

POLICY ON DISCONTINUATION OF RESIDENTIAL WATER SERVICE FOR NON-PAYMENT

Notwithstanding any other policy or rule, this Policy on Discontinuation of Residential Water Service for Non-Payment shall apply to the discontinuation of residential water service for non-payment under the provisions set forth herein. In the event of any conflict between this Policy and any other policy or rule, this Policy shall prevail.

I. Application of Policy; Contact Telephone Number: This policy shall apply only to residential water service for non-payment and all existing policies and procedures shall continue to apply to commercial and industrial water service accounts. Further assistance concerning the payment of water bills and the potential establishment of the alternatives set forth in this policy to avoid discontinuation of service can be obtained by calling (707) 894-2521.

II. Discontinuation of Residential Water Service for Non-Payment:

A. Overdue Bills: The following rules apply to customers to the extent their bills remain unpaid for more than sixty (60) days following the date payment is due:

1. Overdue Notice: If payment for a bill rendered is not made on or before the forty-fifth (45th) day following the due date, a notice of overdue payment (the “Overdue Notice”) will be mailed to the water service customer approximately at least seven (7) days prior to the possible discontinuation of service date identified in the Overdue Notice. For purposes of this policy, the term “business days” shall refer to any days on which the City’s office is open for business. If the customer’s address is not the address of the property to which the service is provided, the Overdue Notice must also be sent to the address of the property served, addressed to “Occupant.” The Overdue Notice must contain the following:

- a) Customer’s name and address;
- b) Amount of delinquency;
- c) Date by which payment or arrangement for payment must be made in order to avoid discontinuation of service;
- d) Description of the process to apply for an extension of time to pay the amount owing (see Section III(C), below);
- e) Description of the procedure to petition for review and appeal of the bill giving rise to the delinquency (see Section IV, below); and
- f) Description of the procedure by which the customer can request a deferred, amortized, or alternative payment schedule (see Section III, below).

The City may alternatively provide notice to the customer of the impending discontinuation of service by telephone. If that 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 to avert

discontinuation of service, as described in Section III, below, and the procedures for review and appeal of the customer's bill, as described in Section IV, below.

2. Unable to Contact Customer: If the City is not able to contact the customer by telephone, and a written notice is returned as undeliverable, the City will make a good faith effort to visit the residence and leave, or make other arrangements to place in a conspicuous location, a notice of imminent discontinuation of service for non-payment, and a copy of this Policy.

3. Late Charge: A Late Charge, if any, as specified in the City's schedule of fees and charges, shall be assessed and added to the outstanding balance on the customer's account if the amount owing on that account is not paid before the Overdue Notice is generated.

4. Turn-Off Deadline: Payment for water service charges must be received in the City's offices no later than 4:30 p.m. on the date specified in the Overdue Notice. Postmarks are not acceptable.

B. Conditions Prohibiting Discontinuation: The City shall not discontinue residential water service if all of the following conditions are met:

1. Health Conditions – The customer or tenant of the customer submits certification of a primary care provider that discontinuation of water service would (i) be life threatening, or (ii) pose a serious threat to the health and safety of a person residing at the property;

2. Financial Inability – The customer demonstrates he or she is financially unable to pay for water service within the water system's normal billing cycle. The customer is deemed "financially unable to pay" if any member of the customer's household is: (i) a current recipient of the following benefits: CalWORKS, CalFresh, general assistance, Medi-Cal, SSI/State Supplementary Payment Program or California Special Supplemental Nutrition Program for Women, Infants and Children; or (ii) the customer declares the household's annual income is less than 200% of the federal poverty level (see this link for the federal poverty levels applicable in California: <https://www.healthforcalifornia.com/covered-california/income-limits>); and

3. Alternative Payment Arrangements – The customer is willing to enter into an amortization agreement, alternative payment schedule or a plan for deferred or reduced payment, consistent with the provisions of Section III, below.

C. Process for Determination of Conditions Prohibiting Discontinuation of Service: The burden of proving compliance with the conditions described in Subdivision (B), above, is on the customer. In order to allow the City sufficient time to process any request for assistance by a customer, the customer is encouraged to provide the City with

the necessary documentation demonstrating the medical issues under Subdivision (B)(1), financial inability under Subdivision (B)(2) and willingness to enter into any alternative payment arrangement under Subdivision (B)(3) as far in advance of any proposed date for discontinuation of service as possible. Upon receipt of such documentation, the City's Finance Director, or his or her designee, shall review that documentation and respond to the customer within seven (7) calendar days to either request additional information, including information relating to the feasibility of the available alternative arrangements, or to notify the customer of the alternative payment arrangement, and terms thereof, under Section III, below, in which the City will allow the customer to participate. Customers who fail to meet the conditions described in Subdivision (B), above, must pay the delinquent amount, including any penalties and other charges, owing to the City within the latter to occur of: (i) two (2) business days after the date of notification from the City of the City's determination the customer failed to meet those conditions; or (ii) the date of the impending service discontinuation, as specified in the Overdue Notice.

D. Special Rules for Low Income Customers: Customers are deemed to have a household income below 200% of the federal poverty line if: (i) any member of the customer's household is a current recipient of the following benefits: CalWORKS, CalFresh, general assistance, Medi-Cal, SSI/State Supplementary Payment Program or California Special Supplemental Nutrition Program for Women, Infants and Children; or (ii) the customer declares the household's annual income is less than 200% of the federal poverty level (see this link for the federal poverty levels applicable in California: <https://www.healthforcalifornia.com/covered-california/income-limits>). If a customer demonstrates either of those circumstances, then the following apply:

1. Reconnection Fees: If service has been discontinued and is to be reconnected, then any reconnection fees during the City's normal operating hours cannot exceed \$50, and reconnection fees during non- operational hours cannot exceed \$150. Those fees cannot exceed the actual cost of reconnection if that cost is less than the statutory caps. Those caps may be adjusted annually for changes in the Customer Price Index for the San Francisco metropolitan area beginning January 1, 2021.
2. Interest Waiver: The City shall waive any interest charges on delinquent bills for such customers, once every 12 months.

E. Landlord-Tenant Scenario: The below procedures apply to individually metered detached single-family dwellings, multi-unit residential structures and mobile home parks where the property owner or manager is the customer of record and is responsible for payment of the water bill.

1. Required Notice:
 - a. At least 10 calendar days prior to the possible discontinuation of water service, the City must make a good faith effort to inform the tenants/occupants at the property by written notice that the water service will be discontinued.
 - b. The written notice must also inform the tenants/occupants

that they have the right to become customers to whom the service will be billed (see Subdivision 2, below), without having to pay any of the then delinquent amounts.

2. Tenants/Occupants Becoming Customers:

a. The City is not required to make service available to the tenants/occupants unless each tenant/occupant agrees to the terms and conditions for service and meets the City's requirements and rules.

b. However, if (i) one or more of the tenants/occupants assumes responsibility for subsequent charges to the account to the City's satisfaction, or (ii) there is a physical means to selectively discontinue service to those tenants/occupants who have not met the City's requirements, then the City may make service available only to those tenants/occupants who have met the requirements.

c. If prior service for a particular length of time is a condition to establish credit with the City, then residence at the property and proof of prompt payment of rent or other credit obligation acceptable to the City, is a satisfactory equivalent.

III. Alternative Payment Arrangements: For any customer who meets the three conditions under Section II(B), above, in accordance with the process set forth in Section II(C), above, the City shall offer the customer one or more of the following alternative payment arrangements, to be selected by the City in its discretion: (i) amortization of the unpaid balance under Subdivision (A), below; (ii) alternative payment schedule under Subdivision (B), below; or (iii) temporary deferral of payment under Subdivision (C), below. The Finance Director, 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 water service may, if the City has selected this alternative, enter into an amortization plan on the following terms:

1. Term: The customer shall pay the unpaid balance, with the administrative fee and interest as specified in Subdivision (2), below, over a period not to exceed twelve (12) months, as determined by the Finance Director or his or her designee; provided, however, that the Finance Director or his or her designee, in their reasonable discretion, may apply an amortization term of longer than twelve (12) months to avoid 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 each month to the customer's ongoing monthly bills for water service.

2. Administrative Fee; Interest: For any approved amortization plan, the customer will be charged an administrative fee, in the amount established by the City from time to time, representing the cost of initiating

and administering the plan. At the discretion of the Finance Director or his or her designee, interest at an annual rate not to exceed eight percent (8%) shall be applied to any amounts to be amortized under this Subsection A.

3. Compliance with Plan: The customer must comply with 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. Where the customer fails to comply with the terms of the amortization plan for sixty (60) calendar days or more, or fails to pay the customer's current service charges for sixty (60) calendar days or more, the City may discontinue water service to the customer's property at least five (5) business days after posting 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 water service may, if the City has selected this alternative, enter into an alternative payment schedule for the unpaid balance in accordance with the following:

1. Repayment Period: The customer shall pay the unpaid balance, with the administrative fee and interest as specified in Subdivision (2), below, over a period not to exceed twelve (12) months, as determined by the Finance Director or his or her designee; provided, however, that the Finance Director or his or her designee, in their reasonable discretion, may extend the repayment period for longer than twelve (12) months to avoid undue hardship on the customer.

2. 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 of initiating and administering the schedule. At the discretion of the Finance Director or his or her designee, interest at an annual rate not to exceed eight percent (8%) shall be applied to any amounts to be paid under this Subsection B.

3. Schedule: After consulting with the customer and considering the customer's financial limitations, the Finance Director 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 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, subject to Subdivision (1), above, the unpaid balance and administrative fee shall be paid in full within twelve (12) months of establishment of the payment schedule. The agreed upon schedule shall be set forth in writing and be provided to the customer.

4. 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 the customer's current service charges for sixty (60) calendar days or more, the City may discontinue water service to the customer's property at least five (5) business days after posting at the customer's residence a final notice of its intent to discontinue service.

C. Temporary Deferral of Payment: Any customer who is unable to pay for water service may, if the City has selected this alternative, have payment of 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 of a deferral shall be provided to the customer.

1. Repayment Period: The customer shall pay the unpaid balance by the deferral date (the "Deferred Payment Date") determined by the Finance Director or his or her designee. The Deferral Payment Date shall be within twelve (12) months from the date the unpaid balance became delinquent; provided, however, that the Finance Director or his or her designee, in their reasonable discretion, may establish a Deferred Payment Date beyond that twelve (12) month period to avoid undue hardship on the customer.

2. Compliance with Reduced Payment Date: The customer must pay the reduced balance 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 payment amount within sixty (60) calendar days after the Deferred Payment Date, or fails to pay the customer's current service charges for sixty (60) calendar days or more, the City may discontinue water service to the customer's property at least five (5) business days after posting at the customer's residence a final notice of its intent to discontinue service.

IV. Appeals: The procedure to be used to appeal the amount set forth in any bill for residential water service is set forth below.

A. Initial Appeal: Within twenty (20) days of receipt of the bill for water service, the customer has a right to initiate an appeal or review of any bill or charge. Such request must be made in writing and be delivered to the City's office. For so long as the customer's appeal and any resulting investigation is pending, the City cannot discontinue water service to the customer.

B. Overdue Notice Appeal: In addition to the appeal rights provided under Subsection A, above, any customer who receives an Overdue Notice may request an appeal or review of the bill to which the Overdue Notice relates at least five business (5) days after the date of the Overdue Notice if the customer alleges the bill is in error with respect to the quantity of water consumption set forth on that bill; provided, however, that no such appeal or review rights shall apply to any bill for which an appeal or request for review under Subsection A, above, has been made. Any appeal or request for review under this Subsection B must be in writing and must include documentation supporting the appeal or the reason for the review. The request for an appeal or review must be delivered to the

City's office within that five (5) business day period. For so long as the customer's appeal and any resulting investigation is pending, the City cannot discontinue water service to the customer.

C. **Appeal Hearing:** Following receipt of a request for an appeal or review under Subsections A or B, above, a hearing date shall be promptly set before a Hearing Officer. After evaluation of the evidence provided by the customer and the information on file with the City concerning the water charges in question, the Hearing Officer shall render a decision as to the accuracy of the water charges set forth on the bill and shall provide the appealing customer with a brief written summary of the decision.

1. If water 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 revised charges. If the revised charges remain unpaid for more than sixty (60) calendar days after the corrected invoice is provided, water service will be disconnected, on the next regular working day after expiration of that sixty (60) calendar day period; provided that the City shall provide the customer with the Overdue Notice in accordance with Section II(A)(1), above. Water service will only be restored upon full payment of all outstanding water charges, fees, and any and all applicable reconnection charges.

2. If the water charges in question are determined to be correct, the water charges are due and payable within two (2) business days after the Hearing Officer's decision is rendered. In the event the charges are not paid in full within sixty (60) calendar days after the original billing date, then the City shall provide with the Overdue Notice in accordance with Section II(A)(1), above, and may then proceed in potentially discontinuing service to the customer's property.

V. **Restoration of Service:** In order to resume or continue service that has been discontinued due to non-payment, the customer must pay a security deposit and a Reconnection Fee established by the City, subject to the limitation set forth in Section II(D)(1), above. The City will endeavor to make such reconnection as soon as practicable as a convenience to the customer. The City shall make the reconnection no later than the end of the next regular working day following the customer's request and payment of any applicable Reconnection Fee.

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