



# **DELINQUENCIES AND WATER SERVICE DISCONNECT**

## **POLICY**

**Document Type:** Delinquencies and Water Service Disconnect Policy

**Administering Entity:** General Manager and the Board of Directors

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**Approved By:** Board of Directors

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**Responsibility for Review:** General Manager and the Board of Directors

### **Purpose of Policy**

CCCSD formed as a special district and as a community water system that supplies water to more than 200 service connections are subject to California Senate Bill No. 998 (DODD) 2018 effective February 1, 2020.

This policy sets forth CCCSD's administrative actions for the collection of delinquent accounts, including notifications, fee assessments and discontinuation of service for both resident and non-resident service accounts. This policy will be made available to the public on CCCSD's website. The District can be contacted by phone (530) 357-2121 to discuss options for averting discontinuation of water service for nonpayment under the terms of this policy.

## **Delinquency Charge and Discontinuation of Service for Nonpayment**

### **A. Delinquency Charge**

If payment is not received by the twentieth (20<sup>th</sup>) of the month, Late Fees shall be applied to the account on the twenty-first (21<sup>st</sup>).

### **B. Discontinuation of Non-Residential Service for Nonpayment Policy**

The District shall not discontinue a non-residential service for nonpayment until a payment by a customer has been delinquent for thirty (30) calendar days.

#### **1. Non-Residential Service delinquency timeline**

- a. Regular Monthly Bills are mailed on the last day of the month and are due by the twentieth (20<sup>th</sup>) of the subsequent month.
- b. On the twenty-first (21<sup>st</sup>) of the following month, unpaid account balances will be accessed a Late Fee on all unpaid amounts. If one (1) month of billings are now delinquent a "Shut Off" Notice is delivered via mail with a shut off date 10 days from the date the notice was generated.
- c. By the ninth (9<sup>th</sup>) day after the "Shut Off" Notice is generated the amount printed on the Notice is due in FULL. This amount must be paid to prevent a "24-hour Shut Off Notice".
- d. After receiving a "24-hour Shut Off Notice", a payment for the delinquent amount printed on the Notice is due immediately to prevent disconnection of service.
- e. If payment is not received within the 24-hours, service will be disconnected, and a \$50 Disconnect Fee will be assessed. Service will remain off until payment for the entire balance including the Disconnect Fee is paid in full. Another \$50 Re-connection fee will be assessed when the staff is dispatched to reconnect the service and will be included in the next monthly bill.

#### **2. Notice of Termination of Non-Residential Service**

No less than ten (10) calendar days before discontinuation of non-residential service for nonpayment, the CCCSD shall contact the customer named on the account by written notice.

**Written Notice:** The written notice of payment delinquency and impending discontinuation shall be mailed to the mailing address provided. If the customer's address is not the address of the property to which residential service is provided, it shall **also** be mailed to the address of the property to which non-residential service is provided, addressed to "Occupant".

### **3. Good Faith Effort**

Whenever the CCCSD is unable to make Written Contact with the customer or an adult occupying the property, and when Written Notice is returned through the mail as undeliverable, the CCCSD shall make a Good Faith Effort to visit the location and leave or make other arrangements for placement in a conspicuous place, a Notice of Imminent Discontinuation of Service for Nonpayment and include the CCCSD's Policy.

### **4. Service Restoration**

Unless otherwise provided for pursuant to this Policy, a non-residential service that has been terminated for nonpayment in accordance with this Policy will be restored upon payment of the entire amount due, which shall include all late fees, service, disconnection fees, service reconnection charges, security deposit and any other penalties.

## **C. Discontinuation of Residential Service for Nonpayment Policy**

The District shall not discontinue a residential service for nonpayment until a payment by a customer has been delinquent for sixty (60) calendar days, and in accordance with the District's Policy for Discontinuation of Residential Service for Nonpayment, as provided herein. This Policy shall be available on the District's webpage.

- 1. Residential Service Delinquency Timeline:**
  - a. Regular Monthly Bills are mailed on the last day of the month and are due by the twentieth (20<sup>th</sup>) of the subsequent month.
  - b. On the twenty-first (21<sup>st</sup>) of the subsequent month, unpaid balances are assessed a Late Fee that will show on the current month's billing that will be mailed out at the end of the month. A separate delinquent notice will also be mailed at the end of the current month.
  - c. On the twenty-first (21<sup>st</sup>) of the following month, unpaid account balances will be assessed a Late Fee on all unpaid amounts. If two (2) months of billings are now delinquent a "Shut Off" Notice is delivered via mail with a shut off date 10 days from the date the notice was generated.
  - d. By the ninth (9<sup>th</sup>) day after the "Shut Off" Notice is generated the amount printed on the Notice is due in FULL. This amount must be paid to prevent a "24-hour Shut Off Notice".
  - e. After receiving a "24-hour Shut Off Notice", a payment for the delinquent amount printed on the Notice is due immediately to prevent disconnection of service.
  - f. If payment is not received within the 24-hours, service will be disconnected, and a \$50 Disconnect Fee will be assessed. Service will remain off until payment for the entire balance including the Disconnect Fee is paid in full. Another \$50 Re-connection fee will be assessed when the staff is dispatched to reconnect the service and will be included in the next monthly bill.

## 2. **Notice of Termination of Residential Service**

No less than ten (10) calendar days before discontinuation of residential service for nonpayment, the District shall contact the customer named on the account by written notice.

- a. **Written Notice:** The written notice of payment delinquency and impending discontinuation shall be mailed to the customer of the residence to which the residential service is provided. If the customer's address is not the address of the property to which residential service is provided, it shall **also** be mailed to the address of the property to which residential service is provided, addressed to "Occupant". The notice shall include:
  1. The customer's name and address.
  2. The amount of delinquency.
  3. The date by which payment or arrangement for payment is required in order to avoid discontinuation of residential service.
  4. A description of the process to apply for an extension of time to pay the delinquent charges.
  5. A telephone number for the residential customer to contact in order to discuss options for averting discontinuation of residential service for nonpayment.
  6. A description of the procedure to petition for bill review and appeal.
  
- b. A description of the procedure by which the customer may request an alternative payment plan agreement, including an amortization of the delinquent residential service charges, consistent with the CCCSD's Discontinuation of Residential Service for Nonpayment Policy.

## 3. **Good Faith Effort**

Whenever the CCCSD is unable to make Written Contact with the customer or an adult occupying the residence, and when Written Notice is returned through the mail as undeliverable, the CCCSD shall make a Good Faith Effort to visit the residence and leave, or make other arrangements for placement in a conspicuous place, a Notice of Imminent Discontinuation of Residential Service for Nonpayment ("24-Hour Shut-Off Notice") and include the CCCSD's Discontinuation of Residential Service for Nonpayment Policy.

**4. Alternatives to Discontinuation of Residential Service for Nonpayment:**

**a. Alternative Payment Plan**

1. Prior to Termination of Residential Service, any customer can contact the CCCSD and request a Alternative Payment Plan whereby payments of the delinquent amount can be extended up to a twelve (12) month repayment schedule.
2. As a condition of this Plan, the customer will be required to pay the amortized amount plus the current water service charges.
3. Unless otherwise provided for in the CCCSD's Policy, failure to pay the amortized amount plus the current water service charges each billing period will nullify the amortization agreement and result in the issuance of a Notice of Termination of Residential Service that will require the customer to pay the entire outstanding balance within 5 business days or water service will be terminated.

**5. Bill Review Request and Appeal Process**

Residential service shall not be discontinued while a residential customer is engaged in the following review and appeal process:

**a. Bill Review Request**

1. If a customer wishes to dispute a water bill, the customer must, within five (5) business days of receipt of the disputed bill, contact the CCCSD during regular office hours and request a review of the account and provide staff with the reason for the review.
2. Upon review of the account, the CCCSD shall respond to the bill review request within ten (10) business days with a decision regarding the amount due.

**b. Appeal Process**

1. If the customer wishes to dispute the findings of the bill review request, the customer shall provide a request in writing to the CCCSD to have a review of the account by the General Manager. This request shall be provided to the CCCSD within ten calendar days from the date of mailing of the bill review request findings to the customer.
2. Upon review of the account, the General Manager shall respond to the bill review request within ten (10) business days with a decision regarding the amount due.
3. If the customer wishes to dispute the decision of the General Manager with respect to the bill review request, the customer shall provide a request in writing to appeal the decision to the Board of Directors. This request shall be provided to the CCCSD within ten

calendar days from the date of mailing of the decision. The appeal will be heard by the Board and a decision will be made regarding the amount due at the next regularly scheduled meeting of the Board of Directors.

c. **Waive Fees**

1. The District may waive fees (e.g., Late Fees, Penalties) on delinquent bills a maximum of once every twelve (12) months.

**6. Special Conditions**

a. **Medical Certification**

1. The CCCSD shall not discontinue residential service for nonpayment if **all** of the following conditions are met:
  - i. The customer, or tenant of the customer, submits a certification of a primary care provider, as defined in subparagraph (A) of paragraph (1) of subdivision (b) of Section 14088 of the Welfare and Institutions Code, that the discontinuation of residential 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 they are financially unable to pay for residential service within the CCCSD's normal billing cycle. The customer shall be deemed financially unable to pay 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.
  - iii. The customer is willing to enter into the Deferred Payment Arrangement Plan or Alternative Payment Schedule, as provided in this Policy, with respect to all delinquent charges.
2. If the items in Paragraph a.1(i), (ii) and (iii) above are met, the CCCSD shall offer the residential customer one of the following options, in the sole discretion of the CCCSD:
  - i. The Deferred Payment Arrangement Plan, as provided in this Policy; or
  - ii. The Alternative Payment Schedule, as provided in this Policy.

3. The CCCSD may grant a longer repayment period than provided in the Deferred Payment Arrangement Plan or the Alternative Payment Schedule if the CCCSD, in its sole discretion, finds the longer period is necessary to avoid undue hardship to the customer based upon the circumstances of the individual case.
  4. The residential service of a customer who is making repayment of a delinquent amount pursuant to an Alternative Payment Schedule or Deferred Payment Arrangement Plan under Section C (4) shall be disconnected no sooner than five (5) business days after the CCCSD posts a Final Notice of Intent to Disconnect Service in a prominent and conspicuous location at the property under either of the following circumstances:
    - i. The customer fails to comply for 60 days or more with the terms of the Alternative Payment Schedule or Deferred Payment Arrangement Plan entered into by the customer for repayment of delinquent charges.
    - ii. While complying with the terms of the Alternative Payment Schedule or Deferred Payment Arrangement Plan entered into by the customer for repayment of delinquent charges, the customer does not pay the current residential service charges for 60 days or more.
- b. **Reconnection of Discontinued Service for Customers with income below 200% of the Federal Poverty Level**
1. The CCCSD shall provide all residential customers who have their services discontinued with information on how to restore their water service
  2. For residential customers who demonstrate to the District a household income below 200 percent of the Federal poverty line, the District shall do **both** of the following:
    - i. Set a reconnection service fee during normal operating hours to a maximum of fifty dollars (\$50). For reconnection during nonoperational hours, the reconnection charge shall be a maximum of one hundred-fifty dollars (\$150).
    - ii. Waive fees (e.g., Late Fees, Penalties) on delinquent bills once every twelve (12) months per Policy.

3. The CCCSD shall deem a residential customer to have a household income below 200 percent (200%) 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 (200%) of the Federal poverty level.
- c. **Discontinuation of Residential Service in Landlord-Tenant Situations**
1. This Section applies if there is a landlord-tenant relationship between the residential occupants and the owner, manager, or operator of the dwelling.
  2. Where the CCCSD furnishes individually metered residential service to residential occupants of a detached single-family dwelling, a multiunit residential structure, mobile-home park, or permanent residential structure in a labor camp (as defined in California Health and Safety Code § 17008), and the owner, manager, or operator of the dwelling, structure, or park is the customer of record/owner, the CCCSD shall make every Good Faith Effort to inform the residential occupants/tenants, by means of Written Notice, when the account is in arrears that service will be terminated at least 10 calendar days (10) prior to the termination/shut off. The Written Notice shall further inform the residential occupants/tenants that they have the right to become customers, to whom the service will then be billed, without being required to pay any amount which may be due on the delinquent account.

If the service is terminated, the tenant may elect to establish service subject to the terms and conditions of service, meets the requirements of law and the CCCSD's Rules & Regulations. In order for the amount due on the delinquent account to be waived, the District requires that the applicant 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.



**7. Non-Allowable Residential Water Service Termination**

- a. In addition to the restrictions imposed by the Policy, the CCCSD has set forth the following restrictions on terminations of a residential customer's water service for nonpayment of residential water service charges. No customer's service shall be terminated:
  - i. On a Friday, weekend, CCCSD observed holiday (or the day prior), or at any time during which the CCCSD Office is not open to the public.

**8. Service Restoration**

- a. Unless otherwise provided for pursuant to the Policy for Discontinuation of Residential Service for Nonpayment, Residential Water Service that has been terminated for Nonpayment in accordance with this Policy will be restored upon payment of the entire amount due, which shall include all Late Fees service disconnection charges, service reconnection charges, security deposit and other penalties.

**9. Annual Reporting**

- a. The annual number of discontinuations of residential services for inability to pay shall be reported on the CCCSD's webpage in January of each year.