POLICY TITLE: **Water Service & Collections Policy**
POLICY NUMBER: **5200**
UPDATE & CONSOLIDATION ADOPTED BY BOARD OF DIRECTORS: **11/06/25**
AMENDED BY BOARD OF DIRECTORS: **05/15/2026**
This policy supersedes all prior standalone policies related to water service, billing, delinquency, and enforcement, including Water Service Rules & Regulations (approved May 12, 1993; June 3, 1996; and December 3, 2020), Payment Collections Policy (approved March 23, 2023 and June 1, 2023), and Water Service & Collections Policy (approved June 26, 2025 and November 6, 2025).
Adopted 11/06/2025, replacing former Policy No. 5100 and renumbered to 5200 for current policy series alignment.

5200.1 – Application for Water Service

5200.1.1 Purpose: To establish procedures for applying for water service within the District and to ensure accurate account setup and infrastructure compatibility.

5200.1.2 Application Requirement: An application for water service must be submitted by the property owner, tenant, or authorized representative. Applications are required in the following circumstances:

- New construction or development
- Change in ownership, tenancy, or occupancy
- Re-establishment of service at a previously inactive location

5200.1.3 Approval Process: Approval of water service is contingent upon:

- District review and final authorization
- Payment of all applicable fees

5200.1.4 Residential New Service Line Connection:

For residential use, a one-time fee of $15,000 is required for the installation of a new water service line. This fee must be paid at the time of application. This fee applies only if a new water line is being created and connected. It does not apply to activating an existing water service line.

5200.1.5 Non-Residential Service Connections

For water service connections to non-residential properties or projects, pricing will be determined based on the scope and complexity of the proposed service. Applications shall be reviewed and a quote provided within a reasonable timeframe.

5200.1.6 Existing Service Lines: If an existing water line is in place, no new line connection fee is required. However, a new application is still mandatory for any change in service account holder.

5200.2 – Water Meter Access, Reading, & Management

5200.2.1 Meter Installation: Water meters will be installed by District personnel following application approval. Customers may not install, remove, tamper with, or otherwise alter meters or District-owned equipment.

5200.2.2 Meter Accessibility: All water meters must remain **unobstructed and accessible** at all times to District personnel for purposes of:

- Monthly meter readings
- Inspections
- Maintenance or replacement

Vegetation, fencing, landscaping, debris, animals, or other obstructions interfering with meter access shall remain the responsibility of the customer or property owner.

Failure to provide access may result in administrative charges, estimated billing, or other enforcement actions authorized by this policy.

5200.2.3 Meter Area Clearing and Customer Charges: Customers are responsible for maintaining clear and safe access to water meters, including maintaining an approximately two (2) foot clearance radius around the meter free of vegetation, debris, or other obstructions.

If the District determines that a meter area is obstructed, the customer will receive a notice with their monthly invoice requesting corrective action.

If the obstruction remains unresolved after two (2) notices, the District may authorize meter area clearing services to restore access. Any contractor costs incurred by the District for approved clearing services will be billed to the customer and added to the following monthly invoice.

5200.2.4 Missed Meter Readings & Default Usage Charges: If a meter is inaccessible during the monthly reading period, the District will:

- Apply a default usage charge, determined at the discretion of the District based on average or estimated consumption
- Flag the account for follow-up meter access

5200.2.5 Adjustments Based on Future Readings: If the next successful meter reading reflects lower actual usage than previously estimated, the customer will receive a billing credit equal to the difference.

5200.3 – Fees, Billing & Account Status

5200.3.1 Monthly Billing: All active water accounts will be billed monthly. Each bill includes:

- A base service charge for raw water (PCWA)
- A base maintenance fee for the Water Treatment Plant
- A consumption-based charge based on units used

5200.3.2 Billing Schedule

- Bills are generated by the 10th of each month
- Payments are **due by the 10th** of the following month
- A bill is **issued regardless of service activity** as long as the account remains open and active

5200.3.3 Late Payments & Penalties: Payments not received by the 10th will be considered **delinquent** and subject to:

- A **10% monthly late fee** based on the outstanding balance
- A penalty after 60 days
- Additional legal fees and interest charges if the account becomes severely delinquent or subject to lien

5200.3.4 Shut Off & Restoration Charges

- A **$100 Shut Off Administration Fee** will apply when water service is disconnected for non-payment

- A **$100 Reconnection Fee** will be applied to restore service

5200.3.5 Payment Methods: All payments must be submitted using one of the following approved methods:

- **Electronic payment** through an authorized online system (if available)
- **Bank check** or **money order**, payable to *Heather Glen Community Services District*

Payments may be mailed to the District's official mailing address or deposited in the designated community dropbox.

- Cash payments are not accepted under any circumstances
- District field personnel are not authorized to collect or handle payments

5200.3.6 Contact Information:

Mailing Address:
Heather Glen Community Services District
P.O. Box 715
Applegate, CA 95703

Email: HeatherGlenCSD@gmail.com
Phone: (530) 492-0577
Website: HGCSD.net

5200.4 – Delinquency Management & Enforcement

5200.4.1 Delinquency Notices Timeline: Water accounts become delinquent if unpaid for 60 days or more. The following timeline applies:

Timeline	Action
60 Days Delinquent	**First Notice**: Letter mailed providing 14-Day Notice requesting payment or meter access appointment and indicating that your water service may be shut off without taking the required steps towards account resolution.

7 Days Before Shut Off	**Second Notice**: Orange door hanger posted
2 Days Before Shut Off	**Final Notice**: Red door hanger posted and curb box marked

If no payment or access arrangement is made by the end of the notice period, water service will be disconnected.

5200.4.2 Shut Off Procedure

- Service is shut off without further notice
- Customer must pay entire delinquent amount, plus late fees, legal costs, and shut off / reconnection charges
- A written agreement or payment plan may be offered in cases of hardship

5200.4.3 Reconnection: Water service will be restored only upon:

- Full payment of all outstanding charges
- Completion of required forms
- Reconnection during business hours (Monday–Friday, 8:00 AM – 5:00 PM, excluding holidays)

5200.5 – Payment Plans, Appeals, & Legal Enforcement

5200.5.1 Payment Plans: See detailed procedures under **Section 5200.9**.

5200.5.2 Appeals: A customer may appeal a pending shut off by submitting a **written request for a Special Meeting with the District board** at least **20 days prior** to the scheduled disconnection date. The Board of Directors will:

- Schedule a Special Board meeting
- Issue a decision within **10 business days** of the meeting

5200.5.3 Liens and Legal Fees

- Liens may be recorded on properties with seriously delinquent accounts
- **Customers will be responsible for all attorney fees, lien revision fees, and court filing costs**

- These fees will be added to the outstanding balance

5200.6 – Termination of Accounts at Sale or Transfer

5200.6.1 Property Sale Requirements: Water service accounts must be closed upon sale of the property. The seller must:

- Notify the District of the change
- Schedule a final meter reading and account closure
- Pay all outstanding balances and liens

The buyer must apply for service under their name to avoid service interruption (new service fees may apply).

5200.6.2 Outstanding Liens and Property Transfer Notice: The District may provide notice to current property owners, successors in interest, prospective purchasers, escrow representatives, title companies, or other parties with a documented interest in a property regarding unpaid District charges, delinquent accounts, or recorded liens associated with the property, as permitted by law.

Recorded liens and delinquent charges shall remain subject to applicable law and District collection procedures until satisfied, released, extinguished, or otherwise resolved.

The District may require verification that outstanding recorded liens or delinquent charges affecting service eligibility have been resolved, as permitted by law and District policy, prior to establishing or restoring water service.

5200.7 – Water Waste, Tampering, & Violations

5200.7.1 Water Waste: Excessive or negligent use of water may trigger discontinuation of service. Upon written notice, if the wasteful practice continues for five (5) days, service may be shut off until remedied.

5200.7.2 Tampering with District Property

- Unauthorized access, opening of valves, or turning water back on is strictly prohibited
- Offenders will be:

- Subject to **immediate shut off**
- **Fined $1,000 per incident**
- Referred for **legal prosecution**

5200.8 – District Rights and Customer Obligations

5200.8.1 District Access: District personnel have legal right of **ingress and egress** to customer property for:

- Meter readings
- Repairs and inspections
- Infrastructure maintenance

5200.8.2 Customer Responsibility: Customers are responsible for:

- Maintaining plumbing beyond the point of District connection
- Maintaining unobstructed and reasonably safe access to the meter area
- Reporting water leaks or service issues promptly

5200.9 – Payment Plan Agreements

5200.9.1 Purpose: To establish a structured process for resolving delinquent account balances through payment plans initiated by either the customer or the District, ensuring fair and consistent treatment for all customers while maintaining the financial integrity of the District.

5200.9.2 Eligibility: A Payment Plan may be established under the following conditions:

- The account has an outstanding balance of **$100 or more**;
- The customer has not defaulted on a Payment Plan within the past twelve (12) months; and
- No active appeal or pending legal action exists for the same balance.

A Payment Plan may be **requested by either the customer or the District** when doing so is determined to be a reasonable method of resolving the account delinquency and maintaining continuous water service.

5200.9.3 Issuance and Execution of Agreement:

1. Upon approval, the **District will prepare a written Payment Plan Agreement** specifying:
    - The total account balance,
    - The monthly installment amount,
    - The total duration of the plan (not to exceed twelve [12] months),
    - The start and end dates, and
    - All applicable terms and conditions.

2. The District will mail or electronically deliver the Payment Plan Agreement to the customer.
3. The **customer must sign and return the original signed agreement** to the District **within five (5) business days** of receipt, unless a different timeframe is formally agreed to in writing.
4. Failure to return the signed agreement within the required timeframe will void the offer, and the account will remain subject to standard delinquency and collection procedures.

5200.9.4 Payment Terms:

- The **outstanding balance will be divided into equal monthly installments** over a period **not to exceed twelve (12) months)**.
- Each installment will be **automatically added to the customer's regular monthly bill**.
- **No late fees or interest** will be applied to the outstanding balance while the Payment Plan remains active and in good standing.
- The customer must pay all new monthly charges in addition to the installment amount each month.

5200.9.5 Breach or Termination of Agreement: If a customer fails to make payments as agreed, the District will determine that the customer is **in breach of the Payment Plan Agreement** and **no longer working in good faith to resolve the account balance**. A breach occurs when:

- Two (2) consecutive payments are missed;
- Any payment is more than ten (10) days late; or
- Current monthly service charges are not paid.

Upon breach:

- The Payment Plan Agreement will be **terminated**;
- **Late fees and penalties will resume** on all unpaid balances; and
- The District will initiate the **collections process** in accordance with Section 5200.10, which may include service disconnection, lien placement, and/or referral to collections.

5200.9.6 Modification or Extension: The District may, at its discretion, approve a one-time modification or extension of the Payment Plan term, not to exceed an additional six (6) months, when the customer demonstrates continued financial hardship and good-faith effort to comply with the agreement.
Any modification must be documented in writing and signed by both parties.

5200.9.7 Recordkeeping: All executed Payment Plan Agreements, including related correspondence, modifications, and compliance history, shall be maintained in the customer's account file for a minimum of three (3) years after plan completion, termination, or default.

5200.10 – Debt Collection and Recovery Process

5200.10.1 Purpose: To establish consistent and flexible procedures for the recovery of unpaid water service debts, ensuring compliance with applicable law and fairness in the District's enforcement practices.

5200.10.2 Definition of Delinquent Debt:
An account is deemed a **Delinquent Debt** when:

- It remains unpaid for more than ninety (90) days after the due date, and
- No active Payment Plan, appeal, or hardship arrangement is in effect.

5200.10.3 Collection Authority and Options:
The District reserves the right to employ **any or all** of the following collection actions, in any order deemed appropriate, to recover outstanding balances:

a. Final Demand Notice:
A formal written notice providing thirty (30) days to remit full payment or make arrangements before further enforcement action.

b. Payment Plan Option:
The District may offer or re-offer a Payment Plan under Section 5200.9 if mutually beneficial and consistent with District policy.

c. Collection Agency Referral:
Referral to a licensed collection agency for recovery of unpaid debts. The customer shall be responsible for any associated agency or administrative fees.

d. Property Lien:
Recording of a lien against the serviced property pursuant to Section 5200.5.3. Liens remain in effect until all balances and costs are paid in full.

e. Small Claims or Civil Action:
The District may pursue recovery through Small Claims or Superior Court.

f. Tax Roll Placement (if applicable):
With Board approval, the District may place severely delinquent debts on the County property tax roll for collection in accordance with state law.

g. Credit Reporting:
The District may report unpaid balances to credit reporting agencies as permitted by law.

5200.10.4 Cost Recovery: All administrative costs, legal fees, lien filing fees, court costs, and collection agency charges incurred by the District in the recovery process shall be added to the customer's outstanding balance and are fully recoverable by the District.

5200.10.5 Write-Offs: The Board may authorize write-off of accounts receivable when all collection actions available under this policy have been exhausted, and where further efforts are deemed economically or practically infeasible. In so doing:

- Write-off is for internal accounting and does *not* automatically release the debtor from liability unless explicitly stated.
- If the debt is more than **ten (10) years** delinquent, the Board may consider it for write-off, provided the District has documented:

    1. The account was delinquent and remained so for the period;
    2. All notices (delinquency, shut-off, lien, collection agency referral) were properly made;
    3. The statute of limitations for initiating legal action has run or the District has assessed that legal action is not viable;
    4. No viable lien or other collection remedy remains.

- Approval of the Board must include a finding that collection is no longer prudent or cost-effective.
- Even if written off, the District retains the right to resume collection (including service restriction, lien, or tax roll placement) if the debtor later engages with the District.

HGCSD Payment Plan Agreement

PLEASE READ CAREFULLY: *Before returning this form, please:*

1. ***Fill in all the blanks*** *on this form.*
2. ***Write clearly and neatly*** *so the District can read your information.*
3. ***Sign your name*** *where indicated.*
4. *Mail the original signed form (with your handwritten signature) to the District at:*
   PO Box 715, Applegate, CA 95703
   within 5 business days *after you receive this agreement.*
5. *Please keep a copy for your records before* ***mailing the original to the District****.*

Customer Name: _____

Service Address: _____

Account Name: _____

Phone Number: _____

Email: _____

Date of Agreement: _____/_____/_____

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1. Account Balance

As of the date above, the total outstanding balance on your account is: **$**_____

A detailed statement showing how this balance was calculated is included with this agreement for your review and records.

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2. Payment Plan Terms

To bring your account current, you agree to pay an additional fixed amount each month, as follows:

- **Additional Monthly Payment:** $_____
- **Number of Months:** 12
- **Start Date:** _____/_____/_____
- **End Date:** _____/_____/_____

This additional amount will be automatically added to your regular monthly invoice for the next 12 months. Each month, your invoice will include:

(a) Your current monthly water/sewer service charges, **plus**
(b) The agreed additional payment listed above.

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3. Interest and Fees

No interest will be added to your outstanding balance.

No additional late fees will be applied **as long as monthly payments are made on time** according to this agreement.

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4. Missed or Stopped Payments

If you fail to make your monthly payments as agreed:

- The District will consider this as ending your participation in this payment plan.
- Your account will be subject to the District's regular **collections process**, which may include **water service disconnection** and **referral to collections** in accordance with District policies.

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5. Agreement Acknowledgment

By signing below, you acknowledge and agree to the terms of this payment plan, including the total account balance, monthly additional payment amount, and conditions described above.

Customer Signature: _____

Date: _____/_____/_____

District Representative: _____

Title: _____

Date: _____/_____/_____