

LEGISLATIVE DIGEST

[Public Works Code - Water Service Submetering For Multifamily Residential Buildings]

Ordinance amending the Public Works Code to require owners of multifamily residential buildings to provide submeters to measure water service provided to tenants; and affirming the Planning Department's determination under the California Environmental Quality Act.

Existing Law

Article 4.3 of the Public Works Code defines utility service customer obligations to pay water and sewer service charges and provides procedures for collecting payments, including lien procedures. Existing law does not require the owners of multiunit residential buildings to provide water service meters for each dwelling unit in the building.

Amendments to Current Law

This proposed ordinance would require a property owner of 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, 2017, to install water service submeters for each dwelling unit in the structure, and to measure the quantity of water supplied to each individual dwelling unit in accordance with the provisions of the ordinance. The property owner would be required to ensure that a submeter installed for these purposes complies with laws and regulations governing the approval of submeter types or the installation, maintenance, reading, billing, and testing of submeters, including, but not limited to, the California Plumbing Code. Group housing structures, as defined in Planning Code section 102, would be exempt from the requirements of the ordinance.

The ordinance would require a landlord to make certain disclosures to the tenant prior to the execution of the rental agreement, if the landlord intends to charge a tenant separately from rent for water service in a property with submeters. The ordinance 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, 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 ordinance would require a landlord to maintain and make available in writing to a tenant, as specified, the date the submeter was last inspected, tested, and verified, the data used to calculate the tenant's bill, and the location of the submeter. In addition, a landlord would have to investigate and, if warranted, rectify certain problems or a submeter reading that indicates constant or abnormal water usage.

Background Information

The purposes of this proposed ordinance are to encourage the conservation of water in multifamily residential rental buildings through means within either the landlord's or the tenant's control; and to ensure that practices involving the submetering of dwelling units for water service are just and reasonable, and include appropriate safeguards for both tenants and landlords.

Generally, the water service customer for multiunit residential buildings is the owner of the building, not the tenants of the individual units, and there is generally only one meter for the aggregate usage of the property. Because individual tenants aren't billed for their water consumption, they generally do not know how much water they are using. If tenants had such information, incentives to conserve water may increase, leading to more conservation.

Submetering could raise significant financial and consumer protection issues regarding who pays for the submeters, where are they installed, who is responsible for the accuracy of the meters and rendering the bill, what is the cost for rendering the bill, what is an appropriate rate design, how are disputes resolved, and other such matters. This proposed ordinance is intended to provide noticing and responsibility requires for the protection of both the tenants and landlords.

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