

## **Belmont Terrace Mutual Water Company**

**August 1, 2024**

### **Water Service Shut-Off Policy**

#### **1. Policy Statement**

This policy sets forth the steps, notifications, caveats, and payment plan criteria regarding discontinuation of water service for nonpayment by members (BTMWC shareholders) or non-member residents. Belmont Terrace Mutual Water Company (BTMWC) is a water utility system that serves the Sebastopol Belmont Terrace community of fewer than 200 service connections in its entirety, and a population estimate of 221 persons using United States government census data of 2.54 persons per urban household (see census household member information at [census.gov](https://census.gov)). This policy incorporates requirements of California Senate Bill No. 3 adopted into law by the State of California on October 13, 2023, effective August 1, 2024, regarding water company shut-off policies and procedures for nonpayment of water bills. Previously, only public water systems supplying water to greater than 200 service connections were required to have water shut-off policies for non-payment with specific rules dictated by California Senate Bill No. 998. California Senate Bill No. 3 expands the SB 998 application to include water systems with fewer than 200 connections.

#### **2. General Water Shut-Off Policy**

Water payments are due on the 1<sup>st</sup> of every month and are considered late if not received by the 15<sup>th</sup> of the month. A late fee of 1.5% of the balance outstanding will be incurred for late payments. Any account that has a balance due at the end of the month will receive a detailed paper statement. A statement fee of \$10 will be charged for each statement sent. This fee covers labor, supplies and postage.

**90 days delinquent** -Accounts with balances that are 90 days past due are subject to a \$50 delinquent fee. The delinquent resident shall be sent a Notice of Delinquency stating that their account is in arrears by more than 90 days and a \$50 delinquent fee has been added to their account. If the delinquent resident is a renter, the owner of the property shall be notified.

**120 days delinquent** -Accounts with balances that are 120 days delinquent are subject to shut-off of water service and \$250 processing fee. The delinquent resident shall receive a Water Shut Off Notice at the residence. The Notice will state their account is over 120 days past due and if the account is not paid within 7 days of the date on the Notice, the water will be shut off and a \$250 processing fee will be added to the account. The Notice will also indicate the exact amount due. Before water service can be restored, full payment (including the \$250 processing fee) must be made to Redwood Credit Union. Complete payment instructions will be included in the Water Shut-Off Notice. If the delinquent resident is a renter, the owner of the property shall be notified, and a lien will be placed against the property. All relevant lien fees will be applied.

#### **3. Languages**

This policy is available in English, the predominate language spoken within the Company's service area. It is unknown if at least 10 percent of the community population speaks another language, but if that is the case, this policy can be available in that language, and any language listed in California Civil Code 1632 (Spanish, Chinese, Tagalog, Vietnamese, or Korean) upon request by a water service customer (see this link for language information regarding California Civil Code 1632: <https://codes.findlaw.com/ca/civil-code/civ-sect-1632/>).

#### **4. Notification**

Account holders subject to water service disconnection shall be notified by BTMWC with an offer to provide the following:

- 1) a written copy of BTMWC's water shut-off policy
- 2) account arrearage details of monies owed and mitigation options to rectify the account balance
- 3) additional options to avert discontinuation of water service, e.g. bill review, payment plans, procedure for board of director's review of the member or resident proposal to remedy the debt

##### **A. Notification Procedure**

1. A written notice of payment delinquency and impending water service shut-off shall be mailed to the account holder residence or property to which the water service is provided. If the member's address is not the address of the property to which service is provided, the notice also shall be sent to the address of the property to which service is provided, addressed to "Occupant." The notice shall include, but is not limited to, all the following information in a clear and legible format:

- Member or resident's name and address
  - Amount that is past due
  - Date by which payment or payment arrangements are required to avoid termination of service
  - Description of the process to dispute or appeal a bill
  - BTMWC email address and written shut-off policy
  - A description of the procedure by which the member or resident may request a deferred, reduced, or alternative payment schedule, including an amortization of the delinquent residential service charges, consistent with the written policy provided
2. If BTMWC is unable to contact the account holder, or an adult occupying the residence by telephone, and written notice is returned through the mail as undeliverable, BTMWC shall make a good faith effort to visit the residence and leave, or make other arrangements for placement in a conspicuous place of, a notice of imminent discontinuation of water service for non-payment and BTMWC's water shut-off policy for non-payment.
3. If an adult at the residence appeals the water bill to BTMWC or any other administrative or legal body to which that appeal may be lawfully taken, BTMWC shall not discontinue residential service while the appeal is pending.

#### **5. Member or Resident Appeals**

Members (BTMWC shareholders) or non-member residents receiving water service may contact the water company at any time during office hours to discuss water service billing amounts, disputes, deferred payments via payment plans, or any aspect of water service.

Arrearage or other billing issues or requests for payment plans (including proposed terms), may be e-mailed, or USPS mailed to the water company office, as well. Attendance at monthly BTMWC board of director meeting is welcomed and encouraged.

Any billing disputes unresolved by office personnel, or proposed arrearage payment plans expressed, will be discussed and mitigated by the water company board of directors at regular monthly meetings in executive sessions, as necessary.

Properties will not be shut-off for water service during the appeal of an initial arrearage mitigation plan process. Water company contact information, office hours, and board meeting times are noted on billing and newsletters mailed to residents.

This water shut-off policy is available in written form upon request.

#### **6. Member or Resident Payment Plans**

Time-payment plans shall be negotiated on a case-by-case basis with all arrearages to be paid within no longer than a 12-month period (possibly longer for special category cases, see Section 8B). Interest and penalty charges shall continue to accrue on any outstanding debt until paid-off. As specified in Section 8C, if the account holder defaults on any payment during the time-payment period, i.e. misses a monthly payment, (60

days for special category cases, see Section 8) and that default continues for at least sixty (60) days, the account holder will have five (5) business days to remit payment or, a disconnect notice will be generated and hung at the residence indicating the water will be turned off in seven (7) business days.

## **7. General Process for Restoring Water Service**

Once the water service is turned-off, all water charges, maintenance fees, late fees, hang-notice and re-connect fees are required to be paid in-full, or a mutually agreed upon time-payment plan is initiated to pay-off charges before water service is restored (see current BTMWC water rates & fees schedule, and Section 9 for Special Rules fees).

BTMWC will attempt to reconnect service as soon as possible but, at a minimum, will restore service before the end of the next regular working day following payment.

Water service that is turned on by any person other than BTMWC personnel or without BTMWC authorization may be subject to fines or additional charges or fees. Any damages that occur because of unauthorized restoration of service are the responsibility of the account holder.

## **8. Conditions Prohibiting Water Service Shut-Off for Non-Payment of Service**

BTMWC shall NOT discontinue residential water service if **ALL** the following conditions are met:

1) Health Conditions: The member or tenant of the member submits 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 California Welfare and Institutions Code (see this link for primary care provider definitions:

<https://codes.findlaw.com/ca/welfare-and-institutions-code/wic-sect-14088/>), that discontinuation of water service would be 1) life threatening, or 2) pose a serious threat to the health and safety of a person residing at the property;

2) Financial Inability: The resident demonstrates a financial inability to pay for water service within the water system's normal billing cycle. The resident is deemed "financially unable to pay" if any member of the resident's household is 1) a current recipient of the following benefits: CalWORKS, CalFresh, general assistance, Medi-Cal, SSI/State Supplementary Payment Program, or California Special Supplemental Nutrition Program for Women, Infants, and Children, or 2) the resident declares the household's annual income is less than 200% of the federal poverty level (see this link for the federal poverty levels applicable in California: <https://www.coveredca.com/pdfs/FPL-chart.pdf> limits); and

3) Alternative Payment Arrangements: The resident is willing to enter into an amortization agreement or alternative payment schedule, or a plan for deferred or reduced payment, consistent with the written policies provided with respect to all delinquent charges.

### **A. Process for Determining Conditions Prohibiting Water Service Shut-Off for Non-Payment of Service**

The process of proving compliance with the conditions described in 1. Health Conditions, 2. Financial Inability, and 3. Alternative Payment Arrangements, is incumbent upon the member or resident.

To allow BTMWC sufficient time to process any request for assistance by a member or resident, the member or resident is encouraged to provide BTMWC with the necessary documentation demonstrating the medical issue, financial inability, and willingness to arrange payments in a timely manner.

If BTMWC requests additional information, the customer shall provide the requested information within five (5) calendar days of receipt of BTMWC's request.

BTMWC will notify the member or resident in writing that they either a) do not meet the conditions to prohibiting service shut-off or, b) do meet the conditions to prohibit service shut-off and the approved alternative payment arrangement.

If the member or resident does not meet the conditions prohibiting discontinuation of service, payment for all delinquent amounts are due within five (5) business days after the date of notification of BTMWC's determination or the date of the impending service discontinuation, whichever is later.

**B. Rules for Accounts in the Prohibitive Shut-off Category where ALL Conditions are Met**

If all three conditions are met, 1. Health Conditions, 2. Financial Inability, and 3. Alternative Payment Arrangements, BTMWC shall offer the member or resident one or more of the following options:

- Amortization of the unpaid balance
- Participation in an alternative payment schedule
- A partial or full reduction of the unpaid balance financed without additional charges to other rate payers
- Temporary deferral of payment.

BTMWC may choose which of the payment options the member or resident undertakes and may set the parameters of that payment option. The repayment option offered should result in repayment of any remaining outstanding balance within 12 months, as it is for other arrearage residents. BTMWC may grant a longer repayment period if it finds the longer period is necessary to avoid undue hardship to the member or resident based on the circumstances of the individual case.

**C. Water Shut-off for Non-Compliance of Payment Plan Agreement**

Water service may be discontinued no sooner than five (5) business days after BTMWC posts a final notice of intent to disconnect service in a prominent and conspicuous location at the property under either of the following circumstances:

1. The member or resident fails to comply with an amortization agreement, an alternative payment schedule, or a deferral or reduction in payment plan for delinquent charges for 60 days or more.
2. While undertaking an amortization agreement, an alternative payment schedule, or a deferral or reduction in payment plan for delinquent charges, the member or resident does not pay their current water service charges for 60 days or more.

**9. Special Rules for Residents with Income Below 200 Percent of Federal Poverty Line**

For a member or resident who demonstrates to BTMWC household income below 200 percent of the federal poverty line, BTMWC is required to adhere to both of the following:

- 1) 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, 2025. For the reconnection of residential service outside normal hours, BTMWC shall set a reconnection of service fee 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, 2025.
- 2) Waive interest charges on delinquent bills once every 12 months. BTMWC shall deem a member or resident 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 member or resident declares that the household's annual income is less than 200 percent of the federal poverty level.

**10. Multi-Residence Properties with ADUs**

Pursuant to BTMWC's by-laws and water service connection policy: "No water shall be supplied to any land unless the owner thereof is a member in this corporation; no more service connections shall be made to mains of this corporation than are authorized under the corporation's duly issued water distribution system operating permit.

BTMWC shall only provide water to legal property parcels per the Sonoma County Assessors Map.

BTMWC is under no obligation to provide a separate water service to any building or Additional Dwelling Unit (ADU) on any property within Sebastopol Belmont Terrace community.

Thus, BTMWC only recognizes the service connection to each parcel within Sebastopol Belmont Terrace community relative to the Sonoma County Assessor's official parcel map. Any water service issues pertaining to ADU occupants, or between the member (BTMWC shareholder) and residents of any ADUs on the property is independent of BTMWC.

### **11. Annual Shut-Off Reporting**

BTMWC shall provide (report) the number of annual discontinuations of water service (shut offs) in Sebastopol Belmont Terrace community for inability to pay to the California State Water Resource Control Board (SWRCB), if, or when provided the reporting tool, reporting schedule, and reporting protocol by the SWRCB.

### **12. Unauthorized Actions of Members or Residents**

California Senate Bill No. 3 and subsequently, this water service shut-off policy, applies ONLY to termination of water service for non-payment and do NOT apply to the termination of water service provided to properties that are found to have members or residents that have engaged in illegal or unauthorized acts, or community water contamination safety violations, e.g. tampering with water supply, damaging shut-off locks, altering service connections, circumventing connections for water supply, have hazardous cross-connection scenarios requiring immediate water shut-off, violate non-monetary provisions of the BTMWC Rules and Regulations, etc

#### **BTMWC Fee Structure**

Late Fee – payment received after the 15th of the month	1.5% of unpaid balance
Annual interest on monthly unpaid balance	18%
Returned checks	\$35
Statement Fee	\$10
90 Day Notice of Delinquency	\$50
120 Day Water Shut-Off Process initiated	\$250
Reconnection fee During normal working hours	\$50
After hours	\$150
Illegal attempt to restore water without payment	\$350
Research and Initial Lien Fee	\$100
Periodic Lien Update Fee	\$50
Returned Check Fee	\$35