

**SANTA FE SPRINGS WATER UTILITY AUTHORITY
POLICY ON DISCONTINUATION OF
RESIDENTIAL WATER SERVICE FOR NONPAYMENT**

This Policy on Discontinuation of Residential Water Service for Non-Payment is adopted by the Santa Fe Springs Water Utility Authority (Authority) to comply with the provisions of the Water Shutoff Protection Act (SB 998). To the extent that this Policy conflicts with any other policy or rule of the Authority, this Policy shall govern.

I. Application of Policy: Contact Telephone Number

This policy shall apply only to residential water service for non-payment, and the Authority's existing policies and procedures shall continue to apply to commercial and industrial water service accounts. The Authority can be reached at (562) 409-7520 for questions or assistance regarding water bills and available options to avoid discontinuation of service for nonpayment.

II. Delinquent Payment, Notice, and Discontinuation of Residential Water Service

A. Rendering and Payment of Bills. Bills for water service will be rendered to each customer on a bi-monthly basis unless otherwise provided for in the Authority's rate schedules. Bills for service are delinquent if not paid in full within thirty (30) days and are subject to discontinuation of service if not paid in full within sixty (60) days from the date of delinquency. Payment may be made at the Authority office or to any representative of the Authority authorized to make collections. However, it is the customer's responsibility to assure that payments are received at the Authority office in a timely manner. Bills will be computed as follows:

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

2. Bills for metered service will show the meter reading for the current and previous meter reading period for which the bill is rendered, the number of units, date, and days of service for the current meter reading.

3. Authority billings shall be paid in legal tender of the United States of America. Notwithstanding the foregoing, the Authority shall have the right to refuse any payment of such billings in coin.

B. Delinquent Bills. The following rules apply to customers whose bills remain unpaid for more than thirty (30) days:

1. Delinquency Notice. If payment for a bill rendered is not made on or before the thirtieth (30th) day following the invoice date, a notice of overdue payment (the "Delinquency Notice") will be mailed to the water service customer no later than seven (7) business days prior to discontinuation of service. For purposes of this Policy, the term "business days" shall refer to any days on which the Authority's office is open for business. If the customer's address is not the address of the property to which the service is provided, the Delinquency Notice must also be sent to the address of the property served, addressed to "Occupant." The Delinquency Notice must contain the following:

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

2. Unable to Contact Customer. If the Authority is not able to contact the customer by written notice (e.g., a mailed notice is returned as undeliverable), the Authority will make a good faith effort to visit the residence and leave, or make other arrangements to place in a conspicuous location, a notice of imminent discontinuation of service for non-payment, and a copy of this Policy.

3. Late Charge. A Late Charge, as specified in the Authority's fees and charges, shall be assessed and added to the outstanding balance on the customer's account if the amount owing on that account is not paid before the Delinquency Notice is generated.

4. Turn-Off Deadline. Payment for water service charges must be received in the Authority offices no later than 5:30 p.m. on the date specified in the Delinquency Notice. Postmarks are not acceptable.

5. Notification of Returned Check. Upon receipt of a returned check rendered as remittance for water service or other charges, the Authority will consider the account not paid. The Authority will attempt to notify the customer by telephone or mail. Water service will be disconnected if the amount of the returned check and returned check charge are not paid. To redeem a returned check and to pay a returned check charge, all amounts owing must be paid by cash or certified bank check.

6. Returned Checks. When the Authority receives a returned check rendered as remittance for water service or other charges, the Authority may require the customer who attempted to make payment with the returned check to make future payments by cash, certified bank check, or some other specified form of payment.

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

1. Required Notice.

a. At least ten (10) calendar days prior if the property is a multi-unit residential structure or mobile home park, or seven (7) calendar days prior if the property is a detached single-family dwelling, to the possible discontinuation of water service, the Authority must make a good faith effort to inform the tenants/occupants at the property by written notice that the water service will be discontinued.

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

2. Tenants/Occupants Becoming Customers.

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

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

c. If prior service for a particular length of time is a condition to establish credit with the Authority, then residence at the property and proof of prompt payment of rent for that length of time, to the Authority's satisfaction, is a satisfactory equivalent.

d. If a tenant/occupant becomes a customer of the Authority and the tenant's/occupant's rent payments include charges for residential water service where those charges are not separately stated, the tenant/occupant may deduct from future rent payments all reasonable charges paid to the Authority during the prior payment period.

III. Alternative Payment Arrangements

A. Qualification. A customer who is delinquent on a water bill shall qualify for an alternative payment arrangement if all of the following conditions are met:

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

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

3. Alternative Payment Arrangements. The customer is willing to enter into an amortization agreement, alternative payment schedule or a plan for deferred or reduced payment, as set forth in this Policy.

B. Process for Determination of Conditions Prohibiting Discontinuation of Service. In order to allow the Authority sufficient time to process any request for assistance by a customer, the customer is encouraged to provide the Authority with the necessary documentation

demonstrating that he or she qualifies for an alternative payment option as far in advance of any proposed date for discontinuation of service as possible. The Authority may request additional information in order to determine whether the customer qualifies for an alternative payment option.

C. Alternative Payment Arrangement Options. For any customer who demonstrates that he or she qualifies for an alternative payment arrangement, the Authority shall offer the customer one of the following alternative payment arrangements, to be selected by the Authority in its discretion, taking into consideration the customer's financial situation and Authority's payment needs:

1. Amortization. An amortization plan may be offered with the following terms:

a. Term. The customer shall pay the unpaid balance and any applicable administrative fee over a period not to exceed twelve (12) months, as determined by the Authority's Executive Director or designee; provided, however, that the Authority's Executive Director or his or her designee, in their reasonable discretion, may apply an amortization term of longer than twelve (12) months to avoid undue hardship on the customer. The unpaid balance, together with the applicable administrative fee and any interest to be applied, shall be divided by the number of billing periods in the amortization period and that amount shall be added to the customer's ongoing monthly bills for water service.

b. Administrative Fee. For any approved amortization plan, the customer will be charged an administrative fee, in the amount established by the Authority from time to time, representing the cost to the Authority of initiating and administering the plan.

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

2. Alternative Payment Schedule. An alternative payment schedule may be offered with the following terms:

a. Repayment Period. The customer shall pay the unpaid balance and any applicable administrative fee over a period not to exceed twelve (12) months, as determined by the Authority's Executive Director or designee; provided, however, that the Authority's Executive Director or designee, in their reasonable discretion, may extend the repayment period for longer than twelve (12) months to avoid undue hardship on the customer.

b. Administrative Fee. For any approved alternative payment schedule, the customer will be charged an administrative fee, in the amount established by the Authority from time to time, representing the cost to the Authority of initiating and administering the schedule.

c. Schedule. After consulting with the customer and considering the customer's financial limitations, the Authority's Executive Director or 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 Authority'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 the established repayment period. The agreed upon schedule shall be set forth in writing and be provided to the customer.

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

3. Reduction of Unpaid Balance. A reduction of the unpaid balance owed by the customer may be offered, not to exceed thirty percent (30%) of that balance without approval of and action by the Authority's Executive Director or designee; provided that any such reduction shall be funded from a source that does not result in additional charges being imposed on other Authority customers. The proportion of any reduction shall be determined by the customer's financial need, the Authority's financial condition, and needs and the availability of funds to offset the reduction of the customer's unpaid balance.

a. Repayment Period. The customer shall pay the reduced balance by the due date determined by the Authority's Executive Director or 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.

b. 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 Authority may discontinue water service to the customer's property at least five (5) business days after the Authority posts at the customer's residence a final notice of its intent to discontinue service. Additionally, failure to fully pay the reduced balance on or before the Reduced Payment Date will result in a billing to the customer of the full unreduced balance, minus any payments made.

4. Temporary Deferral of Payment. A temporary deferral may be offered for a period of up to six (6) months after the payment is due. The Authority shall determine, in its discretion, how long of a deferral shall be provided to the customer.

a. Repayment Period. The customer shall pay the unpaid balance by the deferral date (the "Deferred Payment Date") determined by the Authority's Executive Director or designee. The Deferral Payment Date shall be within twelve (12) months from the date the unpaid balance became delinquent; provided, however, that the Authority's Executive Director or designee, in their reasonable discretion, may establish a Deferred Payment Date beyond that twelve (12) month period to avoid undue hardship on the customer.

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

IV. Special Rules for Customers with A Household Income Below 200% of the Federal Poverty Line

Customers are deemed to have a household income below 200% of the federal poverty line if: (1) any member of the customer's household is a current recipient of the following benefits: CalWORKS, CalFresh, general assistance, Medi-Cal, SSI/State Supplementary Payment Program or California Special Supplemental Nutrition Program for Women, Infants and Children, or (2) the customer declares the household's annual income is less than 200% of the federal poverty level. If a customer demonstrates either of those circumstances, then the following will apply:

A. Reconnection Fees. Authority shall set fees for reconnection during normal operating hours and reconnection after hours that do not exceed the limits set forth in SB 998 (Health and Safety Code section 116914(a)(1)) or actual cost, whichever is less.

B. Interest Waiver. The Authority shall waive any interest charges on delinquent bills once every 12 months.

V. Appeals

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

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

B. Delinquency Notice Appeal. Any customer who receives a Delinquency Notice may request an appeal or review of the bill to which the Delinquency Notice relates, provided that no such appeal or review rights shall apply to any bill for which an appeal or request for review under Subsection A, above, has been made. Any appeal or request for such review must be in writing and must include documentation supporting the appeal or the reason for the review. The request for an appeal or review must be delivered to the Authority's office within five (5) business days of receipt of the Delinquency Notice. For so long as the customer's appeal and any resulting investigation is pending, the Authority cannot discontinue water service to the customer.

C. Appeal Hearing. Following receipt of a request for an appeal or review under Subsections A or B, above, a hearing date shall be promptly set before the Executive Director or designee (the "Hearing Officer"). After evaluation of the evidence provided by the customer and the information on file with the Authority concerning the water charges in question, the Hearing

Officer shall render a decision and shall provide the appealing customer with a brief written summary of the decision. The Hearing Officer's decision is final and binding.

VI. Restoration of Service

In order to resume or continue service that has been discontinued by the Authority due to nonpayment, the customer must pay a security deposit and a Reconnection Fee established by the Authority. The Authority will endeavor to make such reconnection as soon as practicable as a convenience to the customer. The Authority shall make the reconnection no later than the end of the next regular working day following the customer's request and receipt of payment of any applicable Reconnection Fee. Customer may be subject to fines, fees, or charges if water service is turned on by any person other than the Authority. Customer is responsible for any damages resulting from unauthorized restoration of service.