



CITY OF

NEWPORT BEACH

City Council Staff Report

February 11, 2020
Agenda Item No. 4

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

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TITLE: Ordinance No. 2020-2: Amending Chapter 14.12 of the Newport Beach Municipal Code to Comply with SB 998, the Water Shutoff Protection Act

ABSTRACT:

This item is the second reading and adoption of the ordinance amending Newport Beach Municipal Code (NBMC) Chapter 14.12. On September 28, 2018, Governor Brown approved Senate Bill 998 (SB 998), which changed the requirements and procedures for the discontinuation of water service to a residence. SB 998 is intended to minimize the number of Californians who have their water service interrupted due to their inability to pay.

RECOMMENDATION:

- a) Determine this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) and 15060(c)(3) of the CEQA Guidelines because this action will not result in a physical change to the environment, directly or indirectly; and
- b) Conduct second reading and adopt Ordinance No. 2020-2, *An Ordinance of the City Council of the City of Newport Beach, California, Amending Chapter 14.12 of Title 14 of the Newport Beach Municipal Code Relating to Water Service Discontinuation for Nonpayment.*

FUNDING REQUIREMENTS:

The current adopted budget includes sufficient funding for the translation of the water discontinuance policy and notification letters to Spanish, Chinese, Tagalog, Vietnamese and Korean, as required by SB 998.

Water revenues are booked to the Water Enterprise Fund. Due to the lengthening of the delinquency period to 60 days, recovery of utility account receivables could slow down, but the amount collected would most likely be the same.

For customers who demonstrate that their household income is below 200% of the federal poverty line (currently for a family of four, the federal poverty line is \$25,750, therefore a family earning \$51,500 or less qualifies), SB 998 provides that the reconnection fee during business hours may not exceed \$50, or \$150 during non-operational hours, and the City must waive the interest charges on delinquent bills once every twelve months. The current reconnection fees are \$187 during business hours and \$312 during non-operational hours. The penalty charge is 10%. In FY 2018-19, there were 105 water shut-offs. Because the City does not currently ask for financial information, it is unclear how many customers would qualify for the decreased fees or the waiver, but these revenues may go down slightly.

DISCUSSION:

On January 28, 2020, the City Council introduced and passed to second reading Ordinance No. 2020-2, modifying Chapter 14.12 of Title 14 of the NBMC, to meet the requirements of SB 998. The NBMC revisions would provide additional processes and protections to delinquent residential water customers prior to water discontinuance.

ENVIRONMENTAL REVIEW:

Staff recommends the City Council find this action is not subject to the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly.

NOTICING:

The agenda item has been noticed according to the Brown Act (72 hours in advance of the meeting at which the City Council considers the item).

ATTACHMENT:

Attachment A – Ordinance No. 2020-2