check | 11/21/2019 | EFT | Verizon | Field Communication | 565.34 |
| Check | 11/21/2019 | EFT | RLECWD - SURCHARGE ACCOUNT 1 | Current Monthly Transfer | 42,500.00 |
| Check | 11/21/2019 | EFT | RLECWD - Capital Improvement | Current Monthly Transfer | 34,000.00 |
| Bill Pmt -Check | 11/21/2019 | EFT | Umpqua Bank Credit Card | Computer, Meeting, Office, Postage, Pump Maint, Shop Supplies | 1,072.02 |
| Liability Check | 11/21/2019 | 1040 | Teamsters Local #150 | Union Dues | 621.00 |
| Bill Pmt -Check | 11/21/2019 | 1041 | BSK Associates | Lab Fees | 255.00 |
| Bill Pmt -Check | 11/21/2019 | 1042 | California Special Districts Association | Membership Dues | 7,077.00 |
| Bill Pmt -Check | 11/21/2019 | 1043 | Churchwell White | Legal Fees | 795.60 |
| Bill Pmt -Check | 11/21/2019 | 1044 | CoreLogic Solutions | Metro Scan | 134.75 |
| Bill Pmt -Check | 11/21/2019 | 1045 | County of Sacramento | Permits & Fees | 246.00 |
| Bill Pmt -Check | 11/21/2019 | 1046 | Government Finance Officers Association | CAFR Review | 560.00 |
| Bill Pmt -Check | 11/21/2019 | 1047 | ICONIX Waterworks | Distribution Supplies | 4,739.96 |
| Bill Pmt -Check | 11/21/2019 | 1048 | PG&E | Utilities | 32.23 |
| Bill Pmt -Check | 11/21/2019 | 1049 | VOID | VOID | 0.00 |
| Bill Pmt -Check | 11/21/2019 | 1050 | RW Trucking | Distribution Supplies | 637.06 |
| Bill Pmt -Check | 11/21/2019 | 1051 | Sacramenty County Utilities | Utilities | 113.70 |
| Bill Pmt -Check | 11/21/2019 | 1052 | SMUD | Utilities | 14,500.63 |
| Bill Pmt -Check | 11/21/2019 | 1053 | State Water Resources Control Board | Permits & Fees | 624.00 |
| Bill Pmt -Check | 11/21/2019 | 1054 | Unifirst Corporation | Uniforms | 298.56 |
| Bill Pmt -Check | 11/21/2019 | 1055 | Churchwell White | Capital Improvement: Well 16 | 806.50 |
| Bill Pmt -Check | 11/21/2019 | 1056 | County of Sacramento | Capital Improvement: Well 16 | 365.75 |
| Total 10000 - Bank - Operating Account | | | | | <u>249,934.90</u> |

**Rio Linda Elverta Community Water District
Expenditure Report
November 2019**

| Type | Date | Num | Payee | Memo | Amount |
|-------|------------|-----|--------------------------------|--------------|-----------|
| Check | 11/01/2019 | EFT | Revenue Refunding Bond Trustee | Loan Payment | 86,254.81 |

10350 · Umpqua Bank **86,254.81**

| Type | Date | Num | Payee | Memo | Amount |
|----------|------------|-----|--------------------|---|----------|
| Transfer | 11/21/2019 | EFT | RLECWD - Operating | CIP Expense Transfer: Refer to operating check numbers: 1055 & 1056 | 1,172.25 |

10475 · Capital Improvement-Umpqua Bank **1,172.25**



Executive Committee Agenda Item: 2

Date: January 6, 2020

Subject: Financial Reports

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Executive Committee should review the Finance Reports of the District for the month of November 2019, then forward the report onto the January 27th Board agenda with the Committee's recommendation for Board approval.

Current Background and Justification:

The financial reports are the District's balance sheet, profit and loss, and capital improvements year to date. This report provides the snapshot of the District's fiscal health for the period covered.

Conclusion:

Consistent with District policies, these financials are to be reviewed by this committee and presented to the Board of Directors to inform them of the District's current financial situation.

Rio Linda Elverta Community Water District
Balance Sheet
 As of November 30, 2019

ASSETS

Current Assets

Checking/Savings

100 · Cash & Cash Equivalents

10000 · Operating Account

10005 · Operating Fund-CB&Trust 68,682.12

10020 · Operating Fund-Umpqua 467,987.13

Total 10000 · Operating Account 536,669.25

10475 · Capital Improvement

10480 · General 1,630,129.27

10485 · Vehicle Replacement Reserve 15,000.00

Total 10450 · Capital Improvement 1,645,129.27

Total 100 · Cash & Cash Equivalents 2,181,798.52

102 · Restricted Assets

102.1 · Restricted Capital Improvements

10700 · ZIONS Inv/Surcharge Reserve 507,807.92

Total 102.1 · Restricted Capital Improvements 507,807.92

102.2 · Restricted for Debt Service

10300 · Surcharge 1 Account 774,482.32

10325 · Community Business Bank 5,818.96

10350 · Umpqua Bank Debt Service 36,529.97

10380 · Surcharge 2 Account 198,686.04

10385 · OpusBank Checking 3,200,026.28

Total 102.2 · Restricted for Debt Service 4,215,543.57

102.4 · Restricted Other Purposes

10600 · LAIF Account 206,761.94

10650 · Operating Reserve Fund 301,125.54

Total 102.4 · Restricted Other Purposes 507,887.48

Total 102 · Restricted Assets 5,231,238.97

Total Checking/Savings 7,413,037.49

Accounts Receivable 40.00

Other Current Assets

12000 · Water Utility Receivable 597,649.95

12200 · Accrued Revenue 0.00

12250 · Accrued Interest Receivable 2,616.28

15000 · Inventory Asset 56,276.61

16000 · Prepaid Expense 70,098.37

Total Other Current Assets 726,641.21

Total Current Assets 8,139,718.70

Fixed Assets

17000 · General Plant Assets 727,153.00

17100 · Water System Facilites 20,760,310.67

17300 · Intangible Assets 373,043.42

17500 · Accum Depreciation & Amort -9,282,773.19

18000 · Construction in Progress 1,313,099.20

18100 · Land 576,673.45

Total Fixed Assets 14,467,506.55

Other Assets

19000 · Deferred Outflows 262,764.00

19900 · Suspense Account 0.00

Total Other Assets 262,764.00

TOTAL ASSETS 22,869,989.25

Rio Linda Elverta Community Water District
Balance Sheet
 As of November 30, 2019

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable 10,306.49

Credit Cards 189.27

Other Current Liabilities 570,203.29

Total Current Liabilities 580,699.05

Long Term Liabilities

23000 · OPEB Liability 211,573.00

23500 · Lease Buy-Back 705,797.27

25000 · Surcharge 1 Loan 4,189,831.90

25050 · Surcharge 2 Loan 3,210,040.16

26000 · Water Rev Refunding 1,952,591.00

27000 · Community Business Bank 294,204.88

29000 · Net Pension Liability 987,630.00

29500 · Deferred Inflows-Pension 5,192.00

29600 · Deferred Inflows-OPEB 26,811.00

Total Long Term Liabilities 11,583,671.21

Total Liabilities 12,164,370.26

Equity

31500 · Invested in Capital Assets, Net 7,681,067.46

32000 · Restricted for Debt Service 702,232.24

38000 · Unrestricted Equity 1,674,622.00

Net Income 647,697.29

Total Equity 10,705,618.99

TOTAL LIABILITIES & EQUITY 22,869,989.25

Rio Linda Elverta Community Water District
Operating Profit & Loss Budget Performance
 As of November 30, 2019

| | <u>Annual Budget</u> | <u>Nov 19</u> | <u>Jul 19-Nov 19</u> | <u>% of Annual Budget</u> | <u>YTD Annual Budget Balance</u> |
|--|--------------------------|-------------------------|--------------------------|---------------------------|----------------------------------|
| Ordinary Income/Expense | | | | | |
| Income | | | | | |
| Total 40000 · Operating Revenue | 2,714,575.00 | 299,425.54 | 1,178,377.71 | 43.41% | 1,536,197.29 |
| 41000 · Nonoperating Revenue | | | | | |
| 41110 · Investment Revenue | | | | | |
| 41112 · Interest Revenue | 400.00 | 1,404.35 | 2,604.92 | 651.23% | -2,204.92 |
| Surcharg Total 41110 · Investment Revenue | 400.00 | 1,404.35 | 2,604.92 | 651.23% | -2,204.92 |
| 41120 · Property Tax | 81,856.00 | 0.00 | 2,117.03 | 2.59% | 79,738.97 |
| Total 41000 · Nonoperating Revenue | 82,256.00 | 1,404.35 | 4,721.95 | 5.74% | 77,534.05 |
| Total Income | <u>2,796,831.00</u> | <u>300,829.89</u> | <u>1,183,099.66</u> | <u>42.30%</u> | <u>1,613,731.34</u> |
| Gross Income | 2,796,831.00 | 300,829.89 | 1,183,099.66 | 42.30% | 1,613,731.34 |
| Expense | | | | | |
| 60000 · Operating Expenses | | | | | |
| 60010 · Professional Fees | 170,731.00 | 5,795.60 | 37,673.64 | 22.07% | 133,057.36 |
| 60100 · Personnel Services | | | | | |
| 60110 · Salaries & Wages | 711,238.00 | 62,055.75 | 268,440.05 | 37.74% | 442,797.95 |
| 60150 · Employee Benefits & Expense | 456,863.00 | 32,623.52 | 162,999.90 | 35.68% | 293,863.10 |
| Total 60100 · Personnel Services | <u>1,168,101.00</u> | <u>94,679.27</u> | <u>431,439.95</u> | <u>36.94%</u> | <u>736,661.05</u> |
| 60200 · Administration | 224,313.00 | 8,656.01 | 97,481.77 | 43.46% | 126,831.23 |
| 64000 · Conservation | 300.00 | 0.00 | 0.00 | 0.00% | 300.00 |
| 65000 · Field Operations | 492,200.00 | 31,470.50 | 200,818.42 | 40.80% | 291,381.58 |
| Total 60000 · Operating Expenses | 2,055,645.00 | 140,601.38 | 767,413.78 | 37.33% | 1,288,231.22 |
| 69000 · Non-Operating Expenses | | | | | |
| 69010 · Debt Service | | | | | |
| 69100 · Revenue Bond | | | | | |
| 69105 · Principle | 139,015.00 | 55,015.00 | 55,015.00 | 39.58% | 84,000.00 |
| 69110 · Interest | 61,717.00 | 31,269.51 | 31,269.51 | 50.67% | 30,447.49 |
| Total 69100 · Revenue Bond | <u>200,732.00</u> | <u>86,284.51</u> | <u>86,284.51</u> | <u>42.99%</u> | <u>114,447.49</u> |
| 69125 · AMI Meter Loan | | | | | |
| 69130 · Principle | 48,281.00 | 0.00 | 23,954.67 | 49.62% | 24,326.33 |
| 69135 · Interest | 10,233.00 | 0.00 | 5,302.29 | 51.82% | 4,930.71 |
| Total 69125 · AMI Meter Loan | <u>58,514.00</u> | <u>0.00</u> | <u>29,256.96</u> | <u>50.00%</u> | <u>29,257.04</u> |
| Total 69010 · Debt Service | <u>259,246.00</u> | <u>86,284.51</u> | <u>115,541.47</u> | <u>44.57%</u> | <u>143,704.53</u> |
| 69400 · Other Non-Operating Expense | 2,000.00 | 0.00 | -3.14 | -0.16% | 2,003.14 |
| Total 69000 · Non-Operating Expenses | <u>261,246.00</u> | <u>86,284.51</u> | <u>115,538.33</u> | <u>44.23%</u> | <u>145,707.67</u> |
| Total Expense | <u>2,316,891.00</u> | <u>226,885.89</u> | <u>882,952.11</u> | <u>38.11%</u> | <u>1,433,938.89</u> |
| Net Ordinary Income | <u>479,940.00</u> | <u>73,944.00</u> | <u>300,147.55</u> | | |
| Net Income | <u>479,940.00</u> | <u>73,944.00</u> | <u>300,147.55</u> | | |

Rio Linda Elverta Community Water District
CAPITAL BUDGET VS ACTUAL FISCAL YEAR 2019-20
 As of November 30, 2019

| | GENERAL | | CHROMIUM MITIGATION & NEW WELLS | | VEHICLE REPLACEMENT | |
|---|------------------------|------------------------|---------------------------------|-----------------------|----------------------|---------------------|
| BEGINNING FUND BALANCE | \$ 1,903,391.00 | \$ 1,903,391.00 | \$ (29,592.00) | \$ (29,592.00) | \$ 10,000.00 | \$ 10,000.00 |
| | Annual Budget | YTD Actual | Annual Budget | YTD Actual | Annual Budget | YTD Actual |
| FUNDING SOURCES | | | | | | |
| Fund Transfers | | | | | | |
| Operating Fund Transfers In | 409,940.00 | 170,000.00 | - | - | - | - |
| CIP Fund Intrafund Transfers | (5,000.00) | (5,000.00) | - | - | 5,000.00 | 5,000.00 |
| Surcharge 2 Surplus Repayment | - | - | 110,201.00 | - | - | - |
| Contributed Funding | | | | | | |
| Contributed Facilities (Developers) | - | - | - | - | - | - |
| Grant Revenue | - | - | 516,500.00 | - | - | - |
| Loan Proceeds | - | - | 2,033,500.00 | - | - | - |
| Investment Revenue | 350.00 | 2,258.82 | - | - | - | - |
| Sale of Fixed Assets | - | - | - | - | - | - |
| TOTAL FUNDS AVAILABLE FOR CIP PROJECTS | 2,308,681.00 | 2,070,649.82 | 2,630,609.00 | (29,592.00) | 15,000.00 | 15,000.00 |
| PROJECTS | | | | | | |
| A · WATER SUPPLY | | | | | | |
| A-1 · Well XX - Cr6 Treatment/Design | - | - | 50,000.00 | - | - | - |
| A-2 · Well 16 | - | - | 2,500,000.00 | 1,172.25 | - | - |
| A-3 · Miscellaneous Pump Replacements | 40,000.00 | - | - | - | - | - |
| Total A · WATER SUPPLY | 40,000.00 | - | 2,550,000.00 | 1,172.25 | - | - |
| B · WATER DISTRIBUTION | | | | | | |
| B-1 · Service Replacements | 30,000.00 | - | - | - | - | - |
| B-2 · Large Meter Replacements | 5,000.00 | - | - | - | - | - |
| Total B · WATER DISTRIBUTION | 35,000.00 | - | - | - | - | - |
| C · CONTINGENCY | | | | | | |
| C-1 · Contingency (10% of Est A,B,& M) | 7,500.00 | - | 255,000.00 | - | - | - |
| TOTAL BUDGETED PROJECT EXPENDITURES | 82,500.00 | - | 2,805,000.00 | 1,172.25 | - | - |
| ENDING FUND BALANCE | \$ 2,226,181.00 | \$ 2,070,649.82 | \$ (174,391.00) | \$ (30,764.25) | \$ 15,000.00 | \$ 15,000.00 |



Executive Committee Agenda Item: 3

Date: January 6, 2020

Subject: Discuss the 12-19-2019 newspaper article on Del Paso Manor Water District

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Executive committee should review the subject document and discuss as needed. There is no anticipated future board action associated with this item.

Current Background and Justification:

The subject document was featured in the Sacramento News and Review on December 19th. The information contained in the article can serve as to learn from the experiences of other agencies in our region.

Conclusion:

I recommend the Committee review and discuss the subject document.



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This article may be read online at:

<http://www.newsreview.com/sacramento/content?oid=29465726>

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Circling the drain

Del Paso Manor Water District faces uncertain future amid mass resignations, data breach and infighting

By [Graham Womack](#)

The Del Paso Manor Water District is tiny, with only about 1,800 customers and surrounded by Sacramento Suburban Water District, which served 100 times as many customers last year. For the past year, however, the Del Paso Manor district experienced major drama, throwing it into chaos and uncertainty over whether it can even survive.

DPMWD provides drinking water in the Arden-Arcade area to houses built largely between the 1940s and '60s. Two wells are currently down and the district has an estimated \$20 million to \$30 million in deferred work, according to interim general manager Leo Havener.

“It’s an extremely aging infrastructure,” Havener told SN&R. “It’s pretty much outlived almost its entire lifespan.”

The district has attempted to finance infrastructure work in recent years with an approximately \$5 million bond issue in 2010 and a series of subsequent rate increases. This hasn’t sat well with Marissa Burt, John Lenahan and Trish Harrington, who campaigned against the increases, were elected to the board in November 2018 and have clashed with staff since.

At the district’s Nov. 5 board meeting, former general manager Debra Sedwick—who resigned May 31 along with two of DPMWD’s three staff members—told the board that personnel files she’d left in a locked filing cabinet at the district’s Maryal Drive office wound up in an unsecured box.



A Sacramento County Sheriff’s Office vehicle sat outside Del Paso Manor Water District on July 21. The district has been engulfed in controversy over the past year.

PHOTO COURTESY OF CAROL ROSE

Sedwick told SN&R the files contained copies of marriage and birth certificates, Social Security numbers and other sensitive information—“what is needed for somebody to steal your identity. And that’s what makes me nervous.”

Sedwick, who has requested an independent investigation, isn’t the only person to reach their breaking point with the board. Chief legal counsel Adam Brown resigned Nov. 27 after unsuccessfully advocating for an investigation of the file breach. Harrington quit three days later.

Havener himself briefly quit during the Nov. 5 meeting before Brown persuaded him to stay on the condition that he not be required to attend any additional board meetings before the end of his six-month contract in February.

“It’s a very hostile environment with these folks,” Havener said. “They have failed to take legal counsel’s advice, and I’m unable to assist them in trying to do things in a way that should be done correctly.”

Burt and Lenahan, who didn’t immediately respond to messages seeking comment, and Harrington campaigned on a number of promises, including that they could cut operational expenses by 25%.

“I can tell you there isn’t 25% fat in there, so I don’t see them being able to do that one,” Sedwick said.

Another board member, Bob Matteoli, objected in a Nov. 5 written statement to the new board’s frequent use of ad hoc committees and requested they all be dissolved. One of these committees authorized removal of files from the district’s old office in July, with some files going to the new office and the rest being sent to a landfill.

Sedwick said personnel files at the new office were also broken into. Asked if a board member was responsible, Havener replied, “I can neither confirm nor deny that. This is one of those areas I wish I could tell you because I am hell-bent by the Brown Act.”

According to a letter obtained by SN&R from Sacramento County Supervisor Susan Peters, who represents the area, both the District Attorney’s Office and Sacramento Local Agency Formation Commission are now paying attention.

Carol Rose, who lives across the street from the district’s old offices, acknowledged there’s been talk of a recall election, though it’s unlikely to happen. “Of course we’ve talked about it,” Rose told SN&R. “But No. 1, it’s expensive and No. 2, I don’t think we’re going to be able to save this district.”

Havener sees the district ultimately having to merge with another. “It’s not a matter of if,” Havener said. “It’s truly a matter of when.”



Executive Committee Agenda Item: 4

Date: January 6, 2020

Subject: New Policy Discontinuation of Water Service for Nonpayment Policy

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Executive committee should review the documents associated with this item, provide staff direction as appropriate, then forward the item to the January 27th Board agenda with recommendation for Board approval.

Current Background and Justification:

SB 998 was signed into law in September 2018, with an effective date for compliance by February 1, 2020. The legislature's intent was to minimize the number of Californians who lose access to drinking water due to inability to pay. SB 998 is codified in the California Health and Safety Code, and applies to virtually all types of water agencies, e.g. special districts, investor owned utilities, cities, counties, etc. For some water agencies, there is a path that allows these agencies to spend money collected from some customers to benefit other customers with limited ability to pay. RLECWD is NOT one of those agencies. RLECWD is restricted to charging no more and no less than the cost of providing service to each customer.

The District has engaged in dialog and preparation for SB 998 since December 2018. In preparation for the increased person-hours for compliance, the District outsourced the bill printing/ mailing to free up person-hours for sending the notices required by SB 998. Additionally, staff participated with a regional working group to learn and share ideas for compliance. Recently, staff reviewed a number of policies adopted by other water agencies in the state. Staff also conducted meetings to review the draft policies and make improvements.

One of the key elements of the new Health and Safety Codes sections created by SB 998 is that existing laws that are not in conflict with the new law must still be administered. For example, Government Code requires that the District send out 48-hour notices prior to discontinuing

service. Therefore, the new notices required by SB 998 are in addition to (not instead of) the notices required by the Government Code.

Complying with the requirements of SB 998 will increase the cost of providing service to all RLECWD customers. SB 998 will result in additional person-hours expended by staff and additional notices mailed, texted, phoned and hand-delivered. The proposed new Discontinuation of Water Services Policy strikes a balance of complying with all new requirements in the Health and Safety Code, while minimizing the costs for compliance to RLECWD customers.

Conclusion:

I recommend the Committee forward the Discontinuation of Water Service Policy onto the January 27, 2020 Board agenda with the Committee's recommendation for Board approval.

Discontinuation of Water Service for Nonpayment Policy

I. Purpose

The Rio Linda Elverta Community Water District (District) will apply the following Discontinuation of Water Service for Nonpayment Policy (Policy). Discontinuance of water service for nonpayment is considered the final phase of the collection procedure and will be instituted only after sufficient notification, and when all other reasonable alternatives have been deployed.

II. Scope

This Policy applies to all District residential water service customers, hereafter referred to as the “customer” or “customers”. To the extent this Policy conflicts with any other rules, regulations, or policies of the District, this Policy will control.

III. General Provisions

A. All customers are provided a bimonthly bill for water service and usage. These bimonthly bills are due upon receipt. The due upon receipt aspect is necessary to implement the stipulated minimum days prior to discontinuation policies, associated alternative payment plans and bill dispute/appeals processes stipulated in the new sections of the California Health and Safety Code.

B. The District will attempt to contact the customer and provide notice of discontinuation of water service as provided in this Policy. It is the customer’s responsibility to provide the District with accurate, current contact information. The District is not responsible for the customer not receiving the notices due to inaccurate and/or outdated customer contact information.

C. The District will disconnect water service for charges that have become delinquent for a period of no less than sixty (60) days, unless the service discontinuation is otherwise preempted as further described in this policy. Reconnection fees will be applied to the account of any water service disconnected for nonpayment of delinquent charges. The District will leave notice of disconnection with information on how to restore water service.

1. The beginning of the sixty (60) day period begins with the day in each billing cycle which the bills are distributed.

2. Prior to the potential discontinuation of service date (prior to the 60th day following bill distribution) the District will send a payment delinquency notice (late notice) advising the customer of the need to pay in order to preclude service termination and further advising of other options available to the customer. The District’s cost for sending the payment delinquency notice will be charged to the customer’s account. The payment delinquency notices will be sent no sooner than 19-days after the bill distribution date and no less than 7-days prior to the potential discontinuation of services date.

3. Where a landlord-tenant relationship exists (where the billing address is different than the service address, the payment delinquency notice will also be sent to “Occupant” at the

service address. The payment delinquency notice to the “Occupant” (tenant in the landlord-tenant relationship) will apprise the Occupant of the Occupant’s right to become the customer of record. Barring intervention (e.g. payment of the delinquency) to preclude such by the landlord, the tenant will be informed of the right to become the customer to whom the future services will be billed without the Occupant being required to pay the amount due on the delinquent account.

4. If the bill remains unpaid or is otherwise unresolved via alternative payment options, transition in the customer of record (landlord-tenant), or appeal, the District will send a shut off notice no less than 48-hour prior to discontinuation of service.

D. Customers whose water service has been discontinued may contact the District by telephone at (916) 991-1000 or in person regarding restoration of service. Restoration will be subject to payment of the delinquent charges, reconnection fees and established security deposit if required by the District. Water service reconnections requested and performed after normal business hours are subject to an additional fee.

IV. Notices

A. Written Notices to Customer

The District will provide notices as described above. The notices will be in English and will include instructions in the languages listed in Section 1632 of the Civil Code for receiving a translated copy of the notice.

- i. the name and address of the customer;
- ii. the amount of the delinquency;
- iii. the date by which payment or payment arrangements must be made to avoid discontinuation of service;
- iv. the procedure by which the customer may initiate a complaint or request an investigation or appeal concerning service or charges;
- v. a description of the procedure by which the customer may request an amortization, reduction, or other alternative payment arrangement;
- vi. the procedure for the customer to obtain information on financial assistance, if applicable; and
- vii. the telephone number where the customer may request a payment arrangement or receive additional information from the District.

B. Posting of Notice to Occupants at Service Address

The District will make a reasonable, good faith effort to contact an adult person living at the service address by hand delivery a shut off notice and placing in a conspicuous place at the service address.

C. Bill Amortization

The District will consider a request to amortize the bill over a reasonable period of time, not to exceed six (6) months. The amortization schedule and amounts due will be set forth in writing and provided to the customer. During the amortization period, the customer must remain current on all water service charges in subsequent billing periods.

The District may terminate water service if the customer fails to pay an amortized amount due by the schedule date and the original amount due is delinquent by at least sixty (60) days. The District will post a final notice of intent to disconnect service in a prominent and conspicuous location at the service address at least five (5) business days before discontinuation of service. The final notice will not entitle the customer to any investigation or review by the District.

D. Contact

Customers are encouraged to contact the Customer Service Department for further details regarding this policy or customer assistance options during business hours at (916) 991-1000. Customers may also visit the District's Customer Service desk in person Monday through Friday, from 7:00 a.m. to 4:00 p.m., except on District holidays.

V. When Service Will Not Be Discontinued

A. General

The District will not discontinue water service due to nonpayment on a Saturday, Sunday, legal holiday, or at any time during which the District's office is not open to the public. In addition, the District will not discontinue residential water service for nonpayment during the District's investigation of a customer dispute or complaint; during an appeal to the District's Board of Directors; during a District-approved extension, amortization, alternative payment schedule, or reduction, if the customer remains in compliance with the payment arrangement.

B. Special Circumstances with Amortization Agreement

The District will not discontinue water service if all of the following are met:

- i. The customer is willing to enter into an amortization with respect to the delinquent charges
- ii. The customer is the account holder of record.
- iii. The customer is not currently in an Amortization Agreement with the District.

For any customers who meet all of the above qualifications, the District will offer the customer amortization of the unpaid balance. The District's General Manager will select terms and conditions for the amortization.

The District will review the request for amortization within seven (7) days and: (1) notify the customer of the amortization terms selected by the District and request the customer's signed assent to participate in the amortization; (2) request additional information from the customer; or (3) notify the customer that they do not meet the qualifications.

Discontinuation of Water Service for Nonpayment Policy

The District may discontinue water service if a customer who has been granted an amortization under this section fails to do any of the following for sixty (60) days or more: (a) to pay any amortized amount due under the amortization schedule; or (b) to pay his or her current charges for water service. The District will post a final notice of intent to disconnect service in a prominent and conspicuous location at the service address at least five (5) business days before discontinuation of service. The final notice will not entitle the customer to any investigation or review by the District.

VI. Other Remedies

In addition to discontinuation of water service, the District may pursue any other remedies available in law or equity for nonpayment of water service charges, including, but not limited to: securing delinquent amounts by filing liens on real property, filing a claim or legal action, or referring the unpaid amount to collections. In the event a legal action is decided in favor of the District, the District will be entitled to the payment of all costs and expenses, including attorneys' fees and accumulated interest.

Discontinuation of Water Service for Nonpayment Policy

VI. Discontinuation of Water Service for Other Customer Violations

The District reserves the right to discontinue water service for any violations of District ordinances, rules, or regulations other than nonpayment.

VII. Fees and Charges Incurred

Except as otherwise expressly stated in this Policy, any fees and charges incurred by a customer under any other rules, regulations, or policies of the District, including, but not limited to, delinquent charges, will be due and payable as set forth therein.

VIII. Decisions by District Staff

Any decision which may be appealed to the District's General Manager. The General Manager's ruling may be appealed to the Board of Directors and/ or the Board's designee.

IX. Translations

A. Policy

Translations of this policy in the languages listed in Section 1632 of the Civil Code are available at the District office or website.

- i. Please visit our office or website for a translation of this policy.
- ii. Visite nuestra oficina o sitio web para obtener una traducción de este política.
- iii. 请访问我们的办公室或网站，了解本政策的翻译。

- iv. Mangyaring bisitahin ang aming opisina o website para sa isang pagsasalin ng patakarang ito.
- v. Vui lòng truy cập văn phòng hoặc trang web của chúng tôi để dịch bản chính sách này.
- vi. 이 정책에 대한 번역은 저희 사무실이나 웹 사이트를 방문하십시오.

B. Notices

All written notices issued under this Policy will be available at the District office or website in English, Spanish, Chinese, Tagalog, Vietnamese, Korean, and any other language spoken by ten percent (10%) or more people within the District's service area.

X. References

- A. California Water Code div. 1, ch. 1, § 106.3
- B. California Health & Safety Code, div. 104, part 2, ch. 6, § 116900 et seq. (SB 998 [2018])
- C. California Government Code, tit. 6, div. 1, § 60370 et seq.
- D. California Civil Code div. 3, part 2, title 2, § 1632
- E. California Senate Bill 998 (SB 998)

Government Code - GOV

TITLE 6. DISTRICTS [58000 - 62262] (Title 6 added by Stats. 1951, Ch. 331.)

DIVISION 1. GENERAL [58000 - 60375.5] (Heading of Division 1 renumbered from Division 2 by Stats. 1987, Ch. 56, Sec. 88.)

CHAPTER 9.6. District Utility Services [60370 - 60375.5] (Chapter 9.6 added by Stats. 1988, Ch. 422, Sec. 1.)

60372.

(a) No district furnishing its inhabitants with light, water, power, or heat may terminate residential service for nonpayment of a delinquent account unless the district first gives notice of the delinquency and impending termination, as provided in Section 60371.

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

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

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

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

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

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

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

(Added by Stats. 1988, Ch. 422, Sec. 1.)

60373.

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

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

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

- (1) The name and address of the customer whose account is delinquent.
- (2) The amount of the delinquency.
- (3) The date by which payment or arrangements for payment is required in order to avoid termination.
- (4) The procedure by which the customer may initiate a complaint or request an investigation concerning service or charges, except that if the bill for service contains a description of that procedure, the notice pursuant to subdivision (a) is not required to contain that information.
- (5) The procedure by which the customer may request amortization of the unpaid charges.
- (6) The procedure for the customer to obtain information on the availability of financial assistance, including private, local, state, or federal sources, if applicable.
- (7) The telephone number of a representative of the district who can provide additional information or institute arrangements for payment.

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

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

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

(e) No termination of service may be effected without compliance with this section, and any service wrongfully terminated shall be restored without charge for the restoration of service.

(Amended by Stats. 1995, Ch. 529, Sec. 10. Effective October 4, 1995.)

60374.

No district shall, by reason of delinquency in payment for any electric, gas, heat, or water services, cause cessation of the services on any Saturday, Sunday, legal holiday, or at any time during which the business offices of the district are not open to the public.

(Added by Stats. 1988, Ch. 422, Sec. 1.)

60375.5.

The decision of a district to require a new residential applicant to deposit a sum of money with the district prior to establishing an account and furnishing service shall be based solely upon the credit worthiness of the applicant as determined by the district.

(Added by Stats. 1989, Ch. 1066, Sec. 2.)

HEALTH AND SAFETY CODE - HSC

DIVISION 104. ENVIRONMENTAL HEALTH [106500 - 119406]

(Division 104 added by Stats. 1995, Ch. 415, Sec. 6.)

PART 12. DRINKING WATER [116270 - 117130]

(Part 12 added by Stats. 1995, Ch. 415, Sec. 6.)

CHAPTER 6. Discontinuation of Residential Water Service [116900 - 116926]

(Chapter 6 added by Stats. 2018, Ch. 891, Sec. 2.)

116900.

This chapter shall be known, and may be cited, as the Water Shutoff Protection Act.
(Added by Stats. 2018, Ch. 891, Sec. 2. (SB 998) Effective January 1, 2019.)

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.
(Added by Stats. 2018, Ch. 891, Sec. 2. (SB 998) Effective January 1, 2019.)

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.

(Added by Stats. 2018, Ch. 891, Sec. 2. (SB 998) Effective January 1, 2019.)

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.

(Added by Stats. 2018, Ch. 891, Sec. 2. (SB 998) Effective January 1, 2019.)

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.

(Added by Stats. 2018, Ch. 891, Sec. 2. (SB 998) Effective January 1, 2019.)

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.

(Added by Stats. 2018, Ch. 891, Sec. 2. (SB 998) Effective January 1, 2019.)

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.

(Added by Stats. 2018, Ch. 891, Sec. 2. (SB 998) Effective January 1, 2019.)

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.

(Added by Stats. 2018, Ch. 891, Sec. 2. (SB 998) Effective January 1, 2019.)

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.
(Added by Stats. 2018, Ch. 891, Sec. 2. (SB 998) Effective January 1, 2019.)

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.

(Added by Stats. 2018, Ch. 891, Sec. 2. (SB 998) Effective January 1, 2019.)

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.

(Added by Stats. 2018, Ch. 891, Sec. 2. (SB 998) Effective January 1, 2019.)

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.

(Added by Stats. 2018, Ch. 891, Sec. 2. (SB 998) Effective January 1, 2019.)

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.

(Added by Stats. 2018, Ch. 891, Sec. 2. (SB 998) Effective January 1, 2019.)

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.

(Added by Stats. 2018, Ch. 891, Sec. 2. (SB 998) Effective January 1, 2019.)



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SB-998 Discontinuation of residential water service: urban and community water systems. (2017-2018)

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Date Published: 09/28/2018 09:00 PM

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.

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

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.

City of Fort Bragg Water Department Shut-off Policy

Purpose/Background:

This policy enumerates the City of Fort Bragg Water Department's (hereinafter referred to as "City Water Department") administrative actions for the collection of delinquent accounts, including notifications, fee assignments and discontinuation of service. This policy will be made available to the public on the City Water Department's website. The City Water Department can be contacted by phone at (707) 961-2825 to discuss options for averting termination of water service for nonpayment under the terms of this policy.

Text of policy:

As an urban or community water system that supplies water to more than 200 service connections, the City Water Department is governed by Senate Bill No. 998.

Delinquent Account:

The City Council of the City of Fort Bragg has set the water billing period to be the tenth day of the month following the month of service delivery and deems water bills delinquent if not paid by the third day of the month following the billing period (Resolution 4065-2018). The following rules shall apply to the collection of delinquent accounts:

1. **Small Balance Accounts:**

Any balance on a bill of \$20 or less may be carried over, and added to, the next billing period without being assessed a late fee or incurring further collection action.

2. **Delinquent Notice:**

If payment for a bill is not received by close of business on the third day of the month following the billing period, a late fee will be assessed. The due date and late fee will be displayed prominently on the bill. Upon a bill becoming delinquent, the Water Department shall give the person or entity responsible for payment of the bill (hereinafter referred to as "customer") a notice of delinquency stating that water service will be discontinued after sixty (60) days. The delinquent notice will be mailed to the mailing address designated on the account. If the mailing address and the address of the property to which water service is provided are different, a second notice will be mailed to the service address and addressed to "Occupant". The City

Water Department assumes no responsibility for contact information that has not been kept up-to-date by the customer.

3. Waiver of Late Fee:

At the request of the customer, the City Water Department will waive the late fee if there are extenuating circumstances and the customer has been assessed a late fee for delinquent payment no more than once in the proceeding twelve months.

4. Alternative Payment Arrangements:

Any customer who is unable to pay for water service within the normal payment period may request an alternative payment arrangement to avoid late fees or disruption of service. The City Water Department shall not discontinue water service for non-payment if a customer has requested and entered into an alternative payment arrangement. Payment arrangements that extend into the next billing period are considered an amortization plan, which must be in writing and signed by the customer. A down payment of twenty (20) percent of the customer's outstanding balance will be due at the time of signing. An amortization plan will amortize the remaining unpaid balance over a period not to exceed two (2) months from the original date of the bill. The amortized payments will be combined with, and subject to the due date of, the customer's regular bill. The customer must comply with the terms of the amortization plan and remain current as charges accrue in each subsequent billing period. The customer may not request further amortization of any subsequent unpaid charges while paying delinquent charges pursuant to an amortization plan.

5. First Disconnection Notice:

The City Water Department shall not discontinue water service for non-payment until payment by the customer has been delinquent for at least sixty (60) days. The Water Department shall give the customer a first notice of disconnection approximately thirty (30) days but in no event less than seven (7) business days before termination of service for non-payment. The written first disconnection notice will be mailed to the mailing address designated on the account. If the mailing address and the address of the property to which water service is provided are different, a second notice will be mailed to the service address and addressed to "Occupant". The first written disconnection notice will include:

- Customer's name and address

- Amount that is past due
- Date by which payment or payment arrangements are required to avoid termination of service
- Description of the process to apply for an amortization plan
- Description of the process to dispute or appeal a bill
- City Water Department phone number and a web link to the City Water Department's written collection policy

a) *Notice to Residential Tenants/Occupants in an Individually Metered Residence*

The City Water Department will make a reasonable, good faith effort to inform the occupants, by means of written notice, when the water service account is in arrears and subject to disconnection at least ten (10) days before water service is shut off. The written notice will advise the tenant/occupant that they have the right to become customers of the City Water Department without being required to pay the amount due on the delinquent account, as long as they are willing to assume financial responsibility for subsequent charges for water service at that address. In order for the amount due on the delinquent account to be waived, the tenant/occupant must provide verification of tenancy in the form of a rental agreement or proof of rent payments.

b) *Notice to Tenants/Occupants in a Multi-Unit Complex Served through a Master Meter*

The City Water Department will make a reasonable, good faith effort to inform the occupants, by means of written notice hung on the door of each residence, when the water service account is in arrears and subject to disconnection at least ten (10) days before water service is shut off. The written notice will advise the tenant/occupant that they have the right to become customers of the City Water Department without being required to pay the amount due on the delinquent account, as long as they are willing to assume financial responsibility for subsequent charges for water service at the address(es) served by the master meter. If one or more of the occupants are willing and able to assume responsibility for the subsequent charges for water

service to the satisfaction of the City Water Department, or if there is a physical means, legally available to the City Water Department, of selectively terminating service to those occupants who have not met the requirements for service, the City Water Department will make service available to the occupants who have met those requirements.

If the written first disconnection notice is returned through the mail as undeliverable, the City Water Department will make a reasonable, good faith effort to visit the residence and leave a notice of discontinuance for non-payment.

6. Final Disconnection Notice:

Failure to comply with the terms of an amortization plan for sixty (60) days or more or failure to pay current residential service charges for sixty (60) days or more will result in the issuance of a final disconnection notice. The final disconnection notice will be in the form of a door hanger delivered to the premises no less than five (5) business days in advance of discontinuance of service.

7. Forty-eight (48) Hour Courtesy Call:

The City Water Department will make a reasonable, good faith effort to notify the customer 48 hours in advance of disconnection of water service for non-payment. The means of notification will be by phone. Customer accounts may be designated to receive notification by text message if requested by Customer. The forty-eight (48) hour courtesy call is meant entirely as a courtesy and failure of the Water Department to send the notice or failure by the customer to receive the notice shall not constitute an acceptable reason for non-payment or delay of disconnection.

8. Disconnection Deadline:

All delinquent water service charges and associated fees must be received by the City Water Department by 5:00p.m. on the day specified in the written disconnection notice.

9. Disconnection of Water Service for Non-Payment:

The City Water Department will disconnect water service by turning off, and in some cases locking off, the meter. Before service is disconnected, the customer will be notified by a delinquent notice, a first disconnection notice, a final

disconnection notice and a forty-eight (48) hour courtesy call. The customer will be charged a fee to re-establish service in the billing system regardless of whether the meter has physically been turned off. The meter will be locked in the off position if payment is not received within 7 days of initial disconnection.

10. Re-establishment of Service:

In order to resume or continue service that has been disconnected for non-payment, the customer must pay a re-establishment fee. The City Water Department will endeavor to reconnect service as soon as practicable but, at a minimum, will restore service before the end of the next regular working day following payment of any past due amount and delinquent fees attributable to the termination of service. Water service that is turned on by any person other than City Water Department personnel or without City Water Department authorization may be subject to fines or additional charges or fees. Any damages that occur as a result of unauthorized restoration of service are the responsibility of the customer.

11. Re-establishment of Service After Business Hours:

Service restored after 3:00 pm Monday through Friday, weekends, or holidays will be charged an after-hours re-establishment fee. Service will not be restored after regular business hours unless the customer has been informed of the after-hours re-establishment fee and has signed an agreement acknowledging the fee and agreeing to contact the City Water Department's billing department no later than noon the following business day to pay the subject fee. The after-hours re-establishment fee is in addition to the regular re-establishment fee and the late fee for a past due account. City Water Department staff responding to service calls are not permitted to collect payment but will instruct the customer to contact the billing department before noon the following business day.

12. Notification of Disposition of Returned Check:

Upon receipt of a returned check taken as payment of water service or other charges, the City Water Department will consider the account not paid. The City Water Department will make a reasonable, good faith effort to provide a 48-hour courtesy notice of termination of service due to a returned check. The means of notification will be by phone. Customer accounts may be designated to receive notification by text message if requested by Customer.

Water service will be disconnected if the amount of the returned check and the returned check charge are not paid on or before the date specified in the notice of termination. All amounts paid to redeem a returned check and to pay

the returned check charge must be in cash, credit card or certified funds.

13. Returned Checks for Previously Disconnected Service:

In the event a customer tenders a non-negotiable check as payment to restore water service previously disconnected for non-payment and the City Water Department restores service, the City Water Department may promptly disconnect service without providing further notice. No 48-hour notice of termination will be given in the case of a non-negotiable check tendered for payment of water charges that were subject to discontinuance.

Any customer issuing a non-negotiable check as payment to restore service turned off for non-payment will be required to pay cash, credit card or certified funds to restore future service disconnections for a period of 12 months from the date of the returned payment.

14. Disputed Bills:

If a customer disputes a bill, they must follow the procedure outlined in the City's Municipal Code chapter 14.04.034. Appeals must be in writing and must be filed no later than (15) days after a delinquency notice has been issued. If a customer disputes the water bill and exercises their right to appeal to the City Manager, the City Water Department will not disconnect water service for non-payment while the appeal is pending.



San Miguel Utility Billing Policy November 2018

Section 1. Policy Purpose and Application

The Board of Directors adopts this policy to:

- a. Provide procedures for billing of varied occupancies based on the approved rate structure;
- b. Provide a fair and impartial procedure for customers to dispute fees assessed by the District;
- c. Establish a comprehensive policy for District billing practices and provide customers notice of their payment duties and obligations;
- d. Facilitate timely payment from District customers to meet the District's financial obligations;
- e. Ensure that customers that meet their obligation of timely payment do not bear the additional cost of those who do not;
- f. Establish enforcement mechanisms to obtain payment when a customer refuses to pay or cannot be found;
- g. Establish procedures for District customers to dispute the accuracy of any utility bill, late fee, or other enforcement mechanism used by the District for the collection of utility charges.

Section 2. Payment Due

Payment for services shall be due upon receipt and are deemed past due by the 10th of the following month. Accounts are subject to discontinuation of services, per Section 6 of this Policy, 60 days after the billing date shown on the bill ("Discontinuation of Services Date").¹

Section 3: Late Fees

- a. Payments received after the due date will be assessed a ten percent (10%) penalty of any unpaid balance, in compliance with California Government Code section 61115, subdivision (A)(3)(c). For every month a balance remains unpaid, the District will assess an additional one percent (1%) penalty for each month the balance remains unpaid. The additional 1% penalty each month is in addition to the initial ten percent (10%) penalty.

¹ This provision is a requirement of SB 998, and the District shall be compliant with this provision on or before April 1, 2020.

- b. The District will waive interest charges on delinquent bills once every 12 months for a residential customer who can demonstrate to that his or her household income is below 200 percent of the federal poverty line.²
- c. Each customer shall be responsible for paying reasonable expenses of collection, including, but not limited to, attorney's fees and costs should it become necessary to use such measures to collect the charges on the customer's account.

Section 4 application of monthly water and wastewater rates based on occupancy

a. Large meters

i. Water Billing:

All services with water meters 1 1/2" and larger in size, regardless of occupancy, will be considered commercial and charged according to the size of the meter in addition to the non-residential usage tier rates for actual usage. Within the initial fixed charge, which is indicated on the customer's water bill, the service will be granted 5 hundred cubic feet ("HCF"). Actual usage fees will apply after the initial 5 HCF.

ii. Wastewater Billing:

All services with water meters 1 1/2" and larger in size will be charged one commercial fixed charge per building and a usage rate based on their volumetric strength, as determined by the current strength listing adopted by board resolution.

The volumetric rate will be based on the predominant building usage based on square footage within the building. If a building has two occupancies of equal square footage within the building, then the usage rate will be the higher of the two.

b. Small meter (water meters 1" and smaller)

i. Water Billing:

SINGLE FAMILY RESIDENTIAL

All water meters 1" and smaller in size which serve single-family residences will be charged one (1) 1" meter fixed rate per separate residence and usage based on the Single-Family Tier structure. Within the initial fixed charge, which is indicated on the customer's water bill, the he service will be granted 5 HCF per separate residence. Actual usage fees will apply after the initial 5 HCF per separate residence.

MULTIFAMILY RESIDENTIAL

All water meters 1" and smaller in size which serve properties with multi-family residential units will be charged one (1) 1" meter fixed rate per residential building and usage based on the Single-Family Tier structure. The service will be granted 5 HCF per residential building within the fixed rate. Actual usage fees will apply after the initial 5 HCF per residential building.

² This provision is a requirement of SB 998, and the District shall be compliant with this provision on or before April 1, 2020.

COMMERCIAL OR MIXED USE

All water meters 1” and smaller in size which serve properties with commercial or mixed-use occupancies will be classified as commercial and charged one (1) 1” meter fixed rate per building and usage based on the non-residential Tier structure. The service will be granted 5 HCF per building within the fixed rate. Actual usage fees will apply the initial 5 units per building.

ii. *Wastewater Billing:*

SINGLE FAMILY RESIDENTIAL

All water meters 1” and smaller in size that serve single-family residence(s) will be charged one (1) single family fixed charge per residence.

MULTIFAMILY RESIDENTIAL

All water meters 1” and smaller in size that serve multifamily dwelling units will be charged one (1) multifamily fixed charge per dwelling unit.

COMMERCIAL OR MIXED USE

All water meters 1” and smaller in size that serve commercial, or mixed-use occupancies will be charged one commercial fixed charge per building and a usage rate based on their volumetric strength as determined by the strength listing.

The volumetric rate will be based on the predominant building usage based on square footage within the building. If a building has two occupancies of equal square footage within the building, then the usage rate will be the higher of the two.

Properties with multiple residential buildings which are each 500 square feet or less in size and served by a single meter will be considered commercial in nature and charged one (1) commercial fixed charge and usage rate based on their volumetric strength as determined by the strength listing.

Section 5: Long term Suspension of service

- a. Upon written request to the District General Manager, a customer can request that their water and sewer service be suspended for a period of no less than six (6) months.
- b. A written request must be made at least 15 days prior to the requested suspension date indicating the reason for the suspension, date of shutoff, and date of restart. The written request must contain the name of a contact, and that person’s contact information for the customer while they are out of the area or an alternate contact for someone able to make financial commitments on behalf of the current customer.
- c. If the customer is not the property owner, authorization from the property owner must also be provided prior to approval of the suspension.
- d. In order to process the request for suspension the account must be paid in full at the time of suspension.
- e. Only one suspension will be allowed per year per account.
- f. On the day of the suspension the water meter will be turned off and locked.
- g. The District is not responsible for damage to piping or personal property past the water meter due to the long-term suspension of water and sewer service.

- h. If the service to be suspended also provide water to residential or commercial fire sprinklers, then the suspension of that service will cause the fire sprinklers to not work. The District is not responsible for damage to the building, fire sprinkler system, or any other property as a result of the water being turned off at the account holders request.

Section 6: Discontinuance of Service

Notice to Residential Owner

Prior to the Discontinuation of Services Date, the District will take the following steps:

- a. The District will make a good faith effort to contact the account holder or other responsible party by telephone, personal contact, and if possible by text or email regarding the outstanding charges.
- b. The District must provide notice to the customer of delinquency and pending termination at least fifteen (15) days prior to the Discontinuation of Services Date.
 - This notice must be sent by mail, postage prepaid to customer whom the service is billed.
 - This notice will include the following information:
 1. Name and address of the delinquent customer;
 2. The amount of the delinquency;
 3. Date by which payments or arrangements for payment is required to avoid discontinuation of service or charges;
 4. Procedure by which the customer may initiate a complaint or request an investigation concerning service or charges;
 5. Procedure by which the customer may request the implementation of a payment plan for the unpaid charges;
 6. Procedure for the customer to obtain information on the availability of financial assistance (including private, local, state, or federal sources, if applicable); and
 7. The telephone number of a District employee who can provide additional information or institute arrangements for payment.
- c. If the District is unable collect the delinquent amount, or unable to contact the account holder or other responsible party the District shall deliver a “48-hour Disconnection Notice”, in the form of a door hanger placed at the service address, informing the delinquent customer that their service will be disconnected on a specified date if the account remains unpaid.
- d. Once a 48-hour disconnection notice has been delivered, the District shall make a good faith effort to contact the account holder, property owner, or other responsible adult residing at the residence by telephone, text or email at least 24 hours prior to the Discontinuation of Service Date.
- e. If the District is unable to make contact with a responsible party, a 24-hour shut of notice will be delivered to the service address in the form of a door hanger, indicating the shut off reason, date, amount owed and approximate shut off time.
- f. Should a customer’s service be disconnected, at the time of disconnection a “Notice of Service Disconnection” will be posted via door hanger at that time.

- g. Services shall not be disconnected pending an appeal, as outlined in Section 9 of this Policy below, or pending a request for relief, until the Board of Directors rules on the appeal.
- h. The Board of Directors has previously established a service disconnection and reconnection fee by resolution. The Board of Directors may amend the service disconnection and reconnection fee at any time by resolution.

Notice to Landlord/Tenant Individual Meter

For residential occupants receiving services through an individual meter in a detached single-family dwelling, a multi-unit residential structure, mobile home park, or a permanent residential structure in a labor camp, and the owner, manager, or operator is listed as the customer of record, and the District will provide notice to the residential occupant(s) that account is delinquent.

Prior to the Discontinuation of Services Date, the District will take the following steps:

- a. The District will make a good faith effort to contact the account holder or other responsible party by telephone, personal contact, and if possible by text or email regarding the outstanding charges. Additionally, the District must provide notice to the customer of delinquency and pending termination at least ten (10) days prior to the Discontinuation of Services Date.
 - This notice must be sent by mail, postage prepaid to customer whom the service is billed.
 - This notice will include the following information:
 1. Name and address of the delinquent customer;
 2. The amount of the delinquency;
 3. Date by which payments or arrangements for payment is required to avoid discontinuation of service or charges;
 4. Procedure by which the customer may initiate a complaint or request an investigation concerning service or charges;
 5. Procedure by which the customer may request the implementation of a payment plan for the unpaid charges;
 6. Procedure for the customer to obtain information on the availability of financial assistance (including private, local, state, or federal sources, if applicable);
 7. The telephone number of a District employee who can provide additional information or institute arrangements for payment;
 8. The date that the District will discontinue services; and
 9. Information that the residential occupants have the right to become customers of the public utility without being required to pay the amount due on the delinquent account.
- b. If the District is unable collect the delinquent amount, or unable to contact the account holder or other responsible party the District shall deliver a “48-hour Disconnection Notice”, in the form of a door hanger placed at the service address, informing the delinquent customer that their service will be disconnected on a specified date if the account remains unpaid.
- c. Once a 48-hour disconnection notice has been delivered, the District shall make a good faith effort to contact the account holder, property owner, or other responsible adult

residing at the residence by telephone, text or email at least 24 hours prior to any termination of service.

- d. If the District is unable to make contact with a responsible party, a 24-hour shut of notice will be delivered to the service address in the form of a door hanger, indicating the shut off reason, date, amount owed and approximate shut off time.
- e. Should a customer's service be disconnected, at the time of disconnection a "Notice of Service Disconnection" will be posted via door hanger at that time.
- f. Services not disconnected prior to an appeal, as outlined in Section 9 of this Policy below, or request for relief shall not be disconnected until the Board of Directors rules on the appeal.
- g. The Board of Directors has previously established a service disconnection and reconnection fee by resolution. The Board of Directors may amend the service disconnection and reconnection fee at any time by resolution.

Notice to Landlord/Tenant Master Meter

For residential occupants receiving services through a master meter in a multi-unit residential structure, mobile home park, or permanent residential structures in a labor camp, and the owner, manager, or operator is listed as the customer of record, provide notice to each residential unit that account is delinquent.

Prior to the Discontinuation of Services Date, the District will take the following steps:

- a. The District will make a good faith effort to contact the account holder or other responsible party by telephone, personal contact, and if possible by text or email regarding the outstanding charges. Additionally, the District must provide notice to the customer of delinquency and pending termination at least fifteen (15) days prior to the Discontinuation of Services Date.
 - This notice must be sent by mail, postage prepaid to customer whom the service is billed.
 - This notice will include the following information:
 1. Name and address of the delinquent customer;
 2. The amount of the delinquency;
 3. Date by which payments or arrangements for payment is required to avoid discontinuation of service or charges;
 4. Procedure by which the customer may initiate a complaint or request an investigation concerning service or charges;
 5. Procedure by which the customer may request the implementation of a payment plan for the unpaid charges;
 6. Procedure for the customer to obtain information on the availability of financial assistance (including private, local, state, or federal sources, if applicable);
 7. The telephone number of a District employee who can provide additional information or institute arrangements for payment;
 8. The date that the District will discontinue services;
 9. Information that the residential occupants have the right to become customers of the public utility without being required to pay the amount due on the delinquent account; and

10. Must specify, in plain language, what the residential occupants are required to do in order to prevent discontinuation of service, or to reestablish service; and
11. The telephone number of a qualified legal services project, which has been recommended by the local county bar association.

Notice to Elderly or Dependent Adult

If a customer is 65 years of age or older, or a dependent adult, the following must apply:

- a. The District must provide an option to these customers for third-party notification services. For example, a qualified customer may designate his or her adult child as the designated third-party to be notified about a delinquent payment.
- b. The qualified customer shall make a request to designate a third-party to be notified on a form provided by the District and shall include the written consent of the designated third-party.
- c. The third-party notification does not obligate the third-party to pay the overdue charges, nor shall it prevent or delay the termination of services.
- d. If a qualified customer requests third-party notification, the District must attempt to notify the designated third-party to receive notification when the qualified customer's account is past due and subject to discontinuation of services.
- e. Notification shall include information on requirements to prevent discontinuation of services.

Exceptions to Discontinuation of Services

The District will not discontinue services in the following instances:

- a. On Saturday, Sunday, legal holiday, or hours during which business offices of the District's Utility Department are not open to the public;
- b. If the customer disputes the bill and during the pendency of an investigation into the customer's dispute or complaint, as outlined in Section 7 of this Policy;
- c. When the customer has been granted an extension of the period to pay the bill (however, termination may be applicable if the extension period expires);
- d. If the customer is compliant with an amortization agreement and the customer also keeps the account current as charges accrue in each subsequent billing period; and
- e. A licensed physician or surgeon has certified that termination of services will be life threatening to the customer, and the customer is financially unable to pay for service in the normal payment period, and the customer is willing to enter into an amortization agreement for all charges that the customer is unable to pay prior to delinquency.

Section 7: Request for Relief

- a. Any customer of the District may file a written request with the General Manager disputing any fee or charge assessed by the District or water service disconnection within five (5) days of the fee becoming due or water service becoming disconnected. Time limitations prescribed by this subsection shall not apply within the first ninety (90) days of this policy's adoption.

- b. Within thirteen (13) days of submitting the request in writing, the customer may make a request for an extension of the payment period of a bill asserted to be beyond the means of the customer to pay in full during the normal period for payment.
- c. The General Manager shall review all written requests for relief and either deny the request or grant the relief requested or a portion thereof. Factors for consideration shall include:
 1. Billing errors;
 2. Faulty meter or a misread meter;
 3. A water leak was present necessitating a leak adjustment;
 4. Consideration of whether the customer shall be permitted to amortize the unpaid balance of the account over a reasonable period of time; and
 5. Any other factor deemed relevant by the General Manager.

Section 8: Request for Relief, leak adjustments

- a. Any customer of the District may file a written request for a leak adjustment.
 - i. The written request must include the following information: account number, name on the account, date leak was fixed, cause of the leak, supporting information of the leak repair (receipts, pictures, etc.).
- b. To apply for a leak adjustment, the following conditions must be met:
 - i. The customer's account must be current, the customer must have taken immediate action to repair the leak once the leak was identified, and the customer must not have had any other leak adjustment within 12 months of the current request.
- c. If approved by the General Manager, the amount of the credit will be determined by subtracting the average of the previous 12 months' bills from the bill for the period in which the leak occurred and dividing that amount by two.

Section 9: Appeals

- a. Any customer of the District who disputes the General Manager's final decision under section 7 and 8 of this policy, may appeal the decision by filing a "Notice of Appeal" no later than fifteen (15) days from the date of the General Manager's final decision. Appeals of the General Manager's decision shall be heard by the Board of Directors.
- b. No customer shall be entitled to a hearing before the Board of Directors without first requesting relief pursuant to Section 7 or Section 8.
- c. The Notice of Appeal shall set forth the basis for the appeal and all facts upon which the appeal is based.
- d. Within fifteen (15) days of receiving the Notice of Appeal, the General Manager shall notify the appellant of the time and place for the hearing. The General Manager shall provide notice of the hearing to the appellant no later than fourteen (14) days prior to the hearing.
- e. The customer may present evidence demonstrating that the utility bill is inaccurate, or the amount owed is improper. The General Manager may present evidence that demonstrates the accuracy of the utility bill and evidence that justifies the amount of the utility bill.
- f. The Board of Directors may affirm the amounts assessed by the General Manager, reduce any portion of the delinquent amount or penalties, or find that the imposition of the

penalty is not warranted. When reducing the amount sought by the utility bill, the Board shall make a finding on the record that the reduction is in the public interest.

- g. The Board of Directors' decision shall be final, and outstanding balances shall be due immediately, unless otherwise extended by the Board of Directors.
- h. The Board of Directors, in its sole discretion, may refuse to hear an appeal and instead have the appeal heard by a neutral arbitrator. Costs of arbitration prescribed by this subsection shall be split evenly by the District and the customer.

Section 10. Collection Via Tax Roll

Any amount that remains outstanding thirty (30) days after the appeal hearing or any amount that becomes final and unappealable may be collected on the tax roll in the same manner as property taxes, pursuant to Government Code section 61115. The General Manager shall prepare and file a report with the Board of Directors that describes the affected property and the amount of charges and delinquencies for the year. The General Manager shall publish notice of the filing of the report and of the time and place for a public hearing in a newspaper of general circulation once a week for two weeks at least fourteen (14) days prior to the public hearing.

At the public hearing, the Board of Directors shall hear and consider any objections or protests to the report. At the conclusion of the public hearing, the Board of Directors may adopt or revise the charges and penalties prior to adopting the final report. The Board of Directors determination on each affected parcel and its determinations shall be final.

After the Board of Directors adopts the final report, the General Manager shall submit the final report to the County of San Luis Obispo Clerk Recorder on or before June 1st of each year, and the delinquent charges shall become an assessment against each affected parcel and collected in the same manner as property taxes.

Section 11. Severability

If any part of this policy, or the application thereof to any person or circumstance, is held invalid, the remainder of the policy, including the application of such part or provision to other persons or circumstances, shall not be affected thereby and shall continue in full force and effect. To this end, the sections of this policy are severable.



Executive Committee

Agenda Item: 5

Date: January 6, 2020

Subject: Consider Policy/Practice Changes Associated with SB 13, Accessory Dwelling Units

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Executive committee should review supporting documentation and direct staff to place item(s) on the January 27th Board meeting agenda to have the Board consider approving new and/or revised District policies for Accessory Dwelling Units (ADUs).

Current Background and Justification:

SB 13 was signed into law in October 2019. The legislator's intent is to help mitigate the current affordable housing crisis through promoting the feasibility and decreasing the overhead costs associated with constructing new ADUs. SB 13 makes many comprehensive changes to existing codes and statutes.

Included in the changes imparted by SB 13 are the stipulation requiring mandatory fire sprinkler systems in all new residential construction after January 1, 2011. SB-13 exempts this mandate for ADUs if the main dwelling units is not equipped with fire sprinklers.

Prior to the passage of SB 13, without the exemption in SB 13 for mandatory fire sprinklers, the District had no choice but to require new connections to the distribution system (and associated assessment of capacity fees) for all new construction. Language in SB 13 now stipulates the District "may" require new connections (and associated fees) for detached ADUs, but must NOT require such for attached ADUs, e.g. converting an attached garage into a dwelling unit.

Even if the District establishes a policy to be consistent with the spirit of SB 13 and allows detached ADUs to be constructed without requiring a new connection, tapping into an existing main dwelling unit supply may be infeasible from a minimum flowrate perspective, e.g. a 5/8

inch connection split will result in neither dwelling unit with usable flow. Additionally, the new termination of service and existing land lord - tenant statutes create a potential for awkward scenarios if/when the mail dwelling unit fails to pay the water bill.

Conclusion:

I recommend the Committee forward the consideration the need to adopt and/or revise District policies associated with Accessory Dwelling Units onto the January 27th Board agenda.



Executive Committee Agenda Item: 6

Date: January 6, 2020

Subject: Discuss the runoff election for Sacramento County LAFCo, Alternate Commissioner

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Executive committee should forward an item to the January 27th Board agenda to allow the Board to vote on its choice from between three candidates for the Alternate Commissioner office with Sacramento County Local Agency Formation Commission (LAFCo).

Current Background and Justification:

The Sacramento County LAFCo election from November resulted in the selection of a commissioner. However, the election failed to select an Alternate Commissioner. Instead, the process lead to a runoff election choice between three remaining candidates.

Conclusion:

I recommend the Committee forward this item onto the January 27th Board agenda.



SACRAMENTO LOCAL AGENCY FORMATION COMMISSION
1112 I Street, Suite 100 • Sacramento, CA 95814 • (916) 874-6458 • Fax (916) 874-2939

DATE: November 26, 2019

TO: Special Districts' Selection Committee

FROM: Don Lockhart, Executive Officer
Sacramento Local Agency Formation Commission

RE: **Selection of Special District Commissioner and Alternate Commissioner Run-off**
for the Sacramento Local Agency Formation Commission

Term of Office: **January 1, 2020 to December 31, 2023**

Thank you for your participation in the selection process for the Special District Commissioner and Alternate seats on the Sacramento Local Agency Formation Commission (LAFCo).

This purpose of this memorandum is to announce who was selected by the Special District Selection Committee for the Commissioner and the Alternate Commissioner seats for LAFCo.

The winner by a plurality of votes for the **Commissioner seat is Lindsey Liebig** from the Herald Fire Protection District. Therefore, Ms. Liebig is declared the selected Commissioner.

For the **Alternate Commissioner seat there is a three-way tie**. Therefore, a run-off will occur. Please see the attached Instructions and Ballot. (Ballot must be returned by January 28, 2020)

Commissioner Liebig will fulfill the four year term starting January 1, 2020 ending December 31, 2023. At the end of that time, another selection process will be held. Congratulations and welcome Ms. Liebig!

Please feel free to contact me if you have any questions regarding the selection process at (916)874-6458.

Yours truly,

SACRAMENTO LOCAL AGENCY FORMATION COMMISSION


Donald Lockhart, AICP
Executive Officer





SACRAMENTO LOCAL AGENCY FORMATION COMMISSION
1112 I Street, Suite 100 • Sacramento, CA 95814 • (916) 874-6458 • Fax (916) 874-2939

DATE: November 26, 2019
TO: Special Districts' Selection Committee
FROM: Donald Lockhart, Executive Officer
RE: **Selection of Special District Alternate Commissioner**
Term of Office: January 1, 2020 to December 31, 2023
for the Sacramento Local Agency Formation Commission

For the **Alternate Commissioner seat there is a three-way tie**. Therefore, a run-off will occur. Pursuant to the provisions of Section 56332 of the Government Code, the Executive Officer has determined that a meeting of the Special District Selection Committee for the purpose of selecting an Alternate Special District Commissioner [for Offices No. 6 & 7] to serve on the Sacramento Local Agency Formation Commission is not feasible. Based on past experience, due to the size of the Special District Selection Committee, it has been difficult to establish a quorum. Therefore, the business of the Special District Selection Committee will be conducted in writing, as provided in the cited section code.

Please see the attached Run-off Ballot

Please select one candidate for Alternate Special District Commissioner.

Please return the ballot to the LAFCo office no later than:

4:00 P.M. on TUESDAY, JANUARY 28, 2020

To be valid, selection of a candidate must be done by a majority vote of the governing board of an Independent Special District in an open and official meeting of that board and certified by the secretary or clerk of the board.

Any ballot received after the date specified above shall not be valid. The candidate who receives the most votes will be determined the winner outright. In the event of a tie, there will be a run-off selection held in the same format as the initial selection. The LAFCo Executive Officer will announce the results of the selection within seven days of the specified date.

If you have questions, please contact Sacramento LAFCo at (916) 874-6458.

Return ballot to:
Sacramento LAFCo
1112 "I" Street; Suite 100
Sacramento, CA 95814

or e-mail to: Diane.Thorpe@SacLAFCo.org



Sacramento
LAFCo

Runoff Ballot

LAFCo Special District Alternate Commissioner

Please select one candidate from below

Run-off Ballot

Alternate Commissioner - for Offices No. 6 & 7

Please select **ONE** candidate **BELOW**

Michael Hanson

Arcade Creek Recreation & Park District

Charlea Moore

Rio Linda Elverta Recreation & Park District

Michael Yearwood

Cordova Recreation & Park District

Ballot must be received by **4:00 pm on Tuesday January 28, 2020**

Special Districts must return the ballots to LAFCo by the date specified above. Any ballot received after the specified date shall not be valid. *The information below must be complete*

The candidate who receives the most votes will be determined the winner outright.

The LAFCo Executive Officer will announce the results of the election within seven days of the specified date.

Name of Special District

Street Address

Date of Meeting

District Phone Number

Signature of Secretary or Clerk of the Board

Phone Number

Print Name

E-mail Address

Michael Hanson

3000 Rolling Oak Dr.
Sacramento, CA 95841

Telephone: 916-550-0531

mhs4321@comcast.net

Cellular: 510-336-0345

SUMMARY

Information Technology Professional proven experience including roles as a manager, project manager, systems analyst, systems integrator and software developer of systems in the mainframe and midrange environments. Experienced in all stages of software development life cycle, from analysis through implementation. Successfully managed numerous projects and led teams in system & vendor selection, analysis of business requirements, vendor management, system development & implementation. Strengths include:

- Project Manager
- Vendor Management
- Systems Integration
- Database Analysis
- Application Architecture
- System Analysis
- Software Development Lifecycle
- Managing Projects Across Technologies

Elected to Arcade Creek Recreation and Park District 2014

- Serve as Chair 2015
- Serve as director 2016
 - Lead in the Master Plan project
- Serve as Secretary/Treasurer 2017

PROFESSIONAL EXPERIENCE

CSAA IG, Glendale AZ

1993-Present

Previously, CSAA, San Francisco, CA

AAA Membership and Insurance Co.

Project Manager

2002 – Present

As an EDS/HP employee supporting CSAA (outsourced in 1996), led projects involved in mainframe upgrades and support activities.

- Created proposal to upgrade all application software to a consistent and supportable level. The application software would not be supported under the new operating system (the environment was scheduled to be upgraded). Worked with leadership to document proposal and create the accepted SOW. (Project size >65K staff hours)
- Managed teams' efforts associated with the application. Assumed role as the Technical Lead and Application Architect. Needed to allow concurrent business changes to occur while upgrading the infrastructure. Delivered a consolidated toolset for mainframe application support including the customized Configuration Management tool, the approach to managing DB2, and the build process itself.

- Reviewed infrastructure requirements and worked with senior management to create an accepted SOW to upgrade the system software.
- Managed a multi-stage mainframe software upgrade the environment to supported levels. Managed the efforts of EDS, Mphasis, and CSAA teams to upgrade the environment with minimal interruption to the business.
- Technical lead for the CSAA account for the mainframe portion of the Data Replication Project by providing stats and coordinating various teams. In addition, provided communication and follow-through for questions/concerns related to the midrange portion of the effort. Help to coordinate the efforts to deliver a successful data replication environment where the mainframe and midrange have replication in place for Disaster Recovery purposes.
- Manage mainframe hardware upgrades. Managed 4 mainframe CPU upgrades for the CSAA account. The scope included the coordination of the teams, the actual upgrade itself, and validation all components would continue to support the business/applications in the new environment as they did on the current hardware including the encryption coprocessor.
- Manage mainframe system software upgrades. Managed migrations from IBM OS/390 through z/OS 1.13, DB2 v7 through DB2 v10, and similar upgrades to CICS, Datacom, and the infrastructure in general. Each major upgrade required a level of acceptance testing and burn-in prior to moving the upgrades to production.

Team Lead

1996 – 2002

As a Systemhouse/MCI/WorldCom employee supporting CSAA (outsourced in 1996), led teams addressing improvements in the Travel/Touring and Membership area.

- Coordinated the install of the TripTik system developed by the AAA National team to automate the Tourbook and map process used to support members in their travels. This was a client-server app where workstations would communicate to a SUN Sparc back-office server.
- Lead the development of the processes internal to CSAA to handle “vanity cards.” This is the AAA VISA cards for the CSAA members which allowed them to autopay their membership. Later, added the capability to Autopay their insurance premiums as well.
- Scheduled to manage the Claims replacement project (HAL), a Client-Server application. Studied the architecture and status with the current PM who then was able to stay and complete the project.

Team Lead

1993 – 1996

Managed team supporting Travel and Touring

- Brought onboard to support the project replacing all Membership, Insurance, and Claims. The architecture of the system was client-server based with the data storage being DB2 on the mainframe and the client residing on workstations running OS/2 and communicating to the mainframe. Directed the efforts of the Membership team (and supported other team's efforts) related to productionalizing the system.

Education: BA in Management, St. Mary's College, Moraga CA.

Michael T. Yearwood

[REDACTED] Rancho Cordova, CA 95670
[REDACTED]
[REDACTED]

Experience Summary:

Customer Service Leader with over ten years of experience with direct customer problem solving within the health insurance industry. Expert level experience with hiring, training, staff retention, process improvement projects, managing deadlines and increasing production of teams.

Health Net of California

2016-2019

Claims Supervisor - Performance Team

- Supervise a team of 17 Claims Analysts
- Coach and mentor staff to exceed expectations
- Responsible for talent and performance management of Claims Team
- Daily operational leadership and support through work distribution and monitoring
- Coordinate with scheduling to assist with daily forecast ensuring accurate staffing coverage
- Identify individual performance gaps to recommend and implement action plans that achieve desired result
- Monitor daily productivity through the Macess System
- Collaborate with peers and managers on process improvements

State of California - Health Benefits Exchange (Covered California)

2015-2016

Supervising Program Technician III

- Supervise a team of 15 Customer Service Representatives
- Coach and mentor staff to exceed expectations
- Assist representatives with questions regarding health plan options and policy and procedures
- Research and resolve escalated calls from consumers
- Monitor daily productivity through the IEX System
- Audit inbound calls through the Nice System
- Collaborate with peers and managers on process improvements

Vision Service Plan

2007-2015

Client Broker Representative - Inside Sales

- Assisted and resolved clients and brokers service issues
- Provided phone support and customer service to clients and brokers
- Provided e-mail coverage for Sales Team in their absence
- Implemented installation of new groups and pull-outs according to guidelines
- Processed renewals for clients according to guidelines
- Provided Resource Center support to clients and brokers

References available upon request

Michael Yearwood

 Rancho Cordova, CA 95670

Service to My Community

Cordova Recreation and Park District (Board Chairperson)
2015-Present: Director

As a Cordova Recreation and Park District (CRPD) Board Member I am responsible for the budget and for setting policies that safeguard the vitality of the district. The five non-partisan members of the Board of Directors are elected to four-year terms by residents located within CRPD's boundaries. The elected board is held accountable to the following laws that govern public officials: The Brown Act, California Public Records Act, FPPC Reporting Requirements and biannual ethics training.

Specific functions and duties of my role as a Board Director are:

1. To perform its legal responsibility.
2. To set up by-laws, regulations and operation procedures
3. To select, employ, and if necessary, dismiss the District Administrator.
4. To control the operating budget, the financial plans and the insurance program.
5. To care and maintain property.
6. To be responsible for program.
7. To assure personnel policies.
8. To maintain good public relations.
9. To appoint, commission, supervise and receive reports from committees and the District Administrator.

BOARD MEMBERS RESPONSIBILITIES

1. Board members should understand the significance and importance of recreation in the community.
2. Board members should be aware of the relationship of the recreation services to other community services.
3. Board members should look objectively at their specific responsibility as board members and at local community recreation needs, and keep abreast of changing conditions, continuously reassessing their efforts and reasons for service.
4. Board members should have the courage to resist pressures of all types and insist upon high standards for their agencies, particularly in regard to competent, professional personnel.
5. Board members should be aware of their role as board members, acting in concert with their fellow board members without usurping the functions of the District Administrator.

Michael Yearwood

Rancho Cordova, CA 95670

Rancho Cordova Athletic Association

2013: Founding Member
2013-2015: Secretary
2016: CRPD Representative

Leadership Rancho Cordova

2014-2016: Governing Board
2014: Graduate of Class VIII

Rancho Cordova Youth Soccer Club (RCSC)

2002: Coach
2003: U-6 Age Coordinator
2004: Coach & U-8 Boys Age Coordinator
2005: Coach & U-8 Girls Age Coordinator
2006: Coach & U-6 Age Coordinator
2007-2009: Club Manager & Coach
2012: Coach

American River Youth Soccer League (ARYSL)

2007-2009: Board Member – RCSC Representative
2010: League Treasurer

Cordova Girls Softball League

2010-2011: League Vice President
2011-2012: League Vice President
2012-2013: Secretary
2013-2014: Secretary
2014-2015: NORCAL Representative

Folsom Cordova Unified School District

Cordova High School Site Council
2014-2015: Parent Representative

Cordova Lane Elementary School Site Council

1998-2006: Elected Parent Representative

Navigator Elementary School Site Council

2006-2008: Elected Parent Representative

Measure M & P Oversight Committees

2014-2016: Parent/PTSO Member Representative



Executive Committee Agenda Item: 7

Date: January 6, 2020
Subject: Discuss the mid-year budget revision process
Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Executive committee should forward an item onto the January 27th Board agenda to allow the Board to consider a mid-year budget revision.

Current Background and Justification:

District policy and consistent practice has included a budget revision at approximately the midpoint in each fiscal year.

The fundamental process is to compare the budgeted line item amounts to the actual spending amounts and use that information to adjust line items (if necessary).

There are no largescale changes anticipated in this year's mid-year budget revision. However, staff would benefit from the relatively larger span of time between committee meeting and board meeting to provide the board with the most up to date information feasible.

Conclusion:

I recommend the Committee forward an item onto the January 27th Board agenda to allow the Board to consider the need for a mid-year budget revision.



Executive Committee Agenda Item: 8

Date: January 6, 2020
Subject: General Status Update from the District Engineer
Staff Contact: Mike Vasquez, PE PLS, Contract District Engineer

Recommended Committee Action:

Receive a status report on specific focus items currently being addressed by the District Engineer.

Current Background and Justification:

Subjects anticipated for discussion include:

- Well 16 Pumping Station
 - Solicitation for Bids
 - Schedule
- Proposition 84 RWA/DWR \$505K Grant Agreement
- Capital Improvement Projects List
- Elmwood Avenue Development

Conclusion:

I recommend the Executive Committee receive the status report from the Contract District Engineer. Then, if necessary and appropriate, forward an item(s) onto the January 27, 2020 Board of Directors Meeting agenda with recommendations as necessary.