

AMENDED IN ASSEMBLY AUGUST 8, 2013

AMENDED IN ASSEMBLY AUGUST 6, 2013

AMENDED IN SENATE MAY 24, 2013

AMENDED IN SENATE MAY 14, 2013

AMENDED IN SENATE APRIL 29, 2013

SENATE BILL

No. 750

Introduced by Senator Wolk
(Coauthor: Assembly Member Fong)

February 22, 2013

An act to add Chapter 2.5 (commencing with Section 1954.201) to Title 5 of Part 4 of Division 3 of, the Civil Code, and to add ~~Chapter 8.5~~ *Section 517 to, and Article 5* (commencing with Section 537) to *Chapter 8* of Division 1 of, the Water Code, relating to water.

LEGISLATIVE COUNSEL'S DIGEST

SB 750, as amended, Wolk. Building standards: water meters: multiunit structures.

(1) The Water Measurement Law requires every water purveyor to require, as a condition of new water service on and after January 1, 1992, the installation of a water meter to measure water service. That law also requires urban water suppliers to install water meters on specified service connections, and to charge water users based on the actual volume of deliveries as measured by those water meters in accordance with a certain timetable.

This bill would require a water purveyor that provides water service to a newly constructed multiunit residential structure or newly constructed mixed-use residential and commercial structure that submits

an application for a water connection after January 1, ~~2014~~ 2015, to require the installation of either a water meter, as defined, or a submeter, as defined, to measure water supplied *measurement of the quantity of water supplied* to each individual dwelling unit *and to permit the measurement to be by individual water meters or submeters, as defined.* The bill would require the owner of the structure to ensure that a water submeter installed for these purposes complies with laws and regulations governing ~~installation~~, approval of ~~meter type~~ *submeter types or the installation*, maintenance, reading, billing, and testing of ~~water~~ submeters, including, but not limited to, the California Plumbing Code. The bill would exempt certain ~~buildings~~ *structures* from these requirements. The bill would prohibit a water purveyor from imposing an additional capacity or connection fee or charge for a submeter that is installed by the owner, or his or her agent. *The bill would provide that these provisions shall become operative on January 1, 2015.*

(2) Existing law generally regulates the hiring of dwelling units and, among other things, imposes certain requirements on landlords and tenants. Among these requirements, existing law requires landlords to provide tenants with certain notices or disclosures pertaining to, among other things, pest control and gas meters.

This bill would, if a water purveyor requires the installation of a meter or submeter, as specified, or a submeter has been installed, impose further requirements on landlords, relating to submetered water service to individual dwelling units. The bill would ~~prohibit a landlord from charging tenants separately for water service in a property with submeters unless the submetering system is installed, operated, and maintained~~ *require a landlord to install and operate submeters in prescribed dwelling units*, as specified. The bill would require a landlord to make certain disclosures to the tenant prior to the execution of the rental agreement, ~~including, among other things, that the tenant will be billed for water separately from the rent and that the tenant will also be billed for a portion of any recurring fixed charge billed to the property by the water purveyor, as specified~~ *if the landlord intends to charge a tenant separately from rent for water service in a property with submeters.* The bill would specify that *as part of the monthly bill for water service* a landlord may only bill a tenant for volumetric water usage, as specified, ~~and a portion of any recurring fixed charge billed to the property by the water purveyor, as specified, a billing, administrative, or other fee, as prescribed, and a late charge.~~ The bill would specify that ~~the landlord's billing cycle for water service must~~

~~match that of the water purveyor payments are required to be due at the same point in each billing cycle, as prescribed, and that each bill must include and separately set forth certain information. The bill would prohibit a landlord from charging certain additional fees related to water service, except as provided. The bill would require a landlord to maintain and make available installation, maintenance, and testing records in writing the date the submeter was last inspected, tested, and verified and the data used to calculate the tenant's bill to a tenant upon the tenant's written or electronic request, as specified. The bill would require a landlord to make certain repairs on the water system in a dwelling investigate, and if warranted, rectify, a condition that indicates that water is being distributed to the tenant not at his or her direction, as specified. The bill would permit a landlord to enter a unit for specified purposes relating to a submeter or water fixture provided that certain requirements are met. The bill would permit the assessment of administrative fees and late fees, as specified. The bill would provide that these provisions shall become operative on January 1, 2015.~~

In addition to actual damages, this bill would permit a tenant to recover from the landlord certain damages, costs, and fees for a violation of these provisions. The bill would authorize a city, county, city and county, or district to enforce these provisions.

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

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

1 SECTION 1. Chapter 2.5 (commencing with Section 1954.201)
 2 is added to Title 5 of Part 4 of Division 3 of the Civil Code, to
 3 read:

4
 5 CHAPTER 2.5. WATER SERVICE
 6

7 1954.201. It is the intent of the Legislature in enacting this
 8 chapter to do both of the following:

9 (a) To encourage the conservation of water in multifamily
 10 residential rental buildings through means either within the
 11 landlord's or the tenant's control.

12 (b) To ensure that the practices involving the submetering of
 13 dwelling units for water service are just and reasonable, and include
 14 appropriate safeguards for both tenants and landlords.

1 1954.202. As used in this chapter:

2 (a) “Billing agent” means a person or entity who contracts to
3 provide submetering services to a landlord, including billing.

4 (b) “Landlord” includes all agents of the landlord, billing agents,
5 and successors in interest to the real property interests of the
6 landlord. “Landlord” does not include a tenant who rents all or a
7 portion of a dwelling unit to subtenants. “Landlord” does not
8 include a common interest development, as defined in Section
9 4100 of the Civil Code.

10 (c) “Property” means real property containing two or more
11 dwelling units that is served by a single meter.

12 (d) “Rental agreement” includes a fixed-term lease.

13 (e) “Renting” includes leasing, whether on a periodic or
14 fixed-term basis.

15 (f) “Submeter” means a device that measures water consumption
16 of an individual rental unit within a multiunit residential structure
17 or mixed-use residential and commercial structure, and which is
18 owned and operated by the landlord. ~~“Submeter” includes~~
19 ~~submeters, if more than one submeter is being used to measure~~
20 ~~water usage in a particular dwelling unit.~~

21 (g) “Water service” includes any charges for other services,
22 including sewage or storm water services, that are based in whole
23 or in part on the volume of water usage recorded by a water meter
24 *or submeter.*

25 (h) “Water purveyor” means a water purveyor as defined in
26 Section 512 of the Water Code.

27 1954.203. (a) ~~A landlord shall not charge tenants separately~~
28 ~~for water service in a property with submeters unless the~~
29 ~~submetering system is installed, operated, and maintained~~ *subject*
30 *to this chapter shall install and operate submeters* as follows:

31 (1) The submeter is ~~certified~~ *inspected, tested, and verified* for
32 commercial purposes pursuant to law, including, but not limited
33 to, Section 12500.5 of the Business and Professions Code.

34 (2) The installation conforms to all laws, including, but not
35 limited to, regulations established pursuant to Section 12107 of
36 the Business and Professions Code. *However, the installation need*
37 *not comply with a requirement that an outside faucet be under the*
38 *exclusive use of the tenant, provided that the tenant is notified*
39 *upon commencement of the tenancy that water dispensed from the*
40 *faucet shall be charged to the tenant. The landlord shall establish*

1 *reasonable rules to prohibit the use of the faucet by any person*
2 *other than the tenant.*

3 ~~(3) The installation was performed by a registered service~~
4 ~~agency as defined in Section 12531 of the Business and Professions~~
5 ~~Code.~~

6 ~~(4) The submeter is operated in compliance with regulations~~
7 ~~established pursuant to Section 12107 of the Business and~~
8 ~~Professions Code.~~

9 ~~(5)~~

10 (3) The submeter for a dwelling unit measures only water that
11 is supplied for the exclusive use of the particular dwelling unit and
12 only to an area within the exclusive possession and control of the
13 tenant of the dwelling unit. *However, the installation need not*
14 *comply with a requirement that an outside faucet be under the*
15 *exclusive use of the tenant, provided that the tenant is notified*
16 *upon commencement of the tenancy that water dispensed from the*
17 *faucet shall be charged to the tenant. The landlord shall establish*
18 *reasonable rules to prohibit the use of the faucet by any person*
19 *other than the tenant.*

20 ~~(6)~~

21 (4) The primary submeter indicator or remote reader may be
22 easily accessed and read by the tenant of the dwelling unit, and
23 read by the owner landlord without entering the dwelling unit.

24 ~~(7)~~

25 (5) Each submeter is reinspected and recalibrated within the
26 time limits specified in law or regulation.

27 ~~(8)~~

28 (6) All plumbing fixtures and fittings within each dwelling unit
29 conform to all laws regarding habitability of dwellings and water
30 conservation.

31 (b) This section does not require a water purveyor to assume
32 responsibility for ensuring compliance with any law or regulation
33 governing installation, certification, maintenance, and testing of
34 submeters and associated onsite plumbing.

35 1954.204. Prior to executing a rental agreement, a landlord
36 that intends to charge a tenant separately *from rent* for water service
37 *in a property with submeters* shall clearly disclose the following
38 information to the tenant, in writing, in at least 10-point type, which
39 may be incorporated into the rental agreement:

- 1 (a) That the tenant will be billed for water service separately
2 from the rent.
- 3 ~~(b) The average bill for water service for units at the property~~
4 ~~over the most recent calendar year or, if the building is less than~~
5 ~~one year old, a portion of that calendar year.~~
- 6 (b) *An estimate of the monthly bill for water service for units*
7 *at the property, which may be expressed as a range with up to a*
8 *25 percent difference in average or median usage, determined by*
9 *either of the following:*
- 10 (1) *The average bill for water service for comparative units at*
11 *the property over three of the past six months.*
- 12 (2) *Using the national average of 3,600 gallons of water used*
13 *per unit per month as a basis for the bill and including any charges*
14 *pursuant to paragraphs (2) and (3) of subdivision (a) of Section*
15 *1954.205.*
- 16 ~~(c) The frequency of submeter readings.~~
17 ~~(d)~~
- 18 (c) *The due dates and payment procedures for bills for water*
19 *service.*
- 20 (e)
- 21 (d) *If a billing agent is used, the agent's name, address, email*
22 *address, normal hours of operation, and toll-free telephone number*
23 *of a toll-free telephone number or a local number for the tenant*
24 *to call the agent, and the days and hours the agent is available by*
25 *phone at either number for the tenant to contact the agent*
26 *regarding billing questions.*
- 27 (e) *That the monthly bill for water service may only include four*
28 *charges:*
- 29 (1) *Payment due for the amount of usage as measured by the*
30 *submeter, charged at the exact same rate or rates as the water*
31 *purveyor.*
- 32 (2) *Payment of a portion of the fixed fee charged by the water*
33 *purveyor for water service divided equally among all the units in*
34 *the property.*
- 35 (3) *A fee for the landlord's or billing agent's costs, up to four*
36 *dollars (\$4) per month or 40 percent of the amount billed for the*
37 *actual amount of water used, whichever is less.*
- 38 (4) *A late fee, with the amounts and times assessed, in*
39 *compliance with Section 1954.213.*

1 (f) The date the submeter was last ~~tested and calibrated~~
2 *inspected, tested, and verified*, and the date by which it must be
3 ~~retested and recalibrated under law~~ *reinspected, tested, and verified*
4 *under law, if available. If this information is not available, the*
5 *landlord shall disclose that the information is not available.*

6 ~~(g) A statement in substantially the following form:~~

7
8 ~~The landlord (or name of landlord) shall charge you (or name~~
9 ~~of tenant, or term used in the rental agreement for the tenant) for~~
10 ~~water use at the same rate that the (water purveyor) bills its~~
11 ~~customers for residential use. To find out what the rate charged~~
12 ~~by (water purveyor) is, contact (water purveyor) at (address),~~
13 ~~(telephone number).~~

14
15 ~~(h) A statement that the tenant shall be charged for water service~~
16 ~~at the exact rate or rates charged by the water purveyor serving~~
17 ~~the property.~~

18 ~~(i) A statement that the tenant shall also be charged for a portion~~
19 ~~of any recurring fixed charge billed to the property by the water~~
20 ~~purveyor and that the tenant's portion of the recurring fixed charge~~
21 ~~shall be proportional to the amount of water the tenant uses in~~
22 ~~relation to the usage for the entire property.~~

23 ~~(j) The current amount of the recurring fixed charge referred to~~
24 ~~in subdivision (i).~~

25 ~~(k) A statement that no other connection, disconnection, billing,~~
26 ~~or other periodic fee or charge, except for an administrative fee,~~
27 ~~a late fee, or a submeter testing fee, may be assessed. If the landlord~~
28 ~~reserves the right to charge an administrative fee or a late fee, the~~
29 ~~amount and terms of the administrative fee or the late fee shall~~
30 ~~also be disclosed.~~

31 ~~(l)~~

32 ~~(g) The location of the submeter, and directions on how to read~~
33 ~~the submeter.~~

34 ~~(h) A statement that if the tenant believes that the submeter~~
35 ~~reading is inaccurate or the submeter is malfunctioning, the tenant~~
36 ~~may contact the local county sealer and request that the submeter~~
37 ~~be tested. Contact information for the county sealer shall be~~
38 ~~included in the disclosure to the tenant.~~

39 ~~(i) A statement that this disclosure is only a summary of~~
40 ~~information that a landlord must provide to a tenant if the landlord~~

1 *intends to charge a tenant separately from rent for water service*
2 *in a property with submeters.*

3 1954.205. (a) ~~As part of a water service bill~~ *the monthly bill*
4 *for water service*, a landlord shall only bill a tenant for volumetric
5 *the following:*

6 (1) Volumetric usage of water service pursuant to subdivision
7 ~~(b) and for a portion of any (b).~~

8 (2) Any recurring fixed charge for water service billed to the
9 property by the water purveyor pursuant to subdivision (f). The
10 landlord shall not impose any periodic, connection, termination,
11 or other fee, however denominated, except for administrative fees,
12 late fees, or testing fees as provided in this chapter. *that, at the*
13 *landlord's discretion, shall be calculated by either of the following:*

14 (A) *The proportion of the tenant's volumetric water use, as*
15 *shown on the submeter, in relation to the water use of the entire*
16 *property, as shown on the property's water meter.*

17 (B) *Dividing the total fixed charge equally among the total*
18 *number of residential units and non-residential units served by a*
19 *single meter operated by a water purveyor.*

20 (3) *A billing, administrative, or other fee for the landlord's and*
21 *billing agent's costs, not to exceed 40 percent of the amount billed*
22 *under paragraph (1) or four dollars (\$4), whichever is less.*
23 *Beginning January 1, 2018, the fee imposed pursuant to this*
24 *paragraph may be adjusted annually by the landlord commensurate*
25 *with an increase in the Consumer Price Index.*

26 (4) *A late charge as assessed pursuant to Section 1954.213.*

27 (b) The amount of the volumetric portion of the bill shall be
28 calculated by multiplying the volume of water used, as determined
29 by the submeter for the billing period in question, by the rate or
30 rates for volumetric usage established by the water purveyor ~~of~~
31 *for water service for residential use the property.*

32 (c) If the *rate or rates* established by the water purveyor change,
33 the bill shall be prorated to reflect the time each rate was in effect.
34 The landlord may assess charges for the entire billing period based
35 on the lower rate.

36 (d) If a submeter reading for the beginning or end of a billing
37 period is, in good faith, not available, the landlord ~~may~~ *shall* bill
38 the tenant ~~75 percent of the amount originally disclosed to the~~
39 ~~tenant pursuant to subdivision (b) of Section 1954.204~~ *according*
40 *to Section 1954.210.*

1 ~~(e) No charges shall be imposed under this chapter if readings~~
2 ~~have been unavailable for more than three months.~~

3 ~~(f) The amount of the recurring fixed charge for water service~~
4 ~~billed to the property by the water purveyor to be charged to the~~
5 ~~tenant shall be based on the proportion of the tenant's volumetric~~
6 ~~water use, as shown on the submeter, in relation to the water use~~
7 ~~of the entire property, as shown on the property's water meter.~~

8 *(e) This section shall apply to leases first entered into or*
9 *renewed on or after January 1, 2014. For leases first entered into*
10 *or renewed prior to January 1, 2014, this section shall apply but*
11 *the landlord may additionally bill the tenant for other charges as*
12 *provided in the lease, including, but not limited to, beginning and*
13 *ending water service.*

14 ~~1954.206. (a) The billing cycle for a water service bill pursuant~~
15 ~~to this chapter shall match that of the water purveyor.~~

16 ~~(b)~~

17 *1954.206. (a) Submeters shall be read within three days of the*
18 *same point in each billing cycle.*

19 ~~(e) Bills~~

20 *(b) Payments shall be due at the same point in each billing cycle.*
21 *However, bills payments shall be due no earlier than 10 days after*
22 *mailing, if mailed, or five days after personal delivery. A tenant*
23 *may agree in writing to receive a bill electronically, in which case*
24 *payments are due five days after electronic delivery. A tenant may*
25 *rescind authorization for electronic delivery of bills at any time.*
26 *A tenant shall not be required to pay bills electronically.*

27 ~~(d)~~

28 *(c) Bills shall include and separately set forth the following*
29 *information:*

30 *(1) The submeter readings for the beginning and end date and*
31 *ending date of the billing cycle, the dates read, and the indicated*
32 *consumption as determined by subtracting the amount of the*
33 *beginning date submeter reading from the amount of the ending*
34 *date submeter reading.*

35 *(2) The unit of measure for the readings and usage amounts*
36 *billed pursuant to paragraphs (1) to (4), inclusive, of subdivision*
37 *(a) of Section 1954.205.*

38 *(3) The rate or rates charged for the volumetric charge per unit*
39 *of measure.*

40 ~~(4) The amount of the current charges for volumetric use.~~

- 1 ~~(5) The amount of any recurring fixed charge for water service~~
2 ~~billed to the property by the water purveyor.~~
- 3 ~~(6) The total water consumption for the property, as indicated~~
4 ~~by the property's water meter.~~
- 5 ~~(7) The percentage of the total water consumption of the~~
6 ~~property that was consumed by the tenant.~~
- 7 ~~(8) The amount of current charges assessed to the tenant for the~~
8 ~~tenant's share of any recurring fixed charges for water service~~
9 ~~billed to the property by the water purveyor.~~
- 10 ~~(9) A separate entry showing past due amounts, if any.~~
- 11 ~~(10) A separate entry showing any previously imposed late~~
12 ~~charges.~~
- 13 *(4) The amount, if any, still owing from the previous month's*
14 *bill.*
- 15 *(5) The amount, if any, still owing from bills prior to the*
16 *previous month's bill.*
- 17 *(6) The late fee, if any, imposed on amounts specified in*
18 *paragraph (4) or (5).*
- 19 ~~(11)~~
- 20 *(7) The total amount due.*
- 21 ~~(12)~~
- 22 *(8) The due date for the bill payment.*
- 23 ~~(13)~~
- 24 ~~(9) A statement of the amount of any new late charges, if any,~~
25 ~~and when the late charges fees would apply. Late charges shall be~~
26 ~~imposed pursuant to Section 1954.212.~~
- 27 ~~(14)~~
- 28 ~~(10) The name, mailing address, email address, telephone~~
29 ~~number, and the regular business hours of the person or persons~~
30 ~~telephone hours during which the tenant may call with contact~~
31 ~~the billing agent with questions or concerns regarding the bill, and~~
32 ~~who is authorized to bill. The landlord or billing agent shall have~~
33 ~~in place procedures to make any necessary adjustments to the bill~~
34 ~~upon contact by the tenant. If a billing agent is used, the name of~~
35 ~~the entity shall also be disclosed and the telephone number of the~~
36 ~~billing agent shall be either a toll free or a local number for the~~
37 ~~tenant to contact the billing agent.~~
- 38 *(11) A statement that the biller is not the water purveyor that*
39 *includes the name of the local water purveyor providing the water*
40 *service to the master meter.*

1 ~~1954.207. A submeter shall be read within three days of the~~
2 ~~beginning or end of a tenancy to determine the amount of the first~~
3 ~~or last bill for water service. Tenancies that begin or end within~~
4 ~~three days of a normal reading may be billed as usual.~~

5 *1954.207. (a) At the beginning of a tenancy, a submeter shall*
6 *be read after the tenant takes possession. If a regular monthly*
7 *reading occurs less than five days prior to the tenant taking*
8 *possession, that reading may be substituted to establish usage.*

9 *(b) For a water-service bill at the end of a tenancy, the submeter*
10 *shall be read within five days, if possible. If the submeter cannot*
11 *be read within five days at the end of a tenancy, the bill amount*
12 *for the final month shall be based on the bill amount for the*
13 *previous month. Tenancies that end within five days of a regular*
14 *monthly reading may be billed according to that reading. At the*
15 *end of a tenancy, payment shall be due no earlier than 10 days*
16 *after mailing of the bill, if mailed, or five days after personal*
17 *delivery, or five days after electronic delivery.*

18 *1954.208. (a) A landlord shall not charge or recover, or allow*
19 *to be charged or recovered, any of the following:*

20 ~~(1) Any additional servicing, establishment, maintenance, meter~~
21 ~~reading, meter testing, billing, or submetering fees, or any other~~
22 ~~fee, including those charged by a billing agent, except as provided~~
23 ~~in Section 1954.210.~~

24 ~~(2) Any recovered fees billed to the landlord by the water~~
25 ~~purveyor, billing agent, or any other person for any deposit,~~
26 ~~disconnection, reconnection, late payment, or any other water~~
27 ~~service related purpose. penalty.~~

28 (b) This section does not prohibit a landlord from recovering
29 any costs listed in subdivision (a) that are incorporated into the
30 rent for a dwelling unit, if the rent is a fixed amount per rental
31 period, the charges are not listed separately, and the rental charges
32 are otherwise lawful.

33 *1954.209. The landlord shall maintain and make available in*
34 *writing, at the tenant's written or electronic request, within seven*
35 *days after the request, the following:*

36 ~~(a) All installation and maintenance records of the submeter in~~
37 ~~the tenant's dwelling unit, including the name, license number,~~
38 ~~and contact information of the registered service agency that~~
39 ~~installed or serviced the submeter.~~

- 1 ~~(b) The most recent test results of the submeter in the tenant's~~
- 2 ~~dwelling unit.~~
- 3 ~~(e) The method and sources used to determine the rate at which~~
- 4 ~~the tenant is charged for water.~~
- 5 ~~(a) The date the submeter was last inspected, tested, and verified~~
- 6 ~~for use, to the extent this information is available.~~
- 7 ~~(b) The data used to calculate the tenant's bill, as follows:~~
- 8 ~~(1) The most recent water bill for the property's master water~~
- 9 ~~meter showing the recurring fixed charge for water service billed~~
- 10 ~~to the property by the water purveyor, and the usage charges for~~
- 11 ~~the property, including any tiered amounts.~~
- 12 ~~(2) Any other bills for water service, as defined in subdivision~~
- 13 ~~(g) of Section 1954.202, for the property.~~
- 14 ~~(3) The number of units in the property.~~
- 15 ~~(4) If not shown on the bill for the property, the per unit charges~~
- 16 ~~for volumetric water usage, including any tiered amounts.~~
- 17 ~~(5) The formula used to calculate the charge for the tenant's~~
- 18 ~~volumetric water usage.~~
- 19 ~~1954.210. (a) If the water system in a dwelling unit does not~~
- 20 ~~function properly, including leaks, fixtures allowing unnecessary~~
- 21 ~~water consumption, or a malfunctioning submeter, the tenant may~~
- 22 ~~request that the landlord repair the problem. The landlord shall~~
- 23 ~~make the repairs within seven days.~~
- 24 ~~(b) A tenant may request that a landlord have a submeter tested~~
- 25 ~~for accuracy. The landlord shall respond to the request within seven~~
- 26 ~~days, and the test shall be carried out as soon as reasonably~~
- 27 ~~practicable. The test shall be performed by a registered service~~
- 28 ~~agency or other person authorized by law to perform the test. If~~
- 29 ~~the test shows that the submeter is inaccurate beyond the tolerances~~
- 30 ~~established by law, the landlord shall repair or replace the submeter.~~
- 31 ~~If the test shows the submeter was indicating more usage than the~~
- 32 ~~actual amount used and beyond established tolerances, the landlord~~
- 33 ~~shall refund the estimated overcharge to the tenant within 30 days~~
- 34 ~~of receipt of the results.~~
- 35 ~~(c) The landlord shall pay for the cost of the test if either:~~
- 36 ~~(1) The tenant requests the test because the submeter has~~
- 37 ~~indicated that water usage has increased more than 25 percent for~~
- 38 ~~two consecutive billing periods over the previous three billing~~
- 39 ~~periods.~~

1 ~~(2) The submeter is found to be inaccurate beyond the tolerances~~
2 ~~established by law.~~

3 ~~(d) The tenant shall pay for the test in all other cases, up to a~~
4 ~~maximum of seventy-five dollars (\$75).~~

5 ~~(e) The landlord is not required to test a submeter under~~
6 ~~subdivision (b) if the submeter was tested and found accurate~~
7 ~~within two years prior to the tenant's request and the landlord~~
8 ~~provides the written results of that test to the tenant. However, the~~
9 ~~landlord shall have the submeter tested if the tenant pays in advance~~
10 ~~for the entire cost of the test.~~

11 ~~1954.211. (a) A landlord may charge an administrative fee for~~
12 ~~the actual costs of reading submeters and providing billing services,~~
13 ~~up to a maximum of four dollars (\$4) per submetered tenant per~~
14 ~~month for water service bills totaling ten dollars (\$10) or more. If~~
15 ~~a water service bill totals nine dollars and ninety-nine cents (\$9.99)~~
16 ~~or under, a landlord may charge an administrative fee for the actual~~
17 ~~costs of reading submeters and providing billing services up to 40~~
18 ~~percent of the water service bill per submetered tenant per month.~~

19 ~~(b) Beginning January 1, 2017, an administrative fee imposed~~
20 ~~pursuant to this section may be adjusted annually by the landlord~~
21 ~~commensurate with an increase in the Consumer Price Index.~~

22 ~~1954.212. (a) A landlord may impose a late fee of up to 5~~
23 ~~percent for any water service bill not paid within 20 days of its~~
24 ~~due date. If the 20th day falls on a Saturday, Sunday, or holiday,~~
25 ~~the late fee shall not be imposed until the day after the first business~~
26 ~~day following the 20th day.~~

27 ~~(b) (1) Notwithstanding Section 1950.5, if a water service bill~~
28 ~~remains unpaid after the time described in subdivision (a) expires,~~
29 ~~the landlord may, in lieu of a late fee, deduct the amount due from~~
30 ~~the tenant's security deposit. The landlord may require an~~
31 ~~additional deposit of security following a deduction, if the deposit~~
32 ~~would be otherwise lawful under Sections 827 and 1950.5.~~

33 ~~(2) The landlord may also deduct an unpaid water service bill~~
34 ~~from the security deposit upon the ending of a tenancy, provided~~
35 ~~that the last water service bill showing the amount due is attached~~
36 ~~to the documentation required by Section 1950.5, and all the other~~
37 ~~requirements of that section are met.~~

38 ~~(c) If a water service bill remains unpaid for 30 days after its~~
39 ~~due date, the nonpayment shall constitute a curable breach of a~~

1 ~~material lease obligation. The landlord may commence an action~~
2 ~~to remedy the breach, as provided by law.~~

3 ~~(d) Water service charges under this chapter shall not constitute~~
4 ~~rent.~~

5 ~~(e) A landlord shall not shut off the water or otherwise interfere~~
6 ~~with the provision of water service to a dwelling unit for any~~
7 ~~reason, including nonpayment of a bill assessed pursuant to this~~
8 ~~chapter.~~

9 1954.210. (a) *If a tenant notifies the landlord, or the landlord*
10 *otherwise becomes aware, of a condition that indicates that water*
11 *is being distributed to the tenant not at his or her direction,*
12 *including, but not limited to, a leak, a drip, a running toilet, or a*
13 *submeter reading indicating constant or abnormal water usage,*
14 *the landlord shall investigate, and if warranted, rectify the*
15 *condition.*

16 (b) *If the condition is rectified more than 10 days after the initial*
17 *investigation, the tenant's volumetric usage for any month or*
18 *months that include the period between 10 days after the initial*
19 *investigation and the repair shall be deemed to be fifteen dollars*
20 *(\$15) or actual usage, whichever is less. At the landlord's option,*
21 *if submeter readings are available to determine the usage at a*
22 *point prior to investigation and a point following repair, usage*
23 *shall be deemed to be fifty cents (\$0.50) per day for those days*
24 *between the two submeter readings or actual usage, whichever is*
25 *less.*

26 (c) *If the condition remains unrectified for six months after*
27 *investigation, no further volumetric usage charges may be imposed*
28 *until the condition is repaired.*

29 1954.211. (a) *The landlord may enter the unit for the purpose*
30 *of installing, repairing, testing, and maintaining a submeter or for*
31 *the purpose of repairing or testing any water fixture suspected by*
32 *the landlord or reported by the tenant to be in need of repair,*
33 *provided the requirements of Section 1954 are met.*

34 (b) *The landlord may also enter a unit to read a submeter,*
35 *provided the requirements of this chapter and Section 1954 are*
36 *met.*

37 1954.212. (a) *If a monthly submeter reading necessary to*
38 *measure volumetric usage is unavailable, the landlord may bill*
39 *the tenant 75 percent of the average amount billed for volumetric*
40 *usage for the last three months for which complete billing*

1 *information is available. The landlord shall disclose the adjustment*
2 *on the bill.*

3 *(b) If no complete billing information is available for the prior*
4 *three months, the volumetric usage charge shall be deemed to be*
5 *50 cents (\$.50) per day that the data is not available.*

6 *(c) If monthly submeter readings remain unavailable for more*
7 *than six months, the volumetric usage charge shall be deemed to*
8 *be zero for any subsequent month that the data is not available.*

9 *1954.213. (a) A landlord may impose a late fee for any water*
10 *service bill not paid within 20 days of its due date. If the 20th day*
11 *falls on a Saturday, Sunday, or holiday, the late fee shall not be*
12 *imposed until the day after the first business day following the*
13 *20th day.*

14 *(b) A late fee of up to seven dollars (\$7) may be imposed if any*
15 *amount of a bill remains unpaid after the time described in*
16 *subdivision (a). A late fee of up to ten dollars (\$10) may be imposed*
17 *if any amount remains unpaid after 50 days, as calculated in the*
18 *same manner as described in subdivision (a). If any partial*
19 *payments are made, they shall be credited against the bill that has*
20 *been outstanding the longest.*

21 *(c) (1) Notwithstanding Section 1950.5, if a water service bill*
22 *remains unpaid after the time described in subdivision (a) expires,*
23 *the landlord may, in lieu of a late fee, deduct the amount due from*
24 *the tenant's security deposit. The landlord may require an*
25 *additional deposit of security following a deduction, if the deposit*
26 *would be otherwise lawful under Sections 827 and 1950.5.*

27 *(2) The landlord may also deduct an unpaid water service bill*
28 *from the security deposit upon the ending of a tenancy, provided*
29 *that the last water service bill showing the amount due is attached*
30 *to the documentation required by Section 1950.5, and all the other*
31 *requirements of that section are met.*

32 *(d) If a water service bill remains unpaid for 30 days after its*
33 *due date, the nonpayment shall constitute a curable breach of a*
34 *material lease obligation. The landlord may commence an action*
35 *to remedy the breach, as provided by law.*

36 *(e) Water service charges under this chapter shall not constitute*
37 *rent.*

38 *(f) A landlord shall not shut off the water or otherwise interfere*
39 *with the provision of water service to a dwelling unit for any*

1 *reason, including nonpayment of a bill assessed pursuant to this*
2 *chapter.*

3 ~~1954.213.~~

4 *1954.214.* In addition to actual damages sustained by a tenant
5 for a violation of this chapter, the tenant may recover from the
6 landlord three times the amount of actual damages, reasonable
7 attorney's fees, and costs. The landlord may also be liable for a
8 civil penalty of up to one month's rent, unless the landlord shows
9 that the violation was made in good faith and not part of a pattern
10 and practice of violations of this chapter.

11 ~~1954.214.~~

12 *1954.215.* (a) A city, county, city and county, or district may
13 enforce this chapter.

14 (b) This chapter does not preclude or preempt an ordinance that
15 regulates the approval of submeter types or the installation,
16 maintenance, reading, billing, or testing of submeters and
17 associated onsite plumbing if the ordinance meets either of the
18 following requirements:

19 ~~(1) Is ordinance was adopted prior to January 1, 2013.~~

20 ~~(2) Meets or exceeds the minimum requirements provided by~~
21 ~~this chapter.~~

22 ~~1954.215.~~

23 *1954.216.* The rights or obligations established under this
24 chapter shall not be waived. Any purported waiver is void.

25 ~~1954.216.~~ This chapter applies only to property where
26 submeters have been installed or where a meter and submeters are
27 installed pursuant to Chapter 8.5 (commencing with Section 537)
28 of Division 1 of the Water Code.

29 *1954.217.* (a) *This chapter shall apply to both of the following:*

30 *(1) All dwelling units offered for rent or rented in a building*
31 *where submeters were installed pursuant to Article 5 (commencing*
32 *with Section 537) of Chapter 8 of Division 1 of the Water Code.*

33 *(2) All other dwelling units where a landlord has previously*
34 *installed and uses or voluntarily installs and uses a submeter to*
35 *charge a tenant separately for water service.*

36 *(b) Nothing in this chapter shall do the following:*

37 *(1) Apply to any building without submeters installed and in*
38 *use.*

39 *(2) Be construed to enlarge or diminish the rights or obligations*
40 *with respect to charges or allocation methods to determine water*

1 *service costs to tenants in a building without submeters installed*
2 *and in use.*

3 1954.218. *A submeter system that measures only a portion of*
4 *a dwelling unit’s water usage, including, but not limited to, a*
5 *system that measures only hot water usage, shall not be subject to*
6 *this chapter, if the system is first put in service before January 1,*
7 *2014.*

8 1954.219. *This chapter shall become operative on January 1,*
9 *2015.*

10 SEC. 2. ~~Chapter 8.5 (commencing with Section 537) is added~~
11 ~~to Division 1 of the Water Code, to read:~~

12
13 CHAPTER 8.5. MULTIUNIT STRUCTURES

14
15 537. (a) ~~The following definitions govern the construction of~~
16 ~~this chapter:~~

17 (1) ~~“Meter” has the same meaning as “water meter” in Section~~
18 ~~516.~~

19 (2) ~~“Submeter” means a device that measures water consumption~~
20 ~~of an individual unit within a multiunit residential structure or~~
21 ~~mixed-use residential and commercial structure, and is read by the~~
22 ~~owner of the structure or the owner’s agent.~~

23 (b) ~~Structures in all of the following categories shall be exempt~~
24 ~~from this chapter:~~

25 (1) ~~Low-income housing. For purposes of this paragraph,~~
26 ~~“low-income housing” means a residential building financed with~~
27 ~~low-income housing tax credits, tax-exempt mortgage revenue~~
28 ~~bonds, general obligation bonds, or local, state, or federal loans~~
29 ~~or grants, for which the rents of the occupants in lower income~~
30 ~~households, as defined in Section 50079.5 of the Health and Safety~~
31 ~~Code, do not exceed rents prescribed by deed restrictions or~~
32 ~~regulatory agreements pursuant to the terms of the financing or~~
33 ~~financial assistance, and for which not less than 25 percent of the~~
34 ~~dwelling units within the building are designated for occupancy~~
35 ~~by lower income households, as defined in Section 50079.5 of the~~
36 ~~Health and Safety Code.~~

37 (2) ~~Student dormitories.~~

38 (3) ~~Long-term health care facilities, as defined in Section 1418~~
39 ~~of the Health and Safety Code.~~

1 ~~(4) Time-share property, as defined in subdivision (aa) of~~
2 ~~Section 11212 of the Business and Professions Code.~~

3 ~~(5) Residential care facilities, as defined in subdivision (k) of~~
4 ~~Section 1569.2 of the Health and Safety Code.~~

5 ~~(e) A submeter used to measure water supplied to an individual~~
6 ~~residential unit that is required to be installed by a water purveyor~~
7 ~~pursuant to this chapter, shall be of a type approved pursuant to~~
8 ~~Section 12500.5 of the Business and Professions Code, and shall~~
9 ~~be installed and operated in compliance with regulations established~~
10 ~~pursuant to Section 12107 of the Business and Professions Code.~~

11 ~~538. (a) Each water purveyor that sells, leases, rents, furnishes,~~
12 ~~or delivers water service to a newly constructed multiunit~~
13 ~~residential structure or newly constructed mixed-use residential~~
14 ~~and commercial structure for which an application for a water~~
15 ~~connection, or more than one connection, is submitted after January~~
16 ~~1, 2014, shall require the installation of a water meter or submeter~~
17 ~~to measure the water supplied to each individual dwelling unit as~~
18 ~~a condition of new water service.~~

19 ~~(b) (1) If the water purveyor requires installation of submeters~~
20 ~~pursuant to subdivision (a), the owner of the structure shall ensure~~
21 ~~that each submeter installed complies with all laws and regulations~~
22 ~~governing the approval of submeter types or the installation,~~
23 ~~maintenance, reading, billing, and testing of submeters, including,~~
24 ~~but not limited to, the California Plumbing Code.~~

25 ~~(2) This subdivision does not require a water purveyor to fund~~
26 ~~or assume responsibility for ensuring compliance with any law or~~
27 ~~regulation governing the approval of submeter types or the~~
28 ~~installation, maintenance, reading, billing, and testing of submeters~~
29 ~~and associated onsite plumbing.~~

30 ~~(c) A water purveyor shall not impose an additional capacity or~~
31 ~~connection fee or charge for a submeter that is installed by the~~
32 ~~owner, or his or her agent.~~

33 ~~538.5. (a) This chapter does not restrict the authority of a water~~
34 ~~purveyor, city, county, city and county, or other local agency to~~
35 ~~adopt and implement a program to promote water conservation~~
36 ~~that includes the installation of water meters and submeters, as~~
37 ~~required pursuant to subdivision (a) of Section 538, if the program~~
38 ~~is at least as stringent as the requirements of this chapter.~~

39 ~~(b) This chapter does not preclude or preempt an ordinance that~~
40 ~~regulates the approval of submeter types or the installation,~~

1 maintenance, reading, billing, or testing of submeters and
2 associated onsite plumbing if the ordinance meets either of the
3 following requirements:

- 4 (1) ~~Is adopted prior to January 1, 2013.~~
- 5 (2) ~~Meets or exceeds the minimum requirements provided by~~
6 ~~this chapter.~~

7 539. ~~It is the intent of the Legislature that this chapter should~~
8 ~~not be construed to impose costs on any local government agency,~~
9 ~~except to the extent that the local government agency is a water~~
10 ~~purveyor.~~

11 *SEC. 2. Section 517 is added to the Water Code, to read:*
12 *517. "Submeter" means a device that measures water*
13 *consumption of an individual unit within a multiunit residential*
14 *structure or mixed-use residential and commercial structure, and*
15 *is read by the owner of the structure or the owner's agent.*

16 *SEC. 3. Article 5 (commencing with Section 537) is added to*
17 *Chapter 8 of Division 1 of the Water Code, to read:*

18
19 *Article 5. Multiunit Structures*
20

21 *537. (a) Structures in all of the following categories shall be*
22 *exempt from this chapter:*

23 *(1) Low-income housing. For purposes of this paragraph,*
24 *"low-income housing" means a residential building financed with*
25 *low-income housing tax credits, tax-exempt mortgage revenue*
26 *bonds, general obligation bonds, or local, state, or federal loans*
27 *or grants, for which the rents of the occupants in lower income*
28 *households, as defined in Section 50079.5 of the Health and Safety*
29 *Code, do not exceed rents prescribed by deed restrictions or*
30 *regulatory agreements pursuant to the terms of the financing or*
31 *financial assistance, and for which not less than 25 percent of the*
32 *dwelling units within the building are designated for occupancy*
33 *by lower income households, as defined in Section 50079.5 of the*
34 *Health and Safety Code.*

35 *(2) Student dormitories.*

36 *(3) Long-term health care facilities, as defined in Section 1418*
37 *of the Health and Safety Code.*

38 *(4) Time-share property, as defined in subdivision (aa) of*
39 *Section 11212 of the Business and Professions Code.*

1 (5) Residential care facilities, as defined in subdivision (k) of
2 Section 1569.2 of the Health and Safety Code.

3 (b) A submeter used to measure water supplied to an individual
4 residential unit that is required to be installed by a water purveyor
5 pursuant to this chapter shall be of a type approved pursuant to
6 Section 12500.5 of the Business and Professions Code and shall
7 be installed and operated in compliance with regulations
8 established pursuant to Section 12107 of the Business and
9 Professions Code.

10 538. (a) Each water purveyor that sells, leases, rents,
11 furnishes, or delivers water service to a newly constructed multiunit
12 residential structure or newly constructed mixed-use residential
13 and commercial structure for which an application for a water
14 connection, or more than one connection, is submitted after
15 January 1, 2015, shall require a measurement of the quantity of
16 water supplied to each individual dwelling unit as a condition of
17 new water service. The measurement may be by individual water
18 meters or submeters. Applicants shall provide appropriate
19 documentation to the water purveyor that identifies the location
20 of the water meters or submeters.

21 (b) (1) If the water purveyor requires installation of submeters
22 pursuant to subdivision (a), the owner of the structure shall ensure
23 that each submeter installed complies with all laws and regulations
24 governing the approval of submeter types or the installation,
25 maintenance, reading, billing, and testing of submeters, including,
26 but not limited to, the California Plumbing Code.

27 (2) This subdivision does not require a water purveyor to fund
28 or assume responsibility for ensuring compliance with any law or
29 regulation governing the approval of submeter types or the
30 installation, maintenance, reading, billing, and testing of submeters
31 and associated onsite plumbing.

32 (c) A water purveyor shall not impose an additional capacity
33 or connection fee or charge for a submeter that is installed by the
34 owner, or his or her agent.

35 538.5. (a) This article does not preclude or preempt an
36 ordinance that regulates the approval of submeter types or the
37 installation, maintenance, reading, billing, or testing of submeters
38 and associated onsite plumbing if the ordinance was adopted prior
39 to January 1, 2013.

1 ***(b) This article does not restrict the authority of a water***
2 ***purveyor, city, county, city and county, or other local agency to***
3 ***adopt and implement a program to promote water conservation***
4 ***that includes the installation of water meters and submeters, as***
5 ***required pursuant to subdivision (a) of Section 538 if the program***
6 ***is at least as stringent as the requirements of this article.***

7 ***539. It is the intent of the Legislature that this article should***
8 ***not be construed to impose costs on any local government agency,***
9 ***except to the extent that the local government agency is a water***
10 ***purveyor.***

11 ***539.5. This article shall become operative on January 1, 2015.***

O