



# Folsom City Council Staff Report

<b>MEETING DATE:</b>	5/14/2024
<b>AGENDA SECTION:</b>	New Business
<b>SUBJECT:</b>	Ordinance No. 1345 - An Ordinance of the City of Folsom Amending Sections 3.20.020, 3.20.063, and 8.32.140(a)(2) of the Folsom Municipal Code Pertaining to Billing for Municipal Utility Services (Introduction and First Reading)
<b>FROM:</b>	Finance Department

## **RECOMMENDATION / CITY COUNCIL ACTION**

Staff recommends that the City Council introduce and conduct first reading of Ordinance No. 1345 - An Ordinance of the City of Folsom Amending Sections 3.20.020, 3.20.063, and 8.32.140(a)(2) of the Folsom Municipal Code Pertaining to Billing for Municipal Utility Services (Introduction and First Reading).

## **BACKGROUND / ISSUE**

The purpose of this Ordinance is to amend Section 3.20.040 and 8.32.140 of the Folsom Municipal Code to remove vacancy exceptions and to clarify start dates for municipal utility services.

Folsom Municipal Code 3.20.020 Exceptions, allows for municipal service charges to be discontinued upon written request for a period of no less than two months when a dwelling, house, or residence will be unoccupied. This vacancy exception is only applicable to Solid Waste services.

Folsom Municipal Code 8.32.140 Charges for collection and compliance administration Item 1 states that each dwelling, house or residence shall pay a fixed minimum solid waste fee, which applies and is payable without consideration of whether there is any garbage, recyclables, or organic waste to remove from the premises. However, Item 2. references Folsom Municipal Code 3.20.020 Exceptions allowing for vacancy exceptions.

Proposition 218 mandates that utility rates must be fair and equitable amongst rate payers. Charging certain customers more than their proportional share of the cost of service to reduce the cost for other customers is strictly prohibited. Solid Waste is still required to provide service to a route, street, or house, regardless of vacancy status. The minimum rate set forth in the Council approved rate schedules covers the minimum cost to provide the service, regardless of how much waste is removed from the premises.

Folsom Municipal Code 3.20.040 Collection methods states that the owner of real property to which one or more municipal services are rendered shall be responsible and liable for the payment of all municipal service charges, and the city may utilize all procedures available under this code or state law to collect payment. Folsom Municipal Code 3.20.063 Municipal service charges—Establishment of rates states there is levied and assessed a monthly service charge against the municipal service customer (user), for municipal services as defined in Section 3.20.010(A). The amount of these municipal service charges shall be set by resolution of the city council and may be adjusted from time to time by resolution so as to reflect the cost of the services provided.

Existing policies and procedures establish the start date of billing the legal owner of new utility accounts as the date of the recorded deed of the property for existing accounts. New construction accounts also bill the legal owner as of the date a meter is installed at the property, the date the parcel receives a Certificate of Occupancy or final permit, whichever occurs first. Staff recommend codifying our policy to provide clarity to customers.

### **POLICY / RULE**

Amendments and revisions to the Folsom Municipal Code must be reviewed and approved by the City Council.

Proposition 218 mandates that utility rates must be fair and equitable amongst rate payers. Charging certain customers more than their proportional share of the cost of service to reduce the cost for other customers is strictly prohibited.

Folsom Municipal Code 8.32.140 Charges for collection and compliance administration Item 1 states that each dwelling, house or residence shall pay a fixed minimum solid waste fee, which applies and is payable without consideration of whether there is any garbage, recyclables, or organic waste to remove from the premises.

3.20.063 Municipal service charges—Establishment of rates. There is levied and assessed a monthly service charge against the municipal service customer (user), for municipal services as defined in Section 3.20.010(A). The amount of these municipal service charges shall be set by resolution of the city council and may be adjusted from time to time by resolution so as to reflect the cost of the services provided.

## **ANALYSIS**

An amendment of this ordinance would clarify that all municipal service charges are applicable and payable, whether or not a property is vacant. It would also codify existing policies and practices for start dates of billing new municipal utility accounts.

This is in accordance with Folsom Municipal Code 8.32.140 Charges for collection and compliance administration, Item 1, which identifies a minimum solid waste fee, which is applicable regardless of whether there is any garbage, recyclables, or organic waste to remove from the premises. Additionally, it is in compliance with 3.20.063 Municipal service charges— Establishment of rates. There is levied and assessed a monthly service charge against the municipal service customer (user), for municipal services as defined in Section 3.20.010(A). The amount of these municipal service charges shall be set by resolution of the city council and may be adjusted from time to time by resolution so as to reflect the cost of the services provided.

## **FINANCIAL IMPACT**

This item has no impact on the City's General Fund. It has an estimated increase of Solid Waste revenues of \$8,000 annually.

## **ENVIRONMENTAL REVIEW**

The California Environmental Quality Act (CEQA) does not apply to activities that will not result in a direct or reasonably foreseeable indirect physical change in the environment (CEQA Guidelines §15061(c)(3)) or are otherwise not considered a project as defined by Public Resources Code §21065 and CEQA Guidelines §15060(c)(3) and §15378. This Council action meets the above criteria and is not subject to CEQA. No environmental review is required.

## **ATTACHMENT**

1. Ordinance No. 1345 - An Ordinance of the City of Folsom Amending Sections 3.20.020, 3.20.063, and 8.32.140(a)(2) of the Folsom Municipal Code Pertaining to Billing for Municipal Utility Services (Introduction and First Reading)

Submitted,



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Stacey Tamagni, Finance Director

**ORDINANCE NO. 1345**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FOLSOM AMENDING SECTIONS 3.20.020, 3.20.063, AND 8.32.140(A)(2) OF THE FOLSOM MUNICIPAL CODE PERTAINING TO BILLING FOR MUNICIPAL UTILITY SERVICES**

The City Council of the City of Folsom does hereby ordain as follows:

**SECTION 1 PURPOSE**

The purpose of this Ordinance is to amend Sections 3.20.020, 3.20.063, and 8.32.140 of the Folsom Municipal Code to remove “Exceptions”, add “Billing Start Date”, and affirm City Council approved rate schedules regardless of occupancy status of the property pertaining to payment for municipal utility services.

**SECTION 2 AMENDMENT TO CODE**

Section 3.20.020 of the Folsom Municipal Code is hereby replaced and amended in its entirety as follows:

**3.20.020 Billing start date.**

A. New construction. Billing for municipal services for a new construction on any parcel of real property shall commence on the date that usage of utility services begins, the date a meter is installed, the date the property is first occupied, or the date the property is given a certificate of occupancy or final approval by city officials in accordance with applicable provisions of this code, whichever occurs first. The director may adopt written guidelines to implement the provisions of this section and specify criteria for determining when billing for utility services starts in other situations.

B. Transfer of ownership of existing structures. Billing for utility services for new owners of existing structures will begin on the date of the recorded ownership transfer deed for that property as identified by the Sacramento County clerk/recorder’s office.

**SECTION 3 AMENDMENT TO CODE**

Section 3.20.063 of the Folsom Municipal Code is hereby amended as follows:

**3.20.063 Municipal service charges – Establishment of rates.**

There is levied and assessed a monthly service charge against the municipal service customer (user), for municipal services as defined in Section 3.20.010 (A). The amount of these municipal service charges shall be set by resolution of the city council and may be adjusted from time to time by resolution so as to reflect the cost of the services provided. Monthly municipal service charges are applicable and payable in accordance with the city council approved rate schedules regardless of occupancy status of the property.

**SECTION 4 AMENDMENT TO CODE**

Section 8.32.140(A)(2) of the Folsom Municipal Code is hereby amended as follows:

**8.32.140 Charges for collection and compliance administration.**

- A. Residential
- 2. Reserved.

**SECTION 5 SCOPE**

Except as set forth in this Ordinance, all other provisions of the Folsom Municipal Code shall remain in full force and effect.

**SECTION 6 SEVERABILITY**

If any section, subsection, sentence, clause, or phrase in this Ordinance or any part thereof is for any reason held to be unconstitutional, invalid, or ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this Ordinance or any part thereof. The City Council declares that it would have passed each section irrespective of the fact that any one or more section, subsection, sentence, clause, or phrase be declared unconstitutional, invalid, or ineffective.

**SECTION 7 EFFECTIVE DATE**

This Ordinance shall become effective thirty (30) days from and after its passage and adoption, provided it is published in full or in summary within twenty (20) days after its adoption in a newspaper of general circulation in the City.

This Ordinance was introduced and the title thereof read at the regular meeting of the City Council on May 14, 2024, and the second reading occurred at the regular meeting of the City Council on May 28, 2024.

On a motion by Council Member \_\_\_\_\_ seconded by Council Member \_\_\_\_\_, the foregoing ordinance was passed and adopted by the City Council of the City of Folsom, State of California, this 28th day of May, 2024 by the following roll-call vote:

AYES: Councilmember(s):

NOES: Councilmember(s):

ABSENT: Councilmember(s):

ABSTAIN: Councilmember(s):

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Michael D. Kozlowski, MAYOR

ATTEST:

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Christa Freemantle, CITY CLERK