
Highlands Water Company

POLICY

POLICY TITLE: DISCONTINUATION OF UTILITY SERVICE FOR NONPAYMENT POLICY
POLICY NUMBER: 24-04

ADOPTED DATE: December 19, 2024

REFERENCE: Senate Bill No. 998: Discontinuation of Residential Utility Service California Health and Safety Code 116900 - 116926 and Government Code Sections 60370 -60375.5

1060.1 PURPOSE: This POLICY will amend the Highlands Water Company (Company) current policy regarding actions for the collection of delinquent accounts, including: Notifications, fee assignments and discontinuation of service.

This Policy applies to all Company utility service accounts. To the extent this Policy conflicts with any other rules, regulations, or policies of the Company, this Policy will supersede.

1060.2 POLICY AVAILABILITY - This policy will be made available to the public on the Company's website and at the Company office. The Company can be contacted by phone at (707) 994-2393 or in person at 14580 Lakeshore Dr, Clearlake, CA to discuss options for averting discontinuation of service for nonpayment under the terms of this policy.

1060.3 GENERAL PROVISIONS

1060.3.1 All Company users will pay a monthly utility service and usage charge. Charges will become delinquent after 8:00 am on the next business day after the due date.

1060.3.2 A \$15 penalty will be applied to delinquent charges and a notice of discontinuation will be sent to the mailing address on file.

1060.3.3 The Company will attempt to contact the occupant of a property and provide notice of discontinuation of utility services as provided in this Policy.

1060.3.4 The Company may, in its sole discretion, discontinue utility services for charges that have become delinquent for a period of no less than sixty (60) days. A service fee of \$100.00 will be applied to the account of any utility service discontinued for nonpayment of delinquent charges. The Company will mail and post a notice of discontinuation with information on how to restore utility service.

1060.3.5 Customers whose utility service has been discontinued may contact the Company by telephone at (707) 994-2393 or in person at 14580 Lakeshore Dr, Clearlake, CA regarding restoration of service. Restoration will be subject to payment of the delinquent charges,

administrative fees, lock service fees and unlock service fees as applicable. Utility service reconnections will be processed during normal business hours, after business additional fees may apply, per our schedule of fees and charges, available on our website.

1060.4 Written Notice to Customer - The Company will provide a mailed notice to the customer of record at least thirty (30) days before discontinuation of utility service. If this notice is returned through the mail as undeliverable, the Company will attempt to contact the customer by telephone or written notice. The notice will contain:

1060.4.1

- I. The name and address of the customer;
- II. The amount of the delinquency;
- III. The date by which payment or arrangement for payment is required in order to avoid discontinuation of utility service.
- IV. A description of the process to apply for an extension of time to pay the delinquent charges.
- V. A description of the procedure to petition for bill review and appeal.
- VI. A description of the procedure by which the customer may request a deferred, reduced, or alternative payment schedule, including an amortization of the delinquent residential service charges, consistent with this written policy.

1060.4.2 Posting of Notice to Occupants at Service Address

The Company will make a reasonable, good faith effort to contact an adult person living at the service address by leaving a notice of imminent discontinuation of residential service in a conspicuous place at the service address no less than 7 (seven) business days before discontinuation of utility services. The notice will be addressed to "Occupant," will contain the same notice information required above, and will also inform the residential occupants that they have the right to become customers of the Company without being required to pay the amount due on the delinquent account. Terms and conditions for occupants to become customers of the Company are provided in this Policy.

If notice pursuant to subparagraph A is returned through the mail as undeliverable, and the Company is unable to contact the customer by telephone, the Company will include a copy of this Policy with the Notice to Occupants at Service Address.

1060.5 CUSTOMER ASSISTANCE: Bill Complaint or Review

7020.5.1 Any customer may initiate a complaint or request an investigation by the Company into the charges on their bill, any component of the bill or any service provided by the Company within five (5) days of receipt of the disputed bill. The Company will not discontinue utility service during an investigation of a timely complaint or dispute. The Company's review will include consideration of whether the customer may receive an amortization, alternative payment schedule, or payment reduction under this Policy.

1060.5.2 If the customer considers the results of the investigation by the Company to be unfavorable, they have the right to appeal the General Managers decision to Company's Board of Directors. The customer must file a written notice of appeal with the Company Secretary or his or her designee, within ten (10) business days of the Company's mailing of its determination. The Company Secretary or his or her designee will set the matter to be heard at an upcoming regular Board meeting and mail the customer written notice of the time and place of the hearing at least ten (10) days before the meeting. The decision of the Board is final.

1060.6 Bill Amortization

The Company will consider a request to amortize the bill over a reasonable period of time, not to exceed twelve (12) months. The amortization schedule and amounts due will be set forth in writing and provided to the customer. During the amortization period, the customer must remain current on all utility service charges in subsequent billing periods.

The Company may terminate utility service if the customer fails to pay an amortized amount due by the schedule date and the original amount due is delinquent by at least sixty (60) days. The Company will post a final notice of intent to disconnect service in a prominent and conspicuous location at the service address at least five (5) business days before discontinuation of service. The final notice will not entitle the customer to any investigation or review by the Company.

1060.7 Contact

Customers are encouraged to contact the Company for further details regarding this policy or customer assistance options during business hours at (707) 994-2393.

Customers may also visit the Company Office in person Monday through Friday, from 8:00 a.m. to 4:00 p.m., excluding Company holidays.

1060.8 WHEN SERVICE WILL NOT BE DISCONTINUED

1060.8.1 General - The Company will not discontinue utility service due to nonpayment on a Friday, Saturday, Sunday, legal holiday, or at any time during which the Company's office is not open to the public. In addition, the Company will not discontinue residential utility service for nonpayment during the Company's investigation of a customer dispute or complaint; during an appeal to the Company's Board of Directors; during a Company-approved extension, amortization, alternative payment schedule, or if the customer remains in compliance with the payment arrangement.

1060.8.2 Special Medical and Financial Circumstances with Amortization Agreement

The Company will not discontinue utility service if all of the following are met:

I. The customer, or a tenant of the customer, submits to the Company the certification by a licensed primary care provider that discontinuation of utility 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;

II. The customer demonstrates that they are financially unable to pay for residential service within the Company's normal billing cycle. The customer is deemed financially unable to pay during the normal billing cycle if:

(a) any member of the customer's household is a current recipient of CalWORKs, CalFresh, general assistance, Medi-Cal, California SSI/SSP, or California Special Supplemental Nutrition Program for Women, Infants, and Children, or

(b) the customer declares under penalty of perjury that the household's annual income is less than 200 percent of the federal poverty level; and

III. The customer is willing to enter into an amortization with respect to the delinquent charges.

For any customers who meet all of the above qualifications, the Company will offer the customer amortization of the unpaid balance. The Company will select terms and conditions for the amortization that work for both customer and Company that may include waiver of interest or penalties.

The customer is responsible for demonstrating that the qualifications above have been met. Upon receipt of documentation from the customer, the Company will review the documentation within seven (7) days and:

(1) notify the customer of the amortization terms selected by the Company and request the customer's signed consent to participate in the amortization;

(2) request additional information from the customer; or

(3) notify the customer that they do not meet the qualifications.

The Company may discontinue utility service if a customer who has been granted an amortization under this section fails to do any of the following for sixty (60) days or more:

(a) to pay any amortized amount due under the amortization schedule; or

(b) to pay his or her current charges for utility service.

The Company will post a final notice of intent to disconnect service in a prominent and conspicuous location at the service address at least five (5) business days before discontinuation of service. The final notice will not entitle the customer to any investigation or review by the Company.

1060.9 PROCEDURES FOR OCCUPANTS OR TENANTS TO BECOME CUSTOMERS OF THE COMPANY

1060.9.1 Scope - This section only applies when a property owner, landlord, manager, or operator of a residential service address is listed as the customer of record and has been issued a notice of intent to discontinue utility service due to nonpayment.

1060.9.2 Agreement to Company Terms and Conditions of Service - The Company will make service available to the actual residential occupants if each occupant agrees to the terms and conditions of service and meets the requirements of the Company's rules and regulations.

Notwithstanding, if one or more of the occupants are willing and able to assume responsibility for the subsequent charges to the account to the satisfaction of the

Company, the Company will make service available to the occupants who have met those requirements.

1060.9.3 Verification of Tenancy - In order for the amount due on the delinquent account to be waived, an occupant who becomes a customer will verify that the delinquent account customer of record is or was the landlord, manager, or agent of the dwelling.

Verification may include, but is not limited to, a lease or rental agreement, rent receipts, a government document indicating that the occupant is renting the property, or information disclosed pursuant to Section 1962 of the Civil Code, at the discretion of the Company.

1060.10 - OTHER REMEDIES

In addition to discontinuation of utility service, the Company may pursue any other remedies available in law or equity for nonpayment of utility service charges, including, but not limited to: securing delinquent amounts by filing liens on real property, filing a claim or legal action, or referring the unpaid amount to collections. In the event a legal action is decided in favor of the Company, the Company will be entitled to the payment of all costs and expenses, including attorneys' fees and accumulated interest.

1060.11 - DISCONTINUATION OF UTILITY SERVICE FOR OTHER CUSTOMER VIOLATIONS

The Company reserves the right to discontinue utility service for any violations of Company ordinances, rules, or regulations other than nonpayment.

1060.12 - FEES AND CHARGES INCURRED

Except as otherwise expressly stated in this Policy, any fees and charges incurred by a customer under any other rules, regulations, or policies of the Company, including, but not limited to, delinquent charges, will be due and payable as set forth therein.

1060.13 - DECISIONS BY COMPANY STAFF

Any decision which may be taken by the Company staff under this Policy may also be taken by the General Manager or his or her designee.

The Board of Directors revised and adopted this policy at its public meeting on the latest revision date. This version of the Policy supersedes all other previous versions.