

POLICY ON DISCONTINUATION OF RESIDENTIAL WATER SERVICE

1. **Application of Policy.** This Policy on Discontinuation of Residential Water Service (this "Policy") shall apply to all City accounts for residential water service, but shall not apply to any accounts for non-residential service. To the extent this Policy conflicts with any other rules, regulations, or policies of the City, this Policy shall control.

2. **Contact Information.** For questions or assistance regarding your water bill, the City's Customer Service staff can be reached at (760) 768-2120 or (760) 768-2122. Customers may also visit the City's Customer Service desk in person Monday through Thursday and every other Friday, from 8:00 a.m. to 5:00 p.m., except on City holidays.

3. Billing Procedures and Late Fees.

3.1 Billing Procedures. Water service charges are payable to the City once every month or at such other frequency as determined by the City Council from time to time. All bills for water service are due and payable 30 days after mailing or e-mailing by the City. Any bills not paid within such period are considered delinquent.

3.2 Late Fees. Delinquent bills are subject to a late fee of five percent (5%) of the delinquent utility service charges. The late fee shall only apply to the portion of the bill for delinquent utility service charges, but not to other fees or charges included on the bill. No late fee will be assessed or collected until the bill is at least 30 days delinquent. In addition, no late fee will be assessed if: (1) the customer makes a payment of \$10.00 or more on the bill by the due date; (2) the customer requests and enters into a payment plan under Section 6 prior to the due date; (3) the customer has an abnormally large bill of at least five (5) times the average bill during the previous 12 months due to a leak or other water delivery issue on the premises that was identified and timely addressed as shown by documentation provided to the City.

4. **Discontinuation of Water Service for Nonpayment.** If a customer's delinquency for the water-service portion of a bill is at least \$150, and has been delinquent for at least 90 days, the City may discontinue water service to the service address.

4.1 Written Notice to Customer. The City will provide a mailed notice to the customer of record at least fifteen (15) days before discontinuation of water service. The notice will contain:

- (a) the name and address of the customer;
- (b) the amount of the delinquency;
- (c) the date by which payment or payment arrangements must be made to avoid discontinuation of service;
- (d) the procedure by which the customer may initiate a complaint or request an investigation or appeal concerning service or charges;

- (e) a description of the procedure by which the customer may request an alternative payment arrangement, which may include an extension, amortization, or alternative payment schedule, or if available, a flat-rate payment plan for future bills;
- (f) the City's standard fees and charges for delinquent bills or disconnection of service, including late fees, disconnection fees, and reconnection fees;
- (g) the procedure for the customer to obtain information on financial assistance, if applicable; and
- (h) the telephone number where the customer may request a payment arrangement or receive additional information from the City.

4.2 Written Notice to Occupants or Tenants.

(a) The City will also send a notice to the occupants living at the service address at least ten (10) days before discontinuation of water service under the following circumstances: (1) the City furnishes individually metered service to a single-family dwelling, multi-unit residential structure, mobile home park, or farm labor camp and the owner, manager, or operator is the customer of record; or (2) the customer of record's mailing address is not the same as the service address. The notice will be addressed to "Occupant," will contain the information required in Section 4.1 above, and will inform the residential occupants that they have the right to become customers of the City without being required to pay the amount due on the delinquent account. Terms and conditions for occupants to become customers of the City are provided in Section 7 below.

(b) If the City furnishes water through a master meter in a multi-unit residential structure, mobile home park, or permanent residential structures in a labor camp and the owner, manager, or operator is the customer of record, the City will make a good faith effort to inform the occupants, by means of written notice posted on the door of each residential unit at least 15 days prior to termination, that the account is in arrears and the service will be terminated on a date specified in the notice. If it is not reasonable or practicable to post the notice on the door of each unit, the City will post two (2) copies of the notice in each accessible common area and at each point of access to the structure or structures. The notice will inform the residential occupants that they have the right to become customers of the City without being required to pay the amount due on the delinquent account. The notice will also specify what the occupants are required to do in order to prevent termination of, or to reestablish service; the estimated monthly cost of service; the title, address, and telephone number of a representative of the City who can assist the occupants in continuing service; and the address or telephone number of a qualified legal services project that has been recommended by the local county bar association. Terms and conditions for occupants to become customers of the City are provided in Section 7 below.

4.3 Posting of Notice at Service Address. The City will leave a notice of imminent discontinuation of residential service and a copy of this Policy in a conspicuous place at the service address at least 48 hours before discontinuation of service. The notice will include:

- (a) the name and address of the customer;
- (b) the amount of the delinquency;
- (c) the date by which payment or payment arrangements must be made to avoid discontinuation of service;
- (d) the City's standard fees and charges for delinquent bills or disconnection of service, including late fees, disconnection fees, and reconnection fees;
- (e) the procedure for the customer to obtain information on financial assistance, if applicable; and
- (f) the telephone number where the customer may request a payment arrangement or receive additional information from the City.

4.4 Circumstances Under Which Service Will Not Be Discontinued. The City will not discontinue residential water service for nonpayment under the following circumstances:

- (a) When the delinquency for the water-service portion of a bill is less than \$150 or less than 90 days delinquent;
- (b) During an investigation by the City of a timely customer dispute or complaint under Section 5.1 below;
- (c) During the pendency of a timely appeal under Sections 5.3 or 5.4 below; or
- (d) During the period of time in which a customer's payment is subject to a City-approved extension, amortization, or alternative payment schedule under Section 6, and the customer remains in compliance with the approved payment arrangement.

4.5 Circumstances Under Which Service Through a Master Meter Will Not Be Discontinued. If the City furnishes water through a master meter in a multi-unit residential structure, mobile home park, or permanent residential structures in a labor camp and the owner, manager, or operator of the dwelling, structure, or park is the customer of record, the City will not discontinue residential water service for nonpayment under the following circumstances:

(a) When the customer's indebtedness is owed to another public agency, or when the obligation represented by the delinquent account or indebtedness was incurred with any public agency other than the City's water utility;

(b) If a delinquent account relates to another property owned, managed, or operated by the customer;

(c) If a public health or building officer certifies that termination would result in a significant threat to the health or safety of the residential occupants or the public.

4.6 Special Medical and Financial Circumstances Under Which Services Will Not Be Discontinued.

(a) The City will not discontinue water service if all of the following conditions are met:

(i) The customer, or a tenant of the customer, submits to the City the certification of a licensed primary care provider that discontinuation of water service will be life threatening to, or pose a serious threat to the health and safety of, a resident of the premises where residential service is provided;

(ii) The customer demonstrates that he or she is financially unable to pay for residential service within the City's normal billing cycle. The customer is deemed financially unable to pay during the normal billing cycle if: (a) 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 (b) the customer declares under penalty of perjury that the household's annual income is less than 200 percent of the federal poverty level; and

(iii) The customer is willing to enter into an alternative payment arrangement, including an extension, amortization, or alternative payment schedule with respect to the delinquent charges.

(b) For any customers who meet all of the above conditions, the City shall offer the customer one of the following options, to be selected by the City in its discretion: (1) an extension of the payment period; (2) amortization of the unpaid balance; or (3) an alternative payment schedule. The City's Finance Director will select the most appropriate payment arrangement, taking into consideration the information and

documentation provided by the customer, as well as the City's payment needs.

- (c) The customer is responsible for demonstrating that the conditions in subsection (a) have been met. Upon receipt of documentation from the customer, the City will review the documentation within seven (7) days and: (1) notify the customer of the alternative payment arrangement selected by the City and request the customer's signed assent to participate in that alternative arrangement; (2) request additional information from the customer; or (3) notify the customer that he or she does not meet the conditions in subsection (a).
- (d) The City may discontinue water service if a customer who has been granted an alternative payment arrangement under this section fails to do any of the following for sixty (60) days or more: (a) to pay his or her unpaid charges by the extended payment date; (b) to pay any amortized amount due under the amortization schedule; (c) to pay any amount due under an alternative payment schedule; or (d) to pay his or her current charges for water service for ninety (90) days or more and the water service delinquency exceeds \$150. The City will post a final notice of intent to disconnect service in a prominent and conspicuous location at the service address at least five (5) business days before discontinuation of service. The final notice will not entitle the customer to any investigation or review by the City.

4.7 Time of Discontinuation of Service. The City will not discontinue water service due to nonpayment on a Thursday, Friday, Saturday, Sunday, legal holiday, or at any time during which the City's office is not open to the public.

4.8 Restoration of Service. Customers whose water service has been discontinued may contact the City by telephone or in person regarding restoration of service. Restoration shall be subject to payment of: (a) any past-due amounts, including late fees; (b) any disconnection or reconnection fees, if applicable; (c) and a security deposit, if required by the City. Notwithstanding the above, the City will restore service to a customer following the discontinuation of water service for nonpayment if the customer agrees to enter into a payment plan under Section 6 and, under such payment plan, the customer immediately pays at least one-twelfth (1/12th) of the amounts due and will pay the remaining amounts in equal payments over the next 11 months, or another schedule agreed to by the customer and the City. A customer is entitled to receive a payment plan to restore service only once in any 12 month period.

5. **Procedures to Contest or Appeal a Bill.**

5.1 Disputed Bills. A customer may initiate a complaint or request an investigation regarding the amount of a bill prior to the date the bill becomes delinquent. Any amounts withheld by the customer pending resolution of said dispute shall be considered delinquent to the extent said amounts are withheld after they have become

due. Notwithstanding, the City will not discontinue water service for nonpayment during an investigation by the City of a complaint or request for investigation that was timely received by the City before the bill becomes delinquent, or during a timely appeal.

5.2 City Review. A timely complaint or request for investigation will be reviewed by a manager of the City, who will provide a written determination to the customer. The review will include consideration of whether the customer may receive an extension, amortization, or alternative payment schedule. The City may, in its discretion, review untimely complaints or requests for investigation; however, such complaints or requests are not subject to appeal. After reviewing the disputed bill, the City will:

- (a) Issue a corrected bill or reflect the corrections on the bill in a subsequent billing period; or
- (b) Advise the customer that the bill is correct as presented, in which case the customer may choose to have the meter removed for testing at the customer's own expense, or may appeal the City's determination.

5.3 Appeal to City Manager. Any customer whose timely complaint or request for an investigation has resulted in an adverse determination may appeal the determination to the City Manager or his or her designee, who are hereby authorized to hear appeals regarding water service bills and make any corrections of any assessments or charges that he or she believes is just and appropriate under the circumstances. The appeal may be made by filing a written notice of appeal with the City Clerk within ten (10) business days of the City's mailing of its initial determination.

5.4 Appeal to City Council. Any residential customer whose timely complaint or request for an investigation has resulted in an adverse determination from the City Manager or his or her designee may appeal the determination to the City Council by filing a written notice of appeal with the City Clerk within ten (10) business days of the City Manager or his or her designee's mailing of their determination. Upon receiving the notice of appeal, the City Clerk will set the matter to be considered at an upcoming City Council meeting and mail the customer written notice of the time and place of the meeting at least ten (10) days before the meeting. The decision of the City Council shall be final as to residential customers.

6. Extensions and Other Alternative Payment Arrangements.

6.1 Time to Request an Extension or Other Alternative Payment Arrangement. If a customer is unable to pay a bill during the normal payment period, the customer may request an extension or other alternative payment arrangement described in this Section 6. If a customer submits his or her request within 13 days after mailing of a written notice of discontinuation of service by the City, the request will be reviewed by a manager of the City. City decisions regarding extensions and other alternative payment arrangements are final and are not subject to appeal to the City Council.

6.2 Extension. If approved by the City, a customer's payment of his or her unpaid balance may be temporarily extended for a period not to exceed six (6) months after the balance was originally due. The City's Finance Director shall determine, in his or her discretion, how long an extension shall be provided to the customer. The customer shall pay the full unpaid balance by the date set by the City and must remain current on all water service charges accruing during any subsequent billing periods. The extended payment date will be set forth in writing and provided to the customer.

6.3 Amortization. If approved by the City, a customer's payment of his or her unpaid balance may be amortized over a period not to exceed 12 months, as determined by the City's Finance Director, in his or her discretion. If amortization is approved, the unpaid balance will be divided by the number of months in the amortization period, and that amount will be added to the customer's monthly bills for water service until fully paid. During the amortization period, the customer must remain current on all water service charges accruing during any subsequent billing periods. The amortization schedule and amounts due will be set forth in writing and provided to the customer.

6.4 Alternative Payment Schedule. If approved by the City, a customer may pay his or her unpaid balance pursuant to an alternative payment schedule that will not exceed 12 months, as determined by the City's Finance Director, in his or her discretion. If approved, the alternative payment schedule may allow periodic lump-sum payments that do not coincide with the City's established payment date or may provide for payments made more or less frequently than the City's regular payment date. During the period of the alternative payment schedule, the customer must remain current on all water service charges accruing during any subsequent billing periods. The alternative payment schedule and amounts due will be set forth in writing and provided to the customer.

6.5 Failure To Comply. If a customer has been granted a payment arrangement under this Section 6 and fails to: (1) pay the unpaid charges by the extension date; (2) pay an amount due under an amortization schedule; or (3) pay an amount due under an alternative payment schedule; and such amounts remain delinquent for at least 30 days, then the City may terminate water service. The City may also terminate water service if the customer has been granted a payment arrangement under this Section 6 and fails to pay his or her current charges for water service and such delinquencies exceed \$150. The City will post a final notice of intent to disconnect service in a prominent and conspicuous location at the service address at least five (5) business days before discontinuation of service. The final notice will not entitle the customer to any investigation or review by the City.

7. Procedures for Occupants or Tenants to Become Customers of the City.

7.1 Applicability. This Section 7 shall apply only when the property owner, landlord, manager, or operator of a residential service address is listed as the customer of record and has been issued a notice of intent to discontinue water service due to nonpayment.

7.2 Agreement to City Terms and Conditions of Service. The City will make service available to the actual residential occupants if each occupant agrees to the terms and conditions of service and meets the requirements of the City's rules and regulations. Notwithstanding, if one or more of the occupants are willing and able to assume responsibility for the subsequent charges to the account to the satisfaction of the City, or if there is a physical means, legally available to the City, of selectively discontinuing service to those occupants who have not met the requirements of the City's rules and regulations, the City shall make service available to the occupants who have met those requirements.

7.3 Verification of Tenancy. To be eligible to become a customer without paying the amount due on the delinquent account, the occupant shall verify that the delinquent account customer of record is or was the landlord, manager, or agent of the dwelling. Verification may include, but is not limited to, a lease or rental agreement, rent receipts, a government document indicating that the occupant is renting the property, or information disclosed pursuant to Section 1962 of the Civil Code, at the discretion of the City.

8. **Language for Certain Written Notices.** All written notices under Section 4 and Section 6.6 of this Policy shall be provided in English, Spanish, Chinese, Tagalog, Vietnamese, Korean, and any other language spoken by ten percent (10%) or more people within the City's service area.

9. **Other Remedies.** In addition to discontinuation of water service, the City may pursue any other remedies available in law or equity for nonpayment of water service charges, including, but not limited to: securing delinquent amounts by filing liens on real property, filing a claim or legal action, or referring the unpaid amount to collections. In the event a legal action is decided in favor of the City, the City shall be entitled to the payment of all costs and expenses, including attorneys' fees and accumulated interest.

10. **Discontinuation of Water Service for Other Customer Violations.** The City reserves the right to discontinue water service for any violations of City ordinances, rules, or regulations other than nonpayment.

11. **Fees and Charges Incurred.** Except as otherwise expressly stated in this Policy, any fees and charges incurred by a customer under any other rules, regulations, or policies of the City shall be due and payable as set forth therein.

12. **Decisions by City Staff.** Any decision which may be taken by the City's Finance Director under this Policy may be taken by his or her designee.