

# *Westport County Water District*

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## Resolution Regarding Billing and Collection Policy (Enacted July 18, 2023, and Effective September 1, 2023)

This policy implements the Westport County Water District’s (“WCWD” or “the District”) originating 1977 Water Use Ordinance Sections 8 and 9 and 1977 Sewer Ordinance Sections 11.04 – 11.06, and reaffirms its previous Billing and Collection Policy issued in 1997 as Resolution 97-8. It assigns specific duties to specific officers of the WCWD for billing and collection of bills. It prescribes penalties that may be imposed on customers who are delinquent in paying their bills. It also specifies the procedures for imposing such penalties and for handling billing disputes.

**Purpose/Background:** Since its inception in 1977, the WCWD has been authorized to impose late charges for delinquent accounts, to file lawsuits to collect delinquent fees and to discontinue service for delinquent accounts. (See WCWD 1977 Water Use Ordinance Sections 8 and 9 and Sewer Use Ordinance Section 11.) In 1997, the WCWD passed Resolution 97-8 Billing and Collection Policy to implement the policies and procedures to be followed in handling delinquent accounts. In recent years, however, the WCWD has not consistently imposed late charges and other penalties for delinquent accounts. The WCWD has recently experienced a high volume of significantly delinquent accounts. Allowing delinquent accounts to remain unpaid without imposing penalties may tacitly encourage delinquency, imposes financial hardship on the WCWD and is unfair to the majority of WCWD customers who pay on a timely basis. Accordingly, the WCWD Board of Directors resolves to resume adherence to its 1997 Billing and Collection Policy, as amended below. This Policy will be posted on the WCWD public website.

The WCWD has assembled a tool box of strategies to encourage, help and push its delinquent customers to regain good standing in paying their past-due bills. These include:

- Discontinuance or restriction of service;
- Resolution of billing disputes through petitions for hearing with the WCWD Board of Directors;
- Financial assistance from any government program(s) that may be in effect at the relevant time to ease the financial burden on WCWD customers;
- Installment payment plans that may be approved on a case-by-case basis by the WCWD Board of Directors for specific types of qualifying hardships;
- Renter/tenant acceptance of direct payment responsibility from delinquent owner/landlord; and
- Collection by suit, lien or remittance to collection agency.

Recognizing that some WCWD customers may have been seriously impacted by economic hardship but wish to return to good standing with the WCWD, it is the WCWD Board’s goal to resolve delinquent accounts in a

feasible and equitable manner, while not compromising the financial solvency of the WCWD or the WCWD's ability and responsibility to serve those of its customers who pay on a timely basis.

### **I. Billing**

The Operations Staff shall read the meters on the first of the month, or as soon thereafter as practical, and shall give the meter readings to the Administrator forthwith. The Administrator shall collect and credit payments through the 4<sup>th</sup> of the month and prepare and mail bills by the 5<sup>th</sup> of the month, or as soon as possible thereafter. The payment for the bill is due no later than the last day of the month in which the bill is sent. Bills not paid within thirty (30) days of the due date are delinquent and may be assessed a penalty by the WCWD. By way of example only, if the bill is sent by the WCWD on April 5<sup>th</sup>, it is due by April 30<sup>th</sup>, and it is delinquent if not paid in full by May 30<sup>th</sup>.

It is the responsibility of the customer to obtain the WCWD bill; late receipt of the bill is not an excuse for late payment. Penalties shall be 10% of any newly delinquent amount and 2% of the remaining balance each succeeding month of delinquency. Payments shall be credited first to the most recent part of the bill. The Administrator shall accept payments by personal check or money order, or by cash provided that a written receipt is created and maintained in the WCWD files of such cash payment.

Any customer with past due WCWD bills may and should apply for financial assistance through any government assistance programs that may be in effect at the relevant time. As set forth below in Section IV, a customer suffering extreme hardship may also seek to enter an installment payment plan with the WCWD, provided the customer meets the standards set forth in that Section.

### **II. Discontinuance or Restriction of Service**

#### **A. Discontinuance or Restriction**

Water service may be discontinued or restricted because of failure to pay either water or sewer bills. The Administrator shall send a 30-day shutoff/restriction notice enclosed with the bill to any customer whose delinquent balance is greater than \$200. The notice shall state that to avoid discontinuance or restriction of service the bill must be paid in full, including the current balance. At the close of the 30-day period, the Administrator shall give the Operations Staff a 48-hour notice for each customer still on notice. The Operations Staff shall immediately physically deliver and post in a sealed envelope these discontinuance/restriction notices to the premises served. The Administrator shall notify the Operations Manager if any account is paid during the 48-hour period after physically posting the discontinuance/restriction notice. Unless notified by the Administrator, or unless the WCWD Board has determined to accept installment payments for the delinquent account pursuant to Section IV below, the Operations Staff shall shut off or restrict water service 48 hours after delivery of the 48-hour notice, and leave a discontinuance/restriction notice at the premises. On either of these visits, the Operations Staff may accept payments, but only of the full account balance and only by valid check or money order. The Operations Staff shall lock the shutoff valve or take other precautions to assure the service remains discontinued or restricted. The WCWD's decision to restrict water service flows shall not limit the WCWD's ability to discontinue water service entirely at a later date due to payment delinquency.

#### **B. Restoration**

When the Administrator receives the full amount due on a discontinued or restricted account, or satisfactory payments made under a WCWD-approved installment plan pursuant to Section IV below, the Administrator shall immediately notify the Operations Staff to restore full service to the customer's premises. The Operations Staff shall do so within 48 hours.

#### **C. Notice to Rental Tenants**

The property owner shall be responsible for all bills for WCWD water and sewer service on the property owner's premises. In cases in which a tenant rather than the owner is the occupant, the District will make a reasonable, good faith effort to inform the occupant, by means of a written notice, when the water/sewer service is in payment arrears and subject to discontinuation, at least 10 days prior to the water service shut off date. The written notice will advise the tenant/occupant that they have the right to become direct customers of the District without being required to pay the amount due on the delinquent account, as long as they are willing to assume monetary responsibility for all the subsequent charges for water/sewer service at the property in accordance with this Policy. In order for the amount due on the delinquent account to be waived as to the tenant/occupant, the tenant/occupant must provide verification of tenancy in the form of a valid executed rental/lease agreement or proof of rental payments.

### **III. Disputes and Petitions**

#### **A. Submission of Dispute**

A customer may dispute a bill if the customer believes in good faith the bill is in error. In all cases, the burden shall be on the customer to prove that the disputed bill contains an error. Any disputed amounts must be paid to avoid penalties and possible discontinuance/restriction of service. Written notice of the dispute must be sent to the District within 60 days of the end of the month of service for which the billing is disputed. The Administrator shall provide to any customer, on request, a dispute form. This form will include spaces for: the type of dispute, that is, "rate dispute" or "billing error dispute"; the customer's name; the property owner's name, if different; the service address; what time period is covered; the rate or balance the customer believes to be correct. All explanations and evidence that the customer wishes to have considered must be in writing, attached to the dispute form. Either when first notified of the dispute or upon evaluating the dispute form, the Administrator is empowered to decide that a billing error was made and make an adjustment reasonably acceptable to the customer. Otherwise, the Administrator shall submit to the Board a recommendation for possible Board action together with written explanation and evidence.

#### **B. Dispute Hearing**

The Board of Directors shall consider the dispute at the next regular meeting more than ten days after the customer submits a dispute form, or at an earlier special meeting. The customer may make a presentation at that meeting, but only evidence submitted in writing will be considered. The Board may amend the rate or balance, or authorize an extended payment plan, consistent with existing ordinances and policies; or adjourn the matter to the next meeting one time only; or propose a change of policy; or take no action. The action or non-action is final, and no further dispute for the same account and time period will be heard. The Administrator shall send the customer by registered mail a notice of the action or a notice that no action was taken and that the case is closed.

### **IV. Installment Payments of Delinquent Accounts**

In cases of extreme hardship as reasonably determined by the WCWD Board, the District shall have the discretion to waive financial penalties and/or continue or renew full or restricted service to a delinquent account upon receipt of a satisfactory written installment plan agreement for the payment of the overdue amount. The burden of proving extreme hardship shall be on the customer and the WCWD Board shall be under no obligation to agree to an installment plan agreement. No installment plan agreement shall be entered into by the WCWD Board unless (1) it provides for the down payment of not less than 25% of the delinquent fees owed, (2) it contains a repayment period that does not exceed the period of time in which the account was delinquent, (3) it contains the customer's written consent to having a lien placed on the customer's property by the WCWD for the amount owed if the customer does not adhere to the installment plan's payment schedule and payment amounts, and (4) it is accompanied by the customer's application for financial assistance through any government sponsored program that may be in effect at the relevant time to provide financial assistance to WCWD customers.

**V. Collection by Suit, Lien or Remittance to Collection Agency**

With reservation of all rights, including the District's rights to pursue any and all of the remedies set forth in this Section V, the District in its discretion may for all unpaid water and sewer services charges, late fees and penalties: (a) concurrently discontinue or restrict service; (b) assign the debt to a collection agency; (c) collect the debt(s) using a civil lawsuit filed in the Mendocino County courts; or (d) place a lien on the customer's property that is within the District until the customer's debt(s) to the WCWD are fully paid and/or (e) utilize credit reporting agency services as part of its collection process.

The customer shall be liable to pay and reimburse the District for all costs of any collection process, liens and/or lawsuit, including reasonable attorney's fees and costs, in any judgment rendered in favor of the District.