

**Lady Creek Water System  
Delinquent Member Dues and Assessments Policy  
July 16, 2018**

This policy was approved by the Lady Creek Water System (“LCWS”) Board of Directors (the “Board”) on July 16, 2018, to clarify and modify LCWS policies concerning member dues and assessments that are not paid as of the specified due date.

**Background:** This policy revision enhances and clarifies the process of notification to members who do not pay their dues or assessments on time. It incorporates the unification of Annual Dues and Capital Assessment billing; notification of past due amounts via certified or registered mail; and also email and telephone calls to facilitate collections and provide additional notifications.

**Objectives:** The objectives of this policy are:

1. to ensure that LCWS members pay their dues and assessments on time;
2. to treat all members consistently and fairly;
3. to ensure that members receive multiple warnings before they are assessed a late fee or have their water service locked off; and
4. to prevent persons from receiving water service without paying their fair share of the costs of such water service.

**Billing Policy and Procedures:** All dues and assessments will follow the billing policy and procedures described below.

**Annual  
Dues and  
Assessment    Action Required**

Jan 1	Billing statements mailed to members (or up to 5 days prior)
Jan 31	Due date for payment
Feb 10	Past due notices mailed
Feb 25	Members contacted via email and telephone regarding past due status
Mar 1	Second past due notice mailed via certified/registered mail
Mar 15	Final due date to avoid late fee
Mar 16	Notice of late fee and pending water shut-off via certified/registered mail
Mar 31	Final due date to avoid water shut off
Apr 5	Shut off water and lock meter for non-payment

1. The President does NOT have the authority to waive previously assessed dues, assessments, or late fees under this policy, but the Board of Directors has such authority if approved by a majority vote.
2. For any member whose water service is locked off due to non-payment, the member’s account will be declared “Inactive”, and they will be subject to the Inactive Member policy documented separately.

The President of the Board will have the authority to delay the turn off date for water services, on a discretionary basis, for those members who request to bring their accounts current over time by making reasonable regularly scheduled monthly payments, not to exceed a 12-month period. The President will consider the members’ payment history, as well as any extenuating circumstances the member may provide by way of explanation, in exercising his/her discretion to delay water service lock-off. Any such arrangement made will be documented in writing by the President. The imposition of additional late fees

may be suspended so long as regular monthly payments are made in a good faith effort to catch up the past due balance. A member operating under a payment plan will continue to be assessed any annual dues and capital assessments which occur during the payment plan period.

**Past Due Accounts:** Payments will be applied first to any late fees outstanding, then to the oldest outstanding invoice amount. Members will not be declared inactive, and will not have their water service locked off, if their unpaid balance is less than \$50. If any past due member account balance is \$50 or more, that member will be subject to shut off for non-payment under the billing policy and procedures above.

**Inactive Account Statements:** Annually, inactive member accounts will receive a statement of the amount due to reinstate their service to full active status. This annual statement is intended to minimize misunderstandings regarding the cost of restoring service to a member account.

This policy was adopted by the Board of Directors on July 16, 2018.

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President  
Jamea Harrington

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Secretary  
Dar Crammond