

High Valley Country Club Policy 2014-2

Adopted by High Valley Board of Trustees on September 20, 2014

Amended by High Valley Board of Trustees on August 18, 2018 / January 19, 2019

Title: Water Shut-off on past due assessment\dues and collection policy

Rationale:

There is a need to have a consistent policy on handling member's assessment accounts that have past-due balances. At the present time these situations are handled by the bookkeeper with consideration to the By-laws of High Valley Country Club (HVCC) however with no specific policy direction from the Board of Trustees. This leaves perceived room for liability issues towards both the board and the bookkeeper.

The Articles of Incorporation of High Valley Country Club Inc. authorizes the corporation (which acts through its Trustees) to:

- a. Make water available to its members – (Section 13)
- b. To set charges and assessments associated with supplying water – (Section 14)
- c. To do "any and all acts" which may be "necessary for or incidental to, the exercise of any powers", which includes the collection of amounts due for water supplied – (Sections 16 & 18)
- d. Further, the By-laws of the corporation gives the Trustees the authority to terminate the benefits of membership, which include water supplied by High Valley Country Club.

Declaration of intent:

Provide a written policy statement on how to handle past-due accounts that details when collection efforts are started, the parameters of the collection, the process, and if the collection process is not successful when and how to process a water shut-off action. This policy must be in agreement with the Articles of Incorporations and existing By-laws.

Policy:

1. The Treasurer of High Valley Country Club (HVCC) shall determine when the account becomes delinquent. The definition of delinquent is any amount owing that is not paid by May 1st of the year for which it is owed. As soon as an account becomes delinquent the Treasurer or General Manager will send out three past due notices to the member.
2. Other reasons for water shut-off are but not limited to:
 - a. Water use for purposes or properties other than those specified in the customer's application for service;
 - b. Willful waste of water through improper or defective piping, equipment, or otherwise;
 - c. Piping or equipment that does not meet the HVCC's standards or fails to comply with other applicable codes and regulations;
 - d. Tampering with the HVCC's property;
 - e. Nonpayment of any proper charges;
 - f. Refusing to allow access as required in WAC [480-110-305](#) (Access to premises);

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- g. Violating rules of outdoor watering instructions given to customers in order to curtail water use during time of shortage;
 - h. Use of equipment that detrimentally affects the HVCC's service to its other customers;
 - i. Service obtained by fraud: No notice required before termination - HVCC may terminate service without notice when it discovers a customer has obtained service fraudulently. Examples of fraud include: When service is connected without the HVCC's knowledge, when service is obtained by fraudulent means or representations, or when service is used to provide service to other persons who are required to obtain their own service.
 - i. First offense: The HVCC may disconnect service immediately and without prior notice when it discovers fraud, unless the customer immediately terminates the fraudulent use and pays:
 - a. The tariff rate for service HVCC estimates was taken fraudulently; plus
 - b. All HVCC costs resulting from the fraudulent use and all applicable fees; plus
 - c. Any applicable required deposit.Second offense: HVCC may disconnect service immediately and without prior notice when it discovers further fraud. HVCC may refuse to reconnect service to a customer who has been disconnected for further fraud.
HVCC review: A customer may ask the HVCC to review any HVCC determination of fraud through an informal or formal complaint. HVCC has the burden of proving that fraud occurred. However, this rule does not relieve any person who has committed fraud from civil or criminal responsibility.
3. **Medical situations:** When HVCC has cause to disconnect or has disconnected a residential service, it must postpone disconnection of service or must reinstate service for a grace period of five business days after receiving either verbal or written notification of the existence of a medical situation.
- a. HVCC may require that the customer, within five business days, submit written certification from a qualified medical professional stating the disconnection of water service would significantly endanger the physical health of a resident of the household. "Qualified medical professional" means a licensed physician, nurse practitioner, or physician's assistant authorized to diagnose and treat medical conditions without supervision of a physician. Nothing in this section precludes HVCC from accepting other forms of certification, but the maximum HVCC can require is written certification. If HVCC requires written certification, it may require the certification include some or all of the following information:
 - i. Residence location;
 - ii. An explanation of how the physical health of the person will be endangered by disconnection of local service;
 - iii. A statement of how long the condition is expected to last; and

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- iv. The title, signature and telephone number of the person certifying the condition.
 - b. A medical situation does not excuse a customer from paying delinquent and ongoing charges. HVCC may require the customer do the following within the five business day grace period: Pay a minimum of twenty-five percent of the delinquent balance and enter into an agreement to pay the remaining delinquent balance within ninety days and to pay subsequent bills when due. Nothing in this section precludes HVCC from agreeing to an alternate payment plan, but HVCC may not require the customer to pay more than this subsection prescribes. HVCC must send a notice to the customer confirming the payment arrangements within two business days.
 - c. If within the five-day grace period the customer fails to provide an acceptable payment arrangement, HVCC may disconnect service without further notice.
 - d. If the customer fails to abide by the terms of the payment agreement HVCC may disconnect service without further notice.
 - e. The medical certification is valid only for the length of time the health endangerment is certified to exist but no longer than six months unless renewed.
4. **Required notice prior to disconnecting service:** HVCC must notify customers before disconnecting their service except in case of danger to life or property, fraudulent use, impairment of service, or violation of law. In all other cases, HVCC must not disconnect service until it has met the following requirements:
 - a. HVCC must serve a written disconnection notice on the customer, either by mail, or, at HVCC's option, by personal delivery of the notice to the customer's address, attached to the primary door. Each disconnection notice must include:
 - i. A delinquent date that is no less than eight business days after the date of personal delivery or mailing if mailed from inside the state of Washington or a delinquent date that is no less than eleven days if mailed from outside of the state of Washington; and
 - ii. All pertinent information about the reason for the disconnection notice and how to correct the problem; and
 - iii. HVCC's name, address, and telephone number by which a customer may contact HVCC to discuss the pending disconnection of service.
 - b. Disconnection notices must:
 - Include detailed information pertinent to the situation; and
 - i. Include HVCC's name, address and telephone number by which the customer may contact HVCC to discuss the pending disconnection of service; and
 - ii. Expire after ten business days from the first day HVCC may disconnect service, unless other mutually agreed upon arrangements have been made and confirmed in writing by HVCC. If mutually accepted arrangements are not kept, HVCC may disconnect service without further notice.
 - c. A HVCC employee dispatched to disconnect service must accept payment of a delinquent account at the service address if tendered in cash, but is not required to give change for cash tendered in excess of the amount due and owing. HVCC

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employee must provide a receipt if paid in the field. HVCC must credit any excess payment to the customer's account. When disconnection does not take place due to payment made by the customer, HVCC may assess a fee for the disconnection visit to the service address as provided in HVCC's tariff. The disconnection notice must describe the disconnection visit charge, the amount, and the circumstances under which the charge will be made.

- d. Service may not be disconnected while the customer is pursuing any remedy or appeal provided by these rules or while engaged in discussions with HVCC's representatives or with the Board. However, any amounts not in dispute must be paid when due and any conditions posing a danger to health, safety, or property must be corrected.
- e. High Valley Country Club, providing private water service to its members, derives its authority from WAC 480-110-355 and RCW 57.08.081

5. The past due notice shall include the following information:

- a. Member's High Valley address
- b. Member's mailing address
- c. Total amount of past due assessment and assessment type
- d. Address to which payment should be sent
- e. Prominent warning that water will be shut off if payment not received; Bylaw Article IX, Section 2, payment for annual assessments due by May 1st of each year.
 - May 2, First late fee is applied to account.
 - June 1, (30 days late) second late fee is applied and member notified of privileges suspended and water shut off procedure is activated to *all lots*.
 - July 1, (60 days late) third late fee is applied, member notified water shut off procedure is activated, HVCC must receive full payment before August 1st to avoid water shut off.
 - August 1, (90 days late) Water service is discontinued and meter locked for non-payment. Note; the removal of a HVCC lock on water meter will result in a \$500.00 fine. If a lock is cut a second time, the service will be capped and the member assessed a fine up to \$1,000.00 to cover expenses. After settlement of past dues, charges and assessments, Member will be assessed additional fee to reconnect to cover expenses.
 - September 1, legal notice sent. Member is charged legal fees.
 - October 1, No response, member sent to collections.
 - May 1, of the next year, if the collection is not settled a lien is filed.
- f. Phone number of person to contact regarding payment.
- g. Date payment must be received in order to avoid water shut off.

6. **Reconnecting water service after disconnection:** HVCC must restore disconnected service when the customer has paid, or HVCC has agreed to bill, any reconnection charge and:

- a. The causes of disconnection are removed; and/or
- b. The customer pays all proper charges;

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7. HVCC Bylaws: Article III Section 6. By unanimous vote of the Trustees of the Corporation present at any meeting called for the purpose of suspending rights and privileges of membership, any person or persons entitled to the rights and privileges of membership may be suspended therefrom (a) for non-payment of charges and assessments until such time as the same are fully paid; or (b) for failure to comply with the rules and regulations of the Corporation, until such time as the Trustees deem advisable, not to exceed one year. If suspension is for failure to comply with the rules and regulations, the suspended person may appeal to the meeting of membership which may overrule or modify the decision of the Trustees by vote of 80 percent of the membership present. No such suspension shall relieve or discharge the membership from its obligation to pay charges and assessments. The Trustees shall suspend no person or persons from the rights and privileges of membership unless such person or persons shall have been notified of such action. Notice shall be deemed given when sent to the lot owner's last known address by both regular and/or certified mail.

Schedule of Charges or Fines

Violation	Policy Section 5 - e	Fee / Penalty
Late Dues, 30 days	" "	\$20.00
Late Dues, 60 days	" "	\$20.00
Late Dues, 90 Days	" "	\$20.00 + Water Shut Off Notice, + certified mail fees to be added
Water Lock Out & Reconnect	" "	\$350.00 & \$350.00
Lock Cut, first offence	" "	\$500.00
Lock Cut, second offence	" "	Up to \$1,000.00 and associated costs. Water service meter removed and service line capped
Water Meter & Line Reconnect	" "	Member will be accessed all associated costs.
Lien Fee	" "	\$300.00
Lien Release fee	" "	\$150.00

The Board of Trustees is not authorized, nor do the Articles of Incorporation or Bylaws grant authority to the Board of Trustees, to negotiate payment plans with individual members of the association. The Bylaws explicitly state in Article IX, Section 2, that ***"Each member shall pay the amount of such dues to the Corporation at its office no later than May first."***

Website submission 2/2020