

CITY OF CHOWCHILLA

CALIFORNIA



CITY POLICY

TITLE: Utility Service Policy for Delinquent Customers of Residential Water Service	PAGE: 1 of 6
EFFECTIVE DATE: February 1, 2020	COUNCIL RESOLUTION: 13-20

A. PURPOSE

This policy has been established to comply with Senate Bill 998, known as the "Water Shutoff Protection Act" and approved by the Governor on September 28, 2018 (California Health and Safety Code Sections 116900, et seq.). This Policy shall be made available on the City of Chowchilla's website. The City Finance Utility Billing department can be contacted by phone at (559) 665-8615 to discuss options for averting termination of water service for nonpayment under the terms of this policy.

B. PUBLISHED LANGUAGES

This policy and written notices required in this policy shall be available and published in English, the languages listed in Section 1632 of the Civil Code, which include Spanish, Chinese, Tagalog, Vietnamese, and Korean, and any other language spoken by at least 10 percent of the people residing in the City's water service area.

C. GENERAL POLICY

1. Definition of Delinquent Account

An account becomes delinquent if payment is not received by the last day of each month (the "due date"). If the due date falls on a weekend or holiday, then the due date will be the next business day. Any revision to such dates will be reflected by a policy update.

2. Delinquent Account Fees

If an account is past due for over 30 calendar days, a 10% penalty is assessed and an ongoing interest of 1.5% per month is charged after 30 calendar days. A disconnect/reconnect fee of \$50 will be assessed during regular business hours and up to \$150.00 during non-regular hours if service is discontinued.

3. Requirements Precedent to Discontinuing Residential Water Service

- a. The City shall not discontinue residential water service for nonpayment until a customer has been delinquent for at least 60 days. No less than seven business days before discontinuation of residential water service for nonpayment, the City shall contact the customer named on the account by telephone or written notice.
- b. When the City contacts the customer named on the account by telephone pursuant to subsection (a), staff shall offer to provide this policy in writing to the customer. City staff shall offer to discuss options to avert discontinuation of water service for nonpayment, including, but not limited to, alternative payment schedules, deferred payments, minimum payments, procedures for requesting amortization of the unpaid balance, and petition for bill review and appeal.

- c. When the City contacts the customer named on the account by written notice pursuant to subsection (a), the written notice of payment delinquency and impending discontinuation shall be mailed to the customer at their address of record. If the customer's address is not the address of the property to which residential water service is provided, the notice shall also be sent to the address of the property to which residential water service is provided, addressed to "Current Resident." The notice shall include, but is not limited to, all of the following information in a clear and legible format:
 - i. The customer's name and address.
 - ii. The amount of the delinquency.
 - iii. The date by which payment or arrangement for payment is required in order to avoid discontinuation of residential water service, which shall be 60 days from the date that the bill became delinquent unless extended by the discretion of the Finance Director.
 - iv. A description of the process to apply for an extension of time to pay the delinquent charges.
 - v. A description of the procedure to petition for bill review and appeal.
 - vi. A description of the procedure by which the customer may request a deferred, reduced, or alternative payment schedule, including an amortization of the delinquent residential water service charges.
 - vii. The City's phone number and a web link the City's written policy.

4. Good Faith Noticing Requirements

Wherever possible, the City's social media sites shall link to the official City of Chowchilla website for forms, documents, online services and other information necessary to conduct business with the City.

5. Payment Arrangements

- a. Any customer who is unable to pay for water service within the normal payment period may request an alternative payment arrangement to avoid disruption of service. A down payment of one half (1/2) of the total past due amount is to be paid at the time of the execution of the Payment Arrangement form. The balance will then be amortized over a period not to exceed 12 months. In addition to the current payment, the delinquent payment is to be made timely over the agreed upon period. The customer must comply with the Payment Arrangement Plan and remain current as charges accrue in each subsequent billing period.
- b. Accounts will be allowed only one Payment Arrangement per year. A Payment Arrangement will not be approved until prior Payment Arrangement terms have been met and delinquency is paid in full. A Payment Arrangement cannot be executed once service has been terminated without express authorization of the Finance Director or his/her designee.
- c. If customer fails to comply with the Payment Arrangement for at least sixty (60) calendar days or more, service may be discontinued no sooner than five (5) business days after posting Notification of Delinquency. The Notification will be posted in a conspicuous place at the service address. City will terminate services if there has been no contact from the account holder to execute a Payment Arrangement.

6. Prohibition Against Discontinuing Residential Water Service

- a. The City shall not discontinue residential water service for nonpayment 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 primary care provider, as that term is defined in subparagraph (A) of paragraph (1) of subdivision (b) of Section 14088 of the Welfare and Institutions Code, that discontinuation of residential 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 water service is provided.
 - ii. The customer demonstrates that he or she is financially unable to pay for residential water service within the City's normal billing cycle. The customer shall be deemed financially unable to pay for residential water service within the City's 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.
 - iii. The customer is willing to enter into an amortization agreement, alternative payment schedule, or a plan for deferred or reduced payment with respect to all delinquent charges.
- b. If the conditions listed above are all met, the City shall offer the customer one or more of the following options:
 - i. Amortization of the unpaid balance.
 - ii. Participation in an alternative payment schedule.
 - iii. A partial or full reduction of the unpaid balance financed without additional charges to other ratepayers.
 - iv. Temporary deferral of payment.
- c. The Finance Director is authorized to determine which of the payment options described in Section 9(b) the customer undertakes and may set the parameters of that payment option provided that the repayment of any remaining outstanding balance occurs within 12 months, and further provided that the Finance Director may only approve a partial or full reduction of the unpaid balance if that reduction can be funded with general fund revenues that the City Council has approved and transferred into the Water Fund budget explicitly for the purpose of doing so.
- d. Residential water service may be discontinued no sooner than 5 business days after the City 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 with an amortization agreement, an alternative payment schedule, or a deferral or reduction in payment plan for delinquent charges for 60 days or more.

- ii. While undertaking an amortization agreement, an alternative payment schedule, or a deferral or reduction in payment plan for delinquent charges, the customer does not pay his or her current residential water service charges for 60 days or more.
- e. The burden of proving compliance with the conditions described in Section 9(a), above, is on the customer. In order to allow the City sufficient time to process any request for assistance by a customer, the customer is encouraged to provide the City with the necessary documentation demonstrating the such medical issues, financial inability, and willingness to enter into any alternative payment arrangement under Section 9(a) as far in advance of any proposed date for discontinuation of service as possible. Upon receipt of such documentation, the Finance Director, or his or her designee, shall review that documentation and respond to the customer within three (3) calendar days or to notify the customer that additional information is necessary or to notify customer of the payment options. Customers who fail to meet the conditions described in Section 9(a), above, must pay the delinquent amount, including any penalties and other charges, owing to the City within the latter to occur of: (i) two (2) business days after the date of notification from the City of the City's determination the customer failed to meet those conditions; or (ii) the date of the impending service discontinuation, as specified in the delinquency notice.

7. Shut Off Procedure

- a. Payments are updated to customer accounts prior to sending Field Representatives out to terminate service. As a courtesy, the Field Representative will attempt to contact the adult individual(s) residing at the service address prior to termination of service. However, regardless of whether contact has been made, the Field Representative will proceed to terminate services.
- b. Service will not be restored until entire account balance, penalties, and fines are paid in full and/or a deposit will be required to re-activate service if there is no deposit on file. A check will not be accepted as payment to restart service.
- c. Service will not be terminated at any time the Finance Department is not open (Saturdays, Sundays, holidays, after hours), or while an appeal is pending, or if a payment extension is granted.
- d. Tampering with City property (shut off valves, valve locks, etc.) shall constitute a misdemeanor. The Finance Director or his/her designee will notify the Chowchilla Police Department, and the cost of replacement and monitoring will be charged to the account.

8. Restoration of Water Service

- a. If the City discontinues residential water service for nonpayment, it shall provide the customer with information on how to restore residential water service. For a residential customer who demonstrates to the City that the household income is below 200 percent of the federal poverty line, the City shall do both of the following:
 - i. Set a reconnection of service fee for reconnection during normal operating hours in an amount that does not exceed fifty dollars (\$50), or the actual cost of reconnection if it is less. For the reconnection of residential water service during nonoperational hours, the City shall set a reconnection of service fee that does not exceed one hundred fifty dollars (\$150), or the actual cost of reconnection

during nonoperational hours if it is less. The maximum amount of \$50 for reconnection during operational hours and \$150 during nonoperational hours shall be subject to an annual adjustment for changes in the Consumer Price Index beginning January 1, 2021. The City shall use the average of the Los Angeles area and San Francisco area for determining the increase in the Consumer Price Index.

- ii. Waive interest charges on delinquent bills once every 12 months.
- b. The City shall deem a residential customer to have a household income below 200 percent 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 of the federal poverty level.

9. Services involving Landlord-Tenant Relationships

- a. If the City furnishes individually metered residential water service to residential occupants of a detached single-family dwelling, a multiunit residential structure, and mobile home and the owner, manager, or operator of the dwelling, structure, or park is the customer of record, the City shall make every good faith effort to inform the residential occupants, by means of written notice, when the account is in arrears that service will be terminated at least 10 days prior to the termination. The written notice shall further inform the residential occupants 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.
- b. The City shall not make service available to the residential occupants unless each residential occupant agrees to the terms and conditions of service and meets the requirements of law and the City's ordinances, resolutions, rules and regulations. However, if one or more of the residential occupants are willing and able to assume responsibility for the subsequent charges to the account to the satisfaction of the City, including requirements which may include, but not be limited to, payment of a deposit of \$250 and completion of a City application for service so that the Finance Director, or designee, can evaluate whether the City is satisfied that the residential applicants can meet the terms and conditions of service, or if there is a physical means legally available for the City to selectively terminate service to those residential occupants who have not met the requirements of the City's, the City shall make service available to those residential occupants who the City is satisfied can meet the terms and conditions of service.

10. Service Termination by Account Holders

Account holders wanting to terminate their service must do so in writing by specifying the date service is to be discontinued. If a request for termination has not been made in writing, the account holder will be held responsible for utility services provided to the service location. Temporary service termination by the account holder must also be in writing. If the account holder is deceased, a family member may submit a written request for service termination with a copy of the death certificate.

11. Reporting Requirements

The City shall annually report the number of discontinuations of residential service for inability to pay on the City's website and to the State Water Resources Control Board.

12. Limitations of this Policy

Nothing in this policy restricts, limits or otherwise impairs the City's ability to terminate service to a customer for reasons other than those explicitly stated in this policy, including, but not limited to, unauthorized actions of the customer.

13. Customers may appeal the amount set forth in any bill for residential water service

The Account holder has the right to appeal the bill giving rise to delinquency. To do so, he/she must do the following:

- a. The account holder shall complete a City of Chowchilla Appeal form addressing his or her concern and, if there is a dispute with a Finance Department Policy, the account holder or complaining party should indicate where possible, the policy with which they disagree. The completed appeal form shall be date stamped upon receipt by the City of Chowchilla Finance Department.
- b. A review committee, consisting of the Finance Director and an additional person who does not have a direct involvement with the utility billing and collection process shall hear the appeal. A hearing with this committee will be granted upon request. A written notice of the date and time of the hearing shall be sent to the complaining party within five (5) business days of the hearing date.
- c. The Hearing will be held within ten (10) working days of the receipt of the completed appeal form. The City Attorney may be consulted for his/her advice relating to the committee's findings.
- d. The review committee will provide a written notice to the account holder concerning the outcome of the hearing. The written response will notify the complainant of his or her right to appeal the decision and the procedures for doing so. If the account holder disagrees with the decision of the committee, a request to appeal to the City Council can be made. This request for appeal to the City Council must be made within fifteen (15) calendar days from the date of the decision of the appeal committee. The decision of the City Council is final.
- e. The City shall not discontinue residential water service while the appeal is pending.