

CITY OF YUBA CITY  
STAFF REPORT

**Date:** April 19, 2022  
**To:** Honorable Mayor & Members of the City Council  
**From:** Finance/IT Department  
**Presentation By:** Spencer Morrison, Finance Director

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**Summary**

**Subject:** Presentation of Utility Billing Arrearages and Delinquencies  
**Recommendation:** Note and File Report  
**Fiscal Impact:** Informational item only

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**Purpose:**

To provide information regarding utility billing arrearages and delinquencies.

**Council's Strategic Goal:**

This item addresses City Council's Strategic Goal of fiscal responsibility.

**Background:**

In recent years, prior to the pandemic, Yuba City's monthly utility billing delinquencies represented 1 percent of accounts and the unpaid bills ranged from \$50,000 to \$75,000. On April 2, 2020, the California governor announced Executive Order N-42-20 placing a moratorium on water system service shutoffs during the COVID-19 pandemic. This order ended on December 31, 2021, but the City must still follow Senate Bill 998 (SB 998), passed in 2018, which places many rules on how the City administers discontinuance of service due to nonpayment.

In fiscal year 2021-22, the State Water Resources Control Board appropriated American Rescue Plan Act (ARPA) funds for the California Water and Wastewater Arrearage Payment Program (CWWAPP) which establishes a mechanism for ratepayers to find relief for debt to the City utilities. Yuba City applied for and received \$279,320 in water bill relief funding and applied it to 702 delinquent accounts. Yuba City also has an application pending for \$257,618 for sewer bill relief for 455 accounts. While this funding does help, many of the same ratepayers have not resumed monthly payments and balances will continue to climb.

**Analysis:**

Yuba City has been utilizing discontinuance of service for nonpayment (Shutoffs) for decades as the last resort collection tool for accounts that are two or more months behind on their rate payments. SB

998 was already providing many protections to ratepayers that are delinquent on their utility bills when Governor Newsom placed a moratorium on shutoffs. Yuba City's delinquencies has grown to 969 delinquent accounts (almost 8 percent) and over \$457,700, today, factoring in the coming sewer bill relief. Finance staff has been instrumental in making contact with ratepayers, providing education, and reducing the outstanding balance from as high as over \$700,000. Yuba City applied for and has been approved for a third ratepayer relief program, Low-Income Household Water Assistance Program (LIHWAP), through which ratepayers may apply directly through the State of CA for assistance providing up to \$2,000 per household for qualifying customers.

With the CWWAPP programs underway, the discontinuation of the moratorium, and SB 998 updates to our Shutoff procedures, Yuba City's staff is prepared to resume shutoffs in a responsible manner for the health of the water and wastewater funds. Residents and landlords receive several mailings, a phone call to the number on record and City staff has created multi-language doorhangers to further inform residents about their delinquencies and urgency for payment to prevent Shutoffs. Additional SB 998 requirements placed on City staff before shutting off service include:

- Adopt a written discontinuation policy containing certain information in several languages and posted on the City's website;
- Wait until an account is at least 60 days delinquent before initiating Shutoff protocol;
- A primary care provider has not certified that the Shutoff will pose a serious or potentially fatal threat to a resident;
- The customer has not demonstrated the inability to pay;
- The customer is not willing to enter into an alternative payment agreement;
- Inform renters and mobile home residents about pending Shutoffs and provide the opportunity for said persons to become the ratepayer for their address;
- Posting the number of Shutoffs on the City website, annually.

These new rules are in addition to Shutoff rules existing prior to 2018. Staff has begun an initiative to ensure that all landlords are listed as additional bill recipients to help these owners comply with Municipal Code Section 6-6.10(g), which places the responsibility for utility bill payments solely on the property owners.

**Fiscal Impact:**

Informational item only.

**Recommendation:**

Note and file this report.

**Attachments:**

None

Prepared By:

Submitted By:

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