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# **RULES AND REGULATIONS OF THE PINE HILLS MUTUAL WATER COMPANY**

**Revised May 1, 2021**

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## **RECOMMENDATIONS**

It is strongly recommended that weekenders and others not living full time in the area shut off their water systems at the meter between periods of occupancy in an effort to prevent unidentifiable water loss; and that such systems be properly drained during periods of possible freezing weather in an effort to prevent damage to pipes and fittings.

## **PRELIMINARY STATEMENT**

The Board of Directors of the Company, pursuant to the authority and power reserved to and conferred upon said Board by The Articles of Incorporation, and the amended Bylaws of the Company, does hereby adopt these Rules and Regulations to become and be effective on the 1<sup>st</sup> day of May, 2021 and to remain in effect until repealed and to supplant all previously adopted rules, regulations and rates.

### **1. Territory Served**

All property served with water must lie within the boundaries of Pine Hills Subdivision as shown by Map No. 1393 and re-subdivision Map No. 1641 located in San Diego County. Neither the company nor any owners of property served shall transmit water beyond the boundaries of said subdivision.

### **2. Description of Services**

- a. Water will be sold by the company through metered service at the pressure existing in the distribution system at each meter location. If customer desires any pressure regulation or increase in pressure, customer may install and operate such equipment, subject to the approval of the company, at customer's expense on customer's property.
- b. Water is sold only for household and domestic use for flowers, shrubs, small gardens and lawns connected with the home. The board reserves the right to refuse service for any purpose that

might create a demand upon the system which might be detrimental to other customers of the company.

### **3. Application for Service**

- a. Application for service shall be made at the office of the company by completing an application for service and furnishing a plat of the property to be served. Application for service must qualify as follows:
  - 1) Property to be served must lie within the company service territory. Location, lot number and size to be furnished with plat.
  - 2) The applicant must be the owner of record of the property and the owner of one (1) share of Pine Hills Mutual Water Company stock for each parcel to be served.
  - 3) Applicant shall pay to the company in advance \$7,500 as a connection charge for each meter installation.
  - 4) In cases of new meter applications where no existing supply lines have been installed in or to the area involved, the cost of such additional lines will be paid by the current property owner(s) in each case. Actual cost(s) of installation including meter and other requirements shall be payable prior to work start unless other arrangements have been mutually agreed upon between the Board of Directors and the applicant(s).
  - 5) Contractors and others doing construction and/or repair work, etc., may apply to the Board of Directors of the Company for temporary water delivery through a meter to be installed, read and removed by PHMWC personnel only. All costs for such service and water shall be borne by the applicant.
- b. All future installation of water lines will follow property lines when possible. Water line routes to be maintained as straight as possible.

- c. Installation drawings of proposed water line(s), that will become the responsibility and property of PHMWC, shall be submitted to PHMWC no less than sixty (60) days prior to construction. The general manager or his/her designate shall inspect all water lines installed by contractors for conformance with American Water Works Association (AWWA) specifications. No trench will be closed without PHMWC approval. PHMWC reserves the right to choose the type of pipe recommended under AWWA specifications.

#### **4. Water Delivery**

- a. All water delivered by the company shall be metered. Upon approving the application for service and receipt of required deposits, the company will furnish and install the necessary main, service, meter and meter box. The company will select a location for the meter and meter box adjacent to the property line of the property to be served, the applicant to extend his own piping from this location. All meters and service pipes installed by the company upon the customer's premises for the purpose of delivering water shall continue to be the property of the company and may be repaired, replaced, or removed by the company at any time. Meters and service shall at all times be accessible to the company for inspection, reading and testing.
- b. The company will determine the location on or along its distribution system of the diversion and metering points and the connections for serving each customer.
- c. Before any delivery will be made to a customer there must be installed a service, meter and meter box for measuring the water delivered to the customer.
- d. No customer shall change any service or meter without consent of the company.
- e. When a water meter stops recording water consumption, property owner will be billed 75% of last year's same billing period.

- f. When a customer requires a larger meter to replace existing meter, PHMWC will provide and install required meter. The purchase and installation cost of this meter is the customer's responsibility. These charges will be determined by the PHMWC Board of Directors.

## **5. Tolls and Charges**

- a. A charge or toll determined by and in accordance with a schedule of charges or rates established and fixed by the Board from time to time shall be payable to the company on account of such water service. These tolls or charges include a one-time meter installation charge, a monthly standby charge (service charge irrespective of water usage), a water charge, based upon the amount of water used per month, and charges against the shares, known as assessments, which may be levied from time to time by the Board of Directors on all shares.
- b. Meters shall be read every two (2) months on or about the last day of the calendar month.
- c. Customers will be billed on the last day of the month following the reading of meters for any charges due. Charges shall become due upon receipt of billing and shall become delinquent on the last day of the following month.
- d. Upon necessity of rebilling any past due fees, a 10% rebilling charge will be assessed on the outstanding balance.
- e. Upon due notice by the company, water service shall be discontinued when a bill has remained unpaid after ninety (90) days from the billing date.

## **6. Discontinuance of Water Service For Nonpayment**

Whenever either tolls or charges for water service or assessments on water stock remain delinquent for sixty (60) days service may be discontinued by the company and no customer shall be entitled to delivery of any water or to take or have delivered any water so long as there are delinquent tolls and charges or stock assessments for the service under which the delivery would have been made. If water

service is not being provided to the property, i.e. no meter installed, delinquent charges shall become a lien against the shares issued appurtenant to the property. When service has been discontinued (locked off) for non-payment of assessments, tolls and charges, it shall not be resumed until all such assessments, tolls, and charges have been paid. This includes noncompliance with Cross-Connection Program. The charge for resumption of service after payment of delinquent charges and penalties if any shall be \$100. Please refer to PHMWC's Discontinuance of Water Service for Nonpayment Policy and Billing and Collection Policy at the end of these Rules and Regulations for the full policy details.

#### **7. Non-Liability for Interruption to Service**

The company shall not be liable for any loss or damage occasioned by or growing out of any discontinuance of or failure on its part to furnish water or service at the times desired, or at all, or for interruption to service, and the company does not guarantee a constant or uninterrupted supply in service, or any specified quantity of water, and shall not be liable for any failure to supply the same except when such failure is due to its own gross negligence.

#### **8. Apportionment of Water**

The Board of Directors may at any time or times and in such manner as the Board shall determine, apportion the amount of water available and to be delivered to each share of water stock for any season, year or period of time. Shares shall not be transferred except as an appurtenance to the land described in the certificate of stock in order to obtain water rights under apportionment.

#### **9. Discontinuance of Water Service**

- a. The company shall have the right to refuse to deliver water service to a customer if any part of the customer's service or equipment shall at any time be hazardous to the company's system.

- b. The company shall have the right to refuse to deliver water to any premises and at any time to discontinue service if found necessary in order to protect itself against abuse or fraud.
- c. If the PHMWC Board of Directors determines that a customer is not in compliance with the Rules and Regulations set forth by this water company, the Board of Directors can stop the delivery of water to the customer by removing the meter servicing their property. Before meter is removed the customer will be given 120 days to comply. During this period the Board of Directors will send the customer three letters. The first two letters will discuss the noncompliance problem and how it can be corrected. The third letter, if needed, will inform customer that the PHMWC Board of Directors will stop customer's water service by removing the water meter. After compliance with PHMWC Rules and Regulations, customer can request the reinstallation of this meter. The reinstallation will be treated as a new water hookup and the customer will be charged \$7,500 for the meter installation.
- d. The company will not furnish water service to any customer if the delivery of such service should be detrimental to the service of other customers connected to the company system.

## **10. Resale of Water**

No customer shall resell any of the water received from the company to any other person, firm or corporation on the customer's premises or for use on any other premises.

## **11. Company's Right to Ingress and Egress**

The company shall at all times have right of ingress and egress the customer's premises at all reasonable hours for any purpose connected with the furnishing of water and the exercise of any and all rights secured to it by law or these rules and regulations.



## **12. Customer Responsibility**

- a. The customer shall at his own risk and expense, furnish, install and keep in good and safe condition all pipes, appliances, fixtures and apparatus which may be required for receiving water service from the company.
- b. The customer shall be subject to a charge for all water passing through the water meter and the company shall not be expected to make adjustments for water loss on the customer's side of the meter.
- c. Customers shall be responsible for the safety and prevention of damage to the company's piping, valves, meters and other fittings which exist on or adjacent to their property. The company shall be notified if unusual conditions are noted, and prior to any digging, blasting or other activity which might endanger the company's facilities.
- d. Shareholder must submit no less than sixty (60) days prior to breaking of ground for new construction or improvement, site plans that show existing structures and proposed modification. The PHMWC will determine if there is any impact on the water system. If realignment of piping, valves, meters and other fixtures is required, customer will pay 50% of cost for such realignment. Failure to pay shareholder's share of construction or relocation costs may result in discontinuance of water service.
- e. When shareholders are asked to vote on issues affecting PHMWC procedures, each shareholder is given one (1) vote per parcel.
- f. Upon sale of property, prior to the issuance of a new Shareholder Certificate, the seller, at their expense, shall certify that no water leaks are present on owners' side of the water meter. This can be determined during a Home Inspection or by a California Licensed Plumbing Contractor. It is in the best interest of the seller to have all water leaks mitigated prior to the buyer taking possession of the property. These steps will reduce customer water charges if leaks were detected and ensure that everyone's efforts to conserve our water supply benefit all Shareholders.

### **13. Transfer of Water Shares**

- a. A \$100 fee will be charged to the seller for transfer of water stock.
- b. No transfer of the share of the company can or will be made on the books of the company while any assessment, charge or toll there against remains or is unpaid.

## **CROSS-CONNECTION CONTROL REQUIREMENTS**

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**The purpose of these Cross-Connection Control Requirements is to:**

1. Protect the potable water supply of the Pine Hills Mutual Water Company (PHMWC) from the possible contamination or pollution by isolating within the customer's internal distribution system or the customer's private water system such contaminants or pollutants, which could backflow into the PHMWC's water distribution system.
2. Promote the elimination and control of existing cross-connections, actual or potential, between the customer's onsite potable water system and non-potable water system existing or potentially existing within the customer's onsite distribution system.
3. Provide the maintenance of a continuing Program of Cross-Connection Control, which will systematically and effectively prevent the contamination and pollution of all potable water systems within the PHMWC.

**Definition of terms included herein:**

All definitions of Cross-Connection Control and responsibilities of the PHMWC and its customers shall be as outlined in the current edition of the Manual of Cross-Connection Control, Foundation for Cross-Connection Control and Hydraulic Research, University of Southern California.

**The responsibility of each party, PHMWC and customer are:**

1. PHMWC is responsible to the State of California, Department of Health, Office of Drinking Water and its customers to maintain an effective and current Cross-Connection Control Program as outlined below:
  - a. No water service connections to any customer shall be installed or maintained by the PHMWC unless the water supply is protected as required by Title 17, California Administrative Code, Department of Health Services. This includes new

customers resulting from the sale or transfer of ownership of said property. The minimum service protection within this service area shall be a reduced pressure principle assembly installed at all customer service connections (meters), recommended not to exceed 12 inches between the meter and the installation of the assembly; but in all cases before the first branch line leading off the service line.

- b. All reduced pressure prevention assembly testers shall be certified by the certified Backflow Assembly tester (American Water Works Association or American Backflow Prevention Association) approved by PHMWC.
2. The responsibility of each PHMWC customer shall include, but not be limited to:
- a. A reduced pressure principle assembly installed at all customer service connections (meters), recommended not to exceed 12 inches between the meter and the installation of the assembly; but in all cases before the first branch line leading off the service line.
  - b. Each assembly is to be certified at least annually as directed by the PHMWC, or at any time of repair, relocation, or replacement by the customer. Should an assembly require repair, relocation or replacement during the annual certification period, it must be certified immediately after the work is completed and original certification submitted to the PHMWC within thirty (30) days. The assembly shall return to the PHMWC annual certification schedule.
  - c. PHMWC must be notified of any installations, repairs or maintenance to the customer's backflow assembly with thirty (30) days.
  - d. The cost of purchasing, installing, maintaining and certifying the customer's backflow assembly is the responsibility of the customer.

**Non-compliance and penalties:**

In the event a customer is notified that a backflow assembly shall be installed or tested on the customer's service connection and a time period outlined by the PHMWC has been allowed in which the customer has not complied with the District's request, then the customer's water service shall be locked off. The customer's water service shall remain locked until an approved backflow assembly is installed and/or tested, and unlock fees are paid. Unlock fees shall be consistent with fees as outlined in the Rules and Regulations of the PHMWC.

**Annual charges:**

Annual charges may be established by the PHMWC as necessary. The purpose of such charges will be to cover the cost incurred by the PHMWC for regulation and enforcement of the Cross-Connection Control Regulations. Title 17 of the California Administrative Code, Department of Health Services shall define these regulations.

# **DISCONTINUANCE OF WATER SERVICE FOR NONPAYMENT**

## **Purpose:**

This policy has been developed by Pine Hills Mutual Water Company (PHMWC) and is intended to comply with the California Health and Safety Code, Chapter 6, Sections 116900 et. seq., also known as Senate Bill 998 (SB 998) and includes the following components:

1. A plan for deferred payments
2. Alternative payment schedules
3. A formal mechanism for customers to contest or appeal a bill
4. A telephone number for customers to contact to discuss options to avoid discontinuation of water service due to nonpayment.

PHMWC will make a reasonable, good faith effort to notify customers of amounts past due and the subsequent collection actions after a bill becomes past due. Customers can call the PHMWC billing office at (760) 765-1243 or email [pinehillswater@gmail.com](mailto:pinehillswater@gmail.com) for options to avoid discontinuance of water service for nonpayment under the terms of this policy.

PHMWC will not discontinue water service for nonpayment until the payment is delinquent for at least 60 days after the bill due date (90 days after the bill date).

PHMWC will post a final Shut Off Notice at the service property no less than 7 business days before discontinuing water service.

In addition, as required by SB 998 PHMWC will not discontinue water service for nonpayment if all of the following conditions are met:

1. The customer or tenant submits certification from a licensed primary care provider that discontinuation of water service will be life threatening to or pose a serious threat to the health and safety of a resident of the premises where the water service is provided.

2. The customer demonstrates they are financially unable to pay for water service within the normal billing cycle by demonstrating that any member of the household is a current recipient of CalWORKS, CalFresh, general assistance, Medi-Cal, Supplemental Security Income/State Supplementary Payment Program, or California Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), or the customer declares that the household's annual income is less than 200 percent of federal poverty level.
3. The customer is willing to enter into an amortization agreement or alternative payment arrangement with respect to the delinquent charges.

A customer may not have more than one amortization agreement or alternative payment arrangement in effect for the same water connection at the same time, and no such arrangements shall extend beyond 12 months.

Water service will be discontinued no sooner than 5 business days after PHMWC posts a final notice of intent to disconnect water service in a prominent and conspicuous location at the service property under either of these circumstances:

1. The customer fails to comply with an amortization agreement or alternative payment arrangement for delinquent service charges for 60 days or more.
2. While undertaking an amortization agreement or an alternative payment arrangement, the customer does not pay the current service charges for 60 days or more.

**Discontinuance of Water Service:** If water service is discontinued, it will not be restored until the account is paid in full and a \$100 reconnection fee\* is paid to restore service (\*or \$50 for customers who demonstrate household annual income less than 200 percent of federal poverty level as required by SB 998).

**Notice to Tenants:** PHMWC will make a reasonable, good faith effort to inform occupants, by means of written notice, when the water service account is in arrears and subject to disconnection at least 10 days before water service is shut off. Tenants have the right to become customers of PHMWC without being required to pay the amount due on the delinquent account, as long as they are willing to assume financial responsibility for subsequent charges for water service at that address. In order for the amount due on the delinquent account to be waived, the tenant must provide verification of tenancy in the form of a rental agreement or proof of rent payments.

**Bill Review and Appeal:** To initiate a complaint or to appeal charges shown on the water bill, customers must do so in writing to PHMWC PO Box 725, Julian CA 92036 or via email to [pinehillswater@gmail.com](mailto:pinehillswater@gmail.com). All complaints and appeals will be reviewed by PHMWC's Board of Directors. PHMWC will not disconnect water service while the appeal is pending.

**Reporting Requirements:** PHMWC will report the number of annual discontinuations of residential water service for inability to pay on PHMWC's website and to the State Water Resources Control Board.



## **BILLING AND COLLECTION POLICY**

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Water service charges are billed by PHMWC every two months, and payment is due by the last calendar day of the month after the close of the billing cycle:

January-February	bills sent March 1, due March 31
March-April	bills sent May 1, due May 31
May-June	bills sent July 1, due July 31
July-August	bills sent September 1, due September 30
September-October	bills sent November 1, due November 30
November-December	bills sent January 1, due January 31

Bills not paid by the due date are delinquent and will incur a 10% late fee and sent the following notices (upon request, PHMWC will waive late fees no more than once every 12 months):

Notice #1: A Delinquency Notice will be sent out 40 days after the bill closing date stating the account is past due.

Notice # 2: A Shut Off Warning Notice will be sent out 60 days after the bill closing date stating that water service will be shut off in 30 days unless the delinquent charges on account are paid. The notice will include PHMWC's Water Service Discontinuation policy and offer the standard payment plan.

Notice # 3: A Shut Off Notice will be sent out 75 days after the bill closing date stating that water service will be shut off in 15 days unless the past due balance is paid in full. The notice will include PHMWC's Water Service Discontinuation policy, offer the standard payment plan and information on how to restore service.

Door Posting: A final 7 Day Shut Off Notice will be posted at the service property no less than 7 business days prior to water shut off, with a shut off date at least 60 days after the bill due date. The notice will include PHMWC's Water Service

Discontinuation policy, offer the standard payment plan and information on how to restore service.

All Delinquency Notices shall include the following information:

- The customer's name, address and the amount of the delinquency.
- The date payment must be made to avoid water shut off.
- How to apply for an extension of time to pay the delinquent charges.
- How to petition for bill review and appeal.
- How to request an alternative payment schedule or amortization plan.

### **Contact Information:**

For questions or assistance regarding a water bill, please call the billing office at (760) 765-1243, send an email to [pinehillswater@gmail.com](mailto:pinehillswater@gmail.com) or send a letter to:

Pine Hills Mutual Water Company  
PO Box 725  
Julian, CA 92036

## **STANDARD PAYMENT PLAN OPTION**

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- The payment plan requires payment of at least 10% of the past due balance on a monthly basis until the past due balance is paid in full.
- During the payment plan term all future billings must be paid in full by the due date.
- Accumulated late charges will be waived if the customer agrees to and signs the payment plan.
- If the customer defaults on the payment plan or falls behind on a subsequent billing payment, then the payment plan will be null and void and the past due balance will become due immediately with late charges reinstated.
- A 5 Day Shut Off Notice will be posted at the service property at least 5 business days before water service is discontinued and will include PHMWC's Water Service Discontinuation policy and information on how to restore service.

Payment arrangements may be requested at any time, up until scheduled discontinuance of water service for nonpayment.

A customer may not have more than one alternative payment schedule or amortization agreement in effect for the same water connections at the same time, and no such arrangements shall extend beyond 12 months. Failure to comply with the terms of an approved payment arrangement will result in the issuance of a written disconnection notice.

### **Bill Payment Options:**

- Pay with a credit card at PHMWC's website [www.pinehillswater.org](http://www.pinehillswater.org) via the Customer Portal link
- Pay with a credit card by calling the billing office at (760) 765-1243.
- Send a check or initiate a Bill Pay payment from your bank to:

Pine Hills Mutual Water Company  
PO Box 725  
Julian, CA 92036