

# Appendix C

## EFFECTIVE APRIL 1, 2020 MIL POTRERO MUTUAL WATER COMPANY POLICY ON DISCONTINUATION OF RESIDENTIAL WATER SERVICE FOR NON-PAYMENT

Notwithstanding any other policy or rule, this Policy on Discontinuation of Residential Water Service for Non-Payment shall apply to the discontinuation of residential water service for non-payment under the provisions set forth herein. In the event of any conflict between this Policy and any other policy or rule of the Mil Potrero Mutual Water Company (the "Company"), this Policy shall prevail.

I. **Application of Policy: Contact Telephone Number:** This policy shall apply only to discontinuation of residential water service only, and all other existing policies and procedures regarding delinquent payments shall continue to apply to residential, commercial and industrial water service accounts. Further assistance concerning the payment of water bills and the potential establishment of the alternatives set forth in this policy to avoid discontinuation of service can be obtained by calling (661) 242-3230.

### II. **Discontinuation of Residential Water Service for Non-Payment:**

A. **Rendering and Payment of Bills:** Bills for service will be rendered to each residential and commercial customer on a quarterly basis unless otherwise provided for in the Company's rate schedules. Bills for service are due and payable upon presentation and become overdue for purposes of the service becoming subject to discontinuation if not paid within sixty (60) days from the delinquent date of the bill. The delinquent date is 31 days past the invoice date. The Company's other policies, rules and regulations pertaining to delinquent payments for service remain in full force and effect to the extent they do not conflict with this policy.

Payment may be made at the Company administrative office, to any staff member authorized to take payment or by electronic transmission if authorized by the Company. However, it is the customer's responsibility to ensure that the Company receives payment in a timely manner. Partial payments are not authorized unless the MPMWC Administration Office has granted prior approval. Bills will be computed as follows:

1. Meters will be read at regular intervals for the preparation of periodic bills and as required for the preparation of opening bills, closing bills and special bills.
2. Bills for metered service will show the meter reading for the current and previous meter reading period for which the bill is rendered, the number of units, (cf) and dates of service for the current meter reading.

3. Billings shall be paid in legal tender of the United States of America. Notwithstanding the foregoing, reserves the right to refuse any payment of such billings in coin.

B. Overdue Bills: The following rules for discontinuation of service shall apply to consumers whose bills remain unpaid for more than sixty (60) days following the delinquent date:

1. Late Notice: If payment for a bill rendered is not made on or before the thirtieth (30th) day following the invoice date, a Late Bill Reminder Notice will be mailed to the customer, providing a (10) day notice to the possible discontinuation of service, date identified in the Late Bill Reminder. Said Late Bill Reminder will not become effective until five (5) days after being mailed. If the customer's address is not the address of the property to which the service is provided, a Door Hanger Courtesy Reminder Notice will be delivered to the address of the property served, addressed to property address ten (10) days prior to the discontinuation of service date. The Door Hanger Courtesy Notice must contain the following:

- a) Customer's address;
- b) Date by which payment or arrangement for payment must be made in order to avoid discontinuation of service;
- c) Description of the process to apply for an extension of time to pay the amount owing (see Section III(D), below);
- d) Description of the procedure to petition for review and appeal of the bill giving rise to the delinquency (see Section IV, below); and
- e) Description of the procedure by which the customer can request a deferred, amortized, reduced or alternative payment schedule (see Section III, below).

The Company may alternatively provide notice to the customer of the impending discontinuation by telephone, in which case the Company shall provide all of the information that is to be contained in a written notice, and shall offer to provide the customer with a copy of this policy. The Company shall keep a record of the conversation in the customer's file, and said conversation shall be considered a Discontinuation Notice with the same force and effect of the written notice described above.

2. Telephone Reminder. The Company may from time to time remind the customer of the delinquency and impending discontinuation by way of an automated telephone message that will supplement, but will not replace, the written notice described above.

3. Unable to contact consumer: If the Company is not able to contact the customer by written notice or by telephone, the Company will undertake good faith efforts to visit the residence and leave, or make other arrangements to place in a conspicuous location, a Door Hanger Courtesy Reminder Notice, with instructions on how to obtain a copy of this Policy.

4. Shut Off Deadline: The Company must receive payment for water service no later than 4:30 p.m. on the date specified on the Door Hanger Courtesy Reminder Notice . Postmarks are not acceptable.

5. Notification of Returned Check: Upon receipt of a returned check rendered as remittance for service or other charges, the Company will consider the account not paid. The Company will attempt to notify the customer in person by telephone and/or leave a notice of termination of service at the premises. Service will be disconnected if the amount of the returned check and returned check charge are not paid by the due date specified on the notice, which due date shall not be sooner than the date specified in the Shut Off Notice; or if a Shut Off Notice has not been previously provided, no sooner than the sixtieth (60th) day after the delinquent date for which payment by the returned check had been made. To redeem a returned check and to pay a returned check charge, all amounts owing must be paid by cash or certified funds.

6. Returned Check Tendered as Payment for Water Service Disconnected for Nonpayment:

a) If the check tendered and accepted as payment which resulted in restoring service to an account that had been disconnected for nonpayment is returned as non-negotiable, the Company may disconnect said water service upon at least three (3) calendar days' written notice. The customer's account may only be reinstated by receipt of outstanding charges in the form of cash or certified funds.

b) If at any time, the customer's service is again disconnected for nonpayment, the Company may require the customer to remit payment in full in order for the service to be restored, in addition to any deposit the Company may require in its reasonable discretion.

C. Conditions Prohibiting Discontinuation of Service: The Company shall not discontinue service if all of the following conditions are met:

1. Health Conditions - The customer or tenant of the customer submits certification of a primary care provider attesting that discontinuation of service would (i) be life threatening, or (ii) pose a serious threat to the health and safety of a person residing at the property;
2. Financial Inability - The customer demonstrates he or she is financially unable to pay for service within the Company's normal billing cycle. The customer is deemed "financially unable to pay" if any member of the customer's household is: (i) a current recipient of the following benefits: CalWORKS, CalFresh, general assistance, Medi-Cal, SSI/State Supplementary Payment Program or California Special

Supplemental Nutrition Program for Women, Infants and Children; or  
(ii) the customer declares the household's annual income is less than  
200% of the federal poverty level (see this link for the federal poverty  
levels applicable in California:

<https://www.healthforcalifornia.com/coveredcalifornia/income-limits>);  
and

3. Alternative Payment Arrangements - The customer is willing to  
enter into an amortization agreement, alternative payment schedule or  
a plan for deferred or reduced payment, consistent with the provisions  
of Section III, below.

D. Process for Determination of Conditions Prohibiting Discontinuation of Service: The burden of proving compliance with the conditions described in Subdivision (C), above, is on the customer. In order to provide the Company sufficient time to process any request for assistance by a customer, the customer should provide the Company with documentation sufficient to demonstrate the existence of medical issues described in Subdivision (C)(1), financial inability in Subdivision (C)(2), and willingness to enter into any alternative payment arrangement described Subdivision (C)(3) as far in advance of any proposed date for discontinuation of Service as possible. Upon receipt of such documentation, the Company's General Manager, or his or her designee, shall review that documentation and respond to the customer within seven (7) calendar days to either request additional information, including information relating to the feasibility of the available alternative arrangements, or to notify the customer of the alternative payment arrangement, and terms thereof, under Section III, below, to which the Company is willing to agree. If the Company requests additional information the customer shall provide that requested information within five (5) calendar days of receipt of the Company's request. Within five (5) calendar days of Company's receipt of said information, the Company shall either notify the customer in writing that the customer does not meet the conditions under Subdivision (C), above, or notify the customer in writing of the alternative payment arrangement, and terms thereof, under Section III, below. Customers who fail to meet the conditions described in Subdivision (C), above, must pay the delinquent amount, including any penalties and other charges, owing to the Company within the latter to occur of: (i) two (2) business days after the date of notification from the Company of the Company's determination conditions are not satisfied; or (ii) the date of the impending service discontinuation, as specified in the Discontinuation Notice.

E. Special Rules for Low Income Customers: The following shall apply to  
Customers who are deemed financially unable to pay pursuant to Subdivision (C)(2) above:

- I. Reconnection Fees: If service has been discontinued and is to be  
reconnected, then any reconnection fees during the Company's normal  
operating hours cannot exceed \$50, and reconnection fees during  
nonoperational hours cannot exceed \$150. Those fees cannot exceed the  
actual cost of reconnection if that cost is less than the statutory caps. Those  
caps may be adjusted annually for changes in the Consumer Price Index for  
the Los Angeles-Long Beach-Anaheim metropolitan area beginning January  
1, 2021.

2. Interest Waiver: The Company shall not impose any interest charges on delinquent bills.

F. Landlord-Tenant: The below procedures apply to individually metered detached single-family dwellings, multi-unit residential structures and mobile home parks where the property owner or manager is the customer of record and is responsible for payment of the water bill.

1. Required Notice: At least 10 calendar days prior to the possible discontinuation of water service, the Company must make a good faith effort to inform the tenants/occupants at the property by written notice that the water service will be discontinued.

2. Tenants/Occupants Becoming Customers: The Company is not required to make service available to the tenants/occupants unless each tenant/occupant agrees to the terms and conditions for service and meets the Company's requirements and rules pertaining to the *Billing Address Change Agreement* located at the MPMWC Administrative Office or obtained from the MPMWC website: <http://www.mpmwc.com>.

III. Alternative Payment Arrangements: For any customer who satisfies any of the conditions under Section II(C), above, in accordance with the process set forth in Section II(D), above, the Company shall offer the customer one or more of the following alternative payment arrangements, to be selected by the Company in its discretion. The General Manager, or his or her designee, shall, in the exercise of reasonable discretion, select the most appropriate alternative payment arrangement after reviewing the information and documentation provided by the customer. Any customer who is unable to pay for service within the normal payment period and meets any of the conditions under Section II(C), above, may, if the Company so chooses, enter into an agreement with the Company for one of the following alternatives:

A. Amortization:

1. Term: The customer shall pay the unpaid balance, together with interest as specified in Subdivision (2), below, over a period not to exceed twelve (12) months, as determined by the General Manager or his or her designee. The unpaid balance, together with the applicable interest to be applied, shall be divided by the number of months in the amortization period and that amount shall be added each month to the customer's ongoing monthly bills for service.
2. Interest: At the discretion of the General Manager or his or her designee, interest at an annual rate not to exceed eight percent (8%) shall be applied to any amounts to be amortized under this Subsection A.
3. Compliance with Plan: The customer must comply with the amortization plan and remain current as charges accrue in each subsequent

billing period. The customer may not request further amortization of any subsequent unpaid charges while paying delinquent charges pursuant to an amortization plan. Where the customer fails to comply with the terms of the amortization plan for sixty (60) calendar days or more, or fails to pay the customer's current service charges for sixty (60) calendar days or more past the delinquent date, the Company may discontinue water service to the customer's property at least five (5) business days after posting at the customer's residence a final notice of its intent to discontinue service.

B. Alternative Payment Schedule:

1. Repayment Period: The customer shall pay the unpaid balance, with interest as specified in Subdivision (2) below, over a period not to exceed twelve (12) months, as determined by the General Manager or his or her designee; provided, however, that the General Manager or his or her designee, in their reasonable discretion, may extend the repayment period for longer than twelve (12) months to avoid undue hardship on the customer.

2. Interest: At the discretion of the General Manager or his or her designee, interest at an annual rate not to exceed eight percent (8%) shall be applied to any amounts to be paid under this Subsection B.

3. Schedule: After consulting with the customer and considering the customer's financial limitations, the General Manager or his or her designee shall develop an alternative payment schedule to be agreed upon with the customer. The alternative schedule may provide for periodic lump sum payments that do not coincide with the established payment date, may provide for payments to be made more or less frequently than monthly, provided that in either case, the unpaid balance and interest shall be paid in full within twelve (12) months of establishment of the payment schedule. The agreed upon schedule shall be set forth in writing and be signed by the customer.

4. Compliance with Plan: The customer must comply with the agreed upon payment schedule and remain current as charges accrue in each subsequent billing period. The customer may not request a longer payment schedule for any subsequent unpaid charges while paying delinquent charges pursuant to a previously agreed upon schedule. If the customer fails to comply with the terms of the agreed upon schedule for sixty (60) calendar days or more, or fails to pay the customer's current service charges for sixty (60) calendar days or more past the delinquent date, the Company may discontinue service to the customer's property at least five (5) business days after posting at the consumer's residence a final notice of its intent to discontinue service.

C. Reduction of Unpaid Balance:

1. The Company may agree to a reduction of the unpaid balance owed by the consumer, not to exceed thirty percent (30%) of that balance without

approval of and action by the Board of Directors; provided that any such reduction shall be funded from a source that does not result in additional charges being imposed on other customers. The proportion of any reduction shall be determined by the consumer's financial need, the Supplier's financial condition and needs and the availability of funds to offset the reduction of the consumer's unpaid balance.

2. Repayment Period: The customer shall pay the reduced balance by the due date determined by the General Manager or his or her designee, which date (the "Reduced Payment Date") shall be at least fifteen (15) calendar days after the effective date of the reduction of the unpaid balance.

3. Compliance with Reduced Payment Date: The customer must pay the reduced balance on or before the Reduced Payment Date, and must remain current in paying in full any charges that accrue in each subsequent billing period. If the customer fails to pay the reduced payment amount within sixty (60) calendar days after the Reduced Payment Date, or fails to pay the customer's current service charges for sixty (60) calendar days or more past the delinquent date, the Company may discontinue Service to the customer's property at least five (5) business days after posting at the customer's residence a final notice of its intent to discontinue service.

D. Temporary Deferral of Payment:

The Company may, in its discretion, agree to deferring payment on an unpaid balance for a period of up to twelve (12) months after the payment is due.

1. Repayment Period: The customer shall pay the unpaid balance by the deferral date (the "Deferred Payment Date") determined by the General Manager or his or her designee. The Deferral Payment Date shall be within twelve (12) months from the date the unpaid balance became delinquent.

2. Compliance with Reduced Payment Date: The customer must pay the reduced balance on or before the Deferred Payment Date, and must remain current in paying in full any charges that accrue in each subsequent billing period. If the customer fails to pay the unpaid payment amount within sixty (60) calendar days after the Deferred Payment Date, or fails to pay the customer's current service charges for sixty (60) calendar days or more past the delinquent date, the Company may discontinue Service to the customer's property at least five (5) business days after posting at the consumer's residence a final notice of its intent to discontinue service.

IV. Appeals: The procedure to be used to appeal the amount set forth in any bill for service is set forth below. A customer shall be limited to three (2) unsuccessful appeals in any twelve (12) month period and if that limit has been reached, the Company is not required to consider any subsequent appeals.

A. Initial Appeal: Within ten (10) days of receipt of the bill for service, the customer has a right to request a review of any bill or charge. Such request must be made in writing and be delivered to the Company's office. For so long as the customer's appeal and any resulting review is pending, the Company may not discontinue Service to the consumer.

B. Discontinuation Notice Review: In addition to the appeal rights provided under Subsection A, above, any customer who receives a Discontinuation Notice may request an appeal or review of the bill to which the Discontinuation Notice relates at least five (5) business days after the date of the Discontinuation Notice if the customer alleges the bill is in error with respect to the quantity of water consumption set forth on that bill; provided, however, that 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 B must be in writing and must include documentation supporting the appeal or the reason for the review. The request for an appeal or review must be delivered to the Company's office within that five (5) business day period. For so long as the customer's appeal and any resulting investigation is pending, the Company may not discontinue service to the consumer.

C. General Manager Review: The General Manager shall endeavor to resolve a request for review under Subdivisions (A) and (B) and render a decision as to the accuracy of water charges above and shall issue written findings to the customer within ten (10) days.

1. If water charges are determined to be incorrect, the Company shall provide a corrected invoice and payment of the revised charges will be due within ten (10) calendar days of the invoice date for revised charges. If the revised charges remain unpaid for more than seventy (70) calendar days after the corrected invoice is provided, Service will be disconnected, on the next regular working day after expiration of that seventy (70) calendar day period; provided that the Company shall provide the customer with the Discontinuation Notice in accordance with Section II(B)(I), above. Service will only be restored upon full payment of all outstanding water charges, fees, and any and all applicable reconnection charges.

2. (a) If the water charges in question are determined to be correct, the water charges are due and payable within two (2) business days after the Board's decision is rendered.

- (b) For an initial appeal under Subdivision A, above, if the customer does not timely appeal to the Board of Directors in the manner set forth herein, the water charges in question shall be immediately due and payable. In the event the charges are not paid in full within sixty (60) calendar days after the original billing delinquent date, then the Company shall issue the Discontinuation Notice in accordance with Section II(B)(1), above, and may proceed in potentially discontinuing service to the customer's property.

- (c) For a Discontinuation Notice appeal under Subdivision B, above, if the customer does not timely appeal to the Board of Directors in the manner set forth herein, then service to the subject property may be discontinued on written or telephonic notice to the customer to be given at



least twenty-four (24) hours after the latter to occur of: (i) expiration of the original sixty (60) calendar day notice period set forth in the Discontinuation Notice; or (ii) the expiration of the appeal period.

D. Appeal Hearing: If resolution pursuant to the process set forth above is not satisfactory to the customer, the customer may request a hearing before the Board of Directors.

A request for a hearing before the Board of Directors shall be made in writing and delivered to the Company at its office. The customer will be required to personally appear before the Board and present evidence 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 Company concerning the water charges in question, and render a decision as to the accuracy of said charges.

1. If the Board finds the water charges in question are incorrect, the customer will be invoiced for the revised charges. If the revised charges remain unpaid for more than sixty (60) calendar days after the corrected invoice delinquent date, service will be disconnected, on the next regular working day after expiration of that sixty (60) calendar day period; provided that the Company shall provide the customer with the Discontinuation Notice in accordance with Section II(B)(1I), above. Service will be restored only after outstanding water charges and any and all applicable reconnection charges are paid in full.

2. If the water charges in question are determined to be correct, the water charges are due and payable within two (2) business days after the decision of the Board is rendered. In the event the charges are not paid in full within sixty (60) calendar days after the delinquent date, then the Company shall issue a Discontinuation Notice in accordance with Section II(B)(1I), above, and may proceed in potentially discontinuing service to the customer's property.

3. Any overcharges 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.

4. Service to any consumer shall not be discontinued at any time during which the consumer's appeal to the Company or its Board of Directors is pending.

5. The Board's decision is final.

V. Restoration of Service: In order to resume or continue service that has been discontinued due to non-payment, the customer must pay a security deposit, if applicable, and a Reconnection Fee established by the Company subject to the limitation set forth in Section II (E) (1) above. The Company will make such

reconnection as soon as practicable but in any event no later than the end of the next regular working day following the customer's request and payment of any applicable Reconnection Fee.

Kristopher Staidle, Board President

A handwritten signature in black ink, appearing to read 'K. Staidle', is written over a horizontal line.