

ORDINANCE NO. 2020-01

**AN ORDINANCE OF THE BOARD OF DIRECTORS OF
THE SIERRA LAKES COUNTY WATER DISTRICT
AMENDING THE DISTRICT CODE CONCERNING DISCONTINUATION
OF WATER SERVICE FOR NON-PAYMENT**

BE IT ORDAINED by the Board of Directors of the Sierra Lakes County Water District, Placer County, California as follows:

SECTION ONE

The Board of Directors of the Sierra Lakes County Water District ("District") hereby amends District Code Chapter 1, Division IV - Billing and Collection, and Chapter 1, Division V – Discontinuance of Water and Sewer Service to read as attached hereto as Exhibit A and incorporated herein by this reference, containing revisions necessary to conform the District Code to the requirements established by SB 998 (2018) concerning the process for discontinuation of residential water service by the District due to non-payment.

SECTION TWO

To the extent that the terms and provisions of this Ordinance may be inconsistent or in conflict with the terms and conditions of any prior District ordinances, resolutions, rules, or regulations governing the same subject, the terms of this Ordinance shall prevail with respect to the subject matter thereof and such inconsistent or conflicting provisions of prior ordinances, resolutions, rules, or regulations are hereby repealed.

SECTION THREE

If any provisions of this Ordinance or application thereof to any person or circumstance is held invalid, no other provisions of this Ordinance shall be affected thereby.

SECTION FOUR

This Ordinance shall be in full force and effect immediately upon adoption.

SECTION FIVE

This Ordinance shall be published and posted in accordance with the California County Water District Act, Water Code section 30000 et seq. Within ten (10) days of adoption, this Ordinance, including the vote of each Director, shall be posted in three public places within the District.

PASSED AND ADOPTED by a majority vote of the Board of Directors of the Sierra Lakes Counter Water District, Placer County, State of California, on this 8th day of May, 2020 at a regular meeting of the Board by the following roll call vote:

AYES: Directors McCormick, Stockton, Simpson, Heald and Lindquist

NOES: None

ABSENT: None

ABSTENTION: None

SIERRA LAKES COUNTY WATER DISTRICT



Michael Lindquist, President

ATTEST:



Anna Nickerson, Secretary

EXHIBIT A

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DIVISION IV BILLING AND COLLECTION

Section 4.01 Billing Period and Payment of Bills Annual water and sewer charges are billed on or about July 1st to coincide with the start of the District's fiscal year. Payment is due in four (4) equal quarterly installments, due and payable August 15th, November 15th, February 15th and May 15th.

If any charges or fees are not paid by the 15th day of the month following the due date or dates (grace period), a penalty of ten percent (10%) will be added to said charges plus interest at the rate of one-half percent (1/2%) of said charges per month beginning on the first day of each month following. If the District disconnects service for nonpayment of any charge, rate or fee, the District shall require payment as provided in Section 5.11 to reconnect service. District bills for service shall inform the customer of such penalties, interest, and reconnection fees.

Where a customer demonstrates his household income is less than two hundred percent (200%) of the federal poverty line, the District shall waive any interest fee, but not more than once per twelve (12) months.

In the event that any fee or charge for service provided by the District is unpaid by the 15th day of the second month following the due date, the District shall notify the owner that the unpaid fee or charge, as well as the penalty and interest thereon, is delinquent and will become a lien on the property if it remains unpaid. (Reference to California Water Code § 31701.6)

In the event that any fee or charge for service provided by the District is unpaid by the 15th day of the third month following the notice of delinquency (as per above), the District Secretary, or in his absence, the President of the Board, shall cause to be recorded a certificate specifying the amount of such charges and the name and address of the person liable therefore. This certificate shall be recorded with the County Clerk-Recorder.

In the event that any certificate has not been released or discharged within such length of time that it currently shall cease to have the effect of a lien within ten (10) years under California Water Code § 31701.7 or any other law currently or hereafter exacted, the District shall promptly record a new certificate or take other appropriate action to extend the effect of any said certificate.

Any certificate of unpaid charges shall be released and a notice thereof filed in the County Clerk-Recorder's office upon payment in full of the amount of the delinquent payment, together with any accrued penalty and interest and a release processing fee in the amount of \$50.00.

Section 4.02 Commencement of Service Charges and Prorated Bills. The annual water and sewer service charges will commence on the date of issuance of the County Certificate of Occupancy but not more than one hundred eighty (180) days after issuance of the District Water and Sewer Connection Permit and be prorated based on a three hundred sixty five (365) day

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year.

Section 4.03 Discontinuance of Service. In the event of a violation of any portion of the Code or of its rules and regulations, or of failure to pay applicable service charges when due, the District may disconnect water and sewer service to the premises, in compliance with the procedures contained in Division V of the Code.

Section 4.04 Public Nuisance During Disconnection. During the period of such disconnection, inhabitation of such premises by human beings shall constitute a public nuisance, whereupon the Board may notify the County Environmental Health Department and cause proceedings to be brought for the abatement of the occupancy of said premises by human beings during the period of such disconnection. In such event, and as a condition of restoration, the owner shall pay any attorney's fees, costs or expenses incurred by the District to bring such action or proceeding.

Section 4.05 Action at Law. In addition to the right to discontinue any service, the District shall have the right to collect delinquent charges and fees, penalties and interest from the owner at its discretion by an action at law, arbitration or other proceeding.

Section 4.06 Contract. All customers shall be deemed to have contracted with the District for water and sewer service and to have agreed to comply with the Code, rules and regulations of the District in regard thereto, as such may be amended from time to time.

Section 4.07 Investigation Powers. The officers, inspectors, managers and any duly authorized employees of the District shall carry evidence establishing their positions as authorized representatives of the District and upon exhibiting such identification and to the extent permitted by law, shall be reasonably permitted to enter in and upon any and all buildings, industrial facilities and properties for the purposes of inspection, re-inspection, observation, measurement, sampling, testing or otherwise performing such duties as may be necessary in the enforcement of the provisions of the ordinances, rules and regulations of the District.

Section 4.08 Attorney's Fees and Costs. In the event that the District is required to bring an action or other proceeding to collect delinquent charges and fees, penalties and interest, or otherwise enforce any ordinance, rule or regulation, the defendant(s) shall pay any attorney's fees, costs or expenses incurred by the District to bring such action or proceeding.

Section 4.09 Lien Recordation. The District shall include a statement on its bill to each owner, or shall provide such statement to each owner by any other means, that any water and/or sewer service charges remaining delinquent for a period of ninety (90) days may become a lien against the property.

Section 4.10 Collection of Delinquent Water and Sewer Service Charges Pursuant to the County Tax Roll. All rates, charges, penalties and interest which remain delinquent as of June 30th of each year and have been delinquent for sixty (60) or more days may be collected in the same manner as the property taxes for the District for the forthcoming fiscal year provided that the District shall have given prior notice to the owner.

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Section 4.11 Returned Check Charge. Any check which has been received by the District for payment of rates, charges, fees, penalties, interest, or other costs of the District as set forth in District ordinances, rules and regulations, and which has been deposited twice and returned to the District unpaid by the bank upon which it is drawn, shall be subject to a charge of the actual costs incurred by the District for the returned check which shall be imposed upon the account to which the payment was originally applied.

Section 4.12 Cumulative Remedies. All remedies set forth by the District for the collection and enforcement of charges, rates, fees, penalties and interest are cumulative and may be pursued alternatively or consecutively.

Section 4.13 Relief from Water and Sewer Service Charges Upon Catastrophic Property Loss.

- (a) When a premises connected to the District's sewer/water systems has been rendered uninhabitable due to a disaster such as fire, flood, explosion, or structural collapse, the owner shall provide the District with written notice thereof and request relief from water and sewer service charges. After receipt of such notice and upon District confirmation that the premises is uninhabitable, the Manager shall waive service charges on such premises for the period of time the premises remains uninhabitable. During the period the premises is considered uninhabitable and service charges have been waived, the owner shall disconnect the water and sewer services at the property line. A premises shall become habitable on the date the County issues a Certificate of Occupancy for the premises or on the date the District determines the premises is habitable. On the date the premises is deemed habitable the owner shall reconnect the water and sewer services at the property line and service charges shall resume based on a prorated amount for the remainder of the fiscal year.

Amended October 12, 2018: Section 4.01 changed determination of date(s) from calendar days to 15th day of the month.

Amended May 8, 2020: Division IV changed to comply with Senate Bill No. 998 (2018-2019 Reg. Sess.) regarding payment and waiver of interest charges.

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DIVISION V DISCONTINUANCE OF WATER AND SEWER SERVICE

Section 5.01 Discontinuance of Service - General. Generally, in the event of a violation of any portion of the Code or of a failure to timely (more than sixty (60) days past due) pay applicable charges, rates or fees, the District shall notify the person or persons causing, allowing, or committing such violation, in writing, specifying the violation and that upon the failure of such person or persons to cease or prevent further violation within the time specified in the notice, the District will disconnect service to the premises in question.

Section 5.02 Discontinuance of Residential Service. Residential service shall not be discontinued for nonpayment of a residential water service bill in any of the following situations:

- (a) During the pendency of any investigation by the District of a customer dispute or complaint;
- (b) When a customer has been granted an extension of the period for payment of a bill by the Manager and entered into a reduced or deferred payment or amortization agreement;
- (c) Where, on the certification of a licensed physician or surgeon, that to do so will be life threatening to the customer and the customer is financially unable to pay for service within the normal payment period and is willing to enter into an amortization agreement with the District, not to exceed twelve (12) months, with respect to all charges that the customer is unable to pay prior to delinquency.
- (d) Where the customer provides documentation of the following:
 1. Certification of a primary care provider, as defined in Welfare and Institutions Code section 14088(b)(1)(A), that to do so will be life threatening to, or pose a serious threat to the health and safety of, a resident of the premises where service is provided; and
 2. Proof of an annual household income less than 200% of the federal poverty level and an inability to pay for service within the normal payment period; and
 3. The customer is willing and requests to enter into a deferred or reduced payment or amortization agreement with the District pursuant to this Section.

Residential customers who are 65 years of age or older, or who are dependent adults as defined in Section 15610.23 of the Welfare and Institutions Code shall be notified that they may request the District notify a designated third person when the customer's account is past due and subject to discontinuance of water and sewer service.

Section 5.03 Notice Prior to Discontinuance of Residential Service for Nonpayment.

- (a) The District shall not discontinue residential service for nonpayment until payment by a customer has been delinquent for at least 60 days. At least thirty (30) days before any proposed discontinuance of residential service for nonpayment of a delinquent account, the District shall mail a written notice of the proposed discontinuance, postage pre-paid, to the customer to whom the service is billed. Such notice shall be mailed to the customer's billing address and, if different, the residential address where the customer receives services from the District, addressed to "Occupant." Such notice shall be given at least thirty (30) days after the due date of the District's bill for such service
- (b) In addition to the notice provided for in Section 5.03(a), the District shall make a

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reasonable, good faith effort to contact an adult person residing at the premises by telephone or in person at least seven (7) business days prior to any discontinuance of such service. Where telephone contact cannot be accomplished and notice provided in Section 5.03(a) is returned as undeliverable, the District shall also make a good faith effort to visit the residence at least seven (7) business days prior to discontinuance and leave, or make other arrangement for placement in a conspicuous place of, a notice of imminent discontinuation of residential service for nonpayment and the District's policy for discontinuation.

(c) Every notice required by this section shall include all of the following information:

1. The name and address of the customer whose account is delinquent;
2. The amount of the delinquency;
3. The date by which payment or arrangements for payment is required in order to avoid discontinuance;
4. The procedure by which the customer may initiate a complaint or request an investigation concerning service or charges;
5. The procedure by which the customer may request a reduced or deferred payment or amortization agreement to reconcile the unpaid charges;
6. The procedure for the customer to obtain information on the availability of financial assistance, including private, local, state or federal sources, if applicable; and
7. The telephone number and name of a representative of the District who can provide additional information or institute arrangements for payment, including deferred or reduced payment or amortization of delinquent bills.

(d) Notice to Residential Tenants of Customer:

1. If there is a landlord-tenant relationship between the residential occupants (tenants) and the customer to whom the service is billed for a dwelling, the District shall make every good faith effort to inform the tenants, by means of written notice, when the account is in arrears, that service will be terminated in ten (10) days. The written notice shall further inform the tenants that they have the right to become customers of the District without being required to pay the amount due on the delinquent account. The notice shall be in English and in the languages listed in Section 1632 of the Civil Code.
2. Where there are multiple tenant units in a dwelling, the District is not required to make service available to the tenants unless each tenant agrees to the terms and conditions of service, and meets the requirements of law and the District's rules. However, if one or more of the tenants are willing and able to assume responsibility for the subsequent charges to the account to the satisfaction of the District, or if there is a physical means, legally available to the District, of selectively terminating service to those tenants who have not met the requirements of the District's rules, the District shall make service available to the tenants who have met those requirements. If prior service for a period of time is a condition for establishing credit with the District, residence and proof of prompt payment of rent or other

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- obligation acceptable to the District for that period of time shall be a satisfactory equivalent.
3. In the case of a detached single-family dwelling, the District may, in order for the amount due on the delinquent account to be waived, require an occupant who becomes a customer to verify that the delinquent account customer of record is or was the landlord, manager, or agent of the dwelling. Verification may include, but is not limited to, a lease or rental agreement, rent receipts, a government document indicating that the occupant is renting the property, or information disclosed pursuant to Section 1962 of the Civil Code.

Section 5.04 Notice Prior to a Discontinuance Other than a Discontinuance of Residential Service for Nonpayment. Except as otherwise specifically provided in the Code, at least ten (10) days before discontinuing service, other than the discontinuance of residential service for nonpayment of a delinquent account, which is provided in Section 5.03, the District shall provide a written notice of discontinuance which shall specify the reason for the proposed discontinuance and inform the customer of the procedure for and the availability of the opportunity to discuss the reason for the proposed discontinuance with the Manager who is empowered to review disputes and rectify errors and settle disagreements pertaining to such proposed discontinuance of service. The name and phone number of the Manager shall be included in any such notice of proposed discontinuance given to the customer. Any request by the customer to have the proposed discontinuance reviewed by the Manager must be in writing and received by the District prior to the date set for discontinuance. Service shall not be discontinued if a request is timely made and while the Manager's decision is pending. If the customer is dissatisfied with the Manager's determination, the customer may appeal the determination to the Board. Such appeal must be made in writing and received by the District within five (5) days of the date of the Manager's determination. Service shall not be discontinued pending the Board's decision on a timely filed appeal.

Section 5.05 Discontinuance of Service on Weekends, Holidays or After Hours. Service discontinuance by reason of account delinquency shall only be carried out during business hours when the District's offices are open to the public.

Section 5.06 Complaint, Request for Investigation, or Request for Reduced or Deferred Payment or Amortization of Delinquent Bill for Residential Service. A customer must submit a complaint, request for investigation, or request for reduced or deferred payment or amortization agreement within ten (10) days of receiving the disputed bill or within thirteen (13) days of the District mailing the notice pursuant to Section 5.03(a). Each such request shall be reviewed by the Manager. The Manager's review shall include, but not be limited to, consideration of whether the customer submitted proof of an annual household income less than 200% of the federal poverty level or other hardship contributing to an inability to pay for service within the normal payment period. The Manager shall be permitted to enter, on behalf of the District, a reduced or deferred payment or amortization agreement for the unpaid balance of the account over a reasonable period of time, not to exceed twelve (12) months.

A customer meeting the requirements detailed in Government Code Section 60372(b)(3) shall be

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entitled to amortize his unpaid balance if he requests to do so under Government Code section 60372(e).

Any customer whose complaint or request for an investigation has resulted in an adverse determination by the Manager may appeal the determination to the Board. Such appeal must be made in writing and received by the District within ten (10) days of the date of the Manager's determination. Service shall not be discontinued pending the Board's decision on a timely filed appeal.

Section 5.07 Authority to Settle Controversies Relating to Discontinuance and to Permit Deferred or Reduced Payment or Amortization of Delinquent Bills. The Manager is hereby authorized to investigate complaints and review disputes pertaining to any matters for which service may be discontinued and to rectify errors and settle disagreements pertaining to such matters. The Manager is also authorized upon a proper showing by a customer of the customer's inability to pay a delinquent bill during the normal period, to grant permission to defer, reduce, or amortize the unpaid balance over a reasonable period of time, not to exceed twelve (12) months. At his discretion, the Manager may bring such controversies to the Board for settlement by the Board prior to the discontinuance of any such service.

To request a deferred or reduced payment or amortization of a delinquent bill, a customer may contact the Manager via phone toll free at 1-800-390-7800 or otherwise at 1-530-426-7800 to discuss options to avoid discontinuation of service. A customer may also contact the Manager in person at 7300 Short Rd., Soda Springs, CA 95728 during normal business hours to discuss the same.

Section 5.08 Notice Required Prior to Discontinuance of Service for Failure to Comply with Reduced or Deferred Payment or Amortization Agreement. If a deferred or reduced payment or amortization agreement is entered into between the customer and the District, no discontinuance of service shall be effected so long as the customer complies with the agreement and pays each charge that accrues in each subsequent billing period during the length of the agreement. If a customer fails to comply with a deferred or reduced payment or amortization agreement or if the customer fails to pay a subsequent charge during the agreement, the District may discontinue service after giving at least five (5) business days' notice to the customer of intent to disconnect. Such notice shall be posted in a prominent and conspicuous location on the property receiving water services and list required steps to take to avoid discontinuance, but the notice does not entitle the customer to further investigation by the District. If the property is tenant occupied, the District shall comply with notice provisions described in Section 5.03(d) above.

Section 5.09 Procedure on Appeal to Board. If a customer timely files an appeal of a decision of the Manager on discontinuance of service, the Board shall set a hearing not sooner than ten (10) nor more than forty (40) days after receipt of such appeal. Upon setting of such hearing the District shall forthwith give written notice of the time and place thereof to the customer by either first-class mail or personal delivery.

The appeal hearing shall be held before the Board. The customer shall be permitted to present

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witnesses, documents or other evidence to show good cause why service should not be discontinued. The Board also may examine District records, documents, witnesses or other evidence tending to show that service should be discontinued for one or more of the grounds stated in the notice of disconnection.

Section 5.10 Means of Enforcement Only. The District hereby declares that the foregoing procedures are established as a means of enforcement of the terms and conditions of its ordinances, rules and regulations, and not as a penalty.

Section 5.11 Reconnection. When service has been discontinued, the customer shall pay any unpaid account balance in full plus a reconnection fee based on the actual costs incurred by the District, not to exceed five hundred dollars (\$500.00), before any discontinued service will be reconnected. Reconnection fees and unpaid account balances shall not be assessed when a residential customer for whom the reconnection is being made is not part of the same household as the customer who incurred the unpaid account balance that led to the discontinuance of service.

Notwithstanding the above, where a residential customer demonstrates his household income is less than two hundred (200%) of the federal poverty line, the customer shall pay any unpaid account balance in full plus a reconnection fee based on the actual costs incurred by the District, not to exceed fifty dollars (\$50.00), during regular business hours and not to exceed one hundred and twenty dollars (\$150.00) during non-business hours, before any discontinued service will be reconnected. The District shall also waive any interest charges on the customer's bill, but not more than once every twelve (12) months.

Section 5.12 Unsafe Apparatus. District services may be refused or discontinued without prior notice to any premises where apparatus or appliances are in use which might endanger or disturb service to other customers.

Section 5.13 Cross-Connections. Water service may be refused or discontinued without prior notice to any premises where there exists a cross-connection in violation of local, State or federal laws.

Section 5.14 Fraud or Abuse. Service may be discontinued if necessary to protect the District against fraud or abuse.

Section 5.15 Annual Reporting. Once per year, the District shall prepare and report the number of annual discontinuations of residential service for inability to pay on the District's website and to the Board.

Amended May 8, 2020: Division V changed to comply with Senate Bill No. 998 (2018-2019 Reg. Sess.) regarding payment and waiver of interest charges.