



Legislation Details (With Text)

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Title:	Actions pertaining to a Discontinuation of Residential Water Service for Nonpayment Policy: 1. ***RESOLUTION - Adopting a Discontinuation of Residential Water Service for Nonpayment Policy (Subject to Mayor's Veto) 2. BILL - (For introduction) Amending Article 1 of Chapter 6 of the Fresno Municipal Code, relating to billing and collection procedures for municipal utilities				
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Date	Ver.	Action By	Action	Result
12/2/2021	1	City Council	approved	Pass

REPORT TO THE CITY COUNCIL

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SUBJECT

Actions pertaining to a Discontinuation of Residential Water Service for Nonpayment Policy:

1. ***RESOLUTION - Adopting a Discontinuation of Residential Water Service for Nonpayment Policy (Subject to Mayor's Veto)
2. BILL - (For introduction) Amending Article 1 of Chapter 6 of the Fresno Municipal Code, relating to billing and collection procedures for municipal utilities

RECOMMENDATION

Staff recommends that City Council:

1. Adopt a Resolution adopting a Discontinuation of Residential Water Service for Nonpayment

Policy.

2. Approve an ordinance amending Article 1 of Chapter 6 of the Fresno Municipal Code, relating to billing and collection procedures for municipal utilities.

EXECUTIVE SUMMARY

Senate Bill No. 998 (SB 998), the Water Shutoff Protection Act, (Cal. Health & Safety Code section 116900 et. seq.) was approved on September 28, 2018, and became effective February 1, 2020. The Water Shutoff Protection Act outlines the requirements for discontinuation of residential water service for nonpayment of a delinquent account. The City of Fresno (City) Department of Public Utilities (DPU) in conjunction with the Utilities Billing & Collection Division (UB&C) of the Finance Department have prepared a Discontinuation of Residential Water Service for Nonpayment Policy (Policy) and identified the necessary updates to the Fresno Municipal Code (FMC) to achieve compliance with the requirements of SB 998.

BACKGROUND

SB 998 the Water Shutoff Protection Act, (Cal. Health & Safety Code section 116900 et. seq.) was approved on September 28, 2018, and became effective February 1, 2020. The intent of SB 998 is to minimize the number of Californians who lose access to water service due to inability to pay. SB 998 declares that all Californians have the right to safe, accessible, and affordable water and as such, requires urban water suppliers to have a written policy on the discontinuation of residential water service. The policy shall be provided in English, Spanish, Chinese, Tagalog, Vietnamese, and Korean, and any other language spoken by 10% or more of the customers in the Supplier's service area.

SB 998 prohibits water service disconnection for nonpayment by any residential customer who has been delinquent for less than 60 days. It requires the Supplier to give notice to the customer at least seven business days before disconnection; offer alternative payment schedules, deferred payments, or an extension of time to pay; and provide a mechanism to appeal a bill.

SB 998 also prohibits water service disconnection due to nonpayment for residential customers or tenants that meet all of the following conditions: (1) submit certification of a primary care provider that discontinuation of residential service will be life threatening or pose a serious threat to the health and safety of a resident; (2) the customer demonstrates that he or she is financially unable to pay within the normal billing cycle; and (3) the customer is willing to enter into an alternative payment schedule, or plan for deferred or reduced payment for all delinquent charges.

As required by SB 998, Suppliers must report the number of annual discontinuations of residential water service on the Supplier's website and providing the report to the California State Water Resources Control Board.

In compliance with SB 998, DPU and UB&C have prepared a Discontinuation of Residential Water Service for Nonpayment Policy (Policy) to establish guidelines for discontinuation of residential water service for nonpayment of a delinquent account, including how account holders and/or occupants are

notified of this policy, how they may obtain a payment arrangement or alternative payment schedule, how they may contest or appeal water charges, and how they may restore service after it has been discontinued for nonpayment.

When a residential water account becomes delinquent, the City will apply the Discontinuation of Residential Water Service for Nonpayment Policy (Policy). This Policy shall apply only to residential water service for non-payment. All existing policies and procedures shall continue to apply to commercial and industrial water service accounts. "Residential service" means water service to a residential connection that includes single-family residences, multifamily residences, mobile homes, including but not limited to mobile homes in mobile home parks, or farmworker housing.

Updates are also needed to bring FMC Chapter 6, Article 1 - Billing and Collection Procedures for Municipal Utility Services - into compliance with SB 998. Further, some sections within this portion of the FMC have not been updated in many years, so some general updates are needed to bring this portion of the FMC into alignment with current business practices.

The City recognizes that all Californians have the right to safe, accessible, and affordable water as declared by California Water Code section 106.3. The proposed Policy and FMC updates will bring the City into compliance with the requirements of SB 998 and will ensure that customers are offered opportunities to maintain residential water service even amid financial uncertainty.

Alternatively, if the City Council chooses not to approve the Policy, the City will be in violation of SB 998 and prohibited from receiving certain State funds including funds from the California Water and Wastewater Arrearage Payment Program.

ENVIRONMENTAL FINDINGS

This item is not a "project" for the purposes of the California Environmental Quality Act.

LOCAL PREFERENCE

Local preference was not implemented, as this item does not involve a bid or award of a construction or services contract.

FISCAL IMPACT

Adoption of the Discontinuation of Residential Water Service for Nonpayment Policy and FMC Update will not impact the General Fund. All funds for the implementation of the Policy are budgeted in the Water Enterprise Fund (40101). No additional funding is required.

Attachment:

Attachment 1 - Resolution adopting a Discontinuation of Residential Water Service for Nonpayment Policy

Attachment 2 - Bill Amending Article 1 of Chapter 6 of the Fresno Municipal Code, relating to billing and collection procedures for municipal utilities