

RESOLUTION NO. 21-1029

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE JOSHUA BASIN WATER DISTRICT
AMENDING THE RULES & REGULATIONS, RESOLUTION NO. 97-572 AS AMENDED,
RELATED TO ACCOUNT ESTABLISHMENT AND DEBT COLLECTION DETAILED IN
ARTICLES 1.9.3, 1.11, 1.29, AND PAYMENT METHODS IN ARTICLE 1.30**

WHEREAS, the Joshua Basin Water District has previously adopted regulations for establishing new accounts, including tenant accounts; and

WHEREAS, the Joshua Basin Water District's seeks to reduce the number of unpaid or delinquent balances that leaves the District encumbered with bad debt; and

WHEREAS, the Joshua Basin Water District seeks to revise Article I, Sections 1.11, 1.29, and 1.9.3 of the Rules & Regulations to clarify debt collection as a requirement of service; and

WHEREAS, the Joshua Basin Water District seeks to revise Article I, Section 1.30 to clarify payment methods;

NOW, THEREFORE BE IT RESOLVED, that the Rules & Regulations are amended as follows:

Section II Definitions:

Tenant: Any occupant other than the legally recorded owner(s).

Article 1.9.3 Owner Responsibility

The owner/property manager of each separate property with an Owner Request for Tenant Water Service (ORTWS) in place is ultimately responsible for the payment of all applicable water service charges provided to each separate property. A tenant's failure to pay could result in the following actions being taken on an owner's account: lock off for non-payment or lien. It is the owner/property manager's responsibility to notify JBWD of any changes to contact information, property ownership, and/or property management agreement. Article 1.29 addresses owner responsibility for payment of accounts without an Owner Request for Tenant Water Service in place.

Article 1.11 Guarantee and Other Water Account Deposits

Before water delivery is started for any new or existing Active Account, the Applicant shall secure the account by depositing with the JBWD the amount specified in Article 13.3, unless there is a Continuous Service Agreement in place – see Article 1.14.1.

Water service will not be installed, connected, or turned on for any Applicant or customer until all delinquent balances are resolved (refer to Article 1.29). In any instance where this policy conflicts with the District's Collection Policy in Appendix A, the Collection Policy will prevail.

Deposits will not automatically be refunded for customers whose account status changes (Active, Transitional, and Inactive). Customers whose account status changes will have to meet the satisfactory payment requirements as indicated in this Article before Deposit is refunded or applied to account.

Each time that water rates are changed in accordance with Board action, the Guarantee Deposit will also be re-calculated and changed, based on the average residential water consumption from the most recent water rate study (currently, the 2018 Water Rate Study, and nine [9] units average consumption per month,) multiplied times three (3) months.

- a. **Guarantee Deposit:** When the Applicant has established a satisfactory payment record for twenty-four consecutive months, the JBWD will refund the guarantee deposit by crediting the customer's account. If service is discontinued before that time, the deposit will be deducted from the closing bill, and a check for the balance or a water bill will be mailed to the customer at his last known address.

A satisfactory payment record is achieved if the Applicant meets the following criteria within the twenty-four-month period:

- No more than two late payments, • No cut-offs for non-payment, and
- No returned checks.

The JBWD may require a Guarantee Deposit on an unsecured account if one of the aforementioned items occurs during the duration of the water service.

- b. **Termination of Water Service Deposit.** Following termination of water service for nonpayment, the customer may be subject to a deposit equal to one and one-half (1.5) times the Guarantee Deposit amount. Refund of Termination of Water Service Deposit is the same as a refund of the Guarantee Deposit.

If a customer whose water service has been terminated for non-payment has zero deposit on-hand at the time of service termination, they must pay at least the Guarantee Deposit amount before service can be restored, and the remaining additional deposit due may be established as a contract, payable by the customer over a timeframe not-to-exceed two months. Failure to pay the contract as required will once again subject the customer account to termination.

- c. **Damage/Lock Deposit.** If a locked meter is unlocked or the meter is damaged, the customer may be subject to a deposit equal to two times the standard deposit. Refund of Damage/Lock Deposit is the same as a refund of Guarantee Deposit.
- d. **Continuous Service Agreement Deposit**

A property owner (or owner-authorized property manager) of a rental property who has a valid Continuous Service Agreement in place will not be required to pay a New Account charge or provide a Guarantee Deposit each time that active water service is automatically transferred into their name in-between tenant accounts. The Continuous Service Agreement and this waiver of new account charge and guarantee deposit will be

terminated if owner or property manager fail to pay for any past due balances associated with the subject property.

Article 1.29 Collection of Delinquent Accounts

1) Customers that cannot pay their bills by the scheduled cut-off date may be able to make a payment arrangement that gives them additional time to make a payment. The District will consider whether the customer qualifies for a payment arrangement. Water service will not be terminated for any customer who complies with the payment arrangement, if the customer also keeps the account current as new charges accrue in each subsequent billing period. See Exhibit A for the District's Collection Policy which regulates Payment Arrangements.

2) The JBWD will attempt to collect all delinquent, uncollectable, "written off," or liened water charges, on open or closed accounts of all "Customer categories" as defined in Section II (i.e. locked or unlocked service), including penalties and interest as follows:

a) Before account establishment:

1) **OWNERS:** Establishment of any active water service account requires resolution of prior debt on accounts of any customer category/status associated with i) name of applicant at any location and ii) if under same ownership, property location.

2) **TENANTS:** Execution of Owner Request for Tenant Water Service (ORTWS) by owner or property manager requires resolution of prior debt on accounts of any customer category/status associated with i) name of applicant at any location ii) name of property owner at any location and iii) if under same ownership, property location.

b) After account establishment:

1) **Accounts Held in the Name of the Property Owner –**

- i. Account may become subject to lock-off for nonpayment (refer to Exhibit A).
- ii. A lien may be filed against the property following unsuccessful collection attempt(s) and proper notification.

2) **Accounts Held in the Name of non-Property Owners (Tenants or Property Managers) –**

- i. Account balance may become subject to lock-off for nonpayment (refer to Exhibit A).
- ii. If NO Valid Owner Request for Tenant Water Service (ORTWS)

a) Future accounts at the address must be established and maintained in the owner's name until such time that all prior debts as defined in Article

1.29 are resolved and an Owner Request for Tenant Water Service is completed.

iii. If Valid Owner Request for Tenant Water Service (ORTWS)

a) If the tenant fails to pay the final account balance, the JBWD will make one additional attempt to collect the funds through either a delinquent billing process or by letter contact.

b) If collection is unsuccessful, the balance will be transferred to the owner or property manager (responsible party) for payment, pursuant to the Owner Request for Tenant Water Service.

c) If the responsible party subsequently fails to pay the balance, the account may become subject to lock-off for nonpayment, lien, and the ORTWS may be terminated, requiring future tenant accounts to be held in the name of the owner.

d) Any current account at the property may be transferred into the responsible party's name.

3) When discovered, any delinquent balance due on an open or closed account of all "Customer categories" as defined in Section II (i.e. locked or unlocked service) will be transferred to any other open account of the same account holder. Failure to pay the delinquent account balance when due will subject the accounts to lock-off for nonpayment or lien, as applicable.

The JBWD retains the right to use the above and all other means of collecting unpaid accounts that are now in effect or that in the future may be established.

Article 1.30 Payment Methods

JBWD offers several payment methods, including cash, check, money orders, and credit cards. Cash, check, or money orders are accepted in the District office. Credit card payments are accepted by phone or online via the District third-party credit card processor. Customers have the option to sign up for the AutoPay service, where payments are automatically deducted from the customer's checking, savings, or credit card account.

A payment drop-box is located in the JBWD parking lot to drop off checks or money orders during or after regular business hours. Cash should not be placed in the drop-box. Payments are ordinarily picked up from the box once per day only and are posted to the accounts on the following business day.

Payments must be received in the drop-box no later than 5:00 pm on the payment due date to avoid delinquent charges. Payments dropped in the box after 5:00 pm on the payment due date are considered late.

For accounts subject to disconnection for non-payment, payment must be placed in the drop box no later than 7:00 am on lock-off day in order to avoid water disconnection. Lock-off may not be avoided when payments are placed in the box after 7:00 am on lock-off day. The customer must inform the District office when making a credit card payment by phone or online after 6:00 am on lock-off day.

Once payment has been received, JBWD does not refund any payment or overpayment until the account closes.

FURTHER RESOLVED, this resolution is effective immediately upon adoption.

ADOPTED this 24th day of February, 2021.

By 
Rebecca Unger, President

Attest: 
Mark Ban, General Manager and Board Secretary