

Policy Statement: Water Shut-Off Policy and Procedure

The following procedure shall be used by the management of Lake Arrowhead Community, Inc. (LACI) with respect to shutting off water service to residences in those circumstances where property owners have failed to pay the annual assessment owed to LACI, or where property owners have entered into a Partial Payment Arrangement (PPA)-our ten-month installment plan-and have failed to comply with the terms of that arrangement.

Failure to Pay Assessment

LACI assesses an annual fee to members of the community consistent with the provisions of state legislation, property deeds, and LACI by-laws and procedures. This annual membership assessment contributes toward the maintenance of Community infrastructure (water system, roads, etc), recreation facilities (clubhouses, pools, beaches, etc) and member services (administration, water treatment and distribution, road maintenance and snow removal, etc).

House Lots: In those instances that a property owner within LAC has failed to pay the monthly installment for a property containing a residence then, as soon as the tenth day of the following month (or first business day thereafter), LACI shall forward such property owner a "water shut-off notice". This notice shall make a demand for payment of the past-due amount, accrued interest and other fees, water shut off notice fee, and current month's dues. This notice shall provide the member as few as three (3) days and not more than fifteen (15) days to bring the account "current", and shall stipulate the deadline for making such payment and the day upon which the water service will be shut-off.

IF WATER HAS BEEN PREVIOUSLY SHUT OFF DURING THE CURRENT FISCAL YEAR AND IS TURNED OFF A SECOND TIME OR THERE HAS BEEN ANY TAMPERING, PAYMENT FOR THE REMAINING YEAR'S DUES AND ALL ADDITIONAL CHARGES WILL BE DUE AND PAYABLE IMMEDIATELY. THE PPA OPTION WILL NO LONGER BE AVAILABLE FOR THE REMAINDER OF THE YEAR.

<u>Notice</u>

The "Notice of Water Shut-Off" shall be sent by regular mail, to the owner's last known address. In the case of a property that is known to be rented by the owner, a copy of the notice shall be sent by regular mail to the last known address of the renter if such address has been provided to LAC by the Owner.

Timing of a Water Shut-Off

A disconnection shall occur between 8:00 AM and 1:00 PM, and shall not take place on a Friday, weekend, legal holiday, day before a legal holiday, or on a day when the LACI business office is not open.

No Notice Required

No notice need be given to an owner in the event the water is shut-off due to unauthorized usage, a dangerous condition, and/or a request for disconnection or abandonment.

Water System Tampering and Damage

Members tampering with the shut off valve and or pipe, including turning back on once turned off by LAC per this procedure, shall be fined an additional one hundred and fifty dollars (\$150) for the first offense. Additionally, members are responsible for damage caused as a result of unauthorized tampering with the water shut off fixture. Should the member tamper with the system a second time, the member will be fined \$300. Should the member tamper with the system a third time, the water will be turned off at the street and the member will be charged a minimum of \$450 for time, materials, and additional fine fees.

Reconnection Charges

Before any water service is reconnected, the Owner must be current in all assessments, fees, fines, and other charges, and must additionally pay a water visit fee of seventy five dollars (\$75.00). After receipt of payment in full, the water service will be reconnected if paid before 2:00 p.m. or the next business day if payment is received after 2:00 p.m.. Once the water has been turned off,, payment by credit card, cash, bank check, or money order – NO PERSONAL CHECKS will be accepted for payment.

Extenuating Circumstances

Before any water service is reconnected, the Owner must be current in all assessments, fees, fines, and other charges, and Water Turn on for Extenuating Circumstances may be authorized by the Board of Trustees and/or its President only. An

Page 1 of 2

O:LAC Manual - Permanent Records\Policy\Policies\Building, Additions, Water, Roads, Etc\Water Shut off Policy Dec 2011.docx Adopted June 17, 2000, Revised 12/6/2011 2:23:00 PM BOT example would be for the turn on of water during non-business hours (i.e., weekend, holiday, evenings, etc.). The fee is not waiver able and must be paid in full prior to the turn on along with all other charges on the account.

To re-establish the water connection on a property where the water has been turned off for non-payment, the following procedures must be followed.

1. In addition to the normal fee for a water turn on service, an additional \$75 service charge will be added to cover the cost of calling in an employee for the required minimum call in time.

2. All dues, fees, and any other charges must be paid in full prior to the turn on (including the fee above).

3. The requesting member or an authorized representative must be present during the water turn on to verify that there are no leaks.

4. Lake Arrowhead Community, Inc. shall bear no liability for damages caused by turning the water on and the member or the authorized representative, on behalf of the client, agrees to hold LAC, Inc. harmless for any and all damages that may result from this service.

5. Once payment is made, the Public Works manager will be notified to schedule for the water to be turned on as soon as practical.

Medical Emergency

LACI will refrain from disconnecting water when a written certification is received from a registered physician with: the name and location of the member and or name and address of the person with the medical emergency; a statement that a serious illness or medical condition exists which would be seriously aggravated by lack of the water service; and the anticipated length of the medical emergency. Water shut off will continue if payment has not been made by the end of the medical emergency period. An oral declaration by the Physician will be accepted however a written confirmation must be received within seven (7) days of the oral declaration. The extension will be granted based on physician statement and will delay water shut off for no more than seven days.

Payment Plans

The board of trustees will accept payment plans in order to avoid shut off if the member initiates the plan prior to the water being shut off. All plans must include the dates and amounts of the proposed payment plan. It is to be understood by the requesting member that payments must be made when proposed and if a payment is missed, the plan will become null and void and the water will be turned off the following business day with no additional notification. Once the plan has been reviewed by the board, you will be notified of their decision.

FEE STRUCTURE

Late Fee - Payment received after the 25 th of the Month (Monthly Charge)	\$15.00
Annual Interest - Finance charge on amounts remaining unpaid after 25 th of month.	15%
Water Shut-off Notice Processing and Mailing	\$25.00
Water Reconnection/Visit Fee	\$75.00
Water Tampering Fee - first offense	\$150.00
Water Tampering Fee – second offense	\$300.00
Water Tampering Fee - third offense (Cost of all labor, equipment time, and)	\$450.00 Minimum
Returned Item Fee	\$30.00
Lien Research and Recording Fee	\$67.00
PPA – Payment Plan Arrangement Fee Monthly Charge	\$5.00