



**CITY OF FOUNTAIN VALLEY**  
**POLICY ON RESIDENTIAL WATER SERVICE**

1. **Application of Policy.** This Policy on Residential Water Service (this “Policy”) shall apply to all City accounts for residential water service and other services billed on the same bill. Except as provided in Section 6, this Policy shall not apply to any accounts for non-residential service. To the extent this Policy conflicts with any other rules, regulations, or policies of the City (except ordinances), this Policy shall control.

2. **Contact Information.** For questions or assistance regarding your water bill, the City’s Customer Service staff can be reached at (714) 593-4420. Customers may also visit the Customer Service desk in City Hall during business hours. City Hall is located at 10200 Slater Avenue.

3. **Billing Procedures.** Water service charges are payable to the City on a bi-monthly basis. All bills are due and payable upon receipt. Any bills not paid by the due date stated on the bill are considered delinquent. A water bill shall be considered delinquent if it is not paid at the water billing department, in person or by mail, by five p.m. on or before the twentieth day after the bill is mailed to the customer. If the twentieth day falls on a Saturday, Sunday or legal holiday, the bill shall be considered delinquent after five p.m. of the next working day. As a penalty, customers who do not pay their water bills within the required time shall be assessed a 7% late charge or \$10.00, whichever is greater.

4. **Discontinuation of Water Service for Nonpayment.** If a bill is delinquent for at least sixty (60) days, the City may discontinue water service to the service address and impose a disconnection service fee.

4.1 Written Notice to Customer. The City will provide a mailed notice to the customer of record at least twenty (20) days before discontinuation of water service. The notice will contain:

- (a) the name and address of the customer;
- (b) the amount of the delinquency;
- (c) the date by which payment or payment arrangements must be made to avoid discontinuation of service;
- (d) the procedure by which the customer may initiate a complaint or request an investigation or appeal concerning service or charges;
- (e) a description of the procedure by which the customer may request an alternative payment arrangement, which may include an extension, amortization, or alternative payment schedule;
- (f) the procedure for the customer to obtain information on financial assistance, if applicable; and
- (g) the telephone number where the customer may request a payment arrangement or receive additional information from the City.

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4.2 Written Notice to Occupants or Tenants.

(a) The City will also send a notice to the occupants living at the service address at least twenty (20) days before discontinuation of water service under the following circumstances: (1) the City furnishes individually metered service to a single-family dwelling, multi-unit residential structure, mobile home park, or farm labor camp and the owner, manager, or operator is the customer of record, and such owner, manager, or operator is not also the occupant of the residence; or (2) the customer of record's mailing address is not the same as the service address. The notice will be addressed to "Occupant," will contain the information required in Section 4.1 above, and will inform the residential occupants that they have the right to become customers of the City without being required to pay the amount due on the delinquent account. Terms and conditions for occupants to become customers of the City are provided in Section 9 below.

(b) If the City furnishes water through a master meter in a multi-unit residential structure, mobile home park, or permanent residential structures in a labor camp and the owner, manager, or operator is the customer of record, the City will make a good faith effort to inform the occupants, by means of written notice posted on the door of each residential unit at least twenty (20) days prior to termination, that the account is in arrears and the service will be terminated on a date specified in the notice. If it is not reasonable or practicable to post the notice on the door of each unit, the City will post two (2) copies of the notice in each accessible common area and at each point of access to the structure or structures. The notice will inform the residential occupants that they have the right to become customers of the City without being required to pay the amount due on the delinquent account. The notice will also specify what the occupants are required to do in order to prevent termination of, or to reestablish service; the estimated monthly cost of service; the title, address, and telephone number of a representative of the City who can assist the occupants in continuing service; and the address or telephone number of a qualified legal services project that has been recommended by the local county bar association. Terms and conditions for occupants to become customers of the City are provided in Section 9 below.

4.3 In-Person or Telephonic Notice. The City will also make a reasonable, good faith effort to contact the customer of record or adult person living at the premises of the customer in person or by telephone at least seven (7) business days before discontinuation of service. The City will offer to provide in writing a copy of this Policy and to discuss options to avert discontinuation of water service for nonpayment, including the possibility of an extension or other payment arrangement.

4.4 Posting of Notice at Service Address. If the City is unable to make contact with the customer or an adult person living at the service address in person or by telephone, the City will make a good faith effort to leave a notice of imminent discontinuation of residential service and a copy of this Policy in a conspicuous place at the service address. The notice and copy of this Policy will be left at the residence at least forty-eight (48) hours before discontinuation of service. The notice will include:

- (a) the name and address of the customer;
- (b) the amount of the delinquency;
- (c) the date by which payment or payment arrangements must be made to avoid discontinuation of service;

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- (d) the procedure for the customer to obtain information on financial assistance, if applicable; and
- (e) the telephone number where the customer may request a payment arrangement or receive additional information from the City.

4.5 Circumstances Under Which Service Will Not Be Discontinued. The City will not discontinue residential water service for nonpayment under the following circumstances:

- (a) During an investigation by the City of a customer dispute or appeal as set forth in Section 5.1 below; or
- (b) During the period of time in which a customer's payment is subject to a City-approved extension, amortization, or alternative payment schedule under Section 7 below, and the customer remains in compliance with the approved payment arrangement.

4.6 Circumstances Under Which Service Through a Master Meter Will Not Be Discontinued. If the City furnishes water through a master meter in a multi-unit residential structure, mobile home park, or permanent residential structures in a labor camp and the owner, manager, or operator of the dwelling, structure, or park is the customer of record, the City will not discontinue residential water service for nonpayment under the following circumstances:

- (a) When the customer's indebtedness is owed to another public agency, or when the obligation represented by the delinquent account or indebtedness was incurred with any public agency other than the City's water utility;
- (b) If a delinquent account relates to another property owned, managed, or operated by the customer;
- (c) If a public health or building officer certifies that termination would result in a significant threat to the health or safety of the residential occupants or the public.

4.7 Special Medical and Financial Circumstances Under Which Services Will Not Be Discontinued.

- (a) The City will not discontinue water service if all of the following conditions are met:
  - (i) The customer, or a tenant of the customer, submits to the City the certification of a licensed primary care provider that discontinuation of water 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;
  - (ii) The customer demonstrates that he or she is financially unable to pay for residential service within the City's normal billing cycle. The customer is deemed financially unable to pay during the normal billing cycle if: (a) any member of the customer's household is a current recipient of an assistance program (i.e. CalWorks, CalFresh, Medi-Cal, Supplemental Security Income, etc.) or (b) the

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customer declares under penalty of perjury that the household's annual income is less than 200 percent of the federal poverty level; and

- (iii) The customer is willing to enter into an alternative payment arrangement with respect to the delinquent charges.
- (b) For any customers who meet all of the above conditions, the City shall offer the customer one of the following options, to be selected by the City in its discretion: (1) an extension of the payment period; (2) amortization of the unpaid balance; or (3) an alternative payment schedule. The City's Finance Director or designee will select the most appropriate payment arrangement, taking into consideration the information and documentation provided by the customer, as well as the City's payment needs.
- (c) The customer is responsible for demonstrating that the conditions in subsection (a) have been met. Upon receipt of documentation from the customer, the City will review the documentation and: (1) notify the customer of the alternative payment arrangement selected by the City and request the customer's signed assent to participate in that alternative arrangement; (2) request additional information from the customer; or (3) notify the customer that he or she does not meet the conditions in subsection (a).
- (d) The City may discontinue water service if a customer who has been granted an alternative payment arrangement under this section fails to do any of the following for sixty (60) days or more: (a) pay his or her unpaid charges by the extended payment date; (b) pay any amortized amount due under the amortization schedule; (c) pay any amount due under an alternative payment schedule; or (d) pay his or her current charges for water service. The City will post a final notice of intent to disconnect service in a prominent and conspicuous location at the service address at least five (5) business days before discontinuation of service. The final notice will not entitle the customer to any investigation or review by the City.

4.8 Time of Discontinuation of Service. The City will not discontinue water service due to nonpayment on a Saturday, Sunday, legal holiday, or at any time during which the City's office is not open to the public.

4.9 Restoration of Service. Customers whose water service has been discontinued may contact the City by telephone or in person regarding restoration of service. Restoration shall be subject to payment of: (a) any past-due amounts, including applicable interest or penalties; (b) any reconnection fees, subject to the limitations in Section 8.1, if applicable; (c) and a security deposit, if required by the City.

**5. Procedures to Contest or Appeal an Incorrect Bill.**

5.1 Time to Initiate Complaint or Request an Investigation. A customer may initiate a complaint or request an investigation regarding the amount of a bill within five (5) days of receiving a disputed bill. For purposes of this Section 5.1 only, a bill shall be deemed received by a customer five (5) days after mailing and immediately upon e-mailing. A customer may initiate a

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complaint or request an investigation by calling (714) 593-4420 or by submitting a written request and supporting documentation to City of Fountain Valley, 10200 Slater Avenue, Fountain Valley, CA 92708.

5.2 Review by City. A timely complaint or request for investigation shall be reviewed by the Finance Director or designee, who shall provide a written determination to the customer within fourteen (14) days of receipt of the dispute. The review will include consideration of whether the customer may receive an extension, amortization, or alternative payment schedule under Section 7. The City may, in its discretion, review untimely complaints or requests for investigation; however, such complaints or requests are not subject to appeal.

5.3 Appeal to City Manager. Any customer whose timely complaint or request for an investigation pursuant to this Section 5 has resulted in an adverse determination may appeal the determination to the City Manager by filing a written notice of appeal with the City Clerk within fourteen (14) days of the City's mailing of its determination. If an appeal is received by the City Clerk within fourteen days of the date the reply was mailed, then the appeal shall be forwarded to the City Manager. The City Manager shall review the appeal and mail or deliver a written determination letter to the affected customer or representative. The City Manager's decision is final.

5.4 Customer Responsibility for Actual Water Use. Customers are responsible for all actual water use on the property, including leaks. This includes a responsibility to maintain irrigation systems on the property and household plumbing such that any leaks are detected and repaired in a timely manner so as to reduce the risk of usage due to leaks. Customers may, however, be eligible for a water loss adjustment as provided in Section 6 below.

**6. Water Loss Adjustments**

6.1 Request for Adjustment; Required Documentation. Notwithstanding Section 5.4, the City may, upon written request of a customer, adjust a customer's bill in the case of loss of water due to circumstances beyond the customer's reasonable control, such as a mechanical malfunction, blind leak, theft of water, vandalism, unexplained water loss or other unusual or emergency conditions. Adjustments will not be made for faucet leaks. The customer's request must be supported by repair bills or other appropriate documentation. This Section 6 applies to both residential and non-residential accounts of the City.

6.2 Determination by City. The determination of whether an adjustment is granted will be made at the sole discretion of the City's Finance Director or his or her designee; the determination will be final and is not subject to appeal. In making the determination, the City may take into account the cause of water loss, the customer's opportunity, if any, to detect it, any negligence or fault of the customer in connection therewith, and the promptness with which the water loss was discovered, stopped and repairs made. For the customer to be eligible for an adjustment, the City will consider the following factors after investigation:

- (a) There was no evidence that the excessive use was due to the intentional or negligent act of the customer, or non-responsiveness of the customer to warning signals such as higher water and/or sewer bills, leak notifications, visible water, or other factors that should have made the customer reasonably aware of the existence of a leak;

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- (b) No third party responsible for water loss at the customer's property can be pursued for reimbursement by the customer;
- (c) After being notified by the City via heightened billing, letter, or by any other means, the customer took prompt and reasonable action to ascertain the cause of the excessive use and to correct it; and
- (d) The customer took corrective action immediately upon discovering or being notified of a leak, and provided the City with satisfactory evidence that the leak was repaired (copy of repair service bill, etc.).

6.3 Calculation of Adjustment Amount. If granted, the adjustment of the customer's bill will be calculated as follows:

- (a) The amount of the excess cost will be determined by taking the difference between the total cost of utility service for the bill in question less the total cost of utility service for the same billing period the previous year.
- (b) The Customer is responsible for paying one-half of the amount calculated in subsection (a). The City will credit the customer's account the other one-half of the amount; provided, however, that the City shall under no circumstance provide a credit in excess of \$300.

6.4 Additional Conditions.

- (a) Water loss adjustments will be limited to one adjustment every five years. The five-year period begins at the end of the last billing period for which a water loss adjustment was granted.

**7. Extensions and Other Alternative Payment Arrangements.**

7.1 Time to Request an Extension or Other Alternative Payment Arrangement. If a customer is unable to pay a bill during the normal payment period, the customer may request an extension or other alternative payment arrangement described in this Section 7. If a customer submits his or her request within thirteen (13) days after mailing of a written notice of discontinuation of service by the City, the request will be reviewed by the Finance Director or designee. At his or her own discretion, the City's Finance Director or designee may consider requests for an extension or other alternative payment arrangement described in this Section 7 either before or after the thirteen (13) day period referenced in this Section 7. City decisions regarding extensions and other alternative payment arrangements are final and are not subject to appeal to the City Manager. As an inducement to enter into a payment arrangement, or for other purposes benefiting the City, the City's Finance Director or designee may at his or her own discretion waive one or more late charges applied to an account.

7.2 Extension. If approved by the City, a customer's payment of his or her unpaid balance may be temporarily extended for a period not to exceed six (6) months after the balance was originally due. The City's Finance Director or designee shall determine, in his or her discretion, how long an extension shall be provided to the customer. The customer shall pay the full unpaid balance by the date set by the City and must remain current on all water service charges accruing during any subsequent billing periods.

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7.3 Amortization. If approved by the City, a customer's payment of his or her unpaid balance may be amortized over a period not to exceed twelve (12) months, as determined by the City's Finance Director or designee, in his or her discretion. If amortization is approved, the unpaid balance will be divided by the number of months in the amortization period, and that amount will be added to the customer's monthly bills for water service until fully paid. During the amortization period, the customer must remain current on all water service charges accruing during any subsequent billing periods. At the City's Finance Director's or designee's sole discretion, a period longer than twelve (12) months may be used for the amortization period to avoid undue hardship based on the circumstances of the individual case.

7.4 Alternative Payment Schedule. If approved by the City, a customer may pay his or her unpaid balance pursuant to an alternative payment schedule that will not exceed twelve (12) months, as determined by the City's Finance Director or designee, in his or her discretion. If approved, the alternative payment schedule may allow periodic lump-sum payments that do not coincide with the City's established payment date or may provide for payments made more or less frequently than the City's regular payment date. During the period of the alternative payment schedule, the customer must remain current on all water service charges accruing during any subsequent billing periods.

7.5 Failure To Comply. The City may terminate water service if a customer who has been granted a payment arrangement under this Section 7 fails to make a payment due under the payment arrangement, and at least 60 days have passed since the original bill became delinquent. Under such circumstances, the City may terminate service after posting only a final notice of intent to disconnect service in a prominent and conspicuous location at the service address at least five (5) business days before discontinuation of service. The final notice will not entitle the customer to any investigation or review by the City.

**8. Specific Programs for Low-Income Customers.**

8.1 Reconnection Fee Limits and Waiver of Interest. For residential customers who demonstrate to the City a household income below 200 percent of the federal poverty line, the City will limit any reconnection fees during normal operating hours to fifty dollars (\$50), and during non-operational hours to one hundred fifty dollars (\$150). The limits will only apply if the City's reconnection fees actually exceed these amounts. These limits are subject to an annual adjustment for changes in the Bureau of Labor Statistics' Consumer Price Index for All Urban Consumers (CPI-U) beginning January 1, 2021.

8.2 Qualifications. The City will deem a residential customer to have a household income below 200 percent of the federal poverty line if: (a) any member of the customer's household is a current recipient of an assistance program (i.e. CalWorks, CalFresh, Medi-Cal, Supplemental Security Income, etc.) or (b) the customer declares under penalty of perjury that the household's annual income is less than 200 percent of the federal poverty level.

**9. Procedures for Occupants or Tenants to Become Customers of the City.**

9.1 Applicability. This Section 9 shall apply only when the property owner, landlord, manager, or operator of a residential service address is listed as the customer of record and the customer of record is not the resident using water on the property and has been issued a notice of intent to discontinue water service due to nonpayment.

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9.2 Agreement to City Terms and Conditions of Service. The City will make service available to the actual residential occupants if each occupant agrees to the terms and conditions of service to become a customer of the City and meets the requirements of the City's rules and regulations. Notwithstanding, if one or more of the occupants are willing and able to assume responsibility for the subsequent charges to the account to the satisfaction of the City, or if there is a physical means, legally available to the City, of selectively discontinuing service to those occupants who have not met the requirements of the City's rules and regulations, the City shall make service available to the occupants who have met those requirements.

9.3 Verification of Tenancy. To be eligible to become a customer without paying the amount due on the delinquent account, the occupant shall 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, at the discretion of the City.

9.4 Methods of Establishing Credit. If prior service for a period of time is a condition for establishing credit with the City, residence and proof of prompt payment of rent for that period of time is a satisfactory equivalent.

9.5 Deductions from Rental Payment. Pursuant to Public Utilities Code Section 10009.1(d), any occupant who becomes a customer of the City pursuant to this Section 9 and whose periodic payments, such as rental payments, include charges for residential water service, where those charges are not separately stated, may deduct from the periodic payment each payment period all reasonable charges paid by the occupant to the City for residential water service during the preceding payment period. This subsection is intended only as a statement of existing law under Public Utilities Code Section 10009.1(d); it does not establish any independent legal rights or duties on landlords or tenants and is not enforceable by the City.

10. **Third Party Notification Service for Seniors and Dependent Adults.** The City will make available, to residential customers who are 65 years or older, or who are dependent adults (as defined in Welfare and Institutions Code Section 15610(b)(1)), a third-party notification service whereby the City will attempt to notify a person designated by the customer to receive notification when the customer's account is past-due and subject to termination. The notification will include information on what is required to prevent termination of service. The City will mail the notification to the designated third party at least ten (10) days before termination of service. To participate, the customer must submit a request for third-party notification in an email to the City's Finance Director or designee. The notification service does not obligate the third party to pay any overdue charges, nor shall it prevent or delay termination of service.

11. **Language for Certain Written Notices.** All written notices under Section 4 and Section 7.5 of this Policy shall be provided in English, Spanish, Chinese, Tagalog, Vietnamese, Korean, and any other language spoken by ten percent (10%) or more people within the City's service area.

12. **Other Remedies.** In addition to discontinuation of water service, the City may pursue any other remedies available in law or equity for nonpayment of water service charges, including, but not limited to: securing delinquent amounts by filing liens on real property, filing a claim or legal action, or referring the unpaid amount to collections.

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13. **Discontinuation of Water Service for Other Customer Violations.** The City reserves the right to discontinue water service for any violations of City ordinances, rules, or regulations other than nonpayment.

14. **Fees and Charges Incurred.** Except as otherwise expressly stated in this Policy, any fees and charges incurred by a customer under any other rules, regulations, or policies of the City, including, but not limited to, delinquent charges, shall be due and payable as set forth therein.

15. **Decisions by City Staff.** Any decision which may be taken by the City's Finance Director under this Policy may be taken by his or her designee.