City of San Luis Obispo

Discontinuation of Residential Water Service for Non-Payment Policy

Prior to discontinuing the water service of any residential customer on account of nonpayment of duly owed water rates, charges, fees, or penalties, the City of San Luis Obispo ("City") will comply with the procedures and requirements of this Policy. This Policy is only applicable to the discontinuance of residential customer accounts based on nonpayment and does not preclude the City from discontinuing service for other unauthorized customer actions.

1. **Contact Information.** A residential customer may call the following phone number during normal business hours to discuss options to avert a service discontinuation: (805) 781-7133.

2. **Account Delinquency.** As provided in the City Municipal Code, a water/sewer bill is due and payable upon presentation to the customer. Account balances not collected in full on the due date stated in the bill are delinquent and subject to an applicable penalty, as stated in the Municipal Code.

3. **Delinquency Period Causing Discontinuation.** Residential water service may be discontinued for nonpayment if a required customer payment has been delinquent for at least sixty (60) days.

   Water service will not be discontinued on any Saturday, Sunday, legal holiday, or at any time during which the business offices of the City are not open to the public.

4. **Procedure for Discontinuing Service for Nonpayment.**

   a. At least seven (7) business days before discontinuing the customer’s service for nonpayment, the City will contact the customer in writing to warn of the impending service discontinuation, make available and explain the terms of this Policy, discuss options to avoid the service discontinuation, and provide other information required by law.

   b. The written notice described in Section 4(a) above will contain the following: (1) the customer’s name and address; (2) the delinquent amount; (3) the date by which payment or arrangement for payment is required in order to avoid service discontinuation; (4) a description of the process to apply for an extension of time to pay the delinquent rates, charges, or fees; (5) a description of the procedure to petition for bill review and appeal; and (6) a description of the procedure by which the customer may request a deferred, reduced, or alternative payment schedule, including an amortization of the delinquent residential service charges consistent with this Policy.

   c. If the written notice described in Section 4(a) is returned as undeliverable, the City will post at a conspicuous location at the premises a notice of discontinuation of service at least 48 hours prior to discontinuation.

5. **Bill Review and Appeal.** Any customer in receipt of a notice of impending service discontinuation may appeal the delinquent rates, charges, fees, or penalties giving rise to the discontinuation notice, unless an appeal of the same rates, charges, or fees has previously been received and resolved. The customer shall file the appeal within five (5) business days of receiving the notice of delinquency by delivering a written notice of appeal that explains the basis for the appeal, including an explanation of any alleged errors in the City’s billing practices, the
date of the appealed bill, and the amount of the bill that is being appealed. The appeal will be reviewed, heard, and resolved in accordance with the following procedure:

a. The Utilities department will review the appeal form and all materials submitted in support of the appeal and will issue a decision in accordance with the Utility Billing Adjustment Committee Policy adopted by Resolution No 8032 (1992 Series).

b. The Utilities department may grant the appeal and adjust or rescind the delinquent rate, charge, or fee under the following circumstances:

i. The rate, charge, fee, or penalty was erroneously calculated and therefore imposed in error;

ii. In accordance with City’s Utility Billing Adjustment Committee Policy.

iii. The customer qualifies for an adjustment pursuant to City Municipal Code section 13.04.130.

c. The Utilities department will mail or email the decision to the appellant.

d. The customer may appeal an adverse determination by the Utilities department to the Utility Billing Adjustment Committee by filing an appeal within ten (10) business days of the date of the decision by the Utilities department.

6. Deferred or Reduced Payments and Alternative Payment Schedules. The City may allow customers to defer, reduce, or enter into an amortization or alternative payment schedule for delinquent rates, charges, fees, or penalties, in accordance with the terms of this Section.

a. Reductions in delinquent rates, charges, fees, or penalties may be granted only in the event of circumstances in Section 5 of this Policy.

b. One late fee or penalty may be waived every twelve months.

c. Delinquent rates, charges, or fees may be deferred or amortized using an alternative payment schedule that complies with the following:

i. Requests for deferral, amortization, or alternative payment schedules must be received by the City no less than one business day prior to the discontinuation date stated in the notice required by Section 4 of this Policy.

ii. Any payment plan will result in repayment of the delinquent amount within twelve (12) months.

iii. If the customer fails to comply with the agreed-upon plan or does not pay their current residential service charges for sixty (60) days or more, then service may be discontinued no sooner than five (5) business days after the City posts a final notice of intent to discontinue service in a prominent and conspicuous location at the customer’s property.
iv. No more than one amortization, deferral, or alternative payment schedule is allowed every twelve months, unless the customer otherwise meets the requirements of Section 7(d) of this policy.

7. **Prohibitions on Discontinuation.** Water service will not be discontinued for nonpayment under any of the following situations:

   a. During any appeal of the City’s decision to discontinue service.

   b. During the pendency of an investigation by the City of a customer dispute or complaint.

   c. During any period where the customer is in compliance with a duly authorized alternative payment schedule or a plan for deferred or reduced payment in accordance with Section 6 of this Policy.

   d. In situations where the customer satisfies all of the following three conditions, as declared in a form provided by the City (the “Low Income Certification Form”):

      i. The customer, or the customer’s tenant, submits a certification of a primary care provider that discontinuation of water service will be life threatening to, or pose a serious threat to the health and safety of, a resident of the premises serviced by the delinquent account;

      ii. The customer demonstrates that he or she is financially unable to pay for residential water service within the normal billing cycle by declaring in writing that one of the following circumstances applies: a 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 his or her household’s annual income is less than 200 percent of the federal poverty level. If one or more of these circumstances is demonstrated, then the customer is considered a “Low-Income Customer”; and

      iii. The customer is willing to enter into an amortization agreement, alternative payment schedule, or a plan for deferred or reduced payment for all delinquent charges in accordance with Section 6 of this Policy.

8. **Landlord-Tenant Relationships.** The provisions of this Section apply where the City provides service to residential occupants and the owner, manager, or operator of the dwelling, structure is the customer of record. In addition to providing notice to the property owner consistent with Section 4 of this Policy, the City will implement the following measures:

   a. At least ten (10) days prior to discontinuing service, the City will make a good faith effort to inform the residential occupants in writing that the dwelling unit’s account is delinquent, and that service will be terminated.

   b. The written notice will inform the occupants that they may become a customer of record and accept bills for the unit’s water service and that the occupants will not be held responsible for delinquent amounts owed by the existing customer of record. The written notice shall be in English and in the languages listed in Senate Bill 998.
c. The City is not required to make service available to the residential occupants unless the residential occupant agrees to the terms and conditions of service and meets the requirements of applicable law and the City’s rules.

d. Notwithstanding the foregoing, if the dwelling unit is a detached single-family dwelling unit, then the City will: (1) give notice to the occupant of service discontinuation at least seven (7) days prior to the proposed discontinuation; and (2) require the occupant to verify that the delinquent account customer was the landlord, manager, or agent of the dwelling unit. Verification may include a lease or rental agreement, rent receipts, or other government document.

9. **Restoring Service.** The City will promptly provide information regarding the procedures for restoring service to customers once their service is discontinued, including the payment of applicable reconnection service fees. For Low-Income Customers as defined in Section 7.d.ii the reconnection service fee will not exceed the City’s actual cost to reconnect water service, up to a maximum of $50 for reconnection during normal business and $150 outside of normal business hours. The fee may be annually adjusted for changes in the Consumer Price Index beginning July 1, 2020, if provided for in the City’s Miscellaneous Fee Schedule adopted by Resolution of the City Council.

10. **Reporting.** The City will report the number of annual discontinuations of residential service for nonpayment on the City’s website.