

Channel Islands Beach Community Services District
Discontinuation of Residential Water Service for Non-Payment Policy
Effective Date April 12, 2022

Reference:

Senate Bill No. 998: Discontinuation of Residential Water Service

Purpose/Background

This policy enumerates Channel Islands Beach Community Service District's administrative actions for the collection of delinquent accounts, including notifications, fee assignments and discontinuation of service. This policy will be made available to the public on the District's website. The District can be contacted by phone at (805) 985-6021 to discuss options for averting discontinuation of water service for nonpayment under the terms of this policy.

1. Delinquent Account:

- 1.1. Delinquent accounts are hereafter identified as any account that remains unpaid (and without having made payment arrangements or established an alternative payment schedule) by close of business 21 days after issuance of the water bill. The following rules apply to the collection of delinquent accounts:

1.1.1. *Small Balance Accounts*

Any balance on a bill of \$15 or less may be carried over, and added to, the next billing period without being assessed a late fee or incurring further collection action. Failure to pay an amount of \$15 or less will not render an account "delinquent."

1.1.2. *Late Fees*

If payment for a bill of more than \$15 is not received by close of business on the 21st day after the bill is issued, a late fee of 10% of the amount past due will be assessed onto the customer's account. The due date and late fee will be displayed prominently on the customer's subsequent service bill and also appear on the Late Notice.

1.1.3. *Waiver of Late Fees*

At the request of the customer, the District may waive a late fee if there are extenuating circumstances and the customer has not been assessed a late fee for delinquent payment in the preceding 12 months. The District shall only waive one late fee in a 12-month period.

1.2. Notice for Delinquent Accounts

1.2.1. *Late Notice for Delinquent Accounts*

The District shall provide the customer a “Late Notice” informing the customer that the account remains past due and is now deemed delinquent. The Late Notice shall also inform the customer that termination of service will be forthcoming if the bill remains delinquent for more than 60 days. A Late Notice shall be sent as soon as the customer’s account is deemed delinquent.

The Late Notice shall include all of the following:

- Customer’s name and address
- Amount that is past due
- Date by which payment or payment arrangements are required to avoid discontinuation of service
- Description of the process to apply for an amortization plan
- Description of the process to dispute or appeal the bill and past due amount
- The District’s phone number and a web link to the District’s discontinuation of residential service policy

1.2.2. When Service Address is Different than Customer’s Billing Address

If the customer’s billing address for residential service is different than the service address, the District shall also send a Late Notice to the service address, addressed to “Occupant” or name of the occupants if known to the District.

1.2.3. When a Late Notice is Returned to District

The District assumes no responsibility for phone or email contact information that has not been kept up to date by the customer. If the written notice is returned through mail, the District will make a reasonable, good faith effort to notify the customer by placing the Late Notice in a conspicuous place on the residential property.

1.2.4. Residential Service for Tenants with Delinquent Landlords

If the “Occupant” of the service address is a tenant, and the customer of record is the tenant’s landlord, the tenant may opt to become the customer of record to whom service will then be billed. However, **the tenant may only become the customer of record if the landlord’s account for the service address has been deemed delinquent.**

The tenant must agree to the terms and conditions of service and meet the requirements of service. The District may request proof of prompt payment of rent or other credit obligation that the District deems acceptable.

If the tenant becomes the customer of record, the tenant is not required to pay any amount which may be due on the landlord’s account for the service address. However, the landlord is still liable for their past due amount and will be required to pay the amount past due in order to remain in good standing with the District.

1.3. Alternative Payment Arrangements for Delinquent Accounts

Any customer who is unable to pay for water service within the normal payment period may request an alternative payment arrangement to avoid late fees or disruption of service. The

District will consider all circumstances surrounding the request and make a determination as to whether the payment arrangement is warranted.

1.3.1. Amortization Plan

Payment arrangements that extend into the next billing period are considered an amortization plan, which must be in writing and signed by the customer. An amortization plan will amortize the unpaid balance over a period defined by the customer, not to exceed 12 months from the original date of the bill. The amortized payments will be combined with, and subject to the due date of, the customer's regular bill. 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.

1.3.2. Alternative Payments When Discontinuation Poses Serious Health & Safety Risk

Residential service will not be discontinued, and the customer will be offered an alternative payment arrangement if **all** of the following conditions (1,2, and 3) are met:

1. Certification by a Primary Care Provider

Certification by a Primary Care Provider (General Practitioner, Obstetrician/Gynecologist, Pediatrician, Family Practice Physician, Primary Care Clinic, Hospital, or Outpatient Clinic) who certifies that the termination will be life-threatening or pose a serious threat to the health and safety of any resident of the premises where water is provided will obligate the District to enter an amortized repayment plan.

2. Evidence that the Customer is Unable to Pay

The customer demonstrates that he or she is financially unable to pay for residential service within the normal billing cycle. The customer is deemed financially unable to pay for service if:

- a. Any member of the customer's household is a recipient of:
 - CalWORKS
 - CalFresh
 - General assistance
 - Medi-Cal
 - Supplemental Security Income/State Supplementary Payment Program
 - California Special Supplemental Nutrition Program for Woman, Infants and Children;

OR

- b. The customer declares that the household annual income is less than 200 percent of the federal poverty level

3. Customer is Willing to Enter into Alternative Payment Arrangements

The customer must be willing to enter into an amortization agreement, alternative payment schedule, or a plan for a deferred or reduced payment.

1.3.3. *Default on Alternative Payment Arrangements*

Failure to comply with the terms of an alternative payment or amortization plan within a billing cycle will deem the account delinquent and result in the issuance of a Late Notice, pursuant to Paragraph 1.2.

Failure to comply with the terms of an alternative payment or amortization plan for more than 60 days will result in the issuance of a Door Hanger Notice, pursuant to Paragraph 2.1, notifying the customer of imminent discontinuation of service.

2. Discontinuation of Service for Nonpayment

2.1. Written Notice of Discontinuation of Service

The District shall not discontinue water service for non-payment until payment by the customer has been delinquent for more than 60 days. The District shall contact the customer in writing, in the form of a door hanger tag ("Door Hanger Notice") at least seven (7) business days before the discontinuation of water service for non-payment.

2.1.1. *Door Hanger Notice Fee*

When a Door Hanger Notice is delivered, an additional \$15.00 fee is applied to the customer's account balance. All applicable fees must be paid in order to avoid service disconnection and/or restore those services in the event they are disconnected.

2.2. Disconnection Deadline

All delinquent water service charges and associated fees must be received by the District by 4:30 p.m. on the day specified in the Late Notice (see Paragraph 1.2).

2.3. Disconnection of Water Service for Non-Payment

The District will disconnect water service by turning off, and in some cases locking off, the meter. Before service is disconnected, the customer will be notified by a Door Hanger Notice at least 7 business days prior to termination of service, as provided in Section 2.1 of this Policy.

At the time service is discontinued and terminated to the customer, the District shall place a "Reestablishment Notice" in a conspicuous place at the service address. The Reestablishment Notice shall provide the customer information on how to restore residential service.

2.4. Reporting of Discontinuations of Residential Service

The District shall report the number of annual discontinuations of residential service for inability to pay on the District's website, pursuant to Health & Safety Code § 116918.

3. Reestablishment of Service

In order to resume or continue service that has been disconnected for non-payment, the customer must pay a re-establishment fee. The District will endeavor to reconnect service as

soon as practicable but, at a minimum, will restore service before the end of the next regular working day following payment of any past due amount and delinquent fees attributable to the termination of service. Water service that is turned on by any person other than District personnel or without District 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.

3.1. Re-establishment of Service During Business Hours

If District water service has been disconnected, an additional re-establishment fee of \$50.00 and all outstanding balances shall be paid prior to service being restored.

3.2. Re-establishment of Service After Business Hours

Service restored after 5:00 p.m. Monday through Friday, weekends, or holidays will be charged an after-hours re-establishment fee. Service will not be restored after regular business hours unless the customer has been informed of the after-hours re-establishment fee and has signed an agreement acknowledging the fee and agreeing to contact the District office no later than noon the following business day to pay the subject fee. If the customer requests re-establishment of water service outside of regular business hours, the fee to restore service shall be \$105.00, instead of the \$50.00 fee listed above, plus all other outstanding balances on the account.

4. Returned Checks

4.1. Notification of Disposition of Returned Check

Upon receipt of a returned check taken as payment on a delinquent account, the District will deem the account unpaid and the account will remain delinquent. The District will make a reasonable, good-faith effort to notify the customer by phone or email of the returned check.

If the account is more than 60 days delinquent at the time the District received a returned check, a Door Hanger Notice for discontinuation of service will be placed at the service address notifying the customer that service will be discontinued in seven (7) business days.

Water service will be disconnected if the amount of the returned check and the returned check charge are not paid on or before the date specified in the Door Hanger Notice.

4.2 No Check Payment Accepted for Disconnected Service

No payment by check will be accepted to restore service in the case of disconnection for nonpayment. Payment can be made by money order, cashier's check, cash or credit card.

4.3 Multiple Checks Returned

After three returned checks on a single customer account, all amounts paid must be in money orders, cashier's checks, or cash.

5. Disputes and Appeals

If a customer wishes to dispute a charge on a bill, the customer has the right to appeal as follows:

5.1. Appeal to Office Manager

The appeal must be in writing, legible, and received by the Office Manager within 15 calendar days of the date the bill the customer seeks to appeal was issued to the customer.

The appeal shall include:

- a. The basis for the appeal; and
- b. Evidence supporting the basis for the appeal; and,
- c. A suggestion for resolution of the dispute, if any.

Upon receipt, the Office Manager will notify the customer of confirmation of receipt of the appeal and, within fifteen (15) calendar days the Office Manager shall provide the customer an independent determination of the disputed bill, provided to the customer in writing.

5.2. Appeal of Office Manager's Determination

The Office Manager's determination may be appealed to the General Manager within fifteen (15) calendar days of the mailing date of the Office Manager's determination. The appeal of the Office Manager's determination shall be heard and considered by the General Manager within 30 calendar days from the General Manager's receipt of an appeal, but no public hearing is required. The General Manager shall provide the applicant notice of the time and place for the appeal hearing. The General Manager may, in his or her discretion, affirm, reverse, or modify the determination accordingly. The General Manager's decision shall be final.

5.3. Pending Appeals

The District may not disconnect a customer's residential water service while the customer has an appeal pending.