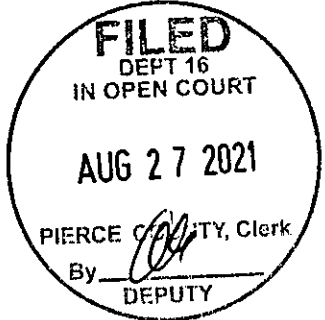


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Honorable Elizabeth Martin, Dept. 16
 Hearing Date: Friday August 27, 2021

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IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON
 IN AND FOR THE COUNTY OF PIERCE

WASHINGTON STATE DEPARTMENT
 OF HEALTH,

 Petitioner,

 vs.

 KAPOWSIN WATER DISTRICT, Owner,
 KAPOWSIN WATER SYSTEM,

 Respondent.

NO. 17-2-12992-1
~~PROPOSED~~
 SECOND SUPPLEMENTAL ORDER

The court finds the proposed Water Utility Receivership Administrative Standards are reasonable, will further the court's direction that the Receiver impose reasonable assessments on the water systems' customers to recover expenditures for improvements necessary for public health and safety, as well as for daily operation and maintenance of the water system, and impose rates and charges that are uniform and nondiscriminatory as to each class of service and as to customers receiving a like service or as otherwise authorized by law.

The court orders that the Administrative Standards are approved for implementation upon the expiration of the Governor's Proclamation 20-23.16 or upon the expiration of any

1 subsequent extension or additional proclamation issued by the governor relative to Water Utility
2 collections issued by the governor relative to Water Utility collections.

3 **NOW, THEREFORE, IT IS HEREBY ORDERED:**

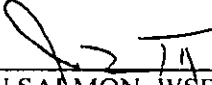
4 Pierce County's motion for a Second Supplemental order is granted.

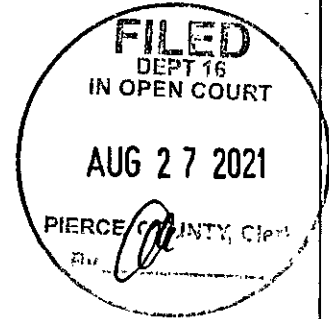
5 DONE IN OPEN COURT this 27 day of August, 2021.

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8 
9 JUDGE ELIZABETH MARTIN

10 Presented by:

11 MARY ROBNETT
12 Prosecuting Attorney

13
14 By: 
15 JOHN SALMON, WSBA #20812
16 Deputy Prosecuting Attorney
17 Attorneys for Pierce County
18 PH: (253) 798-7783 / FAX: (253) 798-6713



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EXHIBIT A

**Pierce County
 Planning and Public Works, Sewer Division
 Water Utility Receivership
 Administrative Standards**

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Appendix A – Sample Water Service Application

Appendix B – Sample Service Termination Notice

1. Purpose

The purpose of these Administrative Standard is to provide clear standards for water service administration, financial operations, rates, charges, and fees for water systems under Receivership with Pierce County. Our goal is to provide transparency and accountability of operations to the customers we serve, and to ensure consistency and fairness in the application of standards to all customers.

2. New Connections and Accounts

No new connections or associated accounts may be established during this Receivership.

3. Existing Accounts

The owner of a property that is provided with water service is legally responsible for all charges until the County receives written notice of a change in ownership. The County shall establish tenant accounts per the process below, but the property owner is ultimately responsible for unpaid charges for a service address.

Tenant Applications

A tenant may apply for service directly with the County, or a property owner may set up an account for a new tenant. The account may be initiated by submitting, along with the applicable deposit, 1) a water service application signed by the owner and tenant, and 2) appropriate documentation such as a rental agreement, lease agreement, or property management agreement signed by both parties.

The application may be obtained by calling the County at (253) 798-4020 or accessed online at www.piercetypecountywa.gov/sewer.

Deposit Amount

A \$300 deposit shall be collected from each property owner or tenant for each change in water account. The County shall adhere to the established deposit rates for new account holders. A property owner who wishes to charge a larger utilities deposit to a tenant should collect and hold an additional deposit as a part of the property rental application process. Deposits are due at the time an account is set up. If the deposit payment is not provided within the required timeframe, the account will be subject to water shut-off per the process in Section 8.

Deposit Waivers

A deposit may be waived for a new customer who:

- Provides a letter from an established utility that states "Customer is in good standing for at least 24 months", and
- Signs up for automatic utility payment services (ACH), and
- Is the owner of the property for which they are requesting service.

Deposit Refunds

Deposits shall be refunded within thirty (30) days of the account being closed, less any amounts due for water rates, charges or fees. Deposits not refunded due to inability to locate account owner shall be deemed unclaimed property and treated as unclaimed property in accordance with state law.

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4. **Account Termination**

Account holders are responsible for notifying the County in writing, of move-out date or termination of services, and for providing a forwarding address for any final bill or deposit refund. A tenant account holder shall continue to be responsible for services and charges until the County is notified of the vacancy, at which time, financial responsibility for services shall revert to the property owner.

A property owner shall continue to be responsible for services and charges until the County receives written notice of a property ownership change. A property owner may notify the County, in writing, on behalf of a tenant of a move-out date, provide a forwarding address, and close the account. The day following the tenant moveout date, billing for services (base service charges) shall be the responsibility of the property owner. The property owner shall also be responsible for unpaid charges following termination of the tenant account, less any deposit applied.

5. **Billing**

Water Service Rates and Charges

Water base service rates are assessed and billed on a calendar month basis. The base service rate is fixed and applied to each individual water meter connected to a dwelling unit or applicable structure.

In addition to the base service rates, each property may be assessed surcharges for maintenance and operation, system acquisition, and capital improvement costs imposed by the County in fulfilling management under water system receivership. Maintenance and operations include, but are not limited to, costs to access or replace meters that have been damaged or made accessible by the owner or tenant. Such taxes, fees, and surcharges shall be passed on to the customer to recover expenditures associated with the cost of providing safe and reliable drinking water for the Water Service Area. Surcharges are billed separate from the monthly service rates.

Service billings are mailed directly to the owner of the property served, at the address of the property receiving service, or at the owner's address in cases when the owner's address is different than the address of the property receiving service. Failure to receive such billings shall not relieve the property owner from paying any service charges owed, or from paying any penalty and interest costs that are accrued upon failure to pay such billings when due. Because property owners are legally responsible for all utilities service charges, owners of rental properties shall receive a copy of tenant billings, including delinquent notices.

Due Date

Service rates and charges for properties or structures for which service is furnished or made available are due 25 days after the billing date. Such charges become delinquent 30 days from the date of the invoice.

6. **Interest and Penalties**

Delinquent Water Accounts

If charges for water service are not paid in full within 25 days of the billing, then an amount equal to ten percent (10%) of the charges shall be added to the account as a late penalty 5 days after the due date. Interest shall be charged at eight percent (8%) per annum, assessed monthly on the total unpaid service rates and charges, fees and penalties, excluding interest, on all delinquent accounts.

If on the next billing date, all or a portion of the delinquent charges and penalty remains unpaid, this amount, plus the new charges for water service shall be due and owing. Any payments shall be applied first to the delinquent charges and penalty, and second to the new charges. These provisions regarding payments and penalties shall apply to all subsequent billings. If the 25th day falls on a weekend or a holiday, customers may have the next full business day to make payment to avoid penalty.

For customers with a payment history of twelve (12) months or more with the County, and who have been in good standing for a minimum of twelve (12) consecutive months (i.e. payment has been received in full on or before the due date), the County may, upon written request waive one month of interest and penalty charges. The County shall not waive interest and penalties more than one time per calendar year.

7. Payments

Payments may be made with U.S. currency, personal check, money order, cashier's check, and other forms of payment approved by the County. A returned check charge of 25 dollars (\$25.00) shall be assessed against an account in cases where the County receives a returned check for payment of service charges.

Payment Plan

A delinquent account holder may request establishment of a County-approved payment plan to avoid service shut-off and to reconnect service. Payment plans are subject to the following:

- The request must be in writing.
- Interest, penalties, and fees incurred to the date of payment plan establishment shall not be waived.
- All current charges must be paid by the due date indicated on the monthly billing, in addition to the payment plan installment, unless otherwise specified on the approved payment plan form.
- Accounts shall continue to accrue interest on the past due balance during the term of the payment plan, until made current.
- If payments are made per the terms of the payment plan, including payment of current charges, additional penalties shall not be assessed.
- The maximum payment plan term shall not exceed 24 months.
- The minimum monthly payment plan installment shall be twenty-five dollars (\$25).
- The County shall not consider a request from an account holder for establishment of a payment plan more than once in a twelve (12) month period.
- Payment plans are available only to active account holders; if an account holder moves or terminates service, all outstanding balances are immediately due and payable.

The County has discretion to approve or deny the request on a case-by-case basis. Factors used to determine whether the request shall be honored include frequency of delinquencies, frequency of requests for payment due date extensions, magnitude of amount owed, and length of time account holder has been in good standing with the utility. A payment plan that has been offered but not acted on by the delinquent account holder is valid only through the current bill due date. Property owners with active service and current tenants who default on an established payment plan shall immediately be subject to shut off.

Bankruptcies

Accounts shall be discharged per the terms of a settlement filed in bankruptcy court. A new account shall be set up for a customer from the date a bankruptcy petition is filed, to clearly separate pre- and post-bankruptcy filing charges.

8. Water Shut-off/Service Disconnection

Water Shut-off

Customer accounts not paid within sixty (60) days of billing date shall receive a Service Termination Notice, which shall specify the delinquent charges and penalties. The notice shall clearly specify the date and time by which payment must be received to avoid water shut-off. The notice shall be personally delivered or sent by mail. Payment of all past due charges including interest and penalties is required within seven (7) days to avoid service disconnection.

The Service Termination Notice shall be the only notification by the County to the property owner, or the owner's representative, prior to service disconnection. Disconnection shall occur a minimum of eight (8) business days after the notice has been mailed.

A property owner receiving a Service Termination Notice may request an extension of time in which to pay the delinquent charges by filing a written request with the County prior to service disconnection. The County shall only extend the time in which to pay the delinquent charges until the last day of the month in which the request is made, or until the date stated in a written payment plan approved by the County. The written payment plan must be signed by the owner of the property served by the County, regardless of whether the property is occupied by a tenant. A customer may not use the account deposit to avoid shut-off.

Accounts dispatched for service disconnection shall be assessed time-and-materials fees and charges for water shut-off procedures. These fees are considered due and payable when assessed. The termination charge will apply to all accounts where payment is not received at the office 24 hours before the service disconnection date.

Once service disconnection occurs, all charges (delinquent, current, and assessed fees) must be paid in full prior to reconnection, or after the establishment of a county-approved payment plan. Upon disconnection, payment may be made only at authorized Pierce County offices. County employees are not authorized to accept payment at the service address.

9. Reactivation/Service Reconnection

Service shall be resumed if the delinquent amount, charges and penalties, service termination notice charges and service termination charge are paid in full. There shall be no charge for reactivating service Monday through Friday, 8:00 a.m. to 3:30 p.m. No service calls for reconnection, due to delinquency shut-off, shall be dispatched after 3:30 pm or on weekends.

If Service is reactivated by any party without written consent from the County, a \$150 unauthorized reconnection charge will be assessed against the serviced property regardless of who is responsible for the reactivation.

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10. Collections

Inactive customer accounts not paid within ninety (90) days of the final billing date shall be sent one final notice of payment due. Accounts not paid within fourteen (14) calendar days of the final notice mailing will be sent to collections. If a final bill is returned undeliverable to the County, the account will immediately be sent to collections. Once sent to collections, the account holder shall receive a letter from the collection agency indicating their account has been sent to collections and providing a thirty (30) day payment window before collection activities begin. Once submitted to collections, all payment arrangements must be made per the terms communicated by the collection agency. The County shall no longer have direct responsibility for these accounts.

The County may send property owners to collections for delinquent charges. The property owner will be mailed a final notice of payment due, providing fourteen (14) calendar days for full payment of the account prior to being sent to collections. A property owner may both be sent to collections and subject to water shut-off provisions.

The County shall adhere to the time limits established by Washington law regarding assigning delinquent accounts to collections. Due to the administrative efforts required, it is not cost effective to send accounts less than or equal to fifty dollars (\$50) to collections. However, this does not constitute forgiveness of the debt and is still payable by the debtor. The County will review accounts annually and follow County guidelines for writing off accounts deemed to be bad debt.

11. Liens

The County shall place a lien against the premises for all service charges and associated penalties, interest, and fees that become ninety (90) days or more delinquent. A lien may be placed on the property owner for charges incurred by a tenant. As a courtesy, the County shall send a notice to the account holder of intent to file a lien a minimum of thirty (30) days prior to the lien being placed, specifying the date payment must be received to avoid placement of a lien. As soon as administratively feasible following ninety (90) days of delinquency, but not prior to the required payment date communicated in the lien notification letter, the County shall certify the delinquency to the auditor of the County and the lien shall attach to the property. Upon placement, the account holder shall receive notice that the lien has been filed. The County shall recertify periodically the delinquent charges, penalties, interest, and fees to the auditor of the county where the property is located.

The account holder is responsible for fees assessed for both attachment, recertification, and release of a lien. When payment is received in full and a lien is subsequently released, the County shall send a courtesy notice of release of lien to the property owner.

Release of a Lien

The lien filed with the auditor of the county shall not be released until the delinquent charges, plus penalties, interest, and all applicable fees are paid in full.

12. Violations and Prohibited Practices

Damage of District Property

No person shall open or tamper with any fire hydrant, stopcock, or any other water system facility or equipment unless authorized by the County. Any person or entity who willfully or negligently breaks,

damages, destroys, buries, uncovers, defaces, or tampers with any structure, appurtenance, or piece of equipment which is a part of the water system shall be liable to the County for all costs, including materials, labor costs, and reasonable attorney fees, to repair, replace, or restore the water system. The County may impose reasonable violation fees and charges on a time-and-material basis to recover its costs for activities undertaken by any person who violates these provisions.

Unauthorized Connections to the Water System

Should any person or other entity make a connection to the water system without first applying and obtaining permission to make a connection and paying all connection fees, or if a connection is made without required inspections, the connection shall be deemed an illegal connection. As a result, the County will incur expenses for investigation, ascertaining the facts of the illegal connection, and other administration costs. The County may disconnect the illegal connection and charge all costs and expenses incurred in making the disconnection. No further connection shall be authorized to the property served by the illegal connection until all charges are paid in full.

13. Quick Reference Fee Table

Water Service Base Rate	\$150.00
Change in Water Account Deposit	\$300.00
Return Check Charge	\$25.00
Unauthorized Reconnection Charge	\$150.00
Late Penalty	10% of late charges
Interest Assessed on Unpaid Balances	8% per annum
Maintenance/Operations Surcharge	varies

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Appendix A

Application for Water Service

Applicants requesting to establish a water service account, are required to complete, sign, and submit this water service form and pay an initial account deposit.

Application Date: _____ Date of Occupancy: _____

Type of Account: Residential _____ Commercial _____

Account Holder Type: Owner _____ Tenant _____

Account Name(s): _____ DOB: _____ Driver's License No. _____

(1) _____

(2) _____

Phone Number: _____ Email Address: _____

(1) _____

(2) _____

Service Address: _____

Billing Address: _____

Signatures:

(1) _____ (2) _____

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Appendix B

July 9, 2021

[Addressee Name, Title]
[Company]
[Address 1]
[City, ST Zip]

Account: #XXXXXXX
Previous Balance:
Penalties:
Current Balance:
Due Date:

Subject: **SERVICE TERMINATION NOTICE**

Dear Ratepayer:

We have not received payment for your water service. For this reason, delinquent fees and charges were added to your account. Service rates and charges are due 25 days after the billing date for properties or structures when service is provided or made available. These charges become delinquent 30 days from the date of the invoice. Your account is 60 days delinquent as of the date of this notice.

If payment in full of the current balance (shown above) is not received in our office by ____pm on _____ service will be terminated on _____ and termination fees and charges will be assessed to the account.

You may request an extension of time in which to pay the delinquent charges by filing a written request with the County prior to service disconnection. The County may extend the time in which to pay the delinquent charges, provided that a written request for an extension is received before service is terminated. Your request shall state the property owner's name, property address being served, and the property owner's contentions regarding the amount of the water service billing and any reasons why water service to the property should not be terminated.

If you do not respond to this notice, additional fees and charges will be made to your account and your service will be terminated after the date above. Before service is restored, the account must be paid in full including any amounts assessed after the date of this notice. If a payment, made before or after service termination, is returned to the County for any reason, service will be terminated without further notice. A penalty will be assessed to the property owner if service is restored to the property by ANYONE OTHER THAN A COUNTY EMPLOYEE. Cost to repair damage to meter, setter, and/or lock is also charged to the property.

Your prompt attention regarding this matter will be most appreciated. No further notice will be given.

Pierce County
Planning and Public Works Department
Customer Billing Service[

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