

**RULE FOUR
CITY OF SOUTH GATE
POLICY ON DISCONTINUATION OF
RESIDENTIAL WATER SERVICE FOR NON-PAYMENT**

Notwithstanding any other policy or rule of the City of South Gate (City), this Policy on Discontinuation of Residential Water Service for Non-Payment shall apply to the City's 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 of the City, this Policy shall prevail.

I. Application of Policy; Contact Telephone Number: This policy shall apply to all water service accounts. The City can be reached at (323) 563-9586 for assistance concerning the payment of water bills and the potential establishment of the alternatives set forth in this policy to avoid discontinuation of service.

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 City's rate schedules. Bills for service are due and payable on the bill's due date and become overdue and subject to discontinuation of service if not paid within sixty (60) calendar days from the date of the bill. Payment may be made at the City's Water Customer Service Division office, the drop box located at City Hall, or the City's website. However, it is the customer's responsibility to assure that payments are received at the City's office in a timely manner. Partial payments are not authorized unless prior approval has been received from the City. 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 and the number of units of service for the current meter reading.
3. City billings shall be paid in legal tender of the United States of America. Notwithstanding the foregoing, the City shall have the right to refuse any payment of such billings in coin.

B. Overdue Bills: The following rules apply to customers whose bills remain unpaid for more than sixty (60) calendar days following the invoice date:

1. Small Balance Accounts: If a balance is \$20.00 or less and remains unpaid on any billing, it shall be carried over and added to the next billing period.

2. Overdue Notice: If payment for a bill rendered is not made on or before the forty-fifth (45th) calendar day following the invoice date, a notice of overdue payment (the "Overdue 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 Overdue Notice. No residential shutoffs for non-payment will occur until an account is at least 60 days delinquent. 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 (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 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 (e.g., a 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. Late Charge: A Late Charge, as specified in the City's 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.

5. Turn-Off Deadline: Payment for water service charges must be received in the City offices no later than 5:30 p.m. on the date specified in the Overdue Notice. Postmarks are not acceptable.
 6. Notification of Returned Check: Upon receipt of a returned check rendered as remittance for water 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 discontinuation of water service at the premises. Water service will be disconnected if the amount of the returned check and returned check 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 Insufficient Check Notice; or if an Insufficient Check Notice had not been previously provided, no sooner than the sixtieth (60th) calendar day after the bill for which payment by the returned check had been made. To redeem a returned check and to pay a returned check charge, all amounts owing must be paid by cash, credit or debit card or cashier's check.
 7. Returned Check Tendered as Payment for Water Service Disconnected for Nonpayment: **WHEN SERVICE IS TURNED OFF FOR NON-PAYMENT IT MUST BE PAID BY CASH, CREDIT OR DEBIT CARD, OR CASHIER'S CHECK ONLY.**
 - a) If at any time, the customer's account is again disconnected for non-payment, the City may require the customer to pay with cash, credit or debit card or cashier's check to have the 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; and

3. Alternative Payment Arrangements –The customer is willing to enter into an alternative payment schedule 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 Section II (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 Section II (C)(1) or financial inability under Section II (C)(2) and willingness to enter into any alternative payment arrangement under Section II (C)(3) as far in advance of any proposed date for discontinuation of service as possible. Upon receipt of such documentation, the City's Director of Administrative Services, 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 seven (7) calendar days of receipt of the City's request. Within seven (7) 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 Section II (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 Section II (C), above, must pay the delinquent amount, including any penalties and other charges, owing to the City within the latter of: (i) five (5) calendar days after the date of notification from the City of the City's determination that the customer failed to meet those conditions or (ii) the date of the impending service discontinuation, as specified in the Overdue 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. 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 will be \$36.77 and reconnection fees during non-operational hours will be \$150.00. 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. If the property is a detached single-family dwelling, multi-unit residential structure or mobile home park, 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 Section II (F)(2) below), without having to pay any of the then delinquent amounts. Tenants/occupants are required to pay a \$204.28 refundable deposit when signing up for service in their name.

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.

III. Alternative Payment Arrangements: The City shall offer the customer alternative payment arrangements to be selected by the City and resident. There are no conditions to entering into an alternative payment plan. The Director of Administrative Services, 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 District's payment needs.

A. Alternative Payment Schedule: Any customer who is unable to pay for water service within the City's normal payment period, may request an alternative payment plan by contacting the City in person, by telephone (323) 563-9586, or by email – utilitybilling@sogate.org, to 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 over a period of twelve (12) months, as determined by the City's Director of Administrative Services or his/her designee; provided, however, that the City's Director of Administrative Services or his/her designee, in their reasonable discretion, may extend the repayment period for longer than twelve (12) months to avoid undue hardship on the customer. To request an extension, please contact the City in person, by telephone (323) 563-9586, or by email – utilitybilling@sogate.org before your agreed upon alternative schedule expires.
2. Schedule: After consulting with the customer and considering the customer's financial limitations, the City's Director of Administrative Services 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, subject to Section III (A)(1), above, the unpaid balance 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.
3. Compliance with Plan: The customer must comply with the agreed upon payment schedule and remain current as charges are billed 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 several (7) calendar days after the City posts 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 as follows:

A. Initial Appeal: Within ten (10) calendar 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 rendered by the City. Such request must be made in writing and be delivered to the City's

Water Customer Service Division. 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 Section IV (A), above, any customer who receives a Delinquent Notice may request an appeal or review of the bill to which the Delinquent Notice relates at least seven (7) calendar days after the date of the Delinquent 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 Section IV (A), above, has been made. Any appeal or request for review under this Section IV (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 Water Customer Service Division within that seven (7) calendar 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 Sections IV (A) or (B) above, a hearing date shall be promptly set before the 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 an adjustment to the account and the revised charges will be due within ten (10) calendar days of the adjustment for revised charges. If the revised charges remain unpaid for more than sixty (60) calendar days after the adjustment 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 Delinquent Notice in accordance with Section II (B)(2), above. Water service will only be restored upon full payment of all outstanding water charges, penalties 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 five (5) calendar days after the Hearing Officer's decision is rendered. **At the time the Hearing Officer's decision is rendered, the customer will be advised of the right to further appeal before the City's Director of Administrative Services.** Any such appeal must be filed in writing within seven (7) calendar days after the Hearing Officer's decision is rendered if the appeal or review is an initial appeal under Section IV (A) above or within three (3) calendar days if the appeal or review is a Delinquent Notice appeal under Section IV (B) above. The

appeal hearing will occur within seven (7) calendar days with City's Director of Administrative Services, unless the customer and City agree to a later date.

(b) For an initial appeal under Section IV (A) above, if the customer does not timely appeal to the City's Hearing Officer, the water charges in question shall be immediately due and payable. 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 customer with the Delinquent Notice in accordance with Section II (B)(2) above and may proceed in potentially discontinuing service to the customer's property.

(c) For an Overdue Notice appeal under Section IV (B) above, if the customer does not timely appeal to the Hearing Officer, then water service to the subject property may be discontinued on written or telephonic notice to the customer to be given at least twenty-four (24) hours after the latter of: (i) expiration of the original sixty (60) calendar day notice period set forth in the Overdue Notice or (ii) the expiration of the appeal period.

3. When a secondary hearing before the City's Director of Administrative Services is requested, such request shall also be made in writing and delivered to the City's Water Customer Service Division at its City Hall office. The customer will be required to personally appear before the City's Director of Administrative Services and present evidence and reasons as to why the water charges on the bill in question are not accurate. The City's Director of Administrative Services 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's Director of Administrative Services finds the water charges in question are incorrect, the customer will receive an adjustment on their account for the 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 Delinquent Notice in accordance with Section II (B)(2) above. Water service will be restored only after outstanding water charges and any and all applicable 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 five (5) calendar days after the decision of the City's Director of Administrative Services 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 the customer with the Delinquent 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 at the sole discretion of the City.
- 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's Director of Administrative Services is pending.
- e) The decision of the City's Director of Administrative Services is final and binding.

V. **Restoration of Service:** In order to resume or continue service that has been discontinued by the City due to non-payment, the customer must pay a 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 reconnection fee.