

City of Soledad Utility Service Shutoff Policy

(In compliance with State Health and Safety Code § 116900) December 2019

1. Utility service disconnection shall be conducted in compliance with State law, including but not limited to “The Water Shutoff Protection Act” beginning with California Health and Safety Code § 116900.
 - a. This policy is to be posted on the City’s website in English, Spanish and the languages listed in Section 1632 of the Civil Code (currently Spanish, Chinese, Korean, Vietnamese and Tagalog).
2. Process for customers voluntarily disconnecting utility service:
 - a. After notice to City staff at City Hall, either in person at 248 Main Street or over the phone at (831) 223-5000 during normal business hours, service will be disconnected within one (1) business day.
 - b. Customers are required to provide a reliable forwarding address for the closing bill.
 - c. As a condition to furnishing utility service to any user who is not the owner of the premises to which such services are to be provided, the City requires the user to make a reasonable cash deposit with the City in an amount to be determined from time to time by resolution of the City Council. This deposit is to secure payment of all rates and charges established for City utility services. If utility services are voluntarily disconnected, the deposit shall first be applied to the payment of outstanding utility charges due to the City from the user with any excess amount thereafter returned to the users.
3. Process for customers to be disconnected for non-payment of charges:
 - a. As a matter of routine, all written communications concerning utility service will be in English and Spanish.
 - b. No customer will be turned off for a delinquent utility bill less than sixty (60) days overdue.
 - c. Prior to disconnecting utility service for nonpayment of fees, all of the following will apply:
 - i. 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 activity.
 - ii. **Notice of Imminent Disconnection**-written notice of imminent disconnection will be sent to billing address at least seven (7) business days prior to disconnection. Alternatively, notice of imminent disconnection may be provided by telephone. If 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 and the procedures for review and appeal of a customer’s bill as set forth in this policy. If the City is unable to contact a customer by written notice (e.g. mailed notice is returned as undeliverable) or by telephone, the City will make a good faith effort to visit the involved residence and leave a notice of imminent disconnection or service for non-payment and copy of this policy at the door or in some other conspicuous place.
 - iii. **Notice of Imminent Disconnection** shall include:
 1. Customer’s name and address
 2. Amount that is past due

3. The date by which payment or arrangement for payment is required in order to avoid discontinuation of service
 4. The process to avoid disconnection
 - a. Appeal amount of bill
 - b. Request an extension
 - c. Procedure to request alternative payments, reduced fees, deferred fees
 5. Reconnection procedures
- d. Customers shall not be disconnected for nonpayment of fees if **ALL** of the following are true:
- i. Customer provides certification by a Primary Care Provider as defined in the California Welfare and Institutions Code 14088 (General Practitioner, Obstetrician/Gynecologist, Pediatrician, Family Practice Physician, Primary Care Clinic, Hospital, or Outpatient Clinic) that the termination of water 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; and
 - ii. The customer demonstrates they are financially unable to pay (determined by whether any member of the customer's household is a current recipient of Cal WORKS, CalFresh, general assistance, Medi-Cal, Supplemental Security Income/State Supplementary Payment Program, or the California Supplemental Nutrition Program for Woman, 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); and
 - iii. The customer is willing to enter into an amortization agreement, alternative payment schedule, or a plan for deferred or reduced payment.
- e. The burden of proving compliance with the conditions described in Subsection d. above is on the customer. In order to allow the City sufficient time to process any request for assistance, customers are encouraged to provide documentation establishing the applicability of Subsection d.i and ii, and consent to Subsection d.iii, as far in advance of any proposed date for discontinuance of service as possible. The City shall have seven (7) calendar days to review submitted materials and either request additional information or to notify a customer of the terms of any available alternative payment arrangement in which the City will allow the customer to participate. If the City requests additional information, it must be provided by customer within five (5) calendar days of the date of the request. Within five (5) calendar days thereafter, City shall either notify the customer in writing that the customer does not meet the conditions under Subsection d. above, or notify the customer that he/she is qualified for an alternative payment plan and the terms of the plan in which the City will allow the customer to participate. Any customer who fails to meet the conditions described in Subsection d. must pay the delinquent amount, including any penalties and other charges, owed to the City within the latter of either of the following: (i) two (2) business days after the date of notification from the City of the City's determination that the customer failed to meet said conditions; or (ii) the date of impending service discontinuation, as specified in an Overdue Notice.
- f. Customers with household incomes below 200% of the federal poverty line shall have interest charges on delinquent bills waived once every 12 months.

4. Reconnection of Utility Service

- a. Utility service will only be reconnected if either i or ii and b.
 - i. The same family or resident may not reconnect utility service unless account is paid in full.
 - ii. Change of name may occur only with new recent rental agreement or documentation of recently purchased property in the name of the new utility service user.
- b. Utility service deposits must be at current levels.
- c. If pursuant to the test set forth in Section 3.d. above, a customer's household income is below two hundred percent (200%) of the federal poverty line, any reconnection fees charged to said customer during normal operating hours cannot exceed \$50, and reconnection fees during non-operation hours cannot exceed \$150. The fees cannot exceed the actual cost of reconnection if that cost is less than the caps set forth herein. Additionally, interest fees shall not be imposed on customers in this category.

5. Alternative Payment Plans

For any customer who meets the three conditions under Section 3.d above, the City shall offer the following alternative payment arrangements: (i) amortization of the unpaid balance; (ii) alternative payment schedule; (iii) partial or full reduction of unpaid balance; or (iv) temporary deferral of payment. 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.

- a. Amortization: Any customer who is unable to pay for utility service within the City's normal payment period and meets the three conditions under Section 3.d. above, as the City shall confirm, may enter into an amortization plan with the City on the following terms:
 - i. Term. The customer shall pay the unpaid balance, with the administrative fee and interest, over a period not to exceed six (6) months. The City shall have discretion to apply an amortization period of up to twelve (12) months in order to avoid an 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 to the customer's ongoing monthly bills for service.
 - ii. Administrative Fee: Interest. For any approved amortization plan, the customer will be charged an administrative fee, in an amount established by City from time to time, representing the cost to the City of initiating and administering the plan. Interest at an annual rate not to exceed 8% may be applied to any amounts to be amortized.
 - iii. Compliance. The customer must comply with the amortization plan and remain current as charges accrue in 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,

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

- b. **Alternative Payment Schedule.** Any customer who is unable to pay for utility service within the normal payment period and meets the three conditions under Section 3.d. above, as the City shall confirm, may enter in an alternative payment schedule for the unpaid balance in accordance with the following:
 - i. **Repayment Period.** The customer shall pay the unpaid balance, with the administrative fee and interest set forth in subsection 2 below, over a period not to exceed twelve (12) months, as determined by the City Manager or his or her designee.
 - ii. **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 a payment schedule. At the City Manager or designee's discretion, interest at an annual rate not to exceed eight percent (8%) shall be applied to any amounts to be paid under this subsection.
 - iii. **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, the unpaid balance and administrative fee shall be paid in full within twelve (12) months of establishment of a payment schedule.
 - iv. **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 customer's current service charges for sixty (60) days or more, the City may discontinue utility service to the customer's property at least five business (5) days after the City posts at the customer's residence a final notice of its intent to discontinue service.
- c. **Reduction of Unpaid Balance.** Any customer who is unable to pay for utility service within the City's normal payment period and meets the three conditions under Section 3.d. above, as the City shall confirm, may, if the City approves this alternative, receive a reduction of the unpaid balance owed by the customer, not to exceed twenty five percent (25%) of that balance without approval of the City Council, provided that such reduction shall be funded from some other source that does not result in additional charges being imposed on other 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.
 - i. **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.

- ii. 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 utility 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. Any customer who is unable to pay for utility service within the City’s normal payment period and meets the three conditions under Section 3.d. above, as the City shall confirm, may have 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 the deferral shall be provided for the customer.
 - i. 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 Deferred Payment Date shall be within twelve (12) months from the date the unpaid balance became delinquent.
 - ii. Compliance with Temporary Deferral of Payment. The customer must pay the deferred amount 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 amount within sixty (60) calendar days after the Deferred Payment Date, or fails to pay the customer’s current services charges for sixty (60) calendar days or more, the City may discontinue utility service to the customer at least five (5) business days after the City posts at the customer’s residence a final notice of its intent to discontinue service.

6. Contesting utility charges – Appealing a bill

- a. Customers may appeal the amount of their utility bill to the City of Soledad within ten (10) days of receipt of the bill for service. In addition, any customer who receives an “Overdue Notice” has the right to initiate an appeal and review of the bill to which the Overdue Notice relates at least five (5) business days after the date of the Overdue Notice if the customer alleges the bill is in error with respect to the quantity of services consumed. All appeal requests must be in writing and should include documentation supporting the appeal or the reason for review.
- b. The City Manager or designee shall receive any appeal for reduced payments and investigate such matter.
- c. No customer shall be disconnected while contesting utility charges.
- d. The City Manager or designee shall make a determination of findings on the matter at hand within 10 business days. A meeting between the City Manager or designee and the customer may be scheduled if the Manager or designee deems it necessary. The City Manager’s or designee’s decision shall be set forth in a brief written summary of decision.
 - i. If the utility 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 the revised charges. If the revised charges remain unpaid for more than sixty (60) calendar days after the corrected invoice is provided, utility service will be disconnected after provision of an Overdue Notice in accordance with this policy. Utility service will only be restored upon full payment of all outstanding utility charges, penalties, and any and all applicable reconnection charges.

- ii. If the utility charges in question are determined to be correct, the utility charges are due and payable within two (2) business days after the City Manager's or designee's decision is rendered. At the time the City Manager's or designee's decision is rendered, the customer will be advised of the right to further appeal before the City Council as set forth in subsection e. below.
 - e. The customer may appeal the determination of the City Manager or Designee to the City Council at the next regular meeting. Any such appeal must be filed in writing within seven (7) calendar days after the City Manager's or designee's decision is rendered. The parties may agree to a later appeal date if desired. Rules and procedures for appeals to the City Council will be set by separate policy.
7. Customer contact number for billing information
- a. A customer contact number shall be listed on all utility billing correspondence and notices.
 - b. (831) 223-5000 shall be available for customer billing information and program involvement during normal business hours.
 - c. This phone connection will be in English and Spanish when available. If a particularly needed language is required for full understanding and that language is not immediately available, someone with that language skill will make reasonable attempts over the next 24 business hours to provide needed services.
8. The City of Soledad will post the number of utility service disconnections on the City website at least annually.
9. Coordination of Policy and Soledad Municipal City Code. This policy is meant to establish new rules, regulations and dates for utility service disconnection in the City of Soledad in compliance with applicable State law. Every effort shall be made to reconcile the provisions of this policy with relevant provisions of the Municipal Code. Where a conflict exists between the provisions of this policy and the Municipal Code, this policy shall prevail.