

LAKE MORENA VIEW MUTUAL WATER COMPANY
POLICY ON DISCONTINUATION OF RESIDENTIAL WATER SERVICE

This policy is established to comply with Senate Bill No. 998, known as the "Water Shutoff Protection Act" (California Health and Safety Code Chapter 6, Sections 116900, et seq.), and Senate Bill No. 3, which collectively require certain water systems, including Lake Morena View Mutual Water Company ("LMV"), to have a written policy on discontinuation of water service to residences for nonpayment. This policy is intended to be in compliance with existing law; any prior LMV policy or action governing the matters covered herein is hereby rescinded and replaced with this Policy. Any amendments to existing law governing the matters covered herein that are inconsistent with this policy shall be followed until such time as this policy may be amended to be consistent with applicable law.

General Provisions - This policy and any notice required by this policy shall be made available in English, Spanish, and any other language spoken by at least 10 percent of the people residing in the LMV water service area. Upon request of a customer, this policy will be made available in any other language listed in Civil Code § 1632 (currently Chinese, Tagalog, Vietnamese, and Korean); any notice to a customer that has made such a request shall be provided in the language requested. This policy shall be posted on the LMV website (www.lmvwater.com) and made available by contacting LMV by mail at PO Box 396, Campo, CA 91906. LMV staff may be reached at (619) 975-7176 for assistance concerning the payment of water bills and to discuss options for preventing the discontinuation of water service for nonpayment, or for any questions about this policy.

LMV may discontinue residential water service for nonpayment if a payment by a customer has been delinquent for at least 60 days and the required notice(s) have been given, provided that the requirements of this policy and California law have been satisfied. **Notwithstanding the date any notice is provided hereunder, LMV shall not discontinue residential water service until a payment has been delinquent for at least 60 days.**

Due Date of Payments & Late Fees - All LMV water bills shall be due upon receipt and shall be deemed "delinquent" at 5:00 P.M. on the 5th of the month following receipt of each bill. A one-time late fee of \$25.00 shall be assessed as a late fee on any delinquent amount and shall be added to the amount due. Delinquent amounts due shall be tracked separately on subsequent bills.

Discontinuation of Residential Water Service - LMV shall process delinquencies expeditiously while conforming to statutory requirements. Therefore, LMV shall contact the customer named on the account by telephone or written notice no less than 10 business days before discontinuing service for nonpayment.

1. **Written Notice.** When LMV contacts the customer named on the account by written notice, the notice shall be mailed to the customer's address on file with LMV. If the customer's address on file with LMV is not the address of the property to which service is provided, the notice shall also be sent to the address of the property where the service is provided, addressed to "Occupant." The notice shall include at least all the following information in a clear and legible format:
 - The customer's name and address.
 - The amount of the delinquency.
 - The date by which payment or arrangement for payment is required in order to avoid discontinuation of residential water service.
 - A description of the process to apply for an extension of time to pay the delinquent charges.
 - A description of the procedure to petition for bill review and appeal.
 - A description of the procedure by which the customer may request a deferral or reduced or alternative payment schedule of the delinquent residential water service charges.
2. **Contact by Telephone.** When LMV contacts a customer by telephone, the customer shall be offered a copy this policy in writing. LMV shall offer to discuss options to prevent discontinuation of water service for nonpayment, including alternative payment schedules, deferred payments, minimum payments, and petition for bill review and appeal.

3. Good Faith Noticing Requirements. If LMV 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, LMV shall make a good faith effort to visit the residence and leave or make other arrangements for placement in a conspicuous place of a notice of imminent discontinuation of residential water service for nonpayment and information about where to obtain a copy of this policy.
4. Other Notices. LMV may, but is not required to, employ other methods of providing notice, including by placing a door hanger on the front door of any residence where service may be discontinued for nonpayment. Such notice shall be in addition to the written or telephone notice required by statute and shall contain the information that is required to be included in the written notice that is mailed as described above.

Health and Safety Restrictions on Discontinuation of Residential Water Service -

1. LMV shall not discontinue residential water service for nonpayment if all three of the following conditions are met prior to the date the service is scheduled to be disconnected:
 - a. The customer or a tenant of the customer submits to LMV the certification of a 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.
 - b. The customer demonstrates that he or she is financially unable to pay for water service within LMV's normal billing cycle. The customer shall be deemed financially unable to pay for water service within LMV'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. Customers who are "deemed financially unable to pay" due to the receipt of government assistance shall be required to provide evidence of its participation in a listed program, such as a statement (or other mailing) from the government agency that provides the relevant assistance.
 - c. The customer is willing to enter into an alternative payment schedule or a plan for deferred or reduced payment, with respect to all delinquent charges.
2. If the conditions listed in 1. above are all met, LMV shall offer the customer one or more of the following options:
 - a. Participation in an alternative payment schedule.
 - b. A partial or full reduction of the unpaid balance financed without additional charges to other ratepayers. For example, LMV may seek funding, as available, from state, federal, or local agencies to help offset arrearages due to delinquent accounts in an equitable manner. In the event such funding is made available and it obtained, it could be used to reduce an unpaid balance without additional charges to other ratepayers.
 - c. Temporary deferral of payment.

LMV may choose which of the payment options described in the preceding section the customer undertakes and may set the parameters of that payment option. The agreed upon option must be documented in a writing that is signed by the customer. A payment plan will set forth a payment schedule for the unpaid balance over a period defined by LMV, which shall normally be no longer than 12 months.

Alternative Payment Arrangements - Any customer that is unable to pay a water bill but that does not meet the Health and Safety criteria set forth above may request an alternative payment plan prior to the date the service is scheduled to be

disconnected. A customer making such a request shall be required to demonstrate his or her inability to pay. LMV will consider all relevant circumstances surrounding the request and make a determination as to whether a payment plan is warranted; LMV will not disconnect service while it is considering a customer's request for an alternative payment plan. A payment plan will set forth a payment schedule for the unpaid balance over a period defined by LMV, which shall normally be no longer than 12 months. The payments on a payment plan will not be combined with the customer's regular bill. The customer must comply with the terms of the payment plan and remain current as charges accrue in each subsequent billing period. The customer may not request a further payment plan for any subsequent unpaid charges while paying delinquent charges pursuant to a payment plan. A customer may appeal LMV staff's denial of a request for an alternative payment plan; such appeal shall be made within 2 days after LMV staff has communicated its decision to deny a request. The decision of LMV's Board of Directors on a customer's request for an alternative payment plan shall be final.

Failure to Comply with Alternative Payment Arrangements

1. Any customer that is provided with alternative payment arrangements must comply with the terms of the payment arrangements and remain current on new water service charges as they are billed in each subsequent billing period. The customer may not request further reduction of any unpaid charges on subsequent bills while paying delinquent charges under an alternative payment arrangement.
2. Residential water service will be discontinued at least 5 business days after LMV has posted 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 alternative payment schedule or a deferral or reduction in payment plan for delinquent charges for 60 days or more.
 - b. While undertaking an alternative payment schedule or a deferral or reduction in payment plan for delinquent charges, the customer does not pay his or her current residential water service charges for 60 days or more.

Services Involving Landlord-Tenant Relationships

1. Individually metered residential water service. For residential occupants receiving water services through an individual meter in a detached single-family dwelling, a multiunit residential structure or mobile home park, and the owner, manager or operator is the customer of record, LMV shall, at least 10 business days prior to termination, make good faith efforts to inform the residential occupants, by means of written notice, that the account is in arrears and that service will be terminated. The written notice shall further inform the residential occupants that they have the right to become customers, to whom the water service will then be billed, without being required to pay any amount which may be due on the delinquent account.
2. Residential water service through a master meter. For residential occupants receiving water services through a master meter in a multiunit residential structure or mobile home park, and the owner, manager or operator is the customer of record, LMV shall not make service available to the residential occupants, unless each residential occupant agrees to the terms and conditions of service and meets the requirements of law and any of LMV's applicable policies and procedures. 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 LMV, then LMV shall make service available to the property. At least 10 business days prior to discontinuing service to a master metered property that is delinquent, LMV shall make a good faith effort to inform all residential occupants in writing that the property's account is delinquent and that service will be terminated. The written notice will inform the occupants that they may become a customer of record and accept bills for the unit's water service and that the occupants will not be held responsible for delinquent amounts owed by the existing customer of record.
3. In the event one or more residential occupants desire to become the customer of record for a property that is delinquent, LMV may treat such occupant(s) as the "owner" for purposes of maintaining service. LMV may

require such occupant(s) to provide proof of adequate credit, such as proof of prompt payment of rent or other credit obligations.

Restoration of Residential Water Service

1. In order to restore residential water service that has been discontinued for nonpayment **during normal business hours**, the customer must pay a reconnection fee of **\$75** or the actual cost of reconnection, whichever is less, in addition to the amount of delinquent bills and penalties. If the customer demonstrates that the household income is below 200% of the federal poverty line, the cost of reconnection during normal business hours shall be reduced to **\$50** or the actual cost of reconnection, whichever is less. LMV will deem a customer to have a household income below 200 percent of the federal poverty line if evidence is provided to show that 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 if the customer declares that the household's annual income is less than 200 percent of the federal poverty level.
2. For any reconnection of residential water service **during nonoperational hours**, the customer must pay the actual cost of reconnection or **\$150**, whichever is less, in addition to the amount of delinquent bills and penalties. Reconnection of residential water service during nonoperational hours is subject to LMV staff and/or contract operator availability. "Nonoperational hours" shall mean all hours between 5:00pm-8:00am on business days and at all hours on days that are not business days.

Appeals Process - A customer who desires to dispute the accuracy of a bill, shall, no later than 3 business days after receiving the initial notice regarding a delinquency, submit a written request to LMV for review of the bill. Upon receipt of such request, LMV shall promptly evaluate the request and evidence provided by the customer and the information on file with LMV concerning the charges in question. Within 5 business days after receipt of the customer's request for review, LMV shall render a decision as to the accuracy of the charges set forth on the bill and shall provide the customer with a brief written summary of the decision. Service shall not be discontinued while LMV considers a customer's request for review; service may, however, be promptly discontinued after LMV's decision, provided that all required notices have been made. Any decision by LMV staff may be appealed to LMV's Board of Directors within 2 business days after the decision has been communicated to the customer. All decisions of LMV's Board of Directors on a customer's appeal will be final.

Reporting Requirements - LMV shall report annually the number of discontinuations of residential water service for inability to pay to the State Water Resources Control Board and as otherwise may be required by applicable laws/regulations.

Limitations - Nothing in this policy restricts, limits or otherwise impairs LMV's ability to terminate service to a customer for reasons other than those explicitly stated in this policy, including, but not limited to, violation of LMV policies, including those governing the use of water within LMV's service area.

Interpretation - Written notices mailed by LMV under this policy without return receipt requested shall be deemed to be received 5 business days after mailing; return receipt service is encouraged but not required when mailing notices under this policy. "Business days" shall mean every Friday, Saturday and Sunday, and such other days as are specified or provided for as holidays in the Government Code of the State of California.