

1.0 Introduction

This policy enumerates Lake Arrowhead Community Service District's administrative actions for the collection of delinquent accounts, including notifications, fee assignments and discontinuation of service. This policy will be made available to the public on the District's website. The District can be contacted by telephone at (909) 336-7100 to discuss options for averting discontinuation of water service for non-payment under the terms of this policy.

Lake Arrowhead Community Services District, as an agency of the state, formed as a community services district pursuant to Community Services District Law, Government Code 61000 et seq., for the local performance of governmental or proprietary functions within limited boundaries, is governed in the execution of the collection of delinquent accounts by California Government Code Sections 60370-60375.5. Furthermore, as an urban or community water system that supplies water to more than 200 service connections, the District is further governed, effective by law February 1, 2020, by Senate Bill No. 998 and Health and Safety Code 116900-116926.

2.0 Delinquent Accounts

Delinquent accounts are hereafter identified as any account that remains unpaid (and without having made payment arrangements or established an alternative payment schedule) by close of business 24 days after issuance of the water bill. The following rules apply to the collection of delinquent accounts:

2.1 Late Fees

If payment for a bill is not received by close of business on the 24st day after the bill is issued, on the 25th day, a late fee will be assessed.

2.2 Waiver of Interest Charges

For customers who fall under 200 percent of the federal poverty level, the District will waive the interest charges on delinquent bills once every 12 months.

2.3 Alternative Payment Arrangements

Any customer 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. The District will consider all circumstances surrounding the request and make a determination as to whether the payment arrangement is warranted. The District will choose which option(s) to apply and will set the repayment terms, which shall normally not exceed 12 months.

- Amortization of the unpaid balance.
- Participation in an alternative payment schedule.
- A partial or full reduction of the unpaid balance financed without additional charges to other ratepayers.

- Temporary deferral of payment.

Payment arrangements that extend into the next billing period are considered an amortization plan. An amortization plan will amortize the unpaid balance over a period defined by the District, not to exceed 12 months. The amortized payments will be combined with, and subject to the due date of the customer's regular bill. The customer must comply with the terms of 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. Failure to comply with the terms of an amortization plan or any other payment arrangement will result in the issuance of a written disconnection notice. The disconnection notice will be in the form of a door tag delivered to the premises no less than 5 business days in advance of discontinuance of service. The notice will not entitle the customer to any investigation or review by the District.

2.4 Customers That Cannot be Disconnected for Non-Payment

For customers that satisfy **ALL** the following, the District will not disconnect water service.

- A licensed primary care provider certifies that the discontinuation of water service will pose a serious or potentially fatal threat to a resident.
- The customer has the inability to pay based on the receipt of certain public assistance by someone in the household (CalWORKs, CalFresh, general assistance, Medi-Cal, Supplemental Security Income/State Supplementary Payment Program, California Special Supplemental Nutrition Program for Women, Infants, and Children) or a declaration from the customer that the household is below 200 percent of the federal poverty level.
- The customer demonstrates inability to pay and customer is willing to enter into an alternate payment arrangement.

As such, the District must offer to the customer one or more of the following options:

- Amortization of the unpaid balance.
- Participation in an alternative payment schedule.
- A partial or full reduction of the unpaid balance financed without additional charges to other ratepayers.
- Temporary deferral of payment.

The District can discontinue water service to the above-mentioned customer if either of the following apply:

- a) The customer fails to comply with an alternative payment arrangement for delinquent charges for 60 days or more.
- b) While undertaking an alternative payment arrangement, the customer does not pay his or her current residential service charges for 60 days or more.

Water may be discontinued no sooner than 5 business days after the District posts a final notice of intent to disconnect in a prominent and conspicuous location at the property. The final notice will not entitle the customer to any investigation or review by the District.

2.5 Written Disconnection Notice

The District shall not discontinue water service for non-payment until payment by the customer has been delinquent for at least 60 days or more. The District will make a reasonable, good faith effort to contact the customer in writing at least 15 days before discontinuation of water service for non-payment. The written disconnection 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 delivered to the service address. The written disconnection notice will include:

- Customer's name and/or occupant and address
- Amount that is past due
- Date by which payment or payment arrangements are required to avoid discontinuation of service
- Description of the process to apply for a payment arrangement
- Description of the process to dispute or appeal a bill
- District telephone number and a web link to the District's written collection policy

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

The District 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 right to become customers of the District 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. 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.

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

The District 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. If providing notice to each residence is impracticable or infeasible, the District will post notices in each accessible common area and at each point of access to the structure or structures, or make some other reasonable, good faith effort to provide written notice to the occupants. The written notice will advise the tenant/occupant that they have the right to become customers of the District 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 District, or if there is a physical means, legally available to the District, of selectively terminating service to those occupants who have not met the requirements for service, the District will make service available to the occupants who have met those requirements.

2.6 Telephone or Personal Contact; Forty-eight (48) Hour Notice of Termination

The District will make a reasonable, good faith effort to notify the customer at least seven (7) business days in advance of disconnection of water service for non-payment. The means of notification will be by telephone or in person. The District will offer to provide a copy of this policy and discuss options to avert discontinuation of water service. If the District is unable to make contact by telephone or in person, the District shall visit the residence and leave a notice of termination of service and a copy of this policy at least 48 hours prior to termination.

2.7 Disconnection Deadline

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

2.8 Disconnection of Water Service for Non-Payment

The District will disconnect water service by turning off, and in some cases locking off, the meter. The District will not disconnect water service due to nonpayment on a Saturday, Sunday, legal holiday, or at any time during which the District's office is not open to the public.

2.9 Re-establishment of Service

In order to resume or continue service that has been disconnected for non-payment, the customer must pay the balance and any late fees in full. The District 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 District personnel, or without District authorization, may be subject to fines or additional charges or fees. Any damages that occur as a result of unauthorized restoration of service will be the responsibility of the customer.

2.10 Re-establishment of Service After Business Hours

Service restored after 5:00 pm Monday through Friday, or on weekends or holidays, will be charged an after-hours fee of \$100.00. The after-hours fee is in addition to the past due amount. District staff responding to service calls are not permitted to collect payment but will instruct the customer to contact the billing department before noon the following business day. Services that are off and locked cannot be re-established after hours.

Sometimes water service is discontinued because the service is a new account and the District has not received a request to establish service. If service is being restored after regular business hours because the customer has yet to establish service, the customer must agree to contact the billing department to establish service the next business day and the after-hours fee will be waived. If service is discontinued for any reason not identified above, the service should be restored as quickly as possible and the customer advised to contact the billing department to resolve the issue. No after-hours fee will be charged in this instance.

2.11 Notification of Disposition of Returned Check

Upon receipt of a returned check taken as payment of water service or other charges, the District will consider the account not paid. The District will send a letter notifying the customer of the returned check and any associated return check fee(s). The customer will have ten (10) days from the date of the letter to make payment restitution and/or payment arrangements.

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

2.12 Returned Checks for Previously Disconnected Service

In the event a customer tenders a non-negotiable check as payment to restore water service previously disconnected for non-payment and the District restores service, the District may promptly disconnect service without providing further notice. No 48-hour notice of termination will be given in the case of a non-negotiable check tendered for payment of water charges that were subject to discontinuance.

The District may require any customer issuing a non-negotiable check as payment to restore service turned off for non-payment may be required to pay cash, credit card or certified funds to restore future service disconnections for a period of 12 months from the date of the returned payment.

2.13 Disputed Bills

The customer can dispute the water bill on or before the due date of their bill by submitting a completed Dispute Form to the Customer Service Department. The form will be available at the District Office and on the District website. Upon request by telephone or in person, the Customer Service Department will provide the Dispute Form for the customer to complete. The completed form must contain the date of the dispute, customer name, account number, service address, mailing address, contact telephone number, and/or email, and the reason for the dispute. The customer may also submit a letter containing all of the required information. After the District has received the completed form or letter, it will be date stamped and reviewed by a manager of the District, . The review will include consideration of whether the customer may receive an alternative payment arrangements as stated above. The customer should expect a

written response within 2 weeks. Services will not be disconnected during the dispute process. The District may review untimely bill disputes, but such disputes are not subject to appeal or a delay in the disconnection process.

2.14 Appeal Process

A customer whose timely dispute has resulted in an adverse determination by the District may appeal the determination to the Board of Directors. The customer may file the appeal by submitting an appeal form or written letter to the District Secretary within ten (10) business days of the District's mailing of its determination. Upon receiving the appeal form or letter, the District Secretary will set the matter to be heard at an upcoming Board meeting and mail the customer written notice of the time and place of the meeting at least ten (10) days before the meeting. The decision of the Board shall be final. Services will not be disconnected during the appeal process.

2.15 Reporting of Annual Residential Disconnections

The District shall report the number of annual discontinuations of residential service for inability to pay on the District website and report it to the State Water Resources Control Board.

