

**TRACT 180 WATER COMPANY
POLICY ON DISCONTINUATION OF
RESIDENTIAL WATER SERVICE FOR NON-PAYMENT**

Notwithstanding any other policy or rule of Tract 180 Water Company, this Policy on Discontinuation of Residential Water Service for Non-Payment shall apply to the discontinuation of all water service accounts for non-payment under the provisions set forth herein. In the event of any conflict between this Policy and any other policy or rule, this Policy shall prevail.

- I. **Application of Policy; Contact Telephone Number:** This policy shall apply only to residential water service for non-payment and all existing policies and procedures shall continue to apply to 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 (323) 771-6682.

- II. **Discontinuation of Water Service for Non-Payment:**
 - A. **Rendering and Payment of Bills:** Bills for water service will be rendered to each consumer on a BI-monthly basis unless otherwise provided for in the rate schedules. Bills for service are due and payable on the bill's due date (15 business days) and become overdue and subject to discontinuation of service if not paid within sixty (60) days from the date of the bill. Payment may be made at the office, by mail, in the drop box located outside our gate, and on Tract 180 Water Company's website. However, it is the consumer's responsibility to ensure that payments are received at the specified location in a timely manner. Partial payments are not authorized unless prior approval has been received. 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, and the days of service for the current meter reading.
 3. Billings shall be paid in legal tender of the United States of America. Notwithstanding the foregoing, Tract 180 Water Company shall have the right to refuse any payment of such billings in coin.

 - B. **Overdue Bills:** The following rules apply to consumers whose bills remain unpaid for more than sixty (60) days following the invoice date:
 1. **Small Balance Accounts:** If a balance is \$20.00 or less and remains unpaid on any billing, it should be carried over and added to the next billing period.

2. Overdue Notice: If payment for a bill rendered is not made on or before the forty-fifth (45th) day following the invoice date, a notice of overdue payment (the "Overdue Notice") will be mailed to the water service customer at least seven (7) business days prior to the possible discontinuation of service date identified in the Overdue Notice. For purposes of this policy, the term "business days" shall refer to any days on which the office is open for business. If the consumer's address is not the address of the property to which the service is provided, the Overdue Notice must also be sent to the address of the property served, addressed to "Occupant." The Overdue Notice must contain the following:

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

Tract 180 Water Company may alternatively provide notice to the consumer of the impending discontinuation of service by telephone. If that notice is provided by telephone, Tract 180 Water Company shall offer to provide the consumer with a copy of this policy and also offer to discuss with the consumer the options for alternative payments, as described in Section III, below, and the procedures for review and appeal of the consumer's bill, as described in Section IV, below.

3. Unable to Contact Consumer: If the Tract 180 Water Company is not able to contact the consumer by written notice (e.g., a mailed notice is returned as undeliverable) or by telephone, Tract 180 Water Company will make a good faith effort to visit the residence and leave, or make other arrangements to place in a conspicuous location, a notice of imminent discontinuation of service for non-payment, and a copy of this Policy.

4. Late Charge: A Late Charge, as specified in Tract 180 Water Company's fees and charges, shall be assessed and added to the outstanding balance on the consumer's account if the amount owing on that account is not paid by the bill due date.

5. Turn-Off Deadline: Payment for water service charges must be received in Tract 180 Water Company offices no later than 1:00 p.m. on the date specified in the Overdue Notice. Postmarks are not acceptable.

6. Notification of Returned Check: Upon receipt of a returned check rendered as remittance for water service or other charges, Tract 180 Water Company will consider the account not paid. Tract 180 Water Company will attempt to notify the consumer in person and leave a notice of termination of water service at the premises. Water 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 Insufficient Check Notice; or if an Overdue Notice had not been previously provided, no sooner than the sixtieth (60th) day after the invoice 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

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

WHEN SERVICE IS TURNED OFF FOR NON-PAYMENT IT MUST BE PAID BY CASH, CREDIT OR DEBIT CARD, OR CASHIER'S CHECK ONLY.

a) If at any time during the one year period described above, the consumer's account is again disconnected for nonpayment, Tract 180 Water Company may require the consumer to pay cash or certified funds to have that water service restored.

C. Conditions Prohibiting Discontinuation: Tract 180 Water Company shall not discontinue residential water service if all of the following conditions are met:

1. Health Conditions – The consumer or tenant of the consumer submits certification of a primary care provider that discontinuation of water 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 consumer demonstrates he or she is financially unable to pay for water service within the water system's normal billing cycle. The consumer is deemed "financially unable to pay" if any member of the consumer's household is: (i) a current recipient of the following benefits: CalWORKS, CalFresh, general assistance, MediCal, SSI/State Supplementary Payment Program or California Special Supplemental Nutrition Program for Women, Infants and Children; or (ii) the consumer 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 consumer is willing to enter into an alternative payment schedule 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 consumer.

In order to allow Tract 180 Water Company sufficient time to process any request for assistance by a consumer, the consumer is encouraged to provide Tract 180 Water Company with the necessary documentation demonstrating the medical issues under Subdivision (C)(1), financial inability under Subdivision (C)(2) and willingness to enter into any alternative payment arrangement under Subdivision (C)(3) as far in advance of any proposed date for discontinuation of service as possible. Upon receipt of such documentation, the General Manager, or his or her designee, shall review that documentation and respond to the consumer 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 consumer of the alternative payment arrangement, and terms thereof, under Section III, below, in which Tract 180 Water Company will allow the consumer to participate. If Tract 180 Water Company has requested additional information, the consumer shall provide that requested information within five (5) calendar days of receipt of Tract 180 Water Company's request. Within five (5) calendar days of its receipt of that additional information, Tract 180 Water Company shall either notify the consumer in writing that the consumer does not meet the conditions under Subdivision (C), above, or notify the consumer in writing of the alternative payment arrangement, and terms thereof, under Section III, below, in which the Supplier will allow the consumer to participate. Consumers who fail to meet the conditions described in Subdivision (C), above, must pay the delinquent amount, including any penalties and other charges, owing to Tract 180 Water Company within the latter of: (i) two (2) business days after the date of notification from Tract 180 Water Company of Tract 180 Water Company's determination that the consumer failed to meet those conditions; or (ii) the date of the impending service discontinuation, as specified in the Overdue Notice

- E. Special Rules for Low Income Consumers: Consumers are deemed to have a household income below 200% of the federal poverty line if: (i) any member of the customer's household is 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 consumer declares the household's annual income is less than 200% of the federal poverty level. If a consumer demonstrates either of those circumstances, then the following apply:
1. Reconnection Fees: If service has been discontinued and is to be reconnected, then any reconnection fees during Tract 180 Water Company normal operating hours will be \$30. 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: Tract 180 Water Company shall not impose any interest charges on delinquent bills.

F. Landlord-Tenant Scenario: 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:

- a. At least 10 calendar days prior if the property is a multiunit residential structure or mobile home park, or 7 calendar days prior if the property is a detached single-family dwelling, to the possible discontinuation of water service, the Supplier must make a good faith effort to inform the tenants/occupants at the property by written notice that the water service will be discontinued.
- b. The written notice must also inform the tenants/occupants that they have the right to become customers to whom the service will be billed (see Subdivision 2, below), without having to pay any of the then delinquent amounts.

2. Tenants/Occupants Becoming Customers:

- a. Tract 180 Water 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 Tract 180 Water Company's requirements and rules.
- b. However, if (i) one or more of the tenants/occupants assumes responsibility for subsequent charges to the account to Tract 180 Water Company's satisfaction, or (ii) there is a physical means to selectively discontinue service to those tenants/occupants who have not met the requirements, then Tract 180 Water Company make service available only to those tenants/occupants who have met the requirements.

III. Alternative Payment Arrangements: For any consumer who meets the three conditions under Section II(C), above, in accordance with the process set forth in Section II(D), above, Tract 180 Water Company shall offer the consumer a payment: 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 consumer and taking into consideration the consumer's financial situation and Tract 180 Water payment needs.

- A. Amortization: A consumer who is unable to pay for water service within Tract 180 Water Company's normal payment period, may request an extension or a payment arrangement by contacting Tract 180 Water Company in person, or by telephone (323) 771-6682, to enter into an alternative payment schedule for the unpaid balance with the following:

1. Payment deferrals: Consumers are allowed two (2) payment extensions in a 12-month period. Payment deferrals/extensions shall not exceed 14 days per request. If the customer has used the 2 payment extensions in a 12-month period and cannot pay or keep current with their payments, payment terms including an alternate payment agreement may be available.
2. Repayment Period: The consumer shall pay the unpaid balance, with the administrative fee and interest as specified in Subdivision (3), below, over a period not to exceed twelve (12) months, as determined by General Manager or his or her designee; provided, however, that the General Manager or his or her designee, in their reasonable discretion, may apply an amortization term of longer than twelve (12) months to avoid undue hardship on the consumer. The unpaid balance, together with the applicable administrative fee and any 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 consumer's ongoing monthly bills for water service.
3. Administrative Fee; Interest: For any approved amortization plan, the consumer will be charged an administrative fee, in the amount established by Tract 180 Water Company from time to time, representing the cost of initiating and administering the plan. 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.
4. Compliance with Plan: The consumer must comply with the amortization plan and remain current as charges accrue in each subsequent billing period. The consumer may not request further amortization of any subsequent unpaid charges while paying delinquent charges pursuant to an amortization plan. Where the consumer fails to comply with the terms of the amortization plan for sixty (60) calendar days or more or fails to pay the consumer's current service charges for sixty (60) calendar days or more, Tract 180 Water Company may discontinue water service to the consumer'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 residential water service is set forth below. A consumer shall be limited to three (3) unsuccessful appeals in any twelve (12) month period and if that limit has been reached, Tract 180 Water Company is not required to consider any subsequent appeals commenced by or on behalf of that consumer.

- A. Initial Appeal: Within ten (10) days of receipt of the bill for water service, the consumer has a right to initiate an appeal or review of any bill or charge. Such request must be made in person at the Tract 180 Water Company office. For so long as the consumer's appeal and any resulting investigation is pending, Tract 180 Water Company cannot discontinue water service to the consumer.
- B. Overdue Notice Appeal: In addition to the appeal rights provided under Subsection A, above, any consumer who receives an Overdue Notice may request an appeal or review of the bill to which the Overdue Notice relates at least five business (5) days after the date of the Overdue Notice if the consumer 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 Tract 180 Water Company office within that five (5) business day period. For so long as the consumer's appeal and any resulting investigation is pending, Tract 180 Water Company cannot discontinue water service to the consumer.
- C. Appeal Hearing: Following receipt of a request for an appeal or review under Subsections A, above, a hearing date shall be set within thirty (30) days of Tract 180 Water Company's receipt of the appeal before the General Manager, or his or her designee (the "Hearing Officer"). After evaluation of the evidence provided by the consumer and the information on file with Tract 180 Water Company concerning the water charges in question, the Hearing Officer shall render a decision as to the accuracy of the water charges set forth on the bill and shall provide the appealing consumer with a brief written summary of the decision.
1. If water charges are determined to be incorrect, Tract 180 Water Company will 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 sixty (60) calendar days after the corrected invoice is provided, water service will be disconnected, on the next regular working day after expiration of that sixty (60) calendar day period; provided that Tract 180 Water Company shall provide the consumer with all required notices. Water service will only be restored upon full payment of all outstanding water charges, fees, and any and all applicable reconnection charges.
 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 Hearing Officer's decision is rendered. If the water charges in question remain unpaid after two (2) calendar days after the Hearing Officer's decision is rendered, Tract 180 Water Company shall disconnect water services after the expiration of the original sixty (60) days set forth in the Overdue Notice, provided by Tract 180 Water Company .

3. Any overcharges will be reflected as a credit on the next regular bill to the consumer, or refunded directly to the consumer, at the sole discretion of the Board.
4. The Hearing Officer's decision is final and binding. V. Restoration of Service: In order to resume or continue service that has been discontinued due to non-payment, the consumer must pay a security deposit and a Reconnection Fee established by Tract 180 Water Company, subject to the limitation set forth in Section II(E)(1), above.

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