



<b>Number:</b>	P200-19-1	<b>Type of Policy:</b>	Finance
<b>Title:</b>	Delinquent Accounts		
<b>Description:</b>	Provides guidance for the collection of delinquent accounts, including notifications, fees and the disconnection of water service.		
<b>Original Adoption:</b>	11/14/19	<b>Reviewed:</b>	n/a
<b>Review Cycle:</b>	2 years	<b>Resolution No.:</b>	11/01/21

## Background:

Scotts Valley Water District is governed in the execution of the collection of delinquent accounts by California Government Code Sections 60370-60375.5. Furthermore, as an urban or community water system that supplies water to more than 200 service connections, the District is governed, effective by law February 1, 2020, by Senate Bill No. 998 and Government Code Sections 116900 - 116926.

The District can be contacted by phone at (831) 438-2363 to discuss options for averting disconnection of water service for nonpayment under the terms of this policy.

## Delinquent Accounts Policy:

Delinquent accounts are any account that remains unpaid (without having made payment arrangements or established an alternative payment schedule) by the close of business 21 days after the water bill date. The following rules apply to delinquent accounts:

- Small Balance Accounts:**  
Any balance on a bill of \$25 or less may be carried over and added to the next billing period without being assessed a late fee or incurring further collection action.
- Late Fee:**  
If payment for a bill is not received by close of business on the 21<sup>st</sup> day after the bill date, a late fee will be assessed. The bill date and delinquent date will be displayed prominently on the bill. When a late fee is incurred, the District will send the customer a Past Due letter with the outstanding balance on the account with the late fee prominently displayed.
- Waiver of Late Fee:**  
At the request of the customer, the District will waive the late fee if there are extenuating circumstances.
- Alternative Payment Arrangements:**

Any customer who is unable to pay for water service within the normal payment period may request a payment arrangement. The District will consider the circumstances and determine whether a payment arrangement is warranted.

The District will enter a payment plan when a Primary Care Provider (General Practitioner, Obstetrician/Gynecologist, Pediatrician, Family Practice Physician, Primary Care Clinic, Hospital, or Outpatient Clinic) 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.

Payment arrangements that extend into the next billing period are considered Promissory notes. Promissory notes must be in writing and signed by the customer. Promissory notes amortize the unpaid balance over a period not to exceed 12 months from the bill date. The customer must comply with the terms of the Promissory note 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 a Promissory note. Failure to comply with the terms of a Promissory note will result in the issuance of a written disconnection notice in the form of a door hanger delivered to the premises no less than 7 business days in advance of disconnection of service.

5. Written Disconnection Notice

The District shall not disconnect 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 in writing at least 7 business days before disconnection of water service for non-payment. The written disconnection notice will be delivered to both the mailing address and the service address.

6. Twenty-four (24) Hour Notice of Termination

The District will make a reasonable, good faith effort to notify the customer 24 hours in advance of disconnection of water service for non-payment. Customers will be notified by phone or email.

7. Disconnection Deadline

All delinquent water service charges and associated fees must be received by the District by 5:00 pm on the day specified in the written disconnection notice.

8. Disconnection of Water Service for Non-Payment

The District will disconnect water service by locking off the meter. The customer will be charged a fee to re-establish service regardless of whether the meter has physically been turned off.

9. Re-Establishment of Service

The customer must pay a re-connection fee to re-establish service that has been disconnected for non-payment. The District will restore service as soon as practicable, no later than the end of the next regular working day following payment of any past due amount and delinquent fees. 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.

10. Re-Establishment of Service After Business Hours

Service restored after 4:00 pm on weekdays, or anytime on weekends and holidays, will be charged an after-hours re-connection fee. Service will not be restored after regular business hours unless the customer has been informed of the after-hours re-connection 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 fee. The after-hours re-connection fee is in addition to the regular re-connection 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.

11. Notification of Disposition of Returned Check

Upon receipt of a returned check taken as payment of water service or other charges, the District will consider the account not paid. The District will make a reasonable, good faith effort to notify the customer of the returned check by phone or email. A written disconnection notice will be mailed. If the District is unable to make contact, a good faith effort will be made to visit the residence and leave a notice of termination of service.

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.

12. Disputed Bills

If a customer disputes the water bill and exercises their right to appeal to the Board of Directors, the District will not disconnect water service for non-payment while the appeal is pending.

**Effective Date: 02/01/20**