



City of Colusa California

STAFF REPORT

DATE: March 7th, 2023
TO: Mayor and Members of the City Council
FROM: Ishrat Aziz-Khan, through Jesse Cain, City Manager

AGENDA ITEM:

Consideration of approving a Resolution of the City Council of the City of Colusa regarding a residential water shut-off policy consistent with SB 998.

Recommendation: Council to approve the proposed resolution adopting a policy on residential water shut-off for nonpayment

BACKGROUND ANALYSIS:

Senate Bill 998 requires public water providers to follow specified timelines and procedures before discontinuing water service for nonpayment of charges, and it requires all public water systems to have a written policy on water service discontinuation for nonpayment. Specifically, the provisions of the bill would require the adoption of a policy and an amendment to the City's Municipal Code Section related to the termination of water service for residential users and the adoption of a written policy (Section 20-9 of the Colusa Municipal Code). The policy would be applicable to all residential water customers and result in expanded notification procedures prior to service shut-off for nonpayment. As an urban and community water system not regulated by the Public Utilities Commission, the City is required to comply with Senate Bill 998 by April 1, 2023.

It is recommended that the City Council the attached policy now and then at the next regular Council meeting introduce as a first reading a proposed Ordinance amending Colusa City Municipal Code Section 20-9 pertaining to the termination of water service for residential users and adopt the proposed Resolution adopting a Policy on Residential Water Service Shut-Off for Nonpayment to be effective April 1, 2023.

Adopted in 2018, Senate Bill 998 – Water Shutoff Protection Act ("SB 998") is codified in the California Health and Safety Code to provide additional procedural protections and expand upon the existing safeguards related to utility service disconnections in the Public Utilities Code and Government Code. Under SB 998, public water systems with more than 200 connections are required to adopt a written policy on residential water service shut off for nonpayment, applicable to all residential water customers. SB 998 includes a number of similar and redundant provisions that are already in existence and codified in the Public Utilities Code and Government Code. Nevertheless, the City must comply with SB 998.

Through the adoption of SB 998, the California Legislature intends to protect Californians from losing access to water service due to the inability to pay without proper notice and sufficient time

to cure. Specifically, the bill requires an adopted policy by the City, which must fulfill the following key requirements:

- Prohibit discontinuation of residential service for nonpayment until payment by a customer has been delinquent for at least 60 days; while the delinquent payment is under investigation by the utility or under review for appeal; and while the customer is enrolled in an alternative payment arrangement.
- Provide written or telephone notice at least seven days before discontinuation. The notice must contain information on the delinquent amount, a deadline to contact the utility to arrange for alternative payment arrangements, procedures to avoid discontinuation, and a description of the bill review and appeals process.
- Provide the customer with information on how to restore service and include the utility's contact information to discuss options for averting service discontinuation.
- For residential customers who demonstrate a household income below 200% of the federal poverty line, waive interest charges on delinquent bills and limit the reconnection service fee to \$50 during business hours and \$150 after hours.
- Prohibit discontinuation under certain medical and financial circumstances if the customer agrees to an alternative payment arrangement and provides certification.
- Require the utility to make a good faith effort to inform by written notice both the customer of record and residential tenants that water service will be discontinued if payment or payment arrangements are not arranged.

In an effort to ensure transparency and accessibility, SB 998 requires translations of the adopted policy in the following languages: English, Spanish, Chinese, Vietnamese, Tagalog, Korean, and any other language spoken by 10% of the service area. The policy in the languages above must be posted on the agency's website and made available upon request.

SB 998 prohibits a City water provider from disconnecting service for nonpayment of service charges until a bill has been delinquent for at least sixty (60) days, and then City must give notices in the time periods and manner set forth in the new law. Colusa Municipal Code Section 20-9 dictates that a water bill is delinquent when it remains unpaid for 30 days. This time period is consistent with SB 998, which requires 60 days of delinquency. Therefore, staff recommends adopting this policy and then amending Section 20-9 at the next regular Council meeting so that it complies with SB 998.

The residential water shut-off policy would add the following procedures to conform to the requirements of SB 998, as follows:

- Incorporates written notification prior to service discontinuation, as required, based on the applicable customer circumstances described in the policy.
- Implements third party notification service to seniors and dependent adults, where the City will attempt to notify a person designated by the customer to receive a notification when the customer's account is past due and subject to service termination. For residencies where the

landlord is the customer of service, notify the occupants or tenants of their right to become customers of the City.

- Implements a procedure for delinquent customers, who meet statutory criteria demonstrating their inability to pay or under special medical circumstances, to request alternative payment options including payment extensions, amortizations, alternative payment schedules, or payment reductions. The City Manager or Finance Director has the discretion to select the most appropriate alternative payment options.

Further, SB 998 specifically requires the agency to allow a residential customer to contest or appeal their bill for the City Council's final determination. This would only occur after the City Manager and or Finance Director has reviewed the customer's complaint and offered an alternative payment arrangement. If the customer requests to appeal to the City Council for a final determination, the customer will need to file a written appeal with the City Clerk and schedule to be heard at a City Council meeting. It should be noted that the Finance Director already follows a procedure in which the City Manager or Finance Director will work with the customer to resolve a disputed bill. The appeal to City Council would be the last step added to the Department's existing procedure for such instances.

Lastly, the City will be required to report the number of annual discontinuations of residential service for nonpayment on its agency website and to the State Water Resources Control Board. SB 998 would require the City to comply by April 1, 2023, subject to fines for noncompliance.

Given Colusa's local demographics, translation of the new policies into Spanish, Chinese, Vietnamese, Tagalog, and Korean will sufficiently meet the 10% service area requirement identified in SB 998.

The proposed action does not constitute a project under the California Environmental Quality Act ("CEQA"), and it can be seen with certainty that it will have no impact on the environment. Thus, this matter is exempt under CEQA.

BUDGET IMPACT:

None

STAFF RECOMMENDATION:

Approve Resolution 23-