

**POLICY ON DISCONTINUATION OF
RESIDENTIAL WATER SERVICE FOR NONPAYMENT**

Purpose: This Policy on Discontinuation of Residential Water Service for nonpayment (“Policy”) has been established to comply with Senate Bill 998, known as the “Water Shutoff Protection Act” signed into law on September 28, 2018 (SB 998) and effective on February 1, 2020.

I. Application of Policy; Contact Telephone Number: This policy shall apply only to residential water service for nonpayment. This Policy shall be made available on the City of Downey website. The City’s Utilities Division can be contacted by phone at (562) 904-7246 for assistance concerning the payment of water bills and to discuss payment options/alternative plans to avoid termination of residential water service for nonpayment.

This policy and the written notices required in the policy shall be available and published in English and the languages listed in the Section 1632 of Civil Code, which includes Spanish, Chinese, Tagalog, Vietnamese, Korean and any other language spoken by at least ten percent (10%) of the people residing in the City.

II. Discontinuation of Residential Water Service for Nonpayment:

A. Rendering and Payment of Bills: Bills for water service will be presented to each residential customer on a bi-monthly basis, unless otherwise provided for in the City’s rate schedules. Bills for services are due and payable upon presentation and become subject to discontinuation of service if not paid within sixty (60) calendar days from the date of the bill. It is the residential customer’s responsibility to assure that payments must be received by the City of Downey-Finance Department in a timely manner. Partial payments are not authorized, unless prior approval has been received from the Finance Director or his or her designee. Postmarks are not acceptable. City shall contact the residential customer no less than seven (7) business days by telephone OR written notice prior to discontinuation of water service.

B. Written Notice Requirements: The following rules apply to residential customers whose bills remain unpaid for more than twenty-one (21) calendar days following the bill date. :

1. A Past Due Notice: A Past Due Notice will be mailed to customers with account balances of \$25.00 or more that remain unpaid for more than twenty one (21) calendar days following the bill date and will be charged a late fee. If the residential customer’s mailing (billing) address is not the same as the service address , and the account balance remains unpaid for more than forty (40) calendar days following the bill date, the Past Due Notice will also be sent to the service address addressed to “Occupant.”
2. Good Faith Notice: If the City is not able to contact the residential customer by written notice (e.g., a mailed notice is returned as undeliverable) or if payment is not received by the Due Date listed on the Past De Notice, a Water Disconnection Notice (“Red Tag”) will be hung on the door of the residence receiving water service and a

special notice fee will be added to the next bill. A link to the City's policy on Discontinuation of Residential Water Service will be available on the Red Tag. Additionally a copy of the City's policy on Discontinuation of Residential Water Service can be provided upon request by calling (562) 904-7246 or can be obtained on the City's website.

3. Courtesy Call: No less than seven (7) business days before discontinuation of water service, the City will provide notice to the residential customer of the impending discontinuation of water service by telephone. This courtesy call shall serve as the City's final attempt to collect the past due amount prior to disconnection. In that courtesy call, the City shall offer to provide the residential customer with a copy of this Policy and upon request provide the residential customer the options for alternative payments, as described in Section III, below, and the procedures for review and appeal of the customer's bill, as described in Section IV, below.

C. Notification of Returned Check:

1. Returned Check Tendered as Payment for Water Service. Upon receipt of a returned check rendered as remittance for water service or other charges, the City will consider the account not paid. The City will attempt to notify the residential customer by leaving a Notice of Termination of Water Service ("Yellow Tag") at the service address. Water service will be disconnected if the amount of the returned check and returned check charge are not paid by the deadline specified on the Notice, which shall not be sooner than the sixtieth (60th) calendar day after the invoice for which payment by the returned check had been made. To redeem a returned check and to pay a returned check charge, all amounts owing must be paid by cash or certified funds.
2. Returned Check to Restore Disconnected Water Service:
If the check tendered and accepted as payment which resulted in restoring service to an account that had been disconnected for nonpayment is returned as non-negotiable, the City may disconnect said water service upon at least three (3) business days' written notice. The customer's account may only be reinstated by receipt of outstanding charges in the form of cash or certified funds. Once the customer's account has been reinstated, the account will be flagged for a one-year period and the City may require the customer to pay cash or certified funds.

D. Conditions Prohibiting Discontinuation: The City shall not discontinue residential water service if **all** of the following conditions are met:

1. **Health Conditions** – The residential customer or tenant residing in the premises receiving water service 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 resident; **AND**
2. **Financial Inability** – The residential 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 residential customer declares the household's annual income is less than 200% of the federal poverty level; AND

3. **Alternative Payment Arrangements** –The residential customer is willing to enter into an alternative payment schedule/plan consistent with the provisions of Section III, below.

E. Process for Determination of Conditions Prohibiting Discontinuation of Service: The burden of proving compliance with the conditions in Subdivision (D) is on the residential customer or the tenant as described above. Upon receipt of such documentation, the City's Director of Finance, or his or her designee, shall review the documentation submitted by the residential customer, and respond to the customer within seven (7) business days to either request additional information, including information relating to the feasibility of the available alternative arrangements, or to notify the customer of the alternative payment arrangement, and terms thereof, under Section III, below, in which the City will allow the customer to participate. If the City has requested additional information, the residential customer shall provide the requested information within five (5) business days of receipt of the City's request. The City shall either notify the customer that the customer does not meet the conditions under Subdivision (D), above, or notify the customer of the alternative payment arrangement.

F. Special Rules for Low Income Customers: If residential customers are determined by City to have a household income below 200% of the federal poverty line pursuant to Section II (D) (2), then residential customer will qualify for the following reconnection fee:

1. **Reconnection Fees:** Reconnection fees for reconnection of water service during the City's normal operating hours shall be \$50. Reconnection fees for reconnection of water service during the City's non-operational hours shall be \$150. After January 2, 2021, these fees will be automatically adjusted pursuant to the Consumer Price Index (CPI) Los Angeles Area for the month ending August 31.

G. Landlord-Tenant: The below discontinuation of residential water service procedures only apply when the City furnishes individually metered residential water services to each unit of the following; accessory dwelling units, multi-unit residential structures, and mobile home parks where the property owner or manager is the customer of record.

1. **Required Notice:**

- a. The City will make a good faith effort to inform the tenants/occupants of the premises receiving water service by written notice that the water service will be discontinued. Such notice will be provided at least ten (10) business days prior to the date water disconnection is scheduled for a multi-unit residential structure or mobile home park and seven (7) business days prior if the property is a detached single-family dwelling units.

- b. The notice will also inform the tenants/occupants that they have the right to become customers to whom the service will be billed (see Subdivision 2, below without having to pay any of the delinquent amounts.

2. **Tenants/Occupants Becoming Customers:** The City is not required to make residential water service available to the tenants/occupants of multi-unit residential structure or mobile home park or detached single family dwelling units,. . However, if (i) one or more of the tenants/occupants assumes responsibility for subsequent charges to the account to the City's satisfaction, or (ii) there is a means to discontinue service to those tenants/occupants who have not met the City's requirements, then the City may make service available only to those tenants/occupants who have met the requirements.

III. Alternative Payment Arrangements: For any residential customer who meets the three conditions under Section II (D), above, in accordance with the process set forth in Section II (E), above, the City shall offer the residential customer an alternative payment plan as follows:

1. The Director of Finance, or his or her designee, shall, in the exercise of reasonable discretion, select the most appropriate alternative payment plan after reviewing the information and documentation provided by the customer.
2. **Repayment Period:** The residential customer shall pay the unpaid balance, with the administrative fee as specified in Subdivision (2), below, over a period not to exceed twelve (12) months, as determined by the City's Director of Finance or his or her designee.
3. **Administrative Fee:** For any approved payment plan, the residential customer may be charged an administrative fee, in the amount established by the City from time to time, representing the staff and administrative cost to the City of initiating and administering the payment plan.
4. **Schedule:** After consulting with the residential customer and considering the residential customer's financial limitations, the City's Director of Finance or his or her designee is authorized to determine the payment plan options the residential customer may select provided that the repayment on any remaining outstanding balance occurs within 12 months of establishment of the payment plan. The agreed upon payment plan shall be set forth in writing and signed by the City and the residential customer.
5. **Compliance with Plan:** The residential customer must comply with the agreed upon payment schedule and remain current as charges accrue in each subsequent billing period. The residential 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 residential customer fails to comply with the terms of the payment plan for sixty (60) days or more, or fails to pay the customer's current service charges for sixty (60) days or more, the City may discontinue residential water service to the customer's property no sooner than five (5) business days after the City posts at the customer's residence a final notice of its intent to discontinue residential water service.

IV. Appeals: The following procedure shall apply for appeals of water usage charges set forth in any bill for residential water service:

A. *Time for Appeal:* Prior to the Due Date of the Past Due Notice the residential customer has a right to file an appeal related to the charges contained in the bill. Such appeal shall be made in writing and be delivered to the Finance Department Cashier. In order to initiate review by the City a minimum payment shall be made in the amount of the customer's average bill calculated by using the past five years, or less if unavailable, for the billing period in question at the time of appeal while the appeal and any related investigation are pending, the City will not discontinue residential water service to the customer.

Appeal Review: Following receipt of an appeal and the required minimum payment, a review of the appeal shall be conducted by the Director of Public Works, or his or her designee. After evaluation of the evidence provided by the residential customer and the information on file with the City concerning the water charges in question, the Director of Public Works, or his or her designee shall render a decision in writing no later than forty-five (45) business days after a completed appeal has been filed and minimum payment made.

1. If water charges are determined to be incorrect, an adjustment will be made to the account and payment of the revised charges will be due within ten (10) calendar days of the adjustment. If the revised charges remain unpaid for more than sixty (60) calendar days after the initial bill date or ten (10) calendar days after the adjustment, whichever is later, water service will be disconnected on the next regular working day.
2. If the water charges in question are determined to be correct, the water charges are due and payable at the time the Director of Public Works, or his or her designee's decision is rendered.

V. **Restoration of Service:** In order to resume or continue service that has been discontinued by the City due to nonpayment, the residential customer must pay the past due balance and a Water Service Reconnection Fee established by the City, subject to the limitation set forth in Section II(F), above. The City will endeavor to make such reconnection as soon as practicable as a convenience to the residential customer. The City shall reconnect water service no later than the end of the next regular working day following the residential customer's request and payment of any applicable Reconnection Fee.

VI. **Reporting Requirements:** The City shall annually report on the City's website the number of discontinuations of residential water service due to inability to pay and said report shall be submitted to the State Water Resources Control Board as required by law.