

<b>Title:</b>	Collection Policy (formerly Delinquent Accounts)	
<b>Number:</b>	500-004	
<b>Approval:</b>	Board of Directors	
<b>Approval Date:</b>	March 5, 2019	
<b>Effective Date:</b>	May 1, 2019	
<b>Review Date:</b>	Upon change of statute	

**Reference:**

Senate Bill No. 998: Discontinuation of Residential Water Service  
California Government Code Sections 60370 -60375.5

**Purpose/Background:**

This policy enumerates Soquel Creek Water District’s administrative actions for the collection of delinquent accounts, including notifications, fee assignments and discontinuation of service. This policy will be made available to the public on the District’s website. The District can be contacted by phone at (831) 475-8500 to discuss options for averting discontinuation of water service for nonpayment under the terms of this policy.

**Text of policy:**

Soquel Creek Water District, as an agency of the state, formed as a special district pursuant to general law for the local performance of governmental or proprietary functions within limited boundaries, is governed in the execution of the collection of delinquent accounts by California Government Code Sections 60370 – 60375.5. Furthermore, as an urban or community water system that supplies water to more than 200 service connections, the District is further governed, effective by law February 1, 2020, by Senate Bill No. 998.

Delinquent Account:

Delinquent accounts are hereafter identified as any account that remains unpaid (and without having made payment arrangements or established an alternative payment schedule) by close of business 28 days after issuance of the water bill. The following rules apply to the collection of delinquent accounts:

1. Small Balance Accounts:  
Any balance on a bill of \$20 or less may be carried over, and added to, the next billing period without being assessed a late fee or incurring further collection action.
  
2. Late Fee:  
If payment for a bill is not received by close of business on the 28<sup>th</sup> day after the bill is issued, a late fee will be assessed. The due date and late fee will be displayed prominently on the bill. The District will make a reasonable, good faith effort to notify the customer of an impending late fee 2 days before the due date identified on the bill. The means of notification will be based upon the notification preference (text, phone, or email) selected by the customer. Customers who have not selected a means of notification will be notified by phone. The District assumes no responsibility for phone or email contact information that has not been kept up-to-date by the customer.

3. Waiver of Late Fee:

At the request of the customer, the District will waive the late fee if there are extenuating circumstances and the customer has not been assessed a late fee for delinquent payment in the preceding 6 months.

4. Waiver of Delinquent Notices and Fees to the State of California

The State of California, because of a sound financial base and variations in budget approval and warrant payment procedures, will not be sent delinquent notices or assessed a late fee for delinquent payment of existing accounts.

5. Alternative Payment Arrangements:

Any customer who is unable to pay for water service within the normal payment period may request an alternative payment arrangement to avoid late fees or disruption of service. The District will consider all circumstances surrounding the request and make a determination as to whether the payment arrangement is warranted.

a. Certification by Primary Care Provider

Certification by a Primary Care Provider (General Practitioner, Obstetrician/Gynecologist, Pediatrician, Family Practice Physician, Primary Care Clinic, Hospital, or Outpatient Clinic) who certifies that the termination of 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 will obligate the District to enter an amortized repayment plan.

Payment arrangements that extend into the next billing period are considered an amortization plan, which must be in writing and signed by the customer. An amortization plan will amortize the unpaid balance over a period defined by the customer, not to exceed 12 months from the original date of the bill. The amortized payments will be combined with, and subject to the due date of, the customer's regular bill. The customer must comply with the terms of 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. Failure to comply with the terms of an amortization plan will result in the issuance of a written disconnection notice. The disconnection notice will be in the form of a door hanger delivered to the premises no less than 5 business days in advance of discontinuance of service.

6. Additional Notifications:

As a courtesy, the District will make a reasonable, good faith effort to notify the customer that the account remains past due and further collection action will be forthcoming approximately 60 days after bill issuance. The means of notification will be based upon the notification preference (text, phone, or email) selected by the customer. Customers who have not selected a means of notification will be notified by phone. The District assumes no responsibility for phone or email contact information that has not been kept up-to-date by the customer.

7. Written Disconnection Notice:

The District shall not discontinue water service for non-payment until payment by the customer has been delinquent for at least 60 days. The District will make a reasonable, good faith effort to contact the customer in writing at least 7 business days before discontinuation of water

service for non-payment. The written disconnection notice will be mailed to the mailing address designated on the account. If the mailing address and the address of the property to which water service is provided are different, a second notice will be mailed to the service address and addressed to "Occupant". The written disconnection notice will include:

- Customer's name and address
- Amount that is past due
- Date by which payment or payment arrangements are required to avoid discontinuation of service
- Description of the process to apply for an amortization plan
- Description of the process to dispute or appeal a bill
- District phone number and a web link to the District's written collection policy

a. Notice to Residential Tenants/Occupants in an Individually Metered Residence

The District will make a reasonable, good faith effort to inform the occupants, by means of written notice, when the water service account is in arrears and subject to disconnection at least 10 days before water service is shut off. The written notice will advise the tenant/occupant that they have the right to become customers of the District without being required to pay the amount due on the delinquent account, as long as they are willing to assume financial responsibility for subsequent charges for water service at that address. In order for the amount due on the delinquent account to be waived, the tenant/occupant must provide verification of tenancy in the form of a rental agreement or proof of rent payments.

b. Notice to Tenants/Occupants in a Multi-Unit Complex Served through a Master Meter

The District will make a reasonable, good faith effort to inform the occupants, by means of written notice hung on the door of each residence, when the water service account is in arrears and subject to disconnection at least 10 days before water service is shut off. The written notice will advise the tenant/occupant that they have the right to become customers of the District without being required to pay the amount due on the delinquent account, as long as they are willing to assume financial responsibility for subsequent charges for water service at the address(es) served by the master meter. If one or more of the occupants are willing and able to assume responsibility for the subsequent charges for water service to the satisfaction of the District, or if there is a physical means, legally available to the District, of selectively terminating service to those occupants who have not met the requirements for service, the District will make service available to the occupants who have met those requirements.

If the written disconnection notice is returned through the mail as undeliverable, the District will make a reasonable, good faith effort to visit the residence and leave a notice of discontinuance for non-payment.

8. Forty-eight (48) Hour Notice of Termination:

The District will make a reasonable, good faith effort to notify the customer 48 hours in advance of disconnection of water service for non-payment. The means of notification will be based upon the notification preference (text, phone, or email) selected by the customer. Customers who have not selected a means of notification will be notified by phone. If the District is unable to make contact by text, phone, or email, a good faith effort will be made to visit the residence and leave a notice of termination of service.

9. Disconnection Deadline:

All delinquent water service charges and associated fees must be received by the District by 5:00 p.m. on the day specified in the written disconnection notice.

10. Disconnection of Water Service for Non-Payment:

The District will disconnect water service by turning off, and in some cases locking off, the meter. Before service is disconnected, the customer will be notified by a written disconnection notice at least 7 business days prior to termination and a second notice 48 hours prior to termination of service. The customer will be charged a fee to re-establish service in the billing system regardless of whether the meter has physically been turned off. The meter will be locked in the off position if payment is not received within 7 days of initial termination.

11. Re-establishment of Service:

In order to resume or continue service that has been disconnected for non-payment, the customer must pay a re-establishment fee. The District will endeavor to reconnect service as soon as practicable but, at a minimum, will restore service before the end of the next regular working day following payment of any past due amount and delinquent fees attributable to the termination of service. Water service that is turned on by any person other than District personnel or without District authorization may be subject to fines or additional charges or fees. Any damages that occur as a result of unauthorized restoration of service are the responsibility of the customer.

12. Re-establishment of Service After Business Hours:

Service restored after 5:00 pm Monday through Friday, weekends, or holidays will be charged an after-hours re-establishment fee. Service will not be restored after regular business hours unless the customer has been informed of the after-hours re-establishment fee and has signed an agreement acknowledging the fee and agreeing to contact the District's billing department no later than noon the following business day to pay the subject fee. The after-hours re-establishment fee is in addition to the regular re-establishment fee and the late fee for a past due account. District staff responding to service calls are not permitted to collect payment but will instruct the customer to contact the billing department before noon the following business day. Services that are off and locked cannot be re-established after hours.

Sometimes water service is discontinued because the service is a new account and the District has not received a request to establish service. If service is being restored after regular business hours because the customer has yet to establish service, the customer must agree to contact the billing department to establish service the next business day and the after-hours re-establishment will be waived. If service is discontinued for any reason not identified above, the service should be restored as quickly as possible and the customer advised to contact the billing department to resolve the issue. No after-hours re-establishment fee will be charged in this instance.

13. Notification of Disposition of Returned Check:

Upon receipt of a returned check taken as payment of water service or other charges, the District will consider the account not paid. The District will make a reasonable, good faith effort to notify the customer by phone or email of the returned check. A 48-hour notice of termination of service due to a returned check will be generated. The means of notification will

be based upon the notification preference (text, phone, or email) selected by the customer. Customers who have not selected a means of notification will be notified by phone. If the District is unable to make contact by text, phone, or email, a good faith effort will be made to visit the residence and leave a notice of termination of service.

Water service will be disconnected if the amount of the returned check and the returned check charge are not paid on or before the date specified in the notice of termination. All amounts paid to redeem a returned check and to pay the returned check charge must be in cash, credit card or certified funds.

14. Returned Checks for Previously Disconnected Service:

In the event a customer tenders a non-negotiable check as payment to restore water service previously disconnected for non-payment and the District restores service, the District may promptly disconnect service without providing further notice. No 48-hour notice of termination will be given in the case of a non-negotiable check tendered for payment of water charges that were subject to discontinuance.

Any customer issuing a non-negotiable check as payment to restore service turned off for non-payment will be required to pay cash, credit card or certified funds to restore future service disconnections for a period of 12 months from the date of the returned payment.

15. Disputed Bills:

If a customer disputes the water bill and exercises their right to appeal to the Board of Directors, the District will not disconnect water service for non-payment while the appeal is pending.