

CITY OF VALLEJO

ADMINISTRATIVE RULE

SUBJECT: POLICY FOR DISCONTINUANCE AND RESTORATION OF RESIDENTIAL WATER SERVICE

A.R. NUMBER:	x.x
ORIGINAL DATE ISSUED:	2-01-20
DATE EFFECTIVE:	2-01-20

PURPOSE:

To establish a policy setting guidelines for discontinuation of residential water service for non-payment of water bills. (California SB 998, 2019).

As an urban or community water system that supplies water to more than 200 service connections, the City's Water Department is governed by Senate Bill No. 998 (2019).

This policy specifies the City of Vallejo's administrative actions for the collection of delinquent accounts, including notifications, fee assignments and discontinuation of residential water service. This policy will be made available to the public on the City's website. The City can be contacted by phone at (707) 648-4345 to discuss options for averting discontinuation of water service for nonpayment under the terms of this policy.

SCOPE:

This Policy applies to all City of Vallejo residential water service users.

The City will have a written policy on discontinuation of residential water service for nonpayment available in English, the languages listed in Section 1632 of the Civil Code, and any other language spoken by at least 10 percent of the people residing in its service area. The Policy will be made available on the City's website.

POLICY:

1. Past Due (Delinquent) Account:

Pursuant to Municipal Code section 11.44.050, water bills are due and payable upon presentation of the bill. Presentation is defined as when the bills are put into the mail and/or presented electronically. Pursuant to Municipal Code section 11.44.060 accounts become delinquent 30 days after the date shown on the bill. The following rules apply to the collection of delinquent accounts:

- a. Water service may be discontinued by the City if the water bill is delinquent more than 60 days. Bills are mailed to customers monthly or bimonthly and are due upon receipt. If not paid within 30 days from the date of mailing, a water bill is considered past due and late charges will be assessed.

- b. A past due penalty of 10% is assessed on all delinquent accounts. A 10-day discontinuation notice will be sent to the customer at the mailing address set forth in the account information. Additionally, a 1.5% monthly finance charge is added to unpaid, delinquent balances-, unless a customer is eligible for an interest rate reduction pursuant to SB 998.
- c. The City will use reasonable efforts to contact the owner/occupant of the property and provide notice of discontinuation of water service as provided in this Policy.
- d. After sixty (60) days of delinquency, the City will disconnect water service. A discontinuation shut off fee will be applied to the account. The City will leave notice of disconnection with information on how to restore water service.
- e. Customers whose water service has been discontinued may contact the City's Commercial Service division by telephone or in person regarding restoration of service. Restoration will be subject to payment of delinquent charges, the shut off fee, and a residential security deposit at the discretion of the City. The City may also require a written request to restore service from the owner of the property.

2. Small Balance Accounts:

Account balances of \$50 or less may be carried over and added to the next billing period. The carried over balance is assessed a late fee but, the City does not pursue further collection action.

3. Late Fee:

If payment for a water bill is not received by close of business on the 30th day after mailing of the bill, a late fee, as set forth in the City's Master Fee Schedule, will be assessed. A late notice will be sent to the customer of record setting forth the amount of the late fee as well as the last date a customer can make full payment or request a payment arrangement-~~te~~ in order to avoid subsequent late fees and potential service discontinuance.

4. Waiver of Late Fee:

At the request of the customer and in the City's sole discretion, the City will waive one late fee per calendar year.

5. Alternative Payment Arrangements:

Any customer who is unable to pay for water service by the 60th day after the bill is mailed, may request an alternative payment arrangement to avoid additional fees or discontinuance of service. The City will consider all circumstances surrounding the request and determine whether a payment arrangement is warranted. The customer may apply for an alternative payment arrangement if **all** of the following options apply:

a. Certification by Primary Care Provider

Certification by a Primary Care Provider (as set forth in Welfare and Institutions Code Section 14088(b)(1)(A) defined as any internist, general practitioner, obstetrician-

gynecologist, pediatrician, family practice physician, non-physician 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 (Welfare and Institutions Code section 14088(b)(1)(A)) who certifies that the disruption of service will be life threatening or pose a serious threat to the health and safety of any resident of the premises where water service is provided.

b. Financially Unable to Pay

The customer demonstrates that he or she is financially unable to pay for residential service pursuant to the water system's normal billing cycle. The customer or any member of the customer's household, must be 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.

c. Alternate Payment Schedule

The customer is willing to enter into an alternative payment schedule as described below. Payment arrangements that extend into the next billing period are considered amortization plans. Amortization plans must be in writing, signed by the customer and approved by the City. An amortization plan amortizes the unpaid balance of an account over a reasonable period of time, not to exceed 6 months from the date of the approved payment plan. Amortized payments will be due each month. The customer must comply with the terms of the amortization plan and remain current as charges accrue in each subsequent billing period. The customer may not request further amortization of any subsequent unpaid charges while paying delinquent charges pursuant to an amortization plan. Failure to comply with the terms of an amortization plan will result in the issuance of a written discontinuance notice.

d. If the conditions listed above are met, the City will offer the customer one or more of the following options:

- i. Amortization of the unpaid balance, up to 6 months-for those customers who qualify.
- ii. Participation in an alternative payment arrangement. All customers, regardless of whether they meet the requirements in section 5 above, may request one of the following options:

Option #1 – 30% Initial Payment / 2 Months Pay Plan*

- Up to 2 months to pay delinquent balance.
- Payment of 30% of delinquent balance is required for first payment.
- First payment must be paid within five (5) calendar days
- Must remain current with future water bills and make payments on time. Failure to do so will result in a default of this payment

agreement. Water service may be terminated or the account may be referred to a collection agency if customer defaults.

Option #2 – 50% Initial Payment / 3 Months Pay Plan*

- Up to 3 months to pay delinquent balance.
- Payment of 50% of delinquent balance is required for first payment.
- First payment must be paid within five (5) calendar days.
- Must remain current with future water bills and make payments on time. Failure to do so will result in a default of this payment agreement. Water service may be terminated or the account may be referred to a collection agency if customer defaults.

Option #3 – Payment Extension*

- Request a short, additional amount of time to pay the account balance in full.
- Extends the current balance due date to the next meter read date (2 days prior to the next bill issue date).

*These options are not available for accounts that have been issued a Closing Bill.

For any customer who qualifies pursuant to SB 998 or the Finance Director, the City provides the following options:

iii. A partial or full reduction of the unpaid balance financed without additional charges to other ratepayers.

iii-iv. A temporary deferral of payment.

For any customers who meet all of the above qualifications, upon receipt of documentation from the customer, the City will review the documentation within seven (7) days and do one of the following: (1) provide an Amortization Agreement to the customer for signature; (2) request additional information from the customer; or (3) notify the customer that they do not meet the qualifications.

6. Written Discontinuance of Service Notice:

The City will not discontinue residential water service for non-payment until a customer's account is delinquent for at least 60 days. The City will make a reasonable, good faith effort to contact the customer in writing at least 7 business days before discontinuing water service for non-payment. A customer's security deposit to establish credit will not be used as payment to avoid discontinuance of service. If the mailing address and the address of the property to which water service is provided are different, a written notice will be mailed to the mailing address specified on the account and a door hanger will be delivered to the premises addressed to "Occupant". The City assumes no responsibility for contact information that has not been kept up-to-date by the customer. The written interruption notice will include:

- i. Customer's name and address

- ii. Amount that is past due
- iii. Date by which payment or payment arrangements are required to avoid discontinuance of service
- iv. Description of the process to apply for an alternative payment schedule
- v. Description of the process to dispute or appeal a bill
- vi. Description of the process to have service restored
- vii. City phone number and a web link to the City's written discontinuance policy

a. Notice to Residential Tenants/Occupants in an Individually Metered Residence

The City will make a reasonable, good faith effort to inform the occupants, by means of written notice posted on the main door of the residence, when the water service account is in arrears and subject to discontinuance at least 10 days before water service is turned off. The written notice will advise the tenant/occupant that if they are not the current account holder, they have the right to become water customers of the City without being required to pay the amount due on the delinquent account, as long as they are willing to complete the application process, pay any required security deposit, and assume financial responsibility for subsequent charges for water service at that address. 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.

b. Notice to Tenants/Occupants in a Multi-Unit Complex Served through a Master Meter

The City will make a reasonable, good faith effort to inform the occupants, by means of written notice posted conspicuously on or in front of the property, when the water service account is in arrears and subject to discontinuance at least 10 days before water service is shut off. The written notice will advise the tenant/occupant that they have the right to become customers of the City without being required to pay the amount due on the delinquent account, as long as they are willing to complete the application process, pay any required security deposit and assume financial responsibility for subsequent charges for water service at the address(es) served by the master meter. If one or more of the occupants are willing and able to assume responsibility for the subsequent charges for water service to the satisfaction of the City, or if there is a physical means, legally available to the City, of selectively terminating service to those occupants who have not met the requirements for service, the City will make service available to the occupants who have met those requirements.

7. Discontinuance Deadline:

All delinquent service charges and associated fees must be received by the City by close of business at 5:00 p.m. on the day specified in the written discontinuance notice. A customer that cannot pay the charges by the date specified, may apply for alternative payment arrangements as described in section 5 of this policy. Applications for alternative payment arrangements must be submitted by noon on the date specified on the discontinuance notice.

8. Residential Customer with Household Income Below 200 percent of the Federal Poverty Line:

For water customers whose household income is below 200 percent of the federal poverty line, the City shall do the following:

- a. The City will set a reconnection of service fee for reconnection during normal business hours at fifty dollars (\$50), but not to exceed the actual cost of reconnection if it is less. The reconnection fee shall be subject to an annual adjustment for changes in the Consumer Price Index beginning January 1, 2021.
- b. The City will set a reconnection of service fee for reconnection during nonoperational hours at one hundred fifty dollars (\$150), but not to exceed the actual cost of reconnection if it is less. The reconnection fee shall be subject to an annual adjustment for changes in the Consumer Price Index beginning January 1, 2021.
- c. The City shall waive interest charges on delinquent bills once every 12 months.
- d. A residential customer shall be deemed to have a household income below 200 percent of the federal poverty line, 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 household's annual income is less than 200% of the federal poverty level.

9. Discontinuance of Water Service for Non-Payment:

The City will discontinue water service by turning off, and in some cases locking off, the meter. Before service is discontinued, the customer will be notified with a written interruption notice at least 7 business days prior to discontinuation of service. The customer will be charged a nonpayment fee regardless of whether the meter has physically been turned off. The meter will remain in the locked position until payment is received. A customer whose water service has been discontinued for non-payment, will continue to be charged for all basic service fees while the service is interrupted.

The City of Vallejo, its officers, officials, employees, and representatives are not liable or responsible for any injury or damage that may result from the discontinuation of water service due to nonpayment of the bill for the service provided.

10. Discontinuance for Unpaid Water Bill at a Previous Address:

A Customer's service may be discontinued for nonpayment of a bill for service previously rendered them at any location served by the City provided such bill is not paid within 60 days after presentation of the original bill.

In no case will residential service be discontinued because of nonpayment of bills for non-residential service.

11. Discontinuance of Service at More Than One Location:

If a Customer is receiving service at more than one location, service at any or all locations may be discontinued if bills for service at any location are not paid within the time specified above,

except that a residential service account shall not be discontinued for failure to pay bills for non-residential service.

12. Restoring Water Service:

In order to resume or continue service that has been discontinued for non-payment, the customer must pay all delinquent charges and fees owed.

To have same day restoration without paying an after-hours restoration fee, the payment must be received by 3:00 pm. Water service that is turned on by any person other than City personnel or without City authorization may be subject to fines or additional charges or fees. Any damages that occur as a result of unauthorized restoration of service are the responsibility of the customer.

13. Restoration of Water Service after Business Hours:

Requests for restoration of water service received after 3:00 pm on business days will be charged an after-hours fee as set forth in the City's Master Fee Schedule. Service will not be restored after regular business hours unless the customer has been informed of the after-hours fee and paid the applicable fee along with all delinquent charges and fees owed by close of business the day service is to be restored.

14. Notification of Disposition of Returned Check/ACH transaction:

In the event the City receives notification of a returned payment, the customer's account will be considered unpaid. The City will assess a returned payment fee as set forth in the City's Master Fee Schedule. The customer of record will be sent a notification of the returned payment. If at the time of the returned payment the account is less than 60 days delinquent, the notice will state the date the returned payment and fee must be paid to avoid additional notifications and fees. If at the time of the returned payment, the customer's account is more than 60 days delinquent, a 7 business day notice of service interruption will be mailed to the customer of record.

15. Returned Checks for Previously Discontinued Service:

In the event a customer makes payment to restore water service previously turned off for non-payment and the City receives notification that said payment was returned, the City may immediately issue a 48-hour notice to discontinue service.

Any customer who has two or more returned payments in a twelve-month period or one returned payment made to restore service, will be required to pay cash, credit card, or certified funds for a period of 12 months from the date of the most recent returned payment.

16. Disputed Bills:

If a customer disputes the water bill and exercises their right to appeal to the Finance Director of Water or designee, the City will not discontinue water service for non-payment while the appeal is pending.

A customer must notify the City Commercial Services Manager or designee in writing that it disputes the correctness of a bill and requests a review or investigation, within 15 days from the

date of the disputed bill or any initial notice of service discontinuance. If a customer believes a payment has been made but not recorded on their account, the customer will be required to present a receipt, cancelled check or other satisfactory evidence to substantiate the payment.

If the dispute is related to the water bill, the Commercial Services Manager or designee will meet with the customer in person or by phone at the customer's request in an attempt to resolve the dispute informally. If, following the meeting with the Commercial Services Manager or designee, the customer's dispute is not resolved, the customer may submit the dispute to the Director of Finance or designee by submitting a written request with a statement that the bill is in dispute and a full explanation of the dispute.

If the dispute is related to water services, the Commercial Services Manager or designee will meet with the customer in person or by phone at the customer's request in an attempt to resolve the dispute informally. If, following the meeting with the Commercial Services Manager or designee, the customer's dispute is not resolved, the customer may submit the dispute to the Finance Director ~~of Water~~ or designee by submitting a written request with a statement that the services billed are in dispute and a full explanation of the dispute.

While the issue is pending and before a final determination by the City is made, the City will not discontinue water service for non-payment. The City will make a final determination within 15 days of receipt of the customer's written request for a review or investigation.

A customer may not appeal more than three billings in a twelve month period.

The determination of the ~~Director of Water or~~ Finance Director is final.

17. Unauthorized or Illegal Action:

This policy does not apply to the discontinuation of service connection by the City due to an unauthorized or illegal action of a customer.

18. Restore Water Service after Delinquent Shut Off:

Payments

No checks will be accepted as payment to restore service that has been shut off for delinquency. Payments can be accepted in person at City Hall, online through our City website or by phone using our phone payment service. Online and phone payments must be made with a debit or credit card only that have the Visa or MasterCard logo.

Payments before 3:00 p.m.

If the customer pays the past due balance and any additional shut off fees by 3:00 p.m., the City will restore the water service before 5:00 p.m. or as soon thereafter as possible, that same day on normal business days Monday – Friday.

Payments after 3:00 p.m.

If the customer pays after 3:00 p.m., the City will schedule the service turn on for the next business day which is usually between 8:30 a.m. – 3:00 p.m., unless an after-hours request is made, then the provision of Section 13 will apply.

Security Deposit

If a customer’s account does not have a security deposit on file and the account is subject to disconnection, a deposit may be required in order to reinstate water service.

Same Day Requests after 3:00 p.m.

Customers who make payment after 3:00 p.m. who wish to have the water service restored the same day, can pay an after hour turn-on fee, which is currently \$144.00 and subject to annual change. Customers desiring this service must notify the billing staff by 5:00 p.m. that same day and pay all fees before service will be restored.

Reconnection of services will not occur if running water is detected when the meter is turned on. Customers are encouraged to ensure that all plumbing fixtures are turned off in order to avoid scheduling of an additional turn on for the next business day.

There are additional charges for tampering with the water meter including installing a lock on the meter.

19. Start Date:

This policy is effective February 1, 2020.

20. Duration of Policy:

This policy may be altered or revoked at any time pursuant to the City Manager’s instruction to City staff.

21. Contact:

Customers are encouraged to contact Commercial Services for further details regarding this policy or customer assistance options during business hours at (707) 648-4345. Customers may also visit Commercial Services office in person Monday through Friday, from 8:30 a.m. to 5:15 p.m., except on City Closure due to Holidays.

APPROVED:

_____ Dated: _____

Greg Nyhoff
City Manager