



**City of Santa Ana
Administrative
Policies and Procedures**

**Finance Director Authorization
Section SAMC 39-22 (b) and (d)**

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Executive Director / Designee

Subject Residential Water Service Discontinuation Policy	Date	Number
	February 1, 2020	FMSA 2020-01

Purpose:

This policy enumerates the City of Santa Ana’s administrative actions for the collection of delinquent Municipal Utility Services customer accounts, including fees, notifications and processes for the discontinuation of residential water service in accordance with California Senate Bill No. 998, “Water Shutoff Protection Act” (SB 998). As an urban or community water system that supplies water to more than 200 service connections, the City of Santa Ana must adhere to the regulations set forth in SB 998.

Policy:

This policy provides written rules and procedures regarding the discontinuation of residential water service for delinquent Municipal Utility Services customer accounts. This policy will be available in English, the languages listed in Section 1632 of the California Civil Code (Spanish, Chinese, Tagalog, Vietnamese, and Korean), and any other language spoken by at least 10 percent of the people residing in the service area. This information is also to be made available on the City’s Internet Website.

As stipulated in Santa Ana Municipal Code (SAMC) Chapter 39, Municipal Utility Services accounts are payable upon the date of presentation of the bill. Accounts are considered delinquent thirty (30) days after the date of presentation, which is shown on the customer’s bill. The following rules apply to the collection of delinquent accounts:

- (1) Fees: Delinquent accounts are subject to the fees to cover the reasonable administrative costs incurred in performing any specified act on behalf of any person or at any person's request for which said person shall be liable as described in SAMC Chapter 39 and may include a late fee “penalty”, “meter turn on fee”, “meter turn off fee”, “after hours turn on or turn off fee”, “meter removal fee”, “meter resetting fee”, and “meter read trip fee”.
- (2) Penalties: If payment is not received prior to the bill becoming delinquent, a past-due penalty of ten percent (10%) may be assessed to the unpaid balance of all municipal utility service charges. A notice will be sent to the customer of record stating the amount of the penalty assessed and the last date the customer is able to make a full payment or request alternative payment arrangements to avoid any subsequent penalties and potential discontinuation of service.

- (3) Notification: Customers will be notified of their account status in writing and any other methods set forth in SAMC Chapter 39 and herein.
 - a. The next business day after the bill becomes past due.
 - b. At least seven (7) days prior to the planned discontinuation of residential water service.
 - c. Forty-eight (48) hours prior to the discontinuation of service a final notification of pending discontinuation will be provided in the form of a “door hanger” addressed to “Occupant” and conspicuously posted on the premises.

- (4) Discontinuation for Delinquent Accounts: The City shall not disrupt water service for non-payment until payment by the customer has been delinquent for at least sixty (60) days. The City will make a reasonable, good-faith effort to contact the customer by means of telephone or a written notification no less than seven business (7) days before discontinuation of water service for non-payment. If the mailing address and the address of the property to which water service is provided are different, a written notification will be mailed to the billing address specified on the Municipal Utility Services customer account and a copy of the written notification along with a “door hanger” notice addressed to “Occupant” will be delivered to or conspicuously posted upon the premises forty-eight (48) hours prior to the discontinuation of service. The written interruption notice will 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 the delinquent charges; a description of the procedure for bill review and appeal; and, a description of the procedure by which the customer may request an alternative payment arrangements.

- (5) Exceptions: In compliance with SB 998, the City of Santa Ana will not discontinue residential water service if all of the below conditions are met:
 - a. Health and Safety: The customer, or a tenant of the customer, submits to the City 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 residential service will be life threatening to, or pose a serious threat to the health and safety of, a resident of the premises where residential service is provided.
 - b. Financially Unable to Pay: The customer demonstrates that he or she is financially unable to pay for residential service within the City’s normal billing cycle. The customer shall be deemed financially unable to pay for residential service within the City’s normal billing cycle 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 two hundred percent (200%) of the federal poverty level.

- c. Alternative Payment Arrangements: Any customer who meets the previous two requirements must enroll in a City approved alternative payment arrangement to satisfy any remaining outstanding balance.
- (6) City approved alternative payment arrangement plans may at the City's discretion include the following:
- a. Amortization of the unpaid balance.
 - b. Participation in an alternative payment schedule.
 - c. A partial or full reduction of the unpaid balance (financed without additional charges to other ratepayers).
 - d. Temporary deferral of payment.

The Municipal Utility Services Office may choose which of the payment options described above the customer undertakes and may set the parameters of that payment option. Ordinarily, the repayment option offered should result in repayment of any remaining outstanding balance within 12 months. A longer repayment period may be granted if such longer period is necessary to avoid undue hardship to the customer based on the circumstances of the individual case.

- (7) Residential service may be discontinued no sooner than five (5) business days after the Municipal Utility Services Office posts a final notice of intent to disconnect service in a prominent and conspicuous location at the property under either of the following circumstances:
- a. The customer fails to comply with an amortization agreement, an alternative payment schedule, or a deferral or reduction in payment plan for delinquent charges for sixty (60) days or more.
 - b. While undertaking an amortization agreement, an alternative payment schedule, or a deferral or reduction in payment plan for delinquent charges, the customer does not pay his or her current residential service charges for sixty (60) days or more.
- (8) Limitations on Reconnection Fees: Any low-income customer who meets the requirements set-out above for Exceptions - Section 5, subsection (b) shall not be liable for more than a \$50.00 limited consolidated fee for water service reconnection during regular business hours, and a \$150.00 limited consolidated fee for water service reconnection during non-regular hours. Water service reconnection shall include services normally subject to "meter turn on fee", "meter read trip fee", and "meter resetting fee" and/or "after hours turn on or turn off fee". Net reconnection service fees shall not exceed the actual cost of the reconnection if it is less than the normal applicable fees. Beginning January 1, 2021, the limited consolidated fees for reconnection services shall be subject to an annual adjustment for changes in the local Consumer Price Index.

- (9) Low-income Customer Waiver of Penalty Charges: For a residential customer who demonstrates to the Municipal Utility Services Office in accordance with Exceptions - Section 5, subsection (b) “Financially Unable to Pay” a household income below two hundred percent (200%) of the federal poverty line shall be eligible for waiver of penalty charges on delinquent bills once every twelve (12) months.
- (10) Tenant Occupied Dwellings: Any customer who is a renter of a single family residence or a multi-unit residence, including mobile home park residents, whose water service is not in their own name and who is subject to discontinuation of residential water service due to delinquent payments owing by their landlord shall be given notification in writing at least ten (10) days prior to termination of service that they have the right to become customers of the water system without paying the past-due amounts on their landlord’s Municipal Utility Services account. The City is not required to make service available to the residential occupants unless each residential occupant agrees to the terms and conditions of service and meets the City’s requirements to start service. However, if one or more of the residential occupants are willing and able to assume full responsibility for all subsequent charges to the account then the City shall make service available to those residential occupants who have met those requirements.
- (11) Appeals: A customer wishing to contest or appeal their charges may contact the Finance and Management Services Agency, Treasury and Customer Service Division – Municipal Utility Services Office in-person at Santa Ana City Hall – First Floor Ross Annex, or by telephone at (714) 647-5454. A customer appeal claim does not extend the payment period for purposes of determining delinquent accounts. If an adult at the residence appeals the water bill to the Municipal Utility Services Office residential water service shall not be interrupted or discontinued while the appeal is pending.
- (12) Annual Reporting: An annual report of the number of residential water service accounts discontinued due to inability to pay shall be tabulated each year and posted on the City’s Internet Website and reported to the State Water Resources Board.
- (13) State Law: In the event there should be a conflict between this administrative policy and the California Public Utilities Code, Division 5. “Utilities Owned by Municipal Corporations”, as amended from time to time, or the California Health and Safety Code, Chapter 6. “Discontinuation of Residential Water Service”, as amended from time to time, the respective California codes and their amendments will prevail.
- (14) Authorization: The authorization for this administrative policy is derived under the City of Santa Ana Municipal Code, Chapter 39, Section 39-22, subsections (b) and (d) and is made pursuant to the Water Shutoff Protection Act commencing with Section 116900 of California Health and Safety Code.
- (15) Effective Date: This administrative policy shall commence and become effective February 1, 2020.