

## Joshua Basin Water District

<b>Title:</b>	Collections Policy (Discontinuation of Residential Service for Nonpayment)		
<b>Approval:</b>	Board of Directors		
<b>Resolution:</b>	26-1083	<b>Approval Date:</b>	December 19, 2019
<b>Effective Date:</b>	February 1, 2020	<b>Revision Dates:</b>	April 1, 2026

### **Purpose/Background:**

This policy enumerates Joshua Basin Water District's (hereinafter "District") administrative actions for the collection of delinquent accounts, including notifications, fees applicable, and discontinuation of service. This policy will be made available to the public on the District's website at [www.jbwd.com](http://www.jbwd.com), by email, and in person. The District will provide a copy of the policy upon request, without charge. This policy applies to residential customers only, as defined in Health and Safety Code Section 116902.

**Customers are encouraged to contact the District by phone at (760) 366-8438 to discuss options for avoiding discontinuation of water service for nonpayment under the terms of this policy.**

### **Text of policy**

Joshua Basin Water District is governed in the execution of the collection of delinquent accounts by California Government Code Sections 60370 – 60375.5. As an urban or community water system, the District is also governed by the Water Shutoff Protection Act, as set forth in Health and Safety Code Sections 116900 – 116926, which were originally effective February 1, 2020 per Senate Bill 998 (2018), and subsequently amended by Senate Bill 3 (2023).

### **Delinquent Account**

Delinquent accounts are hereafter identified as any account that remains unpaid (and without having made written payment arrangements) by close of business 20 days after issuance of the water bill, or the due date indicated on the water bill, whichever is later. The following rules apply to the collection of delinquent accounts:

#### **1. Small Balance Accounts**

Any balance on an account that is less than or equal to the current amount of the  $\frac{3}{4}$ " Basic Monthly Fee may be carried over and added to the next billing period, and although it is still subject to a Delinquent Account Service Charge for late payment, it will not incur further collection action.

#### **2. Delinquent Account Service Charges**

If payment for a bill is not received by close of business on the 20th day after the bill is issued, or the following business day if the 20th is a weekend or District holiday, Delinquent Account Service Charges will be assessed the following business day. On occasion, due to operational issues, the due date will be later but never sooner than this date. The due date will be displayed prominently on each water bill. The due date displayed on the water bill takes precedence should that date differ from this policy language.

Delinquent Account Service Charges for late payment are comprised of a 10% penalty on each original unpaid balance, plus .5% per month interest for each subsequent month of delinquency.

#### **3. Waiver of Interest**

The District will waive the interest portion of the Delinquent Account Service Charges once every 12 months for all customers.

#### **4. Waiver of Delinquent Notices and Charges**

The State of California, because of special legislation, excellent long-term payment history, a sound financial base and variations in budget approval and warrant payment procedures, will not be sent delinquent notices nor assessed a Delinquent Account Service Charges for delinquent payment on their accounts.

The Copper Mountain College, a local government agency relying on funding from the State of California, which has above been given a waiver of delinquent fees, has requested and was also given a waiver of Delinquent Account Service Charges.

Both the State of California and Copper Mountain College are still subject to disconnection of water service in accordance with this policy should non-payment of their accounts occur.

## **5. Alternative Payment Arrangements**

### **a) Requesting Alternative Payment Arrangements**

Any customer may request an alternative payment arrangement to avoid disruption of service. The District will consider all circumstances surrounding the request. The District shall offer alternative payment arrangements to eligible residential customers in accordance with Health and Safety Code § 116908. Alternative payment arrangements may include amortization schedules, deferred payments, or reduced payment plans. Payment arrangements must be in writing and signed by the customer. Only one payment arrangement per account will be authorized at a time.

### **b) Alternative Payment Arrangements**

Customer must agree to enter into an alternative payment arrangement offered by the District, governed by the policies herein. A payment arrangement may spread the unpaid balance over a longer period as determined by the District in consultation with the customer, not to exceed twelve (12) months from the date the payment arrangement is executed. The General Manager or his or her designee, in their reasonable discretion, may authorize a longer term to avoid undue hardship on the customer. While establishing a payment arrangement will avoid disconnection of water service as long as the terms of the arrangement are complied with, the District still applies Delinquent Account Service Charges each month on the unpaid balance.

### **c) Failure to Comply with Alternative Payment Arrangements**

The customer must comply with the terms of any alternative payment arrangement and remain current as charges accrue in each subsequent billing period. The customer may not request another alternative payment arrangement of any subsequent unpaid charges while paying charges pursuant to an alternative payment arrangement. Failure to comply with the terms of an alternative payment arrangement for sixty (60) days or more, including payment of current charges, will result in the issuance of a final notice of intent to disconnect service. The disconnection notice will be in the form of a doorhanger posted at the property in a prominent and conspicuous location no less than five (5) business days in advance of discontinuance of service.

## **6. Procedures to Contest or Appeal a Water Bill**

### **a) Time to Initiate a Complaint or Request an Investigation**

A customer may initiate a complaint or request an investigation in writing regarding the amount of a bill within five (5) days of receiving a disputed bill. For purposes of this Section only, a bill shall be deemed received by a customer eight (8) days after mailing. Water service shall not be discontinued while the appeal is pending.

### **b) Review by District**

A timely complaint or request for investigation shall be reviewed by the District, who shall provide a written determination to the customer. The District will consider whether to offer the customer an alternative payment arrangement per Section 5 of this policy. The District may, in its discretion, review untimely complaints or requests for investigation; however, such complaints or requests are not subject to appeal under Section 6(c) of this policy.

### **c) Appeal to Board of Directors**

Any customer whose timely complaint or request for an investigation pursuant to this Section has resulted in an adverse determination by the District may appeal the determination to the Board of Directors by filing a written notice of appeal with the District Secretary within ten (10) business days of the District's mailing of its determination. Upon receiving the notice of appeal, the District Secretary will set the matter to be heard at an upcoming Board meeting and mail the customer written notice of the time and place of the hearing at least ten (10) days before the meeting. The decision of the Board shall be final.

### **d) Good Faith Payment**

If a customer disputes the water bill and exercises their right to appeal, the District will not disconnect water service for non-payment while the appeal is pending. While an investigation of a disputed bill is being conducted, the customer will be required to pay an amount equal to a typical bill for that length of time.

## **7. Notifications**

The District will make reasonable, good faith efforts to notify the customer as required by this Policy but assumes no responsibility for contact information that has not been kept up to date by the customer.

#### **8. 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 seven (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 addressed to "Occupant" will be mailed to the service address at least seven (7) business days before discontinuation of water service for non-payment. In addition, a doorhanger notifying residents of the impending disconnection of water service, along with a copy of this policy, will be posted at the property in a prominent location at least 48 hours before disconnection. The written disconnection notice and occupant notice will include the following information:

- 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 a payment arrangement
- Description of the process to dispute or appeal a bill
- Description of the procedure for the customer to obtain information on financial assistance, if applicable
- Telephone number where customer may request a payment arrangement or receive additional information from the District
- Web links to the District's collections and service restoration policies

##### **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 a written notice when the water service account is in arrears and subject to disconnection at least seven (7) business 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 can verify that the delinquent account customer of record is or was the landlord, manager or agent of the dwelling by providing a lease or rental agreement, rent receipts or other verification acceptable to the District. The District will also deliver a doorhanger notice to the property at least 48 hours before disconnection of water service. The tenant/occupant must also be willing to assume financial responsibility for subsequent charges for water service at that address and comply with the application requirements for new water service, including payment of fees.

##### **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 a written notice distributed to each unit in the complex at least seven (7) business days before water service is shut off, when the water service account is in arrears and subject to disconnection. The written notice will advise the tenant/occupant that they have the right to become a customer of the District without being required to pay the amount due on the delinquent account. The tenant/occupant must also be willing to assume financial responsibility for subsequent charges for water service at the address(es) served by the master meter and comply with the application requirements for new water service, including payment of fees. 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. The District will also deliver a doorhanger notice to each unit in the complex at least 48 hours before disconnection of water service.

#### **9. Written Notice Returned Undeliverable**

If the written disconnection notice is returned through the mail as undeliverable, the District will contact the customer by phone informing them of the impending disconnection and offer to provide a copy of the disconnection policy and discuss options to avoid service disconnection including alternative payment options. Per section 8 above, the District will also

make a reasonable, good faith effort to visit the residence and leave a doorhanger notice of imminent discontinuation for non-payment.

#### **10. Disconnection of Water Service for Non-Payment**

The District will not disconnect water service on any Saturday, Sunday, legal holiday, or at any time during which the business offices of the District are not open to the public. The water service will be disconnected by locking the meter in the off position. An account shall not be closed solely due to discontinuation for nonpayment while the customer remains eligible for the protections of the Water Shutoff Protection Act.

If a water meter that has been locked off by the District because of nonpayment is unlocked by any person other than a District employee, the District will re-lock or remove the water meter to deter further theft of water. Customer, occupant, tenant or property owner will have to pay a meter reinstallation charge if meter has been removed, in addition to all other charges, including damages and other charges due for service restoration before meter is reinstalled and/or service is reinstated by the District.

Each service address account, whether active or inactive, will be billed a monthly Basic Fee. If a tenant account is disconnected for non-payment and the tenant does not re-establish service, the tenant account will be closed and an inactive account in the name of the property owner or landlord will be established, unless a continuous service agreement has been established, in which case the owner or landlord account will be an active account. If an owner or landlord account is disconnected for non-payment, the account will be transferred from active to inactive status, and the billing will continue.

#### **11. Prohibitions Against Disconnection**

Notwithstanding the other requirements of this Policy, the District will not discontinue residential water service for nonpayment if all the following conditions are met:

- a) Customer or tenant of the customer submits certification from a primary care provider, defined as any Medi-Cal-enrolled primary care provider or clinic, including family physicians trained in accredited family-medicine residencies, within the definition of Welfare and Institutions Code § 14088(b)(1)(A), stating that discontinuation of service would be life threatening to or pose a serious threat to the health and safety of a resident of the premises where the service is provided;
- b) Customer demonstrates he or she is financially unable to pay for service within the District's normal billing cycle. A customer may be deemed financially unable to pay if:
  - 1) Any member of the customer's household is a current recipient of CalWORKS, CalFresh, general assistance, Medi-Cal, Supplemental Security Income/State Supplementary Payment Program, or California Special Supplemental Nutrition Program for Women, Infants and Children; or
  - 2) The customer declares in writing that the household's annual income is less than 200 percent of the federal poverty level; and
- c) Customer agrees to enter into an alternative payment arrangement consistent with Section 5 of this Policy, and thereafter complies with the terms of such arrangement and does not fail to pay their current residential service charges for 60 days or more.

#### **12. Re-establishment of Service**

In order to resume service that has been disconnected for non-payment, the customer must either (1) pay the past-due amount, or (2) enter into an alternative payment arrangement with the District; and pay any reconnection fees, subject to the limitations in Section 13. No additional deposits, penalties, or unrelated charges shall be required as a condition of restoration of service for an existing residential customer. 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 as required in this Section. Water service that is turned on by any person other than District personnel or without District authorization may result in damage to District facilities and result in additional charges or fees. Any damages that occur as a result of unauthorized restoration of service are the responsibility of the customer or property owner and service will not be restored until such damages are paid.

#### **13. Reconnection Fees**

Reconnection fees cannot exceed \$50 during normal business hours and \$150 during nonoperational hours (after-hours). Those fees cannot exceed the actual cost of reconnection if that cost is less than the statutory caps. The caps may be adjusted annually for changes in the Consumer Price Index for the Riverside-San Bernardino-Ontario region beginning January 1, 2021. The amount of the current reconnection fees are included in Article 14 of the Rules & Regulations.

**14. Re-establishment of Service After Business Hours**

Service restored at the request of a customer after 3:00 pm Monday through Thursday, anytime on Friday, weekends, or holidays will be charged an after-hours reconnection fee, subject to limitations of Section 13. Service will not be restored after regular business hours unless the customer has been informed of the after-hours reconnection fee and has signed an agreement acknowledging the fee and agreeing to contact the District no later than 9:00 am the following business day to pay the subject fee. The after-hours reconnection fee must be paid at the time requested if done so in the office, or by 9:00 am the following business day if requested after regular business hours and may not be paid later as part of a payment arrangement. District staff responding to service calls are not permitted to collect payment but will instruct the customer to contact the District before 9:00 am the following business day. Services with water meters that have been removed cannot be re-established after hours.

Sometimes water service is discontinued because the service is for a new account and the District has not received a request to establish service from the new account holder. If service is being restored after regular business hours because the customer has yet to establish an account, the customer must agree to contact the District before 9:00 am the following business day to establish service by completing water account application paperwork and paying new account fees and the after-hours turn on convenience charge.

Service restored after regular business hours at customer request will be disconnected without further notice if customer fails to follow-up with the District office by 9:00 am on the following business day, as the customer committed to do when signing and agreeing to the after-hours turn on.

**15. Notification of Disposition of Returned Check or Credit Card Payment**

Upon receipt of a returned payment, whether check or credit card, taken as payment of water service or other charges, the District will consider the account not paid and the amount of the returned payment will be deemed delinquent. The District will make a reasonable, good faith effort to notify the customer of the returned payment.

All amounts paid to redeem a returned check or credit card payment and to pay the returned payment charge must be in a different form of payment than the original returned payment. Accounts paid before the due date with payments that are subsequently returned not paid will be assessed the delinquent account service charges as if the subsequently returned payment was never received.

**16. Returned Checks for Previously Disconnected Service**

If 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 advanced notice.

Any customer that makes payment to restore service turned off for non-payment, which is subsequently returned by the bank unpaid, will be required make payments in cash for a period of 24 months from the date of the returned payment. After two years of good payment history including no more than two late payments and no lock-offs, customer may request to be removed from the cash-only status.

**17. Copy of Policy**

If a customer cannot access a copy of this policy via the District's website, the District will email a copy of the policy or make one available at the District's office at no charge on request. If a customer requests a mailed copy, the District will charge for the mailing service but not the document.

**18. Termination of Service Related to Unauthorized Action**

This policy does not apply to the termination of service due to an unauthorized action of a customer, such as violation of the District's Rules & Regulations.

**19. Annual Reporting**

The number of annual discontinuations of water service for non-payment will be reported on the District's website and also reported to the State Water Resources Control Board.

- 20.** In the event of any conflict between this Policy and the District's Rules & Regulations or other policies, the requirements of this Policy shall govern. In the event of any conflict between this Policy and the Water Shutoff Protection Act, the Act shall govern.