

O'CONNOR TRACT CO-OPERATIVE WATER COMPANY
WATER DISCONTINUATION POLICY
Policy # 20200323
In compliance with California State Senate Bill 998 (SB-998)

March 23, 2020

This policy describes administrative actions by the O'Connor Tract Co-Operative Water Company (The Company) for collecting delinquent accounts, including notifications, charges, and discontinuation of service. This policy is available on the Company's website. Questions regarding this policy can be directed to (650) 321-2723 or oconnorwater@gmail.com.

Delinquent Accounts:

Delinquent accounts are those that remain unpaid (and without having made payment arrangements or established an alternative payment schedule) by:

- Metered accounts – close of business 30 days after issuance of the water bill
- Unmetered accounts – January 1st of the following year.

The following rules apply to the collection of delinquent accounts:

1. Small Balance Accounts: Any balance on a bill of \$20 or less may be carried over, and added to, the next billing period without being assessed a late charge or incurring further collection action.
2. Late Charge: A 10% late charge will be assessed on delinquent accounts. The due date and late charge will be displayed prominently on the bill.
3. Waiver of Late Charge: At the request of the customer, the Company may waive the late charge if there are extenuating circumstances such as the ones described on #4 below, and the customer has not been assessed a late charge for delinquent payment in the preceding 6 months.
4. Late Payment Arrangements. Any customer who is a delinquent account may request a quarterly payment plan to avoid disruption of service. The Company will consider all circumstances surrounding the request and make a determination as to whether the payment arrangement is warranted.

To qualify for this payment schedule, the customer must meet **all three requirements below:**

- Submit a primary care provider certification, as defined in Welfare and Institutions Code section 14088(A)(1)(b), such that discontinuation of service would be life threatening to, or pose a serious threat to the health and safety of, a resident of the premises where the service is provided.

- Demonstrate that he or she is financially unable to pay for service within the Company's normal billing cycle. A customer may be deemed financially unable to pay 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.
- Agree to enter into The Company's payment schedule as described below.

Qualifying customers may pay the balance over 4 quarterly increments not to exceed 12 months from the original due date of the bill, during which time The Company will waive interest charges. These 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 this plan and remain current as charges accrue in each subsequent billing period. Failure to comply with these terms will result in a written disconnection notice in the form of a door hanger delivered to the premises no less than 5 business days in advance of discontinuance of service.

5. Written Disconnection Notice: The Company shall not discontinue water service for non-payment until payment by the customer has been delinquent for at least 60 days. The Company 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 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 mailed to the service address and addressed to "Occupant". The disconnection notice will include:
 - Customer's name and address
 - Amount of the delinquency
 - Payment deadline to avoid termination of services
 - The process to apply for a payment extension
 - The process to petition for bill review and appeal
 - The process for requesting The Company's deferred quarterly payment schedule.
6. Forty-eight (48) Hour Notice of Termination: The Company will make a reasonable, good faith effort to notify the customer 48 hours in advance of disconnection of water service for non-payment. The means of notification will be based upon the notification preference (phone or email) selected by the customer. Customers who have not

selected a means of notification will be notified by phone. If the Company is unable to make contact by phone or email, a good faith effort will be made to visit the residence and leave a notice of termination of service.

7. Disconnection Deadline: All delinquent water service charges and associated fees must be received by the Company by 4:00 p.m. on the day specified in the written disconnection notice.
8. Disconnection of Water Service for Non-Payment: The Company will disconnect water service by turning off, and in some cases, at the Board's discretion, locking off the meter or curb stop. The customer will be charged a fee to reconnect service in the billing system regardless of whether the meter or curb stop has physically been turned off.
9. Reconnection of Service: In order to resume or continue service that has been disconnected for non-payment, the customer must pay a reconnection fee of \$50. 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, delinquent fees attributable to the termination of service, and the reconnection fee of the account. Water service that is turned on by any person other than the 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 customer.
10. Reconnection of Service After Business Hours: Service restored after 4:00 pm Monday through Friday, or on weekends or holidays will be charged an after-hours reconnection fee of \$150. Service will not be restored after regular business hours unless the customer has been informed of the after-hours reconnection fee and has signed an agreement acknowledging the fee and agreeing to contact the Company's billing department no later than noon the following business day to pay the fee.
11. Disputed Bills: Customers may contest or appeal a bill. To contest a bill, the customer must request a review of the bill by the Board of Directors in writing within 15 days of receipt of the bill, sent to the O'Connor Tract Co-Operative Water Company, Board of Directors, P.O. Box 1375, Palo Alto, CA, 94302.

Board of Directors shall consider the matter at a hearing within 30 days of receipt of the written appeal, giving at least 10 days' written notice to the customer of the time and place for the hearing in person or U.S. Mail. The Company will not disconnect water service for non-payment while the appeal is pending.

After considering all evidence provided at the hearing, the Board of Directors shall provide written notice of their findings and decision within 30 days of the conclusion of the hearing in person or U.S. Mail. The decision of the Board of Directors shall be final.

Notice to Residential Tenants/Occupants in an Unmetered 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 15 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 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. To have the amount due waived, the tenant/occupant must verify tenancy with a rental agreement or proof of rent payments.

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 15 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 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.

If the written disconnection notice is returned through the mail as undeliverable, the Company will make a reasonable, good faith effort to visit the residence and leave a notice of discontinuance for non-payment.