

Senate Bill No. 814

Passed the Senate August 11, 2016

Secretary of the Senate

Passed the Assembly August 4, 2016

Chief Clerk of the Assembly

This bill was received by the Governor this _____ day
of _____, 2016, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to add Chapter 3.3 (commencing with Section 365) to Division 1 of the Water Code, relating to water.

LEGISLATIVE COUNSEL'S DIGEST

SB 814, Hill. Drought: excessive water use: urban retail water suppliers.

The California Constitution declares the policy that the water resources of the state be put to beneficial use to the fullest extent of which they are capable, that the waste or unreasonable use or unreasonable method of use of water be prevented, and that the conservation of such waters is to be exercised with a view to the reasonable and beneficial use of the waters in the interest of the people and for the public welfare. Existing law requires the Department of Water Resources and the State Water Resources Control Board to take all appropriate proceedings or actions to prevent waste, unreasonable use, unreasonable method of use, or unreasonable method of diversion of water in this state. Existing law authorizes any public entity, as defined, that supplies water at retail or wholesale for the benefit of persons within the service area or area of jurisdiction of the public entity to, by ordinance or resolution, adopt and enforce a water conservation program to reduce the quantity of water used for the purpose of conserving the water supplies of the public entity. Existing law provides that a violation of a requirement of a water conservation program is a misdemeanor punishable by imprisonment in a county jail for not more than 30 days, or by a fine not exceeding \$1,000, or both.

This bill would declare that during prescribed periods excessive water use by a residential customer in a single-family residence or by a customer in a multiunit housing complex, as specified, is prohibited. This bill, during prescribed periods, would require each urban retail water supplier to establish a method to identify and discourage excessive water use. This bill would authorize as a method to identify and discourage excessive water use the establishment of a rate structure that includes block tiers, water budgets, or rate surcharges over and above base rates for excessive water use by residential customers. This bill would authorize as a

method to identify and discourage excessive water use the establishment of an excessive water use ordinance, rule, or tariff condition that includes a definition of or procedure to identify and address excessive water use, as prescribed, and would make a violation of this excessive water use ordinance, rule, or tariff condition an infraction or administrative civil penalty and would authorize the penalty for a violation to be based on conditions identified by the urban retail water supplier. By creating a new infraction, this bill would impose a state-mandated local program.

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

This bill would provide that no reimbursement is required by this act for a specified reason.

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

SECTION 1. Chapter 3.3 (commencing with Section 365) is added to Division 1 of the Water Code, to read:

CHAPTER 3.3. EXCESSIVE RESIDENTIAL WATER USE DURING DROUGHT

365. (a) The Legislature finds and declares that this chapter furthers important state policies of encouraging water conservation and protecting water resources in the interest of the people and for the public welfare.

(b) For the purposes of this chapter, “urban retail water supplier” has the same meaning as provided in Section 10608.12.

366. (a) During periods described in subdivision (a) of Section 367, excessive water use is prohibited by a residential customer in a single-family residence or by a customer in a multiunit housing complex in which each unit is individually metered or submetered by the urban retail water supplier.

(b) Each urban retail water supplier shall establish a method to identify and discourage excessive water use, through one of the following options:

(1) Establishing a rate structure, subject to applicable constitutional and statutory limitations, that includes block tiers,

water budgets, or rate surcharges over and above base rates for excessive water use by a residential water customer.

(2) (A) Establishing an excessive water use ordinance, rule, or tariff condition, or amending an existing ordinance, rule, or tariff condition, that includes a definition of or a procedure to identify and address excessive water use by metered single-family residential customers and customers in multiunit housing complexes in which each unit is individually metered or submetered and may include a process to issue written warnings to a customer and perform a site audit of customer water usage prior to deeming the customer in violation.

(B) For the purposes of subparagraph (A), excessive water use shall be measured in terms of either gallons or hundreds of cubic feet of water used during the urban retail water supplier's regular billing cycle. In establishing the definition of excessive use, the urban retail water supplier may consider factors that include, but are not limited to, all of the following:

- (i) Average daily use.
- (ii) Full-time occupancy of households.
- (iii) Amount of landscaped land on a property.
- (iv) Rate of evapotranspiration.
- (v) Seasonal weather changes.

(C) (i) A violation of an excessive use ordinance, rule, or tariff condition established pursuant to subparagraph (A) shall result in an infraction or administrative civil penalty. The penalty for a violation may be based on conditions identified by the urban retail water supplier and may include, but is not limited to, a fine of up to five hundred dollars (\$500) for each hundred cubic feet of water, or 748 gallons, used above the excessive water use threshold established by the urban retail water supplier in a billing cycle.

(ii) Any fine imposed pursuant to this subparagraph shall be added to the customer's water bill and is due and payable with that water bill.

(iii) Each urban retail water supplier shall have a process for nonpayment of the fine, which shall be consistent with due process and reasonably similar to the water supplier's existing process for nonpayment of a water bill.

(D) (i) Consistent with due process, an urban retail water supplier shall establish a process and conditions for the appeal of

a fine imposed pursuant to subparagraph (C) whereby the customer may contest the imposition of the fine for excessive water use.

(ii) As part of the appeal process, the customer shall be provided with an opportunity to provide evidence that there was no excessive water use or of a bona fide reason for the excessive water use, including evidence of a water leak, a medical reason, or any other reasonable justification for the water use, as determined by the urban retail water supplier.

(iii) As part of the appeal process, the urban retail water supplier shall provide documentation demonstrating the excessive water usage.

(c) (1) The provisions of subdivision (b) do not apply to an urban retail water supplier that is not fully metered in accordance with Section 527. An urban retail water supplier shall comply with the provisions of subdivision (b) when all of the water supplier's residential water service connections are being billed based on metered water usage.

(2) An urban retail water supplier that is not fully metered shall prohibit water use practices by an ordinance, resolution, rule, or tariff condition that imposes penalties for prohibited uses of water supplied by the water supplier. The urban retail water supplier may include a process to issue written warnings prior to imposing penalties as well as increased penalty amounts for successive violations.

367. (a) This chapter applies only as follows:

(1) During a period for which the Governor has issued a proclamation of a state of emergency under the California Emergency Services Act (Chapter 7 (commencing with Section 8550) of Division 1 of Title 2 of the Government Code) based on statewide drought conditions to an urban retail water supplier that has moved to a stage of action in response to a local water supply shortage condition under the water supplier's contingency plan pursuant to paragraph (1) of subdivision (a) of Section 10632 that requires mandatory water use reductions.

(2) To an urban retail water supplier during a period in which the water supplier has moved to a stage of action in response to a local water supply shortage condition under the water supplier's contingency plan pursuant to paragraph (1) of subdivision (a) of Section 10632 that requires mandatory water use reductions.

(3) To an urban retail water supplier affected during a period for which the Governor has issued a proclamation of a state of emergency under the California Emergency Services Act (Chapter 7 (commencing with Section 8550) of Division 1 of Title 2 of the Government Code) based on local drought conditions.

(b) The provisions of this chapter are in addition to, and do not supersede or limit, any other measures or remedies implemented by an urban retail water supplier.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

Approved _____, 2016

Governor