



## Legislation Text

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**File #:** 20-0033, **Version:** 1

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**TO:**

Honorable Mayor and Members of the City Council

**THROUGH:**

Bruce Moe, City Manager

**FROM:**

Steve S. Charelian, Finance Department Director  
Cynthia F. Mickschl, Revenue Services Manager

**SUBJECT:**

Adopt a Resolution Establishing a Policy for Discontinuation of Residential Water Service Pursuant to SB 998 (Finance Director Charelian).

**ADOPT RESOLUTION NO. 20-0009**

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**RECOMMENDATION:**

Staff recommends that the City Council adopt Resolution No. 20-0009 establishing a policy for discontinuation of residential water service.

**FISCAL IMPLICATIONS:**

There would be no direct impact to the General Fund. The Water and Sewer Enterprise Funds may see a slight slowdown in revenues due to the lengthening of the delinquency period before discontinuation of residential water service and the requirement to offer a payment arrangement plan that could be as long as 12 months. Translation of the policy into the minimum five languages required by SB998 (Spanish, Chinese, Tagalog, Vietnamese, and Korean) will cost approximately \$500.

**BACKGROUND:**

Senate Bill 998 (Dodd) relating to the discontinuation of residential water service in urban and community water systems was signed by former Governor Jerry Brown in September 2018. Senate Bill 998 (SB 998) requires cities to provide additional rules and procedures before residential water service can be interrupted and is intended to minimize the number of Californians who have their water service interrupted due to their inability to pay. The City of Manhattan Beach issues about 79,500 residential water service bills per year (billed bi-monthly) and processes an average of 80 turn-offs annually (less than 1%).

It is mandatory that the City comply with the requirements set forth in SB 998 by February 1, 2020. The City's first billing affected by this law will be on February 12, 2020.

## **DISCUSSION:**

Currently, the City allows for payments to be made up to 60 days prior to discontinuation of service. The new law will require the City to accept payments for up to 90 days from the initial bill date, as well as, the following:

- The City Council must adopt a written water interruption policy available in English, Spanish, Chinese, Tagalog, Vietnamese, Korean, and any other language spoken by 10 percent or more of the City's population. The policy must be posted on the City's website and be available in writing upon request.
- The policy must contain:
  - Payment options including a plan for deferred or reduced payments and alternative payment schedules;
  - A formal appeals process for disputing bills; and
  - Telephone number for customers to call to discuss options.
- Residential water service cannot be interrupted:
  - until accounts are at least 60 days delinquent
  - until customer is notified at least seven business days before scheduled interruption date if a customer meets all of the following parameters:
    - Provides certification from a primary care provider that disconnection would pose a health and safety threat;
    - Demonstrates they are financially unable to pay; and
    - Is willing to enter into an alternative payment arrangement.
- The City must:
  - Offer a payment arrangement/amortization plan allowing an appropriate repayment period for outstanding balances to customers that meet the aforementioned parameters to avoid undue hardship.
  - Notify tenants of a multifamily property served by a single meter 10 days prior to service interruption for nonpayment.
  - Report annual number of service interruptions for nonpayment on the City's website and also to the State Water Resources Control Board.

The attached resolution complies with SB 998 and contains all of the required elements for establishing a policy for the discontinuation of residential water service.

Staff recommends that City Council adopt Resolution No. 20-0009.

## **PUBLIC OUTREACH:**

After analysis, staff determined that public outreach was not required for this issue.

## **ENVIRONMENTAL REVIEW:**

The City has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that the activity is not a "Project" as defined under Section 15378 of the State CEQA Guidelines; therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines the activity is not subject to CEQA. Thus, no environmental review is necessary.

## **LEGAL REVIEW:**

The City Attorney has reviewed this report and determined that no additional legal analysis is

necessary.

**ATTACHMENTS:**

1. Resolution No. 20-0009
2. SB998 - Full Text
3. Discontinuation of Residential Water Service Policy