

### 6.1.1. Delinquency Process

All invoice payments are due upon receipt. To be considered for disconnect delinquency processing, an account must have a minimum balance due of \$50.00. An account can be shutoff for delinquency on or after a minimum 60 days from the delinquency date. If payment is not received by the time the following bill is issued, the subsequent invoice will carry the Second Notice. The Second Notice will include the name and address of the customer; amount of the delinquency; the date by which payment or payment arrangements must be made to avoid discontinuation of service; the procedure for customers to initiate a complaint or file an appeal regarding a bill; the procedure for the customer to request a payment arrangement; the procedure for the customer to obtain information on financial assistance, if applicable; and the telephone number where the customer may request a payment arrangement or receive additional information from the District.

The District will make a reasonable, good faith effort to contact the customer of record or an adult person living with the customer by telephone at least seven (7) business days before discontinuation of service. The District will offer to provide a copy of its discontinuation of service policy in writing and provide information about options to avoid discontinuation of service, including how to request an alternative payment arrangement. If the District is unable to make contact with the customer or an adult person living with the customer by telephone, the District will make a good faith effort to leave a **Final Disconnect Notice** and a copy of this Policy in a conspicuous place at the service address at least forty-eight (48) hours before discontinuation of service. The notice provides information regarding the total balance of the account, minimum amount due and the date payment must be made. Associated fees will apply. If an account is processed for delinquency shut-off, the District will impose and collect an administrative delinquency shut-off processing fee, a (physical) shut-off and reconnection fee and a refundable non-interest-bearing Payment Deposit. Please refer to Section 6.5.6 for Reconnection Fees and Section 6.5.7 for Payment Deposit information.

- a) A Customer's service may be discontinued for non-payment of a bill for service previously rendered to him/her provided such bill is not paid within forty-eight (48) hours after presentation of **Final Disconnect Notice**.
- b) Services may be discontinued for non-payment Monday through Friday, between the hours of 8:00 am and 5:00 pm, excluding legal and District holidays.
- c) If a residential Customer is unable to pay a bill during the normal payment period, the Customer may request an extension or payment plan. Customers are eligible for a Payment Plan once every twelve months. If the Customer submits his or her request within 13 days after mailing of the Second Notice, the request will be reviewed by a manager of the District. The District has discretion to determine whether an extension or payment plan will be granted and to set the terms and conditions of the extension or plan. District decisions regarding extensions and payment plans are final and are not subject to appeal to the District's Board of Directors. If a Customer fails to comply with an extension or payment plan approved under this section, the District may discontinue water service by posting a final notice of intent to disconnect service in a

prominent and conspicuous location at the service address at least forty-eight (48) hours before discontinuation of service. The final notice will not entitle the customer to any investigation or review by the District. Customers who default on a Payment Plan will not be eligible to participate in the program for twelve months.

- d) The District will not discontinue residential water service for non-payment if the following three (3) conditions are met:
- i. The Customer, or a tenant of the Customer, submits to the District the certification of a licensed primary care provider that termination of water service will be life threatening to or pose a serious threat to the health and safety of a resident of the premises;
  - ii. The Customer declares under penalty of perjury that his or her household's annual income is less than 200 percent of the federal poverty level, or provides documentation that a 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; and
  - iii. The Customer is willing to agree to a District-approved extension or payment plan.

For Customers who meet the above conditions, the District will offer the customer an extension or a plan to make partial payments on the past due amount over several months (up to six months; or twelve months with supervisors' approval). Late fees and delinquent notices are suspended for the duration of the extension or plan period. The Customer of record must sign the agreement accepting District terms and agree to pay subsequent bills on time and include the monthly portion of the payment plan installment. If a Customer who receives an extension or payment plan under this section fails to comply or fails to pay his or her current charges for water service for sixty (60) days or more, the District may discontinue water service. The District will post a final notice of intent to disconnect service in a prominent and conspicuous location at the service address at least five (5) business days before discontinuation of service. The final notice will not entitle the customer to any investigation or review by the District.

- e) Services that are included in a District-approved extension or payment plan will not be discontinued as long as Customer continues to comply with the approved terms and keeps subsequent charges in a current status.
- f) Customers whose water service has been discontinued for non-payment may contact the District by telephone or in person regarding restoration of service. Restoration shall be subject to payment of all past-due amounts, penalties, fees, and a Payment Deposit, if required by the District.

- g) For questions or assistance regarding water bills, or to request an extension or payment plan in order to avoid discontinuation of service, District Customer Service staff can be reached at (949) 459-6420.

### **6.1.2. Delinquency Notices for Tenant-Occupied Residential Properties**

In addition to notices provided to the Customer, the District will notify the actual residential occupants living at the service address that the account is in arrears and the service will be terminated on the date specified in the notice. The notice will be provided as follows:

- a) If the District furnishes individually metered service to a single-family dwelling, multi-unit residential structure, mobile home park, or farm labor camp and the owner, manager, or operator is the Customer of record, or if the Customer of record's mailing address is not the same as the service address, the District will mail a notice to the service address at least ten (10) days before discontinuation of water service.
- b) If the District furnishes residential water service through a master meter, the District will make a good faith effort, at least ten (10) days prior to termination, to provide notice to the occupants. The District will provide notice by either: (i) mailing the notice to each residential unit; (ii) posting the notice on the door of each residential unit; (iii) if providing notice to each unit is impracticable or infeasible, posting two (2) copies of the notice in each accessible common area and at each point of access to the structure or structures; or (iv) making some other good faith, reasonable effort to provide written notice to the occupants. The notice will be addressed to "Occupant" and will inform the residential occupants that they have the right to become customers of the District without being required to pay the amount due on the delinquent account.

The above notices will be addressed to "Occupant" and inform the residential occupants that they have the right to become customers of the District without being required to pay the amount due on the delinquent account. The District will make service available to the actual occupants if each occupant agrees to the terms and conditions of service and meets the requirements of the District's rules and regulations. Notwithstanding, if one or more of the occupants are willing and able to assume responsibility for the subsequent charges to the account to the satisfaction of the District, or if there is a physical means, legally available to the District, of selectively discontinuing service to those occupants who have not met the requirements of the District's rules and regulations, the District will make service available to the occupants who have met those requirements. To be eligible to become a customer without paying the amount due on the delinquent account, the occupant must verify that the delinquent account customer of record is or was the landlord, manager, or agent of the dwelling. Verification may include, but is not limited to, a lease or rental agreement, rent receipts, a government document indicating that the occupant is renting the property, or information disclosed pursuant to Section 1962 of the Civil Code, at the discretion of the District.

### **6.1.3. Discontinuance of Service**

All Customers are liable for active accounts until after they notify the District to discontinue service(s). A minimum of 24-hour advance notice is required. If the Customer requires the termination on the same day (Monday thru Friday) the call or online notice is received, the

Customer will be notified that there is a service fee. If Customer acknowledges and accepts the charge, termination request will be processed for the same day. All Customers are fully responsible for service(s) until they meet this requirement. All Customers are provided with a confirmation number at time of request for termination of service, which will assist the Customer as well as the District if there are any future questions as to final date of responsibility. Customers are so informed and are requested to retain this number in their records. Under normal circumstances, no Customer who fails to provide the District with a confirmation number shall be released from his/her obligation to the District. The initiation of service at a new location does not reduce liability at current location.

#### **6.1.4. Past Due Accounts**

The District may secure delinquent charges by filing liens on real property, as provided by law or by any other method available to the District. In the event that legal action is brought to collect unpaid charges, the District shall be entitled to the payment of all costs including attorney's fees and accumulated interest. Defendant shall pay all related legal costs for claims rendered in the favor of the District.

#### **6.1.5. Bill Dispute**

Any Customer may dispute a bill in writing at any time before the bill becomes delinquent. The disputed bill must be paid in full and include the written statement of dispute prior to investigation. A timely complaint or request for investigation shall be reviewed by a manager of the District, who shall provide a written determination to the customer. The review will include consideration of whether the customer may receive an extension or payment plan. If the disputed charges are determined to be incorrect by the District, the adjustment amount shall be credited to the Customer's account or refunded. If a Customer is not satisfied with the District's written determination, they have ten (10) days from date of determination to appeal the disputed bill to the Board of Directors. All appeals shall be submitted in writing to the Secretary to the Board of Directors. The matter will be assigned to staff for study, review and recommendation. Upon receiving the notice of appeal, the Secretary to the Board of Directors will set the matter to be heard at an upcoming Board meeting and mail the customer written notice of the time and place of the meeting at least seven (7) days before the meeting. The Board's decision is final. The District will not discontinue residential water service for non-payment while a timely dispute or appeal is pending.

If before completion of the appeal process additional bills become due the Customer is required to send his/her remittance for the entire amount of the subsequent bills. Failure to do so may cause discontinuation of service due to non-payment and all fees associated are due and payable.

#### **6.1.6. Specific Programs for Low-Income Customers.**

For residential customers who demonstrate a household income below 200 percent of the federal poverty line, the District will:

- a) Limit reconnection fees during normal operating hours to fifty dollars (\$50), and during non-operational hours to one hundred fifty dollars (\$150). The limits will only apply if the District's reconnection fees actually exceed these amounts. These limits are

subject to an annual adjustment for changes in the Bureau of Labor Statistics' Consumer Price Index for All Urban Consumers (CPI-U) beginning January 1, 2021.

- b) Waive interest charges on delinquent bills once every 12 months. The District will apply the waiver to any interest charges that are unpaid at the time of the customer's request.

The District will deem a residential customer to have a household income below 200 percent of the federal poverty line if: (a) 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 (b) the customer declares under penalty of perjury that the household's annual income is less than 200 percent of the federal poverty level.

## **6.2. BILLING REGULATIONS**

### **6.2.1. Water Conservation**

All Customers shall endeavor to conserve water and not knowingly permit leaks or other wastes of water. Where water is wastefully or negligently used on a Customer's premises, the District has the authority to discontinue service, after giving Customer notice where possible. The District has an adopted Water Conservation Ordinance that is applicable to all Customers and provides specific details for prohibited actions.

### **6.2.2. Domestic Water Conditions**

In no way shall the District be liable for any damage caused by water running from any open or faulty lines, fixtures or water related appliances while the District is in the process of initiating or reconnecting service. The District's responsibility ends at the meter. The District shall not be liable for any damage resulting from defective plumbing or broken or faulty waterlines.

### **6.2.3. Pressure Conditions**

The Customer shall be responsible for the purchase, installation, maintenance and operation of the pressure regulator assembly, if and as required by County of Orange Plumbing Code. As of this date, a pressure regulator assembly is required on any service where the water line pressure to the meter is 80 pounds per square inch (PSI) or greater. Customer requested pressure checks by District staff will be billed based on the approved fee schedule at the time of the occurrence.

### **6.2.4. Unauthorized Use of Services Without Application**

wastewater services without having made an accepted application for service shall be held liable for all water, recycled water and/or wastewater services delivered as verified by meter readings, for any damages to District property, including locks and angle stops and for any associated charges. A non-interest-bearing Payment Deposit equal to twice the single largest outstanding balance at this residence or \$100.00, whichever is greater, may be required at this time.

### **6.2.5. Fraud or Abuse**

Service may be discontinued, cost of repair and penalties imposed, if necessary, to protect the District against fraud or abuse. Fraud is the act of any person to commit, authorize, solicit, aid or attempt any of the following acts:

- a) Divert, or cause to be diverted, water or wastewater service by any means.
- b) Make or cause to be made any connection or reconnection to the District's water system without the authorized consent of the District. As used in this section "water system" means all property owned by the District for the transmission, collection, storage or treatment of water or wastewater.
- c) To tamper with or otherwise cause to interfere with the accurate measurement of water use.
- d) To tamper with any property owned or used by the District to provide water or wastewater service.
- e) Use or receive benefit of water or wastewater service from the District's system with knowledge or reason to believe that the use or receipt of such service is unauthorized.

A violation exists if any of the above-mentioned conditions occurs on premises owned or controlled by the Customer or person using or receiving the direct benefit of District water or wastewater service.

#### **6.2.6. Service to Tenant-Occupied Premises**

When an application for service is submitted by a tenant to property that is leased, the tenant has the primary responsibility for all water, recycled water and wastewater charges.

#### **6.2.7. Access to Facilities**

District personnel shall have the right to all facilities for any purpose related to water, recycled water and wastewater service. The District will provide employees with appropriate identification to be shown to the Customer upon request. The Customer is responsible to provide safe conditions to District employees during ingress and egress.

#### **6.2.8. Meter Obstruction**

If a meter is obstructed by the Customer's landscape or other objects so as to preclude reading, the District shall give the Customer of record 25 days to correct the situation. If the Customer fails to correct the condition to the District's satisfaction within this time frame or if the meter is obstructed during the course of District maintenance, repairs or shut-off, District personnel may remove the obstruction and back charge the Customer for the time, materials and equipment involved. Failure to pay may result in delinquency action.

#### **6.2.9. Billing Errors**

If a billing error occurs in which the District is found to be at fault, the account will be adjusted accordingly up to a maximum two-year period, from the date of discovery. If an error occurs in which the District is not at fault, the account will be adjusted accordingly up to a maximum two-year period, from date of discovery. At no time shall the adjustment period, regardless of culpability, be greater than two years. Please refer to Section 4.4 for errors specific to meter malfunctions.

### 6.3. BILLING CHARGES

#### **6.3.1. Collection Fees**

If an account is submitted to a collection agency due to non-payment, the Customer is liable for all costs incurred by the agency in its collection efforts.

#### **6.3.2. Illegal Tampering Fee**

If a situation occurs which is covered under Section 6.4.5 Fraud or Abuse, a tampering fee will be assessed, per incident. In addition, all costs involved with the correction of the condition, including time, materials and equipment will also be back charged. Upon approval by the Board, the District may bring a civil action pursuant to Section 1882.1 of the California Civil Code to recover up to three times the actual damages suffered by the District, plus the cost of the suit and reasonable attorney's fees.

#### **6.3.3. Meter Test - Deposit**

Any Customer may request to have their meter tested for accuracy but must first pay a deposit equal to the charge for testing the meter plus District removal and reinstallation costs. Please refer to Section 4.4 for further detailed information.

#### **6.3.4. Returned Item Fee**

The Customer shall be assessed a returned item fee for all returned payments. The District reserves the right to sue for three times the face value of the returned item or \$100.00, whichever is greater, in addition to court costs, attorney's fees and service costs as authorized under Section 1719, Chapter 522, California Civil Code 1983. All returned payments are viewed as non-payment and are subject to delinquency action if the Customer fails to replace said item with cash or credit card payment equal to the face value of the returned item plus the returned item fee within ten working days. All accounts shall become cash only after the submittal of a second returned item within a floating 12-month period. Additional fees may be assessed for multiple returned items. This account will retain the cash only status for one full year. Acceptable forms of payment for a Customer identified as cash only are cash, cashier's check, and money order.

#### **6.3.5. Final Disconnect Notice Fee**

All accounts subject to a Final Disconnect Notice will be assessed a fee per notice.

#### **6.3.6. Administrative Processing Fee for Discontinuation of Service.**

The Administrative Processing Fee includes the costs of tracking, screening and processing of delinquent accounts in the shut-off stage as well as updating the account files in the utility billing system. This fee is imposed the evening prior to the day of shut-off.

#### **6.3.7. Reconnection Fee**

This fee includes two field visits; the first to shut and lock-off the meter and the second field visit to restore service. This fee is imposed if the Customer has not paid by 8am on the day of the scheduled shut-off.

Damage or removal of any locks will incur a lock fee.

If the District finds the lock has been cut and the water service turned on without approval, the meter will be pulled, and the line plugged. An additional reconnection fee will be assessed.

All payments to restore service must be in the form of cash, money order, traveler's check, certified bank check, credit card via **E.BILL** payment processing or any combination thereof. No third party, personal checks or electronic ACH transactions are accepted.

If a Customer applies for service at a location that has been shut-off for non-payment, he/she must provide appropriate documentation providing proof the Customer is either a new owner or new tenant. Documentation will be at the discretion of the Supervisor/Manager.

### **6.3.8. Payment Deposit**

An account may be required to provide a Payment Deposit under any of the following conditions:

- a) The current customer account (active or inactive) has been processed for delinquency shut off.
- b) Customer applying for service has had poor/delinquent payment history.
- c) Unauthorized Use of Service, as defined in Section 6.4.4.
- d) Fraud or abuse, as defined in Section 6.4.5.
- e) Illegal tampering, as defined in Section 6.5.2.

A residential Payment Deposit shall be a maximum of three times the average monthly billing. Residential accounts can be assessed deposits in \$100.00 increments; however, the District reserves the right to request the full deposit due. All other Customer rate class categories shall be reviewed and assessed a Payment Deposit on an individual basis. No interest shall be paid on any deposit. A deposit will be returned to the customer of record after twelve consecutive months of good payment history, i.e. no delinquent bills or shut off's for non-payment. Deposits cannot be applied toward any subsequent delinquent bill but will be held and applied toward the final bill upon termination of service.