



Policy on Discontinuation of Residential Water Service

Public Utilities Code Section 16481 *et seq.*

Health & Safety Code Section 116900 *et seq.*

Purpose:

This policy enumerates Fallbrook Public Utility District's administrative actions for the collection of delinquent residential accounts, including notifications, fees and discontinuation of service. This policy will be made available to the public on the District's website and as required by law. The District can be contacted by telephone at (760) 728-1125 to discuss options for averting discontinuation of water service for nonpayment under the terms of this policy.

Policy:

Fallbrook Public Utility District may disconnect residential water service for customers who fail to make payment in accordance with the terms of the District's Administrative Code and this Discontinuation of Residential Water Service policy.

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) the day after the bill due date. The following rules apply to the collection of delinquent accounts:

1. Small Balance Accounts:

Any balance on a bill of \$50 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 after 30 days of bill due date, a Delinquent Notice Processing fee of \$30.00 will be assessed on day 31. The District will make a reasonable, good faith effort to notify the customer via telephone of an impending late fee 2 days before 30 days past due. The District assumes no responsibility for telephone 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 a late fee once within a 12 month period.

4. Previously Locked Meters:

Water meters that are already locked off will not have delinquent notices delivered to property and no additional fees will be added.

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 payment arrangement may include an extension of the payment due date or an amortization plan. Failure to comply with the terms of a payment arrangement granted under this section or to pay subsequent charges 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. Medical and Financial Hardship Payment Arrangements:

For customers who meet all three (3) conditions below and provide required documentation, the District will offer the customer a payment arrangement to avoid discontinuation of service. The terms and conditions of the payment arrangement will be selected by the District in its discretion.

a. Medical Certification by Primary Care Provider

The customer must submit a certification by a Primary Care Provider (Internist, General Practitioner, Obstetrician-Gynecologist, Pediatrician, Family Practice Physician, Licensed Physician's Assistant, Primary Care Clinic, Hospital, or Outpatient Clinic) stating that the termination of service will be life threatening or pose a serious threat to health and safety of any resident of the premises where water service is provided.

b. Financial Hardship

The customer must demonstrate that he or she is financially unable to pay for residential service within the District's normal billing cycle. This can be shown by either: (i) declaring under penalty of perjury that household income is less than 200% of the federal poverty level; or (ii) submitting evidence that a member of the household is a current recipient of:

- CalWorks
- CalFresh
- general assistance
- Medi-Cal
- Supplemental Security Income/State Supplementary Payment Program
- California Special Supplemental Nutrition Program for Women, Infants, and Children

c. Payment Arrangement

The customer must be willing to enter into a payment arrangement selected by the District. 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 District, not to exceed 12 months from the original due date of the 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 a payment arrangement for any subsequent unpaid charges while paying delinquent charges pursuant to an amortization plan.

Failure to comply with the terms of a payment arrangement granted under this section or to pay subsequent charges for a period of 60 days 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.

7. Written Disconnection Notices:

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 provide a mailed notice to the customer of record at least 15 days before disconnection of water service. 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. 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 a payment arrangement
- Description of the process to dispute or appeal a bill
- District telephone 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 mean 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 and be required to pay the amount due on the delinquent account.

b. Notice of 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 15 days before water service is shut off. If it is not reasonable or practicable to post the notice on the door of each residence, the District will post two copies of the notice in each accessible common area and at each point of access to the structure or structures. The written notice will advise the tenant/occupant that they have the right to become customers of the District and be required to pay the amount due on the delinquent account.

8. Forty-eight (48) Hour Pre-lock Notice; Final Telephone Notice; Processing Fee:

The District will make a reasonable, good faith effort to notify the customer 48 hours in advance via telephone when the customer is approaching 30 day delinquency and subject to late fee. The District will also make a reasonable good faith effort via telephone to notify the customer or an adult person living with the customer at least 7 days in advance of scheduled disconnection of service. If the District is unable to make contact by telephone, a good faith effort will be made to visit the residence and leave notice of termination of service and a copy of this policy.

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 locking off the meter. The customer will be charged a Disconnection Processing fee of \$50.00 in the billing system regardless of whether the meter has physically been turned off.

11. Re-establishment of Service:

In order to resume or continue service that has been disconnected for non-payment, the customer must pay all charges and fees due on the account. 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 full account balance. 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 damage that occurs as a result of unauthorized restoration of service are the responsibility of the customer.

12. Notification of Disposition of Returned Check:

Upon receipt of returned check taken as payment of water service or other charges, the District will process as no payment made. The District will make a reasonable, good faith effort to notify the customer by telephone. A 5-business day notice of termination of service due to returned check will be delivered to property. 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, along with a lock fee applied. All amounts paid to redeem a returned check and to pay the returned check must be in cash, credit card or certified funds.

13. Disputed Bills:

A customer may initiate a complaint or request an investigation regarding the amount of a bill within 5 days of receiving a bill. For purposes of this section only, a bill is deemed received by a customer 5 days after mailing and immediately upon e-mailing, if applicable. A timely complaint or request for investigation will be reviewed by a manager of the District, who will provide a written determination to the customer. The review will include consideration of

whether the customer may receive a payment arrangement under Section 5 of this policy. The District may, in its discretion, review untimely complaints or requests for investigation; however, such complaints or requests are not subject to appeal.

Any customer whose timely complaint or request for an investigation has resulted in an adverse determination by District staff may appeal the determination to the Board of Directors by filing a written notice of appeal with the District Secretary within 10 business days of the District's staff mailing of its determination. Upon receiving the notice of appeal, the District Secretary will set the matter to be heard at an upcoming Board meeting and mail the customer written notice of the time and place of the hearing at least ten (10) days before the meeting. The decision of the Board is final.

If a customer submits a timely dispute or appeal, the District will not disconnect water service while the dispute or appeal is pending.

14. Procedures for Occupants or Tenants to Become Customers of the District.

This section applies only when a property owner, landlord, manager, or operator of a residential service address is listed as the customer of record and has been issued a notice of intent to discontinue water service due to nonpayment.

The District will make service available to the actual residential occupants if each occupant agrees to the terms and conditions of service and meets the requirements of the District's rules and regulations. Notwithstanding, if one or more of the occupants are willing and able to assume responsibility for the subsequent charges to the account to the satisfaction of the District, or if there is a physical means, legally available to the District, of selectively discontinuing service to those occupants who have not met the requirements of the District's rules and regulations, the District will make service available to the occupants who have met those requirements.

To be eligible to become a customer without paying the amount due on the delinquent account, the occupant must 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, at the discretion of the District.

If prior service for a period of time is a condition for establishing credit with the District, residence and proof of prompt payment of rent for that period of time is a satisfactory equivalent.