

**ITEM NO.: J-18
ADOPT RESOLUTION NO. 01-14-2020-01
ESTABLISHING AN ADMINISTRATIVE
POLICY FOR UTILITY BILLING.**

January 14, 2020

**TO: HONORABLE MAYOR AND COUNCIL MEMBERS
FROM: KRISTINA MILLER, CITY MANAGER
COLLIN BOGENER, CITY ATTORNEY**

BACKGROUND:

On September 28, 2018, Governor Brown signed into law SB 998, the Water Shutoff Protection Act, which changes the requirements and procedures relative to the discontinuation of residential water service for non-payment beginning February 1, 2020 for any urban water supplier (provides over 3,000 connections).

SB 998 requires every urban and community water system with more than 200 water service connections to have a written policy on the discontinuation of residential water service for nonpayment. That policy must be available on the water supplier's website. The policy must be in five languages, in addition to English, listed in Civil Code Section 1632 (Spanish, Chinese, Korean, Vietnamese and Tagalog) and in any other language spoken by at least 10% of the people residing in the system's service area.

SB 998 sets forth the specific provisions and requirements for water service discontinuation, which includes a 60-day waiting period before service can be discontinued. The water supplier will also be required to contact, by telephone or in writing, the customer named on the account at least seven (7) business days before discontinuing service. If notice is given by telephone, the system must: (a) offer to provide the customer the system's written policy on discontinuation of water service; and (b) offer to discuss options to avoid discontinuing water service, including alternative payment schedules, deferred payments, minimum payments, amortization and bill review and appeal. The new law also includes required processes if the water supplier is unable to contact the customer as well as a specific mandate for a customer appeals process.

SB 998 also offers opportunities for payment arrangements, provisions for low-income customers and very specified conditions and/or circumstances which a water supplier will be prohibited from discontinuing water service for non-payment.

SB 998 also mandates that water suppliers must report annually on its website and to the State Water Resources Control Board the number of service discontinuations for inability to pay. The State Water Resources Control Board (State Board) must post that information on its website. Community water systems subject to all of the requirements set forth above who fail to comply with the requirements of this new law will be subject to enforcement by the State Board and the California Attorney General.

The City Attorney, City Manager and Finance Department have worked together to amend the current water discontinuation policy in order to comply with SB 998.

RECOMMENDATION:

MAYOR AND COUNCIL ADOPT RESOLUTION NO. 01-14-2020-01 ESTABLISHING AN ADMINISTRATIVE POLICY FOR UTILITY BILLING.

RESOLUTION NO. 01-14-2020-01
A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF CORNING
ESTABLISHING AN ADMINISTRATIVE POLICY
FOR UTILITY BILLING

WHEREAS, the City Council has thoroughly reviewed the billing practices of the City of Corning and taken public input and;

WHEREAS, the City Manager and City Staff are charged with the responsibility of administering the utility system, which includes Water Service, Sewer Service and Residential Refuse billing, and;

WHEREAS, the City Manager has the responsibility to establish administrative practices and policies to carry out the policy of the City Council.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Corning does hereby approve the policy for the Administration of Water, Sewer and Residential Garbage Service and Billing Practices as written in Attachment A of this Resolution.



The foregoing Resolution was duly passed and adopted by the **City Council of the City of Corning** at a regular meeting held on this **14th** day of **January 2020** by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Douglas Hatley Jr., Mayor

ATTEST:

Lisa M. Linnet, City Clerk

I **Lisa M. Linnet**, City Clerk of the City of Corning, County of Tehama, California **DO HEREBY CERTIFY** that the foregoing Resolution (Resolution No. **1-14-2020-01**.) was duly introduced, approved and adopted by the City Council of the City of Corning at a regular meeting of said Council held on the **14th** day of **January 2020** by the votes listed above. The above Resolution has not been amended or altered and is in full force and effect on the date stated above.

Lisa M. Linnet
City Clerk

ADMINISTRATIVE POLICY FOR UTILITY BILLING
ADOPTED BY RESOLUTION NO. 01-14-2020-01
CITY CODE GOVERNS SEWER SERVICE, WATER SERVICE AND THE
FRANCHISED DELIVERY OF REFUSE SERVICE TO THE CITIZENS
AND BUSINESSES IN CORNING

1. The Sewer Service rules and regulations are contained in Chapter 13.04 of the City Code.
2. Water Service is governed by Chapter 13.08 of the City Code
3. Refuse Service is governed by Chapter 8.06 titled, "Solid Waste Disposal" in the City Code. The Franchise Hauling Agreement also describes how trash service is delivered.
4. The Franchise Hauling Agreement allows in Section 4.3 of the Agreement: *"Contractor shall furnish all labor, materials, and equipment required to collect and shall collect Bulky Goods, waste oil and waste oil filters from the curbside of residences in the City in accordance with the schedule set forth herein."* [KM1]

ESTABLISHING UTILITY SERVICE

1. New Customers must complete the application form provided by the Finance Department. If the customer is a tenant, the customer shall pay a "New Customer Fee" of \$50, which will be applied to the final bill and any balance will then be refunded when service is terminated by the customer.
2. The New Customer Fee is transferable to a new residence or business when a customer moves: If there is no balance remaining on their bill.

ADMINISTRATION OF DELINQUENT ACCOUNTS

1. All bills are delinquent thirty days after the date stamped on the bill. The City will not discontinue residential service for nonpayment until the payment by customer has been delinquent for at least sixty (60) days. At least seven (7) days prior to the disconnection of service, the City will contact the customer in writing or by telephone to provide notice of the disconnection as set forth below:
 - A. If the notice is by telephone, the City will offer to provide the customer with the City's written policy on discontinuation of water service and discuss options to avoid discontinuing water service, including alternative payment schedules, deferred payments, minimum payments, amortization and bill review and appeal.
 - B. If notice is given in writing, the notice will be mailed to the customer at the address where service is provided, unless the customer's address is not the address of the property receiving service, then the notice will be sent to both the customer's address and the address of the property receiving the service. The notice to the address receiving service will be addressed to "Occupant" and include the following:
 - a. Customer's name and address;
 - b. Amount of delinquency;
 - c. Date by which payment or arrangement for payment is required to avoid discontinuation of service;
 - d. Description of the process to apply for an extension of time to pay the amount owing;
 - e. Description of the procedure to petition for review and appeal of the bill giving rise to the delinquency; and
 - f. Description of the procedure by which a customer can request a deferred, amortized, reduced or alternative payment schedule.

- B.** If one or more of the tenants/occupants assumes responsibility for subsequent charges to the account to the City's satisfaction, or there is a physical means to selectively terminate service to those tenants/occupants who have not met the City's requirements, then the Water Department may make service available only to those tenants/occupants who have met the requirements.
5. This Ordinance and any related policy shall be available on the City of Corning website in English and the five languages listed under Civil Code Section 1632, which are Spanish, Korean, Chinese, Vietnamese, and Tagalog. It must also be available in any other^[AJ2] language spoken by at least 10% of the people residing in the City of Corning jurisdiction.
 6. Customers who fail to pay their utility bill after their final notice is posted on the property as a "Door Hanger", shall have their water turned off, until such bill is paid. To re-establish service following turn-off, the customer shall have the accounts "New Customer Fee" increased to two hundred dollars (\$200) and pay a twenty-five dollar (\$25) non-refundable reconnection fee. For a residential customer who demonstrates household income below 200 percent of the federal poverty line, the fee to re-establish service shall be as follows:
 - a. Fifty dollars (\$50) during normal City Finance Department operating hours, subject to an annual adjustment for changes in the Consumer Price Index beginning January 1, 2021. For reconnection of residential service during nonoperational hours, the re-establish service fee shall be one hundred fifty dollars (\$150), subject to an annual adjustment for changes in the Consumer Price Index beginning January 1, 2021.
 - b. A residential customer shall be considered to have a household income below 200 percent of the federal poverty line if any member of the household is a current recipient of CalWORKS, CalFresh, general assistance, Medi-Cal, Supplemental Security Income/State Supplementary Payment Program, or California Special Supplemental Nutrition Program for Women, Infants, and Children, or the customer declares that the household's annual income is less than 200 percent of the federal poverty level.
 7. For Commercial Accounts, where an account receives two (2) "Notice of Intent to Turn Off Water", (Door Hanger) followed by a turn off of water twice, such customer shall deposit four (4) months average utility bill in order to restore and retain service. Such deposit is considered a "New Customer Fee" and is not refundable until the final termination of service by the customer.
 8. There will be a \$25 fee for any checks returned by the bank for Non-Sufficient Funds (NSF).

CLOSING ACCOUNTS

1. When a customer moves from the account location, and closes their account, the "New Customer Fee" shall be applied against any unpaid balance and the remainder shall be refunded within ten days of the date upon which the customer gives notice of termination of service.
2. Should a customer abandon the premises, leaving a bill unpaid, the "New Customer Fee" shall be applied to the unpaid balance, and any remaining balance due shall be referred to collection.
3. When an account is closed, the charges for water, sewer and residential trash service shall cease until service is initiated by the next occupant/customer.

RESIDENTIAL REFUSE SERVICE

1. City may provide customer billing for residential refuse service on the monthly Utility bill.
2. New customers shall choose either the regular residential service with the 96-gallon roller cart, or if they are a senior citizen, 60 or older, they may opt for the 32-gallon roller cart at

the lower rate, but only if their need for trash disposal is small enough to fit the 32-gallon cart.

INTERNAL ACCOUNTING MANAGEMENT

1. Upon receipt of payment, Finance Department Staff will distribute the payment to each of the utility funds, including water, sewer and trash. Other service charges may also be placed upon the utility bill, such as curb and gutter installation payments, and these will be distributed to that appropriate fund.
2. When partial payments are made by the customer, the payment shall first apply against sewer service, then water service and third, trash service, because any unpaid trash bills over 90 days delinquent will be recommended for property tax lien following the end of the fiscal year.
3. Finance Department Staff has the authority to negotiate and agree to partial payments by customers, in order to assist delinquent customers in bringing their bills current.
4. Delinquent Customers are always encouraged to work with Finance Department Staff to avoid water service turn-off.

SERVICE DISPUTES OVER TRASH SERVICE

1. Customers are encouraged to resolve conflicts directly with Corning Disposal Service through telephone or direct contact.
2. The City Code provides the following method of final resolution of service disputed: *“8.06.105 **Rate and Service Disputes**. Because the refuse customer service rates are based upon volume hauled and the level of service must be determined through agreement between the solid waste franchised hauler and the customer, disagreements may from time to time occur between these parties. The customer or franchised hauler may, therefore, present the situation to the City Director of Public Works for resolution. The circumstances of the dispute shall be presented in letterform clearly stating the issues disagreed upon and the solution sought. The Director of Public Works shall review the disputed issue and make a determination, which shall be final. The authority of the Director of Public Works to administratively resolve disputes in the foregoing manner does not include authority to approve adjustments in the rates themselves, which are charged for differing levels and types of service.”*

EXCERPTS FROM CITY CODE PERTAINING TO UTILITY BILLING AUTHORITY

- The **authority to combine charges on the monthly statement** is contained in:

Section 13.08.140 Service charges--Billing--Payment.

All charges for water service and sewer service, and any other service **rendered by the City, may be billed upon the same bill and collected as one item; if all or part of the bill is not paid, any or all of the services** for which the bill is rendered **may be discontinued.** (Ord. 111 §13, 1953).

Section 13.04.362 Billing and payment of all charges and fees.

B. All periodic user fees shall be due and payable when billed at the close of each period. These charges shall be payable at the office of the City and shall **become delinquent upon the expiration of thirty days after the end of the period to which such charges are applicable.**

C. All bills for all charges shall be issued by the City and may be combined with bills or statements for any other service furnished by the City to the person billed, and may be paid either separately or together with payment for such other services. All statements may be delivered either in person or by mail addressed to any person using the connection

in respect of which the charge is made, at Corning, California.

Section 13.08.130 Water fees--Payment.

All money due from water rentals and sales shall be due and payable to the City treasurer at his office in the City during a period of five days, commencing on the first day of the month following the period for which the billing is made.

If any person permits water rentals [KM3] to become delinquent for a period of two months, the water service shall be turned off and water cut off from the premises and shall not be turned on again until all water rents and charges are paid in full, accompanied by such fee for reinstatement as may be fixed by the Council, by resolution. A customer's water service may be discontinued if water service furnished at a previous location, to that customer, is not paid for within ten days after presentation of the bill. (Ord. 319 §1(part), 1978).

- The authority to Lien for unpaid Water charges is contained in:

Section 13.08.150 Charges as lien--Nonpayment--Disconnection.

Any charge levied by the City by or pursuant to this chapter or the resolutions made pursuant to the authority hereof on any premises within the corporate limits of the City having a connection to the City water distribution system is made a lien upon the premises [KM4]. The Water Superintendent is authorized and it shall be his duty to disconnect the water upon failure of the person to whom such charge or rental is billed to pay the charges as set forth in this chapter. (Ord. 111 §20, 1953).

- The authority to Lien for unpaid Sewer charges is contained in:

Section 13.04.360 Responsibility for payment of all charges and fees.

All sewer connection charges and periodic service charges against any premises shall be billed to the following persons:

- A. For any person with a connection to the City sewerage system, to the person who requested such connection or to his successor in interest... [KM5]

The Sewer Enterprise

Section 13.04.299A ARTICLE IV. CHARGES AND FEES:

Section 13.04.300 Charges and fees.

Charges and fees are as set out in Article IV of this chapter. (Ord. 541 (part), 1993)

Section 13.04.310 General.

Other City chapters prescribe annexation fees, connection charges, capital improvement fees and user fees. This article is supplementary to the provisions of those chapters. (Ord. 541 (part), 1993).

Section 13.04.320 Types and amount of charges and fees.

The City Council shall from time to time establish by chapter, resolution or order fees and charges for sewage service provided by the City. Such fees shall be based on cost and influencing factors such as flow and pollutant mass emission rates and volumes, and on the degree of effort required for purposes of billing, inspection, sampling, monitoring and administration. Fees and charges may include, but are not limited to:

- A. Permit fees to recover the costs of application processing, user classification, inspection, sampling and monitoring. Fees shall be assessed for permits or services at the time the permit application is filed and must be paid before a permit will be issued;
- B. Appeal fees to recover the administrative cost of appeal filing. Fees shall be assessed at the time the appeal is filed;
- C. User fee (service charge) to recover the costs of bonded debt retirement and interest, and operation and maintenance (including replacement), to satisfy provisions of federal or

state laws and any other sewerage system related costs appropriately recoverable via service charges;

D. Annexation fees and connection charges;

E. Capital improvement fees;

F. Expansion fees.

The sewer fees shall be as follows:

Capital Improvement	\$ 546.00
Sewer Plant Expansion	\$ 1,854.00
Four-inch Sewer Lateral	\$ 655.00

The City public works crew will do the installation from the main to the property line, except in subdivisions. (Ord. 555 (part), 1995; Ord. 541 (part), 1993).

Section 13.04.330 Dedication of funds collected as user fees.

The funds coming to the City under this chapter shall be used only and solely for the purposes of constructing, maintaining, operating, preserving, extending and replacing the sewerage system, including the storm sewer system, and to repay loans, bonds and other instruments financing the costs associated with the sewerage facilities. (Ord. 570, 1997; Ord. 541 (part), 1993).

Section 13.04.340 Classification of users.

All users shall be classified by assigning each one to the user classification category, according to the principal activity conducted on the user's premises. The purpose of such classification is to facilitate the regulation of wastewater discharges based on wastewater constituents, characteristic, and volume, to provide an effective means of source control, and to establish a system of user charges and fees which will insure an equitable recovery of the City's costs. (Ord. 541 (part), 1993).

Section 13.04.342 Determination of user charges.

Each user not required to obtain a wastewater discharge permit shall pay a fixed unit charge based on general wastewater constituents, characteristics and volume as set forth in the City's schedule of user charges and fees. Users who are issued a wastewater discharge permit under the provisions of this chapter shall pay a user charge determined by estimating or measuring the wastewater constituents, characteristics and volume. (Ord. 541 (part), 1993).

Section 13.04.350 Capital improvement fee (connection charge).

Capital improvement fee shall provide for the payment to the City of a pro rata of capital value of the sewage systems of the City, which amount shall be fixed by the City Council as condition precedent to connection to the sewerage system. (Ord. 541 (part), 1993).

Section 13.04.360 Responsibility for payment of all charges and fees.

All sewer connection charges and periodic service charges against any premises shall be billed to the following persons:

A. For any person with a connection to the City sewerage system, to the person who requested such connection or to his successor in interest; or

B. For any person not having a connection to the City sewerage system, to the person requesting such connection or to his successor in interest. (Ord. 541 (part), 1993).

Section 13.04.362 Billing and payment of all charges and fees.

A. All sewer connection charges shall be payable in advance and prior to completion of connection, at the office of the City.

B. All periodic user fees shall be due and payable when billed at the close of each period. These charges shall be payable at the office of the City and shall become delinquent upon the expiration of thirty days after the end of the period to which such charges are applicable.

C. All bills for all charges shall be issued by the City and may be combined with bills or statements for any other service furnished by the City to the person billed, and may be paid either separately or together with payment for such other services. All statements may be delivered either in person or by mail addressed to any person using the connection in respect of which the charge is made, at Corning, California.

D. Any payments made in advance of due date or delinquency date shall be without discount.

E. The City Council may by resolution determine that billings for user fees may be made monthly, bimonthly, quarterly or otherwise as may appear to be to the economic advantage of the City. (Ord. 541 (part), 1993).

Section 13.04.364 Charges may be adjusted.

No statement or bill shall be conclusive as to the matter set forth there-in, nor shall the filing of the same preclude the City from collecting by appropriate action such sum as is actually due and payable under the provisions of this chapter. (Ord. 541 (part), 1993).

The Water Enterprise

Section 13.08.120 Water fees--Establishing rates.

The City Council, by resolution shall determine and fix the rates to be charged to water users in the City, or from the City water system. (Ord. 555 (part), 1995; Ord. 554 (part), 1995; Ord. 534, 1992; Ord. 516, 1991; Ord. 496 §3, 1989).

Section 13.08.130 Water fees--Payment.

All money due from water rentals and sales shall be due and payable to the City treasurer at his office in the City during a period of five days, commencing on the first day of the month following the period for which the billing is made. The City Council may, by resolution, provide that billings shall be made monthly, bimonthly, quarterly, or otherwise as may appear to be to the economic advantage of the City. If any person permits water rentals to become delinquent for a period of two months, the water service shall be turned off and water cut off from the premises and shall not be turned on again until all water rents and charges are paid in full, accompanied by such fee for reinstatement as may be fixed by the Council, by resolution. A customer's water service may be discontinued if water service furnished at a previous location, to that customer, is not paid for within ten days after presentation of the bill. (Ord. 319 §1(part), 1978).

Section 13.08.140 Service charges--Billing--Payment.

All charges for water service and sewer service, and any other service rendered by the City, may be billed upon the same bill and collected as one item; if all or part of the bill is not paid, any or all of the services for which the bill is rendered may be discontinued. (Ord. 111 §13, 1953).

Section 13.08.150 Charges as lien--Nonpayment--Disconnection.

Any charge levied by the City by or pursuant to this chapter or the resolutions made pursuant to the authority hereof on any premises within the corporate limits of the City having a connection to the City water distribution system is made a lien upon the premises. The water superintendent is authorized and it shall be his duty to disconnect the water upon failure of the person to whom such charge or rental is billed to pay the charges as set forth in this chapter. (Ord. 111 §20, 1953).