

RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES

DATE: JUNE 28, 2021

SUBJECT: PUBLIC HEARING - PROPOSED CHANGES TO THE DISCONTINUANCE AND RESTORATION OF WATER AND ELECTRIC SERVICE FOR CUSTOMERS IN WATER RULE 7 AND ELECTRIC RULE 7 PER SENATE BILL 998

ISSUES:

Conduct a public hearing to consider changes to Water Rule 7: Discontinuance and Restoration of Water Service and Electric Rule 7: Discontinuance and Restoration of Electric Service that include the delinquency and restoration process for customers pursuant to Senate Bill 998 Water Shut-Off Protection Act.

RECOMMENDATIONS:

That the Board of Public Utilities:

1. Conduct a public hearing to receive public input and consider changes to Water Rule 7 and Electric Rule 7 that include the discontinuance and restoration process for customers pursuant to SB 998 Water Shut-Off Protection Act;
2. Adopt a resolution establishing the changes to Water Rule 7 and Electric Rule 7 as described herein; and
3. Recommend that the City Council adopt a resolution approving the changes to Water Rule 7 and Electric Rule 7 as described herein.

LEGISLATIVE HISTORY:

Senate Bill (SB) 998 was adopted September 28, 2018. It applies to public water systems that supplies 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 are required to comply with the requirements of SB 998 by February 1, 2020. The bill provides residential water service customers with a 60-day waiting period during delinquency before service is discontinued and qualifies them under certain conditions for an amortized payment plan, as well as, residential water service customers that have been identified and verified as low-income (200% below the Federal Poverty Level) receive a reduced same day reconnection fee of \$50.

BACKGROUND:

On February 4, 2020, the City Council approved changes to Water Rule 7, titled “Discontinuance and Restoration of Water Service” and Appendix A: Water Fees and Charges Schedule, with an effective date of February 1, 2020, to reflect the requirements of the legislation passed under SB 998 (2018). The changes included 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 included 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.

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

- Customer’s request
- Unsafe equipment
- Situations in which the Electric 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 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 and Electric Rules.

DISCUSSION:

The proposed changes to Water Rule 7 reflect the requirements of the Public Utilities Code and Health and Safety Code and include changes from the legislation passed under SB 998 (2018). The changes to Electric Rule 7 are consistent with the requirements in Water Rule 7 for residential water service and will be applied to all water and electric customers.

The proposed changes to Water Rule 7 and Electric Rule 7 include provisions for the delay in disconnection of service to 60 days, rules for residential customers entering into amortized payment arrangements, and time periods for notification of disconnection of service.

RPU has provided the appropriate notification of the public hearing by publishing the notice twice prior the public hearing. The proposed changes to Water and Electric Rules 7 will become effective following adoption by the Board and approval by the City Council.

On March 17, 2020, to assist Riverside residents and businesses that were suffering financial hardship, the City Council directed Riverside Public Utilities (RPU) to suspend discontinuance of service for nonpayment of water, electric, sewer and refuse utility services. As of the date this report was written, this order is still in effect. The changes to Water Rule 7 and Electric Rule 7 will be implemented following City Council reversal of the direction to suspend discontinuance of service for nonpayment of water, electric, sewer and refuse utility services.

FISCAL IMPACT:

The fiscal impact is unknown and dependent upon the number of customers who are subject to delinquency.

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Approved by: Al Zelinka, FAICP, City Manager
Approved as to form: Kristi J. Smith, Interim City Attorney

Certifies availability of funds: Edward Enriquez, Chief Financial Officer/City Treasurer

Attachments:

1. Board Resolution
2. Recommended Water Rule 7 and Electric Rule 7 (red-line and clean)
3. Notice of Public Hearing
4. Presentation