

CITY OF SANTA ROSA
BOARD OF PUBLIC UTILITIES

TO: BOARD OF PUBLIC UTILITIES
FROM: ALAN ALTON, DEPUTY DIRECTOR
FINANCE DEPARTMENT
SUBJECT: POLICY APPROVAL - DISCONNECTION OF RESIDENTIAL
WATER SERVICE FOR NON-PAYMENT

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Finance Department and Santa Rosa Water that the Board of Public Utilities, by resolution, approve a Revenue Division administrative policy titled "Disconnection of Residential Water Service for Non-Payment," and reduce the "Administrative Fee for Processing Delinquent Turn-Off" from \$55 to \$50.

EXECUTIVE SUMMARY

In September 2018, Senate Bill 998 (SB 998), the Water Shutoff Protection Act, was signed by the Governor and incorporated into the California Health and Safety Code relating to water. This law requires every urban and community water system with more than 200 water service connections to have a written policy on the disconnection of water service for non-payment. This policy must be in place by February 1, 2020.

Besides requiring a written water service disconnection policy, SB 998 has several other mandates: no disconnections for non-payment before 60 days; the policy must be written and online, and translated into several languages; the City must make good faith efforts to contact customers before disconnection for non-payment, and part of that outreach is to provide alternative payment options; and, the policy must establish a customer appeals process. SB 998 also places a limit on the amount of reconnection charges that may be charged to qualified customers. Staff has determined that reducing the City's "Administrative Fee for Processing Delinquent Turn-Off" from \$55 to \$50 for all customers will have a negligible financial impact relative to the time and expense of implementing two different charges.

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BACKGROUND

The City currently has procedures related to disconnection of water service, which include allowing customers to enter into payment arrangements to satisfy unpaid balances on their water and sewer account. The City's current billing process allows for service to be disconnected 28 days from when the bill is due. All customers receive a disconnect notice and an Interactive Voice Response (IVR) phone call prior to service disconnection. For residences where the tenant occupies a residence, but the owner pays for water service, a door tag is generated and hung at the residence seven days prior to disconnection.

SB 998 was adopted and signed into law in September 2018 and goes into effect on February 1, 2020. The law, titled the Water Shutoff Protection Act, is intended to ensure continued access to water for those financially unable to pay their bill within the normal billing cycle who also have life threatening or serious health conditions. The law further restricts the amount that may be charged to qualified customers for reconnection service. As such, urban and community water systems serving more than 200 customers must not disconnect water service prior to 60 days of a bill being past due. Customers must be notified by the City of impending disconnection no later than 7 business days prior to disconnection. The new law requires specific procedures if the water supplier is unable to contact the customer, as well as a mandated process for customer appeals.

SB 998 requires water systems to have a formal, written policy on the disconnection of residential water service for non-payment. This proposed policy will formalize the City's current water service disconnection procedures and bring the City in compliance with the new law.

PRIOR BOARD OF PUBLIC UTILITIES REVIEW

Not applicable

ANALYSIS

The City of Santa Rosa currently has procedures for water service disconnection, that, for the most part meet or exceed the requirements included in SB 998. The requirements below are changes that will impact the City's disconnection procedures:

- The law requires a written formal policy for disconnecting residential water service for non-payment both in hardcopy and published on the City's website. The policy must be translated into six languages (English, Spanish, Chinese, Korean, Vietnamese, and Tagalog).
- The City's ability to disconnect water service will increase from 28 days past due, to 60 days past due. This change must be programmed into the City's CIS water billing system to accommodate the new notification cycle.

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- The City will recognize a population of low-income customers who must meet certain criteria; medical certification that disconnection of water service will be life threatening, demonstration of inability to pay, and willingness to enter into an alternative payment arrangement. Qualifying customers are given alternative payment arrangements, and an extended time prior to disconnection if the customer does not pay current residential service charges for 60 days or more while undertaking an alternative payment arrangement.
- The City has a reconnection fee for normal working hours, called the “Administrative Fee for Processing Delinquent Turn-Off” set at \$55. SB 998 requires that fee to be set at \$50 for low-income customers. The City analyzed lowering the current fee to \$50 for all customers and found the loss of revenue to be negligible relative to the time and expense of implementing two different fee amounts. Staff is proposing to lower the fee to \$50 for all customers.
- Currently, if a customer is delinquent, the City will mail a disconnection notice and send an Interactive Voice Response (IVR) phone call. If the disconnection notice is returned as undeliverable prior to the disconnection date and the customer is unreachable by phone, the City disconnects the water service without further notice. Under the new law, if the disconnection notice is returned as undeliverable and the customer is unreachable by phone, the City must leave a notice of imminent disconnection, and a written policy, at the service address prior to disconnection.
- Under SB 998, the City will, as part of the “Disconnection of Residential Water Service for Non-Payment” policy, establish a formal appeal process for customers to dispute their water bill.

FISCAL IMPACT

The fiscal impacts resulting from complying with SB 998 are expected to be minimal. The City has a blanket purchase order for translation service. There may be additional costs for programming the City’s CIS water billing system, but this amount can be absorbed within existing FY 2019-20 budget appropriations. Lowering the Administrative Fee for Processing Delinquent Turn-Off from \$55 to \$50 will have a negligible impact on overall revenue and will not affect operations.

ENVIRONMENTAL IMPACT

This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guideline section 15378.

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BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable

ATTACHMENTS

- Attachment 1- Policy: Disconnection of Residential Water Service for Non-Payment

CONTACT

Alan Alton, Deputy Director, Finance Department, 707-543-3093, aalton@srcity.org