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# Gold Mountain Community Services District

## POLICY HANDBOOK

**POLICY TITLE:** Delinquency and Water Shutoff Policy

**POLICY NUMBER:** 5006

### 5006.0 Overview

Gold Mountain Community Services District (GMCS D) invoices water and sewer fees on a quarterly basis with balances due and payable on January 1, April 1, July 1, and October 1. Fees received after the first of the following month, February 1, May 1, August 1, and November 1 are considered late and the District will start delinquency and possible water shutoff procedures in accordance with SB 998, the Water Shutoff Protection Act.

The GMCS D collects the District's Special Fire Tax for fire prevention, suppression, and emergency medical response service (EMS) on the Plumas County property tax roll for most properties. For select combined parcels and multi owner parcels, the District invoices the Fire Tax on an annual basis. Both methods of collection include penalties for late or unpaid taxes.

**5006.1 Owner/Tenants.** California law allows tenants to apply for a utility account in their own name. The CSD requires a copy of the signed lease to apply for such account. The property owner remains ultimately responsible for utility payments and late fees. In the event of any delinquency, as detailed in the following sections, all notices of delinquency will be sent to both the tenant and the owner of record. Delinquency proceedings will be conducted with the owner of record.

The Special Fire Tax is always invoiced to the owner of record and recorded in the County Assessor's office.

**5006.2 Water and Sewer Delinquencies:** In accordance with California Government Code Section 61115 and SB998, the following policy and procedures are in effect on the date of the adoption of this policy regarding the collection of water and sewer delinquencies and possible water shutoff proceedings.

**5006.3 Quarterly Statements.** The District invoices water and sewer fees on a quarterly basis with balances due and payable on January 1, April 1, July 1 and October 1. Fees received after the first of the following month, February 1, May 1, August 1, and November 1 are considered late and the District will start delinquency procedures. Customers may choose to make payments in advance, quarterly, semi-annually, annually or a lump sum. ***Customers are reminded that they are responsible for quarterly water and sewer payments whether or not they receive an actual bill.***

**5006.4 Late Fees:** The District adds a penalty late fee of 10% to any account with a balance owed on the first day of the subsequent month after due date. These charges will appear on the next GM CSD account statement.

**5006.5 Interest Penalties:** The District charges ongoing monthly penalties of 1% per month to the previous month's unpaid water and sewer balance on the first day of each subsequent month for which there is an outstanding balance. These charges appear on the next GM CSD statement.

**5006.6 Late Payments:** A payment is considered late on the last day of the "payment due month" (January 31, April 30, July 31, and October 31). The District assesses a late fee and sends a Past Due Notice on the first business day of the 2<sup>nd</sup> month of the quarter via USPS. The Past Due Notice begins the 60-day process outlined by SB 998 by which water/sewer service may be terminated for non-payment.

**5006.6.1 Past Due Notice** shall include information to allow customers to:

1. Arrange to make deferred or reduced payments;
2. Establish alternative payment schedule;
3. File a complaint or request an investigation regarding service charges;
4. Contact District employee or representative to discuss options to avoid service disconnection due to non-payment.

**5006.6.2 Default Accounts.** Failure to pay any portion of the invoice within thirty (30) days of the mailing date of the Past Due Notice will be considered a default on the account and water shut off procedures will be implemented.

**5006.6.2.1** If payment has not been received within thirty (30) days after the mailing date of the Past Due Notice, the District shall send a Notice of Intent to Shut Off Service by Certified Mail, Return Receipt Requested. The notice must be mailed to address of record. The District shall charge a fee of \$25.00 to the delinquent account in connection with this Notice.

**For residential service only:** If the address of record is not the service address, the District shall post an additional notice addressed to "Occupant," at the property where service is received. The District shall charge an additional \$25 charge for this hand delivered notice. The notice will include:

1. Customer's name and address;
2. Amount of delinquency;
3. Date by which payment or arrangement for payment is required to avoid discontinuation of service;
4. Description of the process to apply for an extension of time to pay the amount owing;
5. Description of the procedure to petition for review and appeal of the bill associated with the delinquency.
6. Description of the procedure by which the customer can request a deferred, amortized, reduced or alternative payment schedule.

7. Information about tenants' rights to establish service with GMCSO in their name for future bills. If payment is not received within ten (10) days from the mailing date of the Final Notice of intent to Shut Off Service, the District shall shut off service to the property. The District assesses a \$50 fee to shut service off.

**5006.6.2.2** With completion of one of the following actions, the District will restore service upon payment of a \$50 Shut Off Restoral fee:

1. Payment of the entire balance (including late fees and interest)
2. Payment of all past due amounts
3. Payment of the \$50 severance fee and establishing a payment agreement
4. Establish formal payment arrangements

**5006.6.2.3** Billing for services will continue whether or not service is terminated and will accrue additional late and interest fees per this schedule.

**5006.6.2.4** Details related to processes relating to: Temporary Deferral of Payments, Reduction of Late Penalties, Alternate Payment Schedule, Amortization of the Unpaid Balance, Appeal Process, and Service Involving Landlord/Tenant Relationships may be found in Attachment A.

**5006.7 Property Liens:** If the delinquency extends beyond 90 calendar days, the District may begin the lien filing process against the owner's property, per California Government Code Section 6066. Liens require Board approval. The following steps shall be followed:

The District notifies the property owner by U.S. postal service certified mail with return receipt that the lien process is pending, and a public notice is also posted. The District provides the property owner 15 days from the receipt of the certified letter to contact the District and arrange full payment, or to appear at a public hearing to be set at a date at least 15 days from the date of the mailing of the letter.

If payment is not received or the District is not satisfied at public hearing, the District will initiate the process of filing a lien against the property and or pursuing owed monies through a collection agency.

The lien process can be stopped, or if a lien has been filed can be removed, when the property owner pays the entire balance due (including late fees and interest), as well as all actual costs incurred by the District associated with the filing of the lien, including lien filing service fees, recording fees, attorney fees, advertising expenses.

The lien shall have the force, effect, and priority of a judgment lien. Within 30 days of receipt of payment for all amounts due, including the District paid recordation fees, the District shall record a release of the lien.

**5006.8** The District may pursue collection of delinquent bills through the County tax roll or via a collection agency and may report the delinquency to any and all credit agencies.

**5006.9 Partial Payments:** The District will apply partial payments first to the accumulated late fees if any, then to the accumulated interest penalties if any, and last to outstanding water and sewer fees, oldest first.

**5006.10 Prohibitions on Discontinuation of Residential Water Service:** There are two conditions that would prohibit the discontinuation of residential water service for non-payment:

**5006.10.1** If the customer appeals its water bill to the District or to any other administrative or legal body; the District will not discontinue service while that appeal is pending.

**5006.10.2** The District will not discontinue residential water service if any of the following conditions are met:

*A. Health Conditions – the customer or tenant of the customer submits certification of a primary care provider that discontinuation of water service would, to any resident at the property, (i) be life threatening, or (ii) pose a serious threat to a resident's health and safety.*

*B. Financial Inability – the customer demonstrates he or she is financially unable to pay for water service within the water system's normal billing cycle. The customer is deemed "financially unable to pay" if any member of the customer's household is: (is) 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 (ii) the customer declares the household's annual income is less than 200% of the federal poverty level. The Act does not require the customer to show any proof relating to that income declaration.*

*C. Alternative Payment Arrangements – the customer is willing to enter into an alternative payment arrangement approved and documented in writing by the GMCSO General Manager.*

**5006.11 Fire Tax Delinquencies:** The GMCSO collects the District's Special Fire tax in two installments on the Plumas County Tax Roll for the majority of parcels within the district. For select combined parcels and multi owner parcels, the District invoices the Fire Tax directly on an annual basis.

**5006.12 Bi-Annual County Tax Statements:** The first County tax installment is due along with property tax payment on December 10th, and the second installment on April 10th, with penalties assessed for late or unpaid fees per County policy. The balance is rolled over to the next tax statement. The County may initiate tax sale proceeding for tax payments in arrears more than 5 years.

**5006.13 Direct Billed Fire Tax Fees:** The District invoices Fire Tax Fees for select community owned parcels on an annual basis and assesses a late fee of 10% for any late or unpaid fee each quarter until balance is paid. The District follows procedures aligned to Section 5005.3 to collect delinquent and unpaid direct billed fire taxes and lien unpaid parcels.

**5006.14 Will Serve Requests for Property in Arrears:** The District will not issue a "Will Serve" letter to property owners who are in arrears on either water and sewer fees or fire taxes on any property held in their name. Prior to issuing the Will Server letter, the customer is required to:

1. Bring their account current including all fees, taxes, penalties, and amounts past due

2. Pay all connection and capacity fees in advance with a Cashier's Check or Wire Transfer, or incur a seven-day waiting period if paid by personal check

**5006.15 Account Transfer due to Change in Property Ownership:** Upon notification that a property is in escrow, District field staff will conduct a "final meter read" as close to the final escrow date as possible to prepare and distribute a final bill for water usage (consumption) to the existing Customer of Record.

It is the responsibility of the new owner to contact the GMCSO office to provide account information, including owner/s name, email address, mailing address and emergency contact information. Water and sewer and emergency fire response services begin the day following closing of escrow and costs will be prorated and billed in the subsequent regular billing cycle.

**5006.16 Annual Reporting:** GMCSO is required to report the number of annual discontinuations of residential service for inability to pay to the Board of Directors. The District posts this report on the GMCSO website per California Senate Bill 998.

## ATTACHMENT A

### Temporary deferral of payment

A customer may request a deferral of a payment, up to ninety (90) days from the original due date. Should the customer not be able to make subsequent current bill payments, the deferred amount shall be due and payable immediately, and the disconnection notice resulting from failure to meet the terms of the deferral plan will be in the form of either a door hanger or other physical document posted to the premises no less than five (5) business days in advance of the discontinuance of service.

### Reduction of late penalties

At the request of the customer, the District may waive the late fee if there are extenuating circumstances and the customer has not been assessed a late fee for delinquent payment in the preceding six (6) months.

### Alternative payment schedule

The District will offer alternative payment arrangements for any customer who is unable to pay for services within the normal payment period and requests an alternative payment arrangement to avoid late fees or disruption of service. The District will consider all circumstances surrounding the request and make a determination as to whether the payment arrangement is warranted. Alternative payment options include:

### Amortization of the unpaid balance

Payment arrangements that extend into the next billing period are considered an amortization plan, which must be in writing and signed by the customer. An amortization plan will amortize the unpaid balance over a period defined by the customer, not to exceed twelve (12) months from the original date of the bill. The amortized 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 amortization plan and remain current as charges accrue in each subsequent billing period. The customer may not request further amortization of any subsequent unpaid charges while paying delinquent charges pursuant to an amortization plan. Failure to comply with the terms of an amortization plan will result in the issuance of a written disconnection notice. The disconnection notice resulting from failure to meet the terms of an amortization plan will be in the form of either a door hanger or other physical document posted to the premises not less than (5) business days in advance of discontinuance of service.

### Appeal process

Customers may request a formal appeal of their bill payment by submitting a written request for appeal within (15) calendar days of the bill date. The District will not discontinue service pending the outcome of the appeal. The appeal will be submitted to the General Manager, who upon timely receipt of the appeal, will review the aspects of the billing dispute or appeal and will communicate the determination to the customer in writing. The customers obligation to pay undisputed and subsequent charges continues pending resolution of the appeal.

#### Service involving Landlord/Tenant Relationships

If the District provides service to residential occupants of a residential structure and the owner, manager or operator of the structure is the customer of record, the District shall make a good faith effort to inform the residential occupants, by means of written notice, when the account is in arrears that the service will be terminated at least ten (10) days prior to the termination. The written notice shall further inform the residential occupants that they have the right to become customers to whom the service will be billed without being required to pay any amount which may be due on the delinquent account.