

# **COLLECTION OF DELINQUENT WATER ACCOUNTS POLICY MARINA COAST WATER DISTRICT**

## **1.0. General**

The Marina Coast Water District (MCWD or District), as an agency of the State, formed as a special district under the County Water District Act, is governed in the execution of the collection of delinquent accounts by California Government Code Sections 60370 – 60375.5. Furthermore, as an urban or community water system that supplies water to more than 200 service connections, the District is further governed, effective by law February 1, 2020, by Senate Bill No. 998.

### **Application**

This Collection Policy applies to all collection actions on water and recycled water accounts of the District.

## **2.0. Changes in Laws and Regulations**

In the event an applicable law or regulation is modified or eliminated, or a new law or regulation is adopted, the revised law or regulation shall, to the extent inconsistent with this Policy, automatically supersede this Policy.

## **3.0. Definitions**

“Alternate (Amortized) Payment Arrangements” shall mean arrangements made at the request of the customer, who is unable to pay for water service within in the normal payment period and is determined by the District to be warranted.

“Delinquent Account” shall mean any account that remains unpaid (and without having made payment arrangements or established an alternative payment schedule) by close of business 30 days after issuance of the water bill.

“Late Fee” shall mean the fee assessed to a customer on any unpaid balance on the 30<sup>th</sup> day after the bill due date.

“Past Due Notice” shall mean written notice mailed to the customer by the District for unpaid balances 30 days past the due date.

“Waiver of Late Fee” shall mean the waiving of the late fee by the District, at the request of the customer, if there are extenuating circumstances and the customer has not assessed a late fee for delinquent payment in the preceding 6 months.

“Written Disconnection Notice” shall mean written notification of disconnection of service for nonpayment mailed to the customer by the District for accounts that are at least 60 days delinquent.

“48-Hour Notice” shall mean written notice in the form of door-tag to notify the customer 48 hours in advance of disconnection of water service for nonpayment.

“Notification of Disposition of Returned Check” means written notification in the form of a door-tag to notify the customer of termination of service within 48 hours of notice due to a returned check.

## 4.0. Procedures

The following procedures apply to the collection of delinquent accounts:

### 4.1 Late Fee

If payment for a bill is not received by close of business on the 30<sup>th</sup> day after the bill due date, a late fee of 10% of the past due amount will be assessed. The due date and late fee will be prominently on the bill.

### 4.2 Waiver of Late Fee

At the request of the customer, the District will waive the late fee if there are extenuating circumstances and the customer has not been assessed a late fee for delinquent payment in the preceding 6 months.

### 4.3 Waiver of Late Fee to the State of California

The State of California, because of a sound financial base and variations in budget approval and warrant payment procedures, will not be sent delinquent notices or assessed a late fee for delinquent payment of its accounts.

### 4.4 Alternative (Amortized) Payment Arrangements

Any customer who is unable to pay for water service within the normal payment period may request an alternative payment arrangement to avoid late fees or disruption of service. The District will consider all circumstances surrounding the request and make a determination as to whether the payment arrangement is warranted.

#### 4.4 a. Certification by Primary Care Provider

Certification by a Primary Care Provider (General Practitioner, Obstetrician, Gynecologist, Pediatrician, Family Practice Physician, Primary Care Clinic, Hospital, or Outpatient Clinic) who certifies that the termination 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 obligate the District to enter an amortized payment plan.

Payment arrangements that extend into the next billing period are considered an amortization plan, which must be in writing and signed by the customer. An amortization plan will amortize the unpaid balance over a period defined by the customer, not to exceed 12 months from the original date of the bill. The amortized payments will be combined with, and subject to the due date of, the customer's regular 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. Failure to comply with the terms of an amortization plan will result in the issuance of a written disconnection notice. The disconnection notice will be in the form of a door hanger delivered to the premises no less than 5 business days in advance of discontinuance of service.

#### 4.5 Written Disconnection Notice

The District shall not discontinue water service for nonpayment until payment by the customer has been delinquent for at least 60 days. The District will make a reasonable, good faith effort to contact the customer in writing at least 7 business days before the discontinuation of water service for nonpayment. The written disconnection notice will be mailed to the mailing address designated on the account. If the mailing address and the address of the property to which water service is provided are different, a second notice will be mailed to the service address and addressed to “Occupant”. The written disconnection notice will include:

- Customer’s name and address
- Amount that is past due
- Date by which payment or payment arrangements are required to avoid discontinuation of service
- Description of the process to apply for an amortization plan
- Description of the process to dispute or appeal a bill
- District phone number and a web link to the District’s written collection policy

##### 4.5 a. Notice to Residential Tenants/Occupants in an individually Metered Residence

The District will make a reasonable, good faith effort to inform the occupants, by means of written notice, when the water service account is in arrears and subject to disconnection at least 10 days before water service is shut off. The written notice will advise the tenant/occupant 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 charge for water service at that address. In order for the amount due on 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.

##### 4.5 b. Notice to Tenants/Occupants in a Multi-Unit Complex Served through a Master Meter

The District will make a reasonable, good faith effort to inform the occupants, by means of written notice hung on the door of each residence, when the water service account is in arrears and subject to disconnection at least 10 days before water service is shut off. The written notice will advise the tenant/occupant 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 address(es) served by the master meter. If one or more of the 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 occupants who have not met the requirements for service, the District will make service available to the occupants who have met those requirements.

If written disconnection notice is returned through the mail as undeliverable, the District will make a reasonable, good faith effort to visit the residence and leave a notice of discontinuance for nonpayment.

#### 4.6 Forty-eight (48) Hour Notice of Termination

The District will make a reasonable, good faith effort to notify the customer 48 hours in advance of disconnection of water service for nonpayment. The means of notification will be in the form of a door hanger delivered to the premises.

#### 4.7 Disconnection Deadline

All delinquent water service charges and associated fees must be received by the District by 5:00 p.m. on the day specified in the written disconnection notice.

#### 4.8 Disconnection of Water Service for Nonpayment

The District will disconnect water service by locking off the meter. Before service is disconnected, the customer will be notified by a written disconnection notice at least 7 business days prior to termination and a second notice 48 hours prior to termination of service. The District will also call the customer 24 hours prior to discontinuation of service. The District assumes no responsibility for phone information that has not been kept up-to-date by the customer. The customer will be charged a fee to re-establish service. The meter will be locked in the off position if payment is not received within 7 days of initial termination.

#### 4.9 Re-establishment of Service

In order to resume service or continue service that has been disconnected for nonpayment, the customer must pay the past due balance and associated fees, a re-connect fee in the amount of \$20.00 and provide an additional deposit of \$46.00 (cash or check only for deposit). The District will endeavor to reconnect service as soon as practicable but, at a minimum, will restore service before the end of day that payment was made for any past due amount and delinquent fees attributable to the termination of service. Water service that is turned on by any person other than District personnel or without District authorization may be subject to fines or additional charges or fees. Any damages that occur as a result of unauthorized restoration of service are the responsibility of the customer.

#### 4.10 Notification of Disposition of Returned Check

Upon receipt of a returned check taken as payment of water service or other charges, the District will consider the account not paid. The District will make a reasonable, good faith effort to notify the customer by phone of the returned check. A 48-hour notice of termination of service due to a returned check will also be generated. The means of notification will be by phone call. If the District is unable to make contact by phone, a good faith effort will be made to visit the residence and leave a notice of termination of service.

Water service will be disconnected if the amount of the returned check and the returned check charge are not paid on or before the date specified in the notice of termination. All amounts paid to redeem a returned check and to pay the returned check charge must be in cash, credit card or certified funds.

#### 4.11 Returned Checks for Previously Disconnected Service

In the event the customer tenders a non-negotiable check as payment to restore water service previously disconnected for nonpayment and the District restores service, the District may promptly disconnect service without providing further notice. No 48-hour notice of termination will be given in the case of a non-negotiable check tendered for payment of water charges that were subject to discontinuance.

#### 4.12 Disputed Bills

If a customer disputes the water bill and exercises their right to appeal to the Board of Directors, the District will not disconnect water service for nonpayment while the appeal is pending.

#### 4.13 Dissemination of Information

The District shall provide this information to District Customers in accordance with SB 998, including but not limited to posting on the District's website and providing the notices required hereunder in the required languages.