SWEETWATER SPRINGS WATER DISTRICT

TO: Board of Directors **AGENDA NO. V-B**

FROM: Ed Fortner, General Manager

Meeting Date: April 2, 2020

SUBJECT: Temporary Waiver of All or Part of the District's Delinquency Procedures.

RECOMMENDED ACTION: Receive report related to the Temporary Waiver of Delinquency Procedures and give direction.

FISCAL IMPACT: N/A

DISCUSSION:
The Covid-19 Disaster has created a need to view many policies and procedures of the District differently. Among these policies and procedures is our Delinquency Procedure. Attached are the detailed procedures. We recommend that the Board give Staff flexibility in waiving fees and working with customers on payment plans as needed.

Staff has discussed but cannot recommend a full waiver of shutoffs for non-payment. The District makes a minimum of four attempts – in writing, by phone and by posted notice – to notify delinquent customers that they need to pay their bill to avoid shutoff. It is important that customers who are facing financial difficulties respond to these notifications. Despite these efforts, each month there is always a customer or two who don't pay until their service has been disconnected. Also, some disconnected customers are never heard from again – they've moved on. That said, the District's level of disconnects is very low. In calendar year 2019 just 0.37% -- that's about 1/3 of 1 percent – of all billings resulted in shut-off.

3070 Payment of Bills

3070.10 Due Date on Bills: All bills for water service shall be deemed due when rendered and shall become delinquent twenty-five (25) days after the date shown on the bill, except that governmental agencies shall become delinquent forty days after the date shown on the bill. Bills will be due and become delinquent as stated in this section without regard to actual delivery. Consumers are required to ascertain their own indebtedness and billing status if bills are not received on schedule.

3070.20 Late Charge: Late charges shall be assessed by the district where a customer fails to make payment within twenty-five (25) days of the date shown on the bill, or fails to complete an agreement for payment of a delinquent amount or where the customer fails to comply with the payment arrangements made with the district. A late charge of five dollars ($5.00) or five percent of the past due balance, whichever is greater, for each bill that becomes delinquent shall be charged against the account. Waiver of late charges for good cause shall be at the discretion of the general manager.

3070.30 Returned Checks: A returned check charge in the amount of thirty dollars ($30.00) will be assessed for each check returned from the bank unpaid. District reserves the right to charge the maximum allowable by law which states "three times the face value of the check or one hundred dollars, whichever is smaller," and further reserves the right to require future payments to be made in cash or by money order. The collection of three times the face value of the check may be applied to consumers who have over four returned checks in any one year period.

3070.40 Application of Payments: All payments on bills shall be applied first to any late charges, second to any undisputed past due balance and third to current charges.

3070.50 Collection. Delinquent water bills shall be referred to a collection agency ten (10) working days after termination of water service. Accounts deemed to be uncollectable may be written off by the General Manager. Notwithstanding the provisions of this section, the District reserves the right to seek any other remedy available to the District, including liening property, instituting court action, etc. to collect delinquent bills.

3070.60 Assistance Programs. The District may establish a program or programs of assistance for senior and/or disabled and/or low income consumers of the District. Criteria for eligibility and the other terms of each program shall be established from time to time by resolution of the Board of Directors. The terms of the programs may vary.

3080 Termination of Water Service

3080.10 Termination of Water Service: Water service, once established pursuant to Sections 3020.10 or 3020.100 shall be terminated only for the reasons and in the manner set forth in this section. however, anyone using district water other than through such an established water service shall be subject to termination of such use forthwith and without notice. Such illegal water use will result in administrative fees being incurred for the investigation and actual termination of the use, and these fees will be due and payable by the consumer within ten days of billing.

3080.20 Grounds for Termination: The following shall be grounds for termination of a consumer's water service:

a. Nonpayment of any delinquent water bill, or other sum due the district from the consumer with respect to any service to the property served by the service proposed to be terminated.

b. Failure of the consumer or applicant to provide information for aid in the development of, or execute the necessary documents for water service.

c. Failure of the consumer to comply with any district Ordinance, rule, regulation, order or decision with respect to the service proposed to be terminated.

d. Failure of the consumer to comply with any watershed protection agreement or other contract entered into as a condition of the granting of the service proposed to be terminated.

e. The District has reason to believe the property has been physically abandoned by the Customer or is in foreclosure.

3080.25 Grounds to Deny Transferring or Re-Opening an Account. An account that is inactive or is likely to be terminated under 3080.20(e) above shall remain inactive (Closed) and not have water service restored until all past charges have been paid unless the new Customer agrees to have the unpaid balance transferred to their own water account. This section shall only be applicable to properties that have transferred ownership to a bank or similar financial lending institution (i.e., foreclosure properties).

3080.30 Notice Procedures for Termination: The District must provide Notice prior to terminating a customer's water service. Except for termination pursuant to 3080.20(e) above, notice may not be sent until twenty-five (25) days after the date the District billing was mailed. After such date, said Notice must be made at least 10 calendar days before water service is terminated, plus an additional five (5) calendar days if said Notice is mailed. Mailed Notice shall be sent by first class mail to the customer, at the post office address furnished to the District by the customer. Said Notice shall set forth the following:

a. The consumer's name; address; account number, and address of property being served,

b. The location of the water service to be terminated,

c. The reasons for termination, including the amount of any delinquency;

d. The date on or after which water service will be terminated, or the date on or after which water service will be terminated if a specified payment, arrangement for payment, or specific corrective action is not made or compliance instituted with a specified district rule or regulation.

e. A statement, in case of termination for nonpayment of a residential water bill, that the customer may initiate a written protest or request an investigation concerning service or charges, or may request amortization or payment arrangements of any unpaid charges. However, such request must be made prior to the date a Turn Off Notice is posted pursuant to Section 3080.40(b).

f. A statement in case of termination for nonpayment of a water bill, stating the telephone number of a district representative who can provide additional information or institute arrangements for payment or the availability of financial assistance, if applicable;

g. The telephone number of a representative of the district who will provide additional information or institute arrangements for payment.

In the case of termination of service to a multi-unit residential structure, mobile home park or labor camp, where the owner, manager or employer is listed by the district as the consumer of record, or where the district furnishes service through a master meter, the district shall comply with the provisions of Government Code Section 60371 regarding the actual user of service.

3080.40 Termination Procedures:

a. Any residential customer who has timely initiated a written protest or requested an investigation or extension of the payment period shall be given an opportunity for review of the complaint, investigation or request by the district. The district General Manager, or designated representative, shall review the matter within fifteen (15) days after the receipt of such request. Pending a decision by the General Manager, water service shall not be terminated.

b. If the district does not receive a timely written protest or request for investigation or amortization, or request for payment arrangements, and the reason for termination remains, the district shall place at each location scheduled for termination of service a Turn-Off Notice. prior to termination of service. The Turn-Off Notice shall include the information set forth in Sections 3080.30 (a)-(d). More than one Turn-Off Notice may be posted at a location if that location has more than one living unit.

c. The district may terminate service for non-payment any time after 60 days afer the date the bill was rendered. However, the district may only terminate service for delinquency of payment in accordance with Section 3080.70.

d. A Turn-Off Notice service charge shall be assessed by the District when an employee is dispatched to place a notice at a customer's service address for shut-off for non-payment. A Turn-Off Notice service charge of twenty-five dollars ($25.00) shall be charged against the account. Waiver of Turn-Off Notice service charges for good cause shall be at the discretion of the General Manager. In the event more than one Turn-Off Notice is placed at a customer's service an additional charge of fifteen dollars ($15.00) for each additional Turn-Off Notice shall be charged against the account.