

**MEADOWCREEK MUTUAL WATER COMPANY
WATER SHUTOFF POLICY FOR NON-PAYMENT OF RESIDENTIAL WATER
SERVICE**

This is the Water Shutoff Policy for Non-Payment of Residential Water Service (the "Policy") adopted and enacted by Meadowcreek Mutual Water Company (the "Company") pursuant to the Water Shutoff Protection Act (Health & Safety Code sections 116900, et seq.; the "Act"). This Policy shall apply to the Company's discontinuation of residential water service for non-payment under the provisions set forth herein. In the event of any conflict between this Policy and any other governing document of the Company, this Policy shall prevail.

I. Application of Policy; Contact Telephone Number: This Policy shall apply to residential water service for non-payment. The Company's existing governing documents, policies, and procedures shall continue to apply to commercial and industrial water service accounts. The Company can be reached at (760) 872-1090 for assistance concerning the payment of water bills and the potential establishment of the alternatives set forth in this Policy to avoid discontinuation of service.

II. Discontinuation of Residential Water Service for Non-Payment:

A. Issuance, Due Date, and Payment of Bills: Bills for water service are sent to each member at the beginning of each 3-month period (i.e., quarterly) for water service in the period. Payments are due on or before the date set in the water bill (the "Due Date"). Payment may be made and notices to the Company shall be given at the Company collection office as follows:

Meadowcreek Mutual Water Company
c/o Jo Ann E. Morgan, E.A.
136 South Main Street, Suite 4
Bishop, CA 93514
(760) 872-1090

It is the member's responsibility to assure that payments are received in a timely manner. Bills will be computed as follows: The components of the quarterly billing include a Base Rate, a Maintenance and Upkeep Rate, an Operations Rate, and a Capital Improvement Program Rate ("CIP"). The billings are on a flat service charge basis, rather than metered. The foregoing rates are set by the Company at noticed meetings of the board of directors.

B. Overdue Bills: The following rules apply to members whose bills remain unpaid for more than sixty (60) days following the Due Date:

1. Small Balance Accounts: If less than \$50.00 remains unpaid on any billing, it shall be carried over and added to the next billing period.

2. Overdue Notice: If payment for a bill is not made by the Due Date, a notice of overdue/delinquent payment (the "Overdue Notice") will be mailed to the member at least seven (7) business days prior to the possible discontinuation of service date identified in the Overdue Notice. The Overdue Notice will be sent to the address of the member as listed in the books and records of the Company. The Delinquent Notice will contain the following:

- a) Member's name and address;
- b) Amount of delinquency;
- c) Date by which payment or arrangement for payment must be made in order to avoid discontinuation of service;
- d) Description of the process to apply for an extension of time to pay the amount owing (see Section III(D), below);
- e) Description of the procedure to petition for review and appeal of the bill giving rise to the delinquency (see Section IV, below); and
- f) Description of the procedure by which the member can request a deferred, amortized, reduced or alternative payment schedule (see Section III, below).

The Company may alternatively provide notice to the member of the impending discontinuation of service by telephone. If that notice is provided by telephone, the Company shall offer to provide the member with a copy of this Policy and offer to discuss with the member the options for alternative payments, as described in Section III, below, and the procedures for review and appeal of the member's bill, as described in Section IV below.

3. Unable to Contact Member: If the Company is not able to contact the member by written notice (e.g., a mailed notice is returned as undeliverable) or by telephone, the Company will make a good faith effort to visit the residence and leave or make other arrangements to place in a conspicuous location, a notice of imminent discontinuation of service for non-payment, and a copy of this Policy.

4. Late Charge: A Late Charge, as specified in the Company's fees and charges, shall be assessed and added to the outstanding balance on the member's account if the amount owing on that account is not paid before or on the due date of the Overdue Notice.

5. Turn-Off Deadline: Payment for water service charges must be received at Company collection office not later than 5:00 p.m. on the date specified in the Overdue Notice. Postmarks are not acceptable.

6. Notification of Returned Check: Upon receipt of a returned check rendered as remittance for water service or other water-related charges, the Company will consider the account not paid. The Company will attempt to notify the member in person and leave a notice of termination of water service at the residence. Water service will be disconnected if the amount of the returned check and returned check charge are not paid by the due date specified on the notice, which due date shall not be sooner than the date specified in the Overdue Notice; or if an Overdue Notice had not been previously provided, no sooner than the sixtieth (60th) day after the invoice for which payment by the returned check had been made. To redeem a returned check and

to pay a returned check charge, all amounts owing must be paid by cash, credit card, debit card or certified funds.

7. Returned Check Tendered as Payment for Water Service Disconnected for Nonpayment: If the check tendered and accepted as payment which resulted in restoring service to an account that had been disconnected for nonpayment is returned as non-negotiable, the Company may disconnect said water service upon at least three (3) calendar days' written notice. The member's account may only be reinstated by receipt of outstanding charges in the form of cash, credit card, debit card, or certified funds. Once the member's account has been reinstated, the account will be flagged for a one- year period indicating the fact that a non-negotiable check was issued by the member. In that event, the only form of payment that will be accepted for the one-year period will be cash, credit card, debit card, or certified funds.

C. Conditions Prohibiting Discontinuation: The Company shall not discontinue residential water service if all the following conditions are met:

1. Health Conditions: The member or tenant of the member submits certification of a primary care provider that discontinuation of water service would (i) be life threatening, or (ii) pose a serious threat to the health and safety of a person residing at the property;

2. Financial Inability: The member demonstrates he or she is financially unable to pay for water service within the Company's normal billing cycle. The member is deemed "financially unable to pay" if any member of the member's household is: (i) a current recipient of the following benefits: CalWORKS, CalFresh, general assistance, Medi-Cal, SSI/State Supplementary Payment Program, California Special Supplemental Nutrition Program for Women, Infants and Children, or any other statutorily recognized similar and applicable program; or (ii) the member declares the household's annual income is less than 200% of the federal poverty level; and

3. Alternative Payment Arrangements: The member is willing to enter into an amortization agreement, alternative payment schedule or a plan for deferred or reduced payment, consistent with the provisions of Section III, below.

D. Process for Determination of Conditions Prohibiting Discontinuation of Service: The burden of proving compliance with the conditions described in Subdivision (C), above, is on the member. To allow the Company sufficient time to process any request for assistance by a member, the member is encouraged to provide the Company with the necessary documentation demonstrating the medical issues under Subdivision (C)(1), financial inability under Subdivision (C)(2) and willingness to enter into any alternative payment arrangement under Subdivision (C)(3) as far in advance of any proposed date for discontinuation of service as possible.

1. Upon receipt of such documentation, the Company shall review that documentation and respond to the member within a reasonable time or notify the member that additional information is necessary or notify member of the payment option.

2. Members who fail to meet the conditions described in Subdivision (C), above, must pay the delinquent amount, including any penalties and other charges, owing to the Company within the latter to occur of: (i) two (2) business days after the date of notification from the Company of the Company's determination the member failed to meet those conditions; or (ii) the date of the impending service discontinuation, as specified in the Overdue Notice.

E. Special Rules for Low Income Members: Members are deemed to have a household income below 200% of the federal poverty line if: (i) any member of the member's household is a current recipient of the following benefits: CalWORKS, CalFresh, general assistance, Medi-Cal, SSI/State Supplementary Payment Program, California Special Supplemental Nutrition Program for Women, Infants and Children, or any other statutorily recognized similar and applicable program; or (ii) the member declares the household's annual income is less than 200% of the federal poverty level. If a member demonstrates either of these circumstances, then the following apply:

1. Reconnection Fees: If service has been discontinued and is to be reconnected, then any reconnection fees during the Company's normal operating hours cannot exceed \$50.00. Those fees cannot exceed the actual cost of reconnection if that cost is less than the statutory caps. Those caps may be adjusted annually for changes in the Member Price Index for All Urban Members, San Francisco-Oakland-San Jose, Annual beginning January 1, 2021.

2. Interest Waiver: The Company shall not impose any interest charges on delinquent bills.

III. Alternative Payment Arrangements:

For any member who meets the three conditions under Section II(C), above, in accordance with the process set forth in Section II(D), above, the Company shall offer the member one of the following alternative payment arrangements, to be selected by the Company in its discretion: (i) amortization of the unpaid balance under Subdivision (A), below; (ii) alternative payment schedule under Subdivision (B), below; (iii) partial or full reduction of unpaid balance under Subdivision (C), below; or (iv) temporary deferral of payment under Subdivision (D), below. The Company shall, in the exercise of reasonable discretion, select the most appropriate alternative payment arrangement after reviewing the information and documentation provided by the member and taking into consideration the member's financial situation and Company's payment needs.

A. Amortization: Any member who is unable to pay for water service within the Company's normal payment period and meets the three conditions under Section II(C), above, as the Company shall confirm, may, if the Company has selected this alternative, enter into an amortization plan with the Company on the following terms:

1. Term: The member shall pay the unpaid balance, with the administrative fee as specified in Subdivision (2), below, over a period not to exceed twelve (12) months, as determined by the Company; provided, however, that the Company in its reasonable discretion, may apply an amortization term of longer than twelve (12) months to avoid undue

hardship on the member. The unpaid balance, together with the applicable administrative fee, shall be divided by the number of months in the amortization period and that amount shall be added each month to the member's ongoing monthly bills for water service.

2. Administrative Fee: For any approved amortization plan, the member will be charged an administrative fee, in the amount established by the Company from time to time, representing the cost to the Company of initiating and administering the plan.

3. Compliance with Plan: The member must comply with the amortization plan and remain current as charges accrue in each subsequent billing period. The member may not request further amortization of any subsequent unpaid charges while paying delinquent charges pursuant to an amortization plan. Where the member fails to comply with the terms of the amortization plan for sixty (60) calendar days or more, or fails to pay the member's current service charges for sixty (60) calendar days or more, the Company may discontinue water service to the member's property at least five (5) business days after the Company posts at the member's residence a final notice of its intent to discontinue service.

B. Alternative Payment Schedule: Any member who is unable to pay for water service within the Company's normal payment period and meets the three conditions under Section II(C), above, as the Company shall confirm, may, if the Company has selected this alternative, enter into an alternative payment schedule for the unpaid balance in accordance with the following:

1. Repayment Period: The member shall pay the unpaid balance, with the administrative fee as specified in Subdivision (2), below, over a period not to exceed twelve (12) months, as determined by the Company; provided, however, that the Company in its reasonable discretion, may extend the repayment period for longer than twelve (12) months to avoid undue hardship on the member.

2. Administrative Fee: For any approved alternative payment schedule, the member will be charged an administrative fee, in the amount established by the Company by resolution from time to time, representing the cost to the Company of initiating and administering the schedule.

3. Schedule: After consulting with the member and considering the member's financial limitations, the Company shall develop an alternative payment schedule to be agreed upon with the member. That alternative schedule may provide for periodic lump sum payments that do not coincide with the Company's established payment date, may provide for payments to be made more frequently than monthly, or may provide that payments be made less frequently than monthly, provided that in all cases, subject to Subdivision (1), above, the unpaid balance and administrative fee shall be paid in full within twelve (12) months of establishment of the payment schedule. The agreed upon schedule shall be set forth in writing and be provided to the member.

4. Compliance with Plan: The member must comply with the agreed upon payment schedule and remain current as charges accrue in each subsequent billing period. The member may not request a longer payment schedule for any subsequent unpaid charges while

paying delinquent charges pursuant to a previously agreed upon schedule. Where the member fails to comply with the terms of the agreed upon schedule for sixty (60) calendar days or more, or fails to pay the member's current service charges for sixty (60) calendar days or more, the Company may discontinue water service to the member's property at least five (5) business days after the Company posts at the member's residence a final notice of its intent to discontinue service.

C. Reduction of Unpaid Balance: Any member who is unable to pay for water service within the Company's normal payment period and meets the three conditions under Section II(C), above, as the Company shall confirm, may, if the Company has selected this alternative, receive a reduction of the unpaid balance owed by the member, not to exceed ten percent (10%) of that balance without approval of and action by the Company Council; provided that any such reduction shall be funded from a source that does not result in additional charges being imposed on other Company members. The proportion of any reduction shall be determined by the member's financial need, the Company's financial condition and needs and the availability of funds to offset the reduction of the member's unpaid balance.

1. Repayment Period: The member shall pay the reduced balance by the due date determined by the Company, which date (the "Reduced Payment Date") shall be at least fifteen (15) calendar days after the effective date of the reduction of the unpaid balance.

2. Compliance with Reduced Payment Date: The member must pay the reduced balance on or before the Reduced Payment Date and must remain current in paying in full any charges that accrue in each subsequent billing period. If the member fails to pay the reduced payment amount within sixty (60) calendar days after the Reduced Payment Date, or fails to pay the member's current service charges for sixty (60) calendar days or more, the Company may discontinue water service to the member's property at least five (5) business days after the Company posts at the member's residence a final notice of its intent to discontinue service.

D. Temporary Deferral of Payment: Any member who is unable to pay for water service within the Company's normal payment period and meets the three conditions under Section II(C), above, as the Company shall confirm, may, if the Company has selected this alternative, have payment of the unpaid balance temporarily deferred for a period of up to six (6) months after the payment is due. The Company shall determine, in its discretion, how long of a deferral shall be provided to the member.

1. Repayment Period: The member shall pay the unpaid balance by the deferral date (the "Deferred Payment Date") determined by the Company. The Deferral Payment Date shall be within twelve (12) months from the date the unpaid balance became delinquent; provided, however, that the Company in its reasonable discretion, may establish a Deferred Payment Date beyond that twelve (12) month period to avoid undue hardship on the member.

2. Compliance with Reduced Payment Date: The member must pay the reduced balance on or before the Deferred Payment Date and must remain current in paying in full any charges that accrue in each subsequent billing period. If the member fails to pay the unpaid payment amount within sixty (60) calendar days after the Deferred Payment Date, or fails

to pay the member's current service charges for sixty (60) calendar days or more, the Company may discontinue water service to the member's property at least five (5) business days after the Company posts at the member's property a final notice of its intent to discontinue service.

IV. Appeals: A member may appeal or contest any bill or action by the Company related to this Policy.

A. Notice of Appeal: Within ten (10) days of receipt of a bill for water service or a notice of an action by the Company, the member has a right to initiate an appeal or review of any bill or charge or of any action rendered by the Company. Such request must be made in writing and be delivered to the Company. For so long as the member's appeal and any resulting investigation is pending, the Company will not discontinue water service.


B. Appeal Hearing: Following receipt of a Notice of Appeal, the Company shall set a hearing before the Company's Board of Directors. The hearing shall occur at the next scheduled or set regular or special meeting of the Board of Directors. After evaluation of the evidence provided by the member and the information on file with the Company, the Board shall issue a decision and provide the member with a brief written summary of the decision.

C. Final Decision: The decision of the Board of Directors shall be final and binding on the member.

V. Notice Regarding Language: This Policy and notices require under SB 998 (the Water Shutoff Protection Act [Health & Safety Code sections 116900, et seq.]) shall be made available in English, Spanish, Chinese, Tagalog, Vietnamese, Korean, and any other language spoken by ten (10) percent or more of the customers in the Company's service area.

VI. Unauthorized Action of a Member: This Policy does not apply to the termination of a service connection by the Company due to an unauthorized action of a member.

PASSED AND ADOPTED by the Board of Directors of Meadowcreek Mutual Water Company on December 16, 2021, at a regular meeting of the Board of Directors held in accordance with the Bylaws of the Company.



TERRY WALKER,
Secretary