

LAKE ALMANOR COUNTRY CLUB MUTUAL WATER COMPANY

Policy Regarding Discontinuance of Service
and Arrangements for Curing Payment Defaults

This Policy is adopted by the Board of Directors of the Lake Almanor Country Club Mutual Water Company (hereafter the “Company”) on April 30, 2020 and shall remain in effect until rescinded, amended or otherwise modified.

1. If a customer or tenant occupying a Shareholder’s property shall become delinquent in the payment of charges to the Company for residential water service, the customer shall be offered a translation of this policy in any of the languages specified in Section 1632 of the Civil Code that the customer finds easier to understand and request be provided. That translated language shall be utilized in addition to English in written mailings, posted notices and other instruments of the Company sent to that customer.

2. If a customer or tenant occupying a Shareholders’ property, or if a Shareholder is delinquent in the payment of charges to the Company, the Company will attempt to contact the customer and occupant of the property by (1) mailing a notice and a copy of this Discontinuance of Service Policy in English with a notice that the Company will translate the Discontinuance of Service Policy into other languages if the residents and water users find it easier to understand that language, and in addition, (2) shall go to the premises served, and after attempting to discuss the situation with the water user or persons present if

possible, leaving a copy of the Discontinuance of Service Policy, (3) if no contact occurs after going to the premises, the Company will attempt to telephone the occupants, and (4) the Company will notify the Shareholder, if different than the water customer, of the delinquency and provide a copy of the Discontinuance of Service Policy to the Shareholder.

3. It is the policy of the Company to try to avoid discontinuance of water service. The company representatives are glad to discuss options to avoid discontinuance of service and are authorized to execute a written agreement with the delinquent customer including the following terms:

A. To schedule payment for the current and future billings on a different date or schedule to conform to the receipt of income by the user,

B. Provide by agreement for an amortized payment of the delinquent amount over up to 3 months, including interest, so long as the current service charges of the Company for service during that period and paid promptly upon their due dates, and,

C. If there is an appeal of the amount owed, to provide for resolution of that appeal or raising of the issue to the Board of Directors of the Company for resolution on a specified date for the Board of Directors or a committee of the Board of Directors before disconnection.

4. If the charges are more than sixty (60) days delinquent, the Company shall provide a Notice of Discontinuance of Service addressed to the names of the customer, if known, also addressed to Occupant at the service

location, and addressed to the Shareholder. The Notice shall provide at least seven (7) days prior notice that after the elapse of seven (7) days from physical delivery of the Notice and posting the Notice at the site of the water service, the water service will be disconnected and terminated. In addition to the physical deposit and posting at the site, Company shall mail the Notice to the service location, to the customer if the name and address are known, and to the Shareholder. If practical, the Notice shall be posted or taped on the entrance door of the service location. Each Notice of Discontinuance of Service shall be accompanied by another copy of the Disconnection Policy. The Notice shall show the balance of amounts owed as of the date at least 60 days after the initial delinquency. If requested, the posting and the Disconnection Policy shall be submitted in a language that is easier for the occupants to work with, which alternative language is one of the languages specified in Civil Code Section 1632, if the Company representatives have been requested to provide that translated material.

5. If the occupant utilizing water at the location does not enter into a written agreement to pay the amortized amounts of the delinquency and, in addition, to pay the current charges concurrently, or if the occupant fails to comply with the payment agreement after it is written and signed, the Company shall post a “Final Notice of Intent to Disconnect Service” on the property, mail a copy to the customer address, mail a copy to “Occupant” at the same address, mail a copy to the Shareholder, and post a copy on the property at least five (5) days before the proposed disconnection and proceed to implement the disconnection.

6. Health and Safety Code Sections 116910 and 116914 provide for procedures if a household is below 200% of the Federal poverty line to limit the cost of disconnection and reconnection to Fifty Dollars (\$50) for reconnection and One Hundred Fifty Dollars (\$150) per connection for reconnection during non-operational hours (these charges shall be increased by the CPI increase utilizing January 1, 2020 as the base and adjusted on January 1 of each subsequent year) and to provide for waiver of interest charges or delinquent amounts once every twelve (12) months for the occupant and the account under the circumstances where an amortization agreement is entered into for delinquent charges and that amortization agreement is fully performed by the customer.

7. Health and Safety Code Section 116910 provides that if the customer submits a written certification of a primary care provider defined under Welfare and Institutions Code Section 14088 which affirms that discontinuation of the residential service will be life-threatening to or pose a serious threat to the health and safety of a named resident of the premises served by the Company, Company will temporarily defer the termination of water service and will propose an amortization of the unpaid balance in a written agreement which if agreed to and executed may waive interest, except to the extent that other customers would be required to subsidize the water service to the customer.

8. If the Shareholder is not the occupant or one of the occupants responsible for the service charges of Company, the Shareholder shall continue to be obligated to pay the delinquent charges as a condition of continuing or

reconnecting service to the premises and maintaining the share in the Company. A shareholder may not assume or take over a repayment amortization schedule of the Occupant or Tenant without the prior written approval of the Company representatives.

9. The Board of Directors authorizes the Company's General Manager to implement and interpret this Disconnection Policy, including entering into amortization agreements for payment of delinquent charges, interest, and disconnection and reconnection fees.