

## Utilities: Water Service Policies and Procedures

### PURPOSE

This policy establishes San José Municipal Water System (SJMWS) procedures for billing, payment options, and discontinuation of services for residential customers.

### AUTHORITY

This policy supplements and implements California Health and Safety Code Section 116900, *et seq.*, (Water Shutoff Protection Act), San José Municipal Code Chapter 15.08, and Resolution #79264. “Establishing Rules and Regulations for the Operation of Municipal Water System...”

### POLICY

The City of San José (City) recognizes every person has the right to safe, clean, affordable, and accessible water which is adequate for consumption, cooking, and sanitary purposes. Disconnection of such services may have a disproportionate impact on vulnerable populations. It is the City’s intent to provide clear guidance for residential customers to better understand their water billing, payment plan options, and how best to avoid the discontinuation of services.

#### Part 1: Definitions

“Bona Fide Tenant” means the occupant of a residence who provides the City with verification such as a lease, rental agreement, rental receipts, or government documentation indicating the occupant is renting the property and, further, that the delinquent account holder was the landlord, manager, or agent of the property owner.

“Customer” is the account holder on the City’s records who is responsible for the water service at an address.

“Low-Income Customer” means a customer who has demonstrated to the City that they or any member of the customer’s household who, during SJMWS’ current, normal billing cycle is either:

- (1) a recipient of CalWORKs, CalFresh, general assistance, Medi-Cal, Supplementary Security Income/State Supplementary Payment program, or California Special Supplemental Nutritional Program for Women, Infants, and Children, or
- (2) declares that their household annual income is less than 200 percent of the Federal poverty level.

“Vulnerable Customer” means a customer or a tenant of the customer who provides certification from a primary care provider under Welfare and Institutions Code §14088(b)(1)(A) 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.

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**Part 2: Establishment of Service, Billing, and Notice**

2.1 Billing Cycle: The City assigns customers to a billing cycle when service is started based on the service address.

2.2 Billing Frequency: The City reads all meters on either a monthly or bimonthly basis, unless otherwise provided in the Council-adopted rate schedule or Resolution. Each customer account is billed service and consumption charges at the rates set by the City Council Resolution.

2.3 Due Date: Bills are due in full upon presentation. Additional charges will be added if payment is not received by 4:00 p.m., 25 days after the date at the top of the bill. Payments not received are delinquent, and the process toward disconnection begins.

2.3.1 Notices of Delinquency: The City will make reasonable efforts to ensure customers have notice of the possible disconnection of water service; water may be discontinued after a bill is delinquent for more than 60 days.

(A) Late Payment Notice: The City will mail a Late Payment Notice to the address on the Customer account. The notice will include the original amount owed and a late payment charge (LPC). The LPC is set by Council at \$10 or 10% of account balance, whichever is greater. A Low-Income Customer may request a waiver of LPC once every twelve (12) months.

(B) Notice of Termination of Water Service: If payment in full is not received within 10 days of the initial Late Payment Notice, the City will send a Notice of Termination to the Customer address on the account as well as to the “Occupant” if the service address is different than that shown for the Customer. The notice will include language in bold, “Notice of Termination of Water Service.”

Notification	Method of Delivery	Customer Action Required	Consequences
Billing	Mailed to Customer on account	Due upon receipt	Delinquent 25 days from bill date on top of notice; additional charge assessed
Late Payment Notice	Mailed to Customer on account  Initial bill plus charge of \$10 or 10% of bill whichever is greater	Due upon receipt	Customer within disconnection process
Notice of Termination	Mailed to Customer on account and service	All due balances, including delinquent	Customer within disconnection process

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Notification	Method of Delivery	Customer Action Required	Consequences
	address to occupant at least seven business days before discontinued service  Door Tag when mail is undeliverable or when customer on account is not service address, and for all established Vulnerable and Low-Income Customers	amounts and LPC, is immediately payable	
Courtesy Additional Warning	Phone call to number listed on customer account	All due balances, including delinquent amounts and LPC, is immediately payable	Water service will be disconnected

2.4 Designated Third Parties: Customers who are 65 years of age or older, or who are dependent adults under Welfare and Institutions Code Section 15610(b)(1), may request that a third party be notified of past due balances and notices regarding termination of water service. To request third party notification, the customer must make a written request on the Request for Notification form available at the City Customer Contact Center or by calling (408) 535-3500. The third party must consent, in writing, to the customer’s request. The designated third party is not obligated to bring the account current, nor does the notification prevent or delay termination of services.

**Part 3: Deferred or Reduced Payments**

3.1 Payment Arrangements:

A customer may take advantage of one (1) active payment arrangement plan at a time. To request an installment payment plan, a customer must call:

**City Customer Contact Center: (408) 535-3500**

**Monday through Friday, 8:00 – 5:00 p.m., excluding Holidays**

**IMPORTANT REMINDER:** The customer must arrange for an installment plan *before* termination of services and during normal business hours.

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3.1.1 Installment Plan:

(A) Plan Terms: A customer who timely requests alternative payment arrangements may receive an installment plan, consisting of three payments. The City will provide the payment dates as follows:

	Amount Due <sup>1</sup>
Agreement Date	
Seven (7) days after <sup>2</sup>	34% of the total amount owed
Thirty (30) days after	33% of the total amount owed
Sixty (60) days after	33% of the total amount owed

<sup>1</sup> Amount to be paid over installments includes outstanding balance for service and any late charges. Customer may choose to pay a larger amount, but minimum payments must be received by the dates owed.

<sup>2</sup> All calculations are based upon calendar days. If an installment is due on a weekend or holiday, the installment may be made on the next business day. The City *must receive payments* by 4:00 p.m. on the date above.

(B) Additional Conditions: A customer who is participating in an installment plan, must pay all new service charges by the due date. The City may require payments be made in cash or other form of payment if warranted by the account history, such as checks returned for insufficient funds, declined credit card, or other circumstances.

(C) Vulnerable and Low-Income Customers: A customer may establish that they are a Vulnerable Customer or Low-Income Customer by providing documentation to the City sufficient for it to verify the status. Established Low-Income and/or Vulnerable status expires after one year, after which the customer must resubmit verification to retain status certification. The City may offer a customer who establishes both the criteria for a Vulnerable and Low-Income Customer an installment plan with a longer term, if the City determines that the longer period is necessary to avoid undue hardship to the customer based upon the circumstances of the case.

3.2 Failure to Comply with Installment Plan:

3.2.1 Plan Termination: A customer must abide by the terms of the installment plan to avoid termination of water service.

(A) Delinquent Customers: An installment plan will be immediately terminated if the customer fails to make a timely payment installment when due. The customer returns to delinquency status as of the date the customer entered into the payment plan, or upon the original payment due date, whichever comes last.

(B) Vulnerable and Low-Income Customers: A customer who has established both the criteria for a Vulnerable and Low-Income Customer may have residential service discontinued if:

- (1) The customer fails to meet the terms of an installment plan for 60 days or more;

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(2) While undertaking an installment plan, the customer fails to pay his or her current residential service charges for 60 days or more.

### 3.3 Rights of Non-Account Holders:

(A) Tenants: If the account holder is the property owner, upon the receipt of a Notice of Termination, a Bona Fide Tenant may establish an account in their own name to avoid discontinuation of water service. The Bona Fide Tenant is not required to pay the property owner's delinquency but must meet all other City requirements to establish service in their own name.

(B) Property owner: If the account holder is a tenant who no longer resides at the premise, the property owner or a new Bona Fide Tenant may establish an account in their own name to avoid discontinuation of water service, provided they meet all other City requirements to establish service in their own name.

### 3.4 Reinstating Service:

Once service is disconnected, the customer must pay the full balance on the account, including any charges added to the account in relation to disconnection activities (delinquent balance, late payment charges, reconnection fee, any adjustments, etc.) before service is reactivated. To resume service, the customer must speak with a **City Customer Contact Center (408) 535-3500** representative to make payment in full, including reconnection charges as established by City Council Resolution, and to schedule reconnection of the water.

## Part 4: Appellate Process and Administrative Procedures

### 4.1 Bill Review and Appeals Process:

(A) Bill Review: Questions regarding the bill and charges can be made to the City Customer Contact Center at (408) 535-3500. The customer must abide by the payment schedule and pay the undisputed portion of the bill when due (for example, pay meter charge if there is a dispute on the quantity charged, or the amount of the water used) and deposit the disputed portion when due to avoid late payment charges. During the bill review process, water disconnection will be suspended until the City provides a response to the customer request, which may be a verbal response.

(B) Appellate Review: If a Customer's dispute is not satisfactorily resolved, the customer may submit an appeal to the Director of Finance or designee as follows:

(1) Within 15 days after the Customer is notified of the City's response to the initial bill review, the customer shall submit a written request for appeal on the

**San José Municipal Water Appeal Form** available from the City Customer Service Center or online at <https://www.sanjoseca.gov/customerservice>.

(2) The customer must state the reasons for the appeal and provide all supporting documentation to the City at San José City Hall, Customer Contact Center, 200 E. Santa Clara Street, 11<sup>th</sup> Floor, San José, CA 95113. Alternatively, the customer may email the

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completed form back to the City using email address [SJFinanceUtilities@sanjoseca.gov](mailto:SJFinanceUtilities@sanjoseca.gov).

- (3) The customer must pay the undisputed portion of the bill (for example, pay meter charges when disputing only the amount of water billed) and it is recommended a deposit for the disputed charges be rendered to avoid possible late fees.
- (4) Upon the receipt of a timely request for appeal, the Director of Finance or designee will review the basis for the amount billed and the customer’s documentation or response in support of their dispute and render a decision regarding the charges.
- (5) The water disconnection status will be suspended from the date the City receives a completed written appeal and deposit until the City provides a decision. If the Director’s decision finds in favor of the Customer, any credits will be reflected on a future billing cycle, unless Customer requests alternative reimbursement. If the Director’s decision is adverse to the Customer, the disconnection process will resume as of the date of the decision.
- (6) The Director’s decision is final.

4.2 Translated Documents:

Notices are available in English, Chinese, Korean, Spanish, Tagalog, and Vietnamese.

4.3 Information reporting:

The City will post the number of annual service termination for inability to pay on its website and provide a report to the State Water Resources Control Board.

Approved:

/s/  
Julia H. Cooper  
Director of Finance

/s/  
Kerrie Romanow  
Director, Environmental Services