

Scotia



Community Services District

WATER SHUT OFF POLICY FOR NON-PAYMENT OF RESIDENTIAL WATER SERVICE

OF THE

SCOTIA COMMUNITY SERVICES DISTRICT

ADOPTED

August 18, 2022

**SCOTIA COMMUNITY SERVICES DISTRICT
WATER SHUT OFF POLICY FOR NON-PAYMENT OF
RESIDENTIAL WATER SERVICE**

This Water Shut Off Policy for Non-Payment of Residential Water Service shall apply to the Scotia Community Services District (District) discontinuation of residential water service for non-payment under the provisions set forth herein, consistent with SB 998. In the event of any conflict between this Policy and any District Ordinance, policy, or procedure, this Policy shall prevail.

I. Application of Policy: This Policy shall apply **only** to District residential **water** service accounts, for non-payment. The District's existing Ordinances, policies, and procedures shall continue to apply to commercial and industrial water service accounts. This Policy does not apply to any other District utilities. The District may be reached at **(707) 764-3030** to discuss options, identified in this Policy, to avoid discontinuation of residential water service.

II. Discontinuation of Residential Water Service for Non-Payment:

A. Monthly Billing, Due Date, and Payment of Bills: Bills for water service are billed monthly and are due and payable upon presentation and must be **paid in full** by the due date on the bill (Due Date), fifteen (15) days from the billing date. Any payment postmarked by the Due Date will be accepted as timely payment. If the Bill is not paid, in full, the bill becomes delinquent twenty (20) days, which includes a five (5) day grace period, after the billing Due Date and will be charged a **ten percent (10%) penalty**. Water service payments may be paid in the District's Office, located at 400 Church Street, Scotia, CA 95565 or may be mailed to the District's P.O. Box 104, Scotia, CA 95565. The service account customer is responsible to assure that payments are received, by the District, in a timely manner. Bills will be computed as follows:

1. Meters will be read at regular intervals for the preparation of periodic bills and as required for the preparation of opening bills, closing bills, and special bills.

2. Bills for metered service will show the usage for the meter reading period for which the bill is issued, date, and days of service for the current meter reading.

B. Overdue Bills: The following rules apply to residential water customers whose bills remain unpaid after the Due Date:

1. Warning Notice: A disconnect warning notice will be mailed indicating a water service disconnection date if payment, in full, has not been received within fifty-three (53) days past the Due Date.
2. Overdue Notice: If payment, in full, for a bill is not received within sixty (60) days, which includes a forty (40) day grace period of the Due Date, a notice of overdue/delinquent payment (Overdue Notice) will be delivered/mailed/telephoned, to the water service customer, at least forty-eight (48) hours, prior to the possible discontinuation of the water service. If the customer's address is not the address of the property to which the service is provided, the Overdue Notice will also be sent to the address of the property served, addressed to "Occupant."

The Overdue Notice must contain the following:

- a) Customer name and address.
- b) Amount of overdue payment required.
- c) Date by which the payment or arrangement for payment must be made in order to avoid discontinuation of the water service.
- d) Description of the process to apply for an extension of time to pay the amount overdue (Section III).
- e) Description of the procedure to petition for review and appeal of the bill giving rise to the delinquency (Section IV); and
- f) Description of the procedure by which the customer can request a deferred, amortized, reduced or alternative payment schedule (Section III).

If the overdue Notice is provided by telephone, the District will offer to provide the customer with a copy of this Policy and also offer to discuss the options for alternative payments, as described in Section III of this Policy, and the procedures for review and appeal of the customer's bill, as described in Section IV of this Policy.

3. Unable to Contact Customer: If the District is not able to contact the customer by written notice (e.g., a mailed notice is returned as undeliverable) or by telephone, the District will make a good faith effort to visit the residence to deliver or make other arrangements to place in a conspicuous location, a notice of imminent discontinuation of water service for non-payment, and a copy of this Policy.
4. Late Fee: A late fee penalty, as defined and specified in the District's Master Fee Schedule, shall be assessed, and added to the outstanding balance on the customer's account.

5. Shut-Off Deadline: Payment for water service charges must be received at the District's Office or P.O. Box, not later than the date specified in the Overdue Notice.
6. Notification of Returned Check: Upon receipt of a returned check rendered as payment for water service or other water related charges, the District will consider the account **not** paid. The District will attempt to notify the consumer in person and by leaving a Shut-Off Notice (Notice) for water service at the premises. Water service will be locked off if the amount of the returned check and returned check charge are not paid by the Due Date specified on the Notice. The Due Date shall not be sooner than the date specified in the Overdue Notice; or if an Overdue Notice had not been previously provided, no sooner than the sixtieth (60) day after the invoice for the payment of the returned check had been made. To redeem a returned check and to pay a returned check charge, all unpaid charges will be paid by credit card, debit card or certified funds.
7. Returned Check as Payment for Water Service Disconnected for Nonpayment.
 - a) If the check tendered and accepted as payment which resulted in restoring water service to an account that had been disconnected for nonpayment is returned as non-negotiable, the District may disconnect the water service after a three (3) calendar days' written notice. The consumer's account may only be reinstated by receipt of all outstanding charges paid by credit card, debit card, or certified funds. After the consumer's account has been reinstated, the account will be listed for a one-year (1) period indicating that a non-negotiable check was issued by the consumer. The only form of payment, for water service charges, that will be accepted for the one-year (1) period will credit card, debit card, or certified funds.

C. Conditions Prohibiting Discontinuation: The District shall not discontinue residential water service if the customer meets all of the following conditions:

1. Health Conditions – The customer or tenant of the customer submits certification of a primary care provider that discontinuation of water service would (i) be life threatening, or (ii) pose a serious threat to the health and safety of a person residing at the property.

2. Financial Inability – The customer demonstrates he or she is financially unable to pay for water service within the District’s normal billing cycle. The customer is deemed “financially unable to pay” if any member of the customer’s household is: (i) a current recipient of the following benefits: CalWORKs, CalFresh, general assistance, Medi-Cal, SSI/State Supplementary Payment Program or California Special Supplemental Nutrition Program for Women, Infants and Children; or (ii) the customer declares the household’s annual income is less than 200% of the federal poverty level.

3. Alternative Payment Arrangements –The customer is willing to enter into an amortization agreement, alternative payment schedule or a plan for deferred or reduced payment, consistent with the provisions of Section III, of this Policy.

D. Process for Determination of Conditions Prohibiting Discontinuation of Service: The burden of proving compliance with the conditions described in Subdivision (C), above, is the responsibility of the customer. To allow the District sufficient time to process any request for assistance by a customer, the customer should provide the District with the necessary documentation demonstrating the medical issues under Subdivision (C,1), financial inability under Subdivision (C,2) and willingness to enter into any alternative payment arrangement under Subdivision (C,3), as soon as possible, prior to any proposed date for discontinuation of service.

Upon receipt of the documentation, the District’s General Manager (District Manager), or her/his designee (Designee), shall review the documentation and respond to the customer within three (3) calendar days, or notify the customer that additional information is necessary, or notify the customer of the payment option.

Customers who fail to meet **all** of the conditions described in Subdivision (C), above, must pay the District **all** of the delinquent amount, including any penalties and other charges, owed to the District, within the latter to occur of; (i) two (2) business days after the date of notification from the District of the District’s determination that the customer failed to meet **all** of those conditions in Subsection (C); **or** (ii) the date of the impending service discontinuation, as specified in the Overdue Notice.

E. Special Rules for Low Income Customers: Customers are deemed to have a household income below 200% of the federal poverty line if: (i) any member of the customer’s household is a current recipient of the following benefits: CalWORKs, CalFresh, general assistance, Medi-Cal, SSI/State Supplementary Payment Program **or** California Special Supplemental Nutrition Program for Women, Infants and Children; or (ii) the customer declares the household’s annual income is less than 200% of the federal poverty level. If a consumer demonstrates either of those circumstances, then the following apply:

1. Reconnection Charge: If water service has been discontinued and is to be reconnected, then any reconnection charge, as defined in the District's Master Fee Schedule, during the District's normal operating hours cannot exceed fifty dollars (\$50.00.) Those charges cannot exceed the actual cost of reconnection if that cost is less than the statutory caps. Those caps may be adjusted annually for changes in the Consumer Price Index beginning January 1, 2021. For the reconnection of residential service during nonoperational hours, an urban and community water system shall set a reconnection of service fee at one hundred fifty dollars (\$150), but not to exceed the actual cost of reconnection if it is less. Reconnection fees shall be subject to an annual adjustment for changes in the Consumer Price Index beginning January 1, 2021.

2. Interest Waiver: The District will waive interest charges on delinquent bills once every 12 months.

F. Landlord-Tenant Scenario: The below procedures apply to individually metered detached single-family dwellings, multi-unit residential structures and mobile home parks where the property owner or manager is the customer of record and is responsible for payment of the water bill.

1. Required Notice:

a. The District will make a good faith effort to inform the residential occupants, by written notice, when the account is in arrears of the possible shut off of water service at least ten (10) calendar days prior to the shut off if the property is a multi-unit residential structure or mobile home park or seven (7) calendar days prior if the property is a detached single-family dwelling

b. The written notice must also inform the tenants/occupants that they have the right to become District customers to whom the service will be billed (see Subdivision 2, below), without having to pay any of the delinquent amounts.

2. Tenants/Occupants Becoming Consumers:

a. The District is not required to make service available to the tenants/occupants unless each tenant/occupant agrees to the terms and conditions for water service and meets the District's requirements and rules.

b. However, if (i) one or more of the tenants/occupants assumes responsibility for subsequent charges to the account to the District's satisfaction, or (ii) there is a physical means to selectively discontinue service to those tenants/occupants who have not met the District's requirements, then the District may make water service available only to those tenants/occupants who have met all of the District requirements.

c. If prior service for a particular length of time is a condition to establish credit with the District, then residence at the property and proof of prompt payment of the rent, will be considered by the District as a satisfactory equivalent.

III. Alternative Payment Arrangements:

For any customer who meets the three conditions under Section II(C), above, in accordance with the process set forth in Section II(D), above, the District shall offer the customer one of the following alternative payment arrangements, to be selected by the District, at its discretion:

- (i) amortization of the unpaid balance under Subdivision (A), below.
- (ii) alternative payment schedule under Subdivision (B), below.
- (iii) partial or full reduction of unpaid balance under Subdivision (C), below; or
- (iv) temporary deferral of payment under Subdivision (D), below. The District Manager or Designee, shall, in the exercise of reasonable discretion, select the most appropriate alternative payment arrangement after reviewing the information and documentation provided by the customer and taking into consideration the customer's financial situation and District's payment requirements.

A. Amortization: Any customer who is unable to pay for water service within the District's normal payment period and meets the three conditions under Section II(C), above, as the District shall confirm, may, if the District has selected this alternative, enter into an amortization plan with the District on the following terms:

- 1. Term: The customer shall pay the unpaid balance, with the administrative fee as specified in Subdivision (2), below, over a period not to exceed twelve (12) months, as determined by the District's General Manager, or Designee; provided, however, that the District Manager or Designee, in their reasonable discretion, may apply an amortization

term of longer than twelve (12) months to avoid undue hardship on the customer. The unpaid balance, together with the applicable administrative fee, shall be divided by the number of months in the amortization period and that amount shall be added each month to the customer's ongoing monthly bills for residential water service.

2. Administrative Fee: For any approved amortization plan, the customer will be charged an administrative fee, in the amount established by the District from time to time, representing the cost to the District of initiating and administering the plan. At the discretion of the District Manager the administrative fee at an annual rate as stated in the District's Master Fee Schedule shall be applied to any amounts to be amortized under this Subsection A.

3. Compliance with Plan: The customer must comply with 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. Where the customer fails to comply with the terms of the amortization plan for sixty (60) calendar days or more or fails to pay the customer's current service charges for sixty (60) calendar days or more, the District may discontinue water service to the customer's property at least five (5) business days after the District posts, at the customer's residence, a final notice of its intent to discontinue service.

B. Alternative Payment Schedule: Any customer who is unable to pay for water service within the District's normal payment period and meets the three conditions under Section II(C), above, as the District shall confirm, may, if the District has selected this alternative, enter into an alternative payment schedule for the unpaid balance in accordance with the following:

1. Repayment Period: The customer shall pay the unpaid balance, with the administrative fee as specified in Subdivision (2), below, over a period not to exceed twelve (12) months, as determined by the District Manager or Designee; provided, however, that the District Manager or Designee, in their reasonable discretion, may extend the repayment period for longer than twelve (12) months to avoid undue hardship on the customer.

2. Administrative Fee: For any approved alternative payment schedule, the customer will be charged an administrative fee, in the amount established by the District by resolution from time to time, representing the cost to the District of initiating and administering the schedule. At the discretion of the District Manager or Designee, the administrative fee at an annual rate as stated in the District's Master Fee Schedule shall be applied to any amounts to be amortized under this Subsection B.

3. Schedule: After consulting with the customer and considering the customer's financial limitations, the District Manager or Designee shall develop an alternative payment schedule to be agreed upon with the customer. The alternative schedule may provide for periodic lump sum payments that do not coincide with the District's established payment date, may provide for payments to be made more frequently than monthly, or may provide those payments be made less frequently than monthly, provided that in all cases, subject to Subdivision (1), above, the unpaid balance and administrative fee shall be paid in full within twelve (12) months of establishment of the payment schedule. The agreed upon schedule shall be set forth in writing and be provided to the customer.

4. Compliance with Plan: The customer must comply with the agreed upon payment schedule and remain current as charges accrue in each subsequent billing period. The customer may not request a longer payment schedule for any subsequent unpaid charges while paying delinquent charges pursuant to a previously agreed upon schedule. Where the customer fails to comply with the terms of the agreed upon schedule for sixty (60) calendar days or more or fails to pay the customer's current service charges for sixty (60) calendar days or more, the District may discontinue water service to the customer's property at least five (5) business days after the District posts, at the customer's residence, a final notice of its intent to discontinue service.

C. Reduction of Unpaid Balance: Any customer who is unable to pay for water service within the District's normal payment period and meets the three conditions under Section II(C), above, as the District shall confirm, may, if the District has selected this

alternative, receive a reduction of the unpaid balance owed by the customer, not to exceed **ten percent (10%)** of that balance without approval of and action by the District Board of Directors (District Board); provided that any such reduction shall be funded from a source that does not result in additional charges being imposed on other District customers. The proportion of any reduction shall be determined by the customer's financial need, the District's financial condition and needs and the availability of funds to offset the reduction of the customer's unpaid balance.

1. Repayment Period: The customer shall pay the reduced balance by the due date (Reduced Payment Date) as determined by the District Manager or Designee, which date shall be at least fifteen (15) calendar days after the effective date of the reduction of the unpaid balance.

2. Compliance with Reduced Payment Date: The customer must pay the reduced balance on or before the Reduced Payment Date and must remain current in paying in full any charges that accrue in each subsequent billing period. If the customer fails to pay the reduced payment amount within sixty (60) calendar days after the Reduced Payment Date or fails to pay the customer's current service charges for sixty (60) calendar days or more, the District may discontinue water service to the customer's property at least five (5) business days after the District posts, at the customer's residence, a final notice of its intent to discontinue service.

D. Temporary Deferral of Payment: Any customer who is unable to pay for water service within the District's normal payment period and meets the three conditions under Section II(C), above, as the District shall confirm, may, if the District has selected this alternative, have payment of the unpaid balance temporarily deferred for a period of up to six (6) months after the payment is due. The District shall determine, in its discretion, how long of a deferral shall be provided to the customer.

1. Repayment Period: The customer shall pay the unpaid balance by the deferral date (Deferred Payment Date) as determined by the District Manager or Designee. The Deferral Payment Date shall be within twelve (12) months from the date the unpaid balance became delinquent; provided, however, that the District Manager or Designee, in their reasonable discretion, may establish a Deferred Payment Date beyond that twelve (12) month period to avoid undue hardship on the customer.

2. Compliance with Reduced Payment Date: The customer must pay the reduced balance on or before the Deferred Payment Date and must remain current in paying in full any charges that accrue in each subsequent billing period. If the customer fails to pay the unpaid payment amount within sixty (60) calendar days after the Deferred Payment Date or fails to pay the customer's current service charges for sixty (60) calendar days or

more, the District may discontinue water service to the customer's property at least five (5) business days after the District posts, at the customer's residence, a final notice of its intent to discontinue service.

IV. Appeals:

The procedure to be used to appeal the amount set forth in any bill for residential water service is as follows:

A. Initial Appeal: Within ten (10) days of receipt of a bill for water service, the customer has a right to initiate an appeal or review of any water service bill or charge rendered by the District. Such request must be made in writing and be delivered to the District Office. For so long as the customer's appeal and any resulting investigation is pending, the District cannot discontinue water service to the customer.

B. Overdue Notice Appeal: In addition to the appeal rights provided under Subsection A, above, any customer who receives an Overdue Notice may request an appeal or review of the bill to which the Overdue Notice relates at least five business (5) days after the date of the Overdue Notice if the customer alleges the bill is in error with respect to the quantity of water consumption set forth on that bill; provided, however, that no such appeal or review rights shall apply to any bill for which an appeal or request for review under Subsection A, above, has been made. Any appeal or request for review under this Subsection B must be in writing and must include documentation supporting the appeal or the reason for the review. The request for an appeal or review must be delivered to the District Office, within that five (5) business day period. For so long as the customer's appeal and any resulting investigation is pending, the District cannot discontinue water service to the customer.

C. Appeal Hearing: Following the receipt of a request for an appeal or review under Subsections A or B, above, a hearing date shall be promptly set before the District Manager or Designee. After the evaluation of the evidence provided by the customer and the information on file with the District concerning the water charges in question, the District Manager shall issue a decision as to the accuracy of the water charges set forth on the bill and

shall provide the appealing customer with a brief written summary of the decision.

1. If water charges are determined to be incorrect, the District will provide a corrected invoice and payment of the revised charges will be due within ten (10) calendar days of the corrected invoice date for revised charges. If the revised charges remain unpaid for more than sixty (60) calendar days after the corrected invoice is provided, water service will be disconnected, on the next regular working day after expiration of that sixty (60) calendar day period; provided that the District shall provide the customer with the Overdue Notice in accordance with Section II(B)(2), above and the procedures described above are followed.

2. (a) If the water charges in question are determined to be correct, the water charges are due on the Due Date as defined above or within two (2) business days after the District Manager's decision is rendered whichever is later. At the time the District Manager's decision is rendered, the customer will be advised of their right to further appeal before the District Board. Any such appeal must be filed in writing within seven (7) calendar days after the District Manager's decision is rendered if the appeal or review is an initial appeal under Subdivision A above, or within three (3) calendar days if the appeal or review is an Overdue Notice appeal under Subdivision B, above. The appeal hearing will occur at the next regularly scheduled meeting of the District Board unless the customer and District agree to a later date.

(b) For an initial appeal under Subdivision A, above, if the customer does not timely appeal to the District Board, the water charges in question shall be immediately due and payable on the Due Date. In the event the charges are not paid in full within sixty (60) calendar days after the original billing date, then the District shall provide, the customer, with the

Overdue Notice in accordance with Section II(B)(2), above, and may proceed in potentially discontinuing service to the customer's property.

(c) For an Overdue Notice appeal under Subdivision B, above, if the customer does not timely appeal to the District Board, then water service to the customer's property may be discontinued on written or telephonic notice to the customer. The notice to the customer must be given at least twenty-four (24) hours after the latter to occur of: (i) expiration of the original sixty (60) calendar day notice period set forth in the Overdue Notice; or (ii) the expiration of the appeal period.

3. When a hearing before the District Board is requested, such request shall be made in writing and delivered the District Office. The customer will be required to personally appear before the District Board and present evidence and reasons as to why the water charges on the bill in question are not accurate. The District Board shall evaluate the evidence presented by the customer, as well as the information on file with the District concerning the water service charges in question and make a decision as to the accuracy of said charges.

a) If the District Board finds the water charges in question are incorrect, the consumer will be invoiced for the revised charges. If the revised charges remain unpaid for more than sixty (60) calendar days after the corrected invoice is provided, water service will be disconnected, on the next regular working day after expiration of that sixty (60) calendar day period; provided that the District shall provide the customer with the Overdue Notice in accordance with Section II(B)(2), above. Water service will be restored only after outstanding water charges and any and all applicable reconnection charges are paid in full.

- b) If the water charges in question are determined to be correct, the water charges are due and payable within two (2) business days after the decision of the District Board is rendered, or sixty (60) calendar days after the original due date, whichever is later. If an Overdue Notice has not already been provided, the District shall provide the customer the Overdue Notice in accordance with Section II(B)(2), above, and may proceed in potentially discontinuing service to the customer's property.
- c) Any overcharges will be reflected as a credit on the next regular water service bill to the customer.
- d) Water service to any customer shall not be discontinued at any time during which the customer's appeal to the District or its District Board is pending.
- e) The District Board's decision is **final and binding**.

V. Restoration of Service:

In order to resume or continue service that has been discontinued by the District due to non-payment, the customer must pay a Reconnection Charge, as defined in the District's Master Fee Schedule, and established by resolution of the District Board, subject to the limitation set forth in Section II(E)(1), above. The District will endeavor to make such reconnection as soon as practicable as a convenience to the customer. The District shall make the reconnection no later than the end of the next regular working day following the customer's request and payment of any applicable Reconnection Fee.

VI. Notice Regarding Language:

This Policy and notices required under SB 998 shall be made available in English, Spanish, Chinese, Tagalog, Vietnamese, Korean, and any other language spoken by ten (10) percent or more of the customers in the District's service area.

VII. Unauthorized Action of a Consumer:

This Policy does not apply to the termination of a water service connection, by the District, due to an unauthorized action of a consumer.