



NOTICE OF BUDGET & FINANCE COMMITTEE MEETING

Responsible for the review of District finances including: rates, fees, charges and other sources of revenue; budget and reserves; audit; investments; insurance; and other financial matters.

NOTICE IS HEREBY GIVEN that the San Lorenzo Valley Water District has called a meeting of the Budget & Finance Committee to be held on Tuesday, **November 5, 2019 at 9:00 a.m.** at the Operations Building, 13057 Highway 9, Boulder Creek, California.

AGENDA

1. Convene Meeting/Roll Call
2. Oral Communications
This portion of the agenda is reserved for Oral Communications by the public for items which are not on the Agenda. Please understand that California law (The Brown Act) limits what the Board can do regarding issues raised during Oral Communication. No action or discussion may occur on issues outside of those already listed on today's agenda. Any person may address the Committee at this time, on any subject that lies within the jurisdiction of the District. Normally, presentations must not exceed five (5) minutes in length, and individuals may only speak once during Oral Communications. Any Director may request that the matter be placed on a future agenda or staff may be directed to provide a brief response.
3. Old Business:
Members of the public will be given the opportunity to address each scheduled item prior to Committee action. The Chairperson of the Committee may establish a time limit for members of the public to address the Committee on agendized items.
 - a. SB 998 COMPLIANCE - DELINQUENT ACCOUNT
Discussion and possible action by the Committee regarding Discontinuance of Water Service Process.
4. New Business: None
Members of the public will be given the opportunity to address each scheduled item prior to Committee action. The Chairperson of the Committee may establish a time limit for members of the public to address the Committee on agendized items.
5. Informational Material: None.
6. Adjournment

In compliance with the requirements of Title II of the American Disabilities Act of 1990, the San Lorenzo Valley Water District requires that any person in need of any type of special equipment, assistance or accommodation(s) in order to communicate at the District's Public

Meeting can contact the District Office at (831) 338-2153 a minimum of 72 hours prior to the scheduled meeting.

Agenda documents, including materials related to an item on this agenda submitted to the Committee after distribution of the agenda packet, are available for public inspection and may be reviewed at the office of the District Secretary, 13060 Highway 9, Boulder Creek, CA 95006 during normal business hours. Such documents may also be available on the District website at www.slvwd.com subject to staff's ability to post the documents before the meeting.

Certification of Posting

I hereby certify that on October 31, 2019, I posted a copy of the foregoing agenda in the outside display case at the District Office, 13060 Highway 9, Boulder Creek, California, said time being at least 72 hours in advance of the regular meeting of the Budget & Finance Committee of the San Lorenzo Valley Water District in compliance with California Government Code Section 54956.

Executed at Boulder Creek, California, on October 31, 2019.

Holly B. Hossack, District Secretary
San Lorenzo Valley Water District

M E M O

TO: Budget & Finance Committee

FROM: Director of Finance & Business Services

SUBJECT: Delinquent Account – Discontinuance of Water Service Process
(SB998 Compliance)

DATE: November 5th, 2019

BACKGROUND:

Senate Bill 998 mandates procedural requirements on delinquent water customers, before the discontinuance of water service. There are procedural and financial changes that will be needed for the District to become compliant. Below is a draft policy and recommended associated fees for the Committee to discuss and recommend to the Board. In addition, a timeline of the process is also provided.

RECOMMENDATION:

1. Review the draft policy for general acceptance.
 - a. Policy would typically be done in the Administrative committee, but given it has financial ramifications as well, it is first being brought to Budget & Finance Committee
2. Review proposed fee schedule for general acceptance.
3. Review the timeline of the process to gain an understanding of the policy.

DRAFT - Delinquent Account – Discontinuance of Water Service Policy *(will also include required translation stating this policy can be provided upon request)*

1. Delinquent Account – Discontinuance of Water Service Process

- a. Delinquent accounts are hereinafter identified as any account that remains unpaid, and without having an active alternative payment arrangement, by close of business 21 days after the bill date.
- b. Small Balance Accounts
 - i. Any balance on a bill of \$20 or less may be carried over, and added to, the next billing period without being assessed a late fee or incurring further collection action.
- c. Late Fee
 - i. If payment for a bill is not received by the close of business 21 days after the bill date, the District will make a reasonable, good faith effort to notify the customer of an impending late fee. If payment is not received prior to the following bills processing, a late fee will be assessed. The late fee is based on current rates and charges established by the Board.
 - 1. The means of notification will be based upon the notification preference provided by the customer (text, phone or email). Customers who have not selected a means of notification will be notified by the e-mail on file. The District assumes no responsibility for phone or email contact information that has not been kept up-to-date by the customer.
 - ii. At the request of the customer, the District will 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 twelve (12) months.
- d. Alternative Payment Arrangements (payment plans)
 - i. Any customer who is unable to pay for water service within the normal payment period may request 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.
 - 1. Certification by a Primary Care Provider (General Practitioner, Obstetrician/Gynecologist, Pediatrician, Family Practice Physician, Primary Care Clinic, Hospital, or Outpatient Clinic) who certifies that the termination of service will be life-threatening or pose a serious threat to the health and safety of any resident of the premises where water service is provided will obligate the District to enter an amortized repayment plan.
 - ii. 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 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(s). 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 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.

e. Formal Discontinuance Notice

- i. The District shall not discontinue water service for non-payment until payment by the customer has been delinquent for at least 60 days. The District will make a reasonable, good faith effort to contact the customer at least 10 business days before discontinuation of water service for non-payment.

1. The means of notification will be based upon the notification preference provided by the customer (text, phone or email). Customers who have not selected a means of notification will be notified by the e-mail on file. The District assumes no responsibility for phone or email contact information that has not been kept up-to-date by the customer.

- ii. 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".

1. The written disconnection notice will include:

- a. Customer's name and address
 - b. Amount that is past due
 - c. Date by which payment or payment arrangements are required to avoid discontinuation of service
 - d. Description of the process to apply for an amortization plan
 - e. Description of the process to dispute or appeal a bill
 - f. District phone number and a web link to the District's written collection policy

2. The written notice will advise the tenant/occupant that they have the right to become customers of the District 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.

f. Seventy-Two (72) Hour Notice of Termination - Tag and Fees

- i. The District will make a reasonable, good faith effort to notify the customer at least 72 hours in advance of disconnection of water service for non-payment. The means of notification will be to visit the residence and leave a notice of termination of service. The notice will have the date and time all delinquent water service charges and associated fees must be received by to avoid discontinuance of service.

1. The 72 hour Tag fee is based on current rates and charges established by the Board.
- g. Disconnection of Water Service for Non-Payment
 - i. The District will disconnect water service by turning off, and in some cases 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. The meter will be locked in the off position if payment is not received within 7 days of initial termination.
 - h. Re-establishment of Service
 - i. In order to resume or continue service that has been disconnected for non-payment, the customer must pay a re-establishment fee. The District 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 District personnel or without District 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.
 1. The re-establishment of service fee is based on current rates and charges established by the Board.
 - ii. Water service that is turned on by any person other than District personnel or without District 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.
 - i. Re-establishment of Service After Business Hours
 - i. Service restored after 5:00 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 signed an agreement acknowledging the fee and agreeing to contact the District's billing department no later than noon the following business day to pay the subject fees. The after-hours re-establishment fee is in addition to the regular re-establishment fee and the late fee for a past due account. District staff responding to service calls are not permitted to collect payment, but will instruct the customer to contact the billing department before noon the following business day.
 1. The after-hours re-establishment of service fee is based on current rates and charges established by the Board.
 - ii. Sometimes water service is discontinued because the service is a new account and the District has not received a request to establish service. If service is being restored after regular business hours because the customer has yet to establish service, the customer must agree to contact the billing department to establish service the next business day and the after-hours re-establishment will be waived. If service is discontinued for any reason not identified above, the service should be restored as quickly as possible and the customer advised to

contact the billing department to resolve the issue. No after-hours re-establishment fee will be charged in this instance.

DRAFT - Delinquent Account – Discontinuance of Water Service Fees:

1. Late Fee – Proposed \$10
 - a. Will be charged as part of the new billing process. If a customer's prior month bill is not paid by the following bills process date, the \$10 late fee will be applied.
 - b. This is intended to cover the fees associated with staff time in running the courtesy IVR notice, as well as the late fee process. Also, fees associated with the actual IVR system costs.
2. Tag Fee – Proposed to stay the same current \$25
 - a. Charged upon customer being part of the tag process
3. Turn Off Fee - Proposed to stay the same current \$40 (below SB998 \$50)
 - a. Charged upon customer being part of the turn off process
4. After Hour Turn Off Fee – Proposed to be \$100, equivalent of 2 hr minimum pay (below SB998 \$150)
 - a. Charged if customer is requesting to be turned on after hours.

Timeline of Past Due Process

January Bill Goes Out	1/20/2020
January Bill Due	2/10/2020
IVR Courtesy Notice	2/17/2020
Late Fee	2/20/2020
Formal Notice	3/30/2020
Final Tag Notice	4/9/2020
Turned Off	4/14/2020

# Days Orig. Bill	85
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# Days from Due Date	64
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