



Discontinuation of Residential Water Service Policy

Section: **Finance**

Adopted: **November 25, 2024**

Last Amended: **July 22, 2024**

CA Reviewed

Pursuant to Solvang Municipal Code Section 9-3C-5, this is the City's policy on disconnection of residential water service that is in compliance with and implements the Water Shutoff Protection Act (Health and Safety Code Section 116902 et seq) and Public Utilities Code Sections 10010 and 10010.1

Before discontinuing the water service of any residential customer on account of nonpayment of duly-owed water rates, charges, fees, or penalties, the City of Solvang ("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 available options to avoid a service discontinuation: 805-688-5575, x202.
2. Account Delinquency. As provided in the City Code, a water/sewer bill is due and payable upon presentation to the customer. Account balances not collected in full by the 25th day of the month following the month service is rendered may result in discontinuation of service pursuant to this policy and Solvang Municipal Code Section 9-3C-4.
3. Delinquency Period Causing Discontinuation. Subject to the other provisions of this policy, 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 ten (10) business days before discontinuing the customer's service for nonpayment, and not more than nineteen (19) days from the date the utility bill is mailed, the City will contact the customer by written notice 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. The ten (10) day period shall not commence until five (5) days after the mailing of the written notice.
 - i. The City will make available to its residential customers who are 65 years of age or older, or who are dependent adults as defined in Section 15610.23 of the Welfare & Institutions Code, a third-party notification service, whereby the City will attempt to notify a person designated by the customer to receive notification when the customer's account is past due and subject to termination. The notification shall include information on what is required to prevent termination of service. The residential customer must make a request for third-party notification on a form provided by the City and must include the written consent of the designated third party. The third-party notification does not obligate the third party to pay the overdue charges, nor shall it prevent or delay termination of service.
 - b. When the City contacts the customer by written notice, the written notice will be mailed to the customer of the residence to which the residential service is provided. If the

customer's address is not the address of the property to which residential service is provided, the notice will also be sent to the address of the property to which residential service is provided, addressed to "Occupant." The written notice will contain the following information:

- i. The customer's name and address;
 - ii. The delinquent amount;
 - iii. The date by which payment or arrangement for payment is required in order to avoid service discontinuation;
 - iv. The process to apply for an extension of time to pay the delinquent rates, charges, or fees;
 - v. The procedure to petition for bill review and appeal; and
 - vi. 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. The City shall also make a reasonable attempt to contact the customer by telephone at least twenty-four (24) hours prior to any termination of service. When the City contacts the customer by phone, it will offer to provide this Policy in writing. The City will offer to discuss options to avert discontinuation of residential service for nonpayment, including alternative payment schedules, deferred payments, minimum payments, procedures for requesting amortization of the unpaid balance, and petition for bill review and appeal.
 - d. If the City is unable to make contact with the customer or an adult occupying the residence by telephone, and the written notice is returned as undeliverable, the City will place in a conspicuous place at the premises a notice of discontinuation of service and this Policy at least forty-eight (48) hours before 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 appeal form is available on the City's website <https://www.cityofsolvang.com/DocumentCenter/View/5391/Appeal-of-Disputed-Utility-Bill-Form-> or upon request at Administration & Finance Department. 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 City Manager, or the City Manager's designee, will review the appeal form, all materials submitted in support of the appeal, and any other relevant information and will issue a decision regarding the appeal within ten (10) business days from the date of receipt of the appeal.
 - b. The City Manager, or the City Manager's designee, may grant the appeal and adjust or rescind the delinquent rate, charge, or fee when the City Manager, or the City Manager's designee, determines, based on the available information and materials submitted in support of the appeal, that one or more of the following circumstances has occurred:
 - i. The rate, charge, fee, or penalty was erroneously calculated and therefore imposed in error.

- ii. A leak occurring on the customer's side of the water service connection caused a significant increase in water consumption over the customer's "regular usage" and the leak has been remedied.
 - 1. The customer's "regular usage" as that term is used herein will be determined by review of the customer's water bills for the same time period as the appealed bill for the previous five years, or, if the customer does not have a five-year history, by review of water bills for the same time period of an account with equivalent water services and similar billings that has a five-year history.
 - 2. The bill for the billing period during which the City Manager, or the City Manager's designee, determines there is a leak shall be adjusted to reflect the lowest applicable consumption charge as determined by the City Manager or City Manager's designee.
 - 3. Within fifteen (15) days of approval of a leak adjustment the customer must sign an acknowledgement of the leak adjustment, provide an invoice and proof of payment demonstrating the leak repair was completed, and pay the adjusted bill. If the customer fails to do so, the leak adjustment will be denied and the customer will be responsible for paying the original water bill in full plus any additional fees and charges assessed through the date of payment.
 - iii. The City Manager, or City Manager's designee, finds the meter serving the premises was malfunctioning and over-registering by more than five percent. The bill for the billing period during which the City Manager, or City Manager's designee, determines there is malfunctioning meter shall be adjusted to reflect the average normal usage for that period and to remove any charges attributable to the difference between normal use and the incorrect reading.
 - c. The City Manager, or City Manager's designee, will mail the decision to the appellant.
 - d. The customer may appeal an adverse determination by the City Manager, or City Manager's designee, to the City Council by filing an appeal within ten (10) business days of the date of the decision by the City Manager, or City Manager's designee. The City Council shall evaluate the appeal under the above criteria or may provide relief pursuant to Solvang Municipal Code Section 9-3A-5.C based on special circumstances.
6. Deferred or Reduced Payments and Alternative Payment Schedules. The City allows 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 for the reasons listed in Section 5(b) of this Policy.
 - b. Late fees and penalties may be waived once per calendar year.
 - 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 made in writing and received by the City no less than two (2) business days before 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. Any period of payment deferral shall be no longer than two (2) months and any period of amortization shall be no longer than twelve (12) months, including any deferral period.
- iii. If the customer breaches the agreed-upon plan or does not pay his or her current residential service charges, the City may discontinue service no sooner than seven (7) 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. Water service for customers with a Needs-Based Exemption who fail to comply with a payment plan shall be discontinued pursuant to Section 8.c.
- iv. No more than one amortization, deferral, or alternative payment schedule is allowed every twelve (12) months, unless the customer otherwise meets the requirements of Section 7(e) 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 a public health or building officer certifies that discontinuation of water service for a multiunit residential structure, mobile home park, or permanent residential structures in a labor camp, as defined in Section 170009 of the Health and Safety Code, would result in a significant threat to the health or safety of the residential occupants or the public.
- e. In situations where the customer satisfies all of the following three conditions, as declared in a form provided by the City (the "Need-Based Exemption"):
 - 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. Special Considerations for Need-Based Exemptions.

- a. For a customer that qualifies for the Need-Based Exemption, the City may provide one or more of the following options for repayment of the delinquent rate, charge, or fee: (i) amortization of the unpaid balance; (ii) participation in an alternative payment schedule; or (iii) temporary deferral of payment for no longer than two (2) months. The City may consider the customer's preferred payment option, but the determination of the payment option shall be in the sole discretion of the City.
 - b. The terms of the payment option will be in accordance with Section 6 of this Policy and are expected to result in repayment within twelve (12) months, (including any deferral period) unless additional time is required and granted by the City Manager to avoid undue hardship.
 - c. If the customer with a Needs-Based Exemption fails to comply with the terms of the payment option for sixty (60) days or more or does not pay his or her current residential service charges for sixty (60) days or more while under one of the above payment options, the City may discontinue service no sooner than seven (7) 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.
9. Landlord-Tenant Relationships. The provisions of this Section apply where the City furnishes service through a master meter, or furnishes individually metered residential service to residential occupants of a detached single-family dwelling, a multiunit residential structure, mobile home park, or permanent residential structure in a labor camp as defined in California Health & Safety Code Section 17008, and the owner, manager, or operator of the dwelling, structure, or park 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 before discontinuing service for individually metered residential service and at least fifteen (15) days before discontinuing master metered residential 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. For a multiunit residential structure, mobile home park, or permanent residential structures in a labor camp, as defined in California Health & Safety Code Section 17008 serviced through a master meter, if it is not reasonable or practicable to post the notice on the door of each residential unit, the City will post two copies of the notice in each accessible common area and at each point of access to the structure or structures.
 - c. 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 notice will also specify what the residential occupants must do to prevent the termination of service or restore service; the estimated monthly cost of service; the title, address, and telephone number of a representative of the City who can assist the residential occupants in continuing service; and the address and telephone number of a qualified legal services project, as defined in Section 6213 of the Business & Professions Code, recommended by the local county bar association.
 - d. 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 requirements of applicable law and the City's rules. However, if one or more of the residential occupants are willing and able to assume responsibility for the subsequent charges to the account to the satisfaction of the City, or if there is a physical means legally available to the City of selectively terminating service to those residential occupants who have not met the requirements of the City's rules, the City shall make service available to those residential occupants who have met those requirements.

- e. Notwithstanding the foregoing, if the dwelling unit is a detached single-family dwelling unit, then the City will: (i) give notice to the occupant of service discontinuation at least seven (7) days before the proposed discontinuation; and (ii) 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.
10. Restoring Service. Upon discontinuation, the City will provide customers information regarding the procedures for restoring service to customers once their service is discontinued, including the payment of applicable fees pursuant to SMC Section 9-3C-5. For Low-Income Customers, the City shall impose reconnection fees for reconnection during normal operating hours and nonoperational hours as set forth in the City's Fees Schedule, but not to exceed the actual cost of reconnection, and shall waive interest charges on delinquent bills once every twelve (12) months.
 11. Reporting. The City will report the number of annual discontinuations of residential service for nonpayment on the City's website and to the State Water Resources Control Board.
 12. Language. Consistent with Health and Safety Code Section 116922, this Policy and all written notices required under this Policy will be provided in English, Spanish, Chinese, Tagalog, Vietnamese, and Korean.

The City of Solvang's Discontinuation of Residential Water Service Policy may be obtained at the City Office located at 1644 Oak Street, Solvang, CA 93463, during normal business hours; or viewed at the City's website: <https://www.cityofsolvang.com/DocumentCenter/View/5393/Solvang-Discontinuation-of-Residential-Water-Service->.