



## CITY OF ESCONDIDO – UTILITY BILLING DISCONTINUANCE OF WATER SERVICE FOR NONPAYMENT POLICY

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### PURPOSE:

This policy shall control the City of Escondido's administrative actions for the collection of delinquent utility billing accounts, including notifications, fee assignments, and discontinuation of service. This policy does not apply to the termination of a service connection by the City due to an unauthorized action of a customer (H&S 116926).

This policy is intended to comply with the California Health and Safety Code, Chapter 6, Sections 116900 *et. seq.*, also known as Senate Bill 998, and includes the following components:

1. A plan for deferred or reduced payments.
2. Alternative payment schedules.
3. A formal mechanism for a customer to contest or appeal a bill.
4. A telephone number for a customer to contact to discuss options for averting discontinuation of residential service for nonpayment.

This policy will be made available to the public on the City's website at [www.escondido.org](http://www.escondido.org) in the following languages: English, Spanish, Chinese, Tagalog, Vietnamese, and Korean. (H&S 116906).

### REFERENCE:

City of Escondido Municipal Code Chapter 31 Water  
Health and Safety Code, Chapter 6, Sections 116900 *et. seq.*  
Senate Bill No. 998 Discontinuation of Residential Water Service

### POLICY:

The City will make a reasonable, good faith effort to notify the customer of amounts past due and the collection actions that will be forthcoming after bill issuance. The City Utility Billing division can be contacted by phone at (760) 839-4682 to discuss options for averting discontinuation of water service for nonpayment under the terms of this policy. (H&S 116906).

The City shall not discontinue water service for non-payment until payment by the customer has been delinquent for at least 60 days from the bill due date. (H&S 116908).

In addition, the City shall not discontinue water service for nonpayment if either of the following two conditions are met and the customer is willing to enter into an amortization agreement:

1. The customer or tenant submits certification from a primary care provider that discontinuation of residential 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. (H&S 116910(a)(1)).
2. The customer demonstrates that he or she is financially unable to pay for residential service within the normal billing cycle by demonstrating that 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 (WIC), or the customer declares that the household's annual income is less than 200 percent of the federal poverty level. (H&S 116910(a)(2)).

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The customer may enter into an amortization agreement or alternative payment schedule consistent with this policy. The City does not allow for deferred or reduced payments. The City will consider all circumstances surrounding the request and make a determination as to whether the payment arrangement is warranted based on policies of the amounts at issue, history of payments, and other unique circumstances related to the customer's inability to pay a pending bill. (H&S 116910(a)(3)).

Payment arrangements that extend into the next billing period are considered an amortization plan. An amortization plan will amortize the unpaid balance over a period defined by the customer, not to exceed 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. (H&S 116910(2)).

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 will be in the form of a door hanger delivered to the premises no less than 5 business days in advance of discontinuance of service. (H&S 116910(3)).

Residential service may be discontinued no sooner than 5 business days after the City posts a final notice of intent to disconnect service in a prominent and conspicuous location at the property under either of the following circumstances (H&S 116910(3)):

1. The customer fails to comply with an amortization agreement or an alternative payment schedule for delinquent charges for 60 days or more.
2. While undertaking an amortization agreement or an alternative payment schedule, the customer does not pay his or her current residential service charges for 60 days or more.

Information on how to restore service will be provided on the customer's shut off notice. (H&S 116912).

The City will report the number of annual discontinuations of residential service for inability to pay on the City's website and to the City Council. (H&S 116918).

The following rules apply to the collection of Utility Billing accounts:

1. Small Balance Accounts:  
Any balance on a bill of \$24.99 or less may be carried over, and added to, the next billing period.
2. Past Due Letter & Late Fee:  
If payment for a bill is not received by close of business on the 21st day after the bill is issued, a 10% late fee will be assessed. A Past Due Letter is generated and mailed to the customer and a \$1.50 past due letter fee is added to the account if the past due amount is not paid within 10 days of the notice. The 10% late fee and past due letter fee will be displayed on the following bill. *Example: A Customer is billed on October 25. The bill is due on November 13. A 10% late payment charge on the outstanding balance is assessed on November 15 and the charge is billed on November 25. The past due letter fee of \$1.50 is assessed on November 21 and billed on December 25.*

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3. Waiver of Late Fee:

At the request of the customer, the City will waive late fees once every 12 months. (H&S 116914(a)(2)).

4. Non-Payment Notice:

If no payment is received and no payment arrangements have been made, a Non-Payment Notice (ie, door hanger, field order) is delivered to the premise indicating water will be shut off to the delinquent property in 7 days absent payment of the outstanding bill. A door hanger fee is assessed and billed to the customer on the following bill. The written disconnection notice will include: Customer's name and address; Amount that is past due; Date by which payment or payment arrangements are required to avoid discontinuation of service; Description of the process to apply for an amortization plan, or an alternative payment schedule; Description of the procedure to petition for bill review and appeal; and, the City phone number and a web link to the City's written collection policy.

a. Notice to Residential Tenants/Occupants in an Individually Metered Residence:

The City 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 10 days before water service is shut off. The written notice will advise the tenant/occupant that they have the right to become customers of the City 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 that 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 or proof of rent payments. (H&S 116916).

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

The City 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 account is in arrears and subject to disconnection at least 10 days before water service is shut off. The written notice will advise the tenant/occupant that they have the right to become customers of the City 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(es) served by the master meter. If one or more of the occupants are willing and able to assume responsibility for the subsequent charges for water service to the satisfaction of the City, or if there is a physical means, legally available to the City, of selectively terminating service to those occupants who have not met the requirements for service, the City will make service available to the occupants who have met those requirements. If the written disconnection notice is returned through the mail as undeliverable, the City will make a reasonable, good faith effort to visit the residence and leave a notice of discontinuance for non-payment. (H&S 116916).

5. Turn Off for Non-Payment Notice:

If no payment is received 7 days from the Non-Payment Notice date, a Turn Off for Non-Payment notice is delivered to the premise and the water is shut off. (H&S 116908(a)(1)(C)).

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6. Disconnection Deadline:

All delinquent water service charges and associated fees must be received by the City by 2:00 p.m. on the day specified in the written disconnection notice.

7. Disconnection of Water Service for Non-Payment:

The City will disconnect water service by locking off the meter. The customer will be charged a fee to re-establish service in the billing system regardless of whether the meter has physically been turned off. Accounts where service has been disconnected and not restored within seven (7) calendar days will be closed, the account balance must be paid in full, and a deposit will be required in order to restore service.

8. Re-establishment of Service:

In order to resume or continue service that has been disconnected for non-payment, the customer must pay a re-establishment fee. The City 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 following payment of any past due amount and delinquent fees attributable to the termination of service. Water service that is turned on by any person other than City personnel will be subject to additional charges. Any cost for damages that occur as a result of unauthorized restoration of service are the responsibility of the customer.

9. Re-establishment of Service After Business Hours:

Service restored after 2:00 pm Monday through Friday, weekends, or holidays will be charged an after-hours re-establishment fee. Service will not be restored after regular business hours unless the customer has been informed of the after-hours re-establishment fee and has agreed to sign the after-hours agreement.

If service is being restored after regular business hours because the customer has yet to establish service, the customer must contact the billing department by 12pm to establish service the next business day.

10. Notification of Disposition of Returned Check:

Upon receipt of a returned check taken as payment of water service or other charges, the City will consider the account not paid. A 48-hour notice of termination of service due to a returned check will be generated.

Water service will be disconnected if the amount of the returned check and the returned check charge are not paid on or before the date specified in the notice of termination. All amounts paid to redeem a returned check and to pay the returned check charge must be in cash, credit card or certified funds.

11. Disputed Bills:

If a customer disputes the water bill and exercises their right to appeal to the Director of the Utility department or his or her designee, the City will not disconnect water service for non-payment while the appeal is pending.