

Regulation No. 5 Billing, Payments, and Miscellaneous Charges

Adopted: July 19, 2004

Amended: October 16, 2006; May 21, 2007; December 17, 2007;
November 17, 2008; December 21, 2009

District water service is a privilege and is maintained by prompt payment of all fees and charges and compliance with all District regulations and applicable laws governing water service. Under California law, the responsibility for paying District fees and charges results from possession of the property on which water is used, rather than from any personal obligation. California law also requires that each Parcel connected to the District water system pay its fair share of the costs to operate and maintain the system. Based on these legal principles, it is the District's policy to minimize the costs of administering the water system and to ensure each Parcel pays its fair share for operating and maintaining the District water system by requiring Landowners to be financially responsible for all fees and charges imposed on their Parcels for the privilege of receiving District water service, whether the Landowner occupies the Parcel or rents or leases it to another person or entity.

A. Billing

1. Flat Rate Service

Bills for flat rate water service will be mailed at the beginning of the monthly period. If the Customer owns and resides at the subject Premises, the District shall mail the bill to the Premises address or another address designated by the Customer. If a Landowner rents or leases the subject Premises, the District shall mail the bill to the Landowner's designated address or to his or her designated Agent. If a Premises is leased or rented, the District will mail a duplicate bill to a tenant at the Premises address only in accordance with the procedure provided below in section I. (Gov. Code section 54347, Water Code section 31007.5) Non-receipt of a bill shall not relieve a Landowner of any payment obligation to the District.

2. Commercial Metered Rate Service

Bills for commercial metered rate water service will be mailed monthly, following the reading of the Meter, to the mailing address of each Landowner or designated lessee. The Landowner or his/her designated lessee shall be responsible to keep the District advised of the address to which bills are to be mailed. Non-receipt of a bill shall not relieve a Landowner or the lessee of any payment obligation to the District.

3. Residential Metered Rate Service

Bills for residential metered rate water service will be mailed monthly, following the reading of the Meter. If the Customer owns and resides at the subject Premises, the District shall mail the bill to the Premises address or another address designated by the Customer. If a Landowner rents or leases the subject Premises, the District shall mail the bill to the Landowner's designated address or to his or her designated Agent. If a Premises is leased or rented, the District will mail a duplicate bill to a tenant at the Premises address only in accordance with the procedure provided below in section I. (Gov. Code section 54347, Water Code section 31007.5) Non-receipt of a bill shall not relieve a Landowner of any payment obligation to the District.

B. Payment

Bills are due upon receipt. Payment shall be by mail or in person at the District Office, 3701 Marconi Avenue, Suite 100, Sacramento, California 95821 between the hours of 8:00 a.m. and 4:30 p.m, Monday through Friday. For billing disputes, see Section H hereof.

C. Returned Checks

The District shall levy a fee in accordance to Regulation 3, Section H for each check or electronic payment tendered as payment to the District for water service charges that is returned unpaid.

D. Charges Against Deposits

The District may deduct the amount of any delinquent bill, including delinquent charges, against a security or any other deposit made to the District by the Customer liable for such bill.

E. Estimated Bills

If a Meter fails to register correctly or cannot be read, a water service bill will be based on the District's estimate of the quantity of water delivered, taking into consideration seasonal water demand and any other factors that are material and reasonable in determining a fair charge.

F. Prorated Bills

For water service bills calculated for less than a full billing period, flat rate Customers will pay a prorated amount from the first day of the billing period to the date of termination of service, or from the commencement of service until the last day of the billing period. For water meter fees and charges the bill will be calculated based on

actual quantities used from the last billing date to the date the account is closed, plus the prorated charge for the fixed portion of the bill.

G. Vacancies in Multiple Family Residences

No credit will be allowed or approved for any vacancies of multiple family residential water service accounts, unless each unit is separately metered or has a separate connection.

H. Disputed Bills

Should a Customer dispute a bill, a written explanation must be received before the next regular billing. All disputed bills must be paid before the due date to avoid discontinuance of water service. District staff will review the account in question and contact the owner of the property to resolve the issue. If staff rules in favor of the Customer, the Customer's account will be credited for the disputed item. If the Customer is dissatisfied with the District's resolution, the Customer may appeal the staff decision to the District General Manager. If dissatisfied with the District General Manager's decision, then an appeal may be made to the District Board of Directors. All decisions made by the District Board of Directors are final.

I. Duplicate Bill to Tenant; Tenant Non-Payment

1. The District will prepare and mail a duplicate bill to a tenant, provided the Landowner of the Premises at which the tenant resides satisfies all of the following terms and conditions:
 - a. The Landowner signs a financial responsibility agreement in the form provided by the District, in which the Landowner agrees to guarantee payment of any fees and charges incurred by his, her or its tenants as a result of District water service provided to the Landowner's Premises.
 - b. The Landowner pays a monthly duplicate mailing fee set by the District to reflect the costs of generating and mailing the duplicate bill.
 - c. If a tenant defaults on the payment of any fee or charge, the Landowner will promptly pay the fees and charges due upon receipt of a notice of delinquency.
2. The District reserves the right to require a Landowner to assume sole liability for payment of fees and charges if there is a history of non-payment of bills by that Landowner's tenants.

J. Payment of Outstanding Water Service Charges Upon Property Transfer

Consistent with the legal principles set forth in the preface of this Regulation 5, a Landowner who acquires real property in the District is responsible for paying any

outstanding District fees and charges owing on the acquired Parcel regardless of the time or manner in which those charges were incurred. The District reserves the right to refuse to open an account and to provide water service to a Parcel until the acquiring Landowner pays all outstanding fees and charges. It will be the acquiring Landowner's sole responsibility to pursue any legal remedies it may have to seek reimbursement of such outstanding fees and charges from any former Landowner or occupant of the acquired Parcel.

K. Delinquency-Related Fees

1. Late Fee

If a District bill for water service is not paid in full by the time the District processes the next month's water bills, which in no case will be any earlier than 19 days after the bill was mailed or otherwise presented to a Customer, then a late fee in the amount of 10 percent of the unpaid portion of the bill will be assessed on the account and will appear on the Customer's next water bill. The amount of a delinquent water bill and the assessed late charge will continue to appear and be marked as delinquent on a Customer's bill until paid in full. The District may terminate a Customer's water service for non-payment as provided in Regulation 6.

In cases where a late fee is imposed on a water bill that has become delinquent, the District will have the discretion to waive the late fee in circumstances where a Customer:

- (a) has filed a dispute of the subject water bill in accordance with the time limits and procedures provided in Section H of Regulation 5;
- (b) qualifies for an exemption from water service termination under Subsection 5, Section B of Regulation 6; or
- (c) upon receiving the month's bill showing the previous month's water bill as delinquent, contacts the District by no later than 19 days after receipt of the next month's bill to offer a reasonable and substantial excuse for non-payment of the previous month's bill, requests a waiver of the late fee, and is willing to immediately pay the full amount of delinquency (less the assessed late fee) by telephone or in person. In determining whether to grant or deny a Customer's request to waive a late fee, the District may request additional information from the Customer documenting the excuse and may consider the Customer's payment history and waiver request history.

2. Notice of Termination or Turn Off

The District shall levy a charge in accordance to Regulation 3, Section B.2 if a District employee must be dispatched to deliver a notice of termination due to delinquency, or terminate water service due to a delinquency or an illegal restoration of a water service in a disconnect status.