

ATTACHMENT E

UTILITY SERVICE POLICY MANUAL

Root Creek Water District
System No. CA2010016

UTILITY SERVICE POLICY MANUAL

RT Diversified, Inc.
Post Office Box 8271
Fresno, California 93747

March 9, 2020

**UTILITY SERVICE POLICY MANUAL
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SECTION 1: CONCEPT OF UTILITY SERVICE

The Riverstone/Root Creek Water District system (the “System”) is a community water system that serves the Riverstone Development (the “Development”). The Development is located in Madera County, near the intersection of California State Highway 41 and Avenue 12. The first section of the Development consists of 858 primarily residential service connections with an anticipated population of 2,831. The Development and System are located within Root Creek Water District (the “District”), an independent special district consisting of approximately 9,500 acres of primarily agricultural lands. For System operations, the District is utilizing the services of a contract operator, RT Diversified Inc. (the “Operator”). Along with operating the water System assets, the Operator shall also be responsible for customer service, including but not limited to billing, inquiries response, continuity of service, demand management and conservations efforts. For the purposes of this Policy Manual, the term “Utility” shall mean the System providing service to the Development, referring collectively to the Operator managing the services at the direction of the District, as determined and granted through approved Resolutions, mutually executed Agreements, and/or requirements of Federal, State and Local ordinances and mandates.

The Operator’s corporate office will be the central call station for the Utility’s customer service. However, all calls shall first be routed through the Root Creek Water District telephone number and ported to Operator’s office for answering. This office will handle the scheduling of customer service calls and dispatching of field technicians and will be open to take calls during normal business hours, recognized as Monday through Friday, from 8:00 a.m. to 5:00 p.m. After-hour emergencies will be handled by an answering service at the same phone number as during business hours and will be available 24 hours a day, 7 days a week. The answering service will allow for non-emergency messages to be left over voicemail or if the situation is an emergency, the customer can select the option to be transferred directly to the on-call technician. Customers will also have the ability to go online and review their usage data, pay their account balances, and/or make non-emergency complaints.

Root Creek Water District (District)
Mailing Address: Post Office Box 29750, Fresno, California 93729
Phone: (559) 255-2305

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The following Policy Manual has been adopted by the District Board and describes the procedures pertinent to the management of the water system and its users. This Policy Manual in combination with the Operations Plan will act as the guidelines for Utility management of the System.

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SECTION 2: ESTABLISHING UTILITY SERVICE

Application for Service: Applications for Utility services shall be in writing on a form approved by the District. All bills and notices shall be sent to the owner of each parcel of real property (the “Property Owner”) with an application for water service. The applicant requesting Utility service must initially be the Property Owner. A valid driver’s license (or other acceptable form of identification) and a legal document showing proof of ownership of the location where Utility services are to be provided (the “Premises”) are required to establish Utility service. The Property Owner is the only person who can dictate where the bill is sent. If a Property Owner wants the bill sent to a different address than what is on file or if they want to have a duplicate bill rendered to multiple mailing addresses, then they would need to request that. No other person can request a change of mailing address.

Tenants are not allowed to solely initiate Utility services and must jointly apply with the Property Owner, except in the case of a Property Owner who is delinquent on payment, pursuant to the District’s Water Discontinuation Policy. Service may be furnished on the account of a Tenant; however, the Property Owner/Landlord must also be a signatory to the application. Two or more parties who join in one application for service shall be jointly and severally liable for the payment of the bills. If an approved Agent of the Property Owner, whose mailing address is different than that of the Premises, jointly applies for service as a representative of the Property Owner, the Property Owner must provide express written consent for third-party notification and to the validity of the agency relationship. A non-refundable application fee of \$0.00 shall be collected from each applicant for Utility services for each service location.

Establishment of Credit: Each applicant for service is required to establish credit, which will be deemed established upon qualifying under any one of the following:

4. It is determined that the applicant is creditworthy by meeting certain criteria.
5. Applicant arranges a guarantor satisfactory to the utility for the payment of applicant’s bill for service.
6. Applicant has been a customer of the Utility and during the last twelve (12) consecutive months of that prior service has paid all bills for service without having been disconnected for non-payment thereof.
 - a. If the applicant is a tenant of a rented property who has the right to become an applicant in their own right pursuant to the District’s Water Discontinuation Policy (see Utility Service Policy Manual), proof of prompt payment of rent or other credit obligations acceptable to the District is a satisfactory equivalent for this prior service qualification.

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BILLING AND PAYMENTS

Billing Procedures: Bills for service will be rendered to each customer on a bi-monthly basis. Meters will be read at regular intervals for the preparations of periodic bills and as required for the preparation of opening bills, closing bills, and special bills. Each meter on a customer's premises will be considered separately and the readings of two or more meters will not be combined.

The opening bill for service will not be less than the established monthly minimum. Any amount paid in excess of the prorated charges otherwise applicable to the opening period will be credited against the charge for the next regular billing period(s).

Bills will show the reading of the meter at the end of the billing period for which the bill is rendered, the meter constant (if any), the number and kinds of units delivered, the date of the current meter reading, the date the bill is due and the date that any late fee can be applied.

Payment Procedures: Bills for service are due and payable upon presentation and payment made at a commercial office of the Utility, mailed to the authorized post office box, placed in locked drop boxes in the subdivision, to a customer service representative of the Utility authorized to make collections over the telephone, or via an online billing portal. The customer may make payment in the following forms:

1. By personal check; however, the utility may charge \$25.00 for any bad check or electronic fund transfer not honored and may require subsequent payments be made by Money Order or Cashier's Check.
2. At the option of the customer, a credit card, debit card, or ACH/electronic check payment may be made. These payments will be accepted through the use of a third-party vendor, and a non-refundable transaction fee shall apply. For credit card, debit card, and ACH/electronic check payments made through the provided internet portal and/or with a customer service representative, the convenience/transaction fee shall initially be \$2.95 per transaction, or as necessary to fully cover the payment amount plus any transaction charge incurred by the Utility. All transaction fees are paid by the customer directly to the vendor and not the Utility.

SECTION 3: WATER SHUT OFF POLICY – DISCONTINUATION FOR FAILURE TO PAY

It is the goal of the District to treat all its customers fairly and provide fair treatment that includes the ability to contest a bill, seek alternate payment schedules, and demonstrate medical need and severe economic hardship in compliance with California law and Senate Bill 998 signed by the Governor on September 28, 2018, and titled the Water Shutoff Protection Act (Health & Safety Code §§116900, *et seq.*). These provisions do not apply to the termination of a service connection by District due to an unauthorized action of a customer (see Section 5).

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Delinquency: Rendered bills will be considered past due if not paid within nineteen (19) days from the date of mailing. A late fee of ten percent (10%) will be applied if the bill is not paid on or before the due date. The delinquent balance including additional charges shall be assessed an interest penalty at the rate of one and one-half percent (1.5%) per month. The late fee and interest penalties will be included with the next billing. Utility accounts remaining unpaid after the due date shall be subject to disconnection from water services after sixty (60) days.

Notice: The Utility will provide written notice to customer by mailing a 10-Day Discontinuance of Service Notice at least fifteen (15) days prior to shut off. When a bill for water service has become past due and a 10-Day Discontinuance of Service Notice has been issued, service may be discontinued if the bill is not paid within the time required by such notice, and customer has not demonstrated hardship as defined below. The notice will be in English, but made available upon request in Spanish, Chinese, Tagalog, Vietnamese, Korean, or other language spoken by at least ten percent (10%) of residential customers in the District's service area.

If the customer is a landlord and does not reside on the Premises, the Utility will also provide notice of the delinquency to the occupant of the Premises and inform the occupant of their right to become a customer in their own right at least ten (10) days prior to shut off. The occupant must, however, complete the Utility's application for service and meet all the terms and conditions thereof, subject to the Utility's reasonable discretion. If accepted as a customer, the Utility will waive the delinquent charges for the single-family Premises occupied by the tenant/occupant, if the new customer proves to the Utility's satisfaction that he or she was not the record owner of the Premises at the time of the delinquency.

A good faith attempt will be made by the Utility to personally contact an adult person on the Premises during the delinquency period, including visiting the Premises and leaving a copy of the Utility's Shutoff Policy in a prominent location. A notice of imminent discontinuance of service shall be posted in a conspicuous location at the service address at least 48 hours prior to shut off. Service will be shut off if the account holder has made no response to noticing.

Disputed Bills; Appeal Procedure: Any customer who disputes a charge or requests a review of their bill within ten (10) days of receiving a contested bill shall be given an opportunity for review from a manager. Service will not be discontinued during a customer's review period. The review shall include consideration of whether a residential customer shall be permitted to make installment payments on any unpaid balance of the delinquent account over a reasonable period of time, not to exceed twelve (12) months. Such service shall not be discontinued for nonpayment for any customer complying with an installment payment agreement entered into with the Utility, provided the customer also keeps current their account for water service as charges accrue in each subsequent billing period. If a customer fails to comply with an installment payment agreement by either failing to pay the current charges or the installment payment charges for sixty (60) days, the Utility will post in a conspicuous place on the Property, and mail a 5-day Discontinuance of Service notice before discontinuing such service. Such notice shall not entitle the customer to further investigation by the Utility.

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Hardship Exception: Residential service will not be discontinued if the customer has established to the Utility's satisfaction that the customer has a hardship preventing them from being able to pay delinquent fees on time (a "Hardship"). To demonstrate Hardship, the customer must do all of the following:

1. Provide a primary care provider's certification that discontinuing water service at the Premises will be life threatening to, or pose a serious threat to health and safety of the customer/occupant;
2. Demonstrate that the customer is financially unable to pay within the Utility's normal billing cycle because either a) any resident of the Premises currently receives CalWorks, CalFresh, MediCal State or Federal Social Security Income, or California SNAP benefits; or b) the customer's household income is less than 200% of the poverty level; and
3. Demonstrate willingness to enter into an amortization agreement, alternative payment schedule, or a plan for temporary deferred or reduced payment approved by the Utility.

If the customer has demonstrated Hardship, the Utility will enter into an alternative payment arrangement with the customer allowing repayment within twelve (12) months. Such alternative arrangement must meet all the requirements of the "Disputed Bills" section above and can be terminated for customer's failure to pay either the current water charges or the alternative arrangement charges for sixty (60) , and with five (5) days' notice to the customer prior to shut off.

Fees After Shutoff: If service is interrupted due to delinquency or vacancy, a service interruption fee per Section 5 shall be added to the account. In addition to service interruption, if the customer's services are interrupted due to delinquency and the utility shut off valve or water meter is found to be damaged or inoperable, whether or not from the willful or accidental act of the customer, the component shall be replaced or repaired and the cost of furnishing parts and installation labor will be added to the account and placed on the following bill. All past due amounts must be paid in cashier's check, money order, and credit/debit card (no personal checks) before services are restored.

The Utility may charge the reconnection fee of no more than \$50.00 for reconnection fees during normal operating hours and \$150.00 for reconnections outside normal operating hours. This fee is subject to increases based on the Consumer Price Index starting January 1, 2021.

If service has been discontinued for non-payment for a period greater than thirty (30) days, the Utility may attempt to collect delinquent accounts by the following methods:

1. The Utility may impose a lien on the property and recover the charges and fees by filing a recovery action in small claims court.

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2. The delinquent balances may also be processed through a collection agency where all costs of collection shall be charged against the delinquent customer account, in addition to any other late fees, penalties and interest.

Reporting: The Utility will post its water shutoff policy and a list of its annual shut offs on its website. This information will also be available online at the State Water Resources Control Board website. See https://www.waterboards.ca.gov/water_issues/programs/conservation_portal/assistance/ for more information.

SECTION 4: DISCONTINUANCE AND RESTORATION OF SERVICE FOR ALL OTHER REASONS

Discontinuance of Service by Customer Request: A customer may request to have service discontinued; however, at least two (2) days' advance notice to the Utility is required. Charges for service may be required to be paid until the requested date of discontinuance. When such notice is not given, the customer will be required to pay for service until two (2) days after the Utility has knowledge that the customer has vacated the Premises or otherwise has discontinued water service. If a tenant requests to have service discontinued, the Property Owner must also provide consent before service will be discontinued.

Discontinuance of Service for Noncompliance with Rules: The Utility may discontinue service to any customer for violation of any District rules or the following circumstances:

1. Waste of Water: Where negligent or wasteful use of water exists on a customer's Premises, the Utility may discontinue the service if such practices are not remedied within five (5) days after it has given the customer notice to such effect. Where safety of water supply is endangered and the customer is not present, service may be discontinued immediately without notice.
2. Dangerous Connection: If an unsafe or hazardous condition is found to exist on the customer's Premises, or if the use of water thereon by customer equipment is found to be detrimental or damaging to the Utility or its customers, the service may be shut off without notice. The Utility will notify the customer immediately of the reasons for the discontinuance and the corrective action to be taken by the customer before service can be restored.
3. Unauthorized Use: When the Utility has discovered that a customer has fraudulently obtained service or is using it for an unauthorized use, the service to that customer may be discontinued without notice. The Utility will not restore the service until that customer has complied with all adopted rules and reasonable requirements of the Utility and the Utility has been reimbursed for the full amount of the service rendered and all other costs the Utility incurred because of said use.

Restoration of Service: Where service has been discontinued for violation of the circumstances described above or for nonpayment of bills, the Utility may charge \$25.00 for the reconnection

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of service during regular working hours or \$50.00 for reconnection of service at other than regular working hours. The Utility will endeavor to make reconnections during regular working hours on the day of the request, if conditions permit, otherwise reconnections will be made on the regular working day following the day the request is made. When a customer has requested the reconnection be made at other than regular working hours, the Utility will reasonably endeavor to make the reconnection if feasible. For customers that request service disconnection, service reconnection shall only be performed during regular business hours. A service discontinued in error by the Utility, will be restored without charge for the restoration to the customer within twenty-four (24) hours.

SECTION 5: SERVICE INTERRUPTIONS

Emergency Interruptions: The Utility will make all reasonable efforts to prevent interruptions to service and when such interruptions occur will endeavor to re-establish service with the shortest possible delay consistent with the safety to its customers and the general public.

Scheduled Interruptions: Whenever the Utility finds it necessary to schedule an interruption to its service, it will, where feasible, notify all customers to be affected by the interruption, stating the approximate time and anticipated duration of the interruption. Scheduled interruptions will be made at such hours as will provide the least inconvenience to the customers consistent with reasonable utility operations.

Where an interruption of service affects the service to any public fire protection device for longer than a 24-hour period, the Utility will notify the public agency responsible for fire protection of the interruption.

Records of Service Interruptions: The Utility shall keep a complete record of all interruptions, both emergency and scheduled, when more than twenty-five (25) service connections are interrupted. These records are to be kept with the Utility's records and shall include the date and times of interruption and restoration, the number of service connections affected, the cause of the interruption, and the action taken to restore service.

Notice of Service Interruption: Notices to a customer for Service Interruptions will normally be in writing and, depending on the type of and/or severity of the interruption, will either be delivered or mailed to the Customer's address on file in their application. In emergencies will promptly notify the customer affected and make such notification orally, either in person or by telephone.

SECTION 6: CUSTOMER SERVICE STANDARDS

Customers should receive service that is consistently reliable, as the services the Utility provides are essential to daily life. Customer service representatives will be available during normal business hours to field inquiries regarding customer accounts, service problems and general complaints. Utility representatives will be helpful, courteous and patient when attempting to troubleshoot customer concerns. The representatives are also trained to ask questions and gather

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information that can be effectively passed on to on site field technicians in order to facilitate fast and efficient problem solving. To provide strong customer service, the Utility will handle customers in accordance with the following set of standards:

1. Telephone Performance Standards: To ensure that customer inquiries have timely responses during normal business hours, the Utility shall set a goal of answering all customer service inquiries within thirty (30) seconds of the customer making contact. This will be accomplished by utilizing multiple customer service representatives trained specifically on Utility troubleshooting and frequently asked questions pertinent to the utility industry.
2. Work-Order Standards: To ensure that all scheduled work is performed in a timely and efficient manner, when scheduling appointments, the Utility will provide the customer with a four (4)-hour established period during which the Utility representative will be at the customer's premises. Beyond emergency repair responses, the types of jobs resulting from customer requests that will receive priority are meter turn-ons, disconnects and reconnects.
3. Customer Response Standards: To ensure that customer complaints are effectively addressed within a reasonable time period, the Utility shall adhere to certain time periods of complaint acknowledgement and response. Upon receipt of a complaint not addressed immediately, in writing or by telephone, the Utility shall contact the customer within three (3) business days to acknowledge receipt of the complaint. Further, the Utility shall provide a substantive response to the customer in no less than ten (10) business days.

Customer Complaint Records: For a period of no less than three (3) years, the Utility shall keep a record of each complaint, categorized by the date received and nature of the complaints, showing the name, address and account number of the customer making the complaint, the date of acknowledgement, the response to the complaint and date responded, and the result of the response. Complaints with reference to rates or charges, which require no further action by the Utility and/or those determined to be out of the direct control of the Utility, do not need to be recorded.

SECTION 7: WATER CONSERVATION

The purpose of water conservation is to ensure that water resources available to the Utility are put to a reasonable beneficial use and that the benefits of the Utility's water supply continues to serve its customers in all circumstances and conditions. The Utility best promotes conservation through appropriate metered pricing rates, continuous customer education, and effective waste and leak reporting.

Water Waste Investigation and Reporting Procedures: The purpose of these procedures is to establish mechanisms that facilitate employee- and customer-identified violations. The Utility shall track and record reports of violations, actions taken to curtail waste and the results of such

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actions. These procedures will coincide with State Regulations, the Utility's Water Shortage Contingency Plan and the current drought conditions of the area, as such, these procedures are intended to provide a general framework and may be amended at any time to meet new legislative requirements or government mandates. These procedures pertain to incidences where the Utility is in receipt of a report of an alleged water waste violation – either from a customer or as observed by a Utility employee. These procedures assume that the Utility is going to investigate and verify a water waste observation or complaint, and then engage the customer in corrective action before enforcing penalties. As a minimum precaution, the Utility shall require all customers to voluntarily comply with a seasonal watering schedule established and posted by the Utility. The following incidences shall be seen as using water in a wasteful manner:

1. When the Utility has notified the customer of broken plumbing or sprinklers and the customer has failed to respond within a five (5) business day period;
2. When there are visible signs of excessive water use such as flooding and unnecessary runoff; and
3. When a customer is watering or irrigating a lawn or landscape area outside of the seasonal watering schedule.

Investigation and Verification Process of Water Waste Violation: Upon observance of possible water waste, the Utility employee engaged in an investigation will create a report on the alleged violation by completing an Investigation Report Form, which at a minimum will include the date and time of observation, staff member name or third-party reporting alleged violation, customer name and address, type of water use violation, and a photographic evidence.

Customer Present: If the customer is present at the time of investigation, the responding technician may ask the customer to discontinue the source of water waste and discuss ways the Utility can work together with the customer to mitigate any possible future waste. Aside from remedying any current violations, the primary goals following the investigation is to educate the customer on the efficient use of water, verify that the customer knows and understands what activities can be perceived as using water in a wasteful manner, and provide further information on water saving tips, rebates and programs available. If the customer has other concerns or suspects a leak, a water audit can be offered by the customer scheduling an appointment. The customer may also request automatic irrigation sprinkler timer resetting to the appropriate seasonal watering schedule, or request more information on water-saving devices. To complete the report, the responding technician will record the contact information of the individual present, note if water waste was confirmed and write what action the customer committed to taking, if any.

Customer Not Present: If the customer is not present at the time of the investigation, the responding technician will document the findings, note if water waste is visibly evident and shut the water off in cases of emergency. The technician should check the water meter to determine if there is use and/or an indication of a possible leak. After the inspection, the responding technician shall provide the Premises with a completed door tag that notes whether the apparent

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violation of water waste was confirmed, if water service was shut off, and what action the customer needs to take.

Leak Detection: The Utility shall contact customers that are in the top percentages of highest water users and those expected of having leaks of greater than one hundred (100) gallons per hour. A detected leak is defined as the lowest gallons per hour detected when not more than a 15-minute break in flow occurs for a 24-hour period. The Utility shall attempt to contact these customers on a monthly basis via telephone and if they cannot be reached, a Leak Notice may be sent to the Premises.

Monthly Investigation Report Summary: Investigation Report Forms will be submitted to the administrative office for completion and entry into the Customer Information Management System. In completing the report, the Utility shall note previous month water usage compared to current month water usage, and note the amount of confirmed violations the customer has been given in the following 12-month period. The month's actions shall be compiled and results documented in a Monthly Summary Report, which at a minimum must include the number of water waste complaints and observations, the current month total potable water production (from wells), the current month total potable water usage (from meters) and Residential Gallons-Per-Capita-Day.

While water conservation efforts shall be implemented continuous throughout the year, enforcement will not result in a monetary fine unless a water shortage crisis exists or if a regulator requires mandatory reductions or rationing. If water supplies are projected to be insufficient to meet normal customer demand or mandatory rationing is declared by a governing agency, the Utility may need to act to approve formal provisions for mandatory rationing and usage restrictions.