

<b>Policy:</b>	Policy on Discontinuation of Residential Water Service for Nonpayment	
<b>Approval Date:</b> January 15, 2020	<b>Effective Date:</b> January 31, 2020	<b>Approved by:</b> City Council/Board of Directors

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**POLICY AND PROCEDURES**

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Purpose:

The purpose of this policy is to inform the public of Indio Water Authority’s (“IWA”) policy and procedures regarding delinquent residential water accounts and discontinuation of service for nonpayment.

Contact Information:

Customers may contact Customer Service at **(760) 391-4038** to discuss this policy and options for averting discontinuation of residential water service for nonpayment or visit the Indio Corporate Yard on 83101 Avenue 45 Monday through Friday from 8:00 a.m. to 5:00 p.m. except on City holidays.

Additional Authority:

Water Shutoff Protection Act (California Health & Safety Code § 116900, *et seq.*)

Scope:

*Residential customers facing termination of water service for non-payment, including single-family residences, multifamily residences, mobilehomes including, but not limited to, mobilehomes in mobilehome parks, or farmworker housing. This policy does not apply to termination of water service to non-residential customers/users or disconnection of residential service due to an unauthorized action of a customer other than nonpayment of bills.*

Responsible Party:

*IWA General Manager or Manager of Finance and Customer Service*

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**POLICY**

**I. Delinquent Account**

1. Delinquent accounts are hereafter identified as any account that remains unpaid (and without having made payment arrangements or established an alternative payment schedule) by close of business on the twenty-fifth (25<sup>th</sup>) day after issuance of bill.
2. Penalty for Delinquency in Payment (Late Fee): The due date and late fee will be displayed prominently on water bills. Bills not paid by the close of business on the **25<sup>th</sup> day** after the bills are issued are considered delinquent and will incur a fee equal to 10% of the delinquent amount as authorized by Resolution 9594 of March 19, 2013. The late fee is incurred on new charges unpaid by the due date and not on a cumulative balance. A payment arrangement on a previously delinquent balance will not remove late fees already charged.

3. Small Balance Accounts: Any balance on a bill of \$15 or less may be carried over, and added to, the next billing period without being assessed a late fee or incurring further collection action.
4. Waiver of Late Fee: IWA will waive the delinquency charge once every twelve (12) months automatically; no action is required from a customer for the waiver.

## II. **Policy Provisions to Avoid Discontinuation of Service Due to Non-Payment (Health & Safety Code § 116906)**

- 1) Alternative Payment Arrangements: Any customer who is unable to pay for water service within the normal payment period may request an alternative payment arrangement to avoid discontinuation of service. IWA shall not discontinue water service for nonpayment if a customer has requested and entered into an alternative payment arrangement.

- a) Time to Request an Alternative Payment Arrangement: A customer may request alternative payment arrangement within ten (10) calendar days of the date of the written notice of discontinuation of service. Such request will be reviewed by the Manager of Finance and Customer Service. IWA decisions regarding alternative payment arrangements are final and are not subject to appeal to the City Council.

- b) Alternative Payment Plan: Payment arrangements that extend into the next billing period are considered an alternative payment plan, which must be in writing and signed by the customer. A down payment of twenty percent (20%) of the customer's outstanding balance will be due at the time of signing. The alternative payment plan will spread the remaining unpaid balance over a period not to exceed twelve (12) months from the original date of the bill. The monthly payments will be combined with, and subject to the due date of the customer's regular bill. The customer must comply with the terms of the payment plan and remain current as charges accrue in each subsequent billing period. The customer may not request further payment "amortization" of any subsequent unpaid charges while paying delinquent charges pursuant to a payment plan.

In the case of extreme hardships, the General Manager may authorize an extended payment plan to allow the customer/user a chance to deal with the hardship while making steady payments to the Authority. In these very rare cases, the General Manager, in consultation with the Manager of Finance and Customer Service will determine the length of the payment arrangement and a suitable amount as well.

- c) Failure to Comply: The customer must comply with the terms of alternative payment arrangements and remain current as charges accrue in each subsequent billing period. Failure to comply with the terms will result in the issuance of a written discontinuation notice and termination of service after

five (5) business days of such notice. The final notice will not entitle the customer to any further investigation or review by IWA.

- 2) Formal Mechanism to Contest or Appeal a Bill: Customer/user may initiate an inquiry or request an investigation relating to billed charges by presenting their inquiry or request to IWA via a Customer Appeal Form. Customer Appeal forms are available on the IWA website or may be obtained at the Customer Service counter during normal business hours.

Any customer/user who has requested an investigation, or who has made a request for extension of the payment period of a bill asserted to be beyond the means of the customer/user to pay in full during the normal period for payment, will be given an opportunity for review by the General Manager or designee. Water service shall not be discontinued while an account review or appeal is pending.

- a) Time to Initiate Complaint or Request an Investigation: A customer may initiate a complaint or request an investigation in writing regarding the amount of a bill within fifteen (15) calendar days of receiving the bill. For the purposes of this section, a bill shall be deemed received by a customer seven (7) calendar days after mailing.
  - b) Review and Determination by IWA: A timely complaint or request for investigation shall be reviewed by the Manager of Finance and Customer Service or designee, who shall provide a written determination to the customer. The review may include consideration of whether the customer/user will be permitted to amortize the unpaid balance of the account over a reasonable period of time. The General Manager will provide final review and consideration of all issues, investigations and requests made in accordance with this subsection, and the determination will be final.
- 3) Customer Service Contact Phone Number: Please call Customer Service at (760) 391-4038 to discuss options for averting discontinuation of residential water service for nonpayment.
  - 4) Medical Provision: Service will not be terminated for nonpayment if the Customer, or a tenant of the Customer, demonstrates that he or she is financially unable to pay within the normal billing cycle, enters into an alternative payment plan with respect to all delinquent charges and submits a certification from a primary care provider, as defined in Welfare and Institutions Code Section 14088(b)(1)(A), that the discontinuation of water service would be life threatening or pose a serious threat to the health and safety of a resident of the premises.
    - a) Service may be terminated regardless of a medical provision exception if notice of disconnection is posted in a prominent and conspicuous location at the property at least five (5) business days prior to the termination date and either (i) Customer fails to comply and is at least 60 days delinquent on the alternative payment plan; or (ii) Customer fails to pay current residential

service charges for 60 days or more while participating in an alternative payment plan.

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## PROCEDURES TO IMPLEMENT POLICY

### III. Discontinuation of Water Service for Nonpayment (Health & Safety Code § 116908)

If a bill is delinquent for at least sixty (60) calendar days, IWA may discontinue water service to the service address following the procedures outlined below.

- 1) Delinquent Notice (First Notice/Past Due Reminder): Upon a bill becoming delinquent, IWA shall give the person or entity responsible for payment of the bill (hereinafter referred to as “Customer”) a notice of delinquency by mail. The notice will be issued on Day 28 to allow for the processing of payments received on the 25<sup>th</sup> day after the bills were issued. This notice is not required by SB 998; it is IWA’s courtesy past due reminder.
- 2) Intent to Disconnect (Second Notice): This is the first formal notice required by SB 998. IWA will provide a mailed notice to the customer of record at least fifteen (15) calendar days before discontinuation of service. If the mailing address and the address of the property to which water service is provided are different, a second notice will be mailed to the service address and addressed to “Occupant”.

The written notice will include in a clear and legible format:

- i) Customer’s name and address.
- ii) Amount that is past due.
- iii) Date by which payment or arrangement for payment is required in order to avoid discontinuation of residential service.
- iv) Description of the process and procedure by which a customer may request an alternative payment plan to pay the delinquent charges.
- v) Description of the procedure to petition for bill review and appeal.
- vi) Customer Service phone number and a web link to this policy.

#### Special Notices:

- a) Notice to Residential Tenants/Occupants in an Individually Metered Residence  
IWA will make a reasonable, good faith effort to inform the occupants, by means of written notice, when the water service account is in arrears and subject to disconnection at least fifteen (15) days before water service is shut off.

The written notice will advise the tenant/occupant they have the right to become customers of IWA without being required to pay the amount due on the delinquent account, as long as they are willing to assume financial responsibility for subsequent charges for water service at the address.

In order for the amount due on the delinquent account to be waived, the tenant/occupant must provide verification of tenancy in the form of a rental agreement, proof of rent payments or other legal document.

b) Notice to Tenants/Occupants in a Multi-Unit Complex Served through a Master Meter

IWA will make a reasonable, good faith effort to inform the occupants, by means of written notice hung on the door of each residence, when the water service is in arrears and subject to disconnection at least fifteen (15) days before water service is shut off.

The written notice shall further inform the residential occupants that they have the right to become IWA customers, to whom the service will then be billed, without being required to pay any amount which may be due on the delinquent account, as long as they are willing to assume financial responsibility for subsequent charges for water service at the address(es) served by the master meter.

If one or more of the occupants are willing and able to assume the responsibility for the subsequent charges for water service to the satisfaction of IWA, or if there is a physical means, legally available to IWA, of selectively terminating service to those occupants who have not met the requirements for service, IWA will make service available to the occupants who have met those requirements.

If an adult at the residence appeals the water bill to IWA, IWA will not discontinue residential service while the appeal is pending.

- 3) Posting of Notice at Service Address (Third Notice): If the written disconnection notice is returned through the mail as undeliverable and IWA is unable to make contact with the customer or an adult occupying the residence by telephone, IWA will make a reasonable, good faith effort to visit the residence and leave in a conspicuous place a notice of discontinuance for nonpayment at least seven (7) business days before discontinuation of service.

IV. **Circumstances under Which Service Will Not Be Discontinued (Health & Safety Code § 116910)**

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

- 1) Circumstances Under Which Service Through a Master Meter Will Not Be Discontinued: If IWA furnishes water through a master meter in a multifamily residential structure, mobilehome park, or permanent residential structures in a labor or farm camp and the owner, manager, or operator is the customer of record, IWA will not discontinue residential water service for nonpayment under the following circumstances:

- a) If a delinquent account relates to another property owned, managed, or operated by the customer.
  - b) If a public health or building officer certifies that termination would result in a significant threat to the health or safety of the residential occupants or the public.
  - c) If one or more of the occupants are willing and able to assume the responsibility for the subsequent charges for water service to the satisfaction of IWA, or if there is a physical means, legally available to IWA, of selectively terminating service to those occupants who have not met the requirements for service, IWA will make service available to the occupants who have met those requirements.
- 2) Special Medical and Financial Circumstances Under Which Services Will Not Be Discontinued: IWA will not discontinue water service if all of the following conditions are met:
- a) The customer, or a tenant of the customer, submits to IWA the certification of a licensed 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 where residential service is provided; and
  - b) The customer demonstrates that he/she is financially unable to pay for residential service within IWA's normal billing cycle. The customer is deemed financially unable to pay; and
  - c) The customer is willing to enter into an alternative payment arrangement with respect to the delinquent charges.
- 3) In addition, services will not be discontinued:
- a) During the period of time in which a customer's payment is subject to an IWA-approved alternative payment plan under Section II (1) of this Policy and the customer remains in compliance with the approved payment arrangements; or
  - b) During an investigation by IWA of a customer dispute or complaint under Section II (2) of this Policy or pendency of an appeal to the General Manager.
  - c) On a Friday, Saturday, Sunday, legal holiday, or any time during which IWA office is not open to the public.

**V. Disconnection Procedures for Nonpayment and Restoration of Service**

1. Disconnection Deadline: All delinquent water service charges and associated fees must be received by IWA by 5:00 p.m. on the day specified in the written disconnection notice. The payment methods are listed below by processing speed:

<u>Payment Method</u>	<u>Types of Payment Accepted*</u>	<u>Processing Speed</u>	<u>Availability</u>
In-Person	Check, Cash, Visa or MasterCard	Same Day	Bring payment to: Indio Corporate Yard 83101 Avenue 45 Indio, CA 92201  Monday – Friday 8:00 am to 5:00 pm; closed on weekends and holidays.
Pay by phone (Interactive Voice Response - IVR)	Check, Visa or MasterCard	Same Day	Call IVR toll-free at (760) 347-7958 on a 24/7 basis
Pay Online	Visa and MasterCard	Same Day	24/7 at <a href="https://iwa.util360.com">https://iwa.util360.com</a>
Drop Box	Check or Money Order	Next Business Day	Indio Corporate Yard and City Hall

*\*No convenience fees charged*

Other payment options are available and can be reviewed at [www.indiowater.org](http://www.indiowater.org) or discussed with Customer Service by calling (760) 391-4038.

2. Disconnection of Residential Water Service for Nonpayment: IWA will disconnect service by turning off, and in some cases, locking off the meter. Before service is disconnected, the customer will be duly notified as prescribed in Section IV of this Policy. The customer will be charged a fee to re-establish service in the billing system regardless of whether the meter was physically turned off. The meter will be locked in the off position if payment is not received within seven (7) days of initial disconnection and the water account will be sent to collections.
  
3. Reestablishment of Service: In order to resume or continue service that has been disconnected for nonpayment, the customer must pay a re-establishment fee and any past due amount, including late fees. The IWA will endeavor to reconnect service as soon as practicable but, at a minimum, will restore service before the end of the next regular working day.

Water Service that is turned on by any person other than IWA personnel or without IWA authorization may be subject to fines or additional charges or fees. Any damages that occur as a result of unauthorized restoration of service are the responsibility of the customer.

4. Reestablishment of Service After Business Hours: Service restored after 5:00 p.m. Monday through Friday, weekends, or holidays will be charged an after-hours reestablishment fee. Service will not be restored after regular business hours unless the customer has been informed of the after-hours reestablishment fee and has signed an agreement acknowledging the fee.
5. Returned Payments: If a residential customer/user issues a payment to avoid water service termination and that payment is later returned by the bank/financial institution, IWA may terminate service upon giving a five (5) business day notice to the customer/user.

## VI. **Special Programs for Low-Income Customers**

1. Reconnection Fee Limits and Waiver of Interest: SB 998 requires IWA to set limits on reconnection fees and waive interest on delinquent bills once every 12 months for customers whose household income is below 200 percent of the federal poverty line. SB 998 limits the reconnection fee to \$50 for reconnection during normal operating hours, and \$150 for reconnection during nonoperational hours, but not to exceed the actual cost of reconnection if it is less. However, IWA does not charge interest and will apply the following reconnection limits and waiver of fees to all customers, regardless of income.
  - a) IWA will charge the actual cost of reconnection up to the limit allowed by SB 998. The 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 the late fee on delinquent bills once every twelve (12) months. IWA will apply the waiver to any late fees that are unpaid at the time of the waiver.

VII. **Other Remedies.** In addition to the discontinuation of service, IWA may pursue 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.

VIII. **Decisions by IWA Staff.** Any decision which may be taken by the IWA General Manager under this Policy may be taken when authorized by the Manager of Finance and Customer Service or other designee.

IX. **Report Regarding Annual Discontinuations of Water Service.** Annually, IWA will report to the Board the number of annual discontinuations of residential water service due to inability to pay, and will post the report on its website.