



CITY OF WHEATLAND

CITY COUNCIL MEETING STAFF REPORT

January 28, 2020

SUBJECT: SB 998 - Implementation of New Requirements for Disconnection of Residential Water Service for Nonpayment

PREPARED BY: Susan Mahoney, Finance Director

Recommendation

Direct staff to update City's Municipal Code (Title 13 Public Services, Division II Water, Chapter 13.28 Administration and Enforcement) in response to Senate Bill 998: *Disconnection of Residential Water Service*. The updates will be presented to Council for consideration at a future date.

Background

Senate Bill 998 was signed into law September 28, 2018. It requires public water systems that supply water to more than 200 service connections to have a written policy by April 1, 2020 on the disconnection of residential water service for nonpayment (shutoffs). The City of Wheatland has approximately 1,100 service connections. The bill requires specific disconnection notification requirements, prohibits services from being disconnected under specified circumstances, and must be available in hard copy and on the City's website in prescribed languages. The new law also requires the City to report the number of disconnections of residential service for inability to pay on the City's website and to the State Water Resources Control Board.

SB 120, adopted on July 1, 2010, also required cities providing water service to implement certain notification and language procedures. SB 120 was implemented by the City; however, the City's Municipal Code was not updated.

The City's current shutoff timeline is as follows:

| Day 0 | Day 10 | Day 30 | Day 45 | Day 60 | Day 62 |
|------------------|-------------------------|--|--|---|---------------------------|
| Bills are mailed | Bills become delinquent | Penalty and interest charges are applied | 15-day notice to make payment or payment arrangements to avoid shutoff | 48-hour notice to make payment or payment arrangements to avoid shutoff | Water service is shut off |

Discussion

Updating Chapter 13.28 will satisfy the state’s requirement to adopt and implement written policies in multiple languages concerning disconnections. Below is a comparison of:

- the current language in the City’s Municipal Code regarding water shutoffs
- the actual practice of the City
- the new requirements of SB 998

| CURRENT MUNICIPAL CODE | CITY PRACTICE | SB 998 REQUIRED AMENDMENTS |
|--|---|---|
| Applies to all water service types (commercial, industrial, single-family, multi-family, mobile homes) | Same | Applies to residential (single-family, multi-family, mobile homes) water service only |
| Language not specified | The City’s shutoff notifications are written in English, Spanish, Chinese, Tagalog, Vietnamese, and Korean | Notification of water shutoff due to non-payment must be written in English, Spanish, Chinese, Tagalog, Vietnamese, Korean and any language spoken by more than 10% of people residing in the system’s service area. |
| The utility bill due date is not specified in the Code | The utility bills are marked “Bills are due and payable now” | Not addressed |
| Utility bills are delinquent 10 days after the due date and a shutoff notice shall be mailed to the landowners | A shutoff notice is <i>not</i> mailed 10 days after the due date | Delinquent date is not addressed |
| Water service can be shutoff for nonpayment if a customer has been delinquent for 30 days. | City sends out a 15-day notice 45 days after the due date. The notice is written in 6 languages | A 7-day notice must be sent prior to shutoff. Residential water service cannot be shutoff for nonpayment until a customer has been delinquent for at least 60 days. |
| Not addressed | The City offers a 7-day payment plan. The customer agrees to pay 1/3 of the total bill immediately and the balance in 7 days. | Alternative payment methods, deferred payments, and information regarding appeals and extension must be provided to the customer on the City’s website along with customer service contact information. |
| Not addressed | Customer is shutoff if they do not adhere to their payment plan | Water service can be shut off if customer fails to comply with an alternative payment arrangement for over 60 days. |
| Reconnection charge shall be set by Council | Current reconnection charge is \$40. This charge was set in 2001. | If a customer demonstrates household income below 200 percent of the federal poverty line, the reconnection charge cannot exceed \$50 during normal operating hours or \$150 after hours. |
| Not addressed | City does not waive penalty or interest charges | City must waive interest charges on delinquent bills once every 12 months for customers that can demonstrate financial hardship. |
| Owner shall be responsible for water service to property | Owner of a property is responsible for the water bill | City must notify tenants of a pending termination at least 10 days in advance and allow tenants to become customers of the City. |
| | | Service cannot be discontinued if all the following apply: <ol style="list-style-type: none"> 1. Customer submits a certification from a primary care provider that disconnection of service will be life threatening or pose a serious threat |

| | | |
|---------------|---------------|--|
| Not addressed | Not addressed | <p>to the health and safety of the resident.</p> <ol style="list-style-type: none"> 2. Customer demonstrates that he or she is financially unable to pay within the normal billing cycle. 3. Customer is willing to enter into an alternative payment arrangement under the water system's policy. |
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Alternatives

The Council could direct staff to update the Municipal Code at a later date, but no later than April 1, 2020.

Fiscal Impact

There is no impact to the General Fund to prepare the updates. Costs associated with the City Attorney's review will be paid for from the water and sewer funds.

Attachments

None