DISCONNECTION OF WATER SERVICE FOR DELINQUENT ACCOUNTS

1. POLICY EXPLANATION

This policy details Groveland Community Services District's (GCSD's, The District) administrative actions regarding delinquent accounts and the discontinuance of residential water service. This includes notifications, payment arrangements, account appeals, fees, service discontinuance, and service reconnection. This policy shall comply with all aspects of the *Water Shutoff Protection Act* (SB 998), effective February 1, 2020.

District staff can be contacted in person at the main office (18966 Ferretti Rd., Groveland, CA 95321) or by phone (209-962-7161) to discuss options for avoiding discontinuation of residential water service for non-payment under the terms of this policy.

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A copy of this policy is available to the public on the District website and in writing upon request. This policy is available in English, Spanish, Vietnamese, Korean, Chinese, and Tagalog.

2. DEFINITIONS

a) *Account Owner (Customer):* The individual(s) who is financially responsible for the retail water service utility payment at a location.

b) *Alternative Payment Agreement: A written agreement between the Account Owner and the District providing for the payment of current or delinquent charges on an alternative schedule*. All alternative payment agreements must be requested by the account owner and approved by the District. See specific details in *Alternative Payment Agreements,* #3-a)1.

c) *Appeals Process*: Written request by the account owner to the General Manager for a review, discussion, and possible adjustment of the bill and/or balance on the retail water utility account. See specific details in *Appeals Process,* #4.

d) General Manager: The District's General Manager and/or his/her designee.

e) *Non-Payment:* Failure of the account owner to pay all charges (including penalties) by the due date, subjecting the retail water utility account to potential service discontinuance.

f) *Delinquent Account:* Any account that is not paid, in full, by midnight on the last day of the month.

g) *Primary Care Provider*: Any of the following: any internist, general practitioner, obstetrician-gynecologist, pediatrician, family practice physician, nonphysician medical practitioner, or any primary care clinic, rural health clinic, community clinic or hospital outpatient clinic currently enrolled in the Medi-Cal program, which agrees to provide case management to Medi-Cal beneficiaries.

h) *Service Discontinuance (Lock-Off):* The discontinuance of service at an address by turning off and locking a meter, or the removal of a meter due to non-payment.

3. ALTERNATIVE PAYMENT AGREEMENTS

a) Any and all alternative payment agreements must be requested by the account owner prior to

the scheduled date of service discontinuance (lock-off). Alternative Payment Agreements include: 1) Alternate Payment Arrangements/Temporary Deferral of Payment; 2) Payment Amortization; 3) Partial or Full Reduction of Unpaid Balance.

1. *Alternative Payment Arrangement/Temporary Deferral of Payment:* An account owner who is unable to pay for retail water service within the normal payment period may request an alternative payment arrangement or a temporary deferral of payment to avoid late fees or disruption of service. The General Manager will consider all circumstances surrounding the request and make a determination as to whether the payment arrangement is warranted.

2. *Payment Amortization*: Payment arrangements that extend into multiple months are considered an amortization plan. An amortization plan will amortize the unpaid balance over an extended period agreed to by the District, not to exceed 12 months from the original date of the bill (unless approved by the General Manager). Amortization Plans must be in writing and signed by the account owner. The amortized payment amount and the current payment must be received by the District by midnight on the last day of each month. The account owner must comply with the terms of the amortization plan and remain current as charges accrue in each subsequent billing period.

b) *Partial Reduction of Unpaid Balance*: Request of partial reduction of the unpaid account balance must be presented in writing to the District Main Office (18966 Ferretti Rd., Groveland, CA 95321), and will be forwarded to the General Manager. Only requests that have an identified and repaired leak as a result of failure of a home's plumbing system will be considered and subject to the District's Leak Adjustment Policy. One request per Account Owner may be presented within a twenty four month period. Decisions by the General Manager are final. Only one active alternative payment agreement may exist on an account at any given time. An account owner will not be eligible to participate in any alternative payment agreement if he or she has failed to comply with the terms of a prior alternative payment arrangement within the previous twelve (12) month period.

c) Failure to comply with the terms of any alternate payment agreement listed above will result in the account being subject to service discontinuance. Service may be discontinued (shut-off) if either of the following occurs: (1) the customer fails to comply with the terms of an alternative payment agreement and the breach remains uncured for a period of 60 days or (2) if the customer does not pay his or her current residential service charges for 60 days or more while participating in an alternative payment agreement.

d) The District retains the ability to select which of the payment arrangement options are available to the account owner, and may set the said parameters for such. (SB 998, Chapter 6, §116910, article (b)2).

e) It is the account owner's obligation to ensure the timely submission of complete and

satisfactory documentation demonstrating eligibility to participate in an alternative payment agreement. If the information is not submitted by 4:00pm on the 60th day of delinquency or if the information is incomplete, the District will proceed with discontinuation of water service the following day. In such a circumstance, the only way to resume water service will be to pay entire balance due on account.

4. APPEALS PROCESS

If the account owner wishes to appeal all or part of the account balance, a written request for such must be presented to the District Main Office and will be forwarded to the General Manager. While an account appeal is pending, no additional Past-Due/Late Charges will be applied to the account balance. The District will also not discontinue (shut-off) water service for non-payment while the appeal is pending. (SB 998, 116908, §2b)

a) The written request for appeal may be dropped off in person or mailed to the main office (18966 Ferretti Rd., Groveland, CA 95321).

b) The written request must include the account owner's contact information, the amount requested for appeal, and the explanation/justification for the request.

c) This request must be received within 60 days of the issuance of the bill the customer wishes to appeal and prior to the scheduled date of service discontinuance (shut-off).

d) For purposes of the appeal, disputed water charges are presumed valid. The burden rests with the account owner to demonstrate an inaccuracy by a preponderance of the evidence.

5. PAST-DUE CHARGES/LATE FEES

a) Past-Due Charges/Late Fees (if applicable) are assessed on the 1st of the month, following the month in which they are due.

b) An outstanding balance that carries over multiple months will be assessed a 1% penalty.

c) Past-due charges/late fees will not be assessed on unpaid charges that are the subject of an alternative payment agreement or on unpaid charges that were the subject of an unsuccessful appeal.

d) The account owner may request a waiver of past-due/late fee charges once within a 12-month period. Approval of a waiver is at the discretion of the District.

6. SERVICE DISCONTINUATION NOTIFICATION

a) INITIAL NOTICE
    1. An initial notice of delinquency will be printed and show up in red on the utility bill following the month of delinquency, notifying account owner of delinquency and

potential discontinuation of water service if past due amount remains unpaid.

2. The District assumes no responsibility for phone or other contact information that has not been kept up-to-date by the customer.

b) 45-DAY SERVICE DISCONTINUATION NOTICE

1. As a courtesy, the District will again make a reasonable, good faith effort to notify the account owner that the account remains past due approximately 45 days after bill issuance.
    i. The account owner will be advised of the amount past due, the service disconnection (shut-off) date, instructions on how to contact the District to make payment arrangements or appeal the bill, and the availability of the District's Policy on Discontinuation of Residential Service for Non-Payment in writing.
2. The District assumes no responsibility for phone or other contact information that has not been kept up-to-date by the customer.

3. If the account owner's mailing address on file with the District and the address of the property to which water service is provided are different, a notice will be mailed to the account owner's address and to the service address; addressed to "Occupant". (SB 998, 116908, §a1C)

4. If the written disconnection notice is returned through the mail as undeliverable, the District will make a reasonable, good faith effort to post the "Final Notice" in a conspicuous place at the service address subject to discontinuation of water service. (SB 998, 116908, §a2)

c) OTHER SERVICE TYPES

1. For services other than to account owner-occupied detached single family residences, including commercial, master meter, multi-unit residential structure, or mobile home park, where the off- site owner/manager/employer is the account owner (customer), at least ten (10) days before water service disconnection, the District shall also attempt to notify the occupant(s) of the premises where service is provided of the pending service termination.

2. In a tenant/landlord situation, the District will make a reasonable, good faith effort to inform the occupants, by means of written notice, when the water service account is in arrears and subject to disconnection at least ten (10) days before water service disconnection.

    i. The written notice will advise the tenant/occupant that they have the right to become the account owner without being required to pay the amount due on the delinquent account, as long as they are willing to assume financial responsibility for subsequent charges for water service at that address.

    ii. In order for the amount due on the delinquent account to be waived, the tenant/occupant must provide verification of tenancy in the form of a rental agreement or proof of rent payments.

7. WATER SERVICE DISCONTINUATION

a) All delinquent water service payments must be received by the District by 4:00pm on the day specified in the 45-Day Service Discontinuation Notice. Any customer's account which remains unpaid and without an alternative payment agreement beyond the due date of the notice will be subject to water service discontinuation (shut-off).

b) All alternative payment agreement requests or requests for appeal must be received by the District Main Office (18966 Ferretti Rd., Groveland, CA 95321) by 4:00pm on the day specified in the written 45-Day Service Discontinuation Notice.

c) The District will discontinue (shut-off) water service by turning off and locking off the water meter on the date provided on the 45-Day Service Discontinuation Notice. The account owner (customer) will be charged a "Reconnection Fee." See District Miscellaneous Fee Schedule for Reconnection Fee amount.

d) District Field Staff are unable to make payment arrangements or accept payments.

e) Water services shall not be shut-off to a residence if **ALL** of the following conditions are met:

1. Receipt and verification by the District Main Office of "*Certification of Medical Necessity"* provided by the Primary Care Provider stating the "*discontinuance 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."* (SB998 §116910, a1)

2. An account owner (customer) has demonstrated they are financially unable to pay for residential service within the District's normal billing cycle. The account owner (customer) *"shall be deemed financially unable to pay for residential service within the ...normal billing cycle if any member of the customers 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 households annual income is less than 200 percent of the federal poverty level."* (SB998 §116910, a2)

3. The account owner (customer) is willing to enter into an amortization agreement, alternate payment schedule, or a plan for deferred or reduced payment, consistent with the written policies of the District. (SB998 §116910, a3)

4. It is the account owner's obligation to ensure the timely submission of complete and satisfactory documentation. If the information is not submitted in a timely manner or if the information is incomplete, the District will proceed with discontinuation of water service on the date listed in 45-day notice.

8. WATER SERVICE RECONNECTION (RESUME SERVICE)

a) In order to re-establish or resume water service that has been disconnected for non-payment, the account owner (customer) must pay all past-due bill amounts, all past-due charges/late fees, current charges and the reconnection fee attributable to the service discontinuation.

b) Payment plans and payment amortization plans are not available to the account owner while the water service is discontinued.

c) The District will endeavor to reconnect service as soon as possible between the hours of 8:30am – 4:00pm on normal business days. At a minimum, the District will reconnect service before the end of the next regular working day following receipt of payment.

d) There may not be District personnel available to complete an after-hours reconnection. If available, service restored after 4:00pm Monday-Friday, weekends, or holidays will be charged an after-hours reconnection fee. See District Miscellaneous Fee Schedule for Reconnection Fee amount.

e) Water meters, curb cocks, and locks are District property, and shall only be operated by qualified District staff.

1. Retail water service that is reconnected or resumed by any individual other that District staff will be subject to a "Tampering Fee" and a "Lock Replacement Fee". If applicable, these fees will be added to the account owner's (customer's) water utility account, and will be subject to the same policies of water utility services and if left unpaid, may result in the discontinuance of water service.

2. See District Miscellaneous Fee Schedule for Tampering Fees and Lock Replacement Fees.

3. Any damages that occur as a result of unauthorized restoration of service are the responsibility of the account owner (customer). Any damage to District property (lock, meter, curb cock, etc.) requiring replacement of equipment will be billed to the account owner's water utility account. Charges to the account owner will include all costs for replacement and installation of the damaged property.

4. Unpaid balances for damage to District property or miscellaneous charges will be subject to the same policies of water utility services and if left unpaid, may result in the discontinuance of water service.

9. RETURNED PAYMENTS

When a payment of any kind is not honored by a customer's bank (returned payment), the retail water account shall be considered unpaid and subject to possible disconnection. The District will make a reasonable, good faith effort to notify the customer by phone or mail of the returned payment.

a) If the account is delinquent, water service will be discontinued (shut-off) if the amount of the returned payment and the returned payment charge (if applicable) are not paid on or before the date specified in the Service Discontinuation Notice(s). Only payment in the form of cash or cashier's check will be accepted to pay for the returned payment and returned payment fee (if applicable).

b) If it is determined that a payment was made in person or online on the disconnection deadline date in order to avoid service interruption and/or a reconnection fee, and that payment is subsequently returned by the bank, a seven (7) day *Final Notice of Discontinuance of Service* will be issued, advising the customer that payment for the returned payment and the returned payment charge (if applicable), must be made by the date specified on the Final Notice to avoid water service discontinuation and the reconnection fee. Payment must be made by cash or cashier's check only.

c) In the event a customer's check or online payment is returned by the bank unpaid three (3) times within a twelve (12) month timeframe, a letter will be mailed to the customer notifying them that only cash or cashier's check will be accepted as payment for a period of twelve (12) months from the most recent returned payment.

d) Returned Checks & Payments for Previously Discontinued Water Service

1. In the event an account owner (customer) tenders a non-negotiable payment to restore retail water service previously disconnected for non-payment and, in good faith, the District restores retail water service to the location; the District will consider the delinquent account unpaid and may promptly discontinue water service without providing additional notice.

2. Any account owner issuing a non-negotiable payment to restore retail water service discontinued for non-payment will be required to pay cash or cashier's check to restore any future water service discontinuations for a period of 12 months from the date of the returned payment.