

Thermalito Water and Sewer District

Policy and Procedures

Policy Title: Revised and Restated Billing and Payment of Bills
Policy Number: 1.100
Adopted: September 22, 2020
Effective: November 1, 2020

This Policy explains Thermalito Water and Sewer District's procedures for billing, payment on accounts and collection of delinquent accounts including fees, required notifications, and the disconnection of service. Thermalito Water and Sewer District can be contacted by telephone at 530-533-0740 or on the District's website's "contact us" form.

a. Because unpaid water and/or sewer charges may be assessed and levied upon the parcel of real property (the "Property") to which such services are provided under California Water Code sections 22284 and 25806, an account (the "Account") for water and sewer services provided to a parcel of real property (the "Property") in the District is generally established in the name of the owner (the "Owner") of the Property only. In such event, the District's monthly billing statement for the Account (the "Bill") will be sent to the Owner at the Owner's address. The Owner may request in writing on the form provided therefor by the District that the District send the Bill to the address of the Property, if different than the Owner's address. In such event, the District will send the Bill and any and all notices described below (each, a "Default Notice" and collectively, the "Default Notices") to the address of the Property, but also will send a copy of the Bill and any Default Notice to the Owner at the Owner's address. To cover its costs in providing such copies, the District shall add an administrative fee as determined by the District's board of directors from time to time to its monthly Bills for the Account. While the Owner of the Property may make arrangements with a tenant on or occupant of the Property (each, an "Occupant") to pay the District's Bill for such Property, the Owner ultimately is responsible for payment of all charges on the Account, including any unpaid Account balance, late fees, Processing Fee, Delinquency Fee, Lock-Off Fee, Reconnection Fee, Tampering Charge, Meter Removal Fee, and Meter Reinstallation Fee as described below (the Processing Fee, Delinquency Fee, Lock-Off Fee, Reconnection Fee, Tampering Charge, Meter Removal Fee, and Meter Reinstallation Fee are each individually referred to as a "Default Fee" and collectively as the "Default Fees").

b. The District shall presume that the Owner's address for all purposes related to this policy is the address of the Property unless the Owner notifies it otherwise in writing providing it with the correct mailing address, including street address, and e-mail address, phone and fax number, if any. The Owner is responsible for notifying the District immediately in writing of any change in the Owner's mailing address, street address, e-mail address, phone or fax number.

c. An Owner who has appointed an agent (the "Agent") to manage the Owner's Property and wishes the District to deal only with the Agent with respect to the Property shall complete, sign and file with the District a written form provided by the District directing and authorizing the District to deal with the Agent and not the Owner on all matters relating to the District's provision of water and sewer services to the Property and the billing therefor. Upon the Owner's filing such form with the District, and until the Owner notifies the District in writing of the Owner's termination and rescission of such appointment, the District shall deal with the Agent as if the Agent were the Owner and will no longer deal with the Owner. For purposes of this Policy, any Agent so appointed by an Owner of a Property shall be deemed the Owner.

d. The District bills each Account monthly on the first working day of each month. The Bill shows any unpaid balance from the previous Bill, water usage since the previous billing, current charges

for monthly water and sewer service, and the total amount due. The Bill is due and payable on the date it is received and is late if unpaid in full by 4:00 p.m. on the fifth day of the following month. Payments on a Bill shall be applied first to the unpaid previous balance due, including late fees and Default Fees, if any, and the balance, if any, shall be applied to current charges. Any balance of a previous Bill for water usage or water or sewer service charges, but not for a Default Fee, unpaid in full by 4:00 p.m. on the fifth day of the month immediately following the month for which the Bill was dated shall be late and shall be assessed a late fee of one and one-half percent the amount thereof.

e. Any previous balance of a Bill unpaid by 4:00 p.m. on the fifteenth day of the month immediately following the month for which the Bill was dated shall be delinquent. To cover its administrative costs in providing notice of the delinquency as provided below, the District then shall assess the Account a delinquency fee (the "Delinquency Fee") as determined by the District's board of directors from time to time. On the first business day thereafter the District shall send a written notice (the "Delinquency Notice") to the Owner informing the Owner of the Account's delinquency, the imposition of the Delinquency Fee thereon, and of the fact that unless the Account balance as of that date (the "Delinquent Balance"), including any previous balance due, late fees thereon, the Delinquency Fee, and current charges, is paid in full by the last day of the month in which such Delinquency Notice was sent, the District shall discontinue water and sewer services to the Property.

f. If the Delinquent Balance is not paid in full by the first working day of the month immediately following the month in which the Delinquency Notice was sent, then the District may discontinue water and sewer service to the Property. At least 48 hours prior to the date the District intends to discontinue water and sewer services to the Property, the District shall post a lock-off notice (the "1st Lock-Off Notice") conspicuously on the Property notifying the Owner or resident that unless the Account is paid in full by the date and time posted on the 1st Lock-Off Notice, water and sewer services to the Property shall be discontinued. The 1st Lock-Off Notice also shall notify the Owner or resident that in order for water and sewer service to be reinstated, then, in addition to payment of the Delinquent Balance in full, the Owner shall have to pay an additional lock-off fee (the "Lock-Off Fee") and a reconnection fee (the "Reconnection Fee") as both shall be determined by the District's board of directors from time to time. These fees cover the District's costs in installing and removing lock-off devices on the Property's water service connection. The 1st Lock-Off Notice, as well as the 2nd Lock-off Notice discussed in Subsection g below, also shall notify the Owner or resident that should water service to the Property be discontinued, any fire sprinkler system on the Property connected to the District's water service will not operate and the improvements protected by such fire sprinkler system shall be at risk.

g. Should the District discontinue water and sewer services to the Property, a second lock-off notice (the "2nd Lock-Off Notice") shall be posted conspicuously on the Property following such discontinuance of service and mailed to the owner, informing the Owner and resident that water and sewer services to the Property have been discontinued by the District and that such shall be reinstated only upon payment in full by the Owner of the entire outstanding, due and owing Delinquent Balance, late fees thereon, and any and all Default Fees then assessed.

h. Should the Owner of or a resident on any Property for which water and sewer services have been discontinued by the District tamper or remove any locking device placed on the water service connection by the District, the District shall (i) assess a lock tampering fee (the "Tampering Charge") as determined by the District's board of directors from time to time to cover its damages resulting therefrom and, in addition, immediately upon its discovery of such tampering or removal of any such locking device, (ii) remove the water meter to the Property. Upon removal of the water meter by the District, a meter removal fee (the "Meter Removal Fee") as determined by the District's board of directors from time to time also shall be assessed to cover the District's costs in removing the meter. In order to restore water and sewer service to the Property following the removal of the water meter to the Property, the Owner must pay

in full the entire Delinquent Balance, accrued late fees thereon and all Default Fees including a meter reinstallation fee (the "Meter Reinstallation Fee") as determined by the District's board of directors from time to time together with any security deposit that may be required on the Account pursuant to Subsection I below.

i. Customers who are unable to pay for water service within the normal payment period may, once every 12 months, request an alternative payment arrangement to avoid late and discontinuance fees or disruption of service. The District will consider all circumstances when reviewing the customer's request and make a determination as to whether the payment arrangement is warranted. A payment arrangement may include an extension of the payment due date or an amortization plan. Failure to comply with the terms of a payment arrangement granted under this section or to pay subsequent charges will result in the issuance of a written disconnection notice. The disconnection notice will be in the form of a 1st Lock Off Notice delivered to the premises no less than 5 business days in advance of discontinuance of service.

Medical and Financial Hardship Payment Arrangements: For customers who meet all three (3) conditions below and provide the State of California required documentation, the District will offer the customer a payment arrangement to avoid discontinuation of service. The terms and conditions of the payment arrangement will be selected by the District in its discretion.

- 1) Medical Certification by Primary Care Provider: The customer must submit a certification by a Primary Care Provider (Internist, General Practitioner, Obstetrician-Gynecologist, Pediatrician, Family Practice Physician, Licensed Physician's Assistant, Primary Care Clinic, Hospital, or Outpatient Clinic) stating that the termination of service will be life threatening or pose a serious threat to health and safety of any resident of the premises where water service is provided.
- 2) Financial Hardship: The customer must demonstrate that he or she is financially unable to pay for residential service within the District's normal billing cycle. This can be shown by either: (i) declaring under penalty of fraud and perjury that household income is less than 200% of the federal poverty level; or (ii) submitting evidence that a member of the household is a current recipient of CalWorks, CalFresh, General Assistance, Medi-Cal, Supplemental Security Income/State Supplementary Payment Program, and/or California Special Supplemental Nutrition Program for Women, Infants, and Children.
- 3) Payment Arrangement: The customer must be willing to enter into a payment arrangement selected by the District. Payment arrangements that extend into the next billing period are considered an amortization plan, which must be in writing and signed by the customer. An amortization plan will amortize the unpaid balance over a period defined by the District, not to exceed 12 months from the original due date of the bill. The customer must comply with the terms of the amortization plan and remain current as charges accrue in each subsequent billing period. The customer may not request a payment arrangement for any subsequent unpaid charges while paying delinquent charges pursuant to an amortization plan.

Failure to comply with the terms of a payment arrangement granted under this section or to pay subsequent charges for a period of 30 days will result in the issuance of a 1st Lock Off Notice, which will be posted conspicuously on the Property no less than 5 business days in advance of discontinuance of service.

j. Any and all fees, charges, or costs incurred by the District as a result of a check or credit/debit card payment submitted in payment on an Account being returned or not accepted for

insufficient funds or due to the account upon which it was drawn being closed, together with an administrative fee to cover the District's costs in processing such (the "Processing Fee") as determined by the District's board of directors from time to time, shall be assessed the Account. In addition, upon notification that payment on an Account has been returned or not accepted, the District shall post conspicuously on the Property a Default Notice notifying the Owner or Occupant that unless the Account, together with the amount of any bank fees incurred by the District by reason thereof and the Processing Fee, is paid in full by cash, money order or certified check within 48 hours of the date and time of posting, the District may, subject to Subsection i. above, discontinue water and sewer service to the Property pursuant to Subsections f. and g. above. The written default/disconnection notices from the District will include the Owner's name or "Resident" and the address, the amount that is delinquent, the date by which the payment or payment arrangement is required to be made to avoid discontinuation of services, a description of the process to apply for a payment arrangement to pay the delinquent amount and fees, a description of the process to dispute or appeal a bill, and the District's phone number and web link to this policy. The District also will use its best efforts to contact the Owner by telephone, e-mail, and/or fax at the Owner's number and address then on file with the District. In order to avoid discontinuance of water and sewer service to the Property, the Owner shall have to pay, in addition to the Delinquent Balance, any and all bank fees, the Processing Fee, and any additional fees, as circumstances may dictate. Returned payments shall not be re-submitted by the District. In the event three payments on an Account are returned or not accepted within any 12 consecutive month period, then (i) payments on the Account made for the 12 months immediately following the third such returned payment must be by cash, money order or certified check only and (ii) the District may charge a security deposit on the Account pursuant to Subsection l below. Payments on such Account in any other form shall not be accepted.

k. Any and all convenience charges imposed on an electronic check or credit/debit card payment transaction by the person or persons providing such services to the District shall be the sole responsibility of the Owner or resident making payment in such manner.

l. Subject to Subsection i. above, the District may charge a security deposit (the "Security Deposit") on any Account for a Property for which three or more payments thereon have not been accepted or have been returned within any 12 consecutive month period. The Security Deposit shall be an amount equal to twice the amount of the highest monthly Bill billed the Account during the 12 months immediately preceding the discontinuance of water and sewer services to the Property. For a period of one year from and after the date of reinstatement of water and sewer services to the Property, provided there is no delinquency on the Account during such period, the District shall keep and maintain the Security Deposit as security for payment of any and all Delinquent Balances owed to it on the Account. The District may use the Security Deposit to the extent available to pay any Delinquent Balance on the account upon its discontinuance of water and sewer services to the Property pursuant to the foregoing. In such event, payment of such security deposit may be a condition to continued water service to the Property. The District shall hold the Security Deposit for one year thereafter. At the end of one year without delinquency of the Account, the Security Deposit shall be refunded to the Owner by application on future Bills for water and sewer services provided to the Property until so refunded in full. No interest shall accrue on the Security Deposit.

m. Any Delinquent Balance and Default Fees owed the District on an Account as of June 30 of any year shall be reported to the Butte County Tax Collector and shall be added to and become an assessment levied and shall constitute a lien on the Property pursuant to Water Code sections 22284 and 25806.

n. Subject to Subsection i. above, the District may refuse service to any Property if there is a Delinquent Balance, including accrued late fees and Default Fees due, on the account for such Property

pursuant to Water Code section 22282.1, regardless of who owned the Property at the time the Delinquent Balance arose.

o. Should the District have actual knowledge that a Property is in pending foreclosure proceedings or has been sold at a foreclosure sale and the Owner or a resident or residents are not residing on the Property, the District may, but shall not be obligated to, place the Account for the Property on standby status and toll the lapse of any of the time periods provided above for a period not to exceed 90 days to facilitate transfer of ownership of the Property and payment by the new Owner of any and all amounts then due on the Account for the Property and resumption of water and/or sewer service to the Property. During the period of time that the Account is on standby status, it shall be assessed only the standby, and not the standard monthly fees for water and sewer service as determined by the District's board of directors from time to time, which fees shall be added to the balance of the Account immediately preceding the Account being placed on standby status, including the Delinquent Balance, accrued late fees, and any Default Fees. Should the District have actual knowledge of the name and address of a Trustee under a deed of trust on a property in foreclosure or of a new Owner of a Property following its sale on foreclosure, it shall give written notice to such person of the total amounts then due on the Account for the Property. Such amounts shall be fully due and payable within 30 days from the date of such notice and if not paid in full, the District shall remove the Account from standby status and restore it to active status, at which time the time periods provided above shall resume running.

p. The General Manager of the District, in his or her sole and absolute discretion, may extend the date on which payment on an Account is due and toll the lapse of any time periods provided above for a period not to exceed 90 days from the date on which the Account becomes delinquent when he or she deems it necessary to prevent economic dislocation or hardship to the Owner. He or she also may extend the date on which payment on an Account is due and toll the lapse of any time period provided above for a period not to exceed 90 days from the date the Account becomes delinquent in the case where the Property is owned by a federal or state agency and the financial or budgetary condition of the federal or state government prevents timely payment on the Account for the Property by the agency. Any such extension shall be on such terms and conditions as the Owner or resident of the Property and the General Manager agree and shall be formalized in writing signed by them.

q. An Owner who disputes any charge or Default Fee on a Bill for the Owner's Account shall meet with the General Manager of the District in good faith in an attempt to resolve his, her, or its complaint. If such meeting does not resolve the dispute, the Owner may appeal to District's board of directors. Any such appeal must be in writing and must set forth in detail each fact upon which the Owner believes the charge or Default Fee is not proper. Such appeal must be received by the District within ten days of the date of the meeting between the Owner and the District's General Manager. Any appeal received by the District more than 10 days after the date of such meeting shall be null and void and have no force or effect. The District's board of directors shall consider and act upon the appeal at its next regular meeting that is more than six calendar days after the District's receipt of the appeal. Upon timely receipt by the District of any pending action by the board of directors on the appeal, the District shall not impose any additional Default Fee or discontinue water and sewer services to the Owner's Property if such have not then already been discontinued. The Owner shall pay in full any amount determined by the board of directors to be due and owing on the Account following its hearing on the appeal by 4:00 p.m. on the Friday immediately following the hearing. Should the Owner fail to do so, the Account shall be deemed delinquent pursuant to subsection e above.

r. In the event there is in effect a moratorium on the District's ability to discontinue water and/or sewer service to any Property imposed by any Federal, State, or local government or agency, then as to any property subject to a 1st Lock Off Notice as of the date such moratorium has been imposed, discontinuation of water and sewer service thereto shall be stayed and held in obedience until the moratorium

has been lifted. As soon as possible after the moratorium has been lifted, the District shall post conspicuously on any such Property a Notice of Lifting of the Moratorium to which will be attached a revised 1st Lock Off Notice (the “Revised 1st Lock Off Notice) stating the Delinquent Balance then due on the Account. Should payment in full of the Delinquent Balance then due as stated in the Revised 1st Lock Off Notice for such account not be paid to the District on or before the fifth business day following the posting of the Revised 1st Lock Off Notice on the Property, the District may discontinue water and sewer service to the Property.

BILLING AND DEFAULT SCHEDULE

The bill for monthly water and sewer services is mailed on the first business day of the month (“Month 1”) and is due and payable upon receipt.

If the bill is not paid in full:

- By 4:00 p.m. on the 5th day of the following month (“Month 2”), a late fee of 1 ½ percent is assessed on the unpaid balance;
- By 4:00 p.m. the 15th day of month 2, a delinquency fee is assessed and a delinquency notice is sent. To cure the delinquency, payment must be made in full of the unpaid balance from Month 1, the delinquency fee, and the current balance due for Month 2 (the “Delinquent Amount”);
- By the last day of Month 2, if the Delinquent Account is not paid in full, water service will be disconnected. A lock-off notice will be posted on the property 48 hours before disconnection and a lock-off fee shall be assessed. To avoid disconnection, the Delinquent Account plus the lock-off fee must be paid within such 48 hours of posting of the notice.

If water service is disconnected:

- A reconnection fee is assessed and service will not be reconnected until the Delinquent Amount, including the delinquency fee and late fees, and the lock-off and reconnection fees are paid in full. A security deposit also may be required.

This Policy 1.100 replaces in its entirety any and all previous iterations of it.

This policy is approved at the September 22, 2020 Board of Directors meeting by the following votes.

Following vote:


Ayes: Directors Hatley; Latulippe; Reynolds; Taggart

Nays: None

Abstentions: None

Absent: Director Wristen


Jayme Boucher, Secretary


Trevor Hatley, President