

South Mesa Water Company Discontinuation of Residential Water Service Policy

Purpose

The purpose of this South Mesa Water Company (“Company”) policy is to establish administrative actions for the collection of delinquent accounts, including notification, fee assignments, and discontinuation of water service to residential properties. This policy is available to view on the Company website. The Company can be contacted by phone at (909) 795-2401 to discuss options for averting discontinuation of water service for nonpayment under the terms of this policy.

General Provisions

Delinquent Account

Delinquent accounts are identified as any account that remains unpaid (and without having payment arrangements or having established an alternative payment schedule) by close of business on the 15th of the month for the prior month's water use. If the 15th falls on a weekend, state, or federal holiday, payments will be due on the next business day. The following rules apply to the collection of delinquent accounts:

1. Small Balance Accounts

Any balance \$10 or less may be carried over and added to the next billing period without being assessed a late fee or incurring further collection action.

2. Late Fee and Door Hanger Notice

If payment for the prior month's water use is not received within 72 hours after the close of business on the 15th of the current month (or the next business day if the 15th falls on a weekend, state, or federal holiday), a late fee of \$12 will be assessed.

On day 50 of delinquency, a \$30 door hanger fee will be added to the account to cover the costs associated with delivering the door hanger notice to the property and mailing the notice. Discontinuation of water service for non-payment shall not occur until the shareholder's payment is delinquent for at least 60 days.

The Company will provide notification at the property receiving water service via door hanger notice at least 10 business days before discontinuation of water service for non-payment. The door hanger notice will be placed on the door or other conspicuous place of the property receiving water service. Additionally, the door hanger notice will be mailed to either: (1) the address of the property receiving water service or (2) the mailing address of the shareholder of record if different from the address of the property receiving water service.

The notice will detail the shareholder's name and address, the amount payable necessary to become current (which will include both the \$12 late fee and \$30 door hanger fee), the date by which payment or arrangement for payment is required in order to avoid discontinuation of water service, a description of the process to apply for an extension of time to pay the delinquent charges, a description of the procedure to petition for bill review and appeal, and a description of the procedure by which the shareholder may request a deferred, reduced, or alternative payment schedule, including an amortization of the delinquent residential service charges, consistent with this policy.

3. Waiver of Late Fee

At the written request of the shareholder, the Company may consider waiving the late fee if there are extenuating circumstances and the shareholder has not been assessed a late fee for delinquent payment in the preceding 12 months.

4. Alternative Payment Arrangements

A shareholder who is unable to pay for water service within the normal payment period may request an alternative payment arrangement to avoid late fees or disruption of service. To make such a request, the shareholder must contact the office in person or by phone. The Company will consider all circumstances surrounding the request and determine whether the payment arrangement is warranted.

Payment arrangements that extend into subsequent billing periods are considered an amortization plan, which must be in writing and signed by the shareholder. An amortization plan will amortize the unpaid balance over a period defined by the shareholder, not to exceed 12 months from the original date of the bill. The amortized payments will be combined with and subject to the due date of the shareholder's regular bill. The shareholder must comply with the terms of the amortization plan and remain current as charges accrue in each subsequent billing period. The shareholder may not request further amortization of any subsequent unpaid charges while paying delinquent charges pursuant to an amortization plan. Failure to comply with the terms of an amortization plan will result in the issuance of a written disconnection notice. The disconnection notice will be mailed to the address of the property receiving water service and the mailing address of the shareholder of record if different from the address of the property receiving water service, no less than 10 business days in advance of the discontinuance of water service.

5. Notice to Residential Tenants/Occupants in an Individually Metered Residence

The Company will make a reasonable, good-faith effort to inform tenant occupants at properties receiving water service of delinquencies by means of written notice through door hangers and mailing as set forth in this policy. The written notice will include Company contact information that the shareholder may call to discuss requirements to continue water service.

6. Notice to Tenants/Occupants in a Multi-Unit Complex Served through a Master Meter
For occupants of properties served by master-meter connection, the Company will make a reasonable, good-faith effort to inform occupants of delinquencies by means of written notice in accordance with this policy.
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 final notice.
8. Disconnection of Water Service for Non-Payment
The Company will disconnect water service by turning off, and in some cases locking off, the meter. Before service is disconnected, the shareholder will be notified by a written final notice at least 10 business days prior to termination of service. The shareholder will be charged a fee as referenced in the Company's fee schedule to re-establish service in the billing system regardless of whether the meter has physically been turned off. The meter will be locked in the off position if payment is not received within 2 days of initial termination.
9. Re-establishment of Service
In order to resume or continue service that has been disconnected for non-payment, the shareholder must pay a re-establishment fee as referenced in the Company's fee schedule. 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 and delinquent fees attributable to the termination of service. Water service that is turned on by any person other than Company personnel or without Company authorization may be subject to fines, additional charges, or fees. Any damages that occur as a result of unauthorized restoration of service are the responsibility of the shareholder.
10. Re-establishment of Service After Hours
Service restored on weekends, holidays, or after 4:00 pm on business days will be charged an after-hours re-establishment fee as referenced in the Company's fee schedule. Service will not be restored after regular business hours unless the shareholder has signed an agreement acknowledging the fee and agreeing to contact the Company's office no later than 10 am the following business day to pay the subject fee. Company staff responding to service calls are not permitted to collect payment but will instruct the shareholder to contact the office before 10 am the following business day. Services that are off and locked cannot be re-established after hours.
11. Notification of Disposition of Returned Check
Upon receipt of a returned check taken as payment of water service or other charges, the Company will consider the account not paid. The Company will make a reasonable, good-faith effort to notify the shareholder by phone or door hanger of the returned check. If the Company is unable to make contact by phone, a good-faith effort will be made to visit the property and leave a notice.

Water service will be disconnected if the amount of the returned check and the returned check charge are not paid on or before the date specified in the notice. All amounts paid to redeem a returned check and to pay the returned check charge must be in cash, credit card, or certified funds.

12. Disputed Bills

If a shareholder disputes the water bill and exercises their right to appeal, the Company will not disconnect water service for non-payment while the appeal is pending.

13. Appeals

A shareholder may appeal a pending shutoff by contacting the office. The Company shall review such an appeal and provide a recommendation for resolution to the General Manager and/or their designee.

14. Shareholder Responsibility and Company Enforcement

Nothing in this policy relieves any shareholder of its obligation to pay all applicable Company fees and charges for water use attributed to the property receiving water service and other applicable Company assessments, fees, and charges. The Company reserves all rights, powers, and privileges of enforcement as set forth in the Company's Articles, Bylaws, Rules and Regulations, and related policies, including, but not limited to, imposing a lien on share(s) for significant delinquencies.