

# **POLICY ON DISCONTINUATION OF RESIDENTIAL WATER SERVICE**

**Adopted by Resolution No. 2696 of the City Council of the City of Shafter on:**

**December 3, 2019**

1. **Application of Policy.** This Policy on Discontinuation of Residential Water Service (this "Policy") shall apply to all City accounts for residential water service, as well as charges for other residential services included on the same bill as water service charges, including, but not limited to, sewer and refuse services. This Policy shall not, however, 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 (661) 746-5001. Customers may also visit the City's Customer Service desk in person Monday through Friday, from 9:00 a.m. to 5:00 p.m., except on City holidays.

3. **Billing Procedures.** Water service charges are payable to the City once every month or at such other frequency as determined by the City Manager from time to time. All bills for water service are due and payable 25 calendar days after the invoice is mailed or made available to the customer in an electronic format by the City. Any bills not paid within such period are considered delinquent.

4. **Discontinuation of Water Service for Nonpayment.** If a bill is delinquent for at least sixty (60) calendar 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) calendar 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, which shall be the 55<sup>th</sup> day of delinquency;
- (d) a description of the procedure by which the customer may request an alternative payment arrangement, which may include an extension or alternative payment schedule;
- (e) 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) If 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 of the dwelling, structure, or park is the customer of record, or if the customer of record's mailing address is not the same as the service address, the City will also send a notice to the occupants living at the service address at least fifteen

(15) calendar days before discontinuation of water service. 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 8 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 of the dwelling, structure, or park 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 fifteen (15) calendar days prior to discontinuation, that the account is in arrears and the service will be discontinued 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 discontinuation 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 8 below.

4.3 In-Person or Telephonic Notice. The City will also make a reasonable, good faith effort to contact the customer of record or an adult person living at the customer's address in person or by telephone at least seven (7) calendar days before discontinuation of service.

4.4 Posting of Notice at Service Address. If the City is unable to make contact with the customer or an adult person living at the customer's address in person or by telephone, the City will make a good faith effort to leave a notice of imminent discontinuation of residential service and a copy of this Policy in a conspicuous place at the service address. For master-metered service, 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 and copy of this Policy will be left at the service address at least forty-eight (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 procedure for the customer to obtain information on financial assistance, if applicable; and
- (e) the telephone number where the customer may request a payment arrangement or receive additional information from the City.

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

- (a) During an investigation by the City of a customer dispute or complaint under Section 5.1 below;
- (b) During the pendency of an appeal to the City Council under Section 5.3 below; or
- (c) During the period of time in which a customer's payment is subject to a City-approved extension or alternative payment schedule under Section 6 below, and the customer remains in compliance with the approved payment arrangement.

4.6 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;
- (b) If a delinquent account relates to another property owned, managed, or operated by the customer;
- (c) If a public health or building officer with jurisdiction over the structure certifies that discontinuation would result in a significant threat to the health or safety of the residential occupants or the public.

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

- (a) The City will not discontinue water service if all of the following conditions are met prior to discontinuation of service for nonpayment:
  - (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, 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; or (2) an alternative payment schedule. The City Manager 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 prior to discontinuation of service for nonpayment. Upon receipt of documentation from the customer, the City will review the documentation within seven (7) calendar 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 extension or alternative payment arrangement under this section fails to do any of the following for sixty (60) calendar days or more: (a) to pay his or her unpaid charges by the extended payment date; (b) to pay any amount due under an alternative payment schedule; or (c) to pay his or her current charges for water service. 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.

4.8 Time of Discontinuation of Service. The City will not discontinue water service due to nonpayment on a Saturday, Sunday, legal holiday, at any time during which the City's office is closed to the public, or any day when the City's office will be closed the following calendar day.

4.9 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 applicable interest or penalties; (b) any reconnection fees, subject to the limitations in Section 7.1, if applicable; (c) and a security deposit, if required by the City.

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

5.1 Time to Initiate Complaint or Request an Investigation. A customer may initiate a complaint or request an investigation regarding the amount of a bill at any time before the bill is due and payable to the City. The complaint or request for investigation shall be in writing and shall state the reasons for the complaint or basis for requesting the investigation.

5.2 Review by City. A timely complaint or request for investigation shall be reviewed by the City Manager of the City, who shall provide a written determination to the customer. The review will include consideration of whether the customer may receive an extension or alternative payment schedule under Section 6.

### 5.3 Appeal to City Council.

(a) Any customer whose timely complaint or request for an investigation pursuant to this Section 5 has resulted in an adverse determination 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's mailing of its determination.

(b) Upon receiving the notice of appeal, the City Clerk will schedule the appeal for 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.

(c) In considering an appeal, the City Council may grant the appeal, in whole or in part; deny the appeal; or direct City staff to provide an alternative payment plan for any amounts due following the appeal. Council consideration of the appeal will include, but not be limited to, the following: (1) the customer's water use history; (2) whether the excessive bill was caused by the negligence or non-responsiveness of the customer; (3) previous water bill complaints or appeals by the customer; and (4) the impact of granting the appeal on the City's water utility fund and other water ratepayers. The decision of the City Council shall be final.

(d) If the customer is not present when the appeal is decided by the City Council, notice of the Council's decision will be mailed to the customer. If an appeal is denied or granted only in part, any amounts due shall be paid within ten (10) calendar days of: (1) the date of the Council's decision (if the customer was present) or (2) the mailing of the notice of the Council's decision (if the customer was not present).

## **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 thirteen (13) calendar days after mailing of a written notice of discontinuation of service by the City, the request will be reviewed by the City Manager. To ensure the City's ability to collect the past due amount if it remains unpaid, Customers seeking an extension or alternative payment arrangement shall present a photo identification issued by a state or federal government agency and a copy of his or her social security card. The City shall not grant an extension or alternative payment arrangement to the same customer more than three (3) times in a calendar year.

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 Manager 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 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 twelve (12) months, as determined by the City Manager 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.

6.4 Failure To Comply. The City may discontinue water service if the original amount due is delinquent by at least sixty (60) calendar days and a customer who has been granted an alternative payment arrangement under this Section 6 fails to do any of the following for five (5) calendar days or more: (a) to pay his or her unpaid charges by the extended payment date; (b) to pay any amount due under an alternative payment schedule; or (c) to pay his or her current charges for water service. The City will post a final notice of intent to disconnect service in a prominent and conspicuous location at the service address at least forty-eight (48) hours before discontinuation of service. The final notice will not entitle the customer to any investigation or review by the City.

## 7. **Specific Programs for Low-Income Customers.**

7.1 Reconnection Fee Limits and Waiver of Interest. For residential customers who demonstrate to the City a household income below 200 percent of the federal poverty line, the City will:

- (a) Limit any reconnection fees during normal operating hours to fifty dollars (\$50), and during non-operational hours to one hundred fifty dollars (\$150). The limits will only apply if the City's reconnection fees actually exceed these amounts. These limits are subject to an annual adjustment for changes in the Bureau of Labor Statistics' Consumer Price Index for All Urban Consumers (CPI-U) beginning January 1, 2021.
- (b) Waive interest charges on delinquent bills once every 12 months. The City will apply the waiver to any interest charges that are unpaid at the time of the customer's request.

7.2 Qualifications. The City will 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 (b) the customer declares under penalty of perjury that the household's annual income is less than 200 percent of the federal poverty level.

## 8. **Procedures for Occupants or Tenants to Become Customers of the City.**

8.1 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. Occupants seeking to become customers of the City's water utility must

also agree to be responsible for other City utilities provided at the service address, including refuse and sewer services.

8.2 Requirements. In addition to any other terms and conditions of service or City rules and regulations, occupants seeking to become customers of the City's water utility:

(a) Shall become responsible for other City utilities provided at the service address, including refuse and sewer service.

(b) May be required to pay a deposit based on creditworthiness. The deposit shall not exceed three times the estimated average monthly bill.

(c) Shall pay any past-due amounts that the occupant owes to the City for other utility accounts.

8.3 Verification of Tenancy. In order for the amount due on the delinquent account to not be charged to the occupant, an occupant who becomes a customer shall verify that the delinquent account customer of record is or was the landlord, manager, or agent of the dwelling and did not reside at the service address with the occupant. Verification may include, but is not limited to, a lease or rental agreement, 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.

8.4 Deductions from Rental Payment. Pursuant to Government Code Section 60371(d), any occupant who becomes a customer of the City pursuant to this Section 8 and whose periodic payments, such as rental payments, include charges for residential water service, where those charges are not separately stated, may deduct from the periodic payment each payment period all reasonable charges paid to the City for those services during the preceding payment period. This subsection is intended only as a statement of existing law under Government Code Section 60371(d); it does not establish any legal rights or duties on landlords or tenants and is not enforceable by the City.

9. **Third Party Notification Service for Seniors and Dependent Adults.** The City will make available, to residential customers who are 65 years or older, or who are dependent adults (as defined in Welfare and Institutions Code Section 15610(b)(1)), a third-party notification service whereby the City will attempt to notify a person designated by the customer to receive notification when the customer's account is past-due and subject to discontinuation. The notification will include information on what is required to prevent discontinuation of service. The City will mail the notification to the designated third party at least ten (10) calendar days before discontinuation of service. To participate, the customer must submit a request for third-party notification on a form provided by the City, and must include the written consent of the designated third party. The notification service does not obligate the third party to pay any overdue charges, nor shall it prevent or delay termination of service.

10. **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.

11. **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.

12. **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.

13. **Decisions by City Staff.** Any decision which may be taken by the City Manager under this Policy may be taken by his or her designee.