

1. STATUTORY BASIS

This Policy is adopted pursuant to Health & Safety Code §§116900 et seq. (Water Shutoff Protection Act), as amended by SB 3 (Stats. 2023, ch. 855).

2. APPLICATION OF POLICY

This Policy on Discontinuation of Residential Water Service (“Policy”) shall apply to all District accounts for residential water service but shall not apply to any accounts for non-residential service. Residential water service means water service to a residential connection that includes single-family residences, multifamily residences, mobile homes, including, but not limited to, mobile homes in mobile home parks, or farmworker housing. To the extent this Policy conflicts with any other rules, regulations, or policies of the District, this Policy shall control.

3. DEFINITIONS**A. Business Day**

A day the District office is open to the public. Excludes Saturdays, Sundays, District holidays, and the alternating Fridays on which the office is closed.

B. Customer of Record

The person or entity in whose name the account is carried, whether or not that person occupies the service address.

C. Delinquent

A bill not paid in full by the due date printed on the billing statement, which is typically 25 days from the bill issuance date.

D. Occupant

A person residing at the service address who is not the customer of record, including tenants of a landlord-held account.

E. Primary Care Provider

As defined in Welfare & Institutions Code §14088(b)(1)(A).

4. CONTACT INFORMATION

For questions or assistance regarding the water bill or to discuss options for averting discontinuation of residential service for nonpayment, the District's Customer Service staff can be reached at (949) 837-0660. Customers may also visit the District's Customer Service desk in person Monday through Thursday, from 7:30 a.m. to 4:00 p.m., Friday from 7:30 a.m. to 3:00 p.m. (closed every other Friday) except on District holidays. The District's Customer Service office is located at 24251 Los Alisos Blvd. in Lake Forest.

5. RENDERING OF BILLS AND BILLING PROCEDURES

Water and sewer service charges are payable, in full, once every month, or at such other frequency as determined by the Board of Directors from time to time. Payment is due by the "due date" defined on the billing statement which is typically 25 days from the bill issuance date. Any bills not paid by the due date defined on the billing statement are considered delinquent.

6. DISCONTINUATION OF WATER SERVICE FOR NONPAYMENT

If a bill is delinquent for at least sixty (60) days, the District may discontinue water service to the service address.

A. Written Notice to Customer

The District will provide a written notice by mail to the customer of record in a clear and legible format at least ten (10) business days before discontinuation of water service. The notice shall include, but is not limited to, all the following information:

1. The name and address of the customer;
2. The amount of the delinquency;
3. The date by which payment or payment arrangements must be made to avoid discontinuation of service;
4. A description of the process to apply for an extension of time to pay the delinquent charges;
5. A description of the procedure by which the customer or an adult residing at the premises may initiate a complaint or request an investigation or appeal concerning service or charges;
6. A description of the procedure by which the customer may request a deferred, reduced or alternative payment schedule, including an amortization of the delinquent service charges;
7. A description of the procedure for the customer to obtain information regarding the District's Life Line Rate Assistance Program (Section 7030 of the District's Administrative Code);

8. The telephone number where the customer may request a payment arrangement or receive additional information from the District.

B. Written Notice to Occupants or Tenants

1. The District will also send a notice in a clear and legible format to the occupants living at the service address at least ten (10) business days before discontinuation of water service under the following circumstances:
 - a) The District furnishes individually metered service to a single-family dwelling, multi-unit residential structure, mobile home park, or permanent residential structure in a labor camp and the owner, manager, or operator is the customer of record; or
 - b) The customer of record's mailing address is not the same as the service address. The notice will be addressed to "Occupant," will contain the information required in Section 6.A above, 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. Terms and conditions for occupants to become customers of the District are provided in Section 10 below.
2. If the District furnishes water to residences through a master meter, the District will make a good faith effort, at least ten (10) business days prior to termination, to notify the residential occupants that the account is in arrears and the service will be terminated on a date specified in the notice. The District will provide notice by either:
 - a) Mailing the notice to each residential unit;
 - b) Posting the notice on the door of each residential unit,
 - c) 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
 - d) Making some other good faith, reasonable effort to provide written notice to the occupants.

The notice will be addressed to "Occupant," will contain the information required in Section 6.A above, 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. Terms and conditions for occupants to become customers of the District are provided in Section 10 below.

C. Written Notice Undeliverable

If the written notice to the customer is returned through the mail as undeliverable, the District will make a reasonable, good faith effort to contact the customer of record or an adult person living at the premises of the customer in person or by telephone at least seven (7) business days before discontinuation of service. The District will offer to provide, in writing, a copy of this Policy and to discuss options to avert discontinuation of water service for nonpayment, including the possibility of an extension or other payment arrangement.

If the written notice is returned through the mail as undeliverable and the District is unable to make contact with the customer or an adult occupying the residence by telephone, the District 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 residential service for non-payment and this Policy on discontinuation of residential water service.

D. Telephonic Notice

If the District contacts the customer by telephone rather than by written notice, the District will offer to provide the customer a written copy of this Policy and will offer to discuss options to avert discontinuation, including alternative payment schedules, deferred payments, minimum payments, procedures for requesting amortization of the unpaid balance, and the procedure to petition for bill review and appeal.

E. Posting of Notice at Service Address

The District will make a good faith effort to leave a notice of imminent discontinuation of residential service in a conspicuous place at the service address. The notice will be left at the residence at least forty-eight (48) hours before discontinuation of service. The notice required by this subsection is supplemental to, and does not replace, any notice, customer contact, or posting otherwise required by this Policy or applicable law. The notice shall include:

1. The name and address of the customer;
2. The amount of the delinquency;
3. Any additional charges;
4. The total amount due;
5. The date by which payment or payment arrangements must be made to avoid discontinuation of service;

6. The procedure for the customer to obtain information on financial assistance, if applicable; and
7. The telephone number where the customer may request a payment arrangement or receive additional information from the District.

F. Circumstances Under Which Service Will Not Be Discontinued

The District will not discontinue residential water service for nonpayment under the following circumstances:

1. During an investigation by the District of an appeal, dispute or complaint by a customer or adult at the residence under Section 7.A below;
2. During the pendency of an appeal to the Board of Directors under Section 7.C below;
3. During the pendency of an appeal to any other administrative or legal body to which such an appeal may be lawfully taken;
4. During the period the District is considering a request for a payment arrangement or any applicable reconsideration period under Section 8 below; or
5. During the period of time in which a customer's payment is subject to a District-approved extension, amortization, alternative payment schedule, or reduction under Section 8 below, and the customer remains in compliance with the approved payment arrangement.

G. Special Medical and Financial Circumstances Under Which Services Will Not Be Discontinued

1. The District will not discontinue water service if all the following conditions are met:
 - a) The customer, or a tenant of the customer, submits to the District the certification of a primary care provider, as that term is defined in the Welfare and Institutions Code §14088(b)(1)(A) 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 where residential service is provided;
 - b) The customer demonstrates that they are financially unable to pay for residential service within the District's normal billing cycle. The customer is deemed financially unable to pay during the normal billing cycle if:

- i. 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
 - ii. The customer declares that the household's annual income is less than 200 percent of the federal poverty level;
 - c) The customer is willing to enter into an alternative payment arrangement, including an extension, amortization, alternative payment schedule, or payment reduction with respect to the delinquent charges.
2. For any customers who meet all the above conditions, the District shall offer the customer one or more of the following options, to be selected by the District in its discretion:
- a) An extension of the payment period;
 - b) Amortization of the unpaid balance;
 - c) An alternative payment schedule; or
 - d) A reduced payment without additional charges to other ratepayers.

The District's General Manager will select the most appropriate payment arrangement, taking into consideration the information and documentation provided by the customer, as well as the District's payment needs.

3. The customer is responsible for demonstrating that the conditions in subsection 6.G.1 have been met. Upon receipt of documentation from the customer, the District will review the documentation within seven (7) days and:
- a) Notify the customer of the alternative payment arrangement selected by the District and request the customer's signed assent to participate in that alternative arrangement;
 - b) Request additional information from the customer; or
 - c) Notify the customer that they do not meet the conditions in Section 6.G.1.

The District will not discontinue service while a submission under Section 6.G is pending.

H. Time of Discontinuation of Service

The District will not discontinue water service due to nonpayment on a Saturday, Sunday, legal holiday, or at any time during which the District's office is not open to the public.

I. Restoration of Service

The District shall provide the customer with information on how to restore residential service. The District will restore water service following either:

1. Payment of any past-due amounts, including applicable interest or penalties;
2. Payment of any reconnection fees as defined by Section 7150 of the District's Administrative Code, subject to the limitations in Section 9.A, if applicable;
3. Payment of a security deposit, if required by the District;
4. Entry into an approved payment arrangement under Section 8.

If the District determines that residential water service was discontinued in error or contrary to applicable law or this Policy, the District shall restore service without charging a reconnection or restoration fee.

7. PROCEDURES TO CONTEST OR APPEAL A BILL

A. Time to Initiate Complaint or Request an Investigation

A customer or adult at the residence may initiate a complaint or request an investigation regarding the amount of a bill within ten (10) days of receiving a disputed bill, or at any time before the date of discontinuation stated in a notice issued under Section 6.A, whichever is later. For purposes of this Section 7.A only, a bill shall be deemed received by a customer five (5) days after mailing and immediately upon e-mailing.

B. Review by District

A timely complaint or request for investigation shall be reviewed by a manager of the District, who shall provide written determination to the customer. The review will include consideration of whether the customer may receive an extension, amortization, alternative payment schedule, or payment reduction under Section 8. The District may, in its discretion, review untimely complaints or requests for investigation; however, such complaints or requests are not subject to appeal.

C. Appeal to Board of Directors

Any customer or adult at the residence whose timely complaint or request for an investigation pursuant to this Section 7 has resulted in an adverse determination by the District may appeal the determination to the Board of Directors by filing a written notice of appeal with the District Secretary within ten (10) business days of the District's mailing of its determination. Upon receiving the notice of appeal, the District Secretary 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 hearing at least ten (10) days before the meeting. The decision of the Board shall be final.

8. EXTENSIONS AND OTHER ALTERNATIVE PAYMENT ARRANGEMENTS

Deferred or reduced payment plans and alternative payment schedules described in this Section 8 are available to any residential customer who is unable to pay a bill during the normal payment period. A plan offered under this Section 8 is not required to reduce the total amount due for water service provided. Eligibility for an extension, amortization, alternative payment schedule, or payment reduction under this Section does not require the customer to satisfy the medical and financial hardship conditions set forth in Section 6.G.

A. Time to Request an Extension or Other Alternative Payment Arrangement

If a customer is unable to pay a bill during the normal payment period, the customer may request an extension or other alternative payment arrangement described in this Section 8. If a customer submits their request within ten (10) days after receipt of a written notice of discontinuation of service by the District, the request will be reviewed by a manager of the District. A request submitted outside this period will still be considered, but is not subject to the reconsideration and appeal rights described in this Section. For purposes of this Section 8.A only, a written notice shall be deemed received by a customer five (5) days after mailing and immediately upon e-mailing. A customer whose request under this Section 8 is denied may request reconsideration by the General Manager within ten (10) business days. Service will not be discontinued while a timely request for reconsideration is pending.

B. Extension

If approved by the District, a customer's payment of their unpaid balance may be temporarily extended for a period not to exceed six (6) months after the balance was originally due. The District's General Manager shall determine, in their discretion, how long an extension shall be provided to the customer. The customer shall pay the full unpaid balance by the date set by the District and must remain current on all water service charges accrued during any subsequent billing periods. The extended payment

date will be set forth in writing and provided to the customer. The District may grant a longer repayment period if it finds the longer period is necessary to avoid undue hardship to the customer based on the circumstances of the individual case.

C. Amortization

If approved by the District, a customer's payment of their unpaid balance may be amortized over a period not to exceed twelve (12) months, as determined by the District's General Manager in their discretion. The District may grant a longer repayment period if it finds the longer period is necessary to avoid undue hardship to the customer based on the circumstances of the individual case.

If amortization is approved, the unpaid balance will be divided by the number of months in the amortization period, and that amount will be added to the customer's monthly bills for water service until fully paid.

During the amortization period, the customer must remain current on all water service charges accruing during any subsequent billing periods. The amortization schedule and amounts due will be set forth in writing and provided to the customer.

D. Alternative Payment Schedule

If approved by the District, a customer may pay their unpaid balance pursuant to an alternative payment schedule that will not exceed twelve (12) months, as determined by the District's General Manager in their discretion. If approved, the alternative payment schedule may allow periodic lump-sum payments that do not coincide with the District's established payment date or may provide for payments made more or less frequently than the District's regular payment date. During the period of the alternative payment schedule, the customer must remain current on all water service charges accrued during any subsequent billing periods. The alternative payment schedule and amounts due will be set forth in writing and provided to the customer. The District may grant a longer repayment period if it finds the longer period is necessary to avoid undue hardship to the customer based on the circumstances of the individual case.

E. Payment Reduction

If approved by the District, a customer may receive a partial or full reduction of the unpaid balance for water service. Any such reduction shall be funded using unrestricted funds of the District, and not from charges or fees paid by other customers.

F. Failure To Comply

The District may discontinue water service if a customer who has been granted an alternative payment arrangement under this Section 8 fails to do any of the following for sixty (60) days or more:

- a) Pay their unpaid charges by the extended payment date;
- b) Pay any amortized amount due under an amortization schedule;
- c) Pay any amount due under an alternative payment schedule;
- d) Pay a reduced payment amount by its due date; or
- e) Pay their current charges for 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 does not reopen the complaint, investigation, or appeal period under Section 7 as to a bill that has already been reviewed under that Section.

9. SPECIFIC PROGRAMS FOR LOW-INCOME CUSTOMERS

A. Reconnection Fee Limits and Waiver of Interest

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

- 1. Limit any reconnection fees during normal operating hours to fifty dollars (\$50), and during non-operational hours to one hundred fifty dollars (\$150) but not to exceed the District's actual cost of reconnection if less. 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.
- 2. The District does not currently assess interest charges on delinquent bills. If interest charges are assessed in the future, the District will waive them once every 12 months for qualifying customers. The District will apply the waiver to any interest charges that are unpaid at the time of the customer's request.

B. Qualifications

The District will deem a residential customer to have a household income below 200 percent of the federal poverty line if:

1. 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
2. the customer declares that the household's annual income is less than 200 percent of the federal poverty level.

10. PROCEDURES FOR OCCUPANTS OR TENANTS TO BECOME CUSTOMERS OF THE DISTRICT

A. Applicability

This Section 10 shall apply only when the property owner, landlord, manager, or operator of a residential service address is listed as the customer of record and has been issued a notice of intent to discontinue water service due to nonpayment.

B. Agreement to District Terms and Conditions of Service

The District will make service available to the actual residential occupants if each occupant agrees to the terms and conditions of service and meets the requirements of the District's Administrative Code. 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 Administrative Code, the District shall make service available to the occupants who have met those requirements.

C. Verification of Tenancy

To be eligible to become a customer without paying the amount due on the delinquent account, the occupant of a detached single-family dwelling shall 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.

D. Methods of Establishing Credit

If prior service for a period of time is a condition for establishing credit with the District, residence and proof of prompt payment of rent or other credit obligation acceptable to the District for that period of time is a satisfactory equivalent.

E. Deductions from Rental Payment

Pursuant to Government Code Section 60371(d), any occupant who becomes a customer of the District pursuant to this Section 10 and whose periodic payments, such as rental payments, include charges for residential water service, where those charges are not separately stated, may deduct from the periodic payment each payment period all reasonable charges paid to the District for those services during the preceding payment period.

11. LANGUAGE FOR THIS POLICY & CERTAIN WRITTEN NOTICES

The policy shall be available on the District's website with a written copy provided to customers upon request. This Policy shall be available in English, Spanish, Chinese, Tagalog, Vietnamese, Korean, and any other language spoken by ten percent (10%) or more of the people within the District's service area.

All written notices required under the Water Shutoff Protection Act shall be provided in English, Spanish, Chinese, Tagalog, Vietnamese, Korean, and any other language spoken by ten percent (10%) or more of the customers within the District's service area.

12. OTHER REMEDIES

In addition to discontinuation of water service, the District may pursue any other remedies available in law or equity for nonpayment of water service charges, including, but not limited to securing delinquent amounts by filing liens on real property, filing a claim or legal action, or referring the unpaid amount to collections. In the event a legal action is decided in favor of the District, the District shall be entitled to the payment of all costs and expenses, including attorneys' fees and accumulated interest.

13. DISCONTINUATION OF WATER SERVICE FOR OTHER CUSTOMER VIOLATIONS

The District reserves the right to discontinue water service for any violations of District ordinances, rules, or regulations other than nonpayment. Discontinuation of residential water service for reasons other than nonpayment shall occur only as authorized by applicable law and District ordinances, rules, regulations and Administrative Code. Nothing in this Section shall be construed to reduce any procedural protection required by applicable law.

14. FEES AND CHARGES INCURRED

Except as otherwise expressly stated in this Policy, any fees and charges incurred by a customer under any other rules, regulations, or policies of the District, including, but not limited to, delinquent charges, shall be due and payable as set forth therein.

15. ANNUAL SHUTOFF REPORTING

The District shall annually report the number of discontinuations of residential service for inability to pay on the District's website and to the State Water Resources Control Board through the Electronic Annual Report or successive system as appropriate. The District shall also report the same information to the District's Board of Directors.

16. DECISIONS BY DISTRICT STAFF

Any decision which may be taken by the District's General Manager under this Policy may be taken by their designee.

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