CUSTOMER-SERVICE POLICY

OF THE\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ WATER ASSOCIATION

I. **General authority**

The \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Water Association board has unanimously passed a resolution addressing the herein-stated customer-service policy. The \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Water Association board has the ultimate authority and responsibility to ensure the financial health and stability of the association. It is inherent that every customer of the association is treated in a fair and equitable manner and that each customer pay for the services provided by the association.

II. **Definitions**

A. **Applicant for service:** Any person or entity applying to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Water Association for new water service.

B. **Association**: The member-owned public water system known as \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Water Association.

C. **Bad debt:** A balance that is still owed on a customer’s bill **[number]** days after the service connection has been terminated. Bad debts will be collected through prompt lawsuit filings for the purpose of being awarded a judgment and garnishment of wages to reimburse the association for all legal expenses, court costs and bad debt from the customer.

D. **Billing clerk:** The billing clerk is contracted to provide accounts-receivable services, including billing, collecting, posting and depositing all customer payments.

E. **Board:** The directors of the association that have been duly elected in accordance with the bylaws of the association.

F. **Board meeting:** The \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Water Association board conducts its regular monthly board meeting on the **[number/ day]** of each month. All meetings are open to the public, but anyone wishing to address the board must notify a board member or employee or contractor of the association at least **[number]** day prior to the board meeting.

G. **Certificated area:** The delineated boundary established by the \_\_\_\_\_\_\_\_\_\_\_ Public Service Commission establishing \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Water Association as the sole water utility provider within the service area.

H. **Cross-connection:** Any potential hazard that exists past a customer’s service connection that could introduce contaminants into the system’s water supply. All cross-connections shall have approved backflow/backsiphonage prevention devices installed at the service connection at the customer’s expense.

I. **Customer:** Any household or business that is receiving water supplied by \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Water Association.

J. **Customer grievance:** An informal complaint generated by a customer and directed to the association’s billing clerk. The customer must inform the billing clerk of any suspected error or discrepancy in the billing of the customer’s water usage. The billing clerk then investigates the customer grievance. The customer and billing clerk must present evidence before the board at a regular monthly board meeting.

K. **Delinquent:** A customer’s account is considered delinquent if any portion of the account is more than **[number]** days late*.*

**L. Engineer:** A professional, certified civil engineer with extensive experience in the hydraulic design and construction of potable water systems.

**M. Hardship agreement:** An informal written agreement between a customer of the association and the board. A hardship agreement is granted when a customer has incurred a large water charge that he is unable to pay the current bill in full. The hardship agreement is also granted when a customer has incurred a hardship such as an illness, family death, loss of employment, etc., and is unable to pay the current bill in full. The association will not terminate a service connection if a valid hardship agreement is in force.

**N. Late charge:** A **[number]** percent assessment of the current balance that has not been received by the **[number]** day of each month.

**O. Maintenance superintendent:** The maintenance superintendent is responsible for all aspects of operations and maintenance (O&M) for the association and for complying with Safe Drinking Water Act and Clean Water Act regulations under the supervision of the certified operator of record.

**P. Notice of intent:** Issued by the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ County Department of Health environmentalist, an affidavit of an individual promising to install the on-site wastewater (sewerage) disposal system recommended by the environmentalist.

**Q. Payment-extension agreement:** An informal written agreement between a customer of the association and the board. The payment-extension agreement is granted to a customer before the **[number]** day of each month, where the customer agrees to pay all past-due and current balances before the end of the current month. The association will not terminate a service connection if a valid payment-extension agreement is in force.

**R. Service charge:** One of two fees assessed if the full balance of a customer’s account is not paid within **[number]** days. The first type of service charge is a collection fee. The collection fee is assessed if the board, its employees or contractors have to physically go to a customer’s residence to collect the entire balance. The reconnection fee is assessed if the service connection is terminated for delinquency.

**S. Service connection:** The physical tap, line, curbstop, meter and meter box supplied by and owned by the association. Where the customer is required to pay for the installation of the above-mentioned equipment and to pay a security deposit to use the service connection, the association retains full ownership and control of the service connection. The customer is benefited by being the sole customer who has access to the service connection.

**T. Service extension:** Any extension of the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Water Association’s existing facilities, including the installation of meters/service connections or main line extensions.

**U. Terminate:** To actually lock or cup the association’s curbstop or to remove the association’s meter for the purpose of discontinuing water service to the customer.

**V. Theft of water:** Anyone who tampers with the adjustment or removal of locking devices on a utility meter shall be held in violation and will be subject to the fines and imprisonment contained in the law. The customer who is benefiting from theft of water will be held accountable, though s/he is not necessarily the person who has removed or tampered with the meter lock. The board will seek to prosecute any customer that is engaged in the theft of water.

**W. User agreement:** A contractual agreement between applicants for water service and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Water Association.

**III. Service-extension Policy**

A. Meter installations and/or connections for individual applicants whose property intersects an existing water main

1. Applicants requesting water service to property where existing water mains are present either on the property or across a public road from the property and where a **new meter installation** is needed are required to complete the following procedures prior to the installation of a water meter:

a. Applicant shall first request that the maintenance superintendent confirm that an adequately sized water main exists either on the property where the service connection is to be located or across a public road from the property.

b. Upon confirmation of the location of the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Water Association’s water main on or near the property of the applicant’s proposed service connection, the applicant shall obtain a notice of intent from the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ County environmentalist.

c. The applicant shall then make arrangements to meet the billing clerk in order to execute the user agreement, at which time the notice of intent shall become the property of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Water Association and the applicant pays the applicable following fees:

Membership fee: (non-refundable contributed capital) $\_\_\_\_\_\_\_\_

Residential security deposit: (refundable upon termination of services) $\_\_\_\_\_\_\_\_

Rental security deposit: (refundable upon termination of services) $\_\_\_\_\_\_\_\_

Commercial security deposit: (refundable upon termination of services) $\_\_\_\_\_\_\_\_

Industrial Security Deposit: (Refundable upon Termination of Services) $\_\_\_\_\_\_\_\_

Water tap fee: (non-refundable materials and labor costs of installing service) $\_\_\_\_\_\_\_\_

Road cut fee: (non-refundable extra charge if main is opposite property on dirt or gravel road) $\_\_\_\_\_\_\_\_

Road bore fee: (non-refundable extra charge if main is opposite property on paved county road) $\_\_\_\_\_\_\_\_

Highway road bore fee: (non-refundable extra charge if main is opposite property on state or federal highway) $\_\_\_\_\_\_\_\_

d. Within two weeks of the execution of the user agreement, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Water Association shall install the service connection and meter assembly within 10 feet of the road right-of-way or existing private easement nearest the water main and/or install sewer tap and line to within 10 feet of the road right-of-way or existing private easement of the nearest sewer line.

2. Applicants requesting water service to property where **existing water meters** are present are required to complete the following procedures prior to completing a user agreement:

a. Applicant shall request the maintenance superintendent to inspect the existing service connection to ensure that all necessary equipment, including the curb stop, meter, meter coupling, meter box and top, are in place prior to executing the user agreement. The maintenance superintendent shall also inspect property as well as system maps to ensure that property is within sewer service area and that an existing sewer main is on or near the property.

b. If the applicant has moved a mobile home onto the property of an existing water service connection, the applicant shall first obtain the notice of intent from the \_\_\_\_\_\_\_\_\_ County environmentalist as outlined above in paragraph 1, line b.

c. The applicant shall then make arrangements to meet the billing clerk order to execute the user agreement, at which time the notice of intent shall become the property of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Water Association and the applicant pays the applicable following fees:

Membership fee: (non-refundable contributed capital) $\_\_\_\_\_\_\_\_

Residential security deposit: (refundable upon termination of services) $\_\_\_\_\_\_\_\_

Rental security deposit: (refundable upon termination of services) $\_\_\_\_\_\_\_\_

Commercial security deposit: (refundable upon termination of services) $\_\_\_\_\_\_\_\_

Industrial security deposit: (refundable upon termination of services) $\_\_\_\_\_\_\_\_

Connection fee: (non-refundable labor costs of connecting service) $\_\_\_\_\_\_\_\_

B. Meter connections requiring the extension of water or sewer mains

Applicants requesting water and/or sewer service to areas where existing \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Water Association water mains are not present are required to complete the following steps:

1. Obtain a petition for service from the maintenance superintendent, and gather signatures of all individuals and entities who have property within the proposed service extension area and who would also like to be connected to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Water Association. If the applicant is the only person or entity requesting extension of service, then refer to item 3 below.

2. Upon the completion of the petition for service, the applicant shall present the petition to the board. If the board determines that not all potential customers have been included in the petition for service, the board may require a written explanation as to why these individuals or entities are not included.

3. If the applicant does not require financial aid for the design and construction of the extension, the applicant shall notify the board of the engineer who will provide design and inspection services. The applicant shall be responsible for all costs, including engineering fees, construction costs, and attorney’s fees. Any extension outside of the certificate franchised area of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Water Association will require the applicant petitioning the \_\_\_\_\_ Public Commission for a service-area extension. All preliminary engineering plans shall be reviewed by the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Water Association board, its certified operator, and engineer, and the \_\_\_\_\_ Division of Water Supply prior to approval to begin construction. Upon the board’s approval of the engineering plans and after the receipt of approval by \_\_\_\_\_ Division of Water Supply’s Planning Review Branch, the board shall grant a service-extension agreement and notice of intent to purchase water line extension. After terms and conditions of the service-extension agreement and notice of intent to purchase are completed, the applicant shall sell the extension, final engineering plans, right-of-way easements and other required documentation to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Water Association for a sum not to exceed $1.00.

4. If the applicant requires financial aid in order to finance the engineering and construction of the project, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Water Association will formally request proposals and qualifications from at least five engineering firms. After an engineer is selected by the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Water Association board and preliminary engineering design and cost estimates are compiled, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Water Association will coordinate through recognized federal, state, or private lending agencies in order to apply for funding on behalf of the applicant(s). After funding is approved and obligated, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Water Association will evaluate the cost effectiveness of the project and any increases in existing customer fees. Unless \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Water Association’s existing customers will benefit by the extension and improvements to the water and or sewer system, the board cannot accept funding unless all costs, including additional operations and maintenance costs and debt service expenses, will be borne by the applicant(s). If funding is accepted, the board shall work with the applicant(s) in meeting letters of condition so that construction can begin. If funding is not accepted, the board shall notify the federal/state funding agency as well as the applicant(s) as to the reason funding was not acceptable.

C. Extensions requiring system upgrades, including the construction of new water wells, pumps, and/or tanks

Any proposed extension that would require the upgrade of existing \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Water Association facilities, including its existing water mains, wells, pumps, tanks, or sewerage treatment facilities, shall be included in the proposed project. Applicants who do not require federal/state funding assistance will be required to fully pay all costs, including necessary upgrades to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Water Association existing facilities.

D. Exceptions, administrative orders

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Water Association cannot extend service, connect existing meters for new service, or install new customer meter connections if the water system is near or over capacity and/or if the state has issued an administrative order prohibiting the extension, connection, or installation of new customer service. Only after \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Water Association has complied with the conditions of such an administrative order can the board authorize the extension, connection, or installation of new customers.

**IV. Collection Policy**

A. Collection of customer water payments

1. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ has been contracted by \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Water Association to receive, post and deposit customer water and sewer payments at the following address:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ is hereinafter designated the billing clerk.

2. Customers of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Water Association should receive a current monthly statement detailing current and past-due water/sewer charges on or shortly after the \_\_\_\_ day of each month. If a customer does not receive a monthly statement, it is the customer’s responsibility to contact the billing clerk so that another bill can be mailed. Failure to receive a monthly statement does not relieve the customer of any payment obligation nor prevents the termination of a service connection.

B. Grievances, payment-extension agreements and hardship agreements

1. Customer grievance

If a customer has a dispute regarding a current bill, the customer must contact the billing clerk to inform him/her of the discrepancy. The billing clerk, after investigating the merits of the complaint, will, in turn, notify the customer of any findings. The billing clerk cannot under any circumstances adjust a water bill. However, the billing clerk must report his/her findings to the board before the **[number]** day of each month. The board will act on testimony from both the billing clerk and the customer at the board meeting and will make any adjustments accordingly. No late charges or service charges will be assessed after a grievance has been filed. Upon a ruling of the grievance by the board, the customer has **[number]** days to pay the balance in full. If the balance is not received by the billing clerk within **[number]** days of the ruling, applicable late charges and/or service charges will be assessed.

2. Payment-extension agreement

If a customer has a past-due amount reflected on the bill that s/he receives, the customer may appear in person before the billing clerk to file a formal payment-extension agreement, provided that the payment-extension agreement is filed before the \_\_\_\_\_of the month. The payment-extension agreement must stipulate full payment of both current and past-due charges and applicable late charges before the end of the month. If the customer does not pay full balance on or before the last day of the month, the payment-extension agreement becomes null and void. If the customer has not fulfilled his/her promise to pay by the end of the month, the customer will not be allowed to file another payment-extension agreement for **[number]** months. Furthermore, if a customer has defaulted on his/her agreement to pay, the service connection supplying water to the customer will be terminated within **[number]** days without any other notice or warning.

3. Hardship payment agreement

If a customer incurs any type of hardship, including a high water bill, loss of employment, loss or damage of property caused by fire or natural disaster, death or illness of family, or any other catastrophe that hinders the customer’s ability to pay his/her full monthly bill, the board may grant a hardship payment agreement. The hardship payment agreement will be granted only if the entire customer’s past-due balance has been previously paid. The hardship payment agreement stipulates that at least **[percentage/portion]** of the current monthly minimum be paid before the **[number]** day of each month. The remaining balance of the customer’s bill is not forgiven or adjusted but carried over each month with no accumulation of late charges, provided that the customer pays at least the minimum stipulated in the hardship payment agreement before the **[number]** day of each month. The hardship payment agreement is granted for a maximum term of **[number]** months. At the end of the term, the customer may appear before the board to request an extension not to exceed **[number]** additional months. The customer agrees to pay all remaining charges within **[number]** days of the term expiration of the hardship payment agreement. The customer may be entitled to filing a payment extension agreement to extend the full repayment of the balance by the end of the month that the hardship payment agreement expires. Failure of making the minimum payment stipulated in the hardship payment agreement by the end of each month will result in the automatic termination of the hardship payment agreement. **[Number]** calendar months have to elapse before a customer may petition the board for another hardship payment agreement, whether or not the agreement’s promises have been fulfilled by the customer.

C. Proof of payment

1. If a customer has a dispute regarding the proper credit and posting of a water payment, the customer must provide acceptable proof of payment. Proof of payment may consist of one of the following:

a. Bank canceled check

b. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Water Association payment receipt

c. Statement and photocopy of canceled money order from company issuing money order. (A money order receipt is not proof that the payment was made. This receipt is only proof that a money order was purchased. It should always be retained in the event that a customer needs to request a trace from the company issuing the money order.)

2. It is the responsibility of the customer to notify the billing clerk of any discrepancy, including an improperly credited or missing payment. The billing clerk will notify the customer if s/he cannot find or solve the problem. The customer must appear before the board and either provide proof of payment or request additional time to obtain proof. The undisputed portion of the water statement should be paid before the **[number]** day of the month.

**V. Cutoff policy**

A. Billing, late assessments and cutoff notices

1. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Water Association reads meters usually between the **[number]** and **[number]** of each month, after which the billing clerk calculates and mails the water/sewer statements. The full balance shown on the statements are due and payable immediately after they are mailed. Failure for a customer to receive a water/sewer statement does not waive the customer’s responsibility to pay all charges included in the statement, nor is this grounds for not charging late charges, service charges, or terminating service.

2. A **[number]** percent late charge of the current balance will be assessed if payment is not received by the **[number]** day of each month.

3. A cutoff notice will be mailed to each customer with any past-due amount still owed after the **[number]** day of each month.

4. Failure of a customer to remit full payment of all current and past-due charges within **[number]** days of the cutoff notice being mailed will result in the customer’s service being terminated. Refer to paragraph C below for further explanation.

B. Delinquent collections

1. If a delinquent customer has failed to pay his/her entire bill by the date shown on the cutoff notice, the said customer may offer full payment including a $**[dollar amount]** collection fee. It is the responsibility of the customer to offer payment to the employee or contractor who arrived on-site for the sole purpose to terminate the service connection. Furthermore, the customer must present full payment, including the collection fee, to the employee or contractor within **[number]** minutes of requesting the service connection not be terminated. If the customer is unable to gather the full payment within **[number]** minutes, the employee or contractor shall terminate the service connection without further delay.

C. Termination of service

1. If a delinquent customer has had his/ her service connection terminated, s/ he must appear before the billing clerk or an authorized board member to make full payment of current charges, past-due charges, late charges, and service charges, to include a $**[dollar amount]** reconnection fee. After full payment has been received, the delinquent customer can expect his service connection to be restored within **[number]** hours.

2. If a delinquent customer who has had his/her service connection terminated but is receiving water through a meter that has had its locking device tampered with or removed, then the board will file criminal theft of water charges against the customer. The board will also immediately file a civil lawsuit against the customer to seek a judgment to recover all current and past-due water charges, late charges, service charges, charges for damage to the lock and/or meter, and any applicable court costs.

D. Bad debts

1. If a delinquent customer has not paid his full balance within **[number]** days after termination of service, the billing clerk shall write a letter to the customer requesting full payment within **[number]** days. The letter shall also state the association’s customer service policy and the intent to file a lawsuit against the customer if payment is not received by the specified deadline.

2. If, after **[number]** days of mailing notice concerning a bad-debt balance, and the account still has not been settled, the billing clerk shall apply the customer’s security deposit to the balance, print a detailed transaction report for the customer’s account over the last six months, and supply this report along with all copies of all correspondence to the customer since the meter has been terminated, the customer’s address, social security number, place of employment and any other recorded information to the board. The board shall then have its attorney prepare a lawsuit to recover the unpaid balance, as well as any other fees that the board or court deems necessary, including but not limited to legal fees and court-filing fees.

3. If a customer owing a bad-debt balance has had his/her deposit applied against the outstanding balance, the customer will be required to complete another water user agreement and post a security deposit equal to twice the amount of the applicable user class deposit for residential, commercial, or industrial customers.

**VI. Implementation, enforcement, and amendments of the customer-service policy**

A. Implementation

The board for \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Water Association has resolved to fully implement the customer-service policy by the **[date]** of **[month and year]**. All employees, contractors, and designees of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Water Association will be charged with the responsibility of strictly adhering to the customer-service policy.

The board shall also publicly post or distribute copies of this policy to the customers immediately.

B. Enforcement

The employees, contractors, and designees of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Water Association shall enforce the customer-service policy. Every customer of the association will be required to be subject to the same customer-service policy. No preferential treatment of any customer, including members of the board, will be tolerated.

Approval:

Be it resolved, that the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Water Association board conducted a monthly business meeting on the **[number]** day of **[month and year]**. Furthermore, that the board, acting upon a motion made and duly seconded, unanimously approved the customer-service policy contained herein the preceding pages.

Be it further resolved that the said policy will remain in force until such time that the board of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Water Association resolves to amend said policy.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_

Secretary of the Board Date