



## POLICY AND PROCEDURE

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Board of Directors	<b>Policy on Payment Arrangements for Residential Customers</b>	July 13, 2021
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### POLICY

#### **I. Application of Policy.**

This Policy on Payment Arrangements for Residential Customers (“Policy”) shall apply to all District accounts for residential water service but shall not apply to any accounts for non-residential service.

#### **II. Customers Experiencing Medical and Financial Hardships.**

Please note that households experiencing certain medical and financial hardships may also be eligible to request and receive a payment arrangement under the District’s Policy on Discontinuation of Residential Water Service.

#### **III. Requesting a Payment Arrangement.**

If a customer is unable to pay a bill during the normal payment period, the customer may request a payment arrangement by contacting the District by telephone, e-mail, mail, or in person during business hours of the District. In order to allow the District sufficient time to process a request for a payment arrangement, customers are encouraged to make their request as far in advance of delinquency or discontinuation of service as possible. If the customer submits his or her request within thirteen (13) days after the mailing of a written notice of discontinuation of service by the District, the request will be reviewed by a manager of the District.

#### **IV. Limit on Number of Arrangements.**

Customers are eligible to request a maximum of one (1) payment arrangement during any twelve (12) month period. The period shall be measured from the payoff date of any amounts due under a previous payment arrangement.

#### **V. District Review and Processing of Requests.**

For eligible customers, the District will consider granting one of the following types of payment arrangements: (1) amortization of the unpaid balance; or (2) an alternative payment schedule; each as further described below. The District’s General Manager or



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his or her designee will, in the exercise of reasonable discretion, select the most appropriate payment arrangement, taking into consideration the information provided by the customer, the customer's payment and account history, and the District's payment needs. The General Manager or his or her designee may develop reasonable written criteria for circumstances when payment arrangements may be denied due to a customer's payment and account history or the District's payment needs. The criteria for which payment arrangements can be denied are:

1. More than one (1) returned payment in the prior twelve-month period;
2. More than one (1) disconnection notice in the prior twelve-month period; and
3. Established customer with the District less than six (6) months.

Upon receipt of a request for a payment arrangement from the customer, the District will review the request within seven (7) days and: (1) notify the customer of the payment arrangement selected by the District and the terms of the approved payment arrangement; (2) request additional information from the customer; or (3) notify the customer that he or she is ineligible for a payment arrangement or that the District has otherwise denied the request due to the customer's payment and account history or the District's payment needs.

District decisions regarding payment arrangements are final and are not subject to appeal to the District's Board of Directors.

### **VI. Types of Payment Arrangements.**

**A. Amortization:** If approved by the District, the customer may enter into an amortization plan on the following terms:

1. The customer shall pay the unpaid balance, with the administrative fee specified below, over a period not to exceed twelve (12) months, as determined by the District's General Manager or his or her designee. The unpaid balance, together with the applicable administrative fee, shall be divided by the number of months in the amortization period and that amount shall be added each month to the customer's ongoing monthly bills for water service. In circumstances of substantial hardship, the General Manager may approve an amortization period of up to eighteen (18) months. The amortization schedule shall be set forth in writing and be provided to the customer.



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2. For any approved amortization plan, the customer will be charged a Fifteen Percent (15%) administrative fee based on the amount due, this fee established by the District from time to time, represents the cost to the District of initiating and administering the plan.

**B. Alternative Payment Schedule:** If approved by the District, the customer may enter into an alternative payment schedule for the unpaid balance in accordance with the following:

1. The customer shall pay the unpaid balance, with the administrative fee as specified below, over a period not to exceed twelve (12) months, as determined by the District's General Manager or his or her designee. After consulting with the customer and considering the customer's financial limitations, the District's General Manager or his or her designee shall develop an alternative payment schedule to be agreed upon with the customer. In circumstances of substantial hardship, the General Manager may approve a repayment period of up to eighteen (18) months. An alternative schedule may provide for periodic lump sum payments that do not coincide with the District's established payment date, may provide for payments to be made more frequently than monthly, or may provide that payments be made less frequently than monthly, provided that in all cases, the unpaid balance and administrative fee shall be paid in full within the approved repayment period. The agreed upon schedule shall be set forth in writing and be provided to the customer.

2. For any approved alternative payment schedule, the customer will be charged a Fifteen Percent (15%) administrative fee based on the amount due, this fee, established by the District from time to time, represents the cost to the District of initiating and administering the schedule.

### **VII. Compliance and Non-Compliance with Payment Arrangements.**

**A.** The District will not discontinue residential water service for nonpayment while the customer's past-due payment is subject to a District-approved payment arrangement, the customer remains in compliance with the approved payment arrangement, and the customer remains current on subsequent charges incurred while the payment arrangement is in effect.



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- B.** If a customer who has been granted a payment arrangement under this Policy fails to timely pay an amount due under the payment arrangement for sixty (60) days or more or fails to pay the customer's current charges for sixty (60) days or more, the District may discontinue water service to the customer's property at least five (5) business days after the District posts at the customer's residence a final notice of its intent to discontinue service. The final notice will not entitle the customer to any investigation or review by the District.

### **VIII. Other District Policies.**

Except as otherwise expressly provided in this Policy, all matters concerning customer accounts, including, but not limited to, payment obligations, late fees or charges, discontinuation of service, appeals, and restoration of service, shall be in accordance with the other applicable ordinances, rules, regulations, and policies of the District, including without limitation the District's Policy on Discontinuation of Residential Water Service.