

POLICY NO. 2
POLICY ON DISCONTINUATION OF RESIDENTIAL
WATER SERVICE FOR NON-PAYMENT

Effective January 31, 2020

The Madera Valley Water Company ("Company") operates a community water system providing water service to shareholders properties, including residences, located within the Company's service area. The Company is a non-profit mutual benefit corporation excluded from the jurisdiction, control or regulation of the Public Utilities Commission that supplies/delivers water only to its shareholders and others authorized to receive water from the Company at cost as set forth in Public Utilities Code §§ 2705(a)-(e) and Corporations Code §14300. Shares in the Company are appurtenant to the land.

General Policy: It is the Policy of the Company to not shut off water to any shareholders property for non-payment except in extra-ordinary circumstances as determined by the Company.(see Policy No. 1.) In the event of such extra-ordinary circumstances where the Company determines it is necessary to discontinue water service to any residential property due to non-payment, the Company shall adhere to the following policy, which shall be posted to the Company's internet website on discontinuance of residential water service for non-payment:

1. Length of Delinquency. The Company shall not discontinue residential water service for non-payment until payment by a shareholder has been delinquent for at least 60 days.

2. Procedure for Contacting Shareholders. Before discontinuation of residential water service for non-payment, the Company shall contact the shareholder named on the account by telephone or written notice. When the Company contacts the shareholder named on the account by telephone, the Company shall offer to provide the shareholder this policy on discontinuation of residential water service for non-payment. The Company shall offer to discuss with the shareholder options to avert discontinuation of residential service for non-payment, including but not limited to, alternative payment schedules, deferred payments, minimum payments, procedures for requesting amortization of the unpaid balance and a petition for bill review and appeal. When the Company contacts the shareholder named on the account by written notice the notice of payment delinquency shall be mailed to the shareholder of the residence to which the residential service is provided. If the shareholder's address is not the address of the property to which the residential service is provided, the notice shall also be sent to the address of the property to which residential service is provided, addressed to "occupant". The notice shall include the following information:

- (A) The shareholder's name and address.
- (B) The amount of the delinquency.

(C) The date by which payment or arrangement for a payment is required in order to avoid discontinuation of residential service.

(D) A description of the process to apply for an extension of time to pay the delinquent charges.

(E) A description of the procedure to petition for bill review and appeal.

(F) A description of the procedure by which the shareholder may request a deferral, reduced or alternative payment schedule, including an amortization of the delinquent residential service charges, consistent with these policies.

2.2. Failure to Make Contact. If the Company is unable to make contact with the shareholder or an adult occupying the residence by telephone, and written notice is returned as undeliverable, the Company shall make a good faith effort to visit the residence and leave or make other arrangements for placement in a conspicuous place of a notice of discontinuation of residential service for non-payment and a copy of this policy.

3. Effect of Appeal. If an adult at the residence contacted by the Company either telephonically or by mail, or by posting the notice of potential discontinuation of service at a conspicuous location at the residence, appeals the water bill to the Company the Company shall not discontinue residential water service while the appeal is pending.

4. When Water Service May Not be Discontinued. The Company shall not discontinue residential water service for non-payment, provided that all of the following conditions are met:

(A) The shareholder, or a tenant of the shareholder, submits to the Company certification of a primary care provider that a discontinuation of the residential service will be life threatening, or pose a serious threat to the health and safety of, a resident of the premises where the residential water service is provided.

(B) The shareholder demonstrates that he or she is financially unable to pay the residential water service charges within the Company's normal billing cycle. A shareholder is deemed to be financially unable to pay during the Company's normal billing cycle if any member of the shareholder's household is a current recipient of Cal Works, Cal Fresh, General Assistance, MediCal, Supplemental Security Income/State Supplemental Payment Program, or California Special Supplement Nutrition Program for Woman's Infants and Children, or the shareholder declares that the household's annual income is less than 200% of the federal poverty level.

(C) The shareholder is willing to enter into an amortization agreement, alternative payment schedule, or a plan for deferred or reduced payment, consistent with this policy with respect to all delinquent charges.

(D) If a shareholder meets all the conditions of subparagraphs (A) through (C), above, the Company shall offer the shareholder one or more of the following options:

(a) Amortization of the unpaid balance.

(b) Participation in an alternative payment schedule.

(c) A partial or full reduction of the unpaid balance without additional charges to other ratepayers.

(d) Temporary deferral of payment.

5. Nature of Payment Options Offered. The repayment options offered to a shareholder shall be structured in such a way as to allow the delinquent balance to be paid within 12 months. The Company may grant a longer repayment period if it finds the longer period is necessary to avoid undue hardship to the shareholder based on the circumstances of the individual case.

6. Discontinuation of Service. Residential service may be discontinued no sooner than five business days after the Company posts a final notice of intent to disconnect service in a prominent and conspicuous location at the property under either of the following circumstance:

(A) The shareholder fails to comply with an amortization agreement, an alternative payment schedule, or a deferral or reduction in payment plan of delinquent charges for 60 days or more.

(B) While undertaking an amortization agreement, an alternative payment schedule, or a deferral or reduction in payment plan for delinquent charges, the shareholder does not pay his or her current residential service charges for 60 days or more.

7. Providing Information on Restoration of Service. In the event the Company does discontinue any residential service for non-payment it shall provide that shareholder with information on how to restore the residential service.

8. Reconnection of Shareholders Who Meet Poverty Related Standards. With respect to a residential shareholder who demonstrates household income below 200% of the Federal Poverty Line, the Company shall do both of the following in the event that water service is discontinued for non-payment:

(A) Set a reconnection of service fee for reconnection during normal operating hours at \$50.00, but not to exceed the actual cost of reconnection if it is less than \$50.00. Reconnection fees shall be annually adjusted according to the Consumer Price Index beginning January 1,

2021. For the reconnection of residential service during non-operational hours, the Company shall set a reconnection of service fee at \$150.00, but not to exceed the actual cost of reconnection if it is less.

(B) Waive interest charges on delinquent bills once every 12 months.

(C) A shareholder shall be deemed to have a household income of below 200% the Federal Poverty Line if any member of the household is a current recipient of any of the assistance programs identified in Section 4(B) of this policy.

9. Service to Residence Occupied by Tenants. Where the owner, manager or operator of any dwelling, structure, apartment, apartment complex or park is the shareholder of record, the Company shall make good faith efforts to inform the occupants by means of written notice, when the account is in arrears that the service will be terminated at least 10 days prior to the termination. The written notice shall further inform the resident occupants that they have the right to become customers, to whom the service will then be billed, without being required to pay any amount which may due on the delinquent account if water service to the residence occupied by the tenant is separately metered to that residence or if the resident pays the cost of establishing a separate metered connection, and the tenant agrees to all terms and conditions of service including: applicable rates and charges, the tenant is a lessee of a shareholder, the Company has been provided with and approves of the lease as set forth in PUC §2705 and the shareholder agrees that if the account becomes delinquent that a lien for the delinquency may be recorded against the property .

10. Reporting. The Company shall report the number of annual disconnections of residential water service for inability to pay on its website and to the State Water Resources Control Board.

11. Petition for Review of Bill. A shareholder may petition for review of the bill for water service to a residence by filing a written request or petition for review of the bill within thirty (30) days of receipt of the bill. The petition or request shall identify the bill sought to be reviewed and shall state the adjustment or changes to the bill requested, and the reasons for that request. The request or petition may be mailed or delivered to any employee at the Company office and shall be referred to the Company Manager or Company Administrator or his or her designee. The review will be conducted within ten (10) days of receipt of the written petition or request and a written determination will be mailed or delivered to the shareholder. If the shareholder is not satisfied with the determination, the shareholder may appeal to the Company Board by mailing or delivering to the Company Clerk a written appeal identifying those aspects of the determination with which the shareholder disagrees and why. The Company Board's determination of the appeal shall be final.