

**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 regarding the discontinuation of residential water service for non-payment, 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 Utility Billing Customer Service at 909-364-2660.

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

A. Rendering and Payment of Bills: Bills for water service will be rendered to each customer on a monthly basis unless otherwise provided for in the rate schedules. Bills for service are due and payable upon presentation and subject to discontinuation of service if not paid within sixty (60) days from the date of the bill. Payment may be made at the office or to any representative authorized to make collections. However, it is the customer's responsibility to assure that payments are received at the specified location in a timely manner. Partial payments are not authorized unless prior approval has been received. Bills will be computed as follows:

1. Meters will be read at regular intervals for the preparation of periodic bills and as required for the preparation of opening bills, closing bills and special bills.
2. Bills for metered service will show the meter reading for the current and previous meter reading period for which the bill is rendered, the number of units, date, and days of service for the current meter reading.
3. Billings shall be paid in legal tender of the United States of America. Notwithstanding the foregoing, the City of Chino Hills (City) shall have the right to refuse any payment of such billings in coin.

B. Delinquent Bills: Notwithstanding any other provision in this Policy, residential water service shall not be discontinued for nonpayment until a payment by a customer has been delinquent for at least sixty (60) days following the bill date. The following rules apply to customers whose bills are delinquent:

1. Delinquent Notice: If payment for a bill rendered is not made on or before the twenty-seventh (27th) day following the bill date, a notice of delinquent payment (the “Delinquent Notice”) will be mailed to the water service customer on the twenty-eighth (28th) day following the bill date which must be at least fifteen (15) calendar days prior to the possible discontinuation of service date identified in the Delinquent Notice.

2. Shut-Off Notice: If payment for a bill rendered is not made on or before the forty-fifth (45th) day following the bill date, a notice of delinquent payment (the “Shut-Off Notice”) will be mailed to the water service customer at least seven (7) business days prior to the possible discontinuation of service date identified in the Shut-Off 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 Shut-Off Notice must also be sent to the address of the property served, addressed to “Occupant.” The Shut-Off 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(D), 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, reduced 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 for alternative payments, as described in Section III, below, and the procedures for review and appeal of the customer’s bill, as described in Section IV, below.

3. Unable to Contact Customer: If the City is not able to contact the customer by written notice because the mailed notice is returned as undeliverable or by telephone, 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.

4. Reasonable Attempt to Contact 24 Hours Before Shut-Off: The City shall make a reasonable attempt to contact an adult person residing at the premises of the customer by telephone or personal contact, at least 24 hours

prior to any termination of service to inform them of the upcoming termination, but if telephone or personal contact is not possible, then the City shall give, by mail, in person, or by posting in a conspicuous location at the premises, a notice of termination of service, at least 48 hours prior to termination as required by California Public Utilities Code § 10010.1.

5. Late Charge: A Late Charge, 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 Shut-Off Notice is generated.

6. Shut-Off Deadline: Payment for water service charges must be received in the City's offices on the date specified in the Shut-Off Notice no later than 3:30 p.m. Monday through Thursday and no later than 2:30 p.m. on Friday. Postmarks are not acceptable.

7. Notification of Returned Payment: Upon receipt of a returned payment rendered as remittance for utility service or other charges, the City will consider the account not paid. The City will attempt to notify the customer in person and leave a notice of termination of water service at the premises. Water service will be disconnected if the amount of the returned payment and returned payment charge are not paid by the due date specified on the notice, which due date shall not be sooner than the date specified in the Shut-Off Notice; or if a Shut-Off Notice had not been previously provided, no sooner than the sixtieth (60th) day after the bill for which payment by the returned payment had been made. To redeem a returned payment and to pay a returned payment charge, all amounts owing must be paid by cash or certified funds.

8. Returned Payment Tendered as Payment for Water Service Disconnected for Nonpayment:

a) If the payment tendered and accepted as payment which resulted in restoring service to an account that had been disconnected for nonpayment is returned as non-negotiable, the City may disconnect said water service upon at least three (3) calendar days' written notice. The customer's account may only be reinstated by receipt of outstanding charges in the form of cash or certified funds. Once the customer's account has been reinstated, the account will be flagged for a one-year period indicating the fact that a non-negotiable payment was issued by the customer.

b) If at any time during the one year period described above, the customer's account is again disconnected for nonpayment, the City may require the customer to pay cash or certified funds to have that water service restored.

C. 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.

D. Process for Determination of Conditions Prohibiting Discontinuation of Service: The burden of proving compliance with the conditions described in Subdivision (C), 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 (C)(1), financial inability under Subdivision (C)(2) and willingness to enter into any alternative payment arrangement under Subdivision (C)(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. If the City has requested additional information, the customer shall provide that requested information within five (5) calendar days of receipt of the City’s request. Within five (5) calendar days of its receipt of that additional information, the City shall either notify the customer in writing that the customer does not meet the conditions under Subdivision (C), above, or notify the customer in writing 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 (C), 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 Shut-Off Notice.

E. 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 Consumer Price Index for the Los Angeles-Long Beach-Anaheim metropolitan area beginning January 1, 2021.

2. Interest Waiver: The City shall not impose any interest charges on delinquent bills.

F. 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 if the property is a multi-unit residential structure or mobile home park, or 7 calendar days prior if the property is a detached single-family dwelling, 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 for that length of time, to the City's satisfaction, is a satisfactory equivalent.

d. If a tenant/occupant becomes a customer of the City and the tenant's/occupant's rent payments include charges for residential water service where those charges are not separately stated, the tenant/occupant may deduct from future rent payments all reasonable charges paid to the City during the prior payment period.

III. Alternative Payment Arrangements: For any customer who meets the three conditions under Section II(C), above, in accordance with the process set forth in Section II(D), 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; (iii) reduction of unpaid balance under Subdivision (C), below; or (iv) temporary deferral of payment under Subdivision (D), 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 within the normal payment period and meets the three conditions under Section II(C), above, as the City shall confirm, 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 ten percent (10%) 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 within the normal payment period and meets the three conditions under Section II(C), above, as the City shall confirm, 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 resolution, 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 ten percent (10%) 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. Reduction of Unpaid Balance: The City offers a \$10 discount on the monthly water meter charge through the Low-Income Rate Assistance (LIRA) program. More information can be found on the City's website at <https://www.chinohills.org/1406/Low-Income-Rate-Assistance>.

D. Temporary Deferral of Payment: Any customer who is unable to pay for water service within the normal payment period and meets the three conditions under Section II(C), above, as the City shall confirm, 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 Supplier 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 customer shall be limited to three (3) unsuccessful appeals in any twelve (12) month period and if that limit has been reached, the City is not required to consider any subsequent appeals commenced by or on behalf of that customer.

A. Initial Appeal: Within thirty (30) days of the date of the bill, the customer has a right to initiate an appeal or review of any bill or charge. The Appeal Request Form can be found on the City's website at <https://www.chinohills.org/879/Online-Payments>. Such request must be made in writing and be delivered to the City's Finance Department. For so long as the customer's appeal and any resulting investigation is pending, the City cannot discontinue water service to the customer. Following receipt of a request for an appeal, the Finance Director shall conduct an evaluation of the evidence provided by the customer and the information on file with the City concerning the water charges in question. The Finance Director 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. If the customer is not satisfied with the Finance Director's decision, the customer can request the appeal be reviewed by the City Manager.

B. Shut-Off Notice Appeal: In addition to the appeal rights provided under Subsection A, above, any customer who receives a Shut-Off Notice may request an appeal or review of the bill to which the Shut-Off Notice relates at least five business (5) days after the date of the Shut-Off 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 Finance Department 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, the City Manager shall conduct an evaluation of the evidence provided by the customer and the information on file with the City concerning the water charges in question. The City Manager 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 bill and payment of the revised charges will be due within ten (10) calendar days of the bill date for revised charges. If the revised charges remain unpaid for more than sixty (60) calendar days after the corrected bill 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 Shut-Off Notice in accordance with Section II(B)(2), above. Water service will only be restored upon full payment of all outstanding utility charges, fees, and any and all applicable lock-off/reconnection charges.

2. (a) 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 Finance Director's and/or City Manager's decision is rendered. At the time

the decision is rendered, the customer will be advised of the right to further appeal before the City Council. Any such appeal must be filed in writing within twenty (20) calendar days after the City Manager's decision is rendered if the appeal or review is an initial appeal under Subdivision A above, or within three (3) calendar days if the appeal or review is a Shut-Off Notice appeal under Subdivision B, above. The appeal hearing will be scheduled in accordance with Chino Hills Municipal Code Section 1.20.030.

3. When a hearing before the City Council is requested, such request shall be made in writing and delivered to the City Clerk's office. The customer will be required to personally appear before the City Council and present evidence and reasons as to why the water charges on the bill in question are not accurate. The City Council shall evaluate the evidence presented by the customer, as well as the information on file with the City concerning the water charges in question, and render a decision as to the accuracy of said charges.

a) If the City Council finds the water charges in question are incorrect, the customer will be billed for the revised charges. If the revised charges remain unpaid for more than sixty (60) calendar days after the corrected bill 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 Shut-Off Notice in accordance with Section II(B)(2), above. Water service will be restored only after outstanding utility charges and any and all applicable lock-off/reconnection charges are paid in full.

b) 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 decision of the City Council is rendered. In the event the charges are not paid in full within sixty (60) calendar days after the original billing date, then the Supplier shall provide with the Shut-Off Notice in accordance with Section II(B)(2), above, and may proceed in potentially discontinuing service to the customer's property.

c) Any overcharges will be reflected as a credit on the next regular bill to the customer, or refunded directly to the customer, at the sole discretion of the City Council.

d) Water service to any customer shall not be discontinued at any time during which the customer's appeal to the City or its City Council is pending.

e) The City Council's decision is final and binding.

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 Lock-Off/Reconnection Fee established by the City, subject to the limitation set forth in Section II(E)(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 Lock-Off/Reconnection Fee.