



5762 Woodcock Road

Sequim, WA 98382

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**SunLand Water District**  
**POLICY RE:**  
**RATES, PAYMENTS, DELINQUENT ACCOUNTS, LIENS AND FORECLOSURES**  
**Resolution No. 120 – as amended 6-15-22**  
(Supersedes Resolutions 113 and 68)  
Reference: RCW 57.08.081

**A RESOLUTION OF THE SUNLAND WATER DISTRICT TO ESTABLISH A POLICY FOR  
PAYMENTS, DELINQUENT ACCOUNTS, LIENS AND FORECLOSURES**

**1.0 INTRODUCTION**

This policy applies to the water and sewer services provided by the SunLand Water District pertaining to rates, late charges, payment of water and sewer services, collection of delinquent accounts, filing of liens, release of liens, and other actions such as foreclosure that might be taken to collect delinquent service fees owed to the District.

**2.0 RATES**

**2.01 DEFINITIONS**

Customer: A customer is a person(s) or legal entity responsible for District charges for water and/or sewer connection(s) to the District water and/or sewer system. There are two classes of customers:

- a. Customers whose connections lie within the SunLand Corporate Boundary
- b. Customers whose connections lie outside the SunLand Corporate Boundary.

All customers within each class, meter size, or connection type will be charged the same rate.

Connection Type: The District will bill three separate connection types:

- a. Residential Connection. Metered connection to single or multiple-family dwellings.
- b. Commercial Connection: Metered connections to commercial buildings of the SunLand Golf and Country Club, realty offices, and the SunLand Owner's Association.
- c. Irrigation Connection: Metered connection that supports landscaping.

Rate Basis: The District currently charges on a "flat fee" basis.

Location Surcharge. A 150% multiplier of the within Sunland water rate is applied to connections that lie outside the SunLand Corporate Boundary.



## 2.02 RATE SETTING PROCESS

The District Manager and staff will develop a proposed budget for the next calendar year, using the 6-year budgeting process. After all planned personnel, administrative and operating expenses are calculated, revenues required to cover those expenses and to replenish any needed reserve accounts will be determined.

The annual flat rate for each customer will be calculated based upon the proposed budget and connection type as noted below:

- Water and sewer customers.

The total annual rate represents a 33% charge for water and a 67% charge for sewer service.

- Irrigation only rates are charged by meter sizes as shown below.

2-inch meter connection

1-inch meter connection

3/4-inch and 5/8-inch meter connections

Irrigation rates are calculated as a percentage of the water rate charged residential customers within SunLand (e.g., 110%, 105%, etc.). The percentage rate calculation to be charged for each meter size will be determined as part of the budget process each fiscal year.

## 2.03 APPROVAL OF PROPOSED RATES

The District Manager and staff will present the proposed budget and rate schedule to the Board of Commissioners for consideration and/or approval no later than the scheduled September Board meeting.

If the proposed budget is not approved by the Commissioners, District staff will make revisions and have the final budget and rate schedule ready for approval no later than the October Board meeting.

When the proposed budget is approved, it will be formalized into a Resolution and signed by the Commissioners. The approved rate schedule will be published announcing the next year's rates.

## 3.0 ACCOUNTS RECEIVABLE/PAYMENT OPTIONS

Standard payment options are:

- a. Pay annual bill in full.
- b. Make semi-annual payments.
- c. Make quarterly payments based on the annual bill divided by four (4).



- d. Forms of payment accepted: Personal check, cashier's check, and cash are preferred. Credit card payments may be taken by phone or in person and are currently processed through a third-party credit card processor. Additional fees may apply.

### **3.01 ALTERNATIVE PAYMENT OPTIONS**

If a customer requires alternative payment options, their request must be brought to the Board of Commissioners for approval. A written and signed payment agreement between the account owner and the SWD will be required once an agreement is made. The special agreement will be documented in the "Notes" section in the computer database for the customer's account.

### **4.0 DELINQUENT UTILITY SERVICE ACCOUNTS**

#### **4.01 DELINQUENT ACCOUNTS**

For purposes of establishing delinquency, water and sewer service charges are due the first day of the 1<sup>st</sup>, 4<sup>th</sup>, 7<sup>th</sup> and 10<sup>th</sup> month of each calendar year. An account is considered delinquent if payment is not received in the SWD office by the first business day of the following month (e.g., February 1<sup>st</sup> for a January 1<sup>st</sup> due date). If a payment is received on the first business day, it will not be considered delinquent. Where a customer receives both water and sewer services from the SWD, both must be paid for the account to be considered current.

#### **4.02 LATE CHARGES**

A late fee of \$25.00 will be charged for each delinquent payment. If late fees are not paid with the delinquent payment, and not paid in full before or with the next quarterly payment, an additional late fee of \$25.00 will accrue per quarter on unpaid late charges until the applicable late charge(s) are paid in full and the account is brought to current status.

Account owners may contest late charges at the monthly Board of Commissioners meeting, either in person or in writing by letter or email to the office administrator showing good cause for the late payment. The following reasons are examples of reasons eligible for consideration in determining whether or not the customer is able to show good cause for late payment of their utility bill:

- Death in the family.
- Hospitalization of customer or their immediate family.
- Customer is bedridden or otherwise incapacitated to such an extent that they are unable to leave their home to prepare and mail the payment.
- If there is a change in the District's billing/payment system, a late fee can be waived once during the transition period.
- If the District's made an administrative error in crediting the account.
- If an emergency has been declared.
- Other serious extenuating circumstances deemed as appropriate reasons by the Board.



After the Board's decision, the office administrator will respond in writing or email, notifying the customer if an adjustment of the late fees will be made.

If the Board does not find good cause for the customer's late payment, the customer will be informed in writing by email or letter. The decision of the Board in each case will be final and recorded in the minutes of the meeting. If a late charge is waived, the office staff will delete the charge from the account and document the Board decision in the "Notes" section in the computer database for the customer's account.

#### **4.02.1 SHORT PAYMENTS**

The office staff is authorized by the Board of Commissioners to accept short customer payments of \$25.00 or less to be paid with the following quarter without charging a late fee and without requiring Board review.

#### **4.02.2 RETURNED CHECK FEE**

A \$20.00 fee will be charged for any check returned by the payee's bank for any reason. This fee will be in addition to any late charges that may apply for delinquent payments.

#### **4.03 PAST DUE REMINDER**

Notice of delinquency is sent to the registered owner at the address in the SWD database via regular mail, either by computer-generated form or personal letter, and also sent via email, if an email address was made available to the SWD.

#### **4.04 SHUT-OFF NOTICE**

Notice of intent to suspend water service (Shut-Off Notice) will be sent by certified mail and posted at the property location at least 14 days prior to such suspension. Water service will be subject to termination the 60<sup>th</sup> day past the due date and will not resume until the current balance due, all delinquencies and penalties, and the reactivation fee are paid in full by cash, cashier's check, or credit card paid through a third-party credit card processor (fees may apply). (See Sections 4.08 and 4.09 re Authorized Reactivation and Unauthorized Reactivation fees.)

Unpaid late charges will not cause water service to be shut off. Late fees cease to be charged when water service is shut off by SWD personnel due to non-payment. Once water service resumes, late fees will be incurred if the account becomes delinquent again.

The Shut-Off Notice states the deadline for receipt of payment, the day and time for termination of service if payment is not received, and the amount of the reactivation fee. The Notice also includes an excerpt from Washington State Law RCW 57.08.081 (see Attachment).



#### **4.05 APPEAL**

In the event the property owner believes there is an error in the billing, or in the event the property owner disputes the amount due set forth, they shall be entitled to a hearing before the District Manager, or his/her designee, prior to termination of service, provided that a written request for such hearing is received by the District Manager no later than the close of business on the day before the payment due date. At the hearing, the property owner shall have the opportunity to present oral or written information in support of his/her claim of error or irregularity. After giving careful consideration to any information presented, the District Manager, or his/her designee, shall make any adjustment in the bill he/she deems appropriate to correct any applicable errors. Any adjustment beyond correction of billing errors must be taken to the Board of Commissioners for consideration of a fair and equitable decision which shall be in writing and shall be final and conclusive.

#### **4.06. FAILURE TO RECEIVE A BILL**

Failure to receive a bill does not relieve a customer of the responsibility for payment of charges and penalties.

#### **4.07. SERVICE TERMINATION**

If a delinquent account is not paid before the required payment date specified on the Shut-Off Notice, water service shall be terminated on the date stated on the notice.

#### **4.08. AUTHORIZED REACTIVATION**

If water service is discontinued, service shall be reactivated for this property when the delinquent amount and the penalty charges are paid in cash, cashier's check or credit card paid through a third-party credit card processor (fees may apply). There shall be a \$250.00 fee for authorized reactivation service during regular business hours, Monday through Friday, 8:00 a.m. to 4:00 p.m. or a charge of \$275.00 after regular District business hours.

##### **4.08.1 AUCTIONED PROPERTY**

The buyer of an auctioned property must pay all past due service fees, late fees, and the reconnection fee in order to restore service. The Board of Commissioners may authorize a waiver of fees in accordance with the criteria set forth in Section 4.02.

#### **4.09. UNAUTHORIZED REACTIVATION**

If a previously terminated service is reactivated without written consent of the District by any party other than SWD personnel, an Unauthorized Reactivation Fee of \$500.00 shall be assessed against the serviced property, regardless of who is actually responsible for the reactivation. Thereafter, the water meter shall be locked. Before service will be reactivated, all fees, delinquent amounts and penalties



must be paid by cash, cashier's check, or credit card paid through a third-party credit card processor (fees may apply).

If the lock on a locked meter is cut or otherwise tampered with, a System Tampering Charge shall be assessed (See Section 6.0 below). Any resulting damages to the water service lines, equipment or other parts of the public utility system will be repaired at the property owner's expense.

#### **4.10 TEMPORARY REACTIVATION OF SERVICE**

If service has been discontinued due to delinquency, an authorized agent of the owner of the property may request in writing to have service temporarily reactivated to facilitate the sale of the property. There shall be a prepaid \$80.00 charge for temporary reactivation of service during regular business hours (8 a.m. to 4 p.m.), Monday through Friday, or a charge of \$150.00 for service restoration outside these hours. The temporary restoration of service shall not exceed 24 hours.

### **5.0 LIEN AND FORECLOSURE**

#### **5.01 NOTICE OF INTENTION TO FILE LIEN**

Sixty (60) days after an account becomes delinquent, the District may send a letter to the property owner(s) of record of the delinquent property. The letter shall notify the interested party/parties of the District's intention to file a lien against the property and to give the interested party/parties the opportunity to take action to prevent the District's lien filing.

#### **5.02 LIEN AND FORECLOSURE POLICY**

The policy concern lien and foreclosure of delinquent accounts shall be as follows:

The "Shut-Off Notice" (Section 4.04) will also serve as a notice to the property owner of the District's intent to file a lien against the property receiving service. Should the past due balance remain delinquent past 60 days, the account may be certified as a delinquency and a lien may be filed against the property with the Clallam County Auditor. The account will be assessed a Lien Processing charge of \$125.00 for each lien filing and \$125.00 for a subsequent release of a specific lien against the property.

Action may be taken by the Board of Commissioners to enforce collection of the delinquent amount at any time after said charges have been delinquent for a period of 60 days, pursuant to RCW 57.08.081. The District is authorized to foreclose by civil action in the Clallam County Superior Court, and to request attorneys' fees in such amount as the court may adjudge reasonable. The action shall be *in rem* against the property and, in addition, may be brought in the name of the District against an individual, or against all of those who are delinquent in one action, and the laws and rules of the court shall control as in other civil actions; it is provided, however, that foreclosure shall not be authorized until the delinquency is \$1,000.00 or more. Each account, which has been submitted to the District's attorneys for foreclosure, shall be charged attorneys' fees and costs incurred related to the foreclosure. The District may, upon the discretion of the Board of Commissioners, consider alternatives to foreclosure



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such as a payment plan offered by the property owner, or, in the case of a pending sale of the property where a lien is already in place, to wait for the property to be sold and the District receiving full payment from escrow proceeds.

### **5.03 RELEASE OF LIEN**

The lien filed with the County Auditor shall not be released until the account balance, including late charges and interest, is paid in full.

### **6.0 TAMPERING WITH THE PUBLIC UTILITY SYSTEMS**

It is a federal offense for anyone to tamper with a public water system (42 USC Sect. 300i-1). In addition to any penalty applicable under the State, the District shall assess a System Tampering Charge of \$500 for each instance of such tampering. Examples of tampering with the water or sewer system include:

- a. Cutting of locks or other apparatus installed for the purpose of terminating service(s)
- b. Gaining unauthorized access to storage sites or other enclosed utility facility sites
- c. Operating or damaging any system components.
- d. Unauthorized connections to the District's water system





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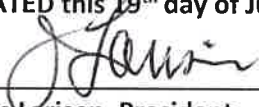
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WHEREAS, RCW 57.08.08 is a law of the State of Washington, regarding Rates and charges – Delinquencies, and

WHEREAS, the SunLand Water District wishes to comply with said law and safeguard the funds of the public utility; now, therefore be it

RESOLVED, that the SunLand Water District Board of Commissioners adopts the SunLand Water District Delinquent Accounts, Lien and Foreclosure Policy as amended on June 15, 2022.

DATED this 19<sup>th</sup> day of July 2022.

  
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Jim Larison, President

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Al Frank, Commissioner

  
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Gary Fortmann, Secretary





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**ATTACHMENT TO RESOLUTION 120**

***EXCERPT FROM RCW 57.08.081***

*(4) The district may, at any time after the connection charges or rates and charges for services supplied or available and penalties are delinquent for a period of sixty days, bring suit in foreclosure by civil action in the superior court of the county in which the real property is located. The court may allow, in addition to the costs and disbursements provided by statute, attorneys' fees, title search and report costs, and expenses as it adjudges reasonable. The action shall be in rem, and may be brought in the name of the district against an individual or against all of those who are delinquent in one action. The laws and rules of the court shall control as in other civil actions.*

*(5) In addition to the right to foreclose provided in this section, the district may also cut off all or part of the service after charges for water or sewer service supplied or available are delinquent for a period of thirty days.*