

# SB998 – The Do's, The Don'ts & The “It Depends”!

**CALIFORNIA SOCIETY OF  
MUNICIPAL FINANCE OFFICERS**

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# Genesis of SB998 (Dodd)

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- SB 998 is an outgrowth of the Human Right to Water
- AB401 (Dodd), signed by Governor Brown in 2015, required the State Water Board to develop a low-income rate assistance program to be submitted to the legislature in a report that was due in February 2018
- During a State Water Board Workshop on Affordability in April 2018, Sen. Dodd expressed frustration with the lack of implementation of AB401 in the face of increasing water rates as the motivation for introducing SB998
- A task force was convened three times to discuss factors related to AB401 and estimated that the cost of providing assistance to low-income earners was about \$600 Million (about \$6/ month per connection)
- State Water Board staff released AB401 program options in January 2019
- Additional meetings have occurred; legislation to implement the Program likely



# SB998 (Dodd)

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- Applies to individually metered residential service to:
  - ✓ Detached single-family dwellings
  - ✓ Multi-unit residential structures
  - ✓ Mobile home parks
  - ✓ Where property owner or manager is the customer of record
- Supplier may have different policies that apply to commercial or other non-residential accounts
- Landlord-Tenant Provisions similar to SB120 apply
  - ✓ Tenants [all or one] can become customers
  - ✓ Occupants of **multi-family** to be given written notice **10 calendar days'** prior to possible shut-off; **single-family residence** get **7 calendar days'** notice





# Implementation Deadlines & Requirements

- ✓ PUC Regulated & “Urban Water Suppliers” by Feb 1, 2020
- ✓ All other suppliers with more than 200 connections by April 1, 2020

## Requirements:

- ✓ Must Adopt Service Discontinuation Policy
  - ✓ Translation in 5 languages in addition to English & in any other language if spoken by more than 10% of supplier’s population
  - ✓ Include a plan for deferred or reduced payments
  - ✓ Provide alternative payment schedules
  - ✓ Formal appeals process
  - ✓ Telephone number customers can call to discuss options



# Discontinuation Process



60-day waiting period  
during delinquency

Starts when???



At least 7 business days'  
notice before shut-off

- ✓ Could be given by telephone with offer to provide written policy and alternative payment schedule or other options
- ✓ Written notices must be mailed to customer's residence and/or property served with description of extended payment policies and other repayment alternatives
- ✓ Good faith effort to visit required if contacts are unsuccessful (returned mail)

# Prohibition on Shut-offs



**During  
appeal  
process**

**Failure to comply with agreed upon  
alternative or failure to pay current bill– 60  
days, then 5 business day notice**



**Agreement to a  
payment option  
before 60 days expire**



**If ALL the following conditions  
are met:**

- ✓ Health condition certification by a primary care provider: (i) life threatening; or (ii) serious threat
- ✓ If customer participates in CalFresh, CalWorks, Medi-Cal, etc. or if the customer declares income less than 200% of the Federal Poverty Level
- ✓ Willingness to enter into an appropriate payment arrangement (see next slide)

# Payment Arrangement Alternatives (supplier picks)

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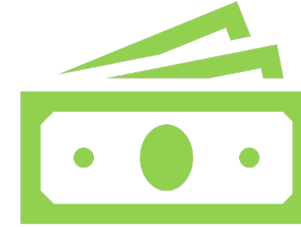
One or more of the following:

- Amortization of unpaid balance
- Alternative payment schedule
- Partial or full reduction of balance
- Temporary deferral of payments
- Can discontinue service on 5 business days' notice posted if:
  - Customer fails to comply with agreed upon payment arrangement for 60 days or more; or
  - Customer with agreed upon payment arrangement in place does not pay current charges for 60 days or more.

# Restoration of Service



Customers must be provided with written instructions for restoration of service after discontinuation occurs



## Limits on reconnection fees for low-income residents

- ✓ Reconnection during non-operational hours up to \$150 [no limits on non-low-income customers – actual costs]
- ✓ Reconnection during work hours up to \$50
- ✓ Interest waiver on delinquent account (once every 12 months)



# Reporting & Enforcement

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- Annually report number of shut-offs for inability to pay
  - State Water Resources Control Board
  - Water supplier's website
- Failure to implement policy, provide annual report, not following policy are subject to fines of \$1,000 per day, trigger compliance order with state's ability to recover enforcement and litigation costs
- California Attorney General may be called upon to take action
- Private citizens can sue

# Water Supplier System/Compliance Issues

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- Policy implementation and changes – relative to current policy and procedures
- Billing system updates/changes
- Changes to notices and door hangers
- Translation issues
- Customer outreach

**THANK YOU!**

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