



# Agenda Report

December 9, 2019

**TO:** Honorable Mayor and City Council  
**FROM:** Department of Water and Power  
**SUBJECT: AMENDMENTS TO THE FISCAL YEAR 2020 GENERAL FEE SCHEDULE**

## **RECOMMENDATION:**

It is recommended that the City Council:

1. Find that the proposed action is exempt from the California Environmental Quality Act ("CEQA"), pursuant to State CEQA Guidelines per Section 15061 (b)(3), the common sense exemption (formerly the general rule) that CEQA only applies to projects that may have an effect on the environment; and,
2. Adopt a Resolution amending the Fiscal Year 2020 General Fee Schedule to ensure that water service reconnection fees are compliant with Senate Bill 998, the Water Shutoff Protection Act of 2018 ("SB-998") as follows:
  - a. Clarify that the existing utility reconnect fee of \$43.11 is applied during normal business hours
  - b. Clarify that the existing after-hours utility service fee of \$238.53 does not apply to residential water service reconnections; and,
  - c. Establish a new after-hours Residential Water Service Reconnect Fee of \$150.

## **BACKGROUND:**

The Fiscal Year ("FY") 2020 General Fee Schedule was adopted by the City Council on May 20, 2019. While the General Fee Schedule is typically reviewed and updated annually, revisions are made periodically throughout the year as needed. The Water and Power Department ("PWP") recommends amending the FY 2020 General Fee Schedule to include two new fees to set maximum charges for providing reconnection of water services during business hours and after business hours for qualified low-income customers, pursuant to the Water Shutoff Protection Act of 2018.

On September 28, 2018, former Governor Jerry Brown signed into law Senate Bill 998 ("SB-998"), known as the Water Shutoff Protection Act of 2018. The law requires all public water agencies that supply water to more than 200 service connections, such as PWP, to develop a written policy on the disconnection of water service for non-payment

for certain types of residential customers. The policy must be made available in a number of prescribed languages and be made available in writing upon request, as well as on the City's website. All affected water agencies are required to comply with provisions of the bill by February 1, 2020.

The law contains a number of specific provisions, including but not limited to:

- Water service will not be shut off for non-payment until a customer bill is delinquent for at least 60 days past the original payment due date;
- Certain types of residential customers are specifically identified, including specified income limitations, those receiving assistance from defined programs and those with medical conditions/devices;
- Customers scheduled for service disconnection must be notified of the City's policy at least seven days before service is shut off;
- The policy must include a procedure to appeal the water bill to the City's administrative body;
- The policy must be made available in several prescribed languages and posted in a general location for multi-family residents who may not be the named account holder; and,
- Prescribed limits on fees charged to customers to reconnect water services that have previously been disconnected due to credit shutoff as follows:
  - Residential Water Service Reconnect Fee not to exceed fifty dollars (\$50.00) for Qualified Low-income Customers when the service is performed during business hours; and,
  - Residential Water Service Reconnect Fee not to exceed one hundred-fifty dollars (\$150.00) for Qualified Low-income Customers when the service is performed after business hours.
- SB-998 provides that the maximum allowable fees are subject to an annual adjustment for changes in the Consumer Price Index beginning January 1, 2021

### ***Proposed FY2020 General Fee Schedule Amendments***

PWP's current utility service reconnection fee during business hours is less than the prescribed maximum of \$50, and therefore is compliant. However, PWP's current after hours \$238.53 service fee exceeds the allowed \$150 maximum for income qualified customers. After hours service reconnections are extremely rare – staff has identified only one instance in the last three years. In order to avoid the administrative burden, cost, and customer inconvenience associated with demonstrating eligibility for income-qualified reduced reconnection fee, staff is recommending that the after-hours water service reconnection fee be set at the \$150 limit for all residential customers.

Staff recommends the following FY2020 General Fee Schedule amendments (shown as underlined) to ensure compliance with SB-998, while continuing to recover the full after-hours costs for power or non-residential water related services:

**Table I: Proposed Amendments to the FY2020 General Fee Schedule**

FEE	DESCRIPTION	FY 2020 ADOPTED FEE (as of 8/26/2019)	FY 2020 REVISED FEE (as of 12/09/2019)
954	Utility Reconnect Fees <u>During Normal Business Hours</u> - Electric and/or Water	\$43.11	\$43.11
955	After-hour <u>Power or Non-residential Water Service Fee</u> (5:30pm - 7:30am).	\$238.53	\$238.53
(New)	<u>After-hour Residential Water Service Reconnect Fee</u> (5:30pm - 7:30am)	\$238.53	<u>\$150.00</u>

**COUNCIL POLICY CONSIDERATION:**

The City Council's strategic planning goal of maintaining fiscal responsibility and stability will be advanced through the periodic review and update of the General Fee Schedule and by ensuring that, where appropriate, the City is reimbursed for the cost of providing selected services.

**ENVIRONMENTAL ANALYSIS:**

The proposed action has been determined to be exempt from environmental review pursuant to State CEQA Guidelines Section 15061(b)(3), the common sense exemption (formerly the general rule) that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. The recommended action is an administrative function to establish fees.

**FISCAL IMPACT:**

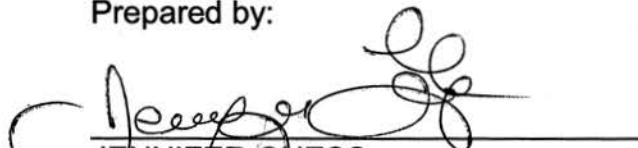
The recommended fee amendments are required for compliance with SB-998. It is anticipated that the updated fees will not have a material impact on revenues. Nearly all water service reconnections occur during normal business hours and the current fee for this service will remain unchanged at \$43.11. For the very small number of water service reconnections that will likely occur during non-business hours, the current \$238.53 fee will be reduced to \$150 for all residential water customers. While this mandated fee is insufficient to cover PWP's average cost to perform after hours reconnects, staff expects little to no financial impact from the recommended fee based on the historically small number of customer requests for after-hours reconnections. The administrative costs to implement policies and procedures compliant with SB-998, including new policy and procedure development, translation services, mandatory reporting, and administering a process to determine which customers are eligible for the lower After Hours Utility Reconnect Fee, have not been determined.

Respectfully submitted,



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