

**MANCHESTER WATER DISTRICT  
RESOLUTION NO. 2023-02**

**A RESOLUTION OF  
THE BOARD OF COMMISSIONERS OF MANCHESTER WATER DISTRICT  
ESTABLISHING POLICY REGARDING THE APPLICATION & COLLECTION OF  
PENALTIES, FEES, LIENS & SERVICE DISCONNECTION**

**WHEREAS,** the Board of Commissioners (Board) of Manchester Water District (District) have reviewed all costs associated with operation and maintenance of the District; and

**WHEREAS,** the District is compelled by law, as defined in the Revised Code of Washington (RCW) Chapter 57.08.081(2), to establish rates to produce revenues sufficient to satisfy all costs of District maintenance and operations, debt service, principal amortization requirements, and all other charges necessary for efficient and proper District operations; and

**WHEREAS,** in keeping with accepted standards and practices for utility service providers, the Board has determined it necessary to define District policy for the application and collection of penalties, fees, and liens which may be assessed against delinquent District customer accounts and/or assessed against their real property served by the District; and

**WHEREAS,** District staff has prepared a Policy for Application & Collection of Penalties, Fees, and Liens attached hereto as EXHIBIT A; and

**WHEREAS,** any act consistent with the authority and prior to the effective date of this Resolution is hereby ratified and affirmed; and

**WHEREAS,** the provisions of this Resolution are declared separate and severable. The invalidity of any clause, sentence, paragraph, subdivision, section or portion of this resolution or the invalidity of the application thereof to any person or circumstances, shall not affect the validity of the remainder of the resolution, or the validity of its application to other persons or circumstances; and

**NOW THEREFORE BE IT RESOLVED** by the District Board that Resolution 2011-03 and any other Resolutions that established policy covered by this Resolution are hereby terminated, and replaced by the policy for the application and collection of penalties, fees, and liens attached hereto as Exhibit A which are hereby adopted and which shall be effective August 9, 2023.

**THIS RESOLUTION** was duly considered and approved by the Manchester Water District Board of Commissioners in a regularly scheduled open public meeting on August 8, 2023.

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Steve Pedersen  
Board Chair

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Bob Ballard  
Commissioner

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James Strode  
Secretary

## EXHIBIT A

### MANCHESTER WATER DISTRICT POLICY FOR APPLICATION & COLLECTION OF PENALTIES, FEES, LIENS & SERVICE DISCONNECTION

#### **1.0     PURPOSE:**

The purpose of this policy is to establish a fair and consistent means of assessing fees and penalties on past due Manchester Water District (“District”) customer accounts in conformance with the law. It also includes the criteria and procedures for assessing late charges and placing liens on real property parcels served by the District that are delinquent in payment of District billings. The authority for the provisions of this Resolution are found generally in RCW 57.08.081.

#### **2.0     PROCEDURE:**

In the event a District water customer (“Customer”), defined as the person obligated to pay the District’s service charges concerning a real property parcel (“Property”) provided with District water services (who will generally be the owner of the property receiving the District water service or occupant thereof) fails to pay any District bill(s) or invoice(s) (hereinafter collectively referred to simply as “Bills” or “Billings”) for District services by the Billing’s due date, the following procedures shall be followed in assessing late fees, penalties, and liens against the Property and Property owner.

#### **3.0     APPLICATION OF LATE FEES:**

Upon receipt of a District Bill, the Customer shall be obligated to pay the full billing amount on or before the date specified therein, typically the last day of the month in which the bill was received. Failure to pay by the billing due date shall result in an additional assessment of ten percent (10%) of the amount due for the most recent billing cycle. Additional fees shall not be applied to amounts owed that have already been assessed a fee, regardless of total balance due. Fees shall be applied not less than five (5) business days following the due date; or not less than five (5) business days after the first business day of the corresponding calendar month.

Billings remitted by the District to a Customer for services other than for water usage are due and payable upon receipt.

At the discretion of the District, late fees may be waived for reasons including, but not limited to the following:

- a. Upon Customer request and if the account has not been assessed a late fee during the previous year, or six (6) billing cycles
- b. Billing notification failed to reach the Customer in a timely manner because of U.S. Postal Service mail loss or theft
- c. Incorrect billing address on file with the District
- d. Incorrect electronic mail (email) address on file for paperless billing accounts
- e. Customer has negotiated specific payment arrangements in advance with District staff

- f. Proclamation by a higher authority directing water utilities to suspend or modify application of fees, penalties, and liens.

Waiving or removal of late fees shall be subject to approval by the District General Manager and/or Board of Commissioners. Late fees waived or removed may be reassessed at the discretion of the District General Manager and/or Board of Commissioners for reasons including, but not limited to: failure of Customer to meet obligations made as part of a negotiated payment plan, and/or abandonment of service as defined in Section 8.0 herein, following a negotiated payment plan in which late fees were waived

#### **4.0 CUSTOMER NOTIFICATION:**

A Customer shall be notified of the past due status of any Billings and the assessment of late fees pursuant to a "Past Due Billing" statement mailed on or after five (5) days from the due date of the original Bill. The District shall provide a duplicate Past Due Bill statement to Property owners where the Property owner does not reside on the Property pursuant to the provisions of RCW 57.08.081(7), at the same time and in the same manner, the District so notifies the Property occupant. In such cases the District shall notify the Property occupant that duplicate Billings, including delinquency notices, are being provided to the Property owner or their designee.

#### **5.0 FINAL NOTIFICATION PRIOR TO SERVICE DISCONNECTION:**

In the event a Billing for District services is delinquent more than two (2) consecutive billing and due date cycles, the District shall place a final notification of its intent to shut off water service to the Property. Notification shall be served via a hand-delivered notice, referred to hereafter as "Door Hanger", affixed in a prominent place on the Property. Generally, a Door Hanger shall be affixed to the front door of the Property's residence or other prominent building. This final notification shall be provided at least three (3) business days prior to the Property's water service being disconnected by the District. A fee shall be assessed to the Property/Property owner for each door hanger notice; the amount of the fee shall be commensurate with the District's published Schedule of Fees & Charges at the time of notification.

#### **6.0 SHUT OFF FOR NON-PAYMENT:**

In the event a Billing is not paid in full, or in part under terms negotiated with District staff, within three (3) business days from the posting of the final notification of intent to shut off water service to the Property, the District may shut off the water service. In such circumstances, the Customer's account shall remain active and continue to accrue base-rate water charges on a bi-monthly basis. If the Property's water service is shut off, additional service fees shall be applied commensurate with the District's published Schedule of Fees & Charges at the time of shut off. Additional late fees shall be assessed on any unpaid balance, in accordance with Section 3.0 of this policy.

#### **7.0 RIGHT TO LIEN PROPERTY:**

In the event that Customer fails to fully pay all past due amounts, including applicable penalties and fees, within one (1) year from the Billing's due date, the District Board of Commissioners or their designee and pursuant to RCW 57.08.081(3), may provide by resolution that where such delinquency(s) involve(s) connection charges or rates and charges for services provided, such delinquency sums and the charges and

any penalties added thereto, may be recorded as a lien against the Property with the Kitsap County Auditor, in addition to any other common law lien rights the District may possess.

#### **8.0     SUSPENSION OF ABANDONED ACCOUNTS:**

A Customer account possessing an unpaid balance, equal to or more than the District's current General Facilities Charge for a new service connection, that is outstanding for a period of one (1) year or longer shall be considered abandoned. An abandoned Customer account shall be suspended and all ongoing account billings relating thereto will cease. No further base-rate charges or late fees shall accrue thereon, and no further District notices of any kind or nature shall be provided to the Customer.

Restoration of District water service to a Property deemed abandoned shall occur upon payment in full by the Property's owner of an amount equal to, but not greater than, the District's General Facilities Charge identified in the District's published Schedule of Fees & Charges, and any other appropriate "new connection" charges, in effect at the time service resumption occurs.

#### **9.0     HEAT ADVISORIES & CUSTOMER RIGHTS**

Whenever practicable, the District shall make every effort to avoid disconnecting water service for non-payment during peak demand periods, such as warm weather. Pursuant to Washington State ESHB 1329, effective July 2023, providers of water utility services may not intentionally disconnect service to any Customer due to lack of payment on any day in which the National Weather Service has issued a heat-related alert for the area served. Alerts include, but are not limited to excessive heat warnings, a heat advisory, or an excessive heat watch, as determined by the National Weather Service. If such a warning is issued *after* service has been disconnected, the District must restore service to the Customer upon request, and for the duration of the heat alert event, regardless of Customer account status. If service has been restored and heat alerts have been lifted, service to the Customer shall be immediately subject to disconnection and applicable fees in accordance with the terms of this policy.

#### **10.0    EXCEPTIONS**

Exceptions to the terms and conditions set forth in this resolution shall only occur for good cause shown by the Customer resulting in Board action during a District Board meeting. At least three (3) days prior to said District Board meeting, the Customer shall place their reasons in writing as to why an exception to this policy should be granted and then deliver the same to the District General Manager, who shall provide copies thereof to the District Commissioners. The District General Manager's discretion in implementing the terms of this resolution is limited to following the terms hereof as they may be affected by the District's Billing Dispute Resolution Policy.