



*City of Arts & Innovation*

# City Council Memorandum

**TO: HONORABLE MAYOR AND CITY COUNCIL**      **DATE: FEBRUARY 4, 2020**

**FROM: PUBLIC UTILITIES DEPARTMENT**      **WARD: ALL**

**SUBJECT: PROPOSED CHANGES TO WATER RULE 7: DISCONTINUANCE AND RESTORATION OF WATER SERVICE AND APPENDIX A: WATER FEES AND CHARGES SCHEDULE FOR LOW INCOME RESIDENTIAL CUSTOMERS PURSUANT TO SENATE BILL 998 WATER SHUT-OFF PROTECTION ACT - RESOLUTION**

## **ISSUE:**

Adopt a resolution establishing the changes to Water Rule 7 and Appendix A: Water Fees and Charges Schedule that include the delinquency and restoration process for low-income residential customers pursuant to Senate Bill 998 Water Shut-Off Protection Act.

## **RECOMMENDATION:**

That the City Council adopt a resolution establishing the changes to Water Rule 7: Discontinuance and Restoration of Water Service and Appendix A: Water Fees and Charges Schedule that include the delinquency and restoration process for low-income residential customers pursuant to Senate Bill 998 Water Shut-Off Protection Act.

## **BOARD OF PUBLIC UTILITIES RECOMMENDATION:**

On January 13, 2020, after a requisite public hearing, the Board of Public Utilities (Board), with eight members present, unanimously voted to adopt a resolution establishing the changes Water Rule 7: Discontinuance and Restoration of Water Service and Appendix A: Water Fees and Charges Schedule that include the delinquency and restoration process for low-income residential customers pursuant to Senate Bill 998 Water Shut-Off Protection Act and recommended that the City Council adopt a resolution establishing the changes to Water Rule 7: Discontinuance and Restoration of Water Service and Appendix A: Water Fees and Charges Schedule.

## **LEGISLATIVE HISTORY:**

Senate Bill (SB) 998 was adopted September 28, 2018. It applies to public water systems that supply water to more than 200 service connections and prohibits residential water service from being disconnected under special circumstances. Publicly owned water utilities such as Riverside Public Utilities (RPU) are required to comply with the requirements of SB 998 by February 1, 2020. The bill provides residential water service customers that have been identified and verified as low-

income (200% below the Federal Poverty Level) with a 60-day waiting period during delinquency before receiving a 48-hour disconnection notice and qualifies them for an amortized payment plan, as well as, a reduced same day reconnection fee of \$50.

## **BACKGROUND:**

On September 27, 2011, the City Council approved Water Rule 7, titled “Discontinuance and Restoration of Water Service.” Water Rule 7 provides rules for discontinuance of water service for the following reasons:

- Customer’s request
- Unsafe equipment
- Situations in which the water service was activated without application of service
- Is dangerous to the health of the customer,
- The customer is unable to pay their utility bill
- Fraud
- Service at more than one location
- When the utility’s business is closed
- When there is a landlord-tenant relationship and a master metered residential unit.

Rules are also provided for the amount due to restore service and the re-establishment of service deposit.

On June 21, 2011, the City Council approved Appendix A: Water Fees and Charges Schedule, which lists all fees and charges associated with all Water Rules.

## **DISCUSSION:**

Currently, Water Rule 7 does not differentiate rules, fees, or reconnection charges based on a customer’s income. Neither the Water Rule 7 nor Appendix A specify rules for the discontinuance and restoration of water service or have different service reconnection charges for low-income customers.

The proposed changes to Water Rule 7 and Appendix A reflect the requirements of the new legislation passed under SB 998 (2018). These changes include provisions for the delay in disconnection and the documentation requirements for any residential customer who demonstrates a household income below 200% of the Federal poverty level. The income requirement is aligned with Riverside Public Utilities’ SHARE utility assistance program.

Further, the proposed changes also include the rules for when the customer enters into an amortized payment arrangement, if the customer fails to comply with the amortized agreement and the notification of service termination.

The proposed changes to Appendix A include the \$50 same day service reconnection charge for low-income customers.

RPU has provided the appropriate notification of the public hearing by publishing the notice twice prior the public hearing. The proposed changes to Water Rule 7 and Appendix A will become effective on February 1, 2020 following adoption by the Board and approval by the City Council.

**FISCAL IMPACT:**

The fiscal impact is unknown and dependent upon the amount of customers that participate in the low-income water delinquency process.

Prepared by: Todd M. Corbin, Utilities General Manager  
Certified as to  
availability of funds: Edward Enriquez, Chief Financial Officer/City Treasurer  
Approved by: Al Zelinka, FAICP, City Manager  
Approved as to form: Gary G. Geuss, City Attorney

**Attachments:**

1. City Council Resolution with Board Resolution attached (including revised Water Rule 7 and Appendix A)
2. Recommended Water Rule 7 (red-line and clean)
3. Recommended Appendix A (red-line and clean)
4. Notice of Public Hearing
5. Draft Minutes for the 1/13/2020 Meeting of the Board of Public Utilities
6. Presentation