



Purpose

The purpose of this collection policy is to establish administrative actions for the collection of delinquent accounts, including notification, fee assignments and discontinuation of service. This policy will be made available to the public on the Company's website. The Company can be contacted by phone at (909)982-4107 to discuss options for averting discontinuation of water service for nonpayment under the terms of this policy.

General Provisions

Reference:

Senate Bill No. 998: Discontinuation of Residential Water Service

Objectives

Delinquent Account:

Delinquent accounts are hereafter identified as any account that remains unpaid (and without having payment arrangements or established an alternative payment schedule) by close of business 21 days after issuance of the water bill. The following rules apply to the collection of delinquent accounts:

1. Small Balance Accounts:

Any balance \$10 or less may be carried over, and added to, the next billing period without being assessed a late fee or incurring further collection action.

2. Additional Notification and Late Fee:

If payment for a previous billed amount is not received after second bill is issued, a late fee will be assessed and a Final Notice sent. The due date and late fee will be displayed prominently on the final notice.

3. This notification will serve as a reasonable, good faith effort to contact the shareholder in writing at least 10 business days before discontinuation of water service for non-payment. The written notice will be mailed to the mailing address designated on the account. If the mailing address and the address of the property to which water service is provided are different, a second notice will be mailed to the service address and addressed to "Occupant".

4. Waiver of Late Fee:

At the written request of the shareholder, the Company may consider waiving the late fee if there are extenuating circumstances and the shareholder has not been assessed a late fee for delinquent payment in the preceding 12 months.

5. Alternative Payment Arrangements:

Any shareholder who is unable to pay for water service within the normal payment period may request an alternative payment arrangement to avoid late fees or disruption of service. In order to make such a request, the shareholder must contact the office in person or by phone. The Company will consider all circumstances surrounding the request and make a determination as to whether the payment arrangement is warranted.

Payment arrangements that extend into subsequent billing periods are considered an amortization plan, which must be in writing and signed by the shareholder. An amortization plan will amortize the unpaid balance over a period defined by the shareholder, not to exceed 12 months from the original date of the bill. The amortized payments will be combined with, and subject to the due date of the shareholder's regular bill. The shareholder must comply with the terms of the amortization plan and remain current as charges accrue in each subsequent billing period. The shareholder may not request further amortization of any subsequent unpaid charges while paying delinquent charges pursuant to an amortization plan. Failure to comply with the terms of an amortization plan will result in the issuance of a written disconnection notice. The disconnection notice will be mailed to the premise no less than 5 business days in advance of discontinuance of service.

6. Notice to Residential Tenants/Occupants in an Individually Metered Residence

The Company will make a reasonable, good faith effort to inform the occupants, by means of written notice, when the water service account is in arrears and subject to disconnection at least 10 days before water service is shut off. The written notice will advise the tenant/occupant that they have the ability to become shareholders of the Company without being required to pay the amount due on the delinquent account, as long as they are willing to assume financial responsibility for subsequent charges for water service at that address. In order for the amount due on the delinquent account to be waived, the tenant/occupant must provide verification of tenancy in the form of a rental agreement or proof of rent payments. The Company will require the occupant to become a shareholder within 60 days to comply with the water company's bylaws that state water delivery to shareholders only.

7. Notice to Tenants/Occupants in a Multi-Unit Complex Served through a Master Meter

The Company will make a reasonable, good faith effort to inform the occupants, by means of written notice hung on the door of each residence, when the water service account is in arrears and subject to disconnection at least 10 days before water service is shut off. The written notice will advise the tenant/occupant that they have the ability to become shareholders of the Company without being required to pay the amount due on the delinquent account, as long as they are willing to assume financial responsibility for subsequent charges for water service at the address(es) served by the master meter. If

one or more of the occupants are willing and able to assume responsibility for the subsequent charges for water service to the satisfaction of the Company, or if there is a physical means, legally available to the Company, of selectively terminating service to those occupants who have not met the requirements for service, the Company will make service available to the occupants who have met those requirements.

8. Forty-eight (48) Hour Notice of Termination:

The Company will make a reasonable, good faith effort to notify the shareholder 48 hours in advance of disconnection of water service for non-payment. The means of notification will be based upon notification preference (text, phone, or email) selected by the shareholder. Shareholders who have not selected a means of notification will be notified by phone. If the Company is unable to make contact by text, phone, or email, a good faith effort will be made to visit the residence and leave a notice of termination of service.

9. Disconnection Deadline:

All delinquent water service charges and associated fees must be received by the Company by 5:00 p.m. on the day specified in the written final notice.

10. Disconnection of Water Service for Non-Payment:

The Company will disconnect water service by turning off, and in some cases locking off, the meter. Before service is disconnected, the customer will be notified by a written final notice at least 10 business days prior to termination and a second notice 48 hours prior to termination of service. The customer will be charged a fee as referenced in the Company's fee schedule to re-establish service in the billing system regardless of whether the meter has physically been turned off. The meter will be locked in the off position if payment is not received within 2 days of initial termination.

11. Re-establishment of Service:

In order to resume or continue service that has been disconnected for non-payment, the shareholder must pay a re-establishment fee as referenced in the Company's fee schedule. The Company will endeavor to reconnect service as soon as practicable but, at a minimum, will restore service before the end of the next regular working day following payment of any past due amount and delinquent fees attributable to the termination of service. Water service that is turned on by any person other than Company personnel or without Company authorization may be subject to fines or additional charges or fees. Any damages that occur as a result of unauthorized restoration of service are the responsibility of the shareholder.

12. Re-establishment of Service After Hours:

Service restored on weekends, holidays, or after 3:30pm on business days will be charged an after-hours re-establishment fee as referenced in the Company's fee schedule. Service will not be restored after regular business hours unless the customer has signed an

agreement acknowledging the fee and agreeing to contact the Company's office no later than 10 am the following business day to pay the subject fee. Company staff responding to service calls are not permitted to collect payment but will instruct the shareholder to contact the office before 10 am the following business day. Services that are off and locked cannot be re-established after hours.

13. Notification of Disposition of Returned Check:

Upon receipt of a returned check taken as payment of water service or other charges, the Company will consider the account not paid. The Company will make a reasonable, good faith effort to notify the customer by phone or door hanger of the returned check. A 48-hour notice of termination of service due to a returned check will be generated. If the Company is unable to make contact by phone, a good faith effort will be made to visit the residence and leave a notice.

Water service will be disconnected if the amount of the returned check and the returned check charge are not paid on or before the date specified in the notice. All amounts paid to redeem a returned check and to pay the returned check charge must be in cash, credit card or certified funds.

14. Disputed Bills:

If a shareholder disputes the water bill and exercises their right to appeal, the Company will not disconnect water service for non-payment while the appeal is pending.

15. Appeals

A shareholder may appeal a pending shutoff by contacting the office. The Company shall review such an appeal and provide a recommendation for resolution to the General Manager and/or their designee.