

LA CUMBRE MUTUAL WATER COMPANY DISCONTINUATION OF RESIDENTIAL SERVICE POLICY

A. DETAILS AND AVAILABILITY OF POLICY: This discontinuation of water service policy applies when there is a non-payment of water bills for residences including single-family residences, multifamily residences, mobile homes, including mobile homes in mobile home parks, and farmworker housing. This policy does not apply to non-residential water service. This policy complies with the California Water Shutoff Protection Act, California Health and Safety Code Section 116900 et seq. (the Act).

B. NOTICE OF DELINQUENCY AND DISCONTINUATION OF RESIDENTIAL SERVICE: Residential service will not be discontinued for nonpayment until the account has been delinquent for at least 60 days. The customer named on the account will be provided with a Past Due Notice at least 15 business days before discontinuation of service. If the water bill is not paid 15 days after the due date, a 10% of the delinquent balance will be applied. If the delinquent balance is not paid by the due date stated on the Past Due Notice, a \$25.00 discontinuation of service fee will be assessed, and water service will be discontinued.

C. HOW TO APPEAL A WATER BILL OR REQUEST ADJUSTMENT OF LATE FEES: Customers may contest a bill by calling (805) 967-2376 to obtain a Water Bill Petition to Appeal Form. The form must be completed and submitted to La Cumbre Water by the due date listed on the Past Due Notice. A customer may appeal a staff determination on an appeal to the La Cumbre Water Board of Directors by filing a written notice of appeal within 10 business days of La Cumbre Water's mailing of its determination. Customers may request an adjustment of late fees by calling (805) 967-2376. Late payment fees may be adjusted if the customer has no previous late payments in the last 12 months. Late fee adjustments may be provided as a one-time courtesy and future late fees will not be waived unless low-income status is demonstrated.

D. DEFERRED PAYMENTS OR ALTERNATIVE PAYMENT SCHEDULES:

- 1) Before the due date, customers may call (805) 967-2376 to seek to extend the due date.
- 2) If the due date has passed, customers who are unable to pay the full balance must seek a payment arrangement to avoid disconnection.
- 3) Due date extensions will not be granted if the customer is currently on a payment arrangement.
- 4) Customers who are granted due date extensions will not be assessed penalties or subject to disconnection, provided that the customer makes the arranged date extension payments on time and does not become delinquent with current service charges.
- 5) The due date cannot be extended beyond the due date of the next bill.

ALTERNATIVE PAYMENT SCHEDULES OR PAYMENT ARRANGEMENTS: Customers may call (805) 967-2376 to request an alternative payment schedule. An alternative payment schedule must be undertaken before the due date printed on the Past Due Notice in order to avoid disconnection of service. Payment arrangements will not be granted on the day of disconnection.

Alternative payment arrangements must normally meet the following requirements:

- 1) Alternative payment arrangements are available no more than two times per year and will include the past due balance only.
- 2) Customer cannot currently be on a payment arrangement or have a due date extension.
- 3) Customers who fail to comply with an alternative payment arrangement will not be eligible for another alternative payment arrangement for 12 months from the date of the missed payment.
- 4) Any amounts that are due as a result of a returned payment will not be included in an alternative payment arrangement.
- 5) Any balance transferred from another account will not be included in an alternative payment arrangement.
- 6) A good faith payment of at least 25% of the past due balance will be required.
- 7) Arrangements cannot be past the next bill due date if only making a single payment arrangement
- 8) The first payment date on an alternative payment arrangement cannot be due more than 30 days from the date the arrangement is agreed to by the customer.
- 9) Payments cannot be more than 30 days apart.
- 10) Customers are responsible for all current and future cycle bills during the deferred arrangement period.
- 11) Ordinarily the repayment option will require the repayment of the customer's outstanding balance within 12 months.

FAILURE TO COMPLY: La Cumbre Water may discontinue water service to a customer who has been granted a deferred payment or other payment arrangement and if:

- A) The customer fails to comply with the granted amortization agreement, alternative payment schedule, or deferral in payment plan for delinquent charges for 60 days or more; or
- B) While undertaking the granted amortization agreement, alternative payment schedule, or deferral in payment plan for delinquent charges, the customer does not pay his or her current residential service charges for 60 days or more.

La Cumbre Water will post a Water Disconnection Notice in a prominent location at the service address at least five business days before discontinuation of service.

E. DEMONSTRATION OF MEDICAL NEED AND ECONOMIC HARDSHIP: La Cumbre Water will not discontinue water service if a customer demonstrates medical need and economic hardship and is willing to enter a payment arrangement approved by La Cumbre Water. The customer may call (805) 967-2376 and obtain a Medical Need and Economic Hardship Application. A completed application to demonstrate medical need and economic hardship must be submitted by the customer to La Cumbre Water before the scheduled date of the impending discontinuance of service.

La Cumbre Water will review the completed application and supporting documentation within seven days and:

- 1) notify the customer of the payment arrangement selected by La Cumbre Water and request the customer's signed assent to participate in the alternative arrangement;
- 2) request additional information from the customer; or
- 3) notify the customer that he or she does not meet the required medical or financial conditions. Customers cannot make payment arrangements on the day of disconnection.

La Cumbre Water will not discontinue residential water service for nonpayment if all the following conditions are met:

- 1) The customer, or a tenant of the customer, submits to La Cumbre Water the certification of a primary care provider, as that term is defined in subparagraph (A) of paragraph (1) of subdivision (b) of Section 14088 of the Welfare and Institutions Code, that discontinuation of residential 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.
- 2) The customer demonstrates that he or she is financially unable to pay for residential service within the normal billing cycle. The customer shall be deemed financially unable to pay for residential service within La Cumbre Water'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 submits a signed declaration that the household's annual income is less than 200% of the federal poverty level.

Customers meeting the criteria above must agree to an alternative payment schedule consistent with this policy in order to avoid discontinuance of water service.

F. TENANTS AND OTHER RESIDENTIAL OCCUPANTS: This section applies when there is a landlord-tenant or similar relationship between the residential occupants and the owner, manager, or operator of the dwelling, and residential service is pending discontinuance due to nonpayment.

If individually metered residential service is furnished to the residential occupants, and the owner, manager, or operator of the dwelling, structure, or park is the customer of record, and the account is delinquent, the residential occupants have the right to become La Cumbre Water customers, to whom the service will then be billed, without being required to pay any amount that may be due on the delinquent account. Residential occupants can call (805) 967-2376 to make arrangements to become customers. They must also agree to La Cumbre Water's terms and conditions of service, code and regulations. If the property is in a "disconnect" status, the new customer will need to provide a lease agreement or other proof of legal occupancy to the La Cumbre Water office before moving forward.