

RESOLUTION NO. 2020-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FULLERTON, CALIFORNIA, ADOPTING A POLICY ON DISCONTINUATION OF RESIDENTIAL WATER SERVICE FOR THE FULLERTON MUNICIPAL WATER UTILITY PURSUANT TO THE WATER SHUTOFF PROTECTION ACT (SB 998)

WHEREAS, there exists the Fullerton Municipal Water Utility of the City of Fullerton, California (the "Utility"), pursuant to Section 12.04.020 of the Fullerton Municipal Code, to perform the function of providing water and metering the water system of the City; and

WHEREAS, the Utility is subject to the Water Shutoff Protection Act (SB 998) (the "Act"), which requires the Utility to have a written policy on discontinuation of residential service for nonpayment that conforms to the specific provisions of the Act.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF FULLERTON HEREBY RESOLVES AS FOLLOWS:

1. The City Council hereby adopts the Policy on Discontinuation of Residential Water Service attached hereto as Exhibit "A" for the Fullerton Municipal Water Utility of the City of Fullerton, California.

2. The Policy on Discontinuation of Residential Water Service shall supersede and govern over any inconsistent provisions of prior resolutions or adopted rules.

ADOPTED BY THE FULLERTON CITY COUNCIL on January 21, 2020.

Jennifer Fitzgerald, Mayor

ATTEST:

Lucinda Williams, City Clerk

City of Fullerton - Water Utility

POLICY ON DISCONTINUATION OF RESIDENTIAL WATER SERVICE (Water Shutoff Protection Act per SB 998)

Adopted by Resolution ____ of the City Council of the City of Fullerton on ____, 2020

In September 2018, Senate Bill 998 was approved to add Chapter 6 (commencing with Section 116900) to Part 12 of Division 104 of the California Health and Safety Code (CHSC), relating to water. This chapter is known as the **Water Shutoff Protection Act (Act)**. As an urban water supplier not regulated by the Public Utilities Commission, the City of Fullerton Water Utility shall comply with this chapter on and after February 1, 2020. The Water Shutoff Protection Act only applies to residential accounts. One of the requirements of the Act is that the City of Fullerton Water Utility (City Utility) create a policy on Discontinuation of Residential Water Service (Policy) which shall apply to all City accounts for **residential** water service, but shall not apply to any accounts for non-residential service. To the extent this Policy conflicts with any other rules, regulations, or policies of the City, this Policy shall control.

I. APPLICATION OF POLICY

The Policy enumerates the City Utility's administrative actions for the collection of delinquent accounts, including notifications, fee assignments and discontinuation of service. This Policy is available on the City's website at www.cityoffullerton.com. For questions or assistance regarding utility bills, the City's Utility Services Division can be reached at (714) 738-6890. Customers may also visit the City's Utility Services Division located at 303 W. Commonwealth Avenue, Fullerton, CA 92832 in person Monday through Thursday and every other Friday, from 8:00 a.m. to 5:00 p.m., except on City holidays and closure days.

Utility bills are payable to the City once every two months or at such other frequency as determined by the City Council. All utility bills for water service are due and payable by close of business on the due date listed on the utility bill. Any utility bills not paid within such period are considered delinquent and will begin incurring late charges.

II. POLICY REQUIREMENTS

Pursuant to CHSC Section 116906, the City Utility shall have a written policy on discontinuation of residential service for nonpayment available in English, Spanish, Chinese, Tagalog, Vietnamese, Korean, and any other language spoken by at least ten percent (10%) of the people residing in its service area. This policy shall include the following:

- a plan for deferred or reduced payments;
- alternative payment schedules;
- a formal mechanism for customers to contest or appeal water charges on a utility bill; and
- a telephone number for a customer to contact to discuss options for averting discontinuation of residential water service for nonpayment.

This policy shall be available on the City's website.

III. DISCONTINUATION OF WATER SERVICE FOR NON-PAYMENT

Pursuant to CHSC Section 116908, the City Utility shall not discontinue residential service for nonpayment until a payment by a customer has been delinquent for at least sixty (60) calendar days. The City Utility shall contact the customer no less than seven (7) business days before discontinuation of water service. The following rules shall apply to the collection of delinquent accounts:

A. Delinquent Notice

If payment for a bill is not received by close of business on the on the due date of the bill, a late charge will be assessed. The due date and balance including the late charge will be displayed on the bill. Upon a bill becoming delinquent, the City Utility per CHSC Section 116908 shall give the customer responsible for payment of the bill (as defined in Rule 1 of the City of Fullerton's Water Rates, Rules and Regulations) a notice of delinquency stating that water service will be discontinued after sixty (60) calendar days. The delinquency 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". It is the customer's responsibility to provide up-to-date contact information to the City Utility.

B. Alternative Payment Arrangements

Pursuant to CHSC Section 116910 any customer, which includes a tenant of the customer, who is unable to pay for water service within the normal payment period may request an alternative payment arrangement to avoid late charges and other collection fees resulting from non-payment of the regular bill or disruption of service if ALL of the following conditions are met:

1. The customer submits to the City Utility certification of a licensed primary care provider that discontinuation of water service will be life threatening to, or pose a serious threat to the health and safety of, a resident of the premises where residential service is provided; and
2. The customer demonstrates that he or she is financially unable to pay for residential service within the City's normal billing cycle. The customer is deemed financially unable to pay during the normal billing cycle if:
 - a. 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
 - b. the customer declares under penalty of perjury that the household's annual income is less than two hundred percent (200%) of the federal poverty level; and
3. The customer is willing to enter into an alternative payment arrangement, including an extension, amortization, or alternative payment schedule with respect to the total outstanding delinquent amount including late charges and other collection fees.

Upon receipt of ALL required documentation from the customer, the City Utility will review the documentation within seven (7) business days.

For any customer who meets **ALL** of the required conditions, the City Utility shall offer the customer one or more of the following options, to be selected by the City Utility in its discretion:

1. an extension of the current payment due date;
2. amortization of the unpaid balance;
3. an alternative payment schedule; or
4. temporary deferral of payment.

The City's Utility Services Division will select the most appropriate payment option, taking into consideration the required information and documentation provided by the customer, as well as the City Utility's needs. An alternative payment arrangement shall require weekly payments and shall not exceed a maximum of twelve (12) months payable weekly unless otherwise approved by City Treasurer or his/her designee.

Upon completion of the City's review of the required information and documentation provided by the customer, the City Utility will either:

1. notify the customer of the alternative payment arrangement selected by the City Utility and request the customer return the signed payment arrangement agreement;
2. request additional information from the customer; or
3. notify the customer that he/she does not meet the conditions listed above.

The customer must comply with the terms of the approved Payment Arrangement Agreement and remain current on future utility bills as charges accrue in each subsequent billing period. The customer may not request further alternative payment arrangements of any subsequent unpaid charges while paying pursuant to a Payment Arrangement Agreement.

The City Utility may discontinue water service if a customer who has been granted an alternative payment arrangement under this section of the Policy (III.B.) fails to do any of the following for sixty (60) calendar days or more:

- a) pay his or her unpaid charges by the extended payment final due date;
- b) pay any amortized amount due under the amortization schedule;
- c) pay any amount due under an alternative payment arrangement schedule; or
- d) pay his or her current charges for water service.

The City Utility will post a final notice of intent to disconnect service in a prominent and conspicuous location at the service address at least five (5) business days before discontinuation of service. The final notice will not entitle the customer to any investigation, payment arrangement, or review by the City Utility.

C. Notice for Discontinuation of Water Service for Nonpayment

The City Utility shall not discontinue water service for non-payment until payment by the customer has been delinquent for at least sixty (60) calendar days. The City Utility shall give the customer notice no less than seven (7) business days, before termination of service for non-payment.

1. The written first 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 first written disconnection

notice will include:

- a. Customer's name and address;
- b. Amount that is past due;
- c. Date by which payment or alternative payment arrangement is required to avoid discontinuation of service;
- d. Description of the process to dispute or appeal water charges on a utility bill; and
- e. A description of the procedure to request an alternative payment arrangement including the telephone number and website address where the customer may call to receive or obtain additional information from the City Utility.

2. Notice to Residential Tenants/Occupants in an Individually Metered Residence (CHSC Sections 116916 (a) through (e))

The City Utility will make a reasonable, good faith effort to inform the Tenants/Occupants (herein after referred together as "Occupants"), by means of written notice, when the water service account is delinquent and subject to disconnection at least ten (10) calendar days before water service is shut off. The written notice will advise the Occupant that they have the right to become customers of the City Utility 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 Occupant to become the City Utility's customer, Occupant must provide verification of tenancy in the form of a rental agreement or proof of rent payments, and pay the required deposit.

3. Notice to Tenants/Occupants in a Multi-Unit Complex Served through a Master Meter (CHSC Sections 116916 (a) (1) and (2))

The City Utility will make a reasonable, good faith effort to inform the Tenants/Occupants (herein after referred together as "Occupants"), by means of written notice to each residence, when the water service account is in arrears and subject to disconnection at least seven (7) calendar days before water service is shut off. The written notice will advise the Occupant that they have the right to become customers of the City Utility 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 and meet all other new account requirements. If one or more Occupants are willing and able to assume responsibility for the subsequent charges for water service to the satisfaction of the City Utility, or if there is a physical means legally available to the City Utility, of selectively terminating service to those Occupants who have not met the requirements for service, the City Utility will make service available to the Occupants who have met those requirements and pay the required deposit.

Per CHSC Section 116908(a)(2), if the City Utility is not able to contact the customer, or an adult occupying the residence, by written notice (for example, the written disconnection notice is returned through the mail as undeliverable) or by telephone, the City Utility will make a reasonable, good faith effort to visit the residence and leave, or make arrangements to place in a conspicuous location, a notice of imminent discontinuance for non-payment on the property

which shall also provide a copy of this Policy required by the Water Shutoff Protection Act.

4. Disconnection Deadline:

All delinquent water service charges and associated fees including reconnection charges must be received by the City Utility by 5:00 p.m. on the day specified on the disconnection notice.

IV. RESTORING/RECONNECTING RESIDENTIAL WATER SERVICE

Pursuant to CHSC Section 116912 a City Utility that discontinues residential service for nonpayment shall provide the customer with information on how to restore residential service.

A. Reconnection of Service During Business Hours

In order to resume or continue service that has been disconnected for non-payment, the customer must pay a reconnection fee. The City Utility will endeavor to reconnect service as soon as practicable but, at a minimum, will restore service before the end of the next regular business day following payment of all applicable outstanding charges attributable to the termination of service. Water service that is turned on by any person other than City Utility personnel may be subject to fines or additional charges. Any damages that occur as a result of unauthorized restoration of service are the responsibility of the customer.

B. Reconnection of Service After Business Hours

Requests for same day reconnection received 30 minutes prior to, or made after, close of Utility Services Division business hours will result in reconnection after business hours. The business hours for the Utility Services Division can be found on the back of the Utility Services Bill and on the City of Fullerton's website. Service restored after business hours, City Hall Friday closure days, weekends, or holidays will be charged an after-hours reconnection fee. Customer must contact the City Utility Services Division no later than 10:00 a.m. the following business day to pay all applicable outstanding charges. The after-hours reconnection fee is in addition to the regular utility bill, late charges, posting fee, and any other related fees for past due accounts. City Public Works personnel responding to service calls are not permitted to collect payment. If the customer does not pay by 10:00 a.m. the following business day, water service may be disconnected without further notice and only reconnected after payment of all applicable outstanding charges.

V. HOUSEHOLDS WITH INCOMES BELOW 200 PERCENT OF THE FEDERAL POVERTY LINE

The following shall apply to residential customers who demonstrate a household income below two hundred percent (200%) of the federal poverty line:

- There shall be reconnection fees which shall be set forth in the Public Works Fee Schedule and shall not exceed the limitations established by SB 998.
- The City Utility shall waive interest/late charges on delinquent bills once every twelve (12) months.

The City Utility shall deem a customer to have a household income below two hundred percent

(200%) of the federal poverty line if any member of the household is a current recipient of CalWORKS, CalFresh, general assistance, Medi-Cal, Supplemental Security Income/State Supplemental Payment Program, or California Special Supplemental Nutrition Program for Women, Infants, and Children, or the customer declares that the household's annual income is less than two hundred percent (200%) of the federal poverty level.

VI. PROCEDURE TO CONTEST OR APPEAL WATER CHARGES ON A UTILITY BILL

The procedure to contest or appeal a bill shall be as set forth in the Water Rates Rules and Regulations.

VII. POLICY IN OTHER LANGUAGES

Per CHSC Section 116906(a), this written policy is available in English, Spanish, Chinese, Tagalog, Vietnamese, Korean, and any other language spoken by at least ten percent (10%) of the people residing in its service area. The translated policy copies can be found on the City's website at www.cityoffullerton.com and upon request by calling the City's Utility Services Division at 714-738-6890 or e-mailing UtilityBilling@cityoffullerton.com.