

RESOLUTION NO. 2020-01

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CASTROVILLE COMMUNITY SERVICES DISTRICT ADOPTING THE CASTROVILLE COMMUNITY SERVICES DISTRICT RESIDENTIAL WATER SERVICE DISCONNECTION POLICY

WHEREAS, in October of 2018, Governor Brown signed SB 988 – the “Water Shutoff Protection Act” (the “Act”) into law; and

WHEREAS, the Act changes the requirements and procedures to be used by water purveyors in discontinuing water service to residential units and will result in changes to the process by which the District discontinues water service for failure to make timely service payments; and

WHEREAS, by way of example, the Act provides a new mandatory 60-day waiting period before a delinquent residential account may be discontinued, establishes new notice requirements concerning pending service discontinuance to account holders, and creates a variety of payment options that a service provider such as the Castroville Community Services District may offer in lieu of discontinuation, including amortized payments, to qualified customers; and

WHEREAS, Compliance with the Act must be achieved by no later than February 1, 2020, and as such the District now needs to adopt a new policy for residential water service disconnection incorporating the requirements of the Act.

NOW, THEREFORE, BE IT HEREBY RESOLVED that the Castroville Community Services District Board of Directors hereby approves and adopts the “Castroville Community Services District Residential Water Service Disconnection Policy,” a copy of which is attached hereto as Exhibit A. The General Manager or his or her designee is further directed to take all steps necessary to assure compliance with the provisions of the State Water Shutoff Protection Act, including but not limited to having the new policy written in both English and Spanish for dissemination and use by the District’s residents.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Castroville Community Services District duly held on the 21st day of January 2020, by the following vote.

Ayes:	Director(s)	<u>Stefani, Oania & Cochran</u>
Noes:	Director(s)	<u>Ø</u>
Absent:	Director(s)	<u>Melgoza, Padilla</u>
Abstained:	Director(s)	<u>Ø</u>

ATTEST:


Lidia Santos, Secretary


James Cochran, Vice President

(SEAL)

Castroville Community Services District

Residential Water Service Disconnection Policy

(In compliance with State Health and Safety Code 116900) January 2020

1. Residential water service disconnection shall be conducted in compliance with State law including The Water Shutoff Protection Act beginning with California Health and Safety Code 116900.
 - a. This policy is to be posted on the District's website in English and Spanish and any the other languages required under in Section 1632 of the Civil Code.
2. Process for residential water customers voluntarily disconnecting water service:
 - a. After notice to District staff at District Office, either in person at 11499 Geil Street or over the phone at (831) 633-2560 during normal business hours, service will be disconnected within one (1) business day.
 - b. Customers are required to provide a reliable forwarding address for the closing bill.
3. Process for residential water customers disconnection for non-payment of charges:
 - a. All written communications concerning water service will be in both English and Spanish, as required by Civil Code Section 1632.
 - b. No residential water customer's water service will be disconnected until payment by the customer has been delinquent for at least sixty (60) days. Any balance on a bill of \$25 or less may be carried over and added to the next billing period without being considered delinquent.
 - c. No less than seven (7) business days before discontinuance for non-payment the District will contact the customer to provide notice of the disconnection, as follows.
 - d. Prior to disconnecting water service for nonpayment of fees, all of the following will apply:
 - i. **Notice of Imminent Disconnection.** The District will contact the customer at least seven (7) business days prior to disconnection, by either (1) mailing a copy of the Notice of Imminent Disconnection, with this policy to the customer, (2) visiting the involved customer's address and leaving a written Notice of Imminent Disconnection of service for non-payment and copy of this policy at the customer's door or in a conspicuous place at the customer's residence or, (3) by telephone giving verbal notice of imminent disconnection to the customer and offering to provide the customer with a copy of this policy. In addition to both the written notice, or telephone notice, the District shall also offer to discuss with the customer the options for alternative payments and the procedures for review and appeal of a customer's bill as set forth in this policy. If the customer's address is not the address of the property to which residential service is provided, the District shall also leave a Notice of Imminent Disconnection of service for non-payment and copy of this policy at the door or in some conspicuous place at the residence to which the service is provided. The District will charge a late fee of \$10 associated with issuing the Notice of Imminent Disconnection.

- ii. **Notice of Imminent Disconnection shall include:**
 - 1. Customer's name and address
 - 2. Amount that is past due
 - 3. The date by which payment or arrangement for payment is required in order to avoid discontinuation of service
 - 4. That the District offers a process and procedures to avoid disconnection including:
 - a. Appealing the amount of the bill
 - b. Requesting an extension of time to pay the bill
 - c. The procedure to request alternative payments, reduced fees, or deferred fees
 - 5. As applicable, tenants have a right to become customers
 - 6. Notice of the procedures for reconnection
- e. Customers shall not be disconnected for nonpayment of fees if ALL the following are true:
 - i. Customer provides certification by a Primary Care Provider as defined in the California Welfare and Institutions Code 14088, (General Practitioner, Obstetrician/Gynecologist, Pediatrician, Family Practice Physician, Primary Care Clinic, Hospital, or Outpatient Clinic) that the termination of the 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 ; and
 - ii. The customer demonstrates they are financially unable to pay (determined by whether any member of the customer's household is a current recipient of Cal WORKS, CalFresh, general assistance, Medi-Cal, Supplemental Security Income/State Supplementary Payment Program, or the California Supplemental Nutrition Program for Woman, Infants, and Children, or the customer declares that the household's annual income is less than two hundred percent (200%) of the federal poverty level; and
 - iii. The customer is willing to enter into an amortization agreement, alternative payment schedule, or a plan for deferred or reduced payment
- f. If the conditions listed above in Sections e. are met, the District shall offer the customer one or more of the following options:
 - i. Amortization of the unpaid balance
 - ii. Participation in an alternative payment schedule
 - iii. A partial or full reduction of the unpaid balance financed without additional charges to other ratepayers
 - iv. Temporary deferral of payment
- g. The District shall have the option of choosing which of the payment options described in Section f. above the customer shall undertake and the District may set the parameters of

that payment option, including a repayment of any outstanding balance within 12 months, which time line can be extend to avoid undue hardship.

- h. The burden of proving compliance with the conditions described in Section e. above is on the customer. In order to allow the District sufficient time to process any request for assistance, customers are encouraged to provide documentation establishing the applicability of Section e.i and e.ii , and consent to Section e.iii, as far in advance of any proposed date for discontinuance of service as possible. The District shall have seven (7) calendar days to review submitted materials and either request additional information or to notify a customer of the terms of any available alternative payment arrangement in which the District will allow the customer to participate. If the District requests additional information, it must be provided by customer within five (5) calendar days of the date of the request. Within five (5) calendar days thereafter, District shall either notify the customer in writing that the customer does not meet the conditions under Section e. above, with a Final Notice of Intent to Disconnect or notify the customer that he/she is qualified for an alternative payment plan and the terms of the plan in which the District will allow the customer to participate. Any customer who fails to meet the conditions described in Section e. must pay the delinquent amount, including any penalties and other charges, owed to the District within (i) five (5) business days after the District posts at the customer's residence a final notice of its intent to discontinue service.
- i. Customers with household incomes below 200% of the federal poverty line shall have interest charges on delinquent bills waived once every 12 months.

4. Reconnection of Water Service

- a. Water service will only be reconnected if either i or ii and b.
 - i. The same family or resident may not reconnect water service unless account is paid in full.
 - ii. Change of name may occur only with new recent rental agreement or documentation of recently purchased property in the name of the new water service user.
- b. Water service deposits must be at current levels.
- c. If pursuant to the test set forth in Section 3.e. above, a customer's household income is below two hundred percent (200%) of the federal poverty line, any reconnection fees charged to said customer during normal operating hours cannot exceed \$50, and reconnection fees during non-operation hours cannot exceed \$150. The fees cannot exceed the actual cost of reconnection if that cost is less than the caps set forth herein. Additionally, interest fees shall not be imposed on customers in this category.

5. Alternative Payment Plans

For any customer who meets the three conditions under Section 3.e above, the District shall offer the following alternative payment arrangements: (i) amortization of the unpaid balance; (ii) alternative payment schedule; (iii) partial or full reduction of unpaid balance, or ;(iv) temporary



deferral of payment. The District Manager, or his or her designee, shall, in the exercise of reasonable discretion, select the most appropriate alternative payment arrangement after reviewing the information and documentation provided by the customer and taking into consideration the customer's financial situation and District's payment needs.

A. Amortization: Any customer who is unable to pay for water service within the District's normal payment period and meets the three conditions under Section 3.e. above, as the District shall confirm, may enter into an amortization plan with the District on the following terms:

1. Term. The customer shall pay the unpaid balance, with the administrative fee and interest, over a period not to exceed six (6) months. The District shall have discretion to apply an amortization period of up to twelve (12) months in order to avoid an undue hardship on the customer. The unpaid balance, together with the applicable administrative fee and any interest to be applied, shall be divided by the number of months in the amortization period and that amount shall be added to the customer's ongoing monthly bills for water service.

2. Administrative Fee: Interest. For any approved amortization plan, the customer will be charged an administrative fee, in an amount established by the District from time to time, representing the cost to the District of initiating and administering the plan. Interest at an annual rate not to exceed 8% may be applied to any amounts to be amortized.

3. Compliance. The customer must comply with the amortization plan and remain current as charges accrue in in each subsequent billing period. The customer may not request further amortization of any subsequent unpaid charges while paying delinquent charges pursuant to an amortization plan. Where the customer fails to comply with the terms of the amortization plan for sixty (60) calendar days or more, District may discontinue service at least five (5) business days after District posts at the customer's residence a final notice of its intent to discontinue service.

B. Alternative Payment Schedule. Any customer who is unable to pay for water service within the normal payment period and meets the three conditions under Section 3.e. above, as the District shall confirm, may enter in an alternative payment schedule for the unpaid balance in accordance with the following:

1. Repayment Period. The customer shall pay the unpaid balance, with the administrative fee and interest set forth in subsection 2 below, over a period not to exceed twelve (12) months, as determined by the District Manager or his or her designee.

2. Administrative Fee, Interest. For any approved alternative payment schedule, the customer will be charged an administrative fee, in the amount established by the District from time to time, representing the cost to the District of initiating and administering a payment schedule. At the District Manager or designee's discretion, interest at an annual rate not to exceed eight percent (8%) shall be applied to any amounts to be paid under this subsection.

3. **Schedule.** After consulting with the customer and considering the customer's financial limitations, the General Manager or his or her designee shall develop an alternative payment schedule to be agreed upon with the customer. That alternative schedule may provide for periodic lump sum payments that do not coincide with the District's established payment date, may provide for payments to be made more frequently than monthly, or may provide that payments be made less frequently than monthly, provided that in all cases, the unpaid balance and administrative fee shall be paid in full within twelve (12) months of establishment of a payment schedule.

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

C. Reduction of Unpaid Balance. Any customer who is unable to pay for water service within the District's normal payment period and meets the three conditions under Section 3.e. above, as the District shall confirm, may, if the District approves this alternative, receive a reduction of the unpaid balance owed by the customer, not to exceed one percent (1%) of that balance without approval of the District Board of Directors, provided that such reduction shall be funded from some other source that does not result in additional charges being imposed on other customers. The proportion of any reduction shall be determined by the customer's financial need, the District's financial condition and needs and the availability of funds to offset the reduction of the customer's unpaid balance.

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

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

D. Temporary Deferral of Payment. Any customer who is unable to pay for water service within the District's normal payment period and meets the three conditions under Section 3.e. above, as the City shall confirm, may have the unpaid balance temporarily deferred for a period of up to six (6) months after the payment is due. The District shall determine, in its discretion, how long the deferral shall be provided for the customer.

1. Repayment Period. The customer shall pay the unpaid balance by the deferral date (the "Deferred Payment Date") determined by the District Manager or his or her designee. The Deferred Payment date shall be within twelve (12) months from the date the unpaid balance became delinquent.

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

6. Contesting water charges – Appealing a bill

- a. Customers may appeal the amount of their water bill to the Castroville Community Services District within ten (10) days of receipt of the bill for service. In addition, any customer who receives a Notice of Imminent Disconnection has the right to initiate an appeal and review of the amount due on the bill to which the Notice of Imminent Disconnection relates at least five (5) business days after the date of the Notice of Imminent Disconnection if the customer alleges the bill is in error with respect to the quantity of water consumed. All appeal requests must be in writing and should include documentation supporting the appeal or the reason for review.
- b. The District Manager or designee shall receive any appeal for reduced payments and investigate such matter.
- c. No customer shall be disconnected while appealing water charges.
- d. The District Manager or designee shall make a determination of findings on the appeal within 10 business days. A meeting between the District Manager or designee and the customer may be scheduled if the District Manager or designee deems it necessary. The District Manager's or designee's decision shall be set forth in a brief written summary of decision.
 - i. If the water charges are determined to be incorrect, the District will provide a corrected invoice and payment of the revised charges will be due within ten (10) calendar days of the invoice date for the revised charges. If the revised charges remain unpaid for more than sixty (60) calendar days after the corrected invoice is provided, water service will be disconnected after provision of a Notice of Imminent Disconnection in accordance with this policy. Water service will only be restored upon full payment of all outstanding water charges, penalties, and any and all applicable reconnection charges.

- ii. If the water charges in question are determined to be correct, the water charges are due and payable within two (2) business days after the District Manager's or designee's decision is rendered. At the time the District Manager's or designee's decision is rendered, the customer will be advised of the right to further appeal before the District Board of Directors as set forth in subsection e. below.
 - e. The customer may appeal the determination of the General Manager or Designee to the Board of Directors at the next regular meeting. Any such appeal must be filed in writing within seven (7) calendar days after the District Manager's or designee's decision is rendered. The parties may agree to a later appeal date if desired. Rules and procedures for appeals to the Board of Directors will be set by separate policy.
- 6. Customer contact number for billing information
 - a. A customer contact number to contact the District shall be listed on all utility billing correspondence and notices.
 - b. (831) 633-2560 shall be the District contact number available for customer billing information and program involvement during normal business hours.
 - c. This District phone connection will be in English and Spanish when available. If a particular needed language is required for full understanding, and that language is not immediately available, someone with that language skill will make reasonable attempts over the next 24 business hours to provided needed language services.
- 7. The Castroville Community Services District will post the number of water service disconnections of the District website at least annually.