

POLICY ON DISCONTINUATION OF RESIDENTIAL WATER SERVICE FOR NON-PAYMENT

Notwithstanding any other policy or rule of the City of Signal Hill (City), this Policy on Discontinuation of Residential Water Service for Non-Payment shall apply to the City's discontinuation of residential water service for non-payment under the provisions set forth herein. In the event of any conflict between this Policy and any other policy or rule of the City, this Policy shall prevail.

I. Application of Policy; Contact Telephone Number: This policy shall apply only to residential water service for non-payment and the City's existing policies and procedures shall continue to apply to commercial and industrial water service accounts. The City can be reached at (562) 989-7315 for assistance concerning the payment of water bills and the potential establishment of the alternatives set forth in this policy to avoid discontinuation of service.

II. Discontinuation of Residential Water Service for Non-Payment:

A. Rendering and Payment of Bills: Bills for water service will be rendered to each customer on a monthly basis unless otherwise provided for in the City's rate schedules. Bills for service are due and payable upon presentation and shall become delinquent if not paid within twenty (20) days. Water service is subject to discontinuation of service if not paid within sixty (60) days from the date of the delinquency. Payment may be made at City Hall or to any representative of the City authorized to make collections. However, it is the customer's responsibility to assure that payments are received at City Hall in a timely manner. Partial payments are not authorized unless prior approval has been received from the City. 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.

B. Overdue Bills: The following rules apply to customers whose bills remain unpaid for more than sixty (60) days following the delinquency date:

1. **Small Balance Accounts:** If less than a minimum bill (i.e., less than the account's monthly meter charge) remains unpaid on any billing, it shall be carried over and added to the next billing period.

2. Disconnection Warning: If payment for a bill rendered is not made on or before the twentieth (20th) day following the invoice date, a notice of overdue payment (the “Disconnection Warning”) will be mailed to the water service customer at least fifteen (15) calendar days prior to the possible discontinuation of service date identified in the Disconnection Warning. If the customer’s address is not the address of the property to which the service is provided, the Disconnection Warning must also be sent to the address of the property served. The Disconnection Warning 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 (see Section III (D), below);
- e) Description of the procedure to petition for review and appeal of the bill giving rise to the delinquency (see Section IV, below);
- f) Description of the procedure by which the customer can request a deferred, amortized, reduced or alternative payment schedule (see Section III, below) and;
- g) The telephone number where the customer may contact the City regarding the above matters or procedures.

The City will also make a reasonable attempt to contact the customer of record or adult person living at the premises of the customer in person or by telephone at least seven (7) days before discontinuation of service. If that notice is provided by telephone, the City shall offer to provide the customer with a copy of this policy and also offer to discuss with the 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.

3. Posted Notice: The City 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. The notice and copy of this Policy will be left at the residence at least forty-eight (48) hours before discontinuation of service.

4. Late Charge: A Late Charge, as specified in the City’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 Disconnection Warning is generated.

5. Turn-Off Deadline: Payment for water service charges must be received at City Hall no later than 5:00 PM on the date specified in the Disconnection Warning. Postmarks are not acceptable.

6. Notification of Returned Check: 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 customer in person and leave a notice of termination of water service at the premises. Water service will be disconnected if the amount of the returned check and returned check charge are not paid by the due date specified on the notice, which due date shall not be sooner than the date specified in the Disconnection Warning; or if a Disconnection Warning had not been previously provided, no sooner than the sixtieth (60th) 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.

7. Returned Check Tendered as Payment for Water Service Disconnected for Non-Payment:

a) If the check tendered and accepted as payment which resulted in restoring service to an account that had been disconnected for non-payment is returned as non-negotiable, the City may disconnect said water service upon at least three (3) calendar 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 indicating the fact that a non-negotiable check was issued by the customer.

b) If at any time during the one-year period described above, the customer's account is again disconnected for non-payment, the City may require the customer to pay cash or certified funds to have that water service restored.

C. Conditions Prohibiting Discontinuation: The City shall not discontinue residential water service 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, consistent with the provisions of Section III, below.

D. Process for Determination of Conditions Prohibiting Discontinuation of Service: The burden of proving compliance with the conditions described in Subdivision (C), above, is on the customer. In order to allow the City sufficient time to process any request for assistance by a customer, the customer is encouraged to provide the City with the necessary documentation demonstrating the medical issues under Subdivision (C)(1), financial inability under Subdivision (C)(2) and willingness to enter into any alternative payment arrangement under Subdivision (C)(3) as far in advance of any proposed date for discontinuation of service as possible. Upon receipt of such documentation, the City Manager, or his or her designee, shall review that documentation and respond to the customer within seven (7) calendar 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 customer shall provide that requested information within five (5) calendar days of receipt of the City's request. Within five (5) calendar days of its receipt of that additional information, the City shall either notify the customer in writing that the customer does not meet the conditions under Subdivision (C), above, or notify the customer in writing of the alternative payment arrangement, and terms thereof, under Section III, below, in which the City will allow the customer to participate. Customers who fail to meet the conditions described in Subdivision (C), above, must pay the delinquent amount, including any penalties and other charges, owing to the City within the latter to occur of: (i) two (2) business days after the date of notification from the City's determination the customer failed to meet those conditions; or (ii) the date of the impending service discontinuation, as specified in the Disconnection Warning. For purposes of this policy, the term "business days" shall refer to any days on which the City's office is open for business.

E. Special Rules for Low Income Customers: Customers are deemed to have a household income below 200% of the federal poverty line if: (i) 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 (ii) 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 apply:

1. **Reconnection Fees:** If service has been discontinued and is to be reconnected, then any reconnection fees during the City's normal operating hours cannot exceed \$50, and reconnection fees during non-operational hours cannot exceed \$150. Those fees cannot exceed the actual cost of reconnection if that cost is less than the statutory caps. Those caps may be adjusted annually for changes in the Consumer Price Index for the Los Angeles-Long Beach-Anaheim metropolitan area beginning January 1, 2021.
2. **Interest Waiver:** The City shall not impose any interest charges on delinquent bills.

F. Landlord-Tenant Scenarios:

1. **Required Notice for Individually Metered Service:** 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.
 - a. At least 10 calendar days prior to the possible discontinuation of water service, the City 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 (see Subdivision 3, below), without having to pay any of the then delinquent amounts.
2. **Required Notice for Master-Metered Service:** The below procedures apply to master-metered residential service where the owner, manager, or operator is the customer of record.

a. At least 15 calendar days prior to the possible discontinuation of water service, the City must make a good faith effort to inform the tenants/occupants by means of written notice posted on the door of each residential unit that the account is in arrears and the service will be discontinued on a date specified in the notice. If it is not reasonable or practicable to post the notice on the door of each unit, the City will post two (2) copies of the notice in each accessible common area and at each point of access to the structure or structures.

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 (see Subdivision 3, below), without having to pay any of the then delinquent amounts. The notice must also specify what the occupants are required to do in order to prevent discontinuation of, or to reestablish service; the estimated monthly cost of service; the title, address, and telephone number of a representative of the City who can assist the occupants in continuing service; and the address or telephone number of a qualified legal services project that has been recommended by the local county bar association.

3. Tenants/Occupants Becoming Customers:

a. The City 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 City'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 City's satisfaction, or (ii) there is a physical means to selectively 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.

c. To be eligible to become a customer without paying the amount due on the delinquent account, the tenant/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 may not be limited to, a lease or rental agreement, rent receipts, a government document indicating that the occupant is renting the property, or other similar information at the discretion of the City.

d. If prior service for a particular length of time is a condition to establish credit with the City, then residence at the

property and proof of prompt payment of rent for that length of time, to the City's satisfaction, is a satisfactory equivalent.

e. If a tenant/occupant becomes a customer of the City 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 City during the prior payment period.

III. Alternative Payment Arrangements: For any customer who meets the three conditions under Section II(C), above, in accordance with the process set forth in Section II(D), above, the City shall offer the customer one of the following alternative payment arrangements, to be selected by the City in its discretion: (i) amortization of the unpaid balance under Subdivision (A), below; (ii) alternative payment schedule under Subdivision (B), below; (iii) partial or full reduction of unpaid balance under Subdivision (C), below; or (iv) temporary deferral of payment under Subdivision (D), below. The City 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 City's payment needs.

Other customers who are unable to pay a bill during the normal payment period may request a payment arrangement described in this Section III. The City Manager, or his or her designee, shall, in the exercise of sole discretion, decide whether to grant an alternative payment arrangement and, if granted, determine 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 City's payment needs.

A. Amortization: If the City has selected this alternative, the customer may enter into an amortization plan with the City on the following terms:

1. Term: The customer shall pay the unpaid balance, with the administrative fee and interest as specified in Subdivision (2), below, over a period not to exceed twelve (12) months, as determined by the City Manager or his or her designee; provided, however, that the City Manager 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 months in the amortization period and that amount shall be added each month 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 the amount established by the City from time to time, representing the cost to the City of initiating and administering the plan. At the discretion of the City Manager or his or her designee, interest at an annual rate not to exceed eight percent (8%) shall be applied to any amounts to be amortized under this Subsection A (unless the customer meets the financial conditions under Section II(C)(2) or (E)).

3. 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 City may discontinue water service to the customer's property at least five (5) business days after the City posts at the customer's residence a final notice of its intent to discontinue service.

B. Alternative Payment Schedule: If the City has selected this alternative, the customer may enter into 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 as specified in Subdivision (2), below, over a period not to exceed twelve (12) months, as determined by the City Manager or his or her designee; provided, however, that the City Manager or his or her designee, in their reasonable discretion, may extend the repayment period for longer than twelve (12) months to avoid undue hardship on the customer.

2. Administrative Fee; Interest: For any approved alternative payment schedule, the customer will be charged an administrative fee, in the amount established by the City from time to time, representing the cost to the City of initiating and administering the schedule. At the discretion of the City Manager or his or her designee, interest at an annual rate not to exceed eight percent (8%) shall be applied to any amounts to be amortized under this Subsection B (unless the customer meets the financial conditions under Section II(C)(2) or (E)).

3. Schedule: After consulting with the customer and considering the customer's financial limitations, the City 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 City'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, subject to Subdivision (1), above, the unpaid balance and administrative fee shall be paid in full within twelve (12) months of establishment of the payment schedule. The agreed upon schedule shall be set forth in writing and be provided to the customer.

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 the customer's current service charges for sixty (60) calendar days or more, the City may discontinue water service to the customer's property at least five (5) business days after the City posts at the customer's residence a final notice of its intent to discontinue service.

C. Reduction of Unpaid Balance: If the City has selected this alternative, the customer may receive a reduction of the unpaid balance owed by the customer, not to exceed thirty percent (30%) of that balance without approval of and action by the City Council; provided that any such reduction shall be funded from a source that does not result in additional charges being imposed on other City customers. The proportion of any reduction shall be determined by the customer's financial need, the City'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 City 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 City may

discontinue water service to the customer's property at least five (5) business days after the City posts at the customer's residence a final notice of its intent to discontinue service.

D. Temporary Deferral of Payment: If the City has selected this alternative, the customer may have payment of the unpaid balance temporarily deferred for a period of up to six (6) months after the payment is due. The City shall determine, in its discretion, how long of a deferral shall be provided to the customer.

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

2. 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 City may discontinue water service to the customer's property at least five (5) business days after the City posts at the customer's residence a final notice of its intent to discontinue service.

IV. 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 City. Such request must be made in writing and be delivered to the City's Finance Department, 2175 Cherry Ave., Signal Hill, CA 90755. For so long as the customer's appeal and any resulting investigation is pending, the City cannot discontinue water service to the customer.

B. Disconnection Warning Appeal: In addition to the appeal rights provided under Subsection A, above, any customer who receives a Disconnection Warning may request an appeal or review of the bill to which the Disconnection Warning relates at least five business (5) days after the date of the Disconnection

Warning if the customer alleges the bill is in error with respect to the quantity of water consumption set forth on that bill; provided, however, 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 review under this Subsection B 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 City's Finance Department located at 2175 Cherry Ave., Signal Hill, CA 90755 within that five (5) business day period. For so long as the customer's appeal and any resulting investigation is pending, the City 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 City Manager, or his or her designee (the "Hearing Officer"). After evaluation of the evidence provided by the customer and the information on file with the City concerning the water charges in question, the Hearing Officer shall render a decision as to the accuracy of the water charges set forth on the bill and shall provide the appealing customer with a brief written summary of the decision.

1. If water charges are determined to be incorrect, the City will provide a corrected invoice and payment of the revised charges will be due within ten (10) calendar days of the invoice date for revised charges, unless an appeal to the City Council is timely filed in accordance with the requirements in this Section IV. If the revised charges remain unpaid for more than sixty (60) calendar days after the corrected invoice is provided, water service will be disconnected, on the next regular working day after expiration of that sixty (60) calendar day period; provided that the City shall provide the Disconnection Warning and other applicable notices required in this Policy. Water service will only be restored upon full payment of all outstanding water charges, penalties, and any and all applicable reconnection charges.

2. If the water charges in question are determined to be correct, the water charges are due and payable within ten (10) calendar days after the Hearing Officer's decision is rendered, unless an appeal to the City Council is timely filed in accordance with the requirements in this Section IV.

(a) For an initial appeal under Subdivision A, above, if the customer does not timely appeal to the City Council, in the event the charges are not paid in full within sixty (60) calendar days after the original billing date or within ten (10) calendar days of the Hearing Officer's decision (whichever is later), then the City shall provide the Disconnection Warning and any other applicable notices required in

this Policy, and may proceed in potentially discontinuing service to the customer's property.

(b) For a Disconnection Warning appeal under Subdivision B, above, if the customer does not timely appeal to the City Council, then water service to the subject property may be discontinued on written or telephonic notice to the customer to be given at least twenty-four (24) hours after the latter to occur of: (i) expiration of the original sixty (60) calendar day notice period set forth in the Disconnection Warning; or (ii) the expiration of the ten (10) day period following the Hearing Officer's decision.

3. At the time the Hearing Officer's decision is rendered under subdivisions (1) or (2) above, the customer will be advised of the right to further appeal before the City Council. Any such appeal must be filed in writing within seven (7) calendar days after the Hearing Officer's decision is rendered if the appeal or review is an initial appeal under Subdivision A above, or within three (3) calendar days if the appeal or review is a Disconnection Warning appeal under Subdivision B, above. Upon receiving a written request to appeal to the City Council, the City will set the matter to be heard at an upcoming City Council meeting and mail the customer written notice of the time and place of the hearing at least ten (10) days before the meeting.

4. When a hearing before the City Council is requested, such request shall be made in writing and delivered to the City at its office. The customer will be required to personally appear before the City Council and present evidence and reasons as to why the water charges on the bill in question are not accurate. The City Council shall evaluate the evidence presented by the customer, as well as the information on file with the City concerning the water charges in question, and render a decision as to the accuracy of said charges.

a) If the City Council finds the water charges in question are incorrect, the customer will be invoiced 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, on the next regular working day after expiration of that sixty (60) calendar day period; provided that the City shall provide the Disconnection Warning and other applicable notices required in this Policy. Water service will be restored only after outstanding water charges and any and all applicable reconnection charges are paid in full.

- b) 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 decision of the City Council is rendered. In the event the charges are not paid in full within sixty (60) calendar days after the original billing date, then the City shall provide the customer with the Disconnection Warning and other applicable notices required in this Policy, and may proceed in potentially discontinuing service to the customer's property.
- c) Any overcharges will be reflected as a credit on the next regular bill to the customer, or refunded directly to the customer, at the sole discretion of the City Council.
- d) Water service to any customer shall not be discontinued at any time during which the customer's appeal to the City or its City Council is pending.
- e) The City Council's decision is final and binding.

V. Restoration of Service

In order to resume or continue service that has been discontinued by the City due to non-payment, the customer must pay a security deposit and a Reconnection Fee established by the City, subject to the limitation set forth in Section II(E)(1) above, if applicable. The City will endeavor to make such reconnection as soon as practicable as a convenience to the customer. The City shall make the reconnection no later than the end of the next regular working day following the customer's request and payment of any applicable Reconnection Fee.