



## **Water Billing Policy: Discontinuation of Residential Service for Nonpayment**

- 1. 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 Pismo Beach website. The City’s Utility Billing office can be contacted by phone at 805-773-4655 (or by email at [ub@pismoeach.org](mailto:ub@pismoeach.org)) to discuss options for averting termination of residential water service for nonpayment under the terms of this policy. This policy does not apply to non-residential water service.
- 2. Effective Date:** This policy shall be effective on February 1, 2020.
- 3. 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.
- 4. 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 subparagraph (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 subparagraph (A), the written notice of payment delinquency and impending discontinuation shall be delivered 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 “Occupant.” The notice shall include, but is not limited to, all of the following information in a clear and legible format:
    - 1) The customer’s name and address.

- 2) The amount of the delinquency.
- 3) 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 Administrative Services Director or designee
- 4) A description of the process to apply for an extension of time to pay the delinquent charges.
- 5) A description of the procedure to petition for bill review and appeal.
- 6) 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.
- 7) The City's phone number and a web link to the City's written policy.

## **5. Good Faith Noticing Requirements**

- A. If the City is unable to make contact with the customer or an adult occupying the residence by telephone, and written notice is returned through the mail as undeliverable, the City shall make a good faith effort to visit the residence and leave, or make other arrangements for placement in a conspicuous place of, a notice of imminent discontinuation of residential water service for nonpayment and the City's policy for discontinuation of residential water service for nonpayment.
- B. If the customer seeks review or appeal of their bill, the customer shall contact the City before the payment due date and the City will investigate. If the investigation does not result in a resolution acceptable to the customer, the customer may seek review by the Administrative Services Director and subsequently may appeal to the City Manager. The City shall not discontinue residential water service while the appeal is pending.

## **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:
  - 1) 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.
  - 2) 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.

- 3) 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 in subsection A. are all met, the City shall offer the customer one or more of the following options at City's choice:
- 1) Amortization of the unpaid balance.
  - 2) Participation in an alternative payment schedule.
  - 3) A partial or full reduction of the unpaid balance financed without additional charges to other ratepayers.
  - 4) Temporary deferral of payment.
- C. The Administrative Services Director or designee is authorized to determine which of the payment options described in paragraph 6.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 Administrative Services Director may only approve a partial or full reduction of the unpaid balance if that reduction can be funded with other revenues that the City Council has approved and transferred into the Water Enterprise Fund budget explicitly for the purpose of allowing for such reductions.
- 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:
- 1) 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.
  - 2) 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.

## **7. 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:

- 1) 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 July 1, 2021. The City shall use the Consumer Price Index -- U (Los Angeles-Long Beach-Anaheim, CA All Urban Consumers) as reported for the twelve months from February of the previous year to February of the current year for determining the increase in the Consumer Price Index.
  - 2) 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.

## **8. 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 a 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 \$180 and completion of a City application for service so that the Administrative Services 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.

**9. 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.

**10. 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.