

# Corcoran Water Shut-off Policy

## Purpose

This Policy (“**Policy**”) establishes the City of Corcoran, Public Works Water Division’s administrative actions for collection on delinquent residential water service accounts, including notifications, fee assignments and discontinuation of water service. This policy will be made available to the public on the City’s website. The English language version of this Policy shall be controlling over any actual or potentially inconsistent non-English translation. A residential customer can contact the City by phone at 559-992-2151 ext. 2002 to discuss potential options for averting termination of water service for nonpayment under the terms of this policy. Also, a customer can find additional information on the City’s official website at [www.cityofcorcoran.com](http://www.cityofcorcoran.com).

## Residential Water Account Policy

In general, a “water bill” is defined as the portion of a utility bill which contains to water service charges.

### Compliance:

It is intended that this Policy shall comply with California Senate Bill 998 (2018) (“**SB 998**”), as enacted and codified into California Health and Safety Code §§ 116900 et seq.

### Delinquent Account:

The Corcoran Municipal Code has set the water billing period to be monthly and the payment date will be the 15th day of the month following the month of service delivery. A water bill is deemed delinquent if not paid by the 15th day of the month (or next business day if the 15th is not a business day) following the billing period (Corcoran Municipal Code).

The following rules shall 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 incurring further collection action.

2. Delinquent Notice:

If payment for a water bill is not received by 4:00 p.m. on the due date, then a late fee will be assessed. The due date and late fee will be displayed on the water bill. Upon a bill becoming delinquent, the City shall give the person or entity responsible for

payment of the bill (hereinafter referred to as “**customer**”) a notice of delinquency stating that water service will be discontinued after sixty (60) days. The delinquent notice will be mailed to the mailing address designated on the account. The City assumes no responsibility for contact information which has not been kept up-to-date by the customer.

3. Collection Timeline Narrative.

Attached to this Policy as **ATTACHMENT A** is a narrative of the timeline and process for collection and/or discontinuation of service (the “**Collection Timeline Narrative**”). Such narrative is not intended to substitute for or otherwise supersede this Policy, but provides a summary of how the Policy is intended to conform with the Municipal Code and California Health and Safety Code §§ 116900 et seq.

4. First Disconnection Notice:

A. The City shall not discontinue residential water service for non-payment until payment by the customer has been delinquent for at least sixty (60) days. The City shall give the customer a first notice of disconnection approximately thirty (30) calendar days, but in no event less than seven (7) business days, before termination of service for non-payment. The first 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 first written disconnection notice will include at least the following information:

- Customer’s name and address;
- Amount of delinquency;
- Date by which payment or payment arrangements are required to avoid termination of service;
- A description of the process to apply for an extension of time to pay the delinquent charges;
- Description of the process to formally dispute or appeal a water bill;
- A description of the procedure by which a customer may request a deferred, reduced or alternative payment schedule, including amortization of the delinquent charges;
- A statement that, upon qualifying, the residential occupants 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; [HSC § 116916(b).]
- The procedure for the customer to obtain information on the availability of financial assistance, including private, local, state or federal sources, if applicable; [PUC § 10010.1(d)(6).]

- The date when the discontinuation of service will be authorized to occur, which must be a date with no less than sixty (60) days of non-payment delinquency;
- Information on how to restore service if it is actually disconnected;
- Disclosure that if the existing meter or service lateral is not equipped with a lockable valve or mechanism for disconnection of service, one will be installed and such cost will be billed to the customer in addition to all associated reconnection fees and delinquency charges;
- Phone number of a representative of the City who can provide additional information or institute arrangements for payment, and an Internet web link to the City's written Policy; and
- Such other contents as may otherwise be required by applicable laws or the City. [HSC § 116908(a)(1)(C).]

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

The City will make a reasonable, good faith effort to inform the occupants, by means of written notice, when the water service account is in arrears and subject to disconnection at least seven (7) business days before water service is shut off. The written notice will advise the tenant/occupant that they have the right to become customers of the City without being required to pay the amount due on the delinquent account, as long as they are willing to assume financial responsibility for subsequent charges for water service at that address. In order for the tenant/occupant to open an account, the tenant/occupant must provide verification of tenancy in the form of a rental agreement in her/his name.

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

The City will make a reasonable, good faith effort to inform the occupants, by means of written notice hung on the door of each residence, when the water service account is in arrears and subject to disconnection at least seven (7) business days before water service is shut off. The written notice will advise the tenant/occupant that they have the right to become customers of the City without being required to pay the amount due on the delinquent account, as long as they are willing to assume financial responsibility for subsequent charges for water service at the address(es) served by the master meter. If one or more of the occupants are willing and able to assume responsibility for the subsequent charges for water service to the satisfaction of the City, or if there is a physical means, legally available to the City, of selectively terminating service to those occupants who have not met the requirements for service, the City will make service available to the occupants who have met those requirements.

5. Courtesy Call:

The City will make a reasonable, good faith effort to notify the customer in advance of disconnection of water service for non-payment. The means of notification will be by phone. The courtesy call is meant entirely as a courtesy and failure of the City to send the notice or failure by the customer to receive the notice shall not constitute an acceptable reason for non-payment or delay of disconnection. During the telephone call, the customer shall be offered both a hardcopy of this Policy and the opportunity to discuss options to avert discontinuation of residential service for non-payment, which generally include:

- (i) Alternative payment schedules;
- (ii) Deferred payments;
- (iii) Minimum payments;
- (iv) Procedures for requesting an amortization agreement to repay the delinquent balance;
- (v) Petition for bill review and appeal; and
- (vi) All other information which required by applicable laws.  
[HSC § 116908(a)(1)(B).]

6. Final Disconnection Notice:

Failure to comply with the terms of an amortization plan for sixty (60) days or more or failure to pay current residential service charges for sixty (60) days or more will result in the issuance of a final disconnection notice. The final disconnection notice will be in the form of a door hanger delivered to the premises no less than five (5) business days in advance of discontinuance of service. [HSC § 116910(b)(3).]

7. A. Alternative Payment Arrangements / Extension of Time to Pay:

Any customer who is unable to pay for water service within the normal payment period may appeal the disconnection and request an “**alternative payment arrangement**” in the form of either a deferred payment, amortization agreement, alternative payment schedule or a payment reduction.

B. Serious Health Threat and Financial Inability to Pay:

A residential service customer whose account balance initially becomes delinquent may submit an application, under this Section, which demonstrates to the City that they

are unable to pay, as defined within Health and Safety Code § 116910(a)(2), and that the customer or a tenant thereof has submitted to the City a valid certification from a primary care provider, certifying that discontinuation of residential service will be life threatening to or pose a serious threat to the health or safety of a resident of the premises with a delinquent account balance. Upon satisfaction of both such conditions, and if the account at issue is not utilizing one or more of the various payment arrangements provided for within this section, then all of the following shall apply:

- (i) The customer shall be offered either an amortization agreement, alternative payment schedule or a plan for deferred or reduced payment under this Section, if the customer timely submits an application to the City indicating a willingness to enter into one or more of them; and
- (ii) After providing each required notice, the City shall be authorized to proceed with disconnection of service under this Policy if, for sixty (60) days either:
  - a. The customer fails to remain current on subsequently billed services; or
  - b. Fails to comply with the terms of the amortization agreement, alternative payment schedule or plan for deferred or reduced payments approved by the City.

[HSC § 116910.]

### C. Customers Unable to Pay for Water Services

Any customer who is unable to pay for water service within the normal payment period may request an alternative payment arrangement in order to avoid disruption of service. However, said arrangement is discretionary and is subject to the appeal process. The City shall not discontinue water service for non-payment if a customer has requested and entered into an alternative payment arrangement and remains current on its obligations from that point forward.

#### (i) Amortization Plan:

In order to temporarily avoid an impending discontinuation of service, the City may approve an amortization agreement allowing for payment of the entire balance of all delinquent charges in periodic installment payments equally spread over a mutually agreed upon period of time, not exceeding twelve (12) months, which shall be measured from and include the date when the balance initially became delinquent. All of the following shall apply to each amortization agreement and, to the extent they are relevant, shall constitute implied terms and conditions of an approved amortization agreement:

- (a) **Maximum Allowable Term:** The written application of the customer-of-record must propose to an amortization agreement which would result in the City's actual receipt of the entire delinquent balance within no later than twelve

(12) months, as measured from the date when the balance initially became delinquent;

(b) **Proposed Agreement Signed by Applicant:** The application of the customer-of-record must be submitted to the City Manager (or designee) and must be accompanied by a proposed amortization agreement, on a form approved by the City, which must be signed and dated by the customer-of-record;

(c) **Amortization Agreements Up To 60 Days:** Upon receipt of twenty-five percent (25%) of the delinquent balance, the City Manager or designee shall have the authority and discretion to sign a written amortization agreement, in a form previously approved by the City's legal counsel, for any remaining delinquency balance which does not exceed five hundred U.S. dollars (\$500 USD), provided that such agreement requires payment to the City of the entire delinquent balance in no later than sixty (60) days, as measured from the date when the balance initially became delinquent;

(d) **Amortization Agreements Exceeding 60 Days, Without Initial Payment:** The City Manager or designee shall have the authority and discretion approve a written amortization agreement, in a form previously approved by the City Attorney, which requires full repayment of the remaining delinquency balance on or before a deadline which is no earlier than sixty (60) days but does not exceed twelve (12) months, as measured from the date when the balance initially became delinquent. In order to be binding upon the City, any such agreement involving more than **five thousand U.S. Dollars (\$5,000 USD)** in delinquency must first be confirmed at the sole and absolute discretion of the of the Council or designee, which may instead approve the signing of an amortization agreement containing terms which differ from those proposed by the customer-of-record or initially approved by the City Manager or designee, with or without any initial payment;

(e) **Deadline to Sign Agreement:** Notwithstanding any provision in this Policy to the contrary, whenever the City has approved the signing of any amortization agreement, including one which contains terms which differ from those requested by the customer-of-record, the customer-of-record must, if it is acceptable to her/him, promptly sign, date and provide such signed agreement to the City Manager (or designee) within five (5) business days after learning that is ready for the signature of the customer-of-record;

(f) **Payments Under Amortization Agreement:** The delinquent balance must be divided by the number of months in the amortization period and each month that amount shall be added into the customer-of-record's monthly bill. All payments received for the account with the amortization agreement shall

first be applied to the delinquent balance, then to any incurred late fees, charges, interest and penalties, and finally to newly billed service charges; and

(g) **Amortization Applies Only to Delinquent Balance:** All new and non-delinquent service charges on the account, which appear on each City service bill issued after the initial delinquency began, must be timely and fully paid (at least within the applicable grace period, if any, for such subsequent bill) and, until the full delinquent balance is actually received by the City, the account must remain current as to all post-delinquency City bills for service..

(ii) **Extension of Time for Deferred Payment:**

In order to temporarily avoid an impending discontinuation of service, the City Manager or designee may exercise her/his discretion to approve a customer-proposed plan for an extension of time to make a deferred payment of the entire balance of all delinquent charges. All of the following shall apply to each extension granted under this Policy, unless a majority of the Council expressly approves otherwise:

(a) **Maximum Extension:** The written application of the customer-of-record must propose to the City Manager or designee a plan for an extension of time which would not defer full payment beyond eight (8) weeks, as measured from the date when the balance initially became delinquent. Any unauthorized portion of an extension apparently granted by the City Manager or designee shall be deemed void;

(b) **City Manager Discretion:** At the sole and absolute discretion of the City Manager or designee, the proposed plan for a deferred payment may be approved as proposed by the customer-of-record, approved with a different period of deferment than requested or denied if the City Manager or designee for any reason does not believe an extension is in the best interest of the City and the requested extension is not otherwise required by applicable law;

(c) **Notice of Deadline for Making Deferred Payment:** Each extended payment date will be set forth within a writing which shall be mailed to the customer-of-record at their most recent mailing address on file with the City;

(d) **Actual Receipt of Balance by Deadline:** The full delinquent balance must be actually received by the City no later than the extended payment due date in effect; and

(e) **Extension Applies Only to Delinquent Balance:** All new and non-delinquent service charges on the account, which appear on each City service bill issued after the initial delinquency began, must be timely and fully paid (at least within the applicable grace period, if any, for such subsequent bill) and,

until the full delinquent balance is actually received by the City, the account must remain current as to all post-delinquency City bills for service.

(iii) **Alternative Payment Schedule:**

In order to temporarily avoid an impending discontinuation of service, the City Manager or designee may approve an alternative payment schedule, which differs from its normal bill due date, for the payment of the entire delinquent balance within a period not to exceed **six (6) months**, which shall be measured from and include the date when the balance initially became delinquent. All of the following shall apply to each alternative payment schedule approved under this Policy, unless a majority of the Council or designee expressly decides otherwise.

(a) The customer-of-record must demonstrate to the satisfaction of the City Manager or designee that they are financially unable to pay their bill during the City's normal billing cycle, despite any monthly grace period allowed by City policy;

(b) The City will consider all circumstances specified by the customer to support their request and make a determination as to whether or not an alternative payment schedule will be approved;

(c) If approved by the City Manager or designee, a customer must pay the delinquent balance in accordance with an alternative payment schedule. The approved alternative payment schedule may provide for periodic payments which do not coincide with the City's regular payment cycle (as prescribed within this Policy or the Municipal Code), or may provide for payments made more or less frequently than the City's regular payment cycle;

(d) During the period of the alternative payment schedule, the customer's account must remain current on all subsequently billed service charges; and

(e) The alternative payments schedule approved by the City Manager or designee shall be in writing and shall include each amount due and each corresponding deadline. A copy of the alternative payments schedule will be provided to the customer by U.S. mail or in person.

(iv) **Termination of Service:**

In all cases wherein an alternative payment arrangement has been agreed, failure on the part of the customer to comply with the terms of a plan for deferred or reduced payments, alternative payment schedules, or a deferral or reduction in payment plan for delinquent charges, or failure to remain current as charges accrue in each subsequent billing period will result in the cancellation of such alternative payment arrangement, and will result in discontinuance of

water service pursuant to this Policy. Notice will be given to the customer, and will be in the form of a door hanger, delivered to the premises, no less than five (5) business days in advance of discontinuance of service. [HSC § 116910(b)(3).]

8. Disconnection Deadline:

Unless an alternative payment arrangement has been executed, all delinquent water service charges and associated fees must be received by the City by 4:00p.m., on the date specified in the written disconnection notices.

9. Disconnection of Water Service for Non-Payment:

The City 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 delinquent and disconnection notices, and a courtesy call, as provided in this Policy.

10. Re-establishment of Service:

The City will endeavor to reconnect service as soon as practicable, usually restoring service before the end of the next business day after the City receives payment of all past due amounts and delinquent fees attributable to the nonpayment delinquency and resulting in termination of service.

Water service that is turned on by any person other than a Public Works Water Division personnel or without Public Works Department authorization may be subject to fines, penalties and/or additional charges and fees. Any damages that occur as a result of unauthorized restoration of service shall be the responsibility of the customer.

A. Restoration Fees

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

B. Maximum Reconnection Fees for Low-Income Households

The maximum reconnection fee for a low-income household shall be fifty U.S. dollars (\$50.00 USD) for reconnections occurring during the City's normal business hours and one hundred fifty U.S. dollars (\$150.00 USD) for reconnections occurring at any other time. These amounts shall be automatically adjusted each year, commencing on or about January 1, 2021, in accordance with the relevant consumer price index.

- (i) **Low-Income Household:** A customer-of-record's household shall be considered to be low-income under this Policy if it is below two hundred

percent (200%) of the federal poverty line or the household income otherwise satisfies the criteria set forth in Health and Safety Code § 116914(b), which includes receipt of specified public assistance benefits. Such a customer shall be allowed to receive one waiver of interest charges on delinquent bills once every twelve (12) months. [HSC § 116914(a)(2).]

11. Re-establishment of Service After Business Hours:

Requests for services to be restored after 2:30 pm Monday through Friday, weekends, or holidays will be charged an after-hours re-establishment fee reflecting higher after-hours rates. 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 acknowledgment of the applicable reconnection fee and all delinquent charges and fees.

12. Disputed Water Bills and Appeals:

If a customer disputes a bill, or any part of this Policy, they must follow the appeal procedure outlined in the City's Municipal Code. Appeals must be in writing and submitted within fifteen (15) days after a delinquency notice has been issued. If a customer disputes the water bill and exercises their right to appeal to the City Manager, the water service shall not be disconnected while the appeal is pending. When appeal is received by City, City shall proceed with water bill review.

13. Annual Report on Disconnections For Non-Payment Delinquency:

The City Manager or designee is authorized and shall prepare a proposed report to the State Water Resources Control Board ("SWRCB") which indicates the total number of actual disconnections of service, due to a nonpayment delinquency. Unless the SWRCB otherwise requires, the City Manager or designee shall prepare the proposed report on or about January of each year and it shall cover the prior calendar year. Upon the Council's approval of the proposed report, the City Manager or designee shall cause it to be submitted in accordance with California Health and Safety Code § 116918 and/or such applicable laws which may be applicable.

14. Effect of Headings/Titles:

Section and subsection headings and titles are included in this Policy for organizational purposes only and must not be read to in any manner affect the scope, meaning or intent of the provisions associated with them.

15. Third-Party Notice for Qualified Seniors and Dependent Adults:

On a form provided by the City, any residential customer-of-record who either is at least sixty-five (65) years of age, or qualifies as a dependent adult under California Welfare and Institutions Code § 15610.23, may elect to designate a third-party to be contacted by the City when such customer's account becomes subject to termination of service because of a non-payment delinquency. To be effective, the customer-of-record must sign the authorizing form and the third-party must also sign the form to consent to the receipt of the notification utilizing their contact information as shown on the form. The City's notification to the third-party may be oral or in writing and may be accomplished by telephone, facsimile transmission, e-mail, mail or in-person and will include information on what is required to prevent termination of service. The City may satisfy this requirement either by:

(i) by mailing a copy of the notice of impending discontinuation of service to the third-party no less than seven (7) business days before service is actually discontinued; or

(ii) by providing the third-party with the final 48-hour notice prescribed in this Section.

[PUC § 10010.1(c).]

16. Final Forty-Eight (48) Hour Telephonic or In-Person Notice:

The City Manager or designee shall cause to be made a reasonable and good faith effort to contact, by either telephone or in-person, an adult residing at the premises where service will be discontinued, at least 48 hours prior to termination of service. If the City's attempt at telephone or personal contact is unsuccessful, then the City shall thereafter cause a final written notice to be mailed to or posted in a conspicuous location at the address where service will be discontinued, at least 48 hours before service is actually discontinued. A duly provided final notice of intent to disconnect, as prescribed in the preceding subsection, shall satisfy the requirements of this subsection whenever telephone or personal contact hereunder is attempted unsuccessfully. [PUC § 10010.1(b).]

17. Substantial Compliance:

Whenever a person actually and timely receives, whether orally, in-writing, electronically or telephonically, any notice specified within this Policy, substantial compliance with the notice requirements of this Policy shall be deemed to be satisfied, regardless of any actual, apparent or potential defect in the manner or delivery of said notice.

## ATTACHMENT A

### CITY OF CORCORAN

#### Collection Timeline Narrative

This Exhibit A provides a narrative and timeline for processing of billing and discontinuation of service pursuant to the Corcoran Water Shut-off Policy, as provided for in Chapter 3 of Title 8 of the Corcoran Municipal Code. Fees have been set by Council by separate resolution.

#### Collection Timeline/Process

##### Month 1

Utility Bill: Original Bill sent at the end of the month with balance due by the 15<sup>th</sup> (or next business day) of the month following the Bill Date.

##### Month 2

Late Notice#1: Late Notice #1 (Delinquent Notice) will include notification of a past due amount and will be mailed to customer. This would be received approximately 20 days from original bill upon initial delinquency and would add a late fee of \$5.00.

##### Month 2

Utility Bill #2: Next regular monthly bill will include notification of a past due amount. This would be approximately 30 days from original bill and at about 15 days delinquent.

##### Month 3

Late Notice #2: Late notice #2 (Disconnection Notice) will include notification of a past due amount, about 1 month from late notice #1. This would be received approximately 45 days from original bill at about 30 days delinquent and would add an additional \$5.00 late fee.

##### Month 3

Utility Bill #3: Next regular monthly bill will include notification of a past due amount. This would be approximately 60 days from original bill and at about 45 days delinquent. The City will attempt a courtesy call to the customer.

##### Month 4

Late Notice #3: Late notice #3 (Door Hanger) will be posted at property at least 10 days prior to shutoff, which is about 30 days from late notice #2. This would be received approximately 75 days from the original bill at about 60 days delinquent and would add an additional \$5.00 late fee.

Month 4

Water Shut-Off: Unpaid balance is now over 60 days delinquent and service will be shutoff.

Collection Timeline

	Month 1	Month 2	Month 3	Month 4
15th (or next business day)		Utility Bill #1 Due	Utility Bill #2 Due	Utility Bill #3 Due
		60 days delinquent		
16th (or following day)		Late Notice # 1 (Delinquent Notice)	Late Notice #2 (Disconnection Notice)	Late Notice #3 (Door Hanger)
		\$20 Late Fee	\$20 Late Fee (additional)	\$20 Late Fee (additional)
End of the month	Mail Utility Bill #1	Mail Utility Bill #2	Mail Utility Bill #3	Shut off (over 60 days delinquent)
			Courtesy Call	

Regular monthly utility bills are due and payable the date they are mailed, which are mailed at the end of each month. Utility bills become delinquent if they are not paid by the 15<sup>th</sup> of the following month. If the City does not receive payment on balances greater than or equal to \$20.00, the City will mail the customer a late notice reminding them that their utility bill has not been paid and that their utility service could be discontinued.

This late notice is typically mailed about 16 days from the original bill date and includes the City’s approved late charge. Payment of this late charge is due immediately. The above process is repeated through the next two monthly billing cycles.

If the customer does not respond by paying their account balance by Month 4, a shut-off notice will be posted at the address. This only applies to customers with balances greater than or equal to \$20.00. This will provide notice that if payment is not received in approximately 10 days, water service to the property will be shut-off.

Physical termination of the water service by closing and locking of the water valve will occur as the schedule of the Public Works personnel allows.

In order to resume or continue service that has been disconnected for non-payment, the customer must pay a re-establishment fee of \$20.00. The City 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 a City employee Water Department personnel or without City Water Department 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.

## Payment Arrangements

Partial payments will be accepted and applied to overdue accounts but will not prevent water shutoff for remaining overdue balances. If the customer is unable to pay their utility bill in full before the final date shown on the notice, Finance may discuss payment arrangements to keep the utility account open and prevent water service shutoff. To prevent water shutoff, payment in full or on-time payments associated with a pre-arranged payment plan will be required.

Finance staff are authorized to enter into payment arrangements on a mandatory basis for any customers experiencing financial hardship who meet the requirements of Health and Safety Code, Section 116910. The customer must pay current utility bills in full and on time in addition to making their arranged payments on past due balances on time.

Finance staff further retains discretion to make payment arrangements for any customer making a request for a payment arrangement. However, payment arrangements under this part of the policy require a 20% downpayment and are for less time than for those who qualify under H&S Code §116910.

If Finance makes payment arrangements and the customer misses the payment deadlines on past due balances or fails to make payments for their current usage by the due date, the entire unpaid balance will become immediately due and payable. Service will be discontinued no sooner than 10 days after posting of a shut-off notice (door hanger) at the property.

## **Vital Service**

The City will not discontinue or terminate utility service for non-payment if the customer provides certification from a primary care provider that being without the utility service would be especially dangerous to the health of a member of the household. The customer must, however, make a partial payment and agree to pay the past due bill in reasonable installments as outlined in this policy while paying other utility bills on time.