

RESOLUTION 18-993

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE JOSHUA BASIN WATER DISTRICT
AMENDING ARTICLES 1.11; 1.12; 1.13; 1.24; 13.3 OF THE DISTRICT'S
RULES & REGULATIONS**

WHEREAS, the Joshua Basin Water District ("JBWD") desires to amend its Rules & Regulations relating to Guarantee Deposits, which deposits are used to secure water accounts by ensuring payment of charges; and

WHEREAS, by law it takes approximately two months until water service can be disconnected for non-payment, and after adding the final bill that is due if the customer never reconnects, it constitutes approximately three months of water service that a customer owes and must be covered by the Guarantee Deposit if the customer never pays; and

WHEREAS, the JBWD desires to amend in their entirety Articles 1.11, 1.12 and 13.3 of the Rules & Regulations, so that the amounts of the Guarantee Deposits are tied to the water rate structure, increasing as the water rates increase, and covering three month's water use based on the average consumption from the most recent rate study.

NOW, THEREFORE, BE IT RESOLVED, that Articles 1.11; 1.12; 13.3 are amended in their entirety as follows:

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.

- 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 non-payment, 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.

Water service will not be installed, connected, or turned on for any Applicant or customer until all delinquent charges for service or other charges on any or all accounts have been paid in full.

Deposits will not automatically be refunded for customers whose account status changes (Active, Transitional, 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.

Article 1.12 Guarantee Deposit Credit Check Process

Applicants who provide a social security number will have their credit checked. The results of this soft credit check will provide either a green, yellow, or red “score,” and the deposit required is based upon the score.

Green =	good credit, no deposit required
Yellow =	average credit, deposit required
Red =	poor credit, deposit required
No score =	no credit, deposit required

No Social Security Number = no score, deposit required

Applicants that don't provide a social security number will be required to pay the Guarantee Deposit.

Applicants with minimal credit history may result in "no score," and those Applicants will be required to pay the Guarantee Deposit.

Existing JBWD customers transferring service from one address to another who meet the satisfactory payment requirements of Article 1.11 will not be required to provide a new Guarantee Deposit to start service at the new address.

The JBWD uses a third party contractor for this credit check/deposit decision service and is not responsible for inaccuracies in the Applicant credit report. Applicants must address concerns to the credit reporting bureaus or JBWD's contractor, currently Online Utility Exchange. The JBWD or JBWD's Contractor will provide an Adverse Decision Letter to the Applicant whenever a yellow or red score is received during the application process. The letter provides contact information to assist the Applicant in correcting credit reporting inaccuracies.

Article 1.13 Inactive/Locked Meters

No meter, which is locked by the JBWD, shall be altered or unlocked except by an authorized employee or agent of the JBWD. All customer categories will be responsible for payment of the fixed Basic Monthly Fee, but are not eligible to receive water delivery through the meters until the customer has made application to the JBWD, has identity verified, been provided the 90-day requirement to obtain the County-assigned service address, provided a County permit if applicable, and met the Guarantee Deposit requirements and paid any outstanding charges.

If locking devices are broken or removed from any customer, the first time it occurs, the meter will be relocked and a Broken Locking Device Fee charged to the owner or account holder. The second time the locking device is broken, another Broken Locking Device Fee will be charged and the meter will be removed, and the owner or account holder will be required to pay to reinstall the meter in accordance with the fee schedule in Article 13. In addition, the owner will be charged for any damage to the meter. If a locking device has been unlocked or removed by other than a JBWD representative, and the Customer Service Facility is damaged, and consumption cannot be determined, the water bill will be adjusted per Article 1.22. Customer will be required to pay a double deposit to secure the account. Payment of additional deposit and all other applicable fees will be required before service is unlocked.

Article 1.24 Termination of Water Service for Non-Payment

Water meters will be turned off for non-payment of water or other JBWD charges after written notification, on or after the 35th day after the original billing date of the billing for service.

Customer service terminated for non-payment of bills and charges will not be turned on again until all bills and charges, both past due and current, including deposit equal to one and one-half (1.5) times the Guarantee Deposit have been paid. Actual termination of water service will not be performed on any Saturday, Sunday, legal holiday or at any time during which the JBWD business office is not open to the public.

JBWD may require a copy of a rental agreement to restore service after being turned off for non-payment.

Single-unit residential or commercial turn off for non-payment requires at least 48-hour notice prior to termination of service. JBWD is required to make a reasonable, good faith effort to contact an adult residing at the premises of the customer by phone or in person before service is terminated.

Multi-Unit Residential termination of water service for non-payment requires individual notification to all of the actual users of the water service fifteen (15) days before the proposed termination of service. The notice will inform the actual users that they have the right to become customers of JBWD without being required to pay the amount due on the delinquent account, provided that:

- A. Each actual user meets the requirements of JBWD's Rules and Regulations governing water service; and
- B. Each actual user agrees to the terms and conditions applicable to obtaining water from JBWD.

If a customer has requested and been granted a payment arrangement or contract amortization agreement to extend their payment over a period not to exceed 12 months, and then fails to comply with the agreement, JBWD will commence termination of service by giving 48-hour written prior notice. After failure to comply with the payment arrangement or contract, the payment arrangement or contract will be terminated and the remaining balance is immediately due or account will be subject to cut-off within 48 hours.

Article 13.3 Guarantee Deposit

Applicants who provide a social security number will have their credit checked. The results of this soft credit check will provide either a green, yellow, or red "score," and the deposit amount is based upon the score.

- Green = good credit, no deposit required
- Yellow = average credit, deposit required
- Red = poor credit, deposit required
- No score = no credit, deposit required

<u>Effective Date</u>	<u>Guarantee Deposit</u>
Adoption	\$225
1/1/20	\$255
1/1/21	\$285
1/1/22	\$310

This resolution shall take effect immediately upon its adoption.

The foregoing resolution was adopted at a regular meeting of the Board of Directors of the Joshua Basin Water District held on the 7th day of November, 2018 by the following vote:

Mickey Luckman: Yes
Bob Johnson: No
Tom Floen : Yes
Geary Hund: Yes
Rebecca Unger: Yes

JOSHUA BASIN WATER DISTRICT

BY: 
Mickey Luckman, President, Board of Directors

ATTEST: 
Curt Sauer, GM and Board Secretary