

First Mace Meadow Water Association, Inc. ("Association")

Policy on Disconnection of Residential Water Service for Nonpayment

1) General Provisions

- a) **Application**. This Policy applies only to disconnection of residential water service for nonpayment. The Association's existing ordinances, resolutions, policies, and procedures shall continue to apply to non-residential water service accounts and to disconnection of residential water service for other reasons, including the termination of a service connection by the Association due to a customer violation of any other ordinance, rule, regulation, or policy of the Association. In the event of any conflict between this Policy and any other ordinance, rule, regulation, or policy of the Association, this Policy shall prevail. In the event of any conflict between this Policy and state law, state law shall prevail.
- b) **Customer Responsibility**. Under applicable Association ordinances, resolutions, policies, and procedures, bills for water service are rendered to each customer on a bi-monthly basis and are due and payable upon presentation. Water service bills become delinquent if not paid within 30 days from the date on the bill. It is the customer's responsibility to ensure that payments are received at the Association's office in a timely manner. Payment may be made at the Association office, online, by phone, or to the designated address for remittance of mailed payments.
- c) **Availability of Policy**. The Association shall provide this Policy and all written notices given under this Policy in English or as otherwise required by Water Code section 116922. At present, this Policy is and only need be available in English.
- d) **Contact Telephone Number**. The Association's customer service representative can be reached at 209-296-3121 for assistance concerning the payment of water bills, billing disputes, and to discuss options for stopping disconnection of residential service for nonpayment.

2) Disconnection of Residential Water Service for Nonpayment

- a) **Reminder Notice**. An account that remains unpaid by the close of the next business day 30 calendar days after the date of issuance of the water bill is considered delinquent. The Association shall apply a \$45-late fee to the delinquent amount and mail a reminder notice to the customer explaining the total delinquent amount due.
- b) **60-day Delinquency Period**. The Association shall not disconnect residential water service for nonpayment of a service bill until a customer's payment has been delinquent for 60 days.
- c) **7-Day Notice**. Not less than seven business days before disconnection of residential service for nonpayment, the Association shall contact the customer named on the account by written notice.
 - i) When the Association contacts the customer named on the account by written notice under this section, the written notice of payment delinquency and impending disconnection shall

be mailed to the customer 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."

- ii) The written notice shall include all of the following information in a clear and legible format:
 - (1) The customer's name and address.
 - (2) The amount of the delinquency, including an itemization of any late payment penalties and interest to be applied to the delinquent charges.
 - (3) The date and time by which payment or arrangement for payment must be made in order to avoid disconnection of water service.
 - (4) A description of the process to apply for an extension of time to pay the delinquent charges.
 - (5) A description of the procedure by which the customer may petition for bill review and appeal.
 - (6) 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, consistent with this Policy.
- iii) If the written notice is returned through the mail as undeliverable, and the Association is unable to make contact by telephone with the customer or adult occupying the residence being supplied with service, the Association shall make a good faith effort to visit the residence or make other arrangements to leave or place in a conspicuous place at the residence a notice of imminent disconnection of service for nonpayment and a copy of this Policy.
- d) **48-hour Posting Notice**. The Association shall make a reasonable, good faith effort to contact an adult person residing at the premises being served by telephone or in person at least 48 hours prior to any termination of service. Whenever telephone or personal contact cannot be accomplished, the Association shall give, by mail or by posting in a conspicuous location at the premises being served, a notice of termination of service, at least 48 hours prior to termination. This notice of termination of service shall include all of the following information:
 - i) The customer's address.
 - ii) The amount of the delinquency, including an itemization of any late payment penalties and interest to be applied on any delinquent charges.
 - iii) The date and time by which payment or arrangements for payment is required in order to avoid termination.

- iv) The Association's telephone number, business address, and hours of operation of a customer service representative who can provide additional information or institute arrangements for payment.
- e) **Service Restoration Information.** Upon disconnection, the Association shall provide the customer with information on how to restore residential service.
- f) **Reporting.** The Association shall report the total annual number of disconnections of residential service for inability to pay on its website.

3) **Restrictions on Disconnection of Water Service**

- a) The Association shall not disconnect residential water service for nonpayment of a service bill until a customer's payment has been delinquent for at least 60 days.
- b) The Association shall not disconnect residential service in any of the following situations:
 - i) During the time that the Association is investigating a customer dispute or complaint under Section 8 of this Policy.
 - ii) When a customer has been granted an extension of the period for payment of a bill.
- c) The Association shall not disconnect residential service if all of the following conditions are met:
 - i) The customer, or a tenant of the customer, submits to the Association the certification of a primary care provider, as defined in section 14088(b)(1)(A) of the Welfare and Institutions Code, that disconnection of residential service will be life threatening to, or pose a serious threat to the health and safety of, a resident of the property receiving service.
 - ii) The customer demonstrates that he or she is financially unable to pay for residential service within the Association's normal billing cycle. The customer shall be deemed financially unable to pay for residential service within the Association's normal billing cycle if (1) any member of the customer's household is a current recipient of CalWORKs, Cal Fresh, general assistance, Medi-Cal, Supplemental Security Income/State Supplementary Payment Program, or California Special Supplemental Nutrition Program for Women, Infants, and Children, or (2) the customer declares that the household's annual income is less than 200 percent of the federal poverty level.
 - iii) The customer is willing to enter an alternative payment arrangement, consistent with the provisions of Section 4 of this Policy. If a customer meets the three conditions listed in this subsection (c), the Association shall offer the customer one or more of the payment options described in Section 4. Any customer meeting these requirements shall, upon request, be permitted to amortize, over a period not to exceed 12 months, the unpaid balance of any bill asserted to be beyond the means of the customer to pay within the normal period for payment.

- d) The Association is prohibited from terminating water service to any customer or tenant of a customer on any Friday, Saturday, Sunday, legal holiday, or outside of its normal operating hours.

4) **Alternative Payment Arrangements**

- a) **Options.** Upon request or as required by Section 3 above, the Association will consider the following options with a delinquent customer to avert discontinuation of residential service for nonpayment:
 - i) Amortization of the unpaid balance.
 - ii) Participation in an alternative payment schedule.
 - iii) Temporary deferral of payment. (Collectively "Payment Arrangements.")
- b) **Association Administration.** The Board, or its designee, in its sole discretion, may choose which of the Payment Arrangements described in Section 4(a) above may be available to the customer and may set the parameters of that payment option. Ordinarily, the Payment Arrangement offered should result in payment of any remaining outstanding balance within 12 months. The Association may grant a longer payment period if it finds the longer period is necessary to avoid undue hardship to the customer based on the circumstances of the individual case. The Board, or its designee, is authorized to prepare and approve a Payment Arrangement Agreement with a customer consistent with this Section 4.
- c) **Customer Obligations.** If the Association and customer enter into a Payment Arrangement under this Section 4, the customer shall comply with the 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, unless otherwise prohibited by law.

5) **Disconnection After Failure to Comply with Alternative Payment Arrangements**

- a) If the Association and customer enter into any Payment Arrangement under Section 4, the Association may disconnect service no sooner than five business days after the Association posts a final notice of intent to disconnect service in a prominent and conspicuous location at the property under either of the following circumstances:
 - i) The customer fails to comply with the Payment Arrangement for 60 days or more.
 - ii) While undertaking a Payment Arrangement, the customer does not pay the current residential service charges for 60 days or more.

- b) The notice of termination under this Section 5 shall include all of the following information:
 - i) The customer's name and address.
 - ii) Notice of the customer's noncompliance with the Payment Arrangement.
 - iii) A copy of the Payment Arrangement or other conditions the customer has breached that has resulted in termination.
 - iv) The Association's telephone number, business address, and hours of operation of a customer service representative who can provide additional information. This notice is informational only and does not entitle the customer to further investigation or provision of alternative payment arrangements by the Association.

6) **Disconnection in Master Meter Landlord-Tenant Situations**

- a) **Applicability.** This section applies to Association service through an individual meter to a detached single-family dwelling, a multi-unit residential structure, mobile home park, or permanent residential structure in a labor camp, only if the owner, manager, or operator is the customer of record, and there is a landlord-tenant relationship between the residential occupants and the owner, manager, or operator of the building.
- b) **Notice.** The Association shall make every good faith effort to inform the residential occupants, by means of written notice, when the account is in arrears and that the Association intends to terminate service at least 10 days prior to the termination. This notice shall further inform the residential occupants that they have the right to become Association customers, to whom the service will then be billed, without being required to pay any amount that may then be due on the delinquent account.
- c) **Service to Occupants.** The Association is not required to make service available to the residential occupants unless each residential occupant agrees to the terms and conditions of Association water service and meets the requirements of law and the Association's rates, ordinances, rules, regulations, and policies. However, if one or more of the residential occupants are willing and able to assume all responsibility for the subsequent charges to the account to the satisfaction of the Association, or if there is a physical means legally available to the Association of selectively terminating service to those residential occupants who have not met the requirements of the Association's rates, ordinances, rules, regulations, and policies, the Association shall make service available to those residential occupants who have met those requirements.
- d) **Proof of Credit.** If prior service for a period of time is a condition for establishing credit with the Association, residence and proof of prompt payment of rent or another credit obligation acceptable to the Association for that period of time is a satisfactory equivalent.
- e) **Detached Single-Family Dwellings.** In the case of a detached single-family dwelling, the Association may do any of the following:
 - i) Give notice of termination at least seven days prior to the proposed termination.

- ii) 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 Civil Code section 1962.

7) **Additional Considerations for Financial Hardship; Special Notice**

- a) If a customer demonstrates to the Association a household income below 200 percent of the federal poverty line, the Association shall both:
 - i) Set a reconnection of service fee for reconnection during normal operating hours at fifty dollars (\$50), but not to exceed the actual cost of reconnection if it is less. For the reconnection of residential service during nonoperational hours, the Association shall set a reconnection of service fee at one hundred fifty dollars (\$150), but not to exceed the actual cost of reconnection if it is less. All maximum reconnection fees shall be subject to an annual adjustment for changes in the Consumer Price Index with the base index being January 1, 2021.
 - ii) Waive interest and late charges on delinquent bills once every 12 months.
- b) The Association shall deem a residential customer to have a household income below 200 percent of the federal poverty line if:
 - i) Any member of the 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
 - ii) The customer declares that the household's annual income is less than 200 percent of the federal poverty level.
- c) Residential Customers who are 65 years of age or older, or who are dependent adults as defined in Welfare and Institutions Code section 15610.23, shall be notified that they may request that the Association notify a designated third person when the Customer's account is past due and subject to termination.

8) **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 days of receipt of the bill for water service, but no later than 30 days from the date on the bill, a customer has a right to request an appeal or review of any bill or charge rendered by the Association. The request must be made in writing and be delivered to the Association's office. For so long as the customer's appeal and any resulting investigation is pending, the Association cannot disconnect water service to the customer.

- b) **7-Day Notice Appeal.** In addition to the appeal rights under subsection (a), above, a customer who receives a 7-Day Notice described in Section 2(c) of this Policy 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 was 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 Association's office within the five-day period. For so long as the customer's appeal and any resulting investigation is pending, the Association cannot disconnect water service to the customer.
- c) **Appeal Process.**
- i) Following receipt of a request for an appeal or review under subsections (a) or (b), above, the Chairman of the Board shall evaluate the request for review and supporting material provided by the customer and the information on file with the Association concerning the water charges in question. Within 10 days after receipt of the customer's request for review, the Chairman of the Board shall render a decision as to the accuracy of the water charges set forth on the bill and shall provide the appealing customer with a brief written summary of the decision.
 - ii) If water charges are determined to be incorrect, the Association will provide a corrected invoice and payment of the revised charges will be due within 10 calendar days of the invoice date for revised charges or 30 days from the date of the original invoice, whichever is later. Delinquent charges are subject to the termination pursuant to this Policy.
 - iii) If the water charges in question are determined to be correct, the water charges are due and payable within three business days after receipt of the Chairman of the Board's decision or the date such charges would have otherwise been payable, whichever is later. At the time the decision is rendered, the customer will be advised of the right to further appeal to the full Board of Directors within 30 days of the date the account becomes delinquent, or within 10 days of the date of Chairman of the Board's decision denying the appeal, whichever is later.
 - iv) If the customer does not make timely appeal to the Association's Board of Directors, the water charges in question shall be immediately due and payable. Delinquent charges are subject to the termination pursuant to this Policy, but the customer will have no further right to appeal.
 - v) 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 Association concerning the water charges in question (including the Chairman of the Board's decision) and any staff presentation, and then render a decision as to the accuracy of the charges. The Board's decision shall be final and binding.

- vi) If the Board finds that the water service charges in question are incorrect, the original invoice shall be voided and the customer will be invoiced for the revised charges.
- vii) 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. Delinquent charges are subject to the termination pursuant to this Policy, but the customer will have no further right to appeal.
- d) Any overcharges due from the Association will be reflected as a credit on the next regular bill to the customer, or refunded directly to the customer, at the sole discretion of the Board of Directors.
- e) Water service to any customer shall not be disconnected at any time during which the customer's appeal under this section is pending.