



MONTECITO WATER DISTRICT

DISCONTINUATION OF WATER SERVICE FOR NONPAYMENT POLICY

Exhibit "A" of Resolution No. 2288

Adopted: January 28, 2020

Updated: June 25, 2024

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Montecito Water District

DISCONTINUATION FOR NONPAYMENT POLICY

The mission of Montecito Water District is to *provide an adequate and reliable supply of high-quality water to the residents of the Montecito and Summerland communities at the most reasonable cost*. In addition to supplying high quality water, the Board is also authorized to do any act necessary to furnish sufficient water in the District for any present or future beneficial use.

Purpose

The Montecito Water District (“District”) is authorized to establish rules and regulations for the sale, distribution, and use of water, and may therein provide that water shall not be furnished to persons with delinquent accounts. [Water Code §31024]

The “Water Shutoff Protection Act” (“WSPA”), enacted in September 2018, is intended to minimize the number of Californians who lose access to water service due to an inability to pay by providing procedural protections before residential water service can be discontinued. These protections apply to water service provided by urban and community water systems, defined by the WSPA as public water systems that supply water to more than 200 service connections. As an urban or community water system that provides water to more than 200 service accounts, the District must comply with the requirements of the WSPA.

This written policy satisfies the requirements of the WSPA and enumerates the administrative actions and procedures of the District for the collection of delinquent accounts including notifications, fee assessments, and discontinuation of service for all customer types. This policy is available to the public on the District’s website. In addition, the District may be contacted by phone at (805) 969-2271 to discuss options for averting discontinuation of water service for nonpayment under the terms of this policy.

Text of Policy

Delinquent Account:

Delinquent accounts are hereby defined as any account that remains unpaid (and without having made alternative payment arrangements) by the close of business on the due date, which due date is set forth on the monthly water bill.

The following rules apply to the collection of delinquent accounts:

A. **Small Balance Accounts**

Any account balance of \$50.00 or less is not considered delinquent and may be carried over and added to the next billing period, however a late fee will be assessed on the outstanding account balance in accordance with Section D of this policy.

B. Alternative Payment Arrangements

Any customer that is unable to pay for water service within the normal payment period may request an alternate payment arrangement to avoid additional fees and/or service disruption. The District will not discontinue water service for non-payment if a customer has requested and entered into an alternative payment arrangement.

The District will review the circumstances surrounding the request and make a determination in its sole discretion as to which alternate payment arrangement will be authorized, which may include amortization of the unpaid balance, a schedule for alternative payments, and/or temporary deferral/reduction of payments. The District will assess the amount of the bill and determine the number of periods in which the delinquency may be repaid or deferred. Payment arrangements that extend into the next billing period are considered an amortization plan, which must be in writing and signed by the customer. A sample written payment plan is attached. An amortization plan will amortize the past-due balance over a period not to exceed twelve (12) months from the original due date, unless otherwise approved by the General Manager. The amortized payments will be combined with, and subject to the due date of, the customer's regular monthly bill. The customer must comply with the terms of 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.

C. Past Due Reminder

Notice is provided in writing via a mailed "Past Due Reminder". The Past Due Reminder notice is mailed to the customer's billing address on file (which may differ from the service address) on or about the 15th day of the month following the due date. Notice is not mailed to Small Balance Accounts as detailed above. The Past Due Reminder includes the following information;

- Customer's name and address
- Past due amount
- The date by which payment or arrangement for payment is required to avoid discontinuation of service
- Description of the process to apply for extension of time to pay the past due amount
- Description of the procedure to petition for bill review and appeal
- Description of the procedure to request a deferred, reduced or alternative payment schedule

D. Late Fee

If payment is not received by the 15th day of the month following the due date (unless it falls on a weekend or holiday in which case by the next business day) as set forth on the subject water bill and therefore becomes delinquent, a 6% late fee is assessed on the outstanding account balance. At the request of the customer, the District will waive a late fee if there are extenuating circumstances, and a late fee has not been waived in the previous 12 months.

E. Final Discontinuation Notice

The District will not discontinue water service for non-payment until a payment has been delinquent for a minimum of sixty (60) days. The District will provide the customer with a final discontinuation notice no less than seven (7) business days before termination of service for non-payment. The final discontinuation notice will be delivered to the service address in the form of a door hanger, and the account will be assessed a Final Discontinuation Notice fee in accordance with the “Schedule of Miscellaneous Fees and Charges” in effect at that time.

i. Notice to Tenant(s)/Occupant(s) in an Individually Metered Residence

The District informs the tenants/occupants, by means of the Final Discontinuation Notice, when the water service account is delinquent and subject to discontinuation at least seven (7) business days before termination of service for non-payment. The written notice will advise the tenant(s)/occupant(s) that they have the right to become customers of the District 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 service address and agree to be subject to District rules and regulations related to water service. In order for the amount due on the delinquent account to be waived, the tenant(s)/occupant(s) must provide verification of tenancy in the form of a rental agreement or proof of rent payments.

ii. Notice to Tenants/Occupants in a Multi-Unit Complex served through a Master Meter

The District informs the tenants/occupants, by means of the Final Discontinuation Notice hung on the door of each residence, when the water service account is delinquent and subject to disconnection at least ten (10) days before termination of service for non-payment. The written notice will advise the tenants/occupants that they have the right to become customers of the District 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 agree to be subject to District rules and regulations related to water service. If one or more of the tenants/occupants are willing and able to assume responsibility for the subsequent charges for water service to the satisfaction of the District, or if there is a physical means, legally available to the District, of selectively terminating service to those tenants/occupants who have not met the requirements for service, the District will make service available to the occupants who have met those requirements.

F. Twenty-four (24) Hour Courtesy Call

The District will make a reasonable, good faith effort to notify the customer within 24 hours of the scheduled service discontinuation of water service for nonpayment. The means of notification will be by telephone. The courtesy call is not mandatory, is intended as a courtesy, and failure of the District to make the notification or failure by the customer to receive the notification shall not constitute an acceptable reason for non-payment or delay of discontinuation.

G. Disconnection of Water Service for Non-Payment

All delinquent past due amounts and associated fees must be received by the District by 5:00 p.m. on the date specified in the Past Due Reminder and Final Discontinuation Notice.

The District will discontinue water service by turning off, and in some cases locking off, the meter, and the account will be assessed a Disconnection of Water Service fee in accordance with the “Schedule of Miscellaneous Fees and Charges” in effect at that time.

Before service is disconnected, the customer will be notified by a Past Due Reminder, a Final Discontinuation Notice, and a Twenty-four (24) Hour Courtesy Call.

H. Re-establishment of Service

To resume or continue service that has been discontinued for nonpayment, the customer must pay a Reestablishment of Service fee in accordance with the “Schedule of Miscellaneous Fees and Charges” in effect at that time. The District will attempt to reconnect the service as soon as practicable but, at a minimum, will restore service before the end of the next business day following receipt of payment of all delinquent past due amounts and associated fees. District staff responding to service calls are not permitted to collect payment but will instruct the customer to contact the billing department during normal business hours.

Water service that is turned on by any person other than District personnel or without District authorization is a violation of District Ordinances, and subject to District action to halt and/or restrain such activity as authorized by the Water Code. Any damage that occurs to the meter, meter box, meter reading equipment, and adjacent piping/appurtenances as a result of unauthorized restoration of service are the responsibility of the customer.

I. Disputing/Appealing a Bill

Customers may appeal a decision of the General Manager or his/her designee under this policy to the Board of Directors by filing a written appeal with the District within 30 days of written notice of the General Manager’s decision. Such an appeal will be governed by the procedures set forth in Section 9 of District Ordinance No. 82. Water service will not be discontinued if an appeal is pending.

J. Special Circumstances

Special circumstances may exist in which the District will not discontinue water service for non-payment if all of the following conditions are met:

- **Certification of a Primary Care Provider:** The customer must provide a certification of a primary care provider, as that term is defined in subparagraph (A) of paragraph (1) of subdivision (b) of Section 14088 of the Welfare and Institutions Code, that discontinuation of water service will be life threatening to or will poses a serious threat to health and safety of, a resident of the premises where the residential service is provided.

- **Financially Unable to Pay:** The customer must demonstrate he/she is financially unable to pay for residential water service within the District's normal billing cycle. The customer shall be deemed financially unable to pay for residential service if 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 the customer declares that the household's annual income is less than 200 percent of the federal poverty level.
- **Alternative Payment Arrangement:** The customer is willing to enter into an amortization agreement, alternate payment schedule, or a plan for deferred to reduced payment, consistent with this policy.

[SAMPLE PAYMENT PLAN]

JAN 13, 2020

SOMEONE ELSE
123 Street Ave
Santa Barbara, CA 93108

Service Address:
123 Street Ave
Santa Barbara, CA 93108

RE: XX-XXXX-XX

Dear Someone,

This letter is to confirm your recent request to make monthly payments to pay down your bill of \$X,XXX.XX to bring your account current. Montecito Water District will, at times, allow a short extension to customers. With that said, we will extend you a twelve-month installment plan and offer a payment schedule as follows:

01/30/2020	Payment of \$151.00 + Jan Water Bill
02/27/2020	Payment of \$151.00 + Feb Water Bill
03/30/2020	Payment of \$151.00 + Mar Water Bill
04/29/2020	Payment of \$151.00 + Apr Water Bill
05/28/2020	Payment of \$151.00 + May Water Bill
06/29/2020	Payment of \$151.00 + Jun Water Bill
07/30/2020	Payment of \$151.00 + Jul Water Bill
08/28/2020	Payment of \$151.00 + Aug Water Bill
09/29/2020	Payment of \$151.00 + Sep Water Bill
10/29/2020	Payment of \$151.00 + Oct Water Bill
11/27/2020	Payment of \$151.00 + Nov Water Bill
12/30/2020	Payment of \$151.00 + Dec Water Bill

In the event that payments are not received in accordance with the agreed upon terms, the District will apply a 6% late charge to your account.

Please sign below to indicate your agreement with the terms specified in this letter.

If you have any questions please contact me between 8 am and 4 pm weekdays at (805) 969-2271.

(Current BM Name)
Business Manager

cc: (Current GM Name), General Manager

I agree with payment terms as listed above:

SOMEONE ELSE

DATE