



# ***Agenda Report***

## ***Fullerton City Council***

**MEETING DATE:** MAY 5, 2020

**TO:** CITY COUNCIL / CITY MANAGER

**SUBMITTED BY:** KENNETH A. DOMER, CITY MANAGER

**PREPARED BY:** ELLIS CHANG, DIRECTOR OF ADMINISTRATIVE SERVICES  
RAMONA CASTAÑEDA, REVENUE MANAGER

**SUBJECT:** UTILITY BILLING SOFTWARE UPDATES NEEDED TO IMPLEMENT CITY POLICY ON DISCONTINUATION OF RESIDENTIAL WATER SERVICE PURSUANT TO SENATE BILL 998

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### **SUMMARY**

Request for appropriation of funds for utility billing software updates needed to implement the City Policy on Discontinuation of Residential Water Service pursuant to Senate Bill 998, also known as the Water Shutoff Protection Act.

### **RECOMMENDATION**

Authorize \$25,000 water fund appropriation for updates to utility billing software needed to implement the recently adopted City Policy on Discontinuation of Residential Water Service.

### **PRIORITY POLICY STATEMENT**

This item matches the following Priority Policy Statement:

- Infrastructure and City Assets.

### **FISCAL IMPACT**

The new Policy requires separate notices for residential accounts on different timeframes from non-residential accounts, whereas, previously billing cycles were the same. The utility billing software needs to be updated to add the new notices and schedules. The current Fiscal Year 2019-20 budget did not include these costs. The proposed Statement of Work (Attachment 1) from Advanced Utility Systems, the City's utility billing software

provider, is for \$21,000 plus a staff recommended \$4,000 contingency totaling \$25,000 from Fund 44 (water fund).

## DISCUSSION

The State legislature found and declared that residents have the right to safe, accessible and affordable drinking water. It also declared water service discontinuation threatens human health and well-being. Therefore, in September 2018, Senate Bill 998 was approved to add Chapter 6 (commencing with Section 116900) to Part 12 of Division 104 of the California Health and Safety Code, relating to water. Known as the Water Shutoff Protection Act (Act). As an urban water supplier, not regulated by the Public Utilities Commission, the City of Fullerton Water Utility (City Utility) began compliance as required on February 1, 2020. One of the requirements of the Act was that the City Utility create a policy for Discontinuation of Residential Water Service (Policy). The Policy, adopted in January 2020 per Resolution No. 2020-06 (Attachment 2), applies to all City accounts for residential water service. Non-residential accounts are exempt from this Policy.

Prior to the Policy, all water accounts had the same billing schedules which generally consisted of a utility bill being sent to the account holder. If the bill was not paid in 25 days it was considered delinquent and incurred late charges. If the delinquent bill was not paid within 15 days, then the property was posted for service discontinuation and a \$22 posting fee was incurred. If the delinquent bill and posting fee were not paid within 48 hours, then service was discontinued. This schedule generally consisted of approximately 49 days from billing to shut off. All non-residential accounts will remain on this schedule.

Due to the Act and changes per the Policy, the billing schedule for residential accounts is extended. The schedule related to the initial bill and delinquency remains unchanged. As previously stated, the residential utility bill is sent to the account holder. If the bill is not paid in 25 days it will be considered delinquent and incur a late charge. It is here that the Policy provides additional time for the customers to pay any outstanding charges, as well as the opportunity for qualifying residents to enter into a payment arrangement plan. As a result, the residential billing schedule is extended from approximately 49 days to 86 days. Non-residential accounts will remain on the current / original schedule without change.

With this change, residential accounts must receive different notices, on different timeframes from non-residential accounts, and the notices must also reference the new Policy. In order to implement these changes to the notices and billing schedules, within the water billing software, a Statement of Work from Advance Utility Systems was obtained. The total proposed cost is \$21,000 plus the staff recommended contingency of \$4,000 totaling \$25,000.

### Attachments:

- Attachment 1 – Advance Utility Systems Proposed Statement of Work
- Attachment 2 – Resolution No. 2020-06