

**AGENDA**  
**REGULAR MEETING**  
**FINANCE COMMITTEE**  
**GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT**  
**6425 MAIN STREET, GEORGETOWN, CA 95634**  
**WEDNESDAY, SEPTEMBER 18, 2019**  
**2:00 P.M.**

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**MISSION STATEMENT**

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It is the purpose of the Georgetown Divide Public Utility District to:

- Provide reliable water supplies
  - Ensure high quality drinking water
  - Promote stewardship to protect community resources, public health, and quality of life
  - Provide excellent and responsive customer services through dedicated and valued staff
  - Ensure fiscal responsibility and accountability are observed by balancing immediate and long-term needs.
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**1. CALL TO ORDER, PLEDGE OF ALLEGIANCE**

**2. PUBLIC FORUM** – Any member of the public may address the Finance Committee on any matter within the jurisdictional authority of the Finance Committee. Public members desiring to provide comments, must be recognized by the Committee Chairman, and speak from the podium. Comments must be directed only to the Finance Committee. The public should address the Finance Committee members during the public meetings as Chairman, Vice Chairman, Secretary, or Member, followed by the Committee member's individual last name. The Finance Committee will hear communications on matters not on the agenda, but no action will be taken. No disruptive conduct shall be permitted at any Finance Committee meeting. Persistence in disruptive conduct shall be grounds for summary termination, by the Chairman, of that person's privilege of address.

**3. CONSENT CALENDAR**

**A. Approval of Minutes**

1. Special Meeting of August 21, 2019

**4. NEW BUSINESS**

**A. Brown Act Training Presentation by Legal Counsel**

**Possible Committee Action:** No Action. Informational only

**B. Review Draft Leakage Consideration Policy**

**Possible Committee Action:** Staff presentation. Review and comment.

**C. Review Draft Discontinuation of Residential Water Service Policy**

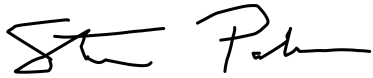
**Possible Committee Action:** Staff presentation. Review and comment.

**5. NEXT MEETING DATE**

**Possible Committee Action:** Establish date and time for next meeting.

**6. ADJOURNMENT**

In compliance with the Americans with Disabilities Act, if you are a disabled person and you need a disability-related modification or accommodation to participate in this meeting, please contact Christina Cross by telephone at 530-333-4356 or by fax at 530-333-9442. Requests must be made as early as possible and at least one-full business day before the start of the meeting. In accordance with Government Code Section 54954.2(a), this agenda was posted on the District's bulletin board at the September 13, 2019.



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Steven Palmer, PE, General Manager

September 13, 2019

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Date

## Georgetown Divide Public Utility District Finance Committee

*“Providing financial review and advisory services for the GDPUD Board of Directors in support of sound, prudent and business like management of the water district.”*

### FINANCE COMMITTEE MEETING MINUTES

**Meeting Date & Time:** August 21, 2019, at 2:00 PM

**Location:** GDPUD Boardroom

**Committee Members Present:** Steve Miller (Chair), Thomas Crawford (Vice Chair), Mitch MacDonald, Sierra Nyokka, Don Waltz (Secretary)

**Committee Member Absent:** Ken Pauley

**Board Member Present:** Michael Saunders (Treasurer, Finance Committee Liaison)

**Staff Present:** Steven Palmer (General Manager)

#### 1. Call to Order, Pledge of Allegiance

*Meeting called to order*

#### 2. Public Forum

*No comments or questions were proffered.*

#### 3. Consent Calendar - Approval of Minutes May 29, 2019

*Motion to approve was made by Don Waltz and seconded by Sierra Nyokka to approve with correction. Motion was unanimously approved.*

#### 4. New Business

##### A. Brown Act Training Presentation

Staff requested to postpone this item to a future meeting due to trainer scheduling problem.

##### B. Prioritize the Following Items that the Finance Committee Identified for Review during Fiscal Year 2019/2020:

1. “The proportion of revenues generated by (a) fixed or base charges versus (b) unit (per cubic foot or miner’s inch) charges levied for water use. The Committee may examine this issue within the contexts of water conservation, social justice and financial risks to the District.”

*Don Waltz volunteered to work on this project. He stated that he believes that more water agencies are shifting to variable rate instead of fixed rate; agencies have offset the associated risk by having a larger reserve.*

*Public comment: Cherie Carlyon commented that current rate structure is not fair to small users.*

2. “The future need and costs of increasing the sources of water supplied to GDPUD customers. The discussion involving this matter may consider historical numbers of District customers, the related volume of water consumed by the customers, the El Dorado County General Plan and recommendations originating with the State of California.”  
*Steve Miller volunteered to take the lead on this item. Sierra stated that she is likely to be moving out of the District in December.*

*Public comment: Cherie Carlyon commented on status of El Dorado County Water Agency project to obtain more water rights from the American River.*

Georgetown Divide Public Utility District Finance Committee

*“Providing financial review and advisory services for the GDPUD Board of Directors in support of sound, prudent and business like management of the water district.”*

3. “The identification of beginning and ending fiscal year balances beginning with FY2013-14. This item could aid in understanding how such amounts are allocated within the annual budget.”

*Tom Crawford volunteered to lead this effort.*

*Public comment: Cherie Carlyon commented that the website is missing older budgets. Director Saunders commented that the website is also missing some resolutions and ordinances.*

4. “Help develop a table of assets and values and projected life. The establishment of reserve accounts, a method of differentiating such accounts and the development of a reserve policy that might recognize appropriate amounts to be allocated to these accounts.”  
*After discussion the committee concurred that this item should be put on hold.*

*Public comment: Cherie commented that the District should already have created new funds per the new reserve policy*

5. “The adoption and integration of smart water meters to the extent that this program could affect District customers’ water bills and staff. Estimate of date of secured funding.”  
*Steve Miller volunteered to take the lead on this issue.*

*Public comment: None.*

6. “Assess water losses connected with the District’s water supply system and pursue possible financial strategies to mitigate these losses. This item would involve in the identification of the magnitude of water losses and the development of financial options to deal with mitigating these losses.”  
*After discussion the committee concurred that this item should be put on hold.*

*Public comment: None.*

7. “The possibility of revising the timeline accompanying the District’s budget development process.”  
*Don Waltz declined to take the lead on this item. Steve Miller volunteered to take the lead.*

*Public comment: Director Halpin commented on the challenges of bringing an accurate draft budget to the committee before enough information is known; in previous years the committee scheduled extra meetings to accommodate the budget process. Committee member Don Waltz disagreed with this statement and believes a draft budget can be developed in October for the following fiscal year.*

8. “A review of the District’s cash investment policy.”  
*Mitch MacDonald volunteered to lead this item.*

**Georgetown Divide Public Utility District Finance Committee**

*“Providing financial review and advisory services for the GDPUD Board of Directors in support of sound, prudent and business like management of the water district.”*

**5. Next meeting & adjourn**

*It was decided that the next Committee meeting would be held on September 18, 2019, at 2pm at the Georgetown Divide Public Utility District office, 6425 Main St., Georgetown, CA 95634. The meeting was then adjourned.*

DRAFT

**POLICY TITLE:**           **Leakage Consideration**

**POLICY NUMBER:**    **1118**

**1118.1** Background: In the 1980's, the Board enacted a leakage consideration policy. If a customer had a leak on their side of the meter due to broken pipes or other failures in the properties plumbing system and got it fixed promptly, they could qualify for an adjustment to their water bill. This is called a Leakage Consideration.

The policy was based on compassion for the customer, timely repair of the leak, and payment by the customer for the chemicals and energy to treat the water that was lost.

The customer is responsible for monitoring higher than expected usage. The District will do it's best to provide high usage phone calls to customers with seemingly abnormally high usage during meter reading. Customers must investigate higher than expected usage to determine if the usage was caused by a leak. Customers should promptly repair leaks.

**1118.2** Eligibility: Only the legal homeowner of the property can request a leakage consideration. Rental tenants paying bills must contact the owner to have them request an adjustment from the District.

No leak adjustments will be granted for loss of water due to irrigation or pool failures.

No adjustments will be granted for loss of water due to leaking faucets or running toilets.

The customer's account must be in good standing at the time of the Leakage Consideration.

Adjustments are limited to the water usage portion of the bill only.

Only residential treated water customers are eligible for the leakage consideration. The adjustment does not apply to agricultural irrigation water accounts.

**1118.3** Procedure: A leakage consideration is calculated by staff using the following provisions.

**1118.3.1** Qualification for a consideration requires that the customer repair the leak promptly. Prompt repair is considered to be within ten calendar days of notification or when the leak was discovered.

**1118.3.2** The adjustment is calculated by staff and shall be determined by the District based on comparison of "normal consumption" during the same billing period of the prior year the leak occurred. Staff shall use the immediate past year but may, at staff's sole discretion, consider other years if necessary to determine an appropriate historical usage

**1118.3.3** The customer shall be responsible for payment of one-half of the calculated water loss. Water consumption not subject to the water loss calculation shall be billed at the appropriate rate.

**1118.4** Number of Adjustments: One adjustment for one billing cycle is granted for every three years of an active account status. If a leak persists over more than one billing cycle, the customer shall only receive relief for excess water usage that occurred during one billing cycle. The leakage consideration may be extended to two billing cycles at the discretion of General Manager or designee, if it can be documented that the leak started within the last ten (10) calendar days of the billing cycle.

**1118.4.1** If a property transfers ownership, considerations requested by the previous owner do not apply.

**1118.4.2** Buyback Policy: if a customer chooses, they may repay a previous consideration thereby making the account eligible for a future consideration. The amount of the total leakage consideration is reduced by the amount of the buyback.

**1118.5** Authorization. All adjustment decisions from the General Manager and/ or their designee are final. A customer may appeal the decision of the General Manager within (10) working days from the date of the General Manager's decision. The customer's written appeal must describe in detail the basis for the appeal and explain why the adjustment should be granted. The General Manager will agendize the appeal for a Board of Directors meeting within forty (40) days from the date the written appeal is received.

**1118.6** Application. The customer must submit written request to the district office within 30 days from the billing date in which the loss occurred. For example, if the leak occurred in the billing cycle for service months July/August, the billing date would be September 1, and the deadline for adjustment submittal would be September 30. Applications submitted after the deadline will not be exempt from late penalties and may not be approved.

To receive an adjustment because of a leak, customer must fill out the designated form, or write a letter to GDPUD with the equivalent information.

In their description, customer must explain (1) how and when the leak occurred, (2) when it was repaired and (3) enclose or attach copies of proof of repair (such as a plumber's bill, parts receipt, photos of repair, etc.)

If the customer or others made the repair with parts on hand and have no receipts, customer must state that in their description.

Customer should include their account number, daytime phone number, and email so staff can contact them with questions.

**1118.6** Submission. All adjustment requests must be submitted to the General Manager and/or designee for approval. Staff will contact the customer by phone call and/or writing either detailing the adjusted amount of their bill, or denying the request.

DRAFT



# Current Policy

# Memo

To: Board of Directors  
From: Hank White  
Date: April 29, 2010  
Re: Agenda Item #10: Leakage Consideration Policy

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**BACKGROUND/DISCUSSION:**

In the 1980's, the Board enacted a leakage consideration policy. The policy was based on compassion for the customer, timely repair of the leak, and payment by the customer for the chemicals and energy to treat the water that was lost.

The Board has directed staff to provide an opportunity to confirm and improve the leakage consideration policy.

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**RECOMMENDATION:**

Staff recommends that the Board approve a Leakage Consideration Policy with the following provisions:

- Qualification for a consideration requires that the customer repair the leak promptly. Generally, prompt repair is considered to be within two weeks of notification. A leakage consideration will not be granted for more than one billing cycle.
- One consideration is granted for every ten years of an active account status.
- If a customer chooses, they may repay a previous consideration thereby making the account eligible for a future consideration.
- Staff shall estimate an historical usage which will be equal to the usage in a prior year during the same billing cycle as the leak occurred. Staff shall use the immediate past year but may, at staff's sole discretion, consider other years if necessary to determine an appropriate historical usage.
- The base amount due will be calculated by applying current rates to the historical usage. The amount due for the leakage shall be calculated by multiplying the difference of the current usage and the historical usage by a factor. The factor is based on the cost associated with treating the water lost to the leak and will be \$2.25 per 1,000 cubic feet for 2010. Staff is authorized to increase the factor by \$0.05 each year on January 1. The total due will be the sum of the base amount and the amount due for the leakage.

# Sample Policy

# M&I Water Leak Billing Adjustment Policy

## **Purpose and Scope:**

The purpose of this policy is to provide Solano Irrigation District (District) with a written policy regarding providing billing adjustments for water leaks on the customer (or property) side of the meter, or significant abnormalities in water consumption. For this policy, a customer is defined as a municipal and industrial water user. This policy does not apply to agricultural water customers.

## **Introduction:**

Customers are responsible for the service and fittings to the Water Utility System beginning at the coupling on the customer's side of the meter. Any leaks in the line which are the responsibility of the customers must be repaired, by the customer, solely at their expense.

No adjustment or credit will be applied to the water bill for the customer or property side leaks, damage or deterioration or other factors except as defined within this policy

The customer is responsible for monitoring higher than expected usage. Customers must investigate higher than expected usage to determine if the usage was caused by a property side leak. Upon request, District staff will provide a no charge, on-site visit. Customers should promptly repair leaks.

## **Property Side Leaks - Billing Adjustment Criteria:**

The General Manager, or other person delegated the responsibility by the  
<https://www.sidwater.org/230/MI-Water-Leak-Billing-Adjustment-Policy>

requirements are met:

1. Customer shall notify the District and complete the Courtesy Leak Adjustment Application within 30 days from the bill due date for the period in which the loss occurred.
2. A District representative must be able to visually inspect the facility and verify repairs were performed. If repairs are completed by a third party, receipts can be provided in lieu of a visual inspection.
3. No billing adjustment within the prior 36 months from the date of receipt of the Courtesy Leak Adjustment Application by the District. The policy permits only one property side leak adjustment in each 36 month period. The 36 month period begins the first month of the billing period following the billing period the Leak Adjustment Application covered. For example, if the Leak Adjustment Application was for a bill covering January and February, the 36 month period commences on March 1.
4. The customer's account must be in good standing at the time of the Courtesy Leak Adjustment Application submission.
5. The property side billing adjustment shall be limited to one billing period. For example, if a leak persisted over more than one billing cycle, the customer shall only receive relief for excess water usage that occurred during one billing cycle. A billing period for municipal and industrial customers is 60 days.
6. The amount of the excess usage shall be determined by the District. Excess usage, as a result of a property side leak, must exceed at least 100% of Normal Consumption compared to the same billing period for the prior three years. Normal Consumption shall be determined by using historical averages when available.
7. Adjustments are limited to the water usage portion of the bill only.

### **Limitations:**

Billing adjustments are limited amount of the bill in excess of 100% of Normal Consumption, not to exceed \$1,500.

## Related Resources

- [Courtesy Leak Adjustment Application](#)

[Home](#) [Contact Us](#) [Privacy](#) [Translate](#) [Accessibility](#)

[Government Websites by CivicPlus®](#)

## Leak Adjustment Policy

Please complete and submit your proof of repair along with the Leak Adjustment Form.

### Adjustment of Bills for Loss of Water

Ref: District Code Title 6: Water Service Rates and Charges

(a) The District may, upon written request of a consumer supported by repair bills or other appropriate documentation, adjust such consumer's bill in the case of loss of water due to circumstances beyond the reasonable control of such consumer, such as a mechanical malfunction, blind leak, theft of water, vandalism, unexplained water loss or other unusual or emergency conditions. Adjustments shall not be made for faucet leaks.

(b) A determination of whether an adjustment is granted shall be made at the sole discretion of the Finance Manager or his or her designee and shall be final. In making the determination, the District may take into account the cause of water loss, the consumer's opportunity, if any, to detect it, any negligence or fault of the consumer in connection therewith, and the promptness with which the water loss was discovered, stopped and repairs made.

(c) The adjusted consumer's bill shall be calculated as follows:

(1) The District shall credit the customer's account by one-half of the quantity charge for the excess use subject to the following conditions:

a. The District after investigation shall find all of the following:

(i) The meter was operating accurately;

(ii) There was no evidence that the excessive use was due to the intentional or negligent act of the customer;

(iii) After being notified by the District via billing, letter, door hanger, or by any other means, the customer took prompt and reasonable action to ascertain the cause of the excessive use and to correct it;

(iv) The customer took corrective action within forty-eight hours of discovering or being notified of a leak, pursuant to MMWD Code, Section 13.02.020 (1)(b), and provides the District with proof of repair within thirty days from the billing date for the period in which the water loss occurred.

b. The amount of water loss shall be determined by the District. The average measured quantity delivered during the same billing period or periods in the preceding two years will be used when available and representative of the customer's normal use.

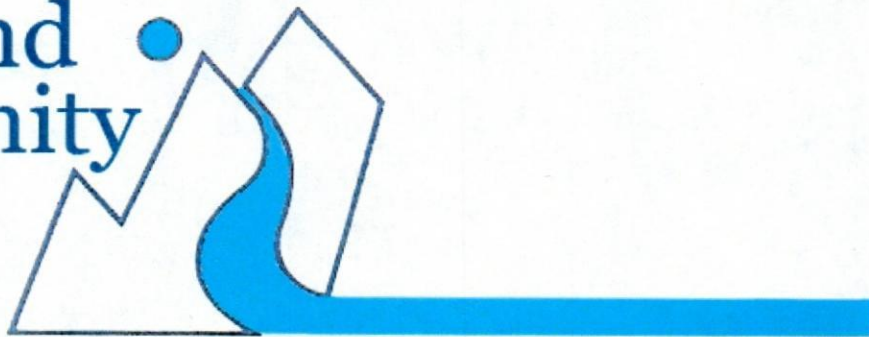
c. No adjustment shall be made for a charge or a surcharge which is not based on the quantity of water delivered.

d. Water loss adjustments will be limited to two billing periods and will also be limited to one adjustment every thirty-six months. The thirty-six month period begins the first month of the billing period following the last billing period for which the water loss adjustment was prepared. A second water loss by a particular customer would be eligible to substitute for the first adjustment, if the customer so requests during the thirty-six month period. If such an adjustment is requested and it is determined to be eligible, the total adjustment will be equal to the larger of the two leak adjustments in the thirty-six month period after the first adjustment.

(2) The customer shall be responsible for payment of one-half of the calculated water loss at the appropriate tier one rate. Water consumption not subject to the water loss calculation shall be billed at the appropriate tier and tier rate.



Groveland  
Community  
Services  
District



(<https://www.gcsd.org/>)

[Contact Us \(/contact-us\)](/contact-us)

[Pay Your Bill \(/pay-your-bill\)](/pay-your-bill)

#### **ANNOUNCEMENTS**

[\(/ANNOUNCEMENTS\)](/ANNOUNCEMENTS)

[2019 BACKFLOW TESTING REQUIRED \(/2019-BACKFLOW-PREVENTION-VALVE-TESTING-REQUIRED\)](/2019-BACKFLOW-PREVENTION-VALVE-TESTING-REQUIRED)

[LEAK ADJUSTMENT POLICY \(/LEAK-ADJUSTMENT-POLICY\)](/LEAK-ADJUSTMENT-POLICY)

[PROJECT BIDS AND RFPS \(/PROJECT-BIDS-AND-RFPS\)](/PROJECT-BIDS-AND-RFPS)

## **Leak Adjustment Policy**

### **Important Notice**

Leak Adjustment Policy

106.14 Water & Sewer Account Leak Adjustment Requests

The General Manager and/or their designee, is authorized to adjust a customer's water or sewer service account when their bill reflects usage that is significantly greater than normal, due to accidental loss of water through broken pipes or other failures in the property's indoor plumbing system, subject to the following conditions:

1. The account shows no record of being delinquent for more than 60 days during the past 24 months
2. One (1) adjustment will be granted within a 24 month period
3. The customer certifies in writing that the problem causing the usage has been repaired and/or resolved within fourteen (14) calendar days of being notified or when the leak was discovered
4. Leak adjustments must be applied for in writing within 30 days of receipt of billing
5. No leak adjustments will be granted for loss of water due to irrigation failures
6. No leak adjustments will be granted for properties operated or used as vacation rentals
7. No leak adjustments will be granted during District declared drought status
8. Upon approval, the District will take water that is in excess of the prior year's same billing period for normal consumption and bill each gallon at the District's Base Usage Rate.

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18966 FERRETTI ROAD, GROVELAND CA 95321  
TELEPHONE (209) 962-7161

[PRIVACY POLICY \(/PRIVACY-POLICY\)](#)

POWERED BY STREAMLINE ([HTTP://WWW.GETSTREAMLINE.COM/](http://www.getstreamline.com/)) | SIGN IN  
([HTTPS://WWW.GCSD.ORG/USERS/SIGN\\_IN?DESTINATION=%2FLEAK-ADJUSTMENT-POLICY](https://www.gcsd.org/users/sign_in?destination=%2Fleak-adjustment-policy))

**POLICY TITLE:**     **Discontinuation of Residential Water Service/Late fees**

**POLICY NUMBER:** XXXX

**Reference:**

Senate Bill No. 998: Discontinuation of Residential Water Service

California Government Code Sections 60370 -60375.5

**Purpose/Background:**

This policy enumerates Georgetown Divide Public Utility Water 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 (530) 333-4356 to discuss options for averting discontinuation of water service for nonpayment under the terms of this policy.

**Text of policy:**

Georgetown Divide Public Utility District, as an agency of the state, formed as a special district pursuant to general law for the local performance of governmental or proprietary functions within limited boundaries, is governed in the execution of the collection of delinquent accounts by California Government Code Sections 60370 – 60375.5. Furthermore, as an urban or community water system that supplies water to more than 200 service connections, the District is further governed, effective by law February 1, 2020, by Senate Bill No. 998.

Delinquent Account:

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 30 days after issuance of the water bill. The following rules apply to the collection of delinquent accounts:

1. Small Balance Accounts:

Any balance on a bill of \$25 or less may be carried over, and added to, the next billing period without being assessed a late fee or incurring further collection action.

2. Late Fee:

If payment for a bill is not received by close of business on the 30th day after the bill is issued, a late fee will be assessed. The due date and late fee will be displayed prominently on the bill.

Waiver of Late Fee:

At the request of the customer, the District will waive the 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.

3. Alternative Payment Arrangements:

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.

*a. Certification by 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 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 will obligate the District to enter an amortized repayment 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. Failure to comply with the terms of an amortization plan will result in the issuance of a written disconnection notice. The

disconnection notice will be in the form of a door hanger delivered to the premises no less than 5 business days in advance of discontinuance of service.

6. Additional Notifications:

As a courtesy, the District will make a reasonable, good faith effort to notify the customer that the account remains past due and further collection action will be forthcoming approximately 60 days after bill issuance. The means of notification will be based upon the notification preference (text, phone, or email) selected by the customer. Customers who have not selected a means of notification will be notified by phone. The District assumes no responsibility for phone or email contact information that has not been kept up-to-date by the customer.

7. Written Disconnection Notice:

The District shall not discontinue water service for non-payment until payment by the customer has been delinquent for at least 60 days. The District will make a reasonable, good faith effort to contact the customer in writing at least 10 business days before discontinuation of water service for non-payment. The written disconnection notice will be mailed to the mailing address designated on the account. If the mailing address and the address of the property to which water service is provided are different, a second notice will be mailed to the service address and addressed to "Occupant". The written disconnection notice will include:

- 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 a bill
- District phone number and a web link to the District's written collection policy

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

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 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 District 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. 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 District will make a reasonable, good faith effort to inform the occupants, by means of written notice hung on the door of each residence, when the water service account is in arrears and subject to disconnection 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 District 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 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 District, or if there is a physical means, legally available to the District, of selectively terminating service to those occupants who have not met the requirements for service, the District will make service available to the occupants who have met those requirements.

If the written disconnection notice is returned through the mail as undeliverable, the District will make a reasonable, good faith effort to visit the residence and leave a notice of discontinuance for non-payment.

8. Forty-eight (48) Hour Notice of Termination:

The District will make a reasonable, good faith effort to notify the customer 48 hours in advance of disconnection of water service for non-payment. The means of notification will be based upon the notification preference (text, phone, mail or email) selected by the customer. Customers who have not selected a means of notification will be notified by phone. If the District is unable to make contact by text, phone, email, or mail, a good faith effort will be made to visit the residence and leave a notice of termination of service.

9. 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 written disconnection notice.

10. 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 written disconnection notice at least 10 business days prior to termination and a second notice 48 hours prior to termination of service. The customer will be charged a fee to re-establish service in the billing system regardless of whether the meter has physically been turned off. The meter will be locked in the off position if payment is not received within 10 days of initial termination.

11. Re-establishment 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.

12. Re-establishment of Service After Business Hours:

Services that are off and locked cannot be re-established after hours.

13. Notification of Disposition of Returned Check:

Upon receipt of a returned check taken as payment of water service or other charges, the District will consider the account not paid. The District will make a reasonable, good faith effort to notify the customer by phone or email of the returned check. A 48-hour notice of termination of service due to a returned check will be generated. The means of notification will be based upon the notification preference (text, phone, or email) selected by the customer. Customers who have not selected a means of notification will be notified by phone. If the District is unable to make contact by text, phone, or email, a good faith effort will be made to visit the residence and leave a notice of termination of service.

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 notice of termination. All amounts paid to redeem a returned check and to pay the returned check charge must be in cash, credit card or certified funds.

14. Returned Checks for Previously Disconnected Service:

In the event a customer tenders a non-negotiable check as payment to restore water service previously disconnected for non-payment and the District restores service, the District may promptly disconnect service without providing further notice. No 48-hour notice of termination will be given in the case of a non-negotiable check tendered for payment of water charges that were subject to discontinuance.

Any customer issuing a non-negotiable check as payment to restore service turned off for nonpayment will be required to pay cash, credit card or certified funds to restore future service disconnections for a period of 12 months from the date of the returned payment.

15. Disputed Bills:

If a customer disputes the water bill and exercises their right to appeal to the Board of Directors, the District will not disconnect water service for non-payment while the appeal is pending.



**Senate Bill No.**

**998**

## Senate Bill No. 998

### CHAPTER 891

An act to add Chapter 6 (commencing with Section 116900) to Part 12 of Division 104 of the Health and Safety Code, relating to water.

[ Approved by Governor September 28, 2018. Filed with Secretary of State September 28, 2018. ]

#### LEGISLATIVE COUNSEL'S DIGEST

SB 998, Dodd. Discontinuation of residential water service: urban and community water systems.

Existing law, the California Safe Drinking Water Act, requires the State Water Resources Control Board to administer provisions relating to the regulation of drinking water to protect public health. Existing law declares it to be the established policy of the state that every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including water corporations. Existing law requires certain notice to be given before a water corporation, public utility district, municipal utility district, or a municipally owned or operated public utility furnishing water may terminate residential service for nonpayment of a delinquent account, as prescribed.

This bill would require an urban and community water system, defined as a public water system that supplies water to more than 200 service connections, to have a written policy on discontinuation of water service to certain types of residences for nonpayment available in prescribed languages. The bill would require the policy to include certain components, be available on the system's Internet Web site, and be provided to customers in writing, upon request. The bill would provide for enforcement of these provisions, including making a violation of these provisions punishable by a civil penalty issued by the board in an amount not to exceed \$1,000 for each day in which the violation occurs, and would require the enforcement moneys collected by the board to be deposited in the Safe Drinking Water Account. The bill would prohibit an urban and community water system from discontinuing residential service for nonpayment until a payment by a customer has been delinquent for at least 60 days. The bill would require an urban and community water system to contact the customer named on the account and provide the customer with the urban and community water system's policy on discontinuation of residential service for nonpayment no less than 7 business days before discontinuation of residential service, as prescribed.

This bill would prohibit residential service from being discontinued under specified circumstances. The bill would require an urban and community water system that discontinues residential service to provide the customer with information on how to restore service. The bill would require an urban and community water system to waive interest charges on delinquent bills for, and would limit the amount of a reconnection of service fee imposed on, a residential customer who demonstrates, as prescribed, to the urban and community water system household income below 200% of the federal poverty line. The bill would require an urban and community water system that furnishes individually metered residential service to residential occupants of a detached single-family dwelling, a multiunit structure, mobilehome park, or permanent residential structure in a labor camp, and that the owner, manager, or operator of the dwelling, structure, or park is the customer of record, to make every good faith effort to inform the residential occupants by written notice that service will be terminated and that the residential occupants have the right to become customers, as specified. The bill would require an urban and community water system to report the number of annual discontinuations of residential service for inability to pay on its Internet Web site and to the board, and the bill would require the board to post on its Internet Web site the information reported. The bill would require an urban water supplier, as defined, or an urban and community water system regulated by the commission, to comply with the bill's provisions on and after February 1, 2020, and any other urban and community water system to comply with the bill's provisions on and after April 1, 2020. The bill would provide that the provisions of the bill are in addition to the provisions in existing law duplicative of the bill and that where the provisions are inconsistent, the provisions described in the bill apply.

## DIGEST KEY

Vote: MAJORITY Appropriation: NO Fiscal Committee: YES Local Program: NO

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### BILL TEXT

#### THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

#### SECTION 1.

The Legislature finds and declares as follows:

- (a) All Californians have the right to safe, accessible, and affordable water as declared by Section 106.3 of the Water Code.
- (b) It is the intent of the Legislature to minimize the number of Californians who lose access to water service due to inability to pay.
- (c) Water service discontinuations threaten human health and well-being, and have disproportionate impact on infants, children, the elderly, low-income families, communities of color, people for whom English is a second language, physically disabled persons, and persons with life-threatening medical conditions.
- (d) When there is a delinquent bill, all Californians, regardless of whether they pay a water bill directly, should be treated fairly, and fair treatment includes the ability to contest a bill, seek alternative payment schedules, and demonstrate medical need and severe economic hardship.
- (e) The loss of water service causes tremendous hardship and undue stress, including increased health risks to vulnerable populations.
- (f) It is the intent of the Legislature that this act provide additional procedural protections and expand upon the procedural safeguards contained in the Public Utilities Code and Government Code as of January 1, 2018, relating to utility service disconnections.

#### SEC. 2.

Chapter 6 (commencing with Section 116900) is added to Part 12 of Division 104 of the Health and Safety Code, to read:

##### **CHAPTER 6. Discontinuation of Residential Water Service**

##### **116900.**

This chapter shall be known, and may be cited, as the Water Shutoff Protection Act.

##### **116902.**

For the purposes of this chapter, the following definitions apply:

- (a) "Board" means the State Water Resources Control Board.
- (b) "Public water system" has the same meaning as defined in Section 116275.
- (c) "Residential service" means water service to a residential connection that includes single-family residences, multifamily residences, mobilehomes, including, but not limited to, mobilehomes in mobilehome parks, or farmworker housing.
- (d) "Urban and community water system" means a public water system that supplies water to more than 200 service connections.
- (e) "Urban water supplier" has the same meaning as defined in Section 10617 of the Water Code.

##### **116904.**

(a) An urban water supplier not regulated by the Public Utilities Commission shall comply with this chapter on and after February 1, 2020.

(b) An urban and community water system regulated by the Public Utilities Commission shall comply with this chapter on and after February 1, 2020. The urban and community water system regulated by the Public Utilities Commission shall file advice letters with the commission to conform with this chapter.

(c) An urban and community water system not described in subdivision (a) or (b) shall comply with this chapter on and after April 1, 2020.

**116906.**

(a) An urban and community water system shall have a written policy on discontinuation of residential 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 shall include all of the following:

(1) A plan for deferred or reduced payments.

(2) Alternative payment schedules.

(3) A formal mechanism for a customer to contest or appeal a bill.

(4) A telephone number for a customer to contact to discuss options for averting discontinuation of residential service for nonpayment.

(b) The policy shall be available on the urban and community water system's Internet Web site, if an Internet Web site exists. If an Internet Web site does not exist, the urban and community water system shall provide the policy to customers in writing, upon request.

(c) (1) The board may enforce the requirements of this section pursuant to Sections 116577, 116650, and 116655. The provisions of Section 116585 and Article 10 (commencing with Section 116700) of Chapter 4 apply to enforcement undertaken for a violation of this section.

(2) All moneys collected pursuant to this subdivision shall be deposited in the Safe Drinking Water Account established pursuant to Section 116590.

**116908.**

(a) (1) (A) An urban and community water system shall not discontinue residential service for nonpayment until a payment by a customer has been delinquent for at least 60 days. No less than seven business days before discontinuation of residential service for nonpayment, an urban and community water system shall contact the customer named on the account by telephone or written notice.

(B) When the urban and community water system contacts the customer named on the account by telephone pursuant to subparagraph (A), it shall offer to provide in writing to the customer the urban and community water system's policy on discontinuation of residential service for nonpayment. An urban and community water system shall offer to discuss options to avert discontinuation of residential 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 urban and community water system 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 mailed to the customer of the residence to which the residential service is provided. If the customer's address is not the address of the property to which residential service is provided, the notice also shall be sent to the address of the property to which residential 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:

(i) The customer's name and address.

(ii) The amount of the delinquency.

(iii) The date by which payment or arrangement for payment is required in order to avoid discontinuation of residential service.

(iv) A description of the process to apply for an extension of time to pay the delinquent charges.

(v) A description of the procedure to petition for bill review and appeal.

(vi) 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 service charges, consistent with the written policies provided pursuant to subdivision (a) of Section 116906.

(2) If the urban and community water system 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 urban and community water

system 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 service for nonpayment and the urban and community water system's policy for discontinuation of residential service for nonpayment.

(b) If an adult at the residence appeals the water bill to the urban and community water system or any other administrative or legal body to which such an appeal may be lawfully taken, the urban and community water system shall not discontinue residential service while the appeal is pending.

**116910.**

(a) An urban and community water system shall not discontinue residential service for nonpayment if all of the following conditions are met:

(1) The customer, or a tenant of the customer, submits to the urban and community water system 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 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.

(2) The customer demonstrates that he or she is financially unable to pay for residential service within the urban and community water system's normal billing cycle. The customer shall be deemed financially unable to pay for residential service within the urban and community water system'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, consistent with the written policies provided pursuant to subdivision (a) of Section 116906, with respect to all delinquent charges.

(b) (1) If the conditions listed in subdivision (a) are met, the urban and community water system shall offer the customer one or more of the following options:

(A) Amortization of the unpaid balance.

(B) Participation in an alternative payment schedule.

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

(D) Temporary deferral of payment.

(2) The urban and community water system may choose which of the payment options described in paragraph (1) the customer undertakes and may set the parameters of that payment option. Ordinarily, the repayment option offered should result in repayment of any remaining outstanding balance within 12 months. An urban and community water system may grant a longer repayment period if it finds the longer period is necessary to avoid undue hardship to the customer based on the circumstances of the individual case.

(3) Residential service may be discontinued no sooner than 5 business days after the urban and community water system posts a final notice of intent to disconnect service in a prominent and conspicuous location at the property under either of the following circumstances:

(A) 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.

(B) 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 service charges for 60 days or more.

**116912.**

An urban and community water system that discontinues residential service for nonpayment shall provide the customer with information on how to restore residential service.

**116914.**

(a) For a residential customer who demonstrates to an urban and community water system household income below 200 percent of the federal poverty line, the urban and community water system shall do both of the following:

(1) Set a reconnection of service fee for reconnection during normal operating hours at fifty dollars (\$50), 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. 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) Waive interest charges on delinquent bills once every 12 months.

(b) An urban and community water system 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.

**116916.**

(a) This section applies if there is a landlord-tenant relationship between the residential occupants and the owner, manager, or operator of the dwelling.

(b) If an urban and community water system furnishes individually metered residential service to residential occupants of a detached single-family dwelling, a multiunit residential structure, mobilehome park, or permanent residential structure in a labor camp as defined in Section 17008, and the owner, manager, or operator of the dwelling, structure, or park is the customer of record, the urban and community water system shall make every 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.

(c) The urban and community water system is not required to 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 urban and community water system's rules and tariffs. 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 urban and community water system, or if there is a physical means legally available to the urban and community water system of selectively terminating service to those residential occupants who have not met the requirements of the urban and community water system's rules and tariffs, the urban and community water system shall make service available to those residential occupants who have met those requirements.

(d) If prior service for a period of time is a condition for establishing credit with the urban and community water system, residence and proof of prompt payment of rent or other credit obligation acceptable to the urban and community water system for that period of time is a satisfactory equivalent.

(e) Any residential occupant who becomes a customer of the urban and community water system pursuant to this section whose periodic payments, such as rental payments, include charges for residential water service, where those charges are not separately stated, may deduct from the periodic payment each payment period all reasonable charges paid to the urban and community water system for those services during the preceding payment period.

(f) In the case of a detached single-family dwelling, the urban and community water system may do any of the following:

(1) Give notice of termination at least seven days prior to the proposed termination.

(2) In order for the amount due on the delinquent account to be waived, require an occupant who becomes a customer to verify that the delinquent account customer of record is or was the landlord, manager, or agent of the dwelling. Verification may include, but is not limited to, a lease or rental agreement, rent receipts, a government document indicating that the occupant is renting the property, or information disclosed pursuant to Section 1962 of the Civil Code.

**116918.**

An urban and community water system shall report the number of annual discontinuations of residential service for inability to pay on the urban and community water system's Internet Web site, if an Internet Web site exists, and to the board. The board shall post on its Internet Web site the information reported.

**116920.**

(a) The Attorney General, at the request of the board or upon his or her own motion, may bring an action in state court to restrain by temporary or permanent injunction the use of any method, act, or practice declared in this chapter to be unlawful.

(b) For an urban and community water system regulated by the Public Utilities Commission, the commission may bring an action in state court to restrain by temporary or permanent injunction the use by an urban and community water system regulated by the commission of any method, act, or practice declared in this chapter to be unlawful.

**116922.**

All written notices required under this chapter shall be provided in English, the languages listed in Section 1632 of the Civil Code, and any other language spoken by 10 percent or more of the customers in the urban and community water system's service area.

**116924.**

Where provisions of existing law are duplicative of this chapter, compliance with one shall be deemed compliance with the other. Where those provisions are inconsistent, the provisions of this chapter shall apply. Nothing in this chapter shall be construed to limit or restrict the procedural safeguards against the disconnection of residential water service existing as of December 31, 2018.

**116926.**

This chapter does not apply to the termination of a service connection by an urban and community water system due to an unauthorized action of a customer.

# Sample Policy



|                        |  |  |
|------------------------|--|--|
| <b>Title:</b>          | Collection Policy (formerly Delinquent Accounts) |  |
| <b>Number:</b>         | 500-004  |  |
| <b>Approval:</b>       | Board of Directors                               |  |
| <b>Approval Date:</b>  | March 5, 2019                                    |  |
| <b>Effective Date:</b> | May 1, 2019                                      |  |
| <b>Review Date:</b>    | Upon change of statute                           |  |

**Reference:**

Senate Bill No. 998: Discontinuation of Residential Water Service  
California Government Code Sections 60370 -60375.5

**Purpose/Background:**

This policy enumerates Soquel Creek Water 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 (831) 475-8500 to discuss options for averting discontinuation of water service for nonpayment under the terms of this policy.

**Text of policy:**

Soquel Creek Water District, as an agency of the state, formed as a special district pursuant to general law for the local performance of governmental or proprietary functions within limited boundaries, is governed in the execution of the collection of delinquent accounts by California Government Code Sections 60370 – 60375.5. Furthermore, as an urban or community water system that supplies water to more than 200 service connections, the District is further governed, effective by law February 1, 2020, by Senate Bill No. 998.

Delinquent Account:

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. Small Balance Accounts:  
Any balance on a bill of \$20 or less may be carried over, and added to, the next billing period without being assessed a late fee or incurring further collection action.
  
2. Late Fee:  
If payment for a bill is not received by close of business on the 21<sup>st</sup> day after the bill is issued, a late fee will be assessed. The due date and late fee will be displayed prominently on the bill. The District will make a reasonable, good faith effort to notify the customer of an impending late fee 2 days before the due date identified on the bill. The means of notification will be based upon the notification preference (text, phone, or email) selected by the customer. Customers who have not selected a means of notification will be notified by phone. The District assumes no responsibility for phone or email contact information that has not been kept up-to-date by the customer.

3. Waiver of Late Fee:

At the request of the customer, the District will waive the late fee if there are extenuating circumstances and the customer has not been assessed a late fee for delinquent payment in the preceding 6 months.

4. Waiver of Delinquent Notices and Fees to the State of California

The State of California, because of a sound financial base and variations in budget approval and warrant payment procedures, will not be sent delinquent notices or assessed a late fee for delinquent payment of existing accounts.

5. Alternative Payment Arrangements:

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.

a. Certification by 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 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 will obligate the District to enter an amortized repayment 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. Failure to comply with the terms of an amortization plan will result in the issuance of a written disconnection notice. The disconnection notice will be in the form of a door hanger delivered to the premises no less than 5 business days in advance of discontinuance of service.

6. Additional Notifications:

As a courtesy, the District will make a reasonable, good faith effort to notify the customer that the account remains past due and further collection action will be forthcoming approximately 60 days after bill issuance. The means of notification will be based upon the notification preference (text, phone, or email) selected by the customer. Customers who have not selected a means of notification will be notified by phone. The District assumes no responsibility for phone or email contact information that has not been kept up-to-date by the customer.

7. Written Disconnection Notice:

The District shall not discontinue water service for non-payment until payment by the customer has been delinquent for at least 60 days. The District will make a reasonable, good faith effort to contact the customer in writing at least 7 business days before discontinuation of water

service for non-payment. The written disconnection notice will be mailed to the mailing address designated on the account. If the mailing address and the address of the property to which water service is provided are different, a second notice will be mailed to the service address and addressed to "Occupant". The written disconnection notice will include:

- 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 a bill
- District phone number and a web link to the District's written collection policy

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

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 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 District 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. 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 District will make a reasonable, good faith effort to inform the occupants, by means of written notice hung on the door of each residence, when the water service account is in arrears and subject to disconnection 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 District 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 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 District, or if there is a physical means, legally available to the District, of selectively terminating service to those occupants who have not met the requirements for service, the District will make service available to the occupants who have met those requirements.

If the written disconnection notice is returned through the mail as undeliverable, the District will make a reasonable, good faith effort to visit the residence and leave a notice of discontinuance for non-payment.

8. Forty-eight (48) Hour Notice of Termination:

The District will make a reasonable, good faith effort to notify the customer 48 hours in advance of disconnection of water service for non-payment. The means of notification will be based upon the notification preference (text, phone, or email) selected by the customer. Customers who have not selected a means of notification will be notified by phone. If the District is unable to make contact by text, phone, or email, a good faith effort will be made to visit the residence and leave a notice of termination of service.

9. Disconnection Deadline:

All delinquent water service charges and associated fees must be received by the District by 5:00 p.m. on the day specified in the written disconnection notice.

10. 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 written disconnection notice at least 7 business days prior to termination and a second notice 48 hours prior to termination of service. The customer will be charged a fee to re-establish service in the billing system regardless of whether the meter has physically been turned off. The meter will be locked in the off position if payment is not received within 7 days of initial termination.

11. Re-establishment 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.

12. Re-establishment of Service After Business Hours:

Service restored after 5:00 pm 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's billing department no later than noon the following business day to pay the subject fee. The after-hours re-establishment fee is in addition to the regular re-establishment fee and the late fee for a past due account. District staff responding to service calls are not permitted to collect payment but will instruct the customer to contact the billing department before noon the following business day. Services that are off and locked cannot be re-established after hours.

Sometimes water service is discontinued because the service is a new account and the District has not received a request to establish service. If service is being restored after regular business hours because the customer has yet to establish service, the customer must agree to contact the billing department to establish service the next business day and the after-hours re-establishment will be waived. If service is discontinued for any reason not identified above, the service should be restored as quickly as possible and the customer advised to contact the billing department to resolve the issue. No after-hours re-establishment fee will be charged in this instance.

13. Notification of Disposition of Returned Check:

Upon receipt of a returned check taken as payment of water service or other charges, the District will consider the account not paid. The District will make a reasonable, good faith effort to notify the customer by phone or email of the returned check. A 48-hour notice of termination of service due to a returned check will be generated. The means of notification will

be based upon the notification preference (text, phone, or email) selected by the customer. Customers who have not selected a means of notification will be notified by phone. If the District is unable to make contact by text, phone, or email, a good faith effort will be made to visit the residence and leave a notice of termination of service.

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 notice of termination. All amounts paid to redeem a returned check and to pay the returned check charge must be in cash, credit card or certified funds.

14. Returned Checks for Previously Disconnected Service:

In the event a customer tenders a non-negotiable check as payment to restore water service previously disconnected for non-payment and the District restores service, the District may promptly disconnect service without providing further notice. No 48-hour notice of termination will be given in the case of a non-negotiable check tendered for payment of water charges that were subject to discontinuance.

Any customer issuing a non-negotiable check as payment to restore service turned off for non-payment will be required to pay cash, credit card or certified funds to restore future service disconnections for a period of 12 months from the date of the returned payment.

15. Disputed Bills:

If a customer disputes the water bill and exercises their right to appeal to the Board of Directors, the District will not disconnect water service for non-payment while the appeal is pending.