

ORDINANCE NO. 2024-01

AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE VOLCANO  
COMMUNITY SERVICES DISTRICT REGARDING UNDERCOLLECTED WATER  
SERVICE BILLING, DISCONTINUATION OF WATER SERVICE AND LATE FEES

BE IT ORDAINED by the Board of Directors of the Volcano Community Services District as follows:

Section 1. Purpose and Authority. This Ordinance establishes rules and regulations regarding under-collected water system service billing, discontinuation of water service, and late fees. This ordinance is adopted pursuant to Government Code section 61060, Health and Safety Code 116900 and other applicable law.

Section 2. Definitions. For the purposes of this ordinance, the following definitions apply: (a) "District" means Volcano Community Water District; (b) "Customer" means the owner of the property being billed; (c) "Tenant" means the individual residing in a property that is owned by the Customer.

Section 2. Application. The District's existing ordinances, resolutions, policies, and procedures shall continue to apply to disconnection of residential water service for other reasons, including the termination of a service connection by the District due to a customer violation of any other ordinance, rule, regulation, or policy of the District. In the event of any conflict between this Ordinance and any other ordinance, rule, regulation, or policy of the District, this Ordinance shall prevail. In the event of any conflict between this Ordinance and state law, state law shall prevail.

Section 3. Regulations. The Board of Directors of the Volcano Community Services District ("District") hereby adopts the following regulations affecting water service billing:

A. Collection of Water System Fees and Service.

1. In the event that a water system bill has been under-collected for whatever circumstance, the District will undertake the following policies set forth below. The District will provide written notice to the customer of the specific errors contained in the invoice(s) and the amount of money either owing

on an undercharge or the amount to be credited on an overcharge. The Notice shall give the customer the right to object in writing to the revised invoice either due to the amount or the method of calculation within 45 calendar days from the mailing of the notice.

2. With respect to the above-mentioned Notice, the customer has the right to object to the revised invoice by submitting in writing their evidence disputing the invoice to the District no later than 45 calendar days from the mailing of the notice. The submission must occur at least 10 calendar days before the regular Board meeting. The customer shall appear before the Board in a closed-door session. The Board will then hear the customer's objection, review the customer's evidence, discuss and rule on the objection at the closed-door hearing. The Board will then issue written findings on the objection. The decision shall be final and not subject to any further appeal.

3. Customer Responsibility. Under applicable District ordinances, resolutions, policies, and procedures, bills for water service are rendered to each customer on a monthly basis, and are due and payable and become delinquent if not paid by the due date on the bill. It is the customer's responsibility to ensure that payments are received at the District mailbox in a timely manner. Payment may be made at P.O. Box 72, Volcano, CA 95689 for remittance of mailed payments.

4. Late Fees. An account that remains unpaid by the close of business 30 calendar days after the date of issuance of the water bill is considered delinquent. The District shall apply a 10% late fee to the delinquent amount for every month that the account remains unpaid. Customers who qualify under Section B5(a) are entitled to a waiver of the late fee on delinquent bills once every 12 months.

5. Availability of Policy. The District shall provide this Policy and all written notices given under this Policy in English, Spanish, Chinese, Tagalog, Vietnamese, and Korean, and in any other language spoken by at least 10 percent of the people residing in the District's service area or required by Civil Code section 1632. This Policy shall be posted and maintained on the District's Internet website.

4. Contact Telephone Number. A message can be left at 209-296-8002 for assistance concerning the payment of water bills and to discuss options for stopping disconnection of residential service for nonpayment. Fastest service will be available through email at [volcanocsd@volcano.net](mailto:volcanocsd@volcano.net).

#### B. Disconnection of Residential Water Service for Nonpayment

1. 60-day Delinquency Period. The District shall not disconnect residential water service for nonpayment of a service bill until a customer's payment has been delinquent for 60 calendar days. No

fewer than 10 calendar days before discontinuation of residential service for nonpayment, the VCSD shall contact the customer named on the account by written notice.

2. Notice of Delinquency and Discontinuation. When the covered water system contacts the customer named on the account by written notice pursuant to paragraph 1, the written notice of payment delinquency and impending discontinuation shall be mailed to the customer of the residence to which the residential service is provided. If the customer's address is not the address of the property to which residential service is provided, the notice also shall be sent to the address of the property to which residential service is provided, addressed to "Occupant." The notice shall include, but is not limited to, all of the following information in a clear and legible format:

- (a) The customer's name and address.
- (b) The amount of the delinquency.
- (c) The date by which payment or arrangement for payment is required in order to avoid discontinuation of residential service.
- (d) A description of the process to apply for an extension of time to pay the delinquent charges.
- (e) A description of the procedure to petition for bill review and appeal.
- (f) A description of the procedure by which the customer may request a deferred, reduced, or alternative payment schedule, including an amortization of the delinquent residential service charges.

3. If the District is unable to make contact with the customer or an adult occupying the residence by telephone, and written notice is returned through the mail as undeliverable, the District shall make a good faith effort to visit the residence and leave a notice of imminent discontinuation of residential service for nonpayment and the covered water system's policy for discontinuation of residential service for nonpayment.

4. If an adult at the residence appeals the water bill to the covered water system or any other administrative or legal body to which that appeal may be lawfully taken, the District shall not discontinue residential service while the appeal is pending.

5. (a) The District shall not discontinue residential service for nonpayment if **all** of the following conditions are met:

- (1) The customer, or a tenant of the customer, submits to the District the certification of a primary care provider, as that term is defined in subparagraph (A) of paragraph (1) of subdivision (b) of Section 14088 of the Welfare and Institutions Code, 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.

(2) The customer demonstrates that they are financially unable to pay for residential service within the covered water system's normal billing cycle. The customer shall be deemed financially unable to pay for residential service within the covered water system's normal billing cycle if any member of the customer's 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, or the customer declares that the household's annual income is less than 200 percent of the federal poverty level.

(3) The customer is willing to enter into an amortization agreement, alternative payment schedule, or a plan for deferred or reduced payment, with respect to all delinquent charges.

(b) If the conditions listed in paragraph 5, subdivision (a) are met, the District shall offer the customer one or more of the following options:

(1) Amortization of the unpaid balance.

(2) Participation in an alternative payment schedule.

(3) A partial or full reduction of the unpaid balance financed without additional charges to other ratepayers.

(4) Temporary deferral of payment.

6. The District may choose which of the payment options described in paragraph (5)(b) the customer undertakes and may set the parameters of that payment option. Ordinarily, the repayment option offered should result in repayment of any remaining outstanding balance within 12 months. The District may grant a longer repayment period if it finds the longer period is necessary to avoid undue hardship to the customer based on the circumstances of the individual case.

7. Residential service may be discontinued no sooner than ten calendar days after the covered water system posts a final notice of intent to disconnect service in a prominent and conspicuous location at the property under either of the following circumstances:

a. The customer fails to comply with an amortization agreement, an alternative payment schedule, or a deferral or reduction in payment plan for delinquent charges for 60 calendar days or more.

b. While undertaking an amortization agreement, an alternative payment schedule, or a deferral or reduction in payment plan for delinquent charges, the customer does not pay their current residential service charges for 60 calendar days or more.

8. All monies due may be added to the customer's property tax bill.

9. For customers who do not qualify under paragraph 5, the District will consider the following options with a delinquent customer to avert discontinuation of residential service for nonpayment:

a. Amortization of the unpaid balance;

b. Participation in an alternative payment schedule;

c. A partial or full reduction of the unpaid balance without additional charges to other ratepayers; or.

d. Temporary deferral of payment. (Collectively Payment Arrangements.”)

10. Administrative Fees and Payment Agreements. The District may charge an administrative fee for the cost of administering Payment Arrangements under this provision. The Board President, or his or her designee, is authorized to prepare and approve a Payment Arrangement Agreement with a customer consistent with Sections 5 and 6 after Board approval. If a Payment Arrangement Agreement is requested by a Board Director, this must be presented in a closed session and decision made by the Board with the requesting Director abstaining from voting on this request.

11. Customer Obligations. If the District and customer enter into a Payment Arrangement under Sections 5 and 6, the customer shall comply with the agreement or other arrangement and remain current on any new water service charges as they are billed in each subsequent billing period. The customer may not request further amortization or reduction of any unpaid charges on subsequent bills while paying delinquent charges under an alternative payment arrangement. Commencing on the date the first payment arrangement is entered into, customers who fail to comply with any agreed payment arrangement will not be eligible to establish future payment arrangements for a period of 24 months, except as otherwise prohibited by law. Residential service may be discontinued no sooner than five business days after the covered water system posts a final notice of intent to disconnect service in a prominent and conspicuous location at the property under either of the following circumstances: **(A)** The customer fails to comply with an amortization agreement, an alternative payment schedule, or a deferral or reduction in payment plan for delinquent charges for 60 calendar days or more. **(B)** While

undertaking an amortization agreement, an alternative payment schedule, or a deferral or reduction in payment plan for delinquent charges, the customer does not pay their current residential service charges for 60 calendar days or more. If the customer should not fulfill the conditions of the payment plan at any time during this process, all monies due may be added to the customer's property tax bill.

C. Landlord-tenant relationship between residential occupants and owner, manager, or operator of dwelling.

1. Applicability. This section applies to District service through an individual meter to a detached single-family dwelling or a multi-unit residential structure, only if the owner, manager or operator is the customer, and there is a landlord-tenant relationship between the residential occupants and the owner, manager, or operator of the building.

2. Notice. The District shall make every good faith effort to inform the residential occupants, by means of written notice, when the account is in arrears that service will be terminated at least 10 calendar days prior to the termination. This notice shall further inform the residential occupants that they have the right to become District customers, to whom the service will then be billed, without being required to pay any amount which may then be due on the delinquent account.

3. Service to Occupants. The District is not required to make service available to the residential occupants unless each residential occupant agrees to the terms and conditions of District water service and meets the requirements of law and the District's ordinances, rules, regulations, and policies. However, if one or more of the residential occupants 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 residential occupants who have not met the requirements of the District's ordinances, rules, regulations, and policies, the District shall make service available to those residential occupants who have met those requirements.

4. Proof of Credit. 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 credit obligation acceptable to the District for that period of time is a satisfactory equivalent.

5. Detached Single-Family Dwellings. In the case of a detached single-family dwelling, the District may do any of the following:

- a. Give notice of termination at least ten calendar days prior to the proposed termination.
- b. In order for the amount due on the delinquent account to be waived, require a residential 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 with providing the District rental receipts, rental agreement, or a government document indicating that the occupant is renting the property.
- c. If a residential occupant moves out of the property, the customer is responsible for any unpaid water bill owed by the residential occupant.

D. Procedure to Contest or Appeal a Bill

A customer may appeal or contest the amount set forth in any bill for residential water service pursuant to the following procedure:

- a. General Appeal. Within five business days of receipt of the bill for water service, a customer has a right to request an appeal or review of any bill or charge rendered by the District. The request must be made in writing and be delivered to the District's mailbox or email address [volcanocsd@volcano.net](mailto:volcanocsd@volcano.net). For so long as the customer's appeal and any resulting investigation is pending, the District cannot disconnect water service to the customer.
- b. 10-Day Notice Appeal. In addition to the appeal rights under subsection (a), above, a customer who receives a 10-Day Notice may request an appeal or review of the bill to which the notice relates within five business days of the date of the notice. However, no such appeal or review rights shall apply to any bill for which an appeal or request for review under subsection (a) above, has been made. Any appeal or request for review under this subsection must be in writing and must include documentation supporting the appeal or the reason for the review. The request for an appeal must be delivered to the District's post office box or email within the five-day period. For so long as the customer's appeal and any resulting investigation is pending, the District cannot disconnect water service to the customer.
- c. Appeal Process. Following receipt of a request for an appeal or review under subsections (a) or (b), above, the appeal hearing will occur at the next regular meeting of the District's Board of Directors. If the customer does not timely appeal to the District's Board of Directors, the

water charges in question shall be immediately due and payable. In the event the charges are not paid in full within 60 calendar days after the original billing date, then the District shall provide customer with the 10-Day Notice in accordance with Section B(2), and may disconnect water service to the customer's property if the outstanding bill is not paid within the 10-day notice period.

- d. Board Hearing. When a hearing before the Board of Directors is requested, the customer will be required to personally appear before the Board and present supporting material and reasons as to why the water charges on the bill in question are not accurate. The Board shall evaluate the evidence presented by the customer, as well as the information on file with the District concerning the water charges in question and any staff presentation, and render a decision as to the accuracy of the charges. The Board's decision shall be final and binding.
- e. If the Board finds that the water service charges in question are incorrect, the customer will be invoiced for the revised charges. If the revised charges remain unpaid for more than 60 calendar days after the corrected invoice is provided, water service will be disconnected, after providing the customer with the 10-Day Notice in accordance with Section B(2), above.
- f. If the water service charges in question are determined to be correct, they shall be due and payable within three business days after the date of the decision of the Board. In the event the charges are not paid in full within 45 calendar days after the original billing date, then the District shall provide with the 10-Day Notice in accordance with Section B(2), above, and may disconnect water service to the customer's property if the outstanding bill is not paid within the 10-day notice period.
- g. Any overcharges due from the District will be reflected as a credit on the next regular bill to the customer.
- h. Water service to any customer shall not be disconnected at any time during which the customer's appeal to the Board of Directors is pending.

#### E. Reconnection Process.

- a. If a customer has been disconnected in any of the circumstances noted above, water service will only be restored upon full payment of all outstanding water charges, late fees, monthly base charge for the months during which the disconnection was in effect, and any applicable



reconnection charges. The customer can contact the District at the District's email [volcanocsd@volcano.net](mailto:volcanocsd@volcano.net), or contact any of the Board of Directors directly to request restoration of water service and make arrangements to make full payment by money order or cashiers check.

b. The service fees for reconnection is \$150 as of January 1, 2021. These fees shall not exceed the actual cost of reconnection if those costs are less. Reconnection fees shall be subject to an annual adjustment for changes in the Consumer Price Index beginning January 1, 2021.

Section 3. Inconsistencies. If any provision of this Ordinance is inconsistent with any provision of any other District ordinance, resolution, regulation or policy, the provisions of this Ordinance shall prevail.

Section 4. Severability. If any provision of this Ordinance is declared or found by a court for any reason to be invalid, illegal or unenforceable, no other provision shall be affected by such declaration or finding.

Section 5. Effective Date. This Ordinance shall take effect immediately upon adoption due to the necessity of aligning with California Health and Safety Code changes effective August 1, 2024. Section A(4), the assessment of late fees, will become effective January 1, 2025.

Section 6. Publication. The District Secretary is directed to publish a copy of this Ordinance within 15 days after its adoption.

PASSED AND ADOPTED by the Board of Directors of the Volcano Community Services District on this 15th day of October, 2024, by the following vote:

AYES: A. Korematsu, J. Wolfbrandt, M. Sorensen, R. Korematsu.

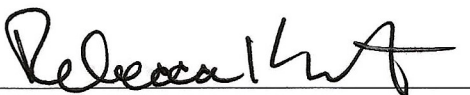
NOES: None.

ABSENT: None.

ABSTAIN: None.

  
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President, Board of Directors

ATTEST:

By   
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VCSD Secretary (A)