

## Attachment 1

### RESIDENTIAL WATER DISCONTINUATION POLICY

**1. SCOPE AND PURPOSE OF POLICY:** This Policy is applicable only to discontinuation of residential water service for non-payment. It does not apply to the discontinuation of residential water service due to an unauthorized action of a customer. It is intended to provide rules, in accordance with California law, to govern the discontinuation of residential water service for non-payment.

**2. APPLICABLE LAW:** Senate Bill 998, approved by the Governor September 28, 2018, and codified as Section 116900 et seq. of the California Health and Safety Code.

**3. MANDATE:** The City, as to the discontinuation of residential water service for non-payment, will abide by the mandates set forth in California Health and Safety Code Sections 116900-116926, as amended, and such other laws of the State of California as may be enacted.

#### 4. PROCEDURES:

##### 4.1 Billing - Delinquency.

**4.1.1 Due Date.** Water bills for service are due on or before the last business day of the month during which the bill is sent. "Business day" means any day other than a Saturday, Sunday, or legal holiday.

**4.1.2 Determining Delinquency.** A water bill that is not paid on or before the date it is due is considered delinquent. The water service may be shut off for any account delinquent for sixty (60) or more days in accordance with Section 4.2 below. Delinquency is measured from the date the bill is due.

##### 4.2 Enforcement of Payment.

**4.2.1 Notice of Impending Disconnection.** If a customer's account remains unpaid 60 days after the date it was due, then:

(1) A written "*Notice of Delinquency and Impending Termination*" must be mailed to the customer, the service address and the owner of record. If the customer's address is not the address of the property to which service is provided, the written "*Notice of Delinquency and Impending Termination*" sent to the service address will be addressed to "*Occupant*". The written "*Notice of Delinquency and Impending Termination*" will specify the date of pending service termination, which must be no less than ten (10) days after the date on which the written "*Notice of Delinquency and Impending Termination*" is mailed. The "*Notice of Delinquency and Impending Termination*" must include the following:

- The customer's name and address.
- The amount of the delinquency.
- The date by which payment or arrangement for payment is required in order to avoid discontinuation of service.

- A description of the process to apply for an extension of time to pay the delinquent charges.
- A description of the procedure to petition for bill review and appeal.
- A description of the procedure by which the customer may request a deferred, reduced, or alternative payment schedule.

(2) If the written notice is returned as undeliverable, then notice must be personally delivered to the service residence and left there in a conspicuous place if not delivered to the occupant.

(3) Water service will not be discontinued for customers for nonpayment if all the following conditions are met:

- The customer, or a tenant of the customer, submits a certification from his/her primary care provider that discontinuation of service will be life threatening to, or pose a serious threat to the health and safety of, a resident of the premises where service is provided.
- The customer demonstrates that he or she is financially unable to pay for service within the normal billing cycle. The customer will be deemed financially unable to pay for service within the normal billing cycle if any member of the customer's 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 (the "**Financial Burden Threshold**").
- The customer is willing to enter into an amortization agreement, alternative payment schedule, or a plan for deferred or reduced payment, according to Section 4.2.3 below.

#### 4.2.2 Contesting, Appealing a Bill:

(1) A customer may contest any alleged error within a bill for service by contacting the City in writing at the following address: City of Hughson, PO Box 9, Hughson, CA 95326 within ten (10) days of the date the bill was issued. The customer must, in the writing contesting the bill, clearly highlight the alleged error and explain why the amount due is erroneous. Failure by a customer to contest a bill within ten (10) days of its issuance will be deemed acceptance of the bill by the customer, and waiver of the customer's rights to contest or appeal the bill. To avoid discontinuance of service, full payment of the undisputed portion of the bill must be submitted by its due date.

(2) If the customer contests a bill within ten (10) days of the bill's issuance, and is not satisfied with the City's response, the customer may appeal the City's decision to the City Manager within ten (10) days' of the date of the City's response. The appeal must be in writing and sent to the City at the following address: City of Hughson, PO Box 9, Hughson, CA 95326, Attn: City Manager. The written appeal must explain why the City's response to the customer's contest was inadequate and the remedy sought by the

customer. The City Manager will determine whether the customer's appeal has merit and render a decision. The City Manager's decision will be final.

(3) Water service for customers will not be discontinued while any appeal is pending.

#### 4.2.3 Alternative Payment Plans:

(1) Plans: A customer whose account is delinquent may be offered one of the following alternative payment plans by the City; the City in its sole discretion may choose which of the plans is/are offered, which plan(s) the customer may undertake, and the terms of the plan(s) offered:

- Amortization Agreement: An agreement whereby the customer agrees to pay the unpaid account balance (as of the date of the agreement) in full-through equal monthly payments made over a period of time not to exceed twelve (12) months.
- Alternative Payment Schedule: A schedule whereby the customer agrees to pay the unpaid account balance (as of the date the schedule is created) in-full through payments made according to the schedule.
- Deferred or Reduced Payment Plan: A plan whereby: (i) a percentage of the unpaid account balance (as of the date of the plan) will be forgiven by the City upon receipt of the final payment under the plan, provided the customer pays a percentage of the unpaid account balance through equal monthly payments made over a period of time specified in the plan; or (ii) all or a portion of the late fees, interest, or penalties, or some combination thereof, accrued on the account are waived or reduced; or (iii) other deferred or reduced terms are offered.
- Temporary Deferral of Payment: A plan whereby payment in-full of the then-unpaid account balance is deferred, and the customer agrees to pay the unpaid account balance (as of the date the plan is created) in-full on or before a date specified in the plan.

(2) Telephone Number. Customers can inquire about alternative payment plans by calling the City at (209) 883-4054.

4.2.4 Discontinuation of Service During Alternative Payment Plan. If a customer does enter into one of the alternative payment plans with the City listed in Section 4.2.3 above, and that customer fails to comply with that agreed-upon plan, or if the customer (while undertaking an alternative payment plan) fails to pay his or her current residential service charges for sixty (60) days or more, a final written "*Notice of Intent to Disconnect Service*" will be posted in a prominent and conspicuous location at the property no less than five (5) days prior to disconnection, and thereafter service will be disconnected if the account is not brought current by payment in-full of all past, current and future amounts due under the agreed-upon plan, along with all fees, charges, and penalties on the account not covered by the terms of the agreed-upon plan.

4.2.5 Landlord-Tenant Relationships. Tenants occupying a residence whose

water service is subject to discontinuation due to the failure of the dwelling owner to keep the account current will be notified by written notice of any impending disconnection at least ten (10) days prior to service termination, and will have the option to become directly billed for City water services, without being required to pay any amount which may be due on the delinquent account.

4.2.6 Service Discontinuance – Service Charges. When water service is discontinued for non-payment, the residence’s water meter will be placed in the locked-off position. Thereafter, service charges listed in the City’s then-current Master Fee Schedule shall apply. After a sixty (60) day delinquent period, if the delinquent bill is not paid, the property to which service is disconnected may be subject to a property lien which will be filed with the County Recorder’s Office and the meter may be removed. The customer or property owner continues to be responsible for the minimum monthly service charges and without limitation any surcharges, penalties and interest accruing to the service connection up to and after the time when the meter is turned off. When the meter is removed, the customer or property owner also continues to be responsible for the minimum monthly service charges and all surcharges, penalties and interest accruing to the service connection up to and after the time the meter is removed.

4.2.7 Interest and Penalties. A delinquent account shall continue to accrue interest from the delinquent date at the rate of 1.5% per month, or the maximum rate then-allowed by law (whichever is less), until the past due amount, plus interest and penalties, is paid in full.

4.2.8 Reinstatement of Services. In situations where water service has been terminated or the meter has been removed, either or both for non-payment, the City will provide the customer with information on how to restore residential service. In such situations, water service will not be resumed and the water meter will not be re-installed until all applicable charges have been paid including (without limitation) all outstanding water bills, meter installation fees, customer activation fee, and any costs of or damage to the City; however, notwithstanding the foregoing to the contrary, for customers who meet the Financial Burden Threshold: (i) the fee for reconnection of service during normal operating hours will not exceed \$50, and \$150 for reconnection of service nonoperational hours, both subject to adjustment as provided by California law; and (ii) interest charges on delinquent bills will be waived once every twelve (12) month period.

**4.3 Reporting.** The City will report the number of annual discontinuations of residential water service for inability to pay on its Internet Web site, and as otherwise required by law (including, without limitation, any report required to be submitted to the California State Water Resources Control Board).

**4.4 Notices.** All written notices submitted to a customer must be in English and the languages listed in Section 1632 of the California Civil Code.