

CITY OF BREA  
ADMINISTRATIVE SERVICES DEPARTMENT  
ADMINISTRATIVE POLICY

**General Subject:** Utility Billing **Policy No.:**

**Specific Subject:** Discontinuation of Residential Water Service **Effective Date:** February 1, 2020

**Date Distributed:** January 29, 2020

**Copies to:** Cindy Russell, Administrative Services Director  
Faith Madrazo, Revenue and Budget Manager

**STATEMENT OF POLICY**

Senate Bill 998 establishes guidelines for the discontinuation of residential water service for nonpayment and requires every public water system with more than 200 service connections to have a written policy available in English, Spanish, Chinese, Korean, Tagalog, Vietnamese and any other language spoken by 10 percent or more of the City's population. It also states that every public water system must report annually on its website and to the State Water Resources Control Board the number of service discontinuations for nonpayment. The State Water Resources Control Board must post that information on its website. The City is required to comply with SB 998 by February 1, 2020

**STATEMENT OF PURPOSE**

This policy specifies the City of Brea's administrative actions for the discontinuation of residential water service. This policy is available to the public on the city's website. The City of Brea can be contacted by phone at (714)990-7687 to discuss options for averting discontinuation of water service for nonpayment under the terms of this policy. The policy includes the following:

- A plan for deferred or reduced payments
- Alternative payment schedules
- A formal mechanism for a customer to contest or appeal a bill
- A telephone number for a customer to contact to discuss options for averting discontinuation of water service

**GENERAL GUIDELINES**

- Residential water services will not be discontinued for nonpayment until a payment by a customer has been delinquent for at least 60 days.
- Customers will be notified of options for payment of delinquent accounts.
- Customers will be notified of guidelines to appeal a bill.
- Customers who demonstrate medical need and severe economic hardship will be notified of specified fees and options for alternative payment.

**DEPARTMENTAL RESPONSIBILITIES**

- The City of Brea will not discontinue residential service for nonpayment until a payment by a customer has been delinquent for at least 60 days. No less than seven business days before

discontinuation of residential service for nonpayment, the City of Brea will contact the customer named on the account by written notice or telephone.

- If the City of Brea contacts the customer on the account by written notice, the written notice of payment delinquency and impending discontinuation shall be mailed to the customer of the residence to which the residential service is provided or a tag will be hung in a conspicuous place at the residence. If the customer's address is not the address of the property to which residential service is provided, the notice shall also be sent to the address of the property to which residential service is provided, addressed to "Occupant."

The notice shall include:

- The customer's name and address
  - The amount of delinquency
  - The date by which payment or arrangement for payment is required in order to avoid discontinuation of residential service
  - A description of the process to apply for an extension of time to pay the delinquent charges.
  - An offer to provide a description of the procedure to petition for bill review and appeal.
  - An offer to provide a description of the procedure by which the customer may request a deferred, reduced, or alternative payment schedule, including amortization of the delinquent residential service charges.
- If the City of Brea contacts the customer by telephone, the City of Brea will offer to provide in writing to the customer the City of Brea's Discontinuation Policy of Residential Water Service for Nonpayment. The City of Brea will also discuss options to avert discontinuation of residential service for nonpayment, including but not limited to: alternative payment schedules, deferred payments, minimum payments, and procedures for requesting amortization of the unpaid balance, and petition for bill review and appeal.
  - If the City of Brea is unable to make contact with the customer or an adult occupying the residence by telephone, and written notice is returned through the mail as undeliverable, the City of Brea will make a good faith effort to visit the residence and leave in a conspicuous place a notice of imminent discontinuation of residential service for nonpayment and the City of Brea's Discontinuation Policy of Residential Water Service for Nonpayment.
  - After receiving a Final Notice/Disconnection Notice, the customer can contact the City of Brea Utility Billing Department at (714)990-7687 to discuss options to avert discontinuation of residential service including but not limited to deferred payments also known as payment extensions, alternative payment schedules that may include minimum payments and amortization also known as payment arrangements.
    1. **Extension of Payment of Bill**
      - a. Any customer who receives a Shut-Off Notice also known as a Hang Tag and is unable to pay by the due date may request a Payment Extension. The payment extension will allow for the unpaid balance to be split into no more than two payments with the second, final payment of the unpaid balance due by the 15<sup>th</sup> day of the following month.
      - b. If additional time is needed to pay the amount of the bill, the customer may apply for an alternative payment arrangement as described below.
    2. **Alternative Payment Arrangements-** Any customer who is unable to pay for water service by the 60<sup>th</sup> day after the bill is issued, may request an alternative payment arrangement to avoid additional fees or interruption of service. In

compliance with SB 998, the City of Brea will consider all circumstances surrounding the request and make a determination as to whether the payment arrangement is warranted.

a. Certification by Primary Care Provider

Certification by Primary Care Provider, General Practitioner, Obstetrician/Gynecologist, Pediatrician, Family Practice Physician, Primary Care clinic, Hospital, or Outpatient Clinic who certifies that the disruption of service will be life threatening or pose a serious threat to the health and safety of any resident of the premises where water service is provided will oblige the City to enter an amortized repayment plan.

b. Financially Unable to Pay

The customer demonstrates that he or she is financially unable to pay for residential service within the water system's normal billing cycle. The customer or any member of customer's household must be 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% of the federal poverty level.

c. Alternate Payment Schedule

Payment arrangements that extend into the next billing period are considered an amortization plan, also known as a Payment Plan. An amortization plan will amortize the unpaid balance into fixed payments over a period of time, not to exceed 12 months from the date of the approved payment plan. The City of Brea may grant a longer repayment period if it finds the longer period is necessary to avoid undue hardship to the customer based on the circumstances of the individual case.

The amortized payments will be due on a monthly basis. The customer must comply with the terms of the amortization plan and remain current as charges accrue in each subsequent billing period. Failure to comply with the terms of an amortization plan will result in the issuance of a written shut-off notice.

- **Restoration of Water Service**

When residential water service is discontinued for nonpayment, the City of Brea will provide the customer with information on how to restore residential service.

- Residential water services will be restored after all previous water charges, delinquent service charges, customer deposit, and disconnection/reconnection service charges are paid in full. The disconnection/reconnection service charge shall apply whenever water is discontinued for non-payment. The disconnection/reconnection service charges are applied to cover the City's administrative service costs. The disconnection/reconnection service charges do not exceed the administrative cost incurred. The current disconnection/reconnection fee is \$65.00. For a residential customer who demonstrates

a household income below 200 percent of the federal poverty line, the City of Brea shall do both of the following:

- Set a reconnection of service fee for reconnection during normal operating hours at fifty dollars (\$50), but not to exceed the actual cost of reconnection if it is less. Reconnection fees shall be subject to an annual adjustment for changes in the Consumer Price Index beginning January 1, 2021. The current fee for reconnection during normal operating hours is \$65.00 per User Fees adopted August 21, 2018.

For the reconnection of residential service during nonoperational hours, the reconnection of service fee shall be set at one hundred fifty dollars (\$150), but not to exceed the actual cost of reconnection if it is less. Reconnection fees shall be subject to an annual adjustment for changes in the Consumer Price Index beginning January 1, 2021.

- Waive a delinquent charge on delinquent bills once every 12 months. The City of Brea shall deem a residential customer to have a household income below 200 percent of the federal poverty line if any member of the 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.
- For Residential Tenants/Occupants in an Individually Metered Residence:
  - The City of Brea will make a reasonable, good faith effort to inform the occupants, by means of written notice hung on the door of the residence, when the water service account is in arrears and subject to interruption at least 7 days before water service is disrupted. The written notice will advise the tenant/occupant that they have the right to become customers of the City 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 address. In order for the amount due on the delinquent account to be waived, the tenant/occupant must provide verification of tenancy in the form of a rental agreement or proof of rent payments.

### **Appeal a Bill**

If an adult at the residence appeals the water bill to the City of Brea Utility Billing Division or the Director of Administrative Services, the city will not discontinue residential service while the appeal is pending. To appeal or dispute the water charges on a utility bill, the customer shall make written notice via email or regular mail of their intent to appeal and the reason for appealing. The written notice shall be emailed to [waterbilling@cityofbrea.net](mailto:waterbilling@cityofbrea.net) or via regular mail to: City of Brea, Attention: Administrative Services Director, 1 Civic Center Circle – 3<sup>rd</sup> floor, Brea, CA 92821.

**State Mandated Reporting**

The City of Brea shall report the number of annual discontinuations of residential service for inability to pay on the city's website at [www.cityofbrea.net](http://www.cityofbrea.net) and the State Water Resources Control Board.