

POLICY # 420
WATER USAGE FEES

1 SCOPE

This policy sets forth the District's practice regarding billing and collection of fees for water service, usage, termination of water service, refusal of service for nonpayment, third party notification, water leak provisions, meter testing, and penalties and Delinquency Charges. Plant Investment Fees are addressed in Policy #410.

2 GENERAL INFORMATION REGARDING RATES AND CHARGES

- 2.1 Water service and usage fees, including connect fees, disconnect fees, multiple User fees, penalties and Delinquency Charges, and other charges related to water service are set by the Board of Directors and are subject to change without prior notice [C.R.S. 32-1-1001(1)(j)]. Current water service and usage charges are shown in Exhibit A.
- 2.2 Water service and usage fees are billed on a service period basis. Payment is due 25 calendar days from the date of billing. Delinquency Charges will be assessed in accordance with Section 3.5 of this policy. Water service may be terminated for continued delinquent payment in accordance with Section 5 herein.
- 2.3 All Customers receiving water service for a portion of any service period will pay a daily "pro-rated" minimum charge for that period, plus the additional charge for each 1,000 gallons of water used in excess of the "pro-rated" minimum.
- 2.4 All water usage will be measured by a meter furnished and owned by the District. Any un-metered use of water will be unauthorized water use and subject to the conditions of Section 11.9 of this Policy.
- 2.5 The District may add to the water bill any costs incurred by the District in collecting water fees, including, but not limited to, bank charges on returned checks, court costs, witness fees, sheriff's fees, reasonable attorney's fees, and other costs incidental to collection.

3 CUSTOMERS' LIABILITY FOR PAYMENT

- 3.1 The Customer is personally responsible for paying to the District all water service and usage fees in full each month. This responsibility is unaffected by agreements between landlords and tenants, multiple users, and homeowner associations, or other arrangements which the customer may make with parties other than the District.
- 3.2 Unpaid water bills stay with the property and create a perpetual lien against the property [C.R.S. 32-1-1001(1)(j)]. The District may foreclose on the property in exercise of its lien rights. Water service to the tap may be terminated if the amounts owed are not paid and collection actions are brought against the Customer.
- 3.3 The water bill shall be mailed to the service address of the water tap unless the customer provides the District with a different mailing address.
- 3.4 The Due Date for payment of the water bill is thirty (30) calendar days after the Billing Date that appears on the bill.
- 3.5 In accordance with C.R.S. 29-1-1101 et. seq., a Delinquency charge of \$1.00 will be assessed on any account having an unpaid water usage fee balance of \$4.00 or more at the time of the next billing.
- 3.6 Payments will be applied first to pay any outstanding Delinquency Charges, and then to any outstanding water usage fees in order of oldest fees paid first. The Delinquency Charge will be assessed only on the most recent overdue fees of \$4.00 or more for which a Delinquency Charge has not previously been assessed.

- 3.7 Past due accounts may lead to termination of water service as provided in Section 5 herein.
- 3.8 Failure to receive a monthly bill shall in no way effect the customer's responsibility to pay all water usage fees in full each month. If no water bill is received at the usual time, it is the customer's responsibility to contact the District regarding the amount due and to pay accordingly.
- 3.9 If the customer believes the water bill is in error, the District will review the matter and may make appropriate adjustments. The customer's belief that the bill is in error does not excuse the customer's obligation to pay the amount due on or before the Due Date. Credit will be given for any overpayments. Late fees will be assessed if the amount due is not paid timely or if the amount billed is not paid according to paragraph 3.4, 3.5, and 3.6 of this policy and no notice is given to the District of the error until payment is overdue.

4 RESIDENTIAL MULTIPLE USAGE

- 4.1 Tap sharing by separate users is allowed only under limited circumstances as set forth in the Plant Investment Fee Policy.
- 4.2 Where tap sharing (multiple usage) is permitted for Residential Users, the Customer must pay the minimum monthly water usage fee for each Unit/User being served as described in Exhibit A.
- 4.3 Unauthorized multiple usage of a tap subjects both the party receiving the water and the party permitting the unauthorized sharing of its tap to penalty charges as set forth in Section 11.9 of this policy.

5 TERMINATION OR REFUSAL OF SERVICE FOR NONPAYMENT

- 5.1 The District may terminate, at its sole discretion, water service to any tap which has a balance of 30 calendar days delinquent or whenever a customer has an unpaid balance larger than the customer's two most recent billings.
- 5.2 Whenever service is to be terminated under Paragraph 5.1, the District shall give the customer prior notice of termination by sending via first-class mail a notice to the customer at the address of record.
- 5.3 Notice of termination shall be postmarked no less than 10 calendar days before the date service is to be terminated. This notice will be the only notice given prior to termination of service to the water tap.
- 5.4 Prior to the Due Date, the customer may request an extension of time in which to pay the overdue charges. Upon receipt of such request the District may grant, at its sole discretion, an extension under terms acceptable to the District.
- 5.5 Prior to the Due Date, the customer may request a hearing to determine whether the customer's water bill is not delinquent or has been miscalculated. Should the Hearing Officer determine that the bill is not delinquent or has been miscalculated, adjustments will be made and/or another date for service to be terminated will be set, whichever is applicable.
- 5.6 The District assumes no responsibility for notifying tenants, occupants, or other water users other than the customer before terminating service. Unless third party notification is requested and paid for, the Customer is the only party to whom the District will send monthly billings, shut off notices, and other communications. Third party notification is available for owners of the property and users upon written request to the District and payment of the required fee, as set forth in this Policy. Regardless of whether third party notification is provided, notice to the customer constitutes notice to all users sharing the

same tap and the District may exercise all legal rights it has, including but not limited to, the right to discontinue service, change rates, collect fees, and foreclose on liens based on notice to the customer.

- 5.7 If, in response to a notice of termination, the District receives payment by check and the check is dishonored for insufficient funds or any other reason, the District may terminate service immediately without further notice and the overdue bill will be subject to the Discontinuation of Service Fee.
- 5.8 The District may add to the bill any costs incurred by the District in collecting such charges, including but not limited to, bank charges on returned checks, court costs, witness fees, process server fees, reasonable attorney's fees, and other costs incidental to collection.
- 5.9 Water service may be refused until all amounts due and owing are paid in full (see paragraph 3.2 of this policy).
- 5.10 This section does not in any way limit the District's rights and remedies under State Statute or judicial precedent.

6 DISCLAIMER OF LIABILITY

- 6.1 The District reserves the right to temporarily shut off the water supply at any time without prior notice when the District deems such action is necessary.
- 6.2 The District shall assume no responsibility for direct or consequential damages suffered by customer or other users to their person or property as a result of termination of water service under Section 5 or temporary shut-offs as described in Paragraph 6.1, or as a result of high, inadequate, or sporadic water pressure or other interruptions of water service which are beyond its control.

7 RIGHT OF EXCLUSIVE CONTROL

- 7.1 All water service delivered by Clifton Water District must be supplied through water mains, valves, and other property of the District. Such property shall not be altered, adjusted, or tampered with in any way without prior approval from the District. Any aspect of the District's distribution system under the exclusive control of the District is up to \$1,000. Each incident will be separate. It will be at the District's sole discretion to determine any additional costs to repair damages that may have been caused from the unauthorized manipulation of the system.
 - 7.1.1 District customers - Penalty will be assessed and included in their monthly water bill.
 - 7.1.2 All others - Penalty will be assessed by invoice to the unauthorized user and payment is due within 30 days. Individuals assessed the penalty will be held liable for payment of the penalty according to Mesa County, Colorado, laws in effect at that time.
- 7.2 The District has the right of exclusive control and supervision of all construction and maintenance of the water system.

8 RESPONSIBILITY OF CUSTOMER

- 8.1 It shall be the responsibility of the customer to provide the District with a correct mailing address of the party responsible for receiving and paying all billings for water service from the District and to keep the District informed of all changes thereof.
- 8.2 It shall be the responsibility of the customer to inform the District of any change in the number of Units/Users being served by the water tap.

- 8.3 It shall be the responsibility of the customer to order service discontinued at least 24 hours before the shut-off date when a customer no longer wants water service. Once water service is terminated, the tap will be considered inactive.
- 8.4 It shall be the responsibility of the customer to maintain the meter free of fences, shrubs, or other debris which could hinder the reading, service, and maintenance of the meter.

9 UNINTENTIONAL WATER USE AND WATER METER TESTING

- 9.1 The District is not responsible for water on the customer's side of the meter. When a leak is detected on the customer's side of the meter, the customer should notify the District as soon as possible.
- 9.2 Once a leak is detected on the customer side of the meter it is the customer's responsibility to repair the leak as expeditiously as possible. The District will read the meter as soon as possible after receiving notice of the leak. The customer must contact the District within 180 calendar days of detection of a leak to request an adjustment. To alleviate the potential hardship the customer may have in paying for water lost before the leak is detected and the meter read, the District will limit the customer's obligation to pay for lost water to an average of the last three month's water bills (no less than the minimum charge) plus five (5) times the minimum monthly charge for the customer requesting the adjustment to the water bill unless the leak was willfully caused by the Customer. If the adjustment is greater than the actual water bill, the District will accept the lesser amount. The customer must pay for all water used after the leak is discovered and the meter is read.
 - 9.2.1 The District will allow one (1) Leak adjustment per property per calendar year.
 - 9.2.2 Leak Adjustments are allowed on Residential Single Use Taps only.
- 9.3 Should the customer feel that the charges made are due to a faulty meter, the meter will be tested under the following condition: that the meter is removed in the presence of the customer or his representative and taken to the water meter test bench with the meter being in the possession of the customer at all times. The meter will be tested in the customers presence, and, if shown to be accurate (within 3.0%), there will be a charge in accordance with paragraph 11.12 of this Policy. If the meter is shown to be inaccurate, an appropriate adjustment will be made on the water bill as determined by the District.

10 OUT-OF-DISTRICT FEE POLICY

- 10.1 All fees and other charges for out-of-District users will be one and one-half (1.5) times that charged to in-District users.
- 10.2 No out-of-District service will be initiated without specific Board action.

11 CURRENT CHARGES

- 11.1 Residential Single Use Taps.
 - 11.1.1 Current water usage fees are shown in Exhibit A.
- 11.2 Residential Multiple Use Taps.
 - 11.2.1 The monthly minimum usage fee for multiple usage shall include the minimum charge for each unit served by the tap. The minimum charge entitles the customer to 3,000 gallons of usage for each unit. Customers shall pay the overage charge for each 1,000 gallons used in excess of the total gallons covered by the minimum usage fee.

- 11.2.2 The number of units used to calculate the monthly minimum shall be the total number of units occupied or unoccupied.
- 11.3 Non-residential Single Use Taps.
 - 11.3.1 Current water usage fees are shown in Exhibit A.
- 11.4 Non-residential Multiple Use Taps.
 - 11.4.1 The monthly minimum usage fee for multiple usage shall include the minimum charge for each unit served by the tap. The minimum charge entitles the customer to 3,000 gallons of usage for each unit. Customers shall pay the overage charge for each 1,000 gallons used in excess of the total gallons covered by the minimum usage fee.
 - 11.4.2 The number of units used to calculate the monthly minimum shall be the total number of units occupied or unoccupied.
- 11.5 In no event shall the monthly minimum usage fee be less than the fees set forth in Exhibit A so long as the tap is active.
- 11.6 Connect fee. A connect fee will be charged for each new customer account.
 - 11.6.1 The in-District connect fee is \$20.00
 - 11.6.2 The out-of-District connect fee is \$30.00 which is 1.5 times the in-District rate.
- 11.7 Discontinuation of Service Fee. Under conditions set forth in Section 5 of this policy a Discontinuation of Service Fee shall apply. The Discontinuation of Service Fee will be assessed on the opening of business the day of the scheduled discontinuation of service, as identified on the Discontinuation of Service Notice mailed to the customer, unless prior arrangements are made.
 - 11.7.1 The in-District Discontinuation of Service Fee is \$20.00.
 - 11.7.2 The out-of-District Discontinuation of Service Fee is \$30.00 which is 1.5 times the in-District rate.
- 11.8 Delinquency Charge.
 - 11.8.1 The Delinquency Charge for "past due" accounts as described in Paragraph 3.4, 3.5, and 3.6 is \$1.00 per service period.
- 11.9 Unauthorized water use penalty.
 - 11.9.1 The penalty for unauthorized (un-metered or unauthorized) use of water from a single service connection and/or meter pit is \$50.00 per separate offense. Each day of unauthorized usage constitutes a separate offense. In addition to the above mentioned \$50.00 per day fee, unauthorized use of water from a fire hydrant is subject to the conditions of the Clifton Water District Fire Hydrant Usage Policy.
- 11.10 Third party notification charge.
 - 11.10.1 The annual charge for third party notification is \$10.00 per person to be notified.

11.11 Additional charges.

11.11.1 All charges, fees, penalties, and Delinquency Charges provided herein will be added to the customer's bill and, if unpaid, may result in discontinuation of service, personal liability for the customer, and a perpetual lien and foreclosure against the property.

11.12 Meter testing charges. A meter testing charge will be charged for each time a meter is tested for its accuracy.

11.12.1 The in-District charge to the customer for testing meters will be as follows: \$35.00 for meters up to 3/4"; \$45 for 1" meters; \$55 for 1 1/2" meters; \$85 for 2" meters; and \$130.00 for 3" meters.

11.12.2 The out-of-District charge to the customer for testing meters will be 1.5 times the in-District rate as follows: \$52.50 for meters up to 3/4"; \$67.50 for 1" meters; \$82.50 for 1 1/2" meters; \$127.50 for 2" meters; and \$195.00 for 3" meters.

11.13 Fire hydrant charges.

11.13.1 Water use from any District fire hydrant will be metered by a device provided by the District. Customers may contact the District and have the device installed prior to using any water from the hydrant. Current charges are shown in Exhibit A.

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